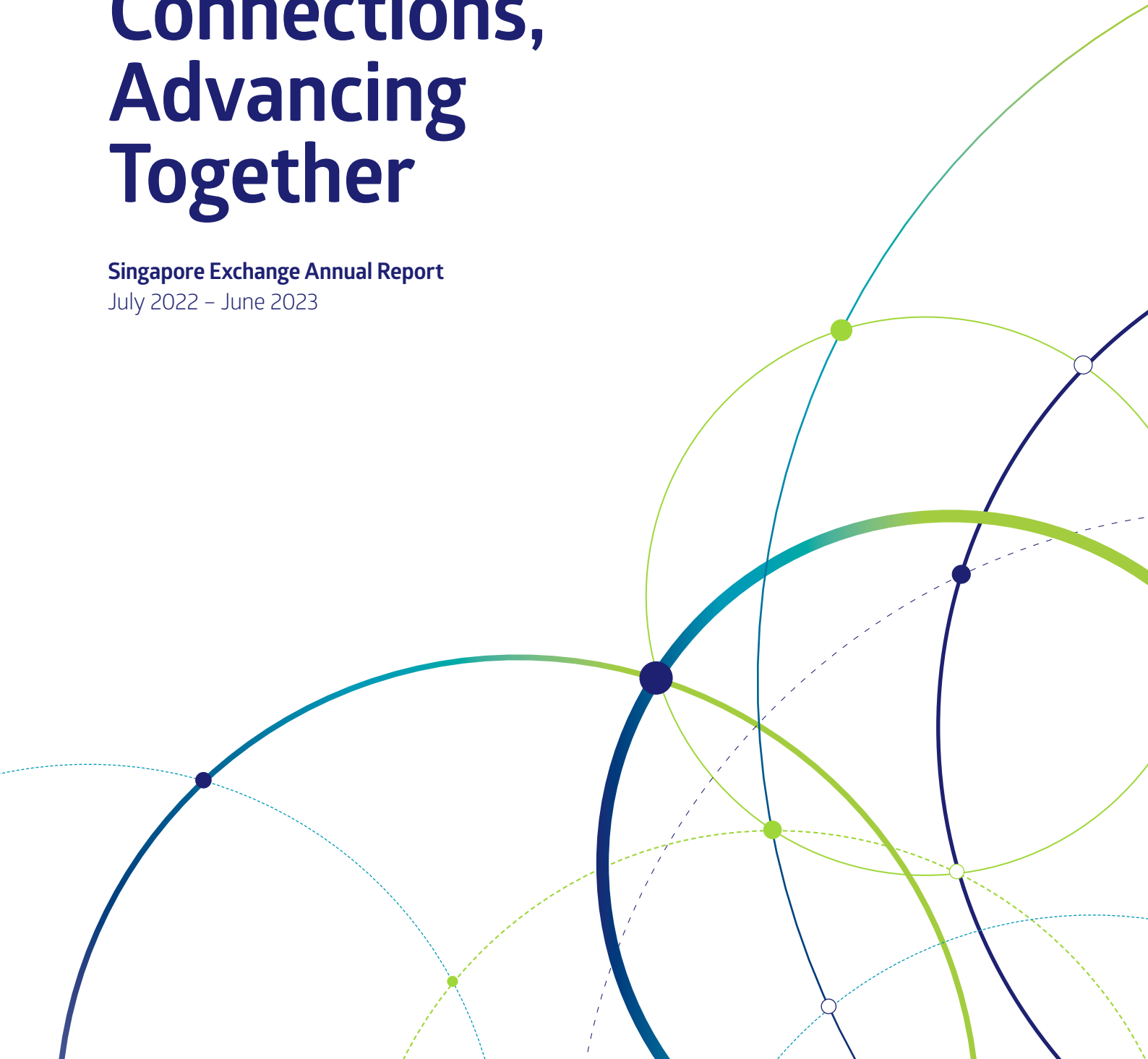




# Global Connections, Advancing Together

Singapore Exchange Annual Report  
July 2022 – June 2023



# Corporate Information

## Board of Directors

### Chairman

Mr Koh Boon Hwee  
*Appointed on 1 January 2023*

### Chief Executive Officer

Mr Loh Boon Chye

### Members

Dr Beh Swan Gin  
Ms Chew Gek Khim  
Mr Lim Chin Hu  
Ms Lim Sok Hui (Mrs Chng)  
Mr Mark Makepeace  
Prof. Subra Suresh  
Mr Samuel Tsien  
Mr Yeoh Oon Jin  
Ms Julie Gao  
*Appointed on 1 May 2023*  
Ms Lin Huey Ru  
*Appointed on 1 May 2023*

## Company Secretaries

Ms Ding Hui Yun  
Mr Seah Kim Ming Glenn

## Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue,  
Keppel Bay Tower #14-07  
Singapore 098632  
**t:** +65 6536 5355  
**e:** SRS.TeamB@boardroomlimited.com  
**w:** boardroomlimited.com

## Auditor

KPMG LLP  
12 Marina View #15-01  
Asia Square Tower 2  
Singapore 018961  
**t:** +65 6213 3388  
**w:** kpmg.com.sg

### Partner-in-Charge

Mr Leong Kok Keong  
*Appointed on 3 October 2019*

## Board Committees

### Audit Committee

#### Chairman

Mr Yeoh Oon Jin

#### Members

Mr Koh Boon Hwee  
Mr Lim Chin Hu  
*Appointed on 24 March 2023*  
Ms Julie Gao  
*Appointed on 1 May 2023*

### Nominating & Governance Committee

#### Chairman

Dr Beh Swan Gin

#### Members

Ms Chew Gek Khim  
Mr Lim Chin Hu  
Prof. Subra Suresh  
Mr Koh Boon Hwee  
*Appointed on 6 October 2022*

### Remuneration & Staff Development Committee

#### Chairman

Mr Lim Chin Hu

#### Members

Ms Chew Gek Khim  
Dr Beh Swan Gin  
*Appointed on 6 October 2022*  
Mr Koh Boon Hwee  
*Appointed on 6 October 2022*

### Risk Management Committee

#### Chairman

Ms Lim Sok Hui (Mrs Chng)

#### Members

Mr Lim Chin Hu  
Mr Samuel Tsien  
Mr Yeoh Oon Jin  
Dr Beh Swan Gin  
*Appointed on 24 March 2023*  
Ms Lin Huey Ru  
*Appointed on 1 May 2023*

## Registered Office

Singapore Exchange Limited  
2 Shenton Way #02-02  
SGX Centre 1  
Singapore 068804  
**t:** +65 6236 8888  
**f:** +65 6535 6994  
**w:** sgx.com

## Place of Incorporation

Singapore

## Company Registration No.

199904940D

## Date of Incorporation

21 August 1999

## Investor Relations

For enquiries on SGX's business performance, contact the Investor Relations team at  
**e:** ir@sgx.com

## Sustainability

**e:** sustainability@sgx.com

# Contents

## Letter from the Chairman and the CEO

SGX Group had another solid year in FY2023. Our financial results continue to demonstrate the strength and resilience of our multi-asset business. Global investors are increasingly turning to our trusted international marketplaces to manage portfolio risk and seek growth opportunities across equities, currencies and commodities.



### Business at a Glance

**28%**

Fixed Income, Currencies  
and Commodities

**60%**

Equities

**12%**

Data, Connectivity  
and Indices

**\$1,194m**

FY2023 Revenue

*Business at a Glance,  
read more at page 10*

### Performance Overview

- 4 Our International Network
- 6 Financial Highlights & Performance Review
- 9 Financial Performance Summary
- 10 Business at a Glance

### Group Overview

- 12 Letter from the Chairman and the CEO
- 16 Organisation
- 18 Board of Directors
- 24 Executive Management Committee

### Value Creation & Sustainability

- 30 How We Create Value
- 32 Identified Trends
- 35 Strategic Priorities
- 38 Risk Management
- 44 Progressing Sustainable Transition
- 92 Corporate Social Responsibility

### Governance

- 96 Corporate Governance Report
- 126 — Remuneration Report
- 133 Summary of Disclosures
- 134 Self-Regulatory Organisation Governance Report
- 141 Report of Independent Committees

### Financials

- 148 Directors' Statement
- 165 Independent Auditors' Report
- 170 Statement of Comprehensive Income
- 172 Statement of Financial Position
- 174 Consolidated Statement of Changes in Equity
- 178 Statement of Changes in Equity
- 180 Consolidated Statement of Cash Flows
- 182 Notes to the Financial Statements

### Others

- 275 Statistics of Shareholdings
- 277 Notice of Annual General Meeting
- 286 Supplemental Information on Directors Seeking Election and Re-election at the 2023 AGM



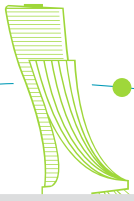
### Online Annual Report

[investorrelations.sgx.com/financial-information/annual-reports](https://investorrelations.sgx.com/financial-information/annual-reports)

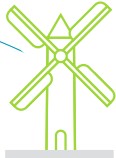


# Performance Overview

# Our International Network



Abu Dhabi



Amsterdam



Gujarat



Hong Kong



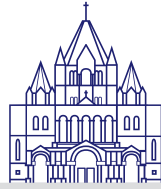
Athens



Beijing



Houston



Boston



London



Chicago



Milan



Geneva



Frankfurt

Offices in **19 Cities**

International Network across **27 Cities**

Singapore Exchange (SGX Group) is Asia's most international exchange, offering multiple avenues of growth to a global network of clients, members and partners, through a single trusted ecosystem.





# Financial Highlights & Performance Review

## Financial Overview

### Revenue

**\$1,194m**

↑ 8.7%

### EBITDA

**\$688m**

↑ 8.5%

### Adjusted<sup>1</sup> EBITDA

**\$689m**

↑ 8.0%

### Dividend per Share

**32.5¢**

↑ 0.5¢

### Net Profit

**\$571m**

↑ 26.5%

### Adjusted Net Profit

**\$503m**

↑ 10.3%

### Earnings per Share (EPS)

**53.4¢**

↑ 26.5%

### Adjusted EPS

**47.1¢**

↑ 10.3%

SGX recorded EBITDA of \$687.9 million (\$634.1 million) and net profit attributable to SGX of \$570.9 million (\$451.4 million) in FY2023. Earnings per share was 53.4 cents (42.2 cents). Adjusted EBITDA was \$688.6 million (\$637.8 million) and adjusted net profit was \$503.2 million (\$456.4 million). Adjusted earnings per share was 47.1 cents (42.7 cents).

The Board of Directors has proposed a final quarterly dividend of 8.5 cents (8.0 cents) per share, payable on 20 October 2023, for approval at the forthcoming annual general meeting. If approved, this brings total dividends in FY2023 to 32.5 cents (32.0 cents) per share. Barring unforeseen circumstances, the annualised dividend will be 34.0 cents per share, an increase of 6.3%.

## Business Overview

Revenue increased \$95.4 million or 8.7% to \$1,194.4 million (\$1,099.0 million), mainly driven by derivatives<sup>2</sup> which increased \$115.6 million or 27.2%.

### Fixed Income, Currencies and Commodities Business (FICC)

FICC revenue increased \$85.4 million or 33.8% to \$338.2 million (\$252.7 million) and accounted for 28.3% (23.0%) of total revenue.



FICC – Fixed Income

Fixed Income revenue decreased \$3.9 million or 31.8% to \$8.3 million (\$12.2 million).

#### Listing revenue

**\$5.1m**



41.2% from \$8.7m

#### Corporate actions and other revenue

**\$3.2m**



8.0% from \$3.5m

There were 918 bond listings raising \$243.4 billion, compared to 1,179 bond listings raising \$429.6 billion a year earlier.

<sup>1</sup> Adjusted EBITDA, NPAT and EPS exclude certain non-cash and non-recurring items that have less bearing on SGX's operating performance. Hence, they better reflect the group's underlying performance. Adjusted figures are non-SFRS(I) measures. 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.

<sup>2</sup> Derivatives revenue includes Equities Derivatives, Currencies and Commodities futures and options trading and clearing revenue and associated treasury income. Total treasury income grew by \$88.9 million.



**FICC – Currencies and Commodities**

Currencies and Commodities revenue increased \$89.3 million or 37.1% to \$329.9 million (\$240.6 million) and accounted for 27.6% (21.9%) of total revenue. OTC FX<sup>3</sup> revenue increased \$17.1 million or 29.2% to \$75.4 million (\$58.4 million).

**Trading and clearing revenue**

**\$227.1m**

↓ 23.5% from \$183.9m

**Treasury and other revenue**

**\$102.8m**

↓ 81.3% from \$56.7m

Trading and clearing revenue grew \$43.2 million, mainly due to increased volumes in commodity and currency derivatives, primarily from iron ore futures and USD/CNH FX futures; as well as higher contribution from OTC FX.

Commodity derivatives volumes increased 35.4% to 41.0 million contracts (30.3 million contracts), while currency derivatives volume increased 28.7% to 36.7 million contracts (28.5 million contracts). OTC FX average daily volume (ADV) increased 7.3% to US\$75.8 billion (US\$70.6 billion).

The increase in Treasury and other revenue was driven mainly by higher treasury income and the full-year consolidation of MaxxTrader.

**Equities Business**

**Equities revenue increased \$10.3 million or 1.5% to \$709.2 million (\$698.9 million) and accounted for 59.4% (63.6%) of total revenue.**



**Equities – Cash**

Equities – Cash revenue decreased \$42.3 million or 10.9% to \$346.1 million (\$388.4 million) and accounted for 29.0% (35.3%) of total revenue.

**Listing revenue**

**\$30.9m**

↓ 11.0% from \$34.8m

**Trading and clearing revenue**

**\$175.4m**

↓ 16.4% from \$209.7m

**Securities settlement, depository management, corporate action, treasury and others<sup>4</sup>**

**\$139.8m**

↓ 2.9% from \$144.0m

There were 8 new equity listings compared to 17 new equity listings a year before, raising \$37.6 million compared to \$1.9 billion a year ago. Secondary equity funds raised were \$4.8 billion (\$5.7 billion).

Daily average traded value (DAV) declined 13.4% to \$1.1 billion (\$1.3 billion) and total traded value declined 14.1% to \$275.5 billion (\$320.8 billion). This was made up of Cash Equities<sup>5</sup>, where traded value decreased by 14.5% to \$263.2 billion (\$308.0 billion), and Other Products<sup>6</sup>, where traded value decreased 4.1% to \$12.2 billion (\$12.7 billion). There were 250 (252) trading days in the year.

Overall average clearing fees for equities declined 0.07 basis points to 2.49 basis points (2.56 basis points). Average clearing fees for Cash Equities declined 0.05 basis points to 2.57 basis points (2.62 basis points) due to higher participation from active traders and market makers. Average clearing fee for Other Products declined 0.21 basis points to 0.78 basis points (0.99 basis points) due to a change in product mix. Overall turnover velocity for FY2023 was 37.0% (42.0%).

The decline in securities settlement, depository management, treasury and other revenue was mainly due to lower settlement instructions volume.

<sup>3</sup> OTC FX comprise BidFX, MaxxTrader and SGX CurrencyNode in 2H FY2022 and FY2023, but only BidFX and SGX CurrencyNode for 1H FY2022, as MaxxTrader was acquired in January 2022.  
<sup>4</sup> Includes DVP guarantee fees and membership fees.  
<sup>5</sup> Cash Equities include ordinary shares, real-estate investment trusts and business trusts.  
<sup>6</sup> Other Products include structured warrants, exchange-traded funds, daily leverage certificates, debt securities and depository receipts.



# Financial Highlights & Performance Review



## Equities – Derivatives

Equities – Derivatives revenue increased \$52.6 million or 17.0% to \$363.1 million (\$310.4 million) and accounted for 30.4% (28.2%) of total revenue.

### Trading and clearing revenue

Comparable at

**\$281.6m**

### Treasury and other revenue



from \$28.6m

**\$81.5m**

Trading and clearing revenue was impacted by a decline in trading volumes, partially offset by higher average fees in key equity derivatives contracts.

The increase in Treasury and other revenue was driven mainly by higher treasury income.

### Average Fees

Average fee per contract for Equity, Currency and Commodity derivatives was higher at \$1.61 (\$1.51) mainly due to an increase in proportion of higher fee-paying customers for SGX FTSE China A50 Index futures and Nifty 50 Index futures, coupled with strong volume growth in Iron Ore.

## Data, Connectivity and Indices Business (DCI)

DCI revenue was comparable at \$147.1 million (\$147.4 million) and accounted for 12.3% (13.4%) of total revenue.



## DCI

### Market data and Indices revenue

**\$78.0m**



5.9% from \$82.9m

### Connectivity revenue

**\$69.0m**



7.0% from \$64.5m

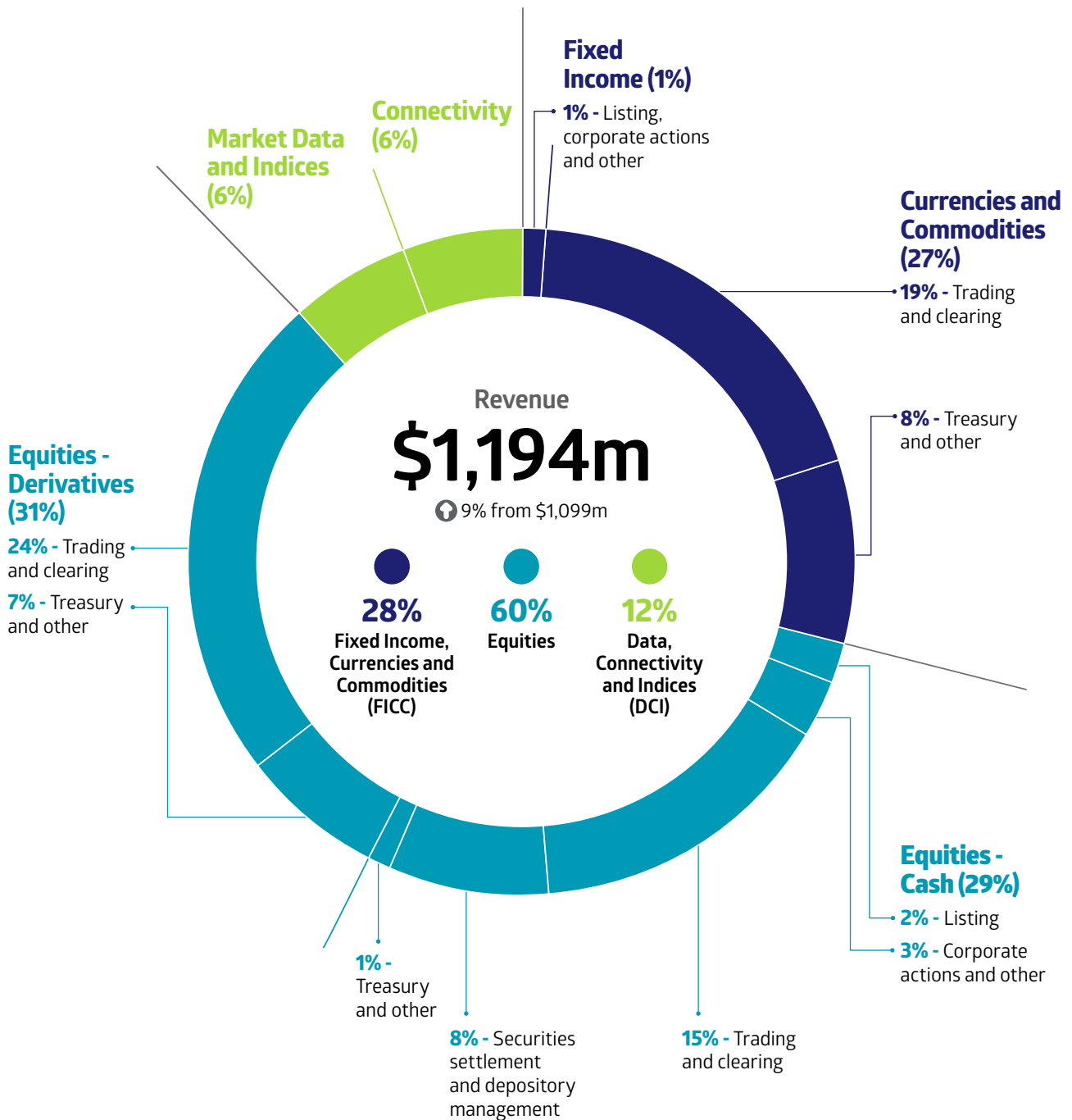
Market data and indices revenue declined mainly due to lower revenue from our index business.

Connectivity revenue increased mainly due to upselling of connectivity services to existing clients and introduction of new GIFT Connect-related co-location and network services.

# Financial Performance Summary

(\$million)	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Statement of Income</b>					
Operating Revenue	910	1,053	1,056	1,099	1,194
Operating Expenses	386	397	431	465	507
Earnings before interest, tax, depreciation and amortisation	524	656	625	634	688
Depreciation and amortisation	63	90	95	97	98
Operating profit	461	566	531	537	590
Profit before tax and share of results of associated companies and joint ventures	474	573	541	555	689
Net profit attributable to equity holders	391	472	445	451	571
<b>Statement of Cash Flows</b>					
Cash flows from operating activities	417	624	553	584	447
<b>Statement of Financial Position</b>					
Total assets	2,132	2,679	3,023	3,848	3,781
▪ Unrestricted cash and cash equivalents	446	686	833	752	777
▪ Committed for derivatives clearing fund	150	150	150	125	132
▪ Committed for securities clearing fund	60	60	60	60	40
▪ Committed for National Electricity Market of Singapore	11	9	17	61	84
Total liabilities	1,041	1,430	1,633	2,299	2,078
Total equity	1,091	1,249	1,390	1,549	1,704
▪ Includes proposed final dividend of	80	86	86	85	91
Capital expenditure	58	41	51	55	59
No. of shares issued (million)	1,072	1,072	1,072	1,072	1,072
No. of shares held as treasury shares (million)	2	3	3	4	4
<b>Financial Indicators</b>					
Revenue growth (%)	7.7	15.7	0.3	4.1	8.7
Operating profit margin (%)	50.7	53.7	50.3	48.9	49.4
Cost-to-income ratio (%)	49.3	46.3	49.7	51.1	50.6
Gearing ratio	NIL	0.2	0.3	0.5	0.4
Net asset value per ordinary share as at 30 June (dollars)	1.02	1.16	1.3	1.45	1.59
Based on net profit attributable to equity holders					
Net profit margin (%)	42.4	44.8	42.2	41.1	47.8
Return on equity (%)	35.8	40.4	33.9	30.8	35.2
Dividend payout ratio (%)	82.1	69.2	76.9	75.8	60.8
Basic earnings per share (cents)	36.5	44.1	41.6	42.2	53.4

# Business at a Glance

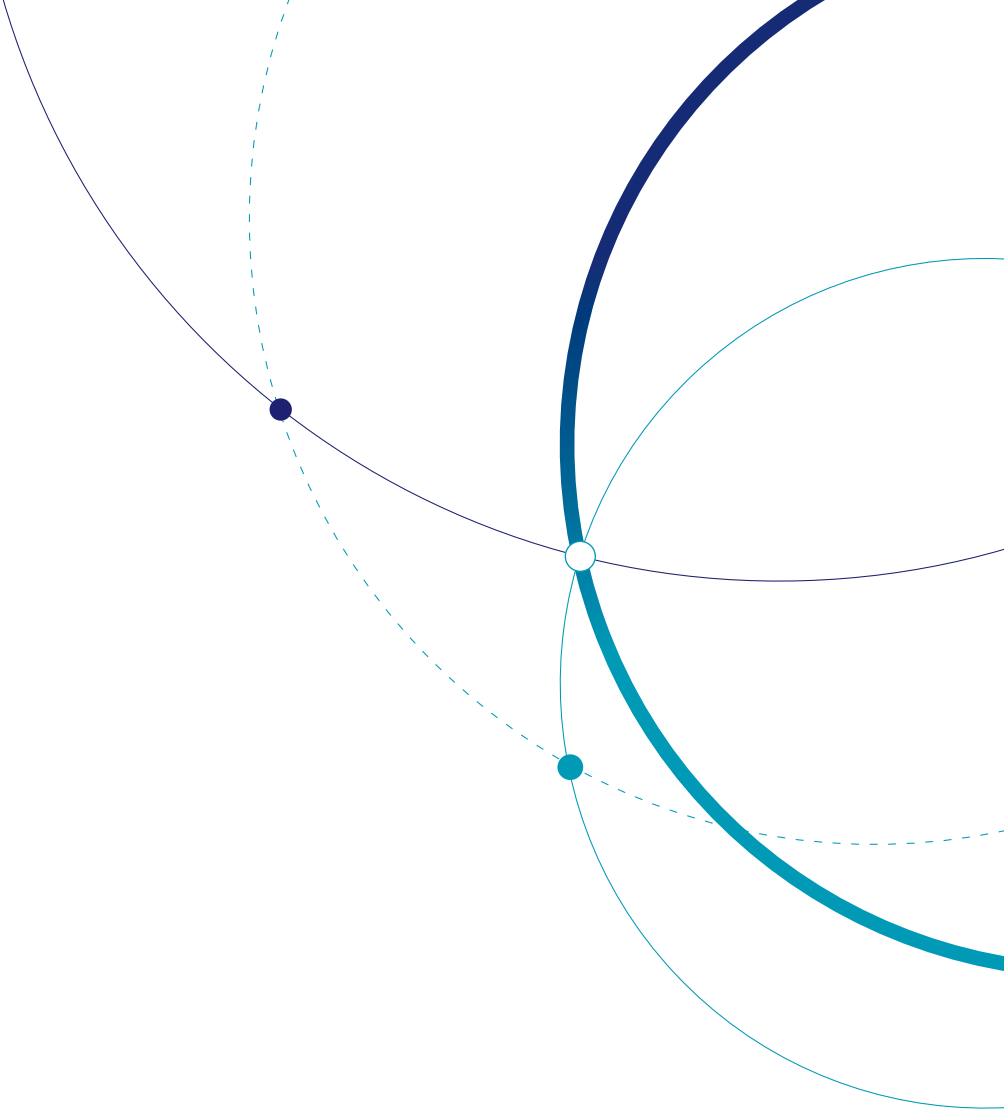


Operating Profit  
**\$590m**  
 ↑ 10% from \$537m

Net Profit  
**\$571m**  
 ↑ 26% from \$451m

Earnings per Share  
**53.4¢**  
 ↑ 27% from 42.2¢

Dividend per Share  
**32.5¢**  
 ↑ 0.5¢ from 32¢



# Group Overview

## Letter from the Chairman and the CEO



From left:  
Mr Loh Boon Chye and  
Mr Koh Boon Hwee

## Dear Shareholders

### Bringing our global strengths to the fore

SGX Group had another solid year in FY2023. Our financial results continue to demonstrate the strength and resilience of our multi-asset business. Global investors are increasingly turning to our trusted international marketplaces to manage portfolio risk and seek growth opportunities across equities, currencies and commodities.

We are pleased that our revenue was up almost 9%, with adjusted earnings rising 10% to reach S\$503 million. As part of our commitment to reward shareholders with a sustainable and growing dividend over time, the Board of Directors has proposed a higher final quarterly dividend, bringing total dividends in FY2023 to 32.5 cents per share.

Going forward, annualised dividends will grow to 34.0 cents per share, an increase of about 6%, barring unforeseen circumstances. We remain on track to achieve high-single-digit revenue growth and aim to reward our shareholders with a mid-single-digit percentage increase in our dividend per share over the medium term.

Our performance was achieved in a challenging macroeconomic environment with abrupt turns in geopolitics and market sentiment. These external conditions are likely to remain fluid and uncertain, but will play to SGX Group's strengths as a trusted international venue that facilitates capital flows and risk management across multiple asset classes.

#### Capitalising on Asia's trajectory

As the pace of economic expansion around the world decelerates, Asia remains a bright spot. The region

will account for 70% of global growth, with the world's most populous countries – China and India – contributing to the bulk of it. Southeast Asia, with its young dynamic workforce and burgeoning industries, has also caught the attention of investors.

SGX Group is at the heart of international capital flows to Asia. We are the world's leading and most liquid international marketplace for key Asian benchmark equity derivatives, seaborne iron ore and dry-bulk freight derivatives, as well as Asian FX futures.

The choice of jurisdiction matters for investors and market participants. It is akin to Singapore having the most powerful passport in the world. SGX Group is anchored in the only country in Asia with AAA rating, with globally recognised risk-management and clearing capabilities. This provides our

customers with added confidence that they will always have neutral, seamless access to highly liquid and efficient tools, through one trusted ecosystem.

We connect the world with Asia with our suite of derivatives and securities products which we continue to broaden and deepen. Our global customers recognise, more than ever, the relevance of our multi-asset solutions in enabling them to tap on the growth of Asia's key economies, while navigating challenging markets and evolving regulatory changes efficiently.

The monetary policy tightening by major central banks in the past year has added pressure to both debt and equity fundraising activities around the world. This has been keenly felt in Asia, with more companies staying private for longer and exercising greater

These external conditions are likely to remain fluid and uncertain, but will play to SGX Group's strengths as a trusted international venue.



# Letter from the Chairman and the CEO

caution on expansion plans outside their home countries. Naturally, the level of activity in the stock market has slowed, but it does not diminish our advantage as Asia's most international marketplace for companies and investors seeking long-term sustainable growth.

We believe it is a matter of time before confidence and demand for liquidity returns, as global and regional capital gravitates towards Asia and sizeable growth companies emerge in the region. We remain the ideal springboard for companies to expand into the region and access global wealth.

Singapore's stock market is primed for gradual transformation with the right level of support and participation from public and private stakeholders. At the same time, we are actively enhancing our market-maker and liquidity-provider programmes, as well as expanding our product suite with new trading and investment tools that include exchange-traded funds, Singapore depository receipts and the newly launched structured certificates.

These are some of the many building blocks that we are putting in place for our marketplaces to remain relevant and vibrant for decades to come.

## Creating sustainable marketplaces

Fulfilling our purpose into the future also involves growing SGX Group in a sustainable manner – being good stewards of the resources entrusted in our care and acting for the benefit of future generations.

As investment mandates change and more assets are directed towards transition finance, we are prepared with a pipeline of products and solutions to meet these evolving needs.

Given the size and scale of the global climate challenge, a broad range of transition tools and strategies that progressively support the reduction of carbon footprint is required. With benchmarks being a powerful tool for directing capital to companies on transition pathways, we are making progress with our partners to develop targeted solutions.

On the back of our collaboration with MSCI to mobilise private capital to drive climate transition, we have taken the lead to launch the first global suite of derivatives based on the MSCI Climate Action Indexes. This augments our existing shelf of sustainability-linked derivatives developed in close partnership with index leaders FTSE Russell and Nikkei, complemented with specialised and customised solutions offered by Scientific Beta and SGX Index Edge. We also continue to work with issuers to expand our suite of sustainability-themed ETFs and green, social, sustainability and sustainability-linked bonds.

Together with our efforts around sustainability reporting and data, and our involvement in international net-zero and climate-transition taskforces, we are leading by example and exercising influence in areas that matter.

During the year, Singapore Exchange Regulation (SGX RegCo) established the Sustainable Development Office to coordinate regulatory efforts in sustainability and co-led the Green Finance Industry Taskforce's disclosure workstream convened by the Monetary Authority of Singapore (MAS) from 2019 to 2023.

Following the introduction of a phased approach to mandatory climate reporting based on the Task Force on Climate-related Financial Disclosures (TCFD)'s

recommendations, SGX RegCo is now looking into incorporating the new International Sustainability Standards Board (ISSB) standards into our listing rules as mandatory disclosure requirements for our listed companies.

SGX Group, as one of the founding members of the Net Zero Financial Service Providers Alliance (NZFSPA), has worked with other exchanges to shape the "net-zero" definition for exchanges. We will be using this framework to develop our own corporate targets, and plan to report on our progress in due course.

## Advancing as one trusted ecosystem

We have been pioneering exchange partnerships since the Mutual Offset System with CME, which marked the arrival of Singapore on the global derivatives scene. Fast forward to 40 years later, and our partnerships have multiplied in both number and form. Among our accomplishments, we are proud of the new cross-border links that have come into fruition after several years in the making – our first-of-its-kind NSE IX-SGX GIFT Connect, ETF link with Shenzhen Stock Exchange and upcoming link with Shanghai Stock Exchange, as well as our Thailand-Singapore Depository Receipts Linkage.

Through such partnerships, we are able to build bridges and connect the world. These strategic corridors function as spokes of liquidity flywheels to attract more participants and capital flows into the markets, increasing the scale of the entire ecosystem.

At the same time, our global footprint is widening alongside our international partnerships. Our sales teams around the world have made good progress in extending



Core to our success is how we live our values of trust, passion and service, and operate with accountability and innovation to make a difference.



SGX Group's distribution network, tapping into new markets, and cross-selling between asset classes.

With the acquisitions and investments we have made in recent years, it is clear our customers see the value of SGX Group as a single point of access to multiple growth opportunities. Even as we deepen our capabilities in each asset class, we want to create better value for new and existing customers holistically through a convergence of customer segments, platforms and technology.

The exchange industry is complex and the technologies supporting our business and operations are evolving rapidly in tandem with the global investment landscape. Exchanges, including SGX Group, are exploring and integrating emerging technologies – including artificial intelligence, blockchain, cloud computing, big data – to optimise operations, enhance trading and clearing, and improve workflows, among others.

We will adopt new technologies to meet the present and future needs of global investors, while enhancing transparency, security and efficiency where it is needed most.

Future-proofing our organisation is not just in the form of sustainability, partnerships or technology. Our future lies very much in our people who must be well-equipped to tackle tomorrow's challenges, today.

We are very proud of what our colleagues across SGX Group have accomplished. Core to our success is how we live our values of trust, passion and service, and operate with accountability and innovation to make a difference. Our people have the unique ability to perform in multifaceted environments and have gained a reputation of delivering on many complex priorities at the same time.

As we grow, we will continue to invest in our people, products and processes including technology, while exercising financial prudence.

### Strengthening our board diversity

Our Board of Directors brings a diverse and valuable set of experiences, skills and perspectives to SGX Group. In May 2023, we welcomed Ms Julie Gao and Ms Lin Huey Ru as new Directors. Ms Gao has been the Chief Financial Officer of ByteDance since 2022 and has extensive experience in corporate governance and corporate development across companies at varying development stages, after practicing corporate law for over 23 years in the U.S. and Asia.

Ms Lin Huey Ru is currently a Venture Partner with GGV Capital. She also serves on the board of Hang Seng Bank. She has extensive experience in technology and venture capital, having served as a member of the International

Technology Advisory Panel of the MAS, advised several start-up companies, and also spent more than a decade in an American multinational financial technology company where she led China and Asia-Pacific operations, in addition to serving in key leadership roles in product, international risk and policy strategy.

Ms Chew Gek Khim, who has served on the SGX Board since December 2013, will be stepping down from the Board upon conclusion of the Annual General Meeting. She has contributed significantly during her tenure, and we have benefitted from her insights and experience. On behalf of the Board and management, we would like to express our deepest appreciation to Ms Chew for her many years of dedicated service.

### Thank you for your support

As we look back, we have much to be grateful for and are optimistic of our future. As shareholders, you are an integral part of our growth journey. Your trust in SGX Group allows us to pursue initiatives that enhance shareholder value while contributing to the growth and development of the broader ecosystem.

In this fast-changing business landscape, we are confident of our position and are prepared to embrace change to shape the future of our capital markets, guided by our purpose and supported by our people. With your partnership, we are confident that SGX Group will remain a beacon of trust and innovation in the global financial industry.

**Koh Boon Hwee**  
Chairman

**Loh Boon Chye**  
Chief Executive Officer



# Organisation

**CEO**  
Loh Boon Chye



## Number of Employees<sup>1</sup>



**1,205**

## Average Length of Service



**7 years**

<sup>1</sup> Includes all permanent and temporary employees across SGX Group, excluding joint ventures.

## Employee Retention<sup>2</sup>



**88 %**

## Average Training Hours per Employee<sup>3</sup>



**48 hours**

<sup>2</sup> Includes permanent employees only in all subsidiaries across SGX Group, excluding joint ventures.

<sup>3</sup> Includes permanent employees in SGX only, excluding subsidiaries and joint ventures.

**Chairman**  
SGX RegCo  
Prof. Tan  
Cheng Han

**Sustainability  
& Sustainable  
Finance**

Herry Cho

**CFO Unit**

Ng Yao Loong

**Operations  
& Market  
Services**

Nico Torchetti

**SGX RegCo**

Tan Boon Gin

**Technology**

Tinku Gupta

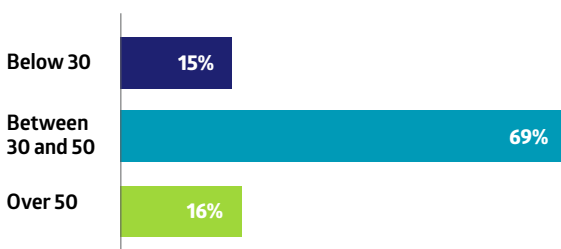
**Internal Audit**

Geraldine Tan

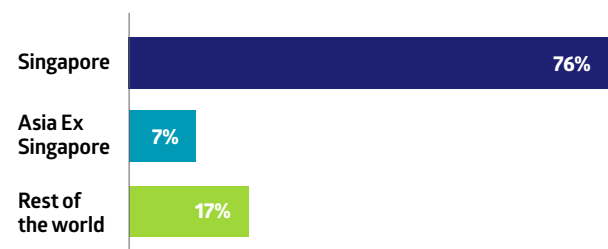
**Gender Diversity**



**Age Diversity**



**Geographical Diversity**



# Board of Directors





- |   |                                   |
|---|-----------------------------------|
| <b>01</b> Mr Koh Boon Hwee                  | <b>08</b> Ms Lin Huey Ru          |
| <b>02</b> Mr Loh Boon Chye                  | <b>09</b> Mr Mark Makepeace       |
| <b>03</b> Dr Beh Swan Gin                   | <b>10</b> Prof Subra Suresh       |
| <b>04</b> Ms Chew Gek Khim                  | <b>11</b> Mr Samuel Tsien         |
| <b>05</b> Ms Julie Gao                      | <b>12</b> Mr Yeoh Oon Jin         |
| <b>06</b> Mr Lim Chin Hu                    | <b>13</b> Ms Claire Perry O'Neill |
| <b>07</b> Ms Lim Sok Hui (Mrs Chng Sok Hui) |                                   |

# Board of Directors

## Mr Koh Boon Hwee

Chairman

Non-Executive and Independent Director

### Date of first appointment as a director

15 March 2022

### Date of appointment as Chairman

1 January 2023

### Date of last re-election as a director

6 October 2022

### Length of service as a director

(as at 30 June 2023)

1 year 3 months

### SGX Board Committee Membership

● (Member) ● (Member) ● (Member)

### Academic & Professional Qualification

- Doctor of Letters (Honorary), Nanyang Technological University
- Doctor of Science (Honorary), Imperial College London
- Master in Business Administration (Distinction), Harvard Business School
- Bachelor's Degree (First Class Honours) in Mechanical Engineering, Imperial College of Science and Technology, University of London

### Present Directorship other than SGX (as at 30 June 2023)

#### Listed company

- Agilent Technologies, Inc in USA, listed on the New York Stock Exchange (Chairman)

#### Others (non-listed company)

- Altara Ventures Pte. Ltd. (Chairman)
- Bank Pictet & Cie (Asia) Ltd.
- Black Kite Capital Private Limited
- Black Kite Investments Private Limited
- Ficofi Partners Holding Pte. Ltd.
- GIC Private Limited
- Innovalues Holdings Pte. Ltd.
- Rippledote Capital Advisers Pte. Ltd. (Chairman)
- Sunningdale Tech Ltd. (Chairman)
- Sunrise Technology Investment Holding II Pte. Ltd.
- Weybourne Holdings Pte. Ltd.

#### Non-listed Overseas Company

- Altara Ventures GP Limited
- Credence Capital Fund II (Cayman) Limited
- First Spring Ltd
- Sunrise Technology Investment Holding (Cayman) Pte Ltd

### Major Appointment (other than Directorship)

- Academy of Engineering Singapore (Fellow)
- Carnegie Endowment for International Peace (Board Member)
- Climate Governance Singapore Limited (Board Member)
- General Atlantic Singapore Fund Management Pte Ltd (Senior Advisor)

- Research, Innovation & Enterprise Council (Member)
- Security Industry Council (Chairman)

### Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)

- Far East Orchard Limited (Chairman)
- Luxon Data Holdings Pte. Ltd.
- The William and Flora Hewlett Foundation

## Mr Loh Boon Chye

Chief Executive Officer

Executive and Non-Independent Director

### Date of first appointment as a director

20 July 2015

### Date of next re-election as a director

5 October 2023

### Length of service as a director

(as at 30 June 2023)

7 years 11 months

### SGX Board Committee Membership

Nil

### Academic & Professional Qualification

- Bachelor of Engineering (Mechanical), National University of Singapore

### Present Directorship other than SGX (as at 30 June 2023)

#### Listed company

Nil

#### Others (non-listed company)

- BC Capital Ltd
- BC Capital Management Pte. Ltd.
- BC Capital Properties, LLC
- BC Investment Management Pte. Ltd.
- Climate Impact X Pte. Ltd.
- GIC Private Limited
- Gym & Sports Pte. Ltd. (Chairman)
- SGX Bond Trading Pte. Ltd.
- Singapore Exchange Derivatives Clearing Limited
- Singapore Exchange Derivatives Trading Limited
- Singapore Exchange Securities Trading Limited
- The Central Depository (Pte) Limited
- Verified Impact Exchange Holdings Pte. Ltd.

### Major Appointment (other than Directorship)

- Climate Governance Singapore Limited (Advisory Board Member)
- Council of Board Diversity (Co-Chairman)
- Glasgow Financial Alliance for Net Zero (GFANZ) APAC Network Advisory Board (Member)
- Glasgow Financial Alliance for Net Zero (GFANZ) Principals Group (Principal)

- MAS Financial Centre Advisory Panel (Member)
- NUS Medicine International Council (Council Member)
- Sim Kee Boon Institute for Financial Economics Advisory Board at Singapore Management University (Chairman)
- Singapore Green Finance Centre (SGFC) Advisory Board (Co-Chairman)
- The Institute of Banking and Finance (Council Member)
- United Nations Sustainable Stock Exchanges Initiative (Independent Advisory Committee Member)
- World Federation of Exchanges (Board Member and Vice Chairman)

### Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)

- BC Capital Properties Holdings LLC
- BidFX Systems Limited (in UK)
- SBF Holdings Pte. Ltd.

## Dr Beh Swan Gin

Non-Executive and Independent Director

### Date of first appointment as a director

1 February 2020

### Date of last re-election as a director

6 October 2022

### Length of service as a director

(as at 30 June 2023)

3 years 5 months

### SGX Board Committee Membership

● (Chairman) ● (Member) ● (Member)

### Academic & Professional Qualification

- Advanced Management Programme, Business Administration and Management, Harvard Business School
- Sloan Fellow, Master of Science Management, Stanford Graduate School of Business
- M.B., B.S., Medicine, National University of Singapore

### Present Directorship other than SGX (as at 30 June 2023)

#### Listed company

Nil

#### Others (non-listed company)

- CapitaLand Ascendas REIT Management Limited (Chairman)
- National Research Foundation (Member)
- Nurasa Holdings Pte Ltd
- Nurasa Pte Ltd

### Major Appointment (other than Directorship)

- Ministry of Trade and Industry (Permanent Secretary (Development))
- Young Presidents' Organisation (Member)

### Committee Membership Key

● Audit

● Nominating & Governance

● Remuneration & Staff Development

● Risk Management



### Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)

- DesignSingapore Council Pte. Ltd.
- Economic Development Board
- EDB Investments Pte Ltd
- EDBI Pte. Ltd.
- Enterprise Singapore
- Human Capital Leadership Institute Pte. Ltd.
- Lucasfilm Animation Singapore Pte. Ltd.
- Singapore Innovate Pte. Ltd.
- Temasek Foundation Connects CLG Limited

### Ms Chew Gek Khim

Non-Executive and Non-Independent Director

**Date of first appointment as a director**  
1 December 2013

**Date of last re-election as a director**  
6 October 2022

**Length of service as a director (as at 30 June 2023)**  
9 years 7 months

**SGX Board Committee Membership**  
● (Member) ● (Member)

**Academic & Professional Qualification**  
▪ LL.B (Honours), National University of Singapore

### Present Directorship other than SGX (as at 30 June 2023)

*Listed company*

- ARA Trust Management (Suntec) Limited (Non-Executive Chairman)
- Malaysia Smelting Corporation Berhad (Non-Independent and Non-Executive Chairman)
- The Straits Trading Company Limited (Executive Chairman)

*Others (non-listed company)*

- ARA Asset Management Holdings Pte. Ltd.
- Bushey Park Private Limited
- Rahman Hydraulic Tin Sdn Bhd
- SME Help Fund Pte. Ltd
- Straits Equities Holdings (One) Pte. Ltd.
- Straits Phoenix Pte. Ltd.
- Straits Real Estate Pte. Ltd.
- Tan Chin Tuan Pte. Ltd<sup>1</sup> (Deputy Executive Chairman)
- Tecity Pte Ltd<sup>2</sup> (Executive Chairman)
- Tecity Asset Management Pte. Ltd.

### Major Appointment (other than Directorship)

- Honour (Singapore) Ltd (Member)
- Governing Board of Lee Kuan Yew School of Public Policy (Ex-officio Member)
- RSIS Board of Governors (Member)
- National University of Singapore Board of Trustees (Member)

- The Tan Chin Tuan Foundation (Deputy Executive Chairman)

### Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)

- Amberlight Limited
- Grange Investments Holdings Private Limited
- Ho Peng Holdings Private Limited
- Nexford Holdings Pte Ltd
- Raffles Investments (1993) Pte Ltd
- Raffles Investments Private Limited
- SDAX Financial Pte Ltd
- Selected Holdings Private Limited
- Sigford Pte. Ltd
- Tiong Cheng Pte Ltd

<sup>1</sup> Including its subsidiaries & associates, namely Consultants Services (Private) Limited (Executive Chairman), Tecity Management Pte. Ltd. (Executive Chairman), Kambau Pte. Ltd. (Executive Chairman), Siong Lim Private Limited (Executive Chairman), Choice Equities Pte Ltd, Integrated Holdings Private Limited (Executive Chairman), Aequitas Pte. Ltd.

<sup>2</sup> Including its subsidiaries & associates, namely Mellford Pte. Ltd. and The Cairns Pte. Ltd.

### Ms Julie Gao

Non-Executive and Independent Director

**Date of first appointment as a director**  
1 May 2023

**Date of next re-election as a director**  
5 October 2023

**Length of service as a director (as at 30 June 2023)**  
2 months

**SGX Board Committee Membership**  
● (Member)

### Academic & Professional Qualification

- Executive Education, Finance, Harvard Business School
- Juris Doctor, UCLA School of Law
- Master of Arts – MA, Sociology, The University of Alabama
- Bachelor of Laws – LLB, Peking University

### Present Directorship other than SGX (as at 30 June 2023)

*Listed company*

Nil

*Others (non-listed company)*

Nil

### Major Appointment (other than Directorship)

- ByteDance (Chief Financial Officer)

**Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)**  
Nil

### Mr Lim Chin Hu

Non-Executive and Independent Director

**Date of first appointment as a director**  
21 September 2017

**Date of next re-election as a director**  
5 October 2023

**Length of service as a director (as at 30 June 2023)**  
6 years

**SGX Board Committee Membership**  
● (Chairman) ● (Member)  
● (Member) ● (Member)

### Academic & Professional Qualification

- Bachelor of Applied Science, La Trobe University, Australia
- FSID – Fellow, Singapore Institute of Directors

### Present Directorship other than SGX (as at 30 June 2023)

*Listed company*

- G-Able Public Company Limited (Listed in Stock Exchange of Thailand)
- Kulicke & Soffa Incorporated (Listed on Nasdaq)
- Singapore Technologies Engineering Ltd (“STEngg”)

*Others (non-listed company)*

- Certis Cisco Security Pte Ltd
- Heliconia Capital Management Pte Ltd
- Singapore Health Services Pte. Ltd. (“SingHealth”)
- Aescapulus Holdings Pte Ltd (Subsidiary of SingHealth)
- Alps Pte. Ltd. (Subsidiary of SingHealth)
- Integrated Health Information Systems Pte. Ltd. (Subsidiary of Ministry of Health Holdings)
- SPTel Pte Ltd (Subsidiary of STEngg)

### Major Appointment (other than Directorship)

Stream Global Pte Ltd (Partner)

### Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)

- Citibank Singapore Limited
- Vanda 1 Investments Pte. Ltd.

### Ms Lim Sok Hui (Mrs Chng)

Non-Executive and Non-Independent Director

**Date of first appointment as a director**  
1 December 2015

**Date of last re-election as a director**  
6 October 2022

# Board of Directors

## Length of service as a director (as at 30 June 2023)

7 years 7 months

## SGX Board Committee Membership

● (Chairman)

## Academic & Professional Qualification

- Bachelor of Accountancy (Honours), National University of Singapore
- Chartered Financial Analyst (CFA)
- Certified Financial Risk Manager (FRM)
- Fellow Chartered Accountant of Singapore
- IBF Distinguished Fellow

## Present Directorship other than SGX (as at 30 June 2023)

Listed company

Nil

Others (non-listed company)

- Changi Airport Group (Audit Committee Chairman)

## Major Appointment (other than Directorship)

- CareShield Life Council (Member)
- DBS Bank Ltd (Chief Financial Officer)
- DBS Bank India Ltd (Member)
- International Women's Forum (Singapore) (Member)

## Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)

Nil

## Ms Lin Huey Ru

Non-Executive and Independent Director

## Date of appointment as a director

1 May 2023

## Date of next re-election as a director

5 October 2023

## Length of service as a director (as at 30 June 2023)

2 months

## SGX Board Committee Membership

● (Member)

## Academic & Professional Qualification

- Masters, Stanford University
- Bachelor of Science, Carnegie Mellon University

## Present Directorship other than SGX (as at 30 June 2023)

Listed company

Hang Seng Bank

Others (non-listed company)

Nium

## Major Appointment (other than Directorship)

- Addi (Board Observer)
- Terraformation, Inc. (Special Projects)
- Chainlink Labs (Advisor)
- Growthem Capital Partners (Advisor)
- PayU (Advisor)
- TrueLayer (Advisor)

## Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)

- Yati Inc.

## Mr Mark Makepeace

Non-Executive and Non-Independent Director

## Date of first appointment as a director

24 September 2020

## Date of next re-election as a director

5 October 2023

## Length of service as a director (as at 30 June 2023)

2 years 9 months

## Academic & Professional Qualification

- The Institute of Chartered Secretaries and Administrators, United Kingdom

## Present Directorship other than SGX (as at 30 June 2023)

Listed company

Nil

Others (non-listed company)

- M8R Limited
- Monica Holdco (UK) Limited
- Monica Holdco (US), Inc.
- Monica Intermediate Holdings GP, LLC
- Monica Top GP (Cayman), LLC
- St Giles Global (SGG) GP LLC
- St Giles Global (SGG) LP
- St Giles Global LLC
- The Stock Exchange of Saudi Arabia (Tawadul)
- Wilshire Benchmarks TopCo Limited
- Wilshire Benchmarks US LLC
- Wilshire Opco UK Limited

## Major Appointment (other than Directorship)

- Wilshire Advisors LLC (Chief Executive Officer)

## Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)

- FTSE Russell
- London Stock Exchange
- Suzhou Wilshire Investment Services Co., Ltd.
- Westwood Grange (Cobham) Management Company Limited
- Wilshire (Singapore) Pte. Ltd.
- Wilshire Asia Private Markets VIII (Offshore), Inc.
- Wilshire Australia Pty Limited

- Wilshire European Private Markets VIII (Offshore), Inc.
- Wilshire Global Advisors, LLC
- Wilshire Hong Kong Limited
- Wilshire U.S. Private Markets Fund VI (Offshore), Inc.
- Wilshire U.S. Private Markets Fund VIII (Offshore), Inc.

## Prof Subra Suresh

Non-Executive and Independent Director

## Date of first appointment as a director

20 September 2018

## Date of last re-election as a director

7 October 2021

## Length of service as a director (as at 30 June 2023)

4 years 9 months

## SGX Board Committee Membership

● (Member)

## Academic & Professional Qualification

- Doctor of Science (Sc.D.), M.I.T., Cambridge, MA, USA
- Master of Science (M.S.), Iowa State University, Ames, IA, USA
- Bachelor of Technology (B.Tech.), Indian Institute of Technology, Madras

## Present Directorship other than SGX (as at 30 June 2023)

Listed company

- HP Inc., Palo Alto, CA, USA

Others (non-listed company)

- ANaiLYTICA, DE/CA, USA
- MatchMove Pay Pte Ltd (Singapore)

## Major Appointment (other than Directorship)

- Applied Materials Inc. (Santa Clara, CA) USA (Member, Growth Technology Advisory Board)
- Fukushima Institute of Research, Education and Innovation (Member of International Advisory Board)
- Global Learning Council (President)
- Koç University, Istanbul, Turkey (Member of the Board of Overseers)
- Massachusetts Institute of Technology (Vannevar Bush Professor of Engineering Emeritus)
- NEOM, Saudi Arabia (Member of International Steering Board)

## Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)

- A\*STAR
- Advisory Council on Community Relations in Defence (Educational Institutions) (Member)

## Committee Membership Key

● Audit

● Nominating & Governance

● Remuneration & Staff Development

● Risk Management

- Future Economy Council
- Human Potential Steering Committee, RIE 2025 (Member)
- National Research Foundation (Member)
- Nanyang Technological University, Singapore

### Mr Samuel Tsien<sup>1</sup>

#### Non-Executive and Non-Independent Director

**Date of first appointment as a director**  
1 May 2022

**Date of last re-election as a director**  
6 October 2022

**Length of service as a director (as at 30 June 2023)**  
1 year 2 months

**SGX Board Committee Membership**  
● (Member)

#### Academic & Professional Qualification

- Bachelor's Degree, Economics, University of California, Los Angeles

**Present Directorship other than SGX (as at 30 June 2023)**

#### Listed company

- Jardine Cycle & Carriage Ltd (Director)
- MPACT Management Ltd (Non-Executive Chairman & Director)

#### Others (non-listed company)

- Mapletree Investments Pte Ltd (Director)
- OCBC Wing Hang Bank Ltd (Director)

**Major Appointment (other than Directorship)**  
Nil

**Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)**

- ASEAN Bankers Association
- Bank of Singapore Limited
- Dr Goh Keng Swee Scholarship Fund
- Great Eastern Holdings Ltd
- International Monetary Conference
- OCBC Bank (Malaysia) Berhad
- OCBC Overseas Investments Pte Ltd
- OCBC Wing Hang Bank (China) Ltd
- Oversea-Chinese Banking Corporation Limited
- PT Bank OCBC NISP Tbk

<sup>1</sup> With effect from 1 July 2023, Mr Samuel Tsien is considered an independent and non-executive director.

### Mr Yeoh Oon Jin

#### Non-Executive and Independent Director

**Date of first appointment as a director**  
1 July 2021

**Date of next re-election as a director**  
5 October 2023

**Length of service as a director (as at 30 June 2023)**  
2 years

#### Academic & Professional Qualification

- Accounting (First Class Honours), University of Birmingham, England

#### SGX Board Committee Membership

● (Chairman) ● (Member)

**Present Directorship other than SGX (as at 30 June 2023)**

#### Listed company

- Singapore Airlines Limited (Chairman of Audit Committee)

#### Others (non-listed company)

- Carsome Group Inc. (Board Member and Chairman of Audit Committee)
- Singapore Health Services Pte Ltd (Chairman of Population Health Committee)
- Singapore Land Authority (Chairman)
- Trust Bank Singapore Limited (fka SC Bank Solutions (Singapore) Limited) (Chairman of Audit Committee)

#### Major Appointment (other than Directorship)

- Kidney Dialysis Foundation Limited (Director & Chairman of Audit Committee)
- Lien Foundation (Independent Governor)
- Monetary Authority of Singapore (Corporate Governance Advisory Committee Member)
- Singapore Business Federation (Vice Chairman)
- Singapore Institute of Directors (Council Member and Vice-Chair)

**Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)**

- CPA Australia, Singapore Division
- PricewaterhouseCoopers CM Services Pte Ltd
- PricewaterhouseCoopers ASEANZ Pty Limited
- PricewaterhouseCoopers Business Advisory Services Pte. Ltd.
- PricewaterhouseCoopers Consulting (Myanmar) Pte Ltd
- PricewaterhouseCoopers Consulting (Singapore) Pte Ltd
- PricewaterhouseCoopers Consulting (Thailand) Ltd
- PricewaterhouseCoopers Consulting (Vietnam) Ltd
- PricewaterhouseCoopers Consulting Holdings (S) Pte Ltd
- PricewaterhouseCoopers Consulting LLP
- PricewaterhouseCoopers GHRS Pte Ltd
- PricewaterhouseCoopers Holdings Singapore No. 1

- PricewaterhouseCoopers Holdings Singapore No. 2
- PricewaterhouseCoopers LLP
- PricewaterhouseCoopers Nominees Pte Ltd
- PricewaterhouseCoopers Services LLP
- PricewaterhouseCoopers Singapore Pte Ltd
- PricewaterhouseCoopers WMS Holdings Pte Ltd
- PricewaterhouseCoopers WMS Pte Ltd
- PT PricewaterhouseCoopers Consulting Indonesia
- PwC Consulting Associates (M) Sdn Bhd
- PwC Consulting Myanmar Co. Limited
- PwC Consulting Services (M) Sdn Bhd
- PwC International Assignment Services Holdings Pte. Ltd.
- Shared Services For Charities
- Singapore Institute of International Affairs
- Singapore Press Holdings Limited

### Ms Claire Perry O'Neill

#### Proposed Non-Executive and Independent Director

**Proposed date of appointment as a director**  
5 October 2023

#### Academic & Professional Qualification

- Master of Business Administration, Harvard Business School, USA
- Bachelor of Arts (with Honours), Geography, University of Oxford, United Kingdom

**Present Directorship other than SGX (as at 30 June 2023)**

#### Listed company

- Occidental Petroleum (OXY)

#### Others (non-listed company)

- Climate Impact X

#### Major Appointment (other than Directorship)

- GHGSat (Global Advisor – Part-time)
- Hambro Perks (Senior Advisor – Part-time)
- Hysata Pty Ltd (Advisor)
- McKinsey & Company (Senior Global Advisor – Part-time)
- Protium (Member of Advisory Board – Part-time)
- Sarasin & Partners LLP (Advisor)
- World Business Council for Sustainable Development (Imperatives Advisory Board – Part-time))

**Past Directorship other than SGX held over the preceding three years (from 30 June 2020 to 29 June 2023)**

- Scottish Power



# Executive Management Committee





**From left:**  
Mr Lee Beng Hong  
Mr Tan Boon Gin  
Mr Michael Syn  
Ms Tinku Gupta  
Mr Loh Boon Chye  
Mr Ng Yao Loong  
Ms Agnes Koh  
Mr Arulraj Devadoss  
Mr Pol de Win



# Executive Management Committee

## **Mr Loh Boon Chye** **Chief Executive Officer** **SGX Group**

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Mr Loh Boon Chye joined Singapore Exchange (SGX Group) as Chief Executive Officer on 14 July 2015. He is also an Executive and Non-Independent Director on the SGX Board. As CEO, he drives SGX Group's growth strategy, with the aim of transforming SGX Group into a world-class multi-asset exchange.

Over the years, Mr Loh has played a key role in the development of Southeast Asia's capital markets, having held a number of senior advisory positions. Apart from his directorship on the SGX Board from 2003 to 2012, he also sits on the Board of GIC Pte Ltd. He is Chairman of the Sim Kee Boon Institute for Financial Economics Advisory Board, Co-Chair of the Council for Board Diversity and Vice-Chair of the World Federation of Exchanges.

Mr Loh leads SGX Group's efforts in sustainability and climate action. He serves as an independent advisory committee member in the United Nations Sustainable Stock Exchange Initiative, and advisory board member for the Climate Governance Singapore Limited and Glasgow Financial Alliance for Net Zero (GFANZ)'s Asia-Pacific Network. He is also a member of the GFANZ's CEO Principals Group.

With a career in the financial industry that spans three decades, Mr Loh was most recently Deputy President and Head of Asia Pacific Global Markets at Bank of America-Merrill Lynch from December 2012 to May 2015. He was also the bank's Country Executive for Singapore and Southeast Asia and a member of its Asia Pacific Executive Committee. From 1995 to 2012, Mr

Loh was with Deutsche Bank AG, where he held various leadership roles including Head of Corporate & Investment Banking for Asia Pacific and Head of Global Markets for Asia.

Mr Loh is a council member and Distinguished Fellow at the Institute of Banking & Finance Singapore. He was also previously Chairman of the Singapore Foreign Exchange Market Committee, as well as Deputy President of ACI Singapore.

Mr Loh holds a Bachelor of Engineering degree from the National University of Singapore.

## **Mr Ng Yao Loong** **Chief Financial Officer** **SGX Group**

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Mr Ng Yao Loong was appointed Chief Financial Officer (CFO) of Singapore Exchange (SGX Group) with effect from 1 October 2020.

As the CFO, Mr Ng oversees finance, corporate strategy, corporate treasury, capital management and investor relations. He also manages the Workplace Services and Central Procurement functions.

Mr Ng has extensive experience in financial markets and infrastructures. He was previously with the Monetary Authority of Singapore (MAS) where he spent more than seven years in senior positions, including Assistant Managing Director of the Development and International Group as well as Executive Director of the Markets Policy and Infrastructure Department and Financial Markets Strategy Department.

Prior to MAS, Mr Ng was an investment banker with Morgan Stanley in Singapore and Citigroup in Hong Kong and London.

Mr Ng holds a Master of Business Administration from the Kellogg School of Management, Northwestern University, and a Bachelor of Arts from the University of Cambridge.

## **Ms Agnes Koh** **Chief Risk Officer** **SGX Group**

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Ms Agnes Koh is the Chief Risk Officer of Singapore Exchange (SGX Group). She is responsible for championing and leading enterprise risk management activities across the organisation, establishing the risk frameworks for new products and business strategies, managing the clearing risk of SGX Group's securities and derivatives clearing houses and driving operational resilience and business continuity in SGX Group.

She was appointed as Chairman of Energy Market Company (EMC), a wholly owned subsidiary of SGX Group which operates Singapore's wholesale electricity market, from 1 October 2018. She is an Executive Committee Member of CCP12, a global association for central counterparties that work together on issues of mutual interest to minimise global systemic risk and enhance the efficiency and effectiveness of international markets. Ms Koh is a member of the Commodities Futures Trading Commission (CFTC) – Global Markets Advisory Committee (GMAC).

Ms Koh joined SGX Group on 1 December 2005 as Vice President in Risk Management and has worked through various roles within risk management. Prior to joining SGX Group, she had more than 11 years of experience in managing the foreign reserves of

the Monetary Authority of Singapore and was also an auditor with a public accountancy firm.

Ms Koh was conferred the Distinguished Fellow award by the Institute of Banking and Finance Singapore (IBF) in 2016. The IBF Distinguished Fellow is a significant role model who serves as a beacon of excellence for the financial industry. She is a Certified Public Accountant from Institute of CPA and holds a Bachelor of Accountancy (Hons) from National University of Singapore.

**Mr Arulraj Devadoss**  
Senior Managing Director  
Head of Human Resources  
SGX Group

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

Mr Devadoss is an industry veteran with more than 30 years in human resources management, and comes with a rich global experience from the banking and financial industry. In his 20 years with Standard Chartered Bank, he worked in roles across several businesses and spanning various aspects of human resources. In his last role, he was the Global Human Resources Head for the Client Relationship Business of Standard Chartered Bank.

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

**Mr Lee Beng Hong**  
Senior Managing Director  
Head of Fixed Income,  
Currencies and Commodities  
SGX Group

Mr Lee Beng Hong is Head of Fixed Income, Currencies and Commodities (FICC) at Singapore Exchange (SGX Group). He joined SGX on 1 August 2019 to spearhead the newly-formed FICC business unit, as part of SGX Group's efforts to build scale in multiple asset classes.

As Head of FICC, Mr Lee will focus on expanding the range of products, platforms and partnerships for this growing set of asset classes.

He oversees SGX Group's wholly-owned subsidiaries BidFX and MaxxTrader, both global leading electronic FX trading workflow platforms; the Baltic Exchange – the world's leading source of maritime market information for the trading and settlement of physical and derivative contracts; and the Energy Market Company which operates Singapore's wholesale electricity market.

As part of SGX Group's focus on digital transformation and sustainability, Mr Lee will also be building upon the group's digital asset joint venture with Temasek – Marketnode; Climate Impact X (CIX), a global exchange for high-quality voluntary carbon credits, jointly established by DBS Bank, SGX Group, Standard Chartered and Temasek, as well as the group's strategic investments in Trumid XT, an electronic bond trading platform and Freightos, a digital freight platform and data firm.

With over 20 years of experience in financial markets, Mr Lee has held various senior roles in Deutsche Bank, specialising in Asian FICC trading, structuring, sales and coverage.

He most recently led Deutsche Bank's financing and solutions group for North Asia, in addition to his responsibilities as Executive Vice President of Deutsche Bank China and Head of Global Markets, China.

He started his career in Deutsche Bank Singapore, where he managed rates and FX trading books across G3 and Asian markets.

Mr Lee holds a Master of Science in Financial Engineering from Nanyang Technological University, as well as a Master of Engineering (Civil) from National University of Singapore.

**Mr Michael Syn**  
Senior Managing Director  
Head of Equities  
SGX Group

Mr Michael Syn is Head of Equities at Singapore Exchange (SGX Group). Mr Syn has management responsibility for SGX Group's equity businesses, serving as CEO of the stock market, central depository and futures market.

Prior to this role, Mr Syn led the Exchange's successful derivatives business in equity, commodity and currency assets. He joined SGX Group in 2011 with a background in investment banking and investment management.

Mr Syn serves on the council of Economic Society of Singapore and the board of Sentosa Development Corporation. He chairs Mount Faber Leisure Group, one of Singapore's leading operators of a suite of leisure and lifestyle services, anchored around the Singapore Cable Car Sky Network of six stations.

Mr Syn graduated with MA and PhD degrees from Cambridge University and attended the Harvard Advanced Management Program.

# Executive Management Committee

## **Mr Pol de Win** Senior Managing Director Head of Global Sales and Origination SGX Group

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Mr Pol de Win joined Singapore Exchange (SGX Group) as Head of Global Sales and Origination (GSO) on 1 July 2021.

As Head of GSO, Mr de Win drives the growth of SGX Group's international presence, including strengthening client engagements globally and overseeing SGX Group's specialised sales teams in nine cities. He leads the strategy and delivery of the equity and debt capital market businesses, as well as the development of distribution channels for SGX Group's products and services across all asset classes.

Mr de Win has extensive experience in capital markets advisory and transaction execution across Asia, Europe and the US. Prior to joining SGX Group, Mr de Win held various senior roles at Goldman Sachs. He most recently headed Southeast Asia Financial Institutions and Fintech (Asia ex-Japan) as Managing Director in Hong Kong.

Mr de Win is the Chairman of SGX Cares Bull Charge, the only corporate charity initiative that brings the financial industry and SGX-listed companies together to support the needs of the underprivileged, persons with disabilities and the elderly. Mr de Win leads the effort in rallying the community to raise funds for SGX Cares' beneficiaries.

Mr de Win holds a Master of Science degree from Erasmus University Rotterdam.

## **Ms Tinku Gupta** Chief Technology Officer SGX Group

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Ms Tinku Gupta is the Chief Technology Officer of Singapore Exchange (SGX Group) where she is responsible for the overall planning, development and implementation of the company's technology and cyber-related strategies and initiatives, as well as operations of SGX Group's Technology environment. Appointed to the Executive Management Committee on 1 May 2017, Ms Gupta joined SGX Group in October 1996, in what was then known as SIMEX, as a software developer in the Technology team. Over the past 26 years, she has worked in a variety of roles, gaining exposure in many aspects of SGX Group's business and Technology functions. Amongst her various job rotations, she successfully led the Business Integration and Programme Management function in SGX Group through a period of significant change and worked on implementing the current Securities and Derivatives platforms on NASDAQ applications. She also headed the Market Data and Connectivity business, successfully establishing the co-location services business and launching the index business, before returning to head the Technology unit in November 2015.

Under her Technology leadership, SGX Group is steadily strengthening its software development capabilities and building differentiated platforms to support its multi-asset class strategy. Steering experimentation on emerging technologies to enable transformation and innovation excites her to be a technologist in capital markets in this technology-led economy.

Ms Gupta holds a Masters' degree in Electronics and Telecommunications Engineering.

## **Mr Tan Boon Gin** Chief Executive Officer Singapore Exchange Regulation SGX Group

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Mr Tan Boon Gin joined Singapore Exchange (SGX Group) as Chief Regulatory Officer on 15 June 2015. He now heads Singapore Exchange Regulation, an independent regulatory subsidiary of SGX, which undertakes all front-line regulatory functions to promote a fair, orderly and transparent market.

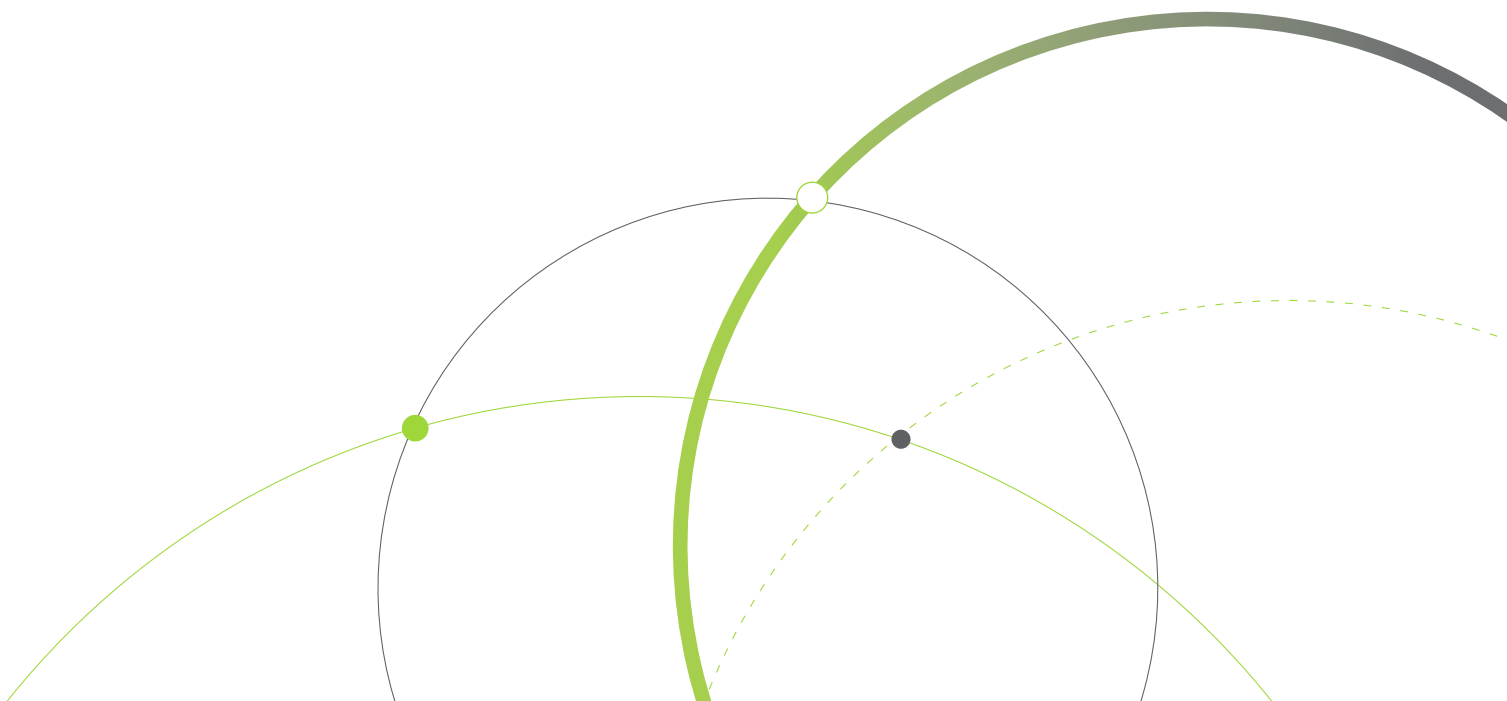
Before joining SGX Group, Mr Tan was the Director of the Commercial Affairs Department of the Singapore Police Force. Prior to this, Mr Tan held several appointments at the Monetary Authority of Singapore (MAS) including Director of the Enforcement Division, Director of the Corporate Finance Division and Executive Director of the Investment Intermediaries Department. Mr Tan was seconded to MAS after serving as a District Judge at Singapore's Subordinate Courts.

Mr Tan's earlier roles include serving as a Justices' Law Clerk at Singapore's Supreme Court and a Deputy Public Prosecutor at the Attorney General's Chamber, where he specialised in corruption and white collar crime, before leaving to practise at Messrs Sullivan & Cromwell in New York. He is a member of the Singapore Institute of Directors Council and serves as Chairman of the Board of SATA CommHealth.

Mr Tan is an advocate and solicitor and holds degrees from the University of Cambridge and Harvard Law School. Mr Tan was awarded the Public Administration (Silver) Medal in 2010.



# Value Creation & Sustainability



# How We Create Value

SGX is committed to generating long-term value for our stakeholders. This report describes how we have executed our strategic priorities to become a leading international exchange group for capital raising, risk management and price discovery in Asia.



**Global Exchange of the Year 2022**  
at FOW International Awards

**Derivatives Exchange of the Year 2022**  
by Asia Risk Awards

**Exchange of the Year 2022**  
at Asia Capital Markets Awards  
by FOW

**Best FX Exchange and Clearing House 2023**  
at FX Markets Asia Awards

## Our Capital

We deploy our financial, human, intellectual, and social capital towards executing our strategy, with an aim to create value for our stakeholders.

**01 Financial Capital**  
Our financial capital is used to invest in talent, develop best-in-class technology and infrastructure for resilience, capitalise our clearing houses and acquire assets in support of our growth ambitions.

**02 Human Capital**  
Our highly skilled employees enable operational resilience, deliver innovative products and services, distribute our products and services to customers globally, and ensure that the markets we operate are fair, orderly, and transparent.

**03 Intellectual Capital**  
Our institutionalised knowledge base is derived from our policies, procedures and processes, knowledge-based intangible assets, software, proprietary rights to our market data, indices and brand.

**04 Social Capital**  
Our collaborative relationships with all our stakeholders, which include our investors, government bodies, market participants, partners, regulators, service providers and the communities in which we operate. We also leverage on being headquartered in the only Asian economy that is AAA-rated by major credit rating agencies.

## Our Strategic Priorities

### Identified Trends



Macroeconomic Environment



Sustainable Investing



Global Regulatory Landscape



### Identified Risks



Business Risks



Credit & Liquidity Risks



Operational Risks



Regulatory & Reputation Risks

**B** For further details on our Risk Management  
> Go to pages 38 to 43

**B** For further details on our Strategic Priorities  
> Go to pages 35 to 37

**B** For further details on Progressing Sustainable Transition  
> Go to pages 44 to 91

**B** For further details on our Corporate Governance practices  
> Go to pages 96 to 133

We are an international, diversified, multi-asset exchange group that operates key market infrastructures including the Singapore securities market and a pan-Asian derivatives exchange covering major asset classes.

Our securities market offers a platform for businesses globally to raise capital, and for investors to participate in the economic growth of these businesses. International investors participate in our derivatives market, which is the world's leading pan-Asian derivatives exchange, offering single-point access into major Asian markets and asset classes such as equities, currencies, and commodities.

As a self-regulatory organisation (SRO), SGX performs the role of a front-line market regulator that acts in the best interest of investors. We ensure that listed companies meet their ongoing disclosure obligations, and that participation in our markets is carried out in a fair, orderly, and transparent manner.

## Outcomes for Stakeholders



**Competition from Global Exchanges**



**Technology Developments**



**Climate-related Risks**



**Market Risks**

**i** For further details on our role as a Self-Regulatory Organisation > Go to pages 134 to 140

### 01 We are a venue for raising capital

We operate the largest stock market in Southeast Asia. With a market capitalisation of about \$800 billion, we are an international listing venue where almost 40% of our equity market capitalisation is from non-Singapore domiciled companies. We are also the largest exchange in Asia-Pacific for the listing of international bonds, with over 9,700 debt securities listed to date by more than 1,900 issuers from over 56 countries and territories in 26 currencies.

### 02 We are a trusted pan-Asian multi-asset access and portfolio risk management centre

We are the world's most liquid offshore market for Asian equity index derivatives, and a global currencies and commodities portfolio risk management centre. Through our focused approach on the Asia-centric steel production value chain, we lead the way in risk and pricing solutions for iron ore, coking coal, steel and freight. We also offer a growing portfolio of OTC and currency futures contracts for investors to manage their currency exposure.

As a service provider, we offer connectivity solutions such as managed network services and co-location hosting. We also develop indices for our global customers to help them in performance benchmarking and portfolio construction.

As a clearing house and central counterparty, we have put in place robust risk management systems and processes that are aligned with global standards. Our derivatives clearing house is recognised by global regulators such as the Commodity Futures Trading Commission and the European Securities and Markets Authority.

### 03 We deliver value to our shareholders

In the last 10 years, we have returned more than \$3 billion to our shareholders through annual dividend payouts of between 28 cents and 32 cents per share. Since our listing in 2000, SGX shareholders have been rewarded with increasing base dividends. This is in line with our dividend policy of paying a sustainable and growing dividend, consistent with the long-term growth of the Group.

### 04 We are important to the broader Singapore financial ecosystem

We meet the highest governance and regulatory standards in support of Singapore's status as a global financial centre. As a systemically important financial infrastructure (SIFI), we remain a key contributor to the Singapore financial ecosystem.



# Identified Trends



## Macroeconomic Environment

**Asia continues to drive global growth; ASEAN emerging as a key economic centre**

After a decade of stability, global markets experienced waves of volatility. Many economies faced weaker growth prospects, elevated inflation, and heightened uncertainties, which prompted unprecedented aggressive interest rate hikes.

While Asia has not been spared, it will continue to drive global growth in 2023. The IMF expects Asia to contribute about 70% to global growth in 2023 as it accelerates to 4.6% from 3.8% last year. China remains a key growth engine despite a slower than expected recovery following the lifting of COVID-19 related restrictions. The IMF expects China to grow at 5.2% in 2023. India is also fast becoming an economic powerhouse and remains one of the world's fastest growing economies globally with an expected growth rate of 6.1% in 2023.

ASEAN is strategically situated between China and India and is emerging as an economic centre in the region with its rising middle class and a combined population of more than 660 million, twice that of the US. Collectively, ASEAN is the world's fifth largest economy and is forecasted to grow at 5% in 2023. Singapore, as one of the founding members of ASEAN, is recognised for its economic stability and business-friendly environment. This makes it a strategic gateway for SMEs and MNCs who want to establish or strengthen their position in the ASEAN region.

**SGX's continued success in creating long-term stakeholder value is largely influenced by our flexibility to respond quickly to developing market trends. Each identified trend brings unique risks and opportunities to the organisation and is a major consideration in the way we formulate our growth strategy.**

SGX has positioned itself to meet the access and risk management demands of global participants that are investing in Asia. We offer a suite of multi-asset products that addresses almost 100% of Asia's GDP. As the world's most liquid pan-Asian derivatives market, our platform empowers global investors with the ability to manage their Asian portfolio risks or participate in the growth prospects of Asian economies such as China, India, and ASEAN countries.



## Sustainable Investing Driving adoption of sustainable products and solutions

SGX continues to offer the market a growing range of options to fulfill its sustainable investing objectives. Our increasing market share and growth of ETFs and passive investing strategies suggest that helping to scale passive capital towards supporting the net zero transition has a significant role to play. Our efforts around scaling passive capital towards the net zero transition include being the co-chair of a new Glasgow Financial Alliance for Net Zero (GFANZ) global workstream on Index Investing that aims to leverage key principles around transition planning and existing alliances' guidance to provide best practices on aligning passive investments with net zero objectives.

One of our initiatives in FY2023 includes working with MSCI on developing the methodology for the MSCI Climate Action Indices which was launched in October 2022.

The SGX MSCI Climate Action Index futures suite provides investors with a tool to access a free float-adjusted, market capitalization-

weighted index published by MSCI of companies that have been assessed to lead their sector peers in terms of four climate indicators – carbon intensity, emission reduction targets, green revenues and strength of climate risk management. The index futures contracts are available for trading 22.5 hours a day across Asia, Europe and US hours. Five futures contracts with global coverage were launched in June 2023.

SGX also offers alternatives to facilitate the transition to a low carbon economy and capture the opportunities brought by changes in commodity consumption over the short and medium term. SGX Group listed a suite of battery metals derivatives such as Cobalt Metal, Cobalt Hydroxide, Lithium Carbonate and Lithium Hydroxide. These are key raw materials in the electric vehicle production process and will support the transition of passenger transportation away from fossil fuels.

A key global trend is increasing demand for high quality ESG data by investors. SGX launched the ESGenome Disclosure Portal in September 2022, a common digital disclosure portal providing (i) streamlined sustainability reporting for SGX-listed companies; and (ii) structured ESG data access for investors. In June 2023, we signed a memorandum of understanding (MOU) with MAS and the Climate Data Steering Committee (CDSC) to connect ESGenome into the Net Zero Data Public Utility (NZDPU) to facilitate allocation of public and private capital towards financing climate transition. NZDPU is an open, free and centralised repository for climate transition data.



**Global Regulatory Landscape**  
**Harnessing innovation in a complex regulatory environment**

Financial markets have experienced a spate of major incidents over the past year. These include the collapse of various crypto-asset related firms and projects culminating in the failure of crypto exchange FTX; the ransomware attack on Ion Markets which prompted renewed attention on cybersecurity, vendor outsourcing, and concentration risks; and the collapse of various US regional banks and Credit Suisse which has called into question the adequacy of the supervisory regime for financial intermediaries. This has all come in the midst of record-high levels of debt, rising inflation and the looming fear of a global recession.

Given this backdrop, we should expect a period of heightened regulatory activity and scrutiny, as regulators globally assess and recalibrate existing regimes. Our intensified risk monitoring, coupled with regulatory safeguards we had put in place during the volatile market conditions over the last few years, enabled us to navigate these challenging market conditions by ensuring continued market integrity and stability. SGX will continue to work closely with both regulators and market participants to assure market resilience in the current dynamic environment.

The high-profile failures of several crypto-related firms and projects, along with an overall crash in crypto asset prices, have placed a damper on investor enthusiasm for such products. At the same time, regulators are intensifying their efforts in seeking to impose appropriate regulatory controls in

this space. The regulatory regime however remains far from settled, exemplified by the ongoing debate particularly within the United States on the appropriate classification of such crypto-assets as either securities or commodities. In Singapore, the MAS has proposed additional regulatory requirements on crypto platforms and is expected to release the results of its consultation soon.

Another recent area which has market implications is the emergence of Generative AI, particularly on the risks surrounding its use within the financial services sector. We expect to see increased regulatory focus, mirroring the widespread societal attention. SGX is closely monitoring the regulatory responses to these issues and will examine the need for refinements to our regulatory regime in close consultation with the market, as well as regulatory and standard-setting bodies.

Sustainability will also continue to be another key area of regulatory focus. ESG reporting is becoming

mandatory in an increasing number of jurisdictions, in tandem with the global effort to establish common sustainability reporting and assurance standards. Regulators are also heightening scrutiny of potential greenwashing. SGX is continuing its close engagement with both international and regional standard-setting bodies, while simultaneously building awareness and capacity within our community through initiatives such as the Sustainability Reporting Advisory Council, and the Green Finance Industry Taskforce.



**Competition from Global Exchanges**  
**Maintaining our competitive edge in a challenging macroeconomic environment**

As Asia's most international multi-asset exchange, SGX remains strong as the gateway to Asia's fast-growing economies including China, to offer international investors a secure platform to invest across the bloc round the clock.

The network and portfolio effects that SGX has developed over years

SGX has positioned itself to meet the access and risk management demands of global participants that are investing in Asia. As the world's most liquid pan-Asian derivatives market, our platform empowers global investors with the ability to manage their Asian portfolio risks or participate in the growth prospects of Asian economies such as China, India, and ASEAN countries.



# Identified Trends

SGX Group was recognised as the 'Exchange of the Year' for the fourth year and for the 'ESG Initiative of the Year' in the Regulation Asia Awards for Excellence 2022.

remain our competitive advantage. We offer a broad range of multi-asset Asian access and risk management solutions, offer new platform solutions that meet the needs of our stakeholders, offer single-point access to multiple asset classes, and extend our clients cross-margining benefits to lower cost of capital. We also operate two well-capitalised clearing houses that meet the highest global regulatory standards, earning trust and confidence from market participants.

As the only securities market operator in Singapore, we pride ourselves to be Asia's most international stock market, with more than 40% of our market capitalisation coming from companies that are domiciled outside Singapore.

Our derivatives business remains uniquely pan-Asian, offering Asian access and risk management solutions to investors in asset classes such as equities, currencies, and commodities. As the world's leading exchange for listed foreign exchange (FX) derivatives in Asian currencies, SGX has broadened the value chain to include over-the counter FX.



## Technology Developments Technology investment continues to be a key priority to future-proof our business model

Sustaining resilience in a complex business environment continues to be an evergreen priority of SGX. In FY2023, there were no disruptions to SGX's platforms and services while keeping pace with emerging cyber trends and accelerated digitalisation. We continue to deliver tailored solutions aligned to business priorities while engineering innovations to future-proof our business models.

Multiple initiatives uplifting SGX's cybersecurity posture were rolled out in response to the evolving threat landscape. We have invested significantly in robust cyber security measures to safeguard our systems and data from threat actors, such as enhancing monitoring capabilities through use of AI-driven user behaviour analytics, file integrity monitoring and improved threat vulnerability management.

Cloud computing continues to be a driver and enabler of multiple Technology mega trends shaping a digital future. Cloud Strategy of SGX has set the direction around the use of hybrid model, spreading technology footprint between on-premise data

centre, private cloud and public cloud of leading cloud providers. We are aligned with regulatory directions, customer expectations around our platforms and services for cloud adoption. We have made significant strides in transitioning our platforms to public cloud and that journey continues as we build, buy and acquire new platforms.

As part of our journey, we equip our staff with relevant and future-ready skills through professional certification, gamification and training programs in the areas of Cloud, AI/ Machine Learning, Containerisation, Cyber, Digital Ledger Technology etc. A couple of proof of concept and internal applications were developed this year using Digital Ledger Technology. We also introduced gamification and hands-on learning of AI models, in conducting a Charity Racing League within our ecosystem raising funds for SGX Bull Charge.

Attracting and retaining top technology talent with appropriate skills is essential to the execution of our technology strategy. We run the Management Associate (Technology) Programme and participate in Institute of Banking and Finance Singapore's Technology in Finance Immersion Programme (IBF-TFIP) to continuously develop our talent pipeline.

# Strategic Priorities

Having successfully established ourselves as an international multi-asset exchange, our next step is to expedite growth and expand our client coverage. We strive to offer our customers deeper, broader and more integrated access to Asian Equity, Fixed Income, Currency and Commodity asset classes, and provide them with advanced smart-factor index solutions. With a strong international presence, we are able to distribute our services globally and personally work with our customers in their respective time-zones. Well-positioned to bring SGX to new heights, we will continue to drive growth through partnerships.



## Advance Our Multi-Asset Exchange

**Widen our product and platform offerings, digitalise end-to-end trade workflow to enhance our customers' investment experience and bridge our OTC and Futures FX offering**



## Expand Our Network and Partnerships

**Strengthen cross-border flows through collaboration with other markets, and develop platform partnerships to enhance service capabilities**



## Grow Our International Presence

**Build up our overseas capabilities in key financial centres, acquire new listings, grow our client base and deepen client engagement**

## Business Priorities in FY2024

### Equities

We are focused on enhancing our cash and derivatives product shelf to offer investors a range of options to access Asia's growth that cater to their evolving needs.

International investors can invest and trade through our growing complement of cash products, to which we are adding more issuers and instruments. We will be expanding the ETF Product Link through collaboration with the Shanghai Stock Exchange to grow our ETF ecosystem, adding to the first three ETFs launched under our collaboration with Shenzhen Stock Exchange. Singapore Depository Receipts on Thai-listed companies were launched under The Thailand-Singapore Depository Receipts Linkage and offers a blueprint for further regional connectivity. We will be the first exchange in Asia to introduce structured certificates,

bringing price transparency and exchange efficiencies to investors for this product class. In listings, our capital raising platform provides diverse avenues for companies to raise capital and connects to a strong post-listing support ecosystem that enables listed companies in their growth journey. We have had success in attracting market makers and active traders to provide liquidity in the securities market, supported by CDP's Securities Borrowing and Lending capabilities. We will also grow participation from regional retail investors, as we increase the number of regional brokers offering the Singapore market to their clients and tap on global institutional flow as investing in Asia gains traction.

In equity derivatives, we continue to deepen our product shelf that offers investors access to the large and

fast-growing markets in Asia. The steady activity in the T+1 session of our A50 and TWN contracts demonstrates our leadership position for round-the-clock price formation in these contracts. We have added the Taiwan Options contract to enhance the FTSE TW ecosystem. Our Japan suite of contracts provides comprehensive exposure to Asia's second largest economy. The NSE IX-SGX Connect commenced full-scale operation in July 2023 and we will continue to widen distribution of the GIFT Nifty product suite and create greater connectivity for investors globally. Our Derivatives business has also been expanding its ESG offerings to help investors integrate transition finance solutions into their portfolio and align with the net-zero economy. SGX has launched the first global suite of futures tracking MSCI Climate Action Indexes, which fills a gap within existing indexation methodologies.

# Strategic Priorities

## Fixed Income, Currencies and Commodities

### Fixed Income

SGX Group is the leading venue for listing international bonds in Asia. In response to growing demand for green, social, and sustainable bond markets, we have initiated the Sustainable Fixed Income Initiative. It allows issuers to showcase their commitment to sustainable standards and offers investors the confidence of independent verification for alignment with the applicable standards. Electronification and digitalisation continue to impact Fixed Income markets as secular trends. We are working towards establishing a digital fixed income market infrastructure for capital markets.

### Currencies

We offer a gateway to the global FX ecosystem, anchored by the world's most liquid Asian FX futures exchange together with cutting-edge FX technology and workflow solutions for both the buy-side and sell-side, provided by BidFX and MaxxTrader respectively. SGX CurrencyNode, an FX electronic communication network (ECN), connects global participants anonymously to unique and deep OTC FX liquidity pools. We will continue our efforts in building a fully-integrated and scalable FX platform that will become a global one-stop venue for international FX futures and OTC participants, facilitating international trade and risk management.

### Commodities

Growing liquidity in iron ore through electronic screen trading will anchor continued financialisation in the next phase of market transformation. We will continue to expand our virtual steel mill offering, broaden our footprint in steel, as well as continue building on our global market-leading position in Baltic freight indices and shipping derivatives. As the commodity industry's decarbonisation efforts intensify, we look to support price risk management related to energy transition, carbon and greener fuel sources.

## Data, Connectivity and Indices

We are well-positioned to build upon our growth momentum and focus on new collaborations and services for our data, connectivity and index business.

Our index business has been expanding its offerings to address investors' top concerns today. Scientific Beta's flagship multifactor indices help investors balance their diversification across momentum,

value and other academically validated factors. Its more recent Climate Index series based on robust research help investors achieve their Net Zero ambition. Macro factor indices are gaining interest as investors seek to manage their risks against inflation surprises. To better serve clients, Scientific Beta has expanded its team of sales and investment specialists in US, Europe and most recently, in Australia.

At the same time, SGX Index Edge has successfully partnered with leading banks and asset managers to launch ETFs and aims to keep building on this momentum in FY2024. There is growing interest in Thematic and ESG indices in Asia where we are uniquely positioned to deliver relevant index strategies for the region. In Europe, we expect our iEdge indices in partnership with leading structured product issuers to continue to gain adoption, especially for ESG related

products. We have also struck a strategic partnership with Wilshire Indexes to offer institutional investors and intermediaries with more services built around best in class index designs.

We continue to grow our data business by broadening the access of our market data globally through partnerships, networks and direct engagement with consumer firms.

For our connectivity business, we have added end-to-end connectivity solutions, offered co-location services and certified additional Independent Service Vendors (ISVs) for our participants to access Gujarat International Finance Tech City Connect (GIFT). In preparation for more co-location requirements from new and existing customers, we have equipped and activated more hosting space and power density options in our primary data centre.

Our product shelf offers investors a range of options to access Asia's growth that suit their evolving needs.



## Global Sales and Origination

We will continue to grow our international presence and increase participation in our markets from existing and new customers and seek to increase the number of members. Our networks and partnership outreach will expand as we continue to establish strong alliances and collaboration with key partners.

SGX’s multi-asset platform, available 22.5 hours a day, enables customers across all time zones to participate in our market. Through our global presence with 19 overseas offices and wide network of intermediaries, we will broaden our customer coverage across institutional and corporate clients to increase participation across our equities, fixed income, currencies and commodities suite.

As Asia continues to be of relevance to international growth stories and with more companies emerging from the region, SGX is well positioned to be the listing and fundraising platform of choice for issuers seeking a trusted, neutral platform. We will continue to anchor our foothold in the real estate, healthcare, consumer and

technology sectors, while at the same time nurture emerging high potential sectors such as sustainability and bringing more new economy companies to our market. In addition to focusing on primary listings, we also pursue global issuers seeking secondary or dual listings in Singapore.

As the most international fixed income listing venue in Asia, we will continue to grow through an expanded network of global intermediaries and diversified fixed income listed products while enhancing our ESG sector focus across sectors such as the Sustainable Fixed Income initiative launched during the year. In addition, we continue to develop

We will build a fully-integrated and scalable FX platform that will become Asia’s largest one-stop venue for international FX futures and OTC participants, facilitating international trade and risk management.



our efficient, highly digitised fixed income listing process, and one stop holistic corporate capital structure solutions.

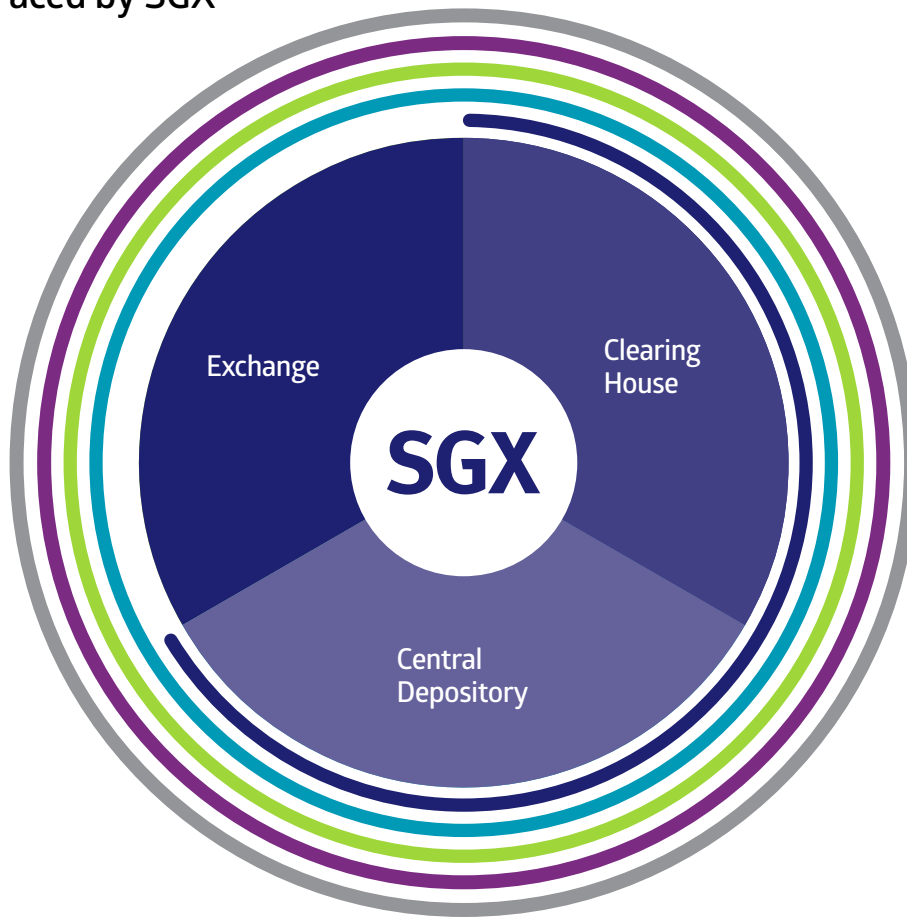
To deliver our China strategy, we continue to focus on deepening mutual market connectivity across asset classes and expanding capital flows through partnerships with leading Chinese intermediaries, exchanges and key financial infrastructures. The China-Singapore exchange-traded funds (ETF) Product Link was successfully launched between SGX Group and the Shenzhen Stock Exchange with the listing of three ETFs in December 2022. Building on this, SGX Group and the SSE announced the intention to launch an SSE-SGX ETF link.



# Risk Management

Effective risk management is integral to SGX Group's business strategy and the resilience of our operations. As a key financial market infrastructure that operates Trading, Clearing, Settlement and Depository activities, and with a widening product and platform offering through advancing SGX Group's multi-asset strategy, we are committed to actively managing our risks to support our strategic objectives.

## Key Risks Faced by SGX



### Strategic Risks

We strive to advance our multi-asset exchange, grow our international presence and expand our network and partnerships to deliver our set objectives and strategic goals. (refer to page 35 Strategic Priorities)



### Credit & Liquidity Risks

Our risk management is performed to the highest standards to address the potential risks of default of a participant.



### Operational & Technology Risks

We are fully committed to operational resilience against technology risks, cyber risks, processing risks, data risks, risks from outsourcing as well as risks to business continuity.



### Regulatory & Reputation Risks

We have zero tolerance towards events that could impact the operation of a fair, orderly, transparent and efficient marketplace.



### Climate-related Risks (emerging risks)

SGX is cognisant of climate-related risks and will continue to incorporate climate-related risks and opportunities into our business model, operations and engagements with various stakeholders.

## Risk Description for SGX

## What Are We Doing About It?

### 01 Credit Risks

#### Risks arising from potential default of clearing members

SGX is a financial market infrastructure and its business model is different from that of most financial institutions. As an exchange, SGX matches buyers with sellers. As a clearing house, SGX interposes between the buyers and sellers to remove the counterparty risks between them – SGX becomes a buyer to every seller and a seller to every buyer. In so doing, SGX plays the vital role as the risk management hub, and limits contagion and the transfer of credit risk across the financial ecosystem.

Investors access SGX through our members, who are required to meet payment obligations in a timely manner. SGX collects margin and default fund contributions from its members to reduce credit risk.

In this business model, risk of loss only occurs if a member defaults. Should this happen, our clearing house will need to manage, transfer and close-out the open positions of the defaulted firm. SGX and other members may need to absorb the losses from the resulting market risk.

SGX has established layers of defense to safeguard its clearing house against members' credit risk.

Good quality members are screened at admission. Their credit standing and internal risk management capability that spans across operational, business continuity, technology and liquidity risks are reviewed regularly as part of ongoing supervision. Active monitoring of members' positions and acute awareness of market conditions and political events enable pre-emptive mitigating actions to be taken by SGX. Margin requirements for trade exposures are regularly reviewed for adequacy and margins are collected promptly through our routine intraday margin call process. The increased use of data analytics and process automation have also improved our agility and ability to respond swiftly to changing market conditions.

We saw the effects of inflation-induced interest rate hikes rippling through the markets. The heightened concerns on the global banking sector following some recent bank failures, and tightened credit conditions have led to greater scrutiny on liquidity risks. Escalating geopolitical tensions and deglobalization may disrupt global supply chain, sending commodities prices beyond market expectation. To manage these evolving risks, SGX enhanced its monitoring and models to be more forward-looking and be alerted more quickly to early warning signs. The increased risk sensitivity enables SGX to take pre-emptive and anticipatory risk intervention to reduce the potential financial impact that may arise in event of a member default.

SGX and its members contribute resources to a default fund that is strong enough to withstand a multiple-member default scenario. The resources to manage a potential credit event have been stress-tested to cover extreme and plausible scenarios. SGX contributes at least 25% of the default fund using its own capital, which ranks as one of the highest "skin in the game" amongst global clearing houses. Furthermore, we have enhanced our stress testing frameworks and margin frameworks to bolster adequacy of resources in the event of a member default.

In an increasingly unpredictable environment, new stress scenarios are constantly added to capture broader range of tail-risks and bolster preparedness to deal with crisis events. These include forward-looking hypothetical stress scenarios developed in consultation with market participants represented on our Risk Advisory Committee.

In its role of a central counterparty, SGX continues to ensure its preparedness to deal with crisis events, including potential default of its members. In the event of a member default, we have in place a robust default management process to liquidate a defaulter's portfolio promptly. Regular default management exercises with appointed liquidating brokers and clearing members are conducted to familiarize and enable a speedy resolution and reduce contagion risks within the ecosystem. Default management toolkits are also expanded to enhance SGX's efficiency during a crisis.



# Risk Management

## Risk Description for SGX

## What Are We Doing About It?

### 02 Liquidity Risks

#### Risks arising from potential default of a participant

In the rare event of a member default, SGX may need liquidity to honour payment obligations to other members as a CCP. This is because it will no longer receive payments from the defaulted member.

To facilitate day-to-day settlement of payments and safekeep customer monies, the clearing house uses commercial banks. A counterparty default of such a commercial bank, though highly unlikely, will expose SGX to liquidity risks.

SGX sets aside resources to cover liquidity risks. To provide sufficient headroom, we perform regular "liquidity stress tests" which simulate a variety of hypothetical default scenarios under severe stress conditions involving clearing members and commercial banks. This gives SGX the confidence that it has sufficient cash resources and credit lines to continue operating the markets under such extreme but plausible scenarios.

Additionally, SGX actively manages counterparty risk exposure to commercial banks by using only financially strong banks and limiting the amount of exposure to each bank.

### 03 Operational & Technology Risks

#### Operational resilience and business continuity

As a financial market infrastructure, operational resilience of our business functions is critical in ensuring business continuity. SGX's business continuity can be impacted by technology, financial, physical security and pandemic disruptions.

SGX regularly reviews the state of our business operational resiliency to be prepared for any contingencies which could impact the operation of a fair, orderly, transparent and efficient marketplace. Adequate measures are also put in place to detect and mitigate impacts on a timely manner.

In the aftermath of COVID-19, SGX continued to build on our operational resiliency through hybrid work arrangements and regular business continuity exercises within the organisation and with members. We continually drilled our remote crisis management capabilities over various scenarios, reviewed our physical security readiness and maintained preparedness of our pandemic management measures.

Across the Group, management continuously enhanced the business continuity management framework. Risk governance processes were reviewed to ensure a consistent risk management approach across the Group and to facilitate effective oversight by SGX Group management. Engagement with the newer subsidiaries was increased to support their alignment with Group standards, and to enhance their operational resiliency.

**Risk Description for SGX      What Are We Doing About It?**

**03      Operational & Technology Risks**

**Technology and cyber security risks**

As we embrace new technologies and introduce new ways of connecting with our customer and staff, we find ourselves in a complex and constantly evolving risk environment. Data security, privacy risks and risks of business interruption remain our leading concerns around technology and cyber security risk management.

Sustaining resilience while keeping pace with emerging cyber trends and accelerated digitalisation needs to blend “people, process and engineering” with “risk culture and continuous improvement mindset”.

SGX demonstrates steadfast commitment in preventing market disruptions caused by technology outages and upholding a robust and secure information security environment.

Our technology risk management practices aim to identify potential risks before they occur and implement work plans to address those risks timely, for example, learning from near misses within SGX as well as incidents impacting other exchanges and participants in the industry.

Around cyber security risk management, directionally we are progressing to a risk-based approach with a systematic method that identifies, evaluates, and prioritises threats facing SGX to tailor our cybersecurity program to specific business needs and operational vulnerabilities.

We look at both internal and external risks that can impact our businesses. Our monitoring and detecting environment operates round-the-clock providing information discovery along with exploration and visualisation capabilities in a single pane of glass. Our protecting and defending environment embeds Security-By-Design principles of ‘Assume Breach’, ‘Zero Trust’ and ‘Layered Defense’.

Everyone in SGX plays a critical role in technology and cyber risk management. To be better prepared against the unexpected, we put emphasis on technology and cyber risk awareness. SGX website has a cybersecurity page that provides advisory to the public on scams, phishing and fraudulent websites. We periodically conduct brown-bags, workshops, tabletop exercises and phishing tests involving SGX staff and senior management. We run cyber drills and data recovery exercises with industry participants as market operational resilience is key to us in our role as a market infrastructure operator.

Additionally, we do multiple cycles of Disaster Recovery (DR) testing with our customers in its most comprehensive form by simulating IT failures to assess whether our DR plans are up-to-date and effective.

As risks evolve, our processes and strategies adapt to mitigate these risks. Our technology and cyber risk reporting to the regulator, board and senior management is key to providing visibility on the effectiveness on how we are managing technology and cyber risks.

Across the Group, baseline policies and processes have also been established for subsidiaries to ‘adopt’ or ‘adapt’ to ensure technology and cyber risks are escalated and managed adequately. Management has been implementing these standards and is committed to ensure adequate management of risks across the Group.

# Risk Management

## Risk Description for SGX

## What Are We Doing About It?

### 03 Operational & Technology Risks

#### Confidentiality risks

As a financial market infrastructure, SGX collects, uses, and stores various information that is confidential in nature, including user information, depository information, personal data, information collected by the SGX Group in its capacity as a regulator, and proprietary or sensitive information (“confidential information”). We take protecting the confidentiality and integrity of such information seriously.

SGX has a comprehensive regime for safeguarding confidential information. These include policies and processes on the processing, security, and breach notification and reporting of such confidential information. Control measures would include encrypting emails containing confidential information when they are sent to external parties and uplifting our data loss prevention program to identify and prevent accidental or unauthorised disclosure of confidential information when they are sent to external parties.

#### Outsourcing risks

SGX utilises vendors for services in various areas. This exposes SGX to risks arising from failure of a vendor in providing the service, breaches in security, or the vendor’s inability to comply with legal and regulatory requirements.

SGX has a robust outsourcing framework which governs the evaluation of risks, due diligence assessments, on-going monitoring and management of vendors. The framework is in keeping with the Monetary Authority of Singapore (MAS) Outsourcing Guidelines, and ensures that there is adequate governance over our outsourced vendors.

### 04 Regulatory Risks & Reputation Risks

#### Risk of not maintaining robust regulatory standards

As a frontline regulator of SGX’s markets, SGX RegCo has to maintain high standards of supervision and ensure adherence to regulation.

A loss in confidence in the quality of our markets could have a serious impact on SGX’s competitiveness.

SGX RegCo strives to ensure a fair, orderly, transparent and efficient marketplace by maintaining high regulatory standards in the oversight of listed companies and member firms.

SGX’s admission and listing requirements are continuously refreshed to remain relevant to market needs and to address new risks arising from the introduction of new listing structures which evolves with investors’ preferences and changes in the business landscape and global environment. Our listing criteria are benchmarked against comparable and established jurisdictions and adapted to our local market conditions.

We invest in upgrades to our real-time market surveillance system to allow us to more accurately detect trading irregularities and more complex types of misconduct such as layering and spoofing. Where appropriate, SGX RegCo issues detailed and targeted Trade with Caution alerts to investors.

In operating a disclosure-based regime, SGX RegCo recognises the importance of communicating clear expectations on timely and accurate disclosures to market participants and shareholders’ evolving needs, as it is key to maintaining trust in and increasing the quality of our markets.

**Risk Description for SGX**

**What Are We Doing About It?**

In FY2023, SGX RegCo introduced a hard cap of nine years to the tenure of the independent directors of listed companies and enhanced remuneration disclosure requirements for directors and CEOs, as part of continuing efforts to enhance corporate governance standards in the market. As Singapore progressively transitioned towards living with COVID-19, SGX RegCo called on listed companies to make preparations for physical general meetings, while also providing further guidance on the conduct of general meetings, including through hybrid formats. To drive our regulatory efforts in sustainability, including in sustainability reporting, SGX RegCo established a dedicated Sustainable Development Office. More details of work done in this area can be found in the Self-Regulatory Organisation Report in page 137.

In addition, we regularly publish our regulatory philosophy, listing decisions, waivers, regulatory expectations on corporate governance and compliance with listing rules, and enforcement actions. SGX RegCo’s communication is made through various means including Regulator’s Columns, Enforcement statistics, public consultations, and stakeholder engagement events. Where necessary, SGX RegCo will diligently exercise its administrative powers for listed companies and product issuers to address breaches of the listing rules. SGX RegCo similarly expects market participants and professionals to maintain high standards in their actions. Through collaborations with key stakeholders, including professional bodies, SGX RegCo provides industry guidance on best practices, promoting a well-educated and informed market.

**05 Climate-related Risks (emerging risks)**

Climate-related risks include transition and physical risks.

**Transition risks**

Transition risks may arise from policy, legal, technology and market changes to address climate mitigation and adaptation. With the increased global focus on integrating climate risks and opportunities into investment decision-making, SGX recognises the need to monitor and manage our business and support our stakeholders in the transition to a low carbon economy.

**Physical risks**

Physical risks resulting from climate change may arise from extreme weather events or longer-term shifts in weather patterns, resulting in operational disruptions, physical damage to assets etc.

Since FY2021, we have embarked on our TCFD journey which helped us have a better understanding of our climate-related risks and opportunities to inform decisions. In FY2023, aside from reviewing and updating our risks in response to developments in the past year, we have also started developing our climate scenario analysis capabilities, to understand the resilience of our strategies to climate risks.

On transition risk, SGX Group has been actively engaging our stakeholders and introduced regulations, products and services to support the global transition to a low-carbon economy. Aside from the impact on our products and services, there is also increased focus, by financial authorities, on addressing greenwashing concerns. We are actively participating in industry efforts locally to mitigate greenwashing risks through improving frameworks and investor understanding of ESG-focused investing.

On physical risk, while SGX Group does not hold significant real assets within our portfolio and thus have minimal exposure to physical risks, we recognise that climate events such as heatwaves and flash floods may potentially disrupt our operations, if they worsen. SGX Group will continue to review such weather trends and research and update our assessment and response to such risks. For detailed description of our transition, physical risks and climate scenario analysis, please refer to Sustainability Report (TCFD Climate Risk – pages 59 to 67).

Looking ahead, we will continue to monitor and review our climate risks and opportunities and work towards quantifying the financial impacts of climate risks to enable informed strategic decisions.

# Progressing Sustainable Transition

## Introduction

### A Message from the Board

Through FY2023, global markets have endured the impacts of geopolitical, social, and economic turbulence: the banking crisis, historic interest rates and inflation, as well as supply chain disruptions. Despite these disturbances, the threat of a climate crisis still looms over us – with increasing urgency. It is still as important as ever, that SGX Group nurtures our ability to be resilient, to weather exogenous shocks to our business. We believe that the integration of environmental, social, and governance (ESG) considerations in our decision-making will unlock opportunities for long-term value creation with our stakeholders. By leveraging on our position as Asia's most international multi-asset exchange, we aim to be an enabler of the green transition in Singapore, as well as the global economy. We are committed to advancing our sustainability capabilities through our four core pillars – SGX Group as a company, business, regulator, and in the ecosystem.

As a listed company, we strive to be a leader in sustainability best practices, and on credible climate change mitigation. As such, our disclosure of climate-related risks and opportunities uses scenario analysis, in line with the recommendations of Task Force on Climate-Related Financial Disclosures (TCFD) – ensuring that we remain unencumbered when faced with future climate-related challenges, and we

remain on track to achieving our sustainability ambitions for example, our Science Based Targets Initiative (SBTi) validated net-zero targets. We continue to work with our peers for our net-zero commitments as a founding signatory of the Net Zero Financial Service Providers Alliance (NZFSPA) and by building our internal capacity, ensuring that our employees and management are adequately equipped with sustainability knowledge and know-how across the business, support, and regulatory units.

As a business, through our ESG-integrated offerings, investors, issuers, and various stakeholders across the international markets can play a part in driving capital towards decarbonisation. We continue to listen to and engage with the ecosystem, working towards addressing their needs. Our shelf of offerings and suite of ESG products has also expanded. For example, in FY2023, we worked with MSCI on developing the methodology for the MSCI Climate Action Indexes which were launched in 2022. The MSCI Climate Action Indexes are designed to help institutional investors seeking to invest in the transition and finance companies' emissions reduction to drive change in the real economy, with inputs from over 30 asset owners.

We have continued to advance our in-house index capabilities through iEdge and Scientific Beta, to develop a range of climate-related products to help

investors reduce their portfolio's carbon footprint. The Glasgow Financial Alliance for Net Zero (GFANZ) has recently launched an index investing workstream this year that will take stock of existing guidance with respect to net zero corporate engagement and investor recommendations on enhancements to net zero benchmarks. SGX Group is supportive of this initiative and is a co-chair of this new workstream. We have continued to focus on supporting issuers and investors as a market-leading listing venue for Green, Social, Sustainability and Sustainability-linked fixed income securities (GSSS bonds), and more than 15% of our total new listings in FY2023 were GSSS bonds. SGX remains the number one international listing venue for GSSS G3 bonds issued by APAC issuers and has more than 400 GSSS bonds listed on our platforms. Recognising the need for better ESG data disclosure, SGX ESGenome, a digital disclosure portal, was launched by SGX Group and the Monetary Authority of Singapore (MAS) to support our listed companies in their ESG disclosure journey, to foster best practices via industry benchmarking, and to satisfy evolving investors' ESG information needs. To facilitate allocation of public and private capital towards financing climate transition, we signed a memorandum of understanding (MOU) with MAS and the Climate Data Steering Committee (CDSC) in June to connect ESGenome with the Net Zero Data Public Utility (NZDPU). This connectivity will link SGX-listed companies' reported GHG emissions data from ESGenome into the NZDPU repository, which is an open, free and centralised repository for climate transition data.

In FY2023, as part of our phased approach to climate reporting for listed companies, we embarked on the first year of mandatory reporting for some carbon-intensive industry sectors. SGX

We will continue to move forward to further embed sustainability into not only our business and company but the overall ecosystem, laying foundations for being the exchange of choice for climate and sustainability-related products and solutions.

RegCo, together with the Accounting and Corporate Regulatory Authority (ACRA) as joint secretariat, supported the Sustainability Reporting Advisory Committee (SRAC) in developing a sustainability-reporting roadmap for all Singapore-incorporated companies in FY2023. We believe in laying the right foundation and upskilling sustainable-related knowledge for the overall ecosystem. This year, SGX RegCo anchored sustainability training courses for directors of listed

companies, ensuring that these directors have the capabilities to tackle sustainability-related challenges.

SGX Group has also been providing platforms for in-person engagement and learning, anchoring ecosystem-supporting events with key partners for various thematic asset classes linking to sustainability and climate transition.

The board will work closely with SGX Group's management, towards fulfilling our

vision – to become a leading sustainable and credible transition finance and trading hub. We will continue supporting the Singapore Green Plan 2030, forge partnerships and collaborations with key stakeholders to green our global economy. In FY2024, we will continue to move forward to further embed sustainability into not only our business and company but the overall ecosystem, laying foundations for being the exchange of choice for climate and sustainability-related products and solutions.

## About the Report

This sustainability report shares our approach to building a sustainable business and ecosystem with consideration of our material factors.

### Scope

The report covers the performance of our consolidated entities from 1 July 2022 to 30 June 2023 (FY2023) which coincides with our financial reporting year. We have included the historical data for FY2021 and FY2022 for comparison where available.

### Approach to Sustainability Reporting

This Sustainability Report is approved by the SGX Group Board of Directors and is prepared in adherence to:

- SGX-ST Listing Rules 711A and 711B (updated January 2022)
- Global Reporting Initiative (GRI) Standards 2021 (updated July 2021)
- Sustainability Accounting Standards Board (SASB) for Security & Commodity Exchanges governed by the International Sustainability Standards Board (ISSB) of the IFRS Foundation

- Task Force on Climate-Related Financial Disclosures (TCFD) recommendations by the Financial Stability Board (updated October 2021)
- Relevant UN Sustainable Development Goals (UN SDGs)

The GRI, SASB, and TCFD content index document is an integral part of sustainability report and will be published on our SGX Group website.

More information on our alignment with the GRI and SASB Standards, TCFD recommendations as well as details on our performance metrics, can be found on our website.

We welcome feedback on this report and any aspect of our sustainability performance.

Comments or feedback can be sent to [sustainability@sgx.com](mailto:sustainability@sgx.com).

### Review and Assurance

All data included in this sustainability report has been submitted for an internal review and was approved by the SGX Board in June 2023. The independent external assurance by Ernst & Young LLP, including the scope of work and conclusions which have been externally verified, can be found on the 'Our Sustainability Reports' section on our website.

SGX Group is also rated by ESG rating agencies, and an updated list of available ratings of our listed companies may be found on our stock ratings page under the Sustainable Finance section.



**Content Index & Performance Metrics**  
Scan the code, or visit [sgxgroup.com/sustainability/our-sustainability-reports](https://sgxgroup.com/sustainability/our-sustainability-reports)



**ESG Stock Ratings**  
Scan the code, or visit [sgx.com/sustainable-finance/stock-ratings](https://sgx.com/sustainable-finance/stock-ratings)



# Progressing Sustainable Transition

## Introduction

### FY2023 Highlights



#### Q1



- SGX Group together with the Monetary Authority of Singapore (MAS) launched SGX ESGenome; a common digital disclosure portal to help listed companies streamline sustainability reporting and facilitate market access to structured ESG data. It was awarded the ESG initiative of the year in the Regulation Asia Awards for Excellence 2022
- Launch of SGX Electric Vehicle Metals contracts. SGX Group is the first international exchange to launch cobalt hydroxide and lithium carbonate derivatives contracts
- Scientific Beta won a EUR 300mn mandate to track its Eurozone Paris-Aligned Benchmark index from a French pension fund
- SGX listed the landmark inaugural S\$2.4bn Green Singapore Government Securities issuance in August 2022, and the maiden green bond listings of Housing & Development Board (HDB) (July 2022, S\$1.1bn) and Public Utilities Board (PUB) (September 2022, S\$800mn)



#### Q2



- Participated in COP27 with key speaking moments including with Glasgow Financial Alliance for Net Zero (GFANZ), United Nation Sustainable Stock Exchanges (SSE) initiative and the Singapore Pavilion
- SGX Group hosted a Climate Bonds Connect 2022 Regional Seminar Asia Pacific conference and held a workshop for Singapore government agencies on Green, Social, Sustainability and Sustainability-linked fixed income securities
- SGX RegCo launched the Sustainability Fixed Income (SFI) initiative. The initiative provides regulatory backing and visibility for green, social and sustainability bonds listed on SGX that meet internationally recognised criteria
- SGX Group worked with MSCI on developing the methodology for the MSCI Climate Action Indexes which were launched in November 2022. The MSCI Climate Action Indexes are designed to help institutional investors seeking to invest in the transition and finance companies' emissions reduction to drive change for the real economy
- SGXCares organised annual flagship Bull Charge Charity Run, raising close to S\$3mn for its beneficiaries
- Inaugural SGX green field trip hosted by CapitaLand Investment for the media, research analyst and SGX staff to raise awareness on sustainability efforts



Q3



- SGX Group celebrated International Women's Day and participated in the 9th Annual 'Ring the Bell for Gender Equality', a global initiative by exchanges to foster greater gender equality and highlight the benefits of a diverse and inclusive workplace
- Supported the World Business Council for Sustainable Development (WBCSD) for a series of ASEAN consultation workshops for the Taskforce on Nature-related Financial Disclosures (TNFD)

Q4



- SGX Commodities co-organised the flagship Singapore International Ferrous Week (SIFW) 2023, gathering the global commodities community, themed 'Resilience in a Low Carbon Future' and comprised of four forums focusing on the challenges and opportunities facing the iron ore, steel, shipping and coal industries' pursuit of sustainability
- SGX Group signed a memorandum of understanding (MOU) with MAS and the Climate Data Steering Committee (CDSC) in June to connect ESGenome into the Net Zero Data Public Utility (NZDPU). This connectivity will link SGX-listed companies' reported GHG emissions data from ESGenome into the NZDPU repository, which is an open, free and centralised repository for climate transition data
- SGX RegCo, in collaboration with the ASEAN Capital Markets Forum and the International Sustainability Standards Board (ISSB), organised a technical training workshop for corporate preparers from the region to build capacity on the newly launched ISSB standards
- SGX Group launched the first global suite of futures tracking MSCI Climate Action Indexes Net USD (World, Europe, USA, Japan and Asia Ex-Japan) to provide investors with efficient tools to access and manage their decarbonisation objectives. As part of the launch, we participated in various events such as the Financing Asia's Transition (FAST) conference, as part of Ecosperity Week 2023
- Climate Impact X (CIX) launched CIX Exchange, a spot trading platform to level up carbon market transparency, certainty, and liquidity
- GFANZ APAC Network, hosted by SGX Group, celebrated its first year of operations at its inaugural annual GFANZ APAC summit. As part of the programme agenda, SGX Group co-hosted a roundtable event on net zero supporting passive investment
- SGX Group is the co-chair of new GFANZ workstream on Index Investing that will take stock of existing guidance with respect to net zero corporate engagement and investor recommendations on enhancements to net zero benchmarks

# Progressing Sustainable Transition





## Introduction

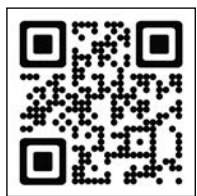
### Our Sustainability Approach

As a leading multi-asset exchange, SGX Group supports our partners, companies, investors, and other stakeholders in their sustainability journey, as we progress to meet the expectations and growing demands of the market.

#### Our Sustainability Vision

We continued the implementation of our Sustainability Vision, **to be a leading sustainable and credible transition finance and trading hub**. Our progress is best viewed through the lens of SGX Group's four core pillars – as a company, business, regulator, and in the ecosystem.

Our Core Pillars	Enabling Actions	Intended Objectives
 As a company	<ul style="list-style-type: none"> <li>▪ Demonstrative leadership in sustainability and on credible climate change mitigation e.g. by executing on science based targets</li> <li>▪ Foster responsible business practices</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rally climate action among SGX listed corporates</li> <li>▪ To conduct business with integrity and cultivate trust</li> </ul>
 As a business	<ul style="list-style-type: none"> <li>▪ Develop suite of sustainable and credible transition financing products, services and solutions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support the development of a green and resilient economy and financial system</li> <li>▪ Venue of choice for transition capital and trading</li> </ul>
 As a regulator	<ul style="list-style-type: none"> <li>▪ Guide the market on sustainability-related disclosures</li> <li>▪ Promote capacity development</li> </ul>	<ul style="list-style-type: none"> <li>▪ Foster best practices in sustainability-related information disclosures</li> <li>▪ Facilitate availability of decision-relevant sustainability-related information in the market</li> </ul>
 In the ecosystem	<ul style="list-style-type: none"> <li>▪ Be a positive influence and foster collaboration and partnerships</li> <li>▪ Provide data, tools, resources and connecting stakeholders to drive industry discussions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support stakeholders' ambition in achieving sustainability objectives</li> <li>▪ Effective sustainability strategy implementation</li> </ul>



**Sustainability Vision**  
 Scan the code, or visit [sgxgroup.com/sustainability](https://sgxgroup.com/sustainability)

# Our Ambitions and Progress on Supporting Net Zero Transition

We are making strides to support our ecosystem to be net zero transition futureproof and capture the new economic opportunities.

## Lead with SGX transition journey and our own emissions reduction

**Emissions Reductions & Disclosure**

 **Ambition**  
Share progress on our climate actions and transition plan annually and to reduce our Scope 1, 2 and 3 emissions

 **Progress**

- SGX Group was 1st Asian exchange to commit to 1.5°C-aligned science-based targets, which have been validated by the Science Based Targets Initiative (SBTi)
- Focus areas include data centres and energy usage reduction for SGX Group and our value chain
- Reinforced our ambitions by joining NZFSPA as one of the 18 founding signatories. NZFSPA target-setting framework was formally launched on 27 June 2023 and we will set more specific targets and transition plan and report our progress according to the framework

## Market stewardship and influence through ecosystem collaboration

**Transparency & Education**

 **Ambition**  
To actively promote the availability of high-quality climate information, ensure that our market is sufficiently equipped to perform climate-related financial disclosures and to offer climate disclosure training at least annually

 **Progress**

- TCFD climate reporting workshops
- Mandated one-time Board-level sustainability training for listed companies
- Support alignment with ISSB and capacity building
- Green and sustainable bond workshops
- Decarbonisation guidance for corporates
- Linking ESGenome with NZDPU, a global repository of climate transition data; Greennode holds green and sustainable bond data

**Governance**

 **Ambition**  
Underpinning the effective and credible implementation of our commitments is the establishment of appropriate policies, procedures and trainings, robust governance and risk management structure

 **Progress**

- As part of TCFD implementation, progressive strengthening of our governance structures and processes including enhanced Board oversight
- Internal sustainability courses

**Products & Services**


 **Ambition**  
To raise visibility and awareness for climate-themed products and progressively incorporate climate-related considerations into the development processes for products and services


 **Progress**

- Launched climate-themed products and solutions including Electric Vehicle Metals contracts and SGX MSCI Climate Action Index Futures
- Bringing ecosystem together for driving industry best practices such as GFANZ Index investing workstream whereby SGX Group's is one of the co-chairs

  
**In FY2024 we will set and publish appropriate targets for our ambitions to support the net-zero economy, with annual progress update thereafter**

**Policy Persuasion & Engagement**

 **Ambition**  
Active stakeholder engagement to promote (1) net zero aligned policies, (2) introduce mandatory climate-related disclosures, (3) market capacity development to promote the adoption of net zero commitments and transition plans among market participants

 **Progress**

- Mandated one-time Board-level sustainability training for listed companies
- Close collaboration with key partners such as MAS, ACRA and ISSB on climate-related reporting regime for corporates (listed and non-listed)
- Hosting GFANZ APAC Network and supporting its work across APAC that are in cooperation with policy makers and financial institutions regionally and globally
- Efforts in ecosystem engagement through networks such as SGListcos and ASEAN Exchanges

NZFSPA – Net Zero Financial Service Providers Alliance, TCFD – Task Force on Climate-Related Financial Disclosures, ISSB – International Sustainability Standard Boards, NZDPU – Net-Zero Data Public Utility, GFANZ – Glasgow Financial Alliance for Net Zero

# Progressing Sustainable Transition

## Introduction

### Sustainability Governance at SGX Group

SGX Group's board is collectively responsible for the long-term sustainable success of SGX Group. The Board has delegated the Executive Management Committee (EMCO) the authority to approve matters arising from the day-to-day operations of SGX Group within the limits and policies approved by the Board. The Board is regularly engaged and kept abreast of SGX Group's sustainability strategic direction and key initiatives.

Recognising the importance of having board oversight on sustainability-related matters, various steps have been taken to engage the Board, many of which have been integrated into our existing board engagement processes. Sustainability is now discussed with the Board as: (1) an annual strategy discussion on sustainability and sustainable finance, (2) an annual review of SGX Group three year plan, business unit strategies and capital plan, (3) an annual review on risk appetite and key risks, (4) an annual review and approval of the sustainability report, (5) an annual review of achievements of strategic and non-financial priorities, and (6) board engagement on selected topics such as decarbonisation and scenario analysis with sub committees e.g. the risk management committee.

### Driving Sustainability Strategy

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>▪ Oversees SGX Group's approach to sustainability and the integration of sustainability-related matters, including climate-related issues, in the formulation of our long-term strategy</li> <li>▪ Monitors and oversees progress on sustainability and climate-related risks and opportunities that meets shareholder expectations, and reviews significant issues raised</li> </ul>
<b>Risk Management Committee (RMC)</b>	<ul style="list-style-type: none"> <li>▪ Comprising of Board Members, oversees SGX Group's key risks and risk appetite</li> <li>▪ Monitors and oversees sustainability-related risks which include climate risk</li> </ul>
<b>Executive Management Committee (EMCO)</b>	<ul style="list-style-type: none"> <li>▪ Chaired by the CEO and comprises senior leadership across the organisation</li> <li>▪ Reviews, evaluates and approves key sustainability approach, risk management policies and practices, sets targets and measures performance against the targets</li> </ul>
<b>Sustainability Steering Committee</b>	<ul style="list-style-type: none"> <li>▪ Chaired by Head of Sustainability and Sustainable Finance, sponsored by the group CEO and comprises relevant EMCO members and senior executives from across the units</li> <li>▪ Discusses and decides key implementation of SGX Group's sustainability strategy, including our climate agenda and climate risk management, and makes decisions or advises the EMCO on material sustainability-related matters through regular SSC Meetings</li> </ul>
<b>Cross Business Units Sustainable Finance Meetings</b>	<ul style="list-style-type: none"> <li>▪ Sponsored by the CEO, led by the Sustainability and Sustainable Finance team, and comprises of relevant senior executives from across the business units</li> <li>▪ Discusses and decides key implementation of SGX Group's mid-term sustainability strategy and implementation roadmap across the business units such as equity capital markets, equities, fixed income and commodities derivatives</li> <li>▪ Focuses on growing the revenue of green and sustainability products that contributes to SGX Group's business resilience, as well as futureproofing our existing businesses</li> </ul>

## Sustainability-Focused Teams

<p><b>SGX Group Sustainability &amp; Sustainable Finance (SSF)</b></p>	<ul style="list-style-type: none"> <li>▪ Drives the strategic vision, direction and implementation of SGX Group's sustainability ambitions, to further broaden and deepen its sustainable finance pillars</li> <li>▪ Actively champions sustainability practices within SGX Group, and participating in selective external sustainability task forces on a local, regional and global basis</li> <li>▪ Provides technical expertise and specialised knowledge, collaborating with the relevant units across SGX Group on sustainability efforts internally and externally, including:                         <ul style="list-style-type: none"> <li>- Working with the Business Units for sustainable services development</li> <li>- Working with industry peers and networks to embed best practices into SGX Group across the units and contribute to ecosystem efforts to build common pathways</li> <li>- SGX Group's internal TCFD steering group comprises of the Chief Financial Officer (CFO), Chief Risk Officer (CRO) and Head of SSF, with implementation efforts being led by the three units</li> <li>- Responsible for SGX Group's sustainability reporting</li> <li>- Working closely with the SDO as necessary</li> </ul> </li> </ul>	<p>As a Company</p>
<p><b>SGX RegCo Sustainable Development Office (SDO)</b></p>	<ul style="list-style-type: none"> <li>▪ Established in January 2023</li> <li>▪ Drives regulatory efforts on sustainability, including:                         <ul style="list-style-type: none"> <li>- Advancing the availability of corporate sustainability disclosures by listed equity issuers</li> <li>- Participating in global and industry-wide standards-setting projects on corporate sustainability disclosures and products</li> <li>- Implementing initiatives to advance the sustainability performance of listed equity issuers</li> <li>- Building awareness and capability within the ecosystem</li> </ul> </li> </ul>	<p>As a Regulator</p>

# Progressing Sustainable Transition

## Introduction

### Sustainability Risk Management

SGX Group understands the importance of developing a robust strategy and risk management framework for SGX Group's sustainability journey. There is increased focus from regulators, investors and other stakeholders on requirements for enhanced oversight for the integration of climate risks and opportunities into decision-making.

SGX Group as a company had already begun adopting the recommendations of the TCFD in FY2021 and has a roadmap for completing the adoption. Recognising that sustainability risks, including climate-related risks, are inherently linked to other strategic, financial and operational risks, they are embedded in our

Enterprise Risk Management (ERM) framework with the Business Units and relevant Operating Units owning and managing the risks (refer to Risk Management, pages 38 to 43). We will continue to monitor and review developments in the relevant standards and fine-tune our risk taxonomy and ERM framework.

## Stakeholder Engagement

SGX Group recognises the importance of engaging with stakeholders throughout the year. SGX Group's Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served. Transparent engagement with stakeholders

enhances their trust in SGX Group and helps us to gauge their expectations on the direction of our business. Therefore, we continue to proactively reach out to our stakeholders through various platforms and channels to take their feedback into careful consideration and ensure that our decisions benefit our stakeholders. The following stakeholders have been

identified as they are integral to our business as part of the broader ecosystem, and SGX Group has natural touchpoints with each of these stakeholders.

The table below sets out how SGX Group has engaged with and sought to understand the views of our key stakeholders in FY2023:

Key Stakeholders	Engagement Methods	Interests and Concerns
<b>Employees</b>	<ul style="list-style-type: none"> <li>Town halls, huddles, focus group discussions, employee surveys, workshops, trainings and seminars, corporate events, group leadership teams forums, CEO Blog and the Connects intranet platform</li> </ul>	<ul style="list-style-type: none"> <li>Platforms to engage staff across SGX Group and to keep them updated on all the latest developments across the business</li> </ul>
<b>Regulators and Government</b>	<ul style="list-style-type: none"> <li>Dialogues, feedback sessions, podcasts, videos, and jointly organised events</li> <li>Collaboration with industry bodies and taskforces to build up technical knowledge and best practices</li> <li>Guidance through regulatory announcements and regulator's columns</li> </ul>	<ul style="list-style-type: none"> <li>Market structure developments</li> <li>Corporate governance</li> <li>Regulatory policies and practices</li> <li>Regulatory response to COVID-19</li> </ul>
<b>Issuers</b>	<ul style="list-style-type: none"> <li>Direct engagements to provide updates, invitations to provide feedback on initiatives, cross selling of SGX Group's multi-asset products and services, participate in training sessions, networking and related events</li> </ul>	<ul style="list-style-type: none"> <li>Listing policies and practices</li> <li>Growing liquidity and market capitalisation</li> <li>Access to investors</li> <li>Capital raising, risk and cost management</li> <li>Sustainability-related issues</li> </ul>

Key Stakeholders	Engagement Methods	Interests and Concerns
<b>Intermediaries</b>	<ul style="list-style-type: none"> <li>Direct engagements to provide updates, invitations to provide feedback on initiatives, offers to participate in training sessions, networking and related events</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure developments and business continuity planning</li> <li>Regulatory policies and practices</li> <li>Distribution of products and services</li> </ul>
<b>Investors and Research Analysts</b>	<ul style="list-style-type: none"> <li>Management briefings, non-deal investor roadshows, investor conferences, and annual general meeting</li> </ul>	<ul style="list-style-type: none"> <li>Organisational financial performance</li> <li>Corporate strategy and growth initiatives</li> <li>Capital management and distribution</li> </ul>
<b>Investment Community</b>	<ul style="list-style-type: none"> <li>SGX Group Integrated Stakeholder Study</li> <li>Financial literacy and advocacy programmes with partners</li> <li>Large-scale investor education events</li> <li>Thematic investor education events</li> <li>Green field trip</li> <li>Social media and investment forum/platform</li> </ul>	<ul style="list-style-type: none"> <li>Financial management and investing knowledge to navigate market conditions</li> <li>Retail investing preferences</li> <li>Increasing investment returns</li> <li>Market developments and investment strategies</li> <li>Sustainable investing</li> </ul>
<b>Public and Communities</b>	<ul style="list-style-type: none"> <li>SGX Future in Reshaping Sustainability Together (FIRST) platform</li> <li>Sustainability Leaders Network</li> <li>SGListCos</li> <li>Publicly available conferences and speaking engagements</li> </ul>	<ul style="list-style-type: none"> <li>Market structure developments and corporate governance policies</li> <li>Academic learning opportunities</li> <li>Corporate social responsibility activities</li> </ul>

### Internal Capacity Building

Internal and external capacity building and representations were identified as a priority to accomplish SGX Group’s sustainability vision to ensure that over time, our employees are trained on sustainability topics curated for beginner, as well as intermediate practitioners, in their areas of work and influence. In FY2023, 1,018 hours of sustainability-related training was recorded, with over 535 cumulative attendances in in-person sessions or eLearning modules. Topics included Sustainability Reporting, Introductions to Corporate Governance and Sustainability, as well as General Responsible Investment Practices.

Our sustainability in-person hybrid townhall recorded over 250 attendances, which had guest speakers such as Mr Tajinder Singh, Deputy Secretary General of International Organisation of Securities Commissions (IOSCO) and Mr Joseph Teo, Chief Negotiator for Climate Change Singapore. In FY2024, we aim to continue equipping our people with relevant courses consistent with global developments to ensure robustness in the products and services that we offer. Further information on our external capacity building efforts can be found in the ‘In the Ecosystem’ section of the sustainability report.

### Regulatory Response to COVID-19

On 1 July 2023, the temporary legislative relief for physical meetings was revoked. Ahead of this change, Singapore Exchange Regulation (SGX RegCo) provided further guidance to listed issuers on the conduct of general meetings. The key changes cover the conduct of hybrid general meetings, shareholder rights, meeting notices disseminating documents, voting and minutes. In particular, hybrid meetings must provide for both shareholders joining virtually and physically, enabling them to conduct real-time remote electronic voting and real-time electronic communication to follow the proceedings to raise and answer questions.



# Progressing Sustainable Transition

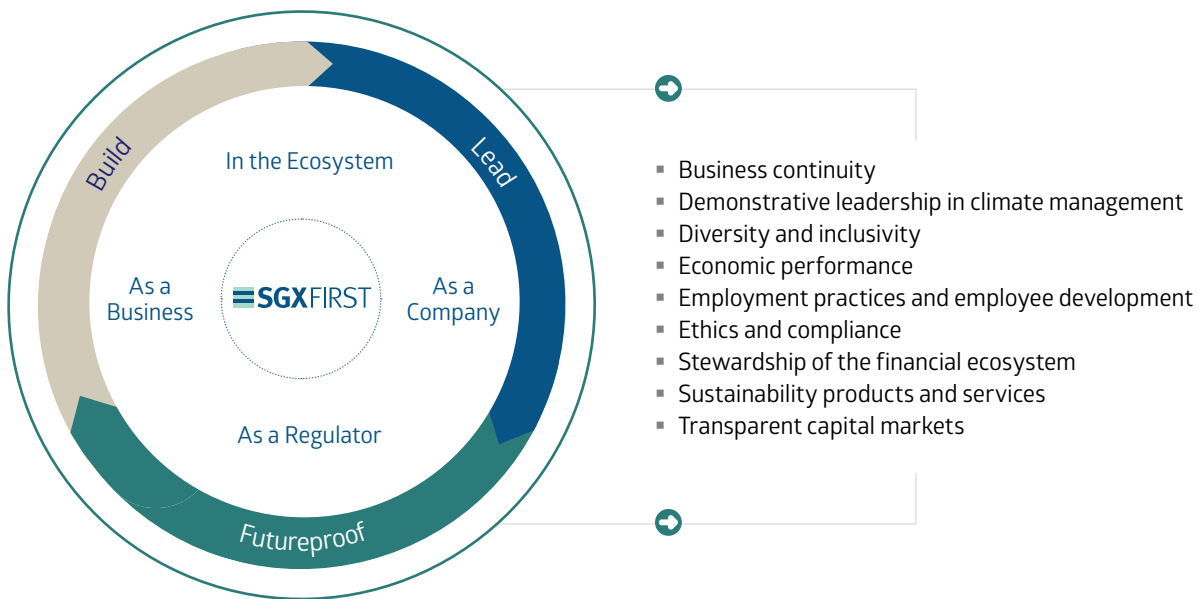
## Introduction

### Materiality Assessment

In FY2021, we undertook a materiality review exercise with a global knowledge partner to identify specific ESG topics which are significant to stakeholders and have an impact on SGX Group. We deem that our material factors from the past two years have remained applicable to us in FY2023. As an exchange and regulator, we recognise that our impact extends beyond our organisational boundary. Our materiality factors thus reflect our priorities and initiatives for both our organisation and the wider ecosystem. In the coming two financial years, we will be undertaking a new round of materiality review exercise to incorporate the standards of ISSB, review the overall reporting regimes that SGX should follow as well as to receive further external stakeholders' inputs.

### Integrating Sustainability into Strategy

Our materiality assessment shows nine priority factors which encapsulate our roles as a company, business, regulator and in the ecosystem, as well as our strategic pillars of lead, futureproof and build. Collectively, these material factors cover the following themes: (1) building a sustainable business, (2) empowering the community and growing the ecosystem, (3) advancing the global climate transition, and (4) transparency and accountability.










### Our Material Factors and UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) laid out seventeen interlinked goals which emphasise the interconnected environmental, social, and economic aspects of sustainable development. Broad ownership and commitment towards the SDGs need to be undertaken by stakeholders across the various spectrum to achieve the envisioned results. We have broadly mapped below reflecting how our nine priority factors contribute to the respective SDGs.

## Key Highlights of Our Performance in FY2023 and Targets for FY2024


### Pillar 1: As a Company

Material Factors	SDGs	Definitions, Impacts and Examples	Our Performance in FY2023	Targets for FY2024	Progress
Demonstrative leadership in climate management		Recognise the extent of climate risks, and their impact on company and stakeholders	<ul style="list-style-type: none"> <li>Disclosed absolute emissions and emission intensity for Scope 1, 2 and 3 in line with Greenhouse Gas Protocol Standards</li> <li>Scope 2 emission level at 3,568 tCO<sub>2</sub>e, slightly higher than FY2022</li> <li>Actions taken to achieve this include encouraging staff to reduce resource consumption in line with internal environmental policy, replacing high-consumption lighting, and migrating selected services to cloud</li> </ul>	<ul style="list-style-type: none"> <li>Continue to disclose Scope 1, 2, and 3 emissions</li> <li>Remain on track to reduce Scope 2 absolute carbon emissions by 42% by FY2031, in line with SBTi</li> </ul>	On Track
		We aim to reduce our own carbon emissions to limit global temperature rise to 1.5°C in line with Paris Agreement			
		NZFSFA framework was launched in June 2023. Following that, we are working on our individual target setting and implementation strategy			
Employment practices and employee development		We have in place employment practices to retain talent and ensure the health, safety and well-being of our staff, and employee development	<ul style="list-style-type: none"> <li>Attained ISO 45001 certificate</li> <li>Average training hours per employee at 48 hours, exceeding target of 40 hours</li> </ul>	<ul style="list-style-type: none"> <li>Achieve 40 average training hours per employee or more</li> <li>Implement programmes to upgrade employee skills</li> </ul>	On Track
Diversity and inclusivity		Embracement of diversity amongst our staff, any discrimination based on gender, age or other socio-cultural factors is prohibited, maintaining an inclusive work environment	<ul style="list-style-type: none"> <li>Appointed two female board of directors, Ms Julie Gao and Ms Lin Huey Ru, reaching our target goal in achieving minimum 25%-30% representation of female directors on the Board</li> </ul>	<ul style="list-style-type: none"> <li>Continue to ensure diversity to achieve the strategic and business objectives of the company</li> </ul>	On Track
					
					

# Progressing Sustainable Transition

## Introduction


### Pillar 1: As a Company

Material Factors	SDGs	Definitions, Impacts and Examples	Our Performance in FY2023	Targets for FY2024	Progress
Ethics and compliance	 	<p>Efforts to combat corruption, comply with tax and other regulations, and manage conflicts</p> <p>Maintain SGX Group and the broader capital market infrastructure as peaceful and just, with a strong institutional foundation</p>	<ul style="list-style-type: none"> <li>Disclosed Code of Conduct, Ethics, and Tax Policy</li> <li>Zero cases of bribery, corruption, anti-competitive behaviour, or other material non-compliance with the law</li> <li>Zero monetary losses as a result of legal proceedings associated with related financial industry laws or regulations</li> </ul>	<ul style="list-style-type: none"> <li>Maintain zero cases of material non-compliance with laws</li> </ul>	Achieved and on track

### Pillar 2: As a Business

Material Factors	SDGs	Definitions, Impacts and Examples	Our Performance in FY2023	Targets for FY2024	Progress
Economic performance and sustainability products and services	 	<p>Revenue and other indicators of business growth which contribute to the wider economy by creation of jobs and delivering value to our stakeholders</p> <p>Building a sustainable business by expanding sustainability-related product shelf, contributing to business resilience while helping companies and financial institutions accelerate their journey towards a low-carbon economy</p> <p>Engage stakeholders to gather adoption and momentum on current products</p>	<ul style="list-style-type: none"> <li>Disclose economic performance every year in line with SASB and GRI standards and SDG guidelines</li> <li>Launched GFANZ global index investing workstream as a co-chair</li> <li>Co-leading products and instruments workstream under the China-Singapore green finance taskforce</li> <li>First listing of retail green bonds</li> <li>Launch of the first global suite of futures tracking MSCI Climate Action Indexes Net USD</li> <li>Listed a suite of battery metals derivatives</li> <li>Listed steel rebar futures</li> <li>Climate Impact X launched CIX Exchange and held a number of successful auctions</li> <li>Structured products referencing iEdge ESG Indices raised an AUM of over \$3bn in Europe in FY2023</li> <li>Scientific Beta won a EUR 300mn mandate to track its Eurozone Paris-Aligned Benchmark index</li> </ul>	<ul style="list-style-type: none"> <li>Continue to disclose the group's financial statement in accordance with accepted financial reporting standards</li> <li>Continue to gather adoption on the existing suite of sustainable investing and hedging products and launch new products based on stakeholder engagement</li> </ul>	On track

**Pillar 2: As a Business**

Material Factors	SDGs	Definitions, Impacts and Examples	Our Performance in FY2023	Targets for FY2024	Progress
Business continuity		Robust and well tested recovery plans to ensure operational resilience and maintain high levels of trust from market participants  Prevention of technology errors and market disruptions	<ul style="list-style-type: none"> <li>Zero significant market disruptions or downtime</li> <li>Zero material data breaches</li> <li>Disclosed efforts to prevent technology errors, security breaches and market disruptions</li> </ul>	<ul style="list-style-type: none"> <li>Continue to demonstrate efforts in preventing technology errors, security breaches and market disruptions</li> </ul>	Achieved and on track



**Pillar 3: As a Regulator**

Material Factors	SDGs	Definitions, Impacts and Examples	Our Performance in FY2023	Targets for FY2024	Progress
Transparent capital markets		Zero tolerance policy for incidents that jeopardise the operation of a fair, orderly, and efficient marketplace	<ul style="list-style-type: none"> <li>Disclosed number of voluntary trading halts due to public release of information and market volatility</li> <li>Disclosed involvement in automated trading and associated risks and opportunities</li> <li>Disclosed percentage of trades generated from automated trading system</li> <li>Disclosed corporate disclosure policy</li> <li>Disclosed policies for sustainability disclosures of listed companies</li> <li>Advanced ethics and compliance through listing rules enforcement</li> </ul>	<ul style="list-style-type: none"> <li>Continue to disclose number of voluntary trading halts, and number of halts due to market volatility</li> <li>Continue to disclose policies relating to alerts and disclosure of material information of listed companies</li> <li>Continue to disclose sustainability information by listed companies</li> </ul>	Achieved and on track
		Uphold high standards of disclosure and transparency to build trust across stakeholders, promoting a liquid market and sustaining long-term capital market growth			
					

# Progressing Sustainable Transition

## Introduction

### Pillar 4: In the Ecosystem

Material Factors	SDGs	Definitions, Impacts and Examples	Our Performance in FY2023	Targets for FY2024	Progress
Stewardship of the financial ecosystem	 	<p>Efforts to advance the adoption of globally recognised sustainability and climate-related guidelines and frameworks, through partnerships and implementation of disclosure policies, fostering an educated ecosystem, benefiting individuals, and supporting the global transition journey</p>	<ul style="list-style-type: none"> <li>Continued facilitating the navigation of sustainability reporting requirements for our listed companies by offering relevant capacity building workshops and resources at subsidised rates or free-of-charge</li> <li>More than 3,200 attendees attended the prescribed sustainability training for directors</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct educational events for the investment community</li> <li>Implement initiatives to encourage listed companies to advance their sustainability journey</li> </ul>	On track

# As a Company

## Demonstrative Leadership in Climate Management

Climate change is a pressing issue globally. As a listed company, SGX Group is committed in doing our part to enhance our leadership in sustainability, on credible climate change mitigation and to facilitate the transition to a low carbon economy.

### SGX Group's Climate Journey across the Years

**FY2021**

**TCFD** TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

- Began reporting on TCFD in FY2021
- Enhanced reporting in FY2022 with climate-related risks and opportunities
- In FY2023, we focused on enhancing governance structures and scenario analysis

**July 2021**

**SCIENCE BASED TARGETS**

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Committed to 1.5°C-aligned science-based emission reduction targets across scope 1-3 by SBTi, for demonstrative leadership
- This met the criteria to join the Business Ambition for 1.5°C campaign

**August 2021**

**RACE TO ZERO**

- Entry into Race To Zero campaign via Business Ambition for 1.5 °C campaign in order to set a solid foundation to build SGX's credentials, leadership and ecosystem in the transition journey

**September 2021**

**Net Zero Financial Service Providers Alliance**

- Founding member, to steer net zero definitions for exchanges
- Commitment: align all relevant products and services to support the goal of global net zero transition by 2050
- Comprises members from six sub-groups: (1) exchanges, (2) auditors, (3) credit rating agencies, (4) data & ESG research providers, (5) index providers, and (6) investment advisors

**November 2021**

**GFANZ** Glasgow Financial Alliance for Net Zero

- Strategically unify the financial sector net zero alliances
- Represented on the GFANZ Principals Group, to steer the workstreams across 550+ asset owners, asset managers, banks, insurers, exchanges, and service providers across 50 jurisdictions
  - Workstreams conduct analyses and develop guidance such as measuring portfolio alignment which can show how sustainable finance products may be aligned with net zero

**Ongoing**

- NZFSPA framework for exchanges has been published in June 2023, which exchanges will set credible net zero targets, implementation strategy, and progress reporting
- Co-chair of the newly launched GFANZ global Index investing workstream
- Become an early adopter of ISSB standards
- Continued development of products and services with climate considerations



# Progressing Sustainable Transition

## As a Company

Our commitments include the following:

### Science Based Targets Initiative (SBTi)



SGX Group is the first Asian exchange committed to 1.5°C-aligned science-based emission reduction targets across scope 1 to scope 3 by SBTi which was approved in August 2022. With this commitment, SGX Group joined the Race to Zero. SGX Group is committing to a 42% reduction in Scope 2 emissions by FY2031 from the base year as at FY2021, pledging to set science-based emissions reduction targets that are consistent with keeping global warming to 1.5°C above pre-industrial levels. For Scope 3 emissions, we plan to have on-going engagement with our co-location data centre supplier for them to set science-based targets within five years. For our performance, please refer to page 66.

### Founding Member of Net Zero Financial Service Providers Alliance (NZFSPA)



SGX Group reinforced its commitments to support and drive net zero transition of the financial sector as a founding signatory of the NZFSPA, a sub-sector alliance of Glasgow Financial Alliance for Net Zero (GFANZ). The group plays a pivotal role in shaping the 'net zero' definition for exchanges globally beyond operational carbon. Following the approval of the NZFSPA exchanges' target setting framework by the United Nations Framework Convention on Climate Change (UNFCCC) High-level Champions in June 2023, we will be publishing our targets in accordance with this framework and will work on

our individual NZFSPA targets in FY2024 and start to disclose by FY2025. The NZFSPA members have committed to align all relevant products and services to support the goal of global net zero transition by 2050.

### Glasgow Financial Alliance for Net Zero (GFANZ)



GFANZ, co-chaired by Mark Carney and Michael R. Bloomberg, launched its APAC Network with the Central Office based out of Singapore and hosted by SGX Group in June 2022. SGX Group's CEO Loh Boon Chye is a member of the GFANZ CEO Principals Group, which sets the coalition's strategic direction and priorities. The APAC Network will ensure inclusivity and support engagement with financial institutions and policymakers across the APAC region and promote knowledge-sharing and open dialogue on the opportunities and challenges of net zero. The GFANZ APAC Network celebrated its first year of operation at its inaugural GFANZ APAC Summit which took place in Singapore in June 2023 as part of the Ecosperity Week, bringing together the leading financial institutions committed to mainstreaming the decarbonisation of the global economy to reach net-zero emissions by 2050. GFANZ aims to support the economy-wide transition to net zero by convening practitioner-led workstreams focused on elevating cross-sector best practices and challenges.

SGX Group is committing to a 42% reduction in Scope 2 emissions by FY2031 from the base year as at FY2021, pledging to set science-based emissions reduction targets that are consistent with keeping global warming to 1.5°C above pre-industrial levels.

In June 2023, GFANZ launched a global workstream for Net Zero supporting index investing, with SGX Group's CEO Loh Boon Chye as a co-chair of this workstream together with a global asset owner and a global asset manager. The working group will take stock of existing guidance with respect to net zero corporate engagement and investor recommendations on enhancements to net zero benchmarks.

### International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards



The IFRS Foundation established the International Sustainability Standards Board (ISSB) which will form the next comprehensive global baseline for sustainability-related disclosure standards to meet the needs of investors. The ISSB issued two disclosure standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and IFRS S2 Climate-related Disclosures (IFRS S2) which were finalised end of June 2023. SGX Group plans to start preparations for reporting on ISSB in the coming years, to demonstrate our leadership as one of the early adopters of these standards. Given SGX Group's existing reporting using the TCFD framework, GRI and SASB standards, the adoption of ISSB standards will be complementary to our existing practices, capturing an on-going evolution in disclosure practices.

### Overview of SGX Group's Task Force on Climate-Related Financial Disclosures (TCFD) Disclosures

SGX Group understands the importance of developing a strong strategy and risk management framework that sets the foundation for SGX Group's climate resilience and has been a supporter of the TCFD since 2017.

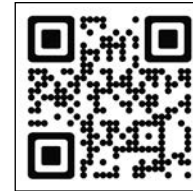
The recommendations of the TCFD have four overarching elements – Governance, Strategy, Risk Management and Metrics and Targets. These elements are disclosed across various sections of this report. For details on SGX Group's approach to the TCFD recommended disclosures across

these four elements, please refer to our TCFD Content Index.

In FY2023, we have developed our climate scenario analysis capabilities to understand the resilience of SGX Group's strategies under different scenarios. We will continue to review and quantify the financial impact, with the help of independent subject matter experts as appropriate. The model currently covers costs arising from transition risk and will be expanded in the future to cover physical risk perils.

TCFD has defined categories for climate-related risks and climate-related opportunities, creating a common framework for consistent assessment,

analysis and reporting. The risks and opportunities are divided into two major categories: (1) risks related to the transition to a lower-carbon economy, and (2) risks related to the physical impacts of climate change. While the risk and opportunities will continually evolve, TCFD has recommended that organisations consider reporting on the climate-related risks and opportunities highlighted in their recommendations.



**Content Index & Performance Metrics**  
Scan the code, or visit [sgxgroup.com/sustainability/our-sustainability-reports](https://sgxgroup.com/sustainability/our-sustainability-reports)

### Key pillars of TCFD and our progress

Governance	Strategy	Risk Management	Metrics & Targets
Disclose the organisation's governance around climate-related risks and opportunities	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Disclose how the organisation identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

### Recommended Disclosures

Describe SGX Group Board's oversight of climate-related risks and opportunities ●	Describe the climate-related risks and opportunities SGX Group has identified over the short, medium, and long term ●	Describe SGX Group's processes for identifying and assessing climate-related risks ●	Disclose the metrics used by SGX Group to assess climate-related risks and opportunities in line with its strategy and risk management process ●
Describe SGX Group management's role in assessing and managing climate-related risks and opportunities ●	Describe the impact of climate-related risks and opportunities on SGX Group's businesses, strategy, and financial planning ●	Describe SGX Group's processes for managing climate-related risks ●	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks ●
	Describe the resilience of SGX Group's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario ●	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into SGX Group's overall risk management ●	Describe the targets used by SGX Group to manage climate-related risks and opportunities and performance against targets ●

● In Compliance ● In Progress

# Progressing Sustainable Transition

## As a Company

### Understanding our climate risks

Business and support units were individually engaged in FY2022 in a series of workshops to identify climate-related risks that are unique to the respective business lines as well as those that impact the organisation as a whole. In alignment with the TCFD framework, we explored climate-related risks and opportunities across three time frames: short-term (1 to 3 years), medium-term (3 to 10 years) and long-term (10 years and beyond). These risks have been reviewed and updated in response to developments in the past financial year.

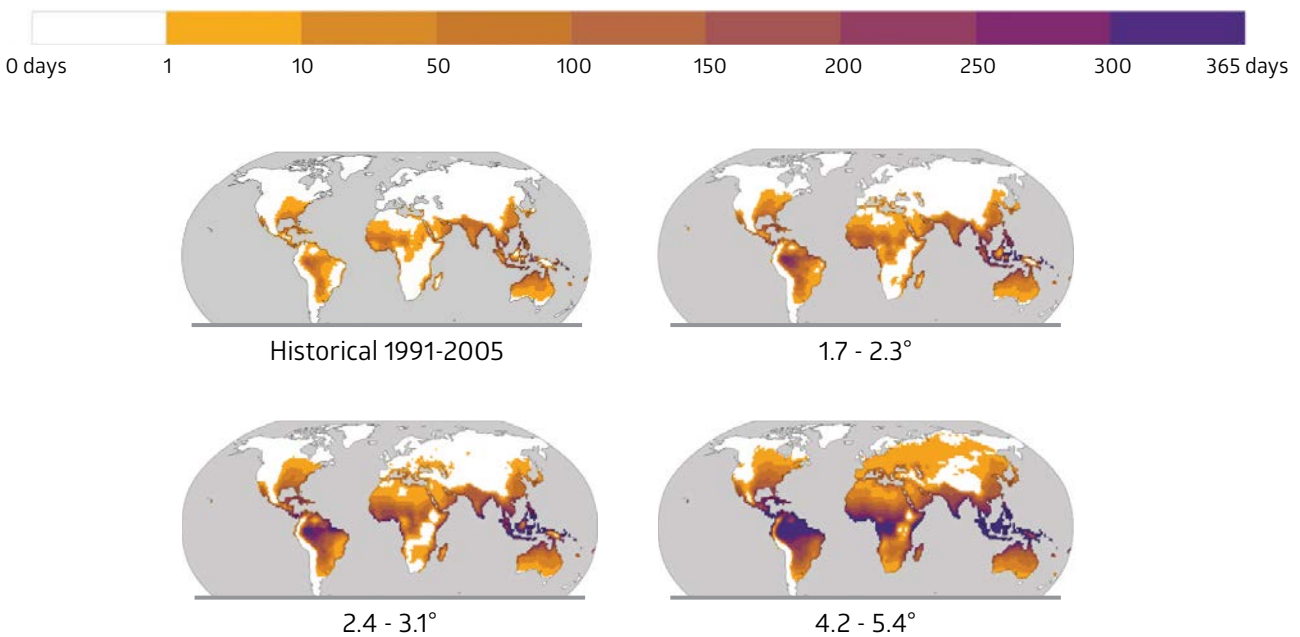
### Physical risks

SGX Group notes that while our offices globally could be adversely impacted by physical climate events, the direct financial impact to SGX Group is expected to be limited as all facilities are leased, and sites are evaluated for physical risks during the selection process. Direct impact on SGX Group's assets and liabilities are minimal as we do not hold significant real assets within our portfolio.

Nonetheless, SGX Group recognises that climate risks such as heatwaves and flash floods have wider

geographical impact that may potentially directly disrupt our operations. These risks were highlighted in the sixth synthesis report published by the Intergovernmental Panel on Climate Change (IPCC) published in March 2023. It warned that while progress has been made on climate mitigation and adaptation, including a notable increase in policies and regulations on climate mitigation, insufficient action is being taken and greenhouse gas (GHG) emissions have continued to increase. This leads to increased physical and transition risks.

### Heat-Humidity Risks to Human Health



Images by Intergovernmental Panel on Climate Change

### Days per year where combined temperature and humidity conditions pose a risk of mortality to individuals<sup>1</sup>

<sup>1</sup> Projected regional impacts utilise a global threshold beyond which daily mean surface air temperature and relative humidity may induce hyperthermia that poses a risk of mortality. The duration and intensity of heatwaves are not presented here. Heat-related health outcomes vary by location and are highly moderated by socio-economic, occupational and other non-climatic determinants of individual health and socio-economic vulnerability. The threshold used in these maps is based on a single study that synthesised data from 783 cases to determine the relationship between heat-humidity conditions and mortality drawn largely from observations in temperate climates.

Specifically, while the IPCC report notes that the rate of warming for the Southeast Asian region is expected to be below the global average, the trend of increase in heatwaves and rainfall is expected to persist. Both days and nights are expected to be increasingly hotter, placing increased stress on the electricity grid to cope with increased demand of energy for cooling. Monsoon rains are expected to be more intense, leading to a heightened risk of flash floods.

Intense rains leading to flash floods tend to be highly localised acute weather events, these may disrupt time-sensitive operational activities such as the processing of shares issuances for IPOs and settlement. The potential impact of operational disruption is low as these risks have been mitigated through digitalisation of processes.

SGX Group will continue to review and update our assessment of these risks and has implemented various procedures to mitigate these risks. We have also been collaborating with experts to understand the impact of increased urban heat on data centres.

**Transition risks**

Besides re-evaluating physical risks, SGX Group has expanded our transition risk framework by revising our reputational risk to reflect the rising greenwashing risks. SGX Group recognises the importance of greenwashing risk given an increased focus by financial authorities on addressing greenwashing concerns amidst continued product launches and investor interest. In July 2022, MAS issued a circular on disclosure and reporting guidelines for retail ESG funds that seeks to assist investors in understanding how the

ESG focus is implemented and to mitigate the risk of greenwashing.

As part of our efforts to address greenwashing concerns, we have participated in industry efforts to mitigate greenwashing risks and improve investor understanding of ESG-focused investing, as well as engaging investors, asset managers, banks, and regulators through AIGCC's and ClientEarth's report on 'Greenwashing and how to avoid it'.

On the larger scale of tackling transition risks, financial authorities have continued to introduce plans aimed at accelerating the transition. MAS launched the Finance for Net Zero (FiNZ) Action Plan in April 2023. The plan seeks to catalyse transition and decarbonisation activities in Singapore and across Asia through four key pillars: Data, Definitions & Disclosures, building a Climate Resilient Financial Sector, developing Credible Transition Plans, and promoting innovative and credible Green & Transition Solutions & Markets.

SGX Group also plays a crucial role as an exchange in ensuring decision-relevant data flows from companies to investors, allowing informed decisions that support the transition to be made.



SGX Group also plays a crucial role as an exchange in ensuring decision-relevant data flows from companies to investors, allowing informed decisions that support the transition to be made. Hence, SGX Group launched ESGenome to assist listed companies with disclosing ESG data, facilitating the creation of SGX Listing Rules compliant sustainability reports and to provide investors with standardised ESG datasets.

Additionally, SGX Group expanded our shelf of sustainability related products. For example, in June 2023, we launched a futures suite which tracks the MSCI Climate Action indexes. The indexes were developed in collaboration with MSCI and aim to direct capital towards companies that are taking climate action. In September 2022, we also launched a suite of energy metals futures to support the real economy decarbonisation of the transport sector.

For more information on our sustainability products and services across the various business lines, please refer to our website.

# Progressing Sustainable Transition

## As a Company

### Climate-related risks and opportunities across our business

	Low-Carbon Future Scenario		Current Policies Scenario	
Scenario description	Strong and sustained decarbonisation efforts driven by stringent climate policies, regulation and innovation. Governments internationally actively align on science-based legislation and achieve net zero GHG emissions by 2050. Climate-driven investment processes are mainstream.		Governments take divergent approaches towards climate action legislation. Disjointed regulations across jurisdictions leading to multi-speed integration of climate factors into investment processes and portfolios. There is still some demand for climate-driven products, however, demand is dispersed or sporadic. Extreme weather events continue to worsen.	
	Time horizon	Potential result	Time horizon	Potential result
<b>Physical Risks</b>				
Acute & Chronic	● ●	No climate-related physical risks beyond what is presently experienced.	● ●	Flash floods and other acute weather events may disrupt operational activities such as the processing of shares issuances for IPOs, settlement, etc. However, we view the risk of such disruptions as having minimal impact to our operations.  Heatwaves have potential to lead to wider disruptions. Effects are being studied.
<b>Transition Risks</b>				
Policy & Legal	● ●	SGX Listing Rules will need to keep pace with leading climate-related regulatory developments globally to ensure that our products and platform remain relevant.	●	Issuers and investors may potentially seek to list or invest in jurisdictions with less strict climate laws in the short-term to avoid unfavourable laws and regulations.
Market & Economy	● ●	Demand for sustainable investing products and data will increase rapidly. SGX Group risks losing market share if product launches are mis-timed, or product development misreads market dynamics.	● ●	Risk of low adoption of climate-related launched products due to the market failing to adopt best practice or clear approaches of integrating climate factors into portfolios. Current product suite aimed at capturing low carbon or transition-driven demand may not realise expected potential.
Reputation	● ●	SGX Group has been strongly promoting and acting on climate action and is actively involved in various climate action alliances. Nonetheless, we recognise that we may face some reputational risks due to enhanced scrutiny of climate credentials.	● ●	Climate action is a core part of SGX Group's sustainability strategy. However, we recognise that we may face some reputational risks due to enhanced scrutiny of climate credentials.
Technological changes in energy transition	-	Direct impact on SGX Group's operations is anticipated to be minimal.	-	Direct impact on SGX Group's operations is anticipated to be minimal.

● ST – short-term (1 to 3 years)

● MT – medium-term (3 to 10 years)

● LT – long-term (beyond 10 years)

### Climate scenario analysis

Climate scenario analysis, as recommended by the TCFD, is a framework through which companies can understand how hypothetical scenarios might impact their business. These scenarios should not be interpreted as predictions. Rather, these represent hypothetical future states of the world if certain trends or conditions are met. The SGX Group uses scenarios provided by the Network for Greening the Financial System (NGFS) – a coalition of central bankers and supervisors. This is in line with industry best practices, as identified in the latest survey by Global Association of Risk Professionals (GARP) on Climate Risk Management, and promotes comparability across organisations disclosing on climate scenario analysis. Broadly speaking, the NGFS scenarios can be classified into three categories:

1. **Orderly** scenarios represent a world in which climate policies are introduced immediately, and climate goals such as the 2015 Paris Agreement are met. Though physical risks are limited, transition risks in these scenarios are high.
2. **Disorderly** scenarios assume that climate action differs across sectors, countries, and regions. The absence of a globally coordinated climate strategy necessitate the implementation of sudden and drastic climate policies – giving rise to the highest level of transition risks.
3. **Hot-house world** scenarios describe the impact of climate change in the absence of sufficient climate policy to stop global warming. Under this scenario, physical risks are the most severe due to increased impacts of climate change.

NGFS has published pathways of the development of key variables under the respective scenarios. The latest version was published in 2022 and includes country-level commitments made at

## Going forward, SGX Group will enrich our TCFD disclosure using scenario analysis to model future climate impacts.

COP26 to reach net-zero. These pathway variables include emissions, carbon prices and energy prices. Where possible, variables are disaggregated to the country level. For our climate scenario analysis, we have selected three scenarios in total, with one from each category, to allow us to understand how climate-related risks and opportunities impact SGX Group under different scenarios.

### Physical and transition risk scenario analysis

Given the nature of SGX Group's business, the direct impacts of physical risk are unlikely to be significant. SGX Group leases our offices and data centres of rather than holds a portfolio of real estate assets, thus minimising direct financial impact to our real assets. Additionally, the COVID-19 pandemic has demonstrated SGX Group's operational resilience in continuing to function by having most staff working remotely, thus mitigating risks presented by acute weather events.

On the other hand, the most immediate impacts are likely to be from transition risks given the highly regulated nature of the financial sector. In Singapore, the government has announced plans to implement carbon taxes as high as S\$80/tCO<sub>2</sub>e by 2030. Though limited, SGX Group has indirect exposure to carbon taxes in the form of higher energy prices, through our energy-intensive data centre operations. Thus, climate transition risks are an appropriate starting point for SGX Group to begin quantifying its climate-related risks.

### Outcomes from analysis

The results of the analysis showed that transition risk on operational costs is de minimis due to SGX Group's low carbon Scope 1, 2 and 3 footprint. In the near term, increased costs are greatest under an optimistic orderly scenario. These higher costs are attributed to a more stringent climate policy being imposed, leading to higher carbon prices and potentially higher carbon tax on emissions. However, costs under this scenario are not materially greater than in other two scenarios, as carbon emission taxes do not contribute to a large portion of SGX Group's costs.

This relationship does not hold into the long term, where increased costs under the orderly scenario are smaller than that of the other two scenarios. In the long run according to the modelled analysis, the increase in costs coming from carbon emissions are outweighed by the decrease in energy consumption costs.

### Our journey forward

Going forward, SGX Group will enrich our TCFD disclosure using scenario analysis to model future climate impacts. This includes developing a quantitative understanding of impacts from physical climate events, such as flash floods and heatwaves. The planned work will include modelling future climate opportunities arising from the growth of various revenue streams related to the greening of the financial sector and decarbonisation of the economy.



# Progressing Sustainable Transition As a Company

## Carbon and Resource Management

Our emissions are calculated in alignment with GHG Protocol Corporate Accounting and Reporting Standard (revised edition). SGX Group uses an 'Operational Control' boundary for our GHG and environmental reporting. An organisation has operational control if it has, or its subsidiaries have, the full authority to introduce and implement its operating policies. This approach accounts for 100% of emissions from facilities, operations, and vehicles (whether leased or owned) over which SGX Group has operational control. The GHG emissions have been externally verified in accordance with ISO 14064-3:2019.

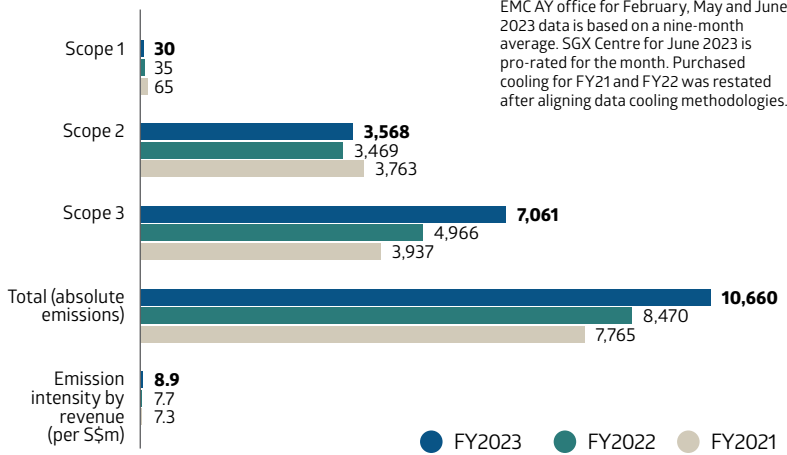
Our absolute Scope 1 emissions remained at comparable level as FY2022. Our absolute Scope 2 emissions are slightly higher than FY2022. We remain on track in meeting our science-based targets of average 4.2% per annum Scope 2 absolute emissions reduction as we saw notable reductions which exceeded our targets in our Scope 2 emissions in FY2022 compared to FY2021 due to the decommissioning of storage racks at the end of their service life in our data centres, as well as the migration of services from our servers to cloud computing.

Our Scope 3 emissions has seen increases in emissions from business travel due to travel restrictions from COVID-19 being lifted in FY2023. We will be compensating our Scope 3 emissions from purchased goods and services,

business travel and waste incineration with carbon credits obtained from Climate Impact X (CIX). These are additional climate mitigation actions beyond our science-based emission reduction targets.

We have also seen increases in emissions from employee commuting due to increase in commute with more staff returns to office this year and we have taken a more granular measurement process in determining employee commute. A set of survey containing a list of questionnaires were sent out to our employees to understand their commuting patterns. This enabled us to more accurately account for their travel emissions based on their distance travelled to and from office as well as taking into consideration the mode of transportation used.

## Carbon Disclosure (total, tCO<sub>2</sub>e)



We remain on track in meeting our science-based targets of average 4.2% p.a Scope 2 absolute emissions reduction.

## Our Performance in FY2023

- Disclosed absolute emissions and emission intensity for Scope 1, 2 and 3 in line with Greenhouse Gas Protocol Standards
- Scope 2 emissions is slightly higher compared to FY2022
- Primary data centre awarded the Standard 564 (SS564) certification for Green Data Centre – Energy & Environmental Management Systems
- Secondary data centre awarded the Building and Construction Authority's Green Mark Platinum certification
- Continued encouragement for staff to reduce the use of electricity and paper in offices, in line with our internal Environmental Policy
- Implemented measures to reduce electricity consumption, including office temperature management, replacement of high-consumption lighting and migration of selected services to cloud

## Our Target for FY2024

- Continue on the trajectory to reduce Scope 2 absolute carbon emissions by 42% by FY2031, in line with the SBTi 1.5°C emissions scenario with a base year of FY2021
- Disclose Scope 1, 2 and 3 carbon emissions for the year
- Demonstrate efforts to reduce environment footprint
- Continue our efforts on credit net zero target setting, implementation strategy and progress reporting on NZFSPA framework for exchanges

## Employment Practices and Employee Development

Our employees come first. We are committed to advancing employees' growth and career development. SGX Group strives to maintain a positive work environment that values integrity, diversity, collaboration, and communication, while ensuring the well-being of our employees. Our continued success in attracting and retaining talent is a key contributor to our ability to remain commercially viable and competitive.

In addition, we recognise that the world around us is fast evolving. We are all impacted by climate change, technological innovation and disruptions, as well as rising geopolitical tensions. This means our people need to become better at adapting to these macro socioeconomic trends and be equipped with the right skillset and mindset to navigate these potentially challenging conditions. To this end, we embarked on a cultural transformation journey of Accountability, Innovation and Making a Difference (AIM) to enable our people to thrive in the current and future environment. Accountability brings end-to-end ownership of the decisions in driving towards successful outcomes; Innovation means translating an idea into products, services or rules to create transformative value and experiences for clients; and Making a Difference is demonstrated by

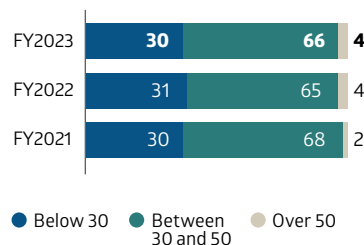
intentionally driving purposeful outcomes.

We conducted over 35 workshops and engaged approximately 80% of our colleagues in Singapore on the importance of AIM behaviours. In addition to appreciating different perspectives across the organisation, the workshops provided a framework and common language to guide the way we work, which would best serve and enable our staff to achieve success collectively. Going forward, AIM engagement sessions will continue to be part of our regular curriculum.

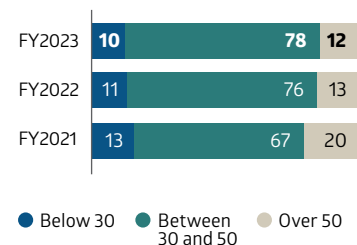
### Talent Management and Retention

SGX Group consistently dedicates resources to developing a comprehensive talent strategy aimed at strengthening our internal capabilities. Talent management focuses on attracting, developing and retaining skilled individuals within the organisation while considering environmental, social and economic sustainability. It involves creating a supportive work environment that nurtures talent, aligns with our sustainable values, and contributes to the long-term success of SGX Group and our society.

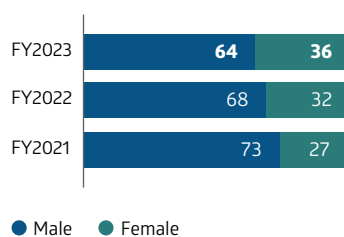
#### New Hires by Age (%)



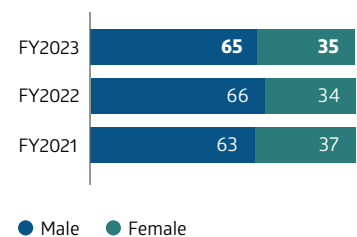
#### Attrition by Age (%)



#### New Hires by Gender (%)



#### Attrition by Gender (%)



# Progressing Sustainable Transition As a Company

## Learning and Development

Recognising the importance of investing in the growth and development of our employees, we promote a culture of lifelong learning and implemented programmes to upgrade the skills of employees. To support our employees' learning and development holistically, we offer a wide range of structured training for both technical and soft skills, as well as on the job learning opportunities. In FY2023, an average of 48 hours of learning were recorded per employee. In FY2023, 1,018 hours of sustainability-related training was recorded, with over 535 cumulative attendances in in-person sessions or eLearning modules. Topics included Sustainability Reporting, Introductions to Corporate Governance and Sustainability, as well as General Responsible Investment Practices. Our sustainability in-person hybrid townhall recorded over 250 attendances, which had guest speakers such as Mr Tajinder Singh,

Deputy Secretary General of IOSCO and Mr Joseph Teo, Chief Negotiator for Climate Change Singapore. SGX Group continues to offer learning programmes that develop and enhance the capabilities of our leaders. We partner reputable and established best-in-class training programme providers to engage with and grow those in supervisory and management roles, from first-level line managers to senior leaders. In FY2023, we introduced programmes to upskill managers through the inclusion of a mentoring programme, situational leadership, and coaching certification programmes under the leadership development curriculum.

In addition to the AIM Behaviours workshops, we introduced Unconscious Bias training for all line managers. The workshops complement our eLearning on Preventing Discrimination and Harassment and are part of promoting a culture of inclusivity and

psychological safety at the workplace. We also delivered career development workshops to facilitate career planning and development conversations for our employees.

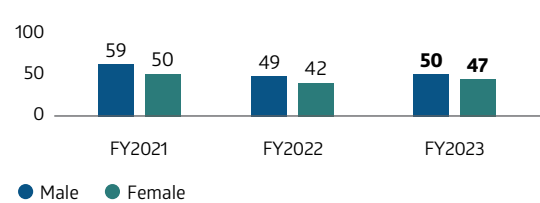
Through these initiatives, we aim for our staff to develop into highly skilled and well-rounded employees, with transferrable experiences and expertise that would make them an asset to any organisation. In addition, our employees are provided with annual refresher training on general compliance, staff dealing, regulatory conflicts, information security, procurement policies and anti-discrimination and harassment related topics.

In the next few years, our strategic intent is to continue to upskill skillsets and raise awareness in sustainability, incorporating sustainability into their scope of work, as the financial services industry places increasing emphasis on the topic.

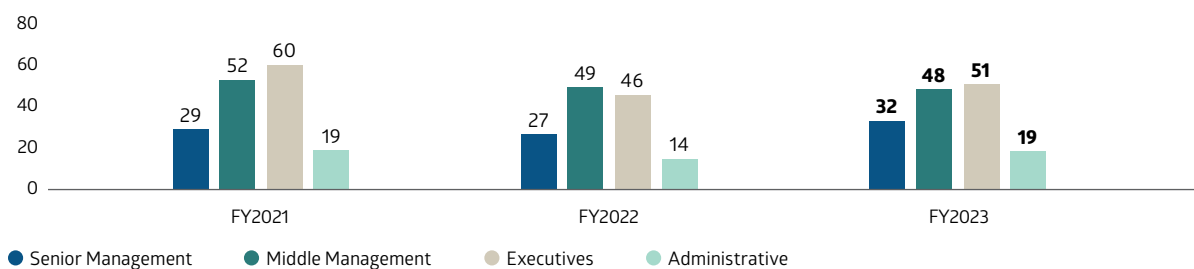
### Average Training per Employee (hours per year)



### Average Training per Employee by Gender (hours per year)



### Average Training per Employee by Employee Category (hours per year)



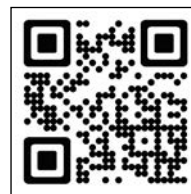
### Employment Practices

SGX Group has in place employment practices that ensure the health, safety, and well-being of our staff. SGX has successfully attained the ISO 45001 (occupational health and safety management systems) certification for a third consecutive year since June 2021. With the full relaxation of COVID-19 workplace regulations, SGX Group transitioned seamlessly into the endemic COVID-19 new norm of returning to office whilst retaining the options of flexible working arrangements, based on operational requirements. We continue to put in place measures to promote and safeguard

the safety and health of our employees in the workplace. To enable employees better manage and cope with crises, we have made onsite first aid training available, conducted emergency preparedness exercises and provided educational awareness campaigns involving our employees, Singapore Police Force and building management.

SGX Group conducts regular staff engagement surveys and results are shared with all employees at SGX Townhalls. The recent survey launched in January 2023 provided valuable insights on our employees' perceptions and their alignment on factors that impact overall work experience at SGX,

including culture, values, career, and growth. Units work with their teams on the follow-up engagement action plans. SGX launched the 'SGX Wellbeing Charter' that provides guidance to our staff in managing the shift to working from home, and to promote a healthy workplace interaction.



**Sustainability Policies**  
Scan the code, or visit [sgxgroup.com/sustainability/policy](https://sgxgroup.com/sustainability/policy)

### Our Performance in FY2023

- Attained the ISO 45001 (occupational health and safety management systems) certification for the third year
- Over 535 cumulative attendances recorded by employees attending various sustainability-related training programmes including courses dedicated to GRI Sustainability Reporting, Introductions to Corporate Governance and Sustainability, as well as general responsible investment practices
- Achieved 48 average training hours per employee, exceeding our target of 40 average training hours per employee
- Enhanced our people managers' capabilities to better support and coach their staff through the inclusion of a mentoring programme, situational leadership, and coaching certification programmes under the leadership development curriculum
- Introduced Unconscious Bias training for all line managers as part of promoting a culture of inclusivity and psychological safety at the workplace
- Implemented AIM Behaviours workshops, to educate colleagues on our desired behaviours of Accountability, Innovation and Making a Difference, with references to Risk Management Framework to enhance our colleagues' awareness and promote a positive risk culture
- Implemented career development workshops in conjunction with the rollout of our career optimiser tool to facilitate career planning and conversations for our employees

### Our Target for FY2024

- Achieve 40 average training hours per employee or more, as set out in our yearly target
- Implement programmes for upgrading employee skills and transition assistance programmes, including in the area of sustainability for the purpose of incorporating sustainability into their scope of work

# Progressing Sustainable Transition

## As a Company

### Diversity and Inclusivity

SGX Group embraces diversity among our staff, regardless of gender, age, disability, and other socio-cultural differences. We value how diversity broadens our collective skills and perspectives, driving innovation within our organisation, as guided by our Workplace Anti-Harassment Policy.

We hire on a meritocratic system and provide a competitive and fair compensation and benefits package. Our talent strategy ensures that employees are given fair opportunity for learning and development so that they can achieve their best potential.

Our gender-pay ratio is generally within a 10% range across all ranks within our organisation. The self-empowerment team – an employee-led group originally

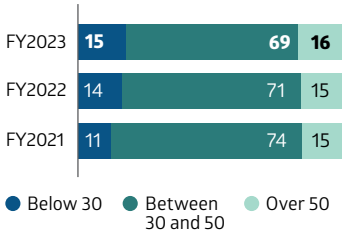
formed to promote career development of female employees has since evolved to include male employees and with its agenda expanded to include promoting workplace diversity, equity, and inclusion. 33% of our Board is represented by female directors and 28% of senior management (managing director equivalent and above) is represented by female

senior management, which contributes to the diversity of views and perspectives at our most senior levels. Since 2012, SGX Group has been leading in the advocacy for Women on Boards in Singapore.

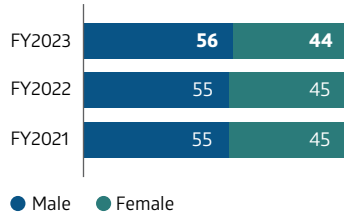
For further details in regard to Board Diversity, please refer to the Corporate Governance Report on pages 96 to 133 of this Annual Report.

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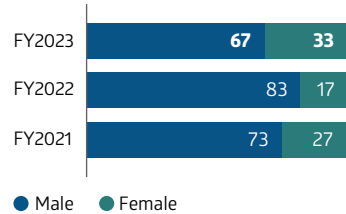
#### Age Diversity (%)



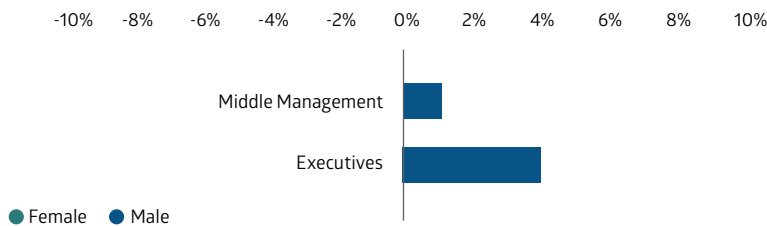
#### Gender Diversity (%)



#### Board Gender Diversity (%)



#### Gender Pay Gap



Note: Middle management is defined as Executive Director and below or equivalent, and Executives are defined as Assistant Vice President and below or equivalent. A band on the right indicates males are paid higher.

Total number of employees	1,205
SGX	806
Baltic Exchange	45
BidFX	126
EMC	73
MaxxTrader	118
Scientific Beta	37

## By Gender

Reporting Period – FY2023	Female	Male	Others / Not Disclosed	Total
Total Number of employees	534	671	0	1,205
Permanent	511	653	0	1,164
Temporary	23	18	0	41
Non-guaranteed hours employee	0	0	0	0

## By Region

Reporting Period – FY2023	Singapore	Asia ex Singapore	Rest of the World	Total
Total Number of employees	918	80	207	1,205
Permanent	879	79	206	1,164
Temporary	39	1	1	41
Non-guaranteed hours employee	0	0	0	0

Asia includes China, India, Hong Kong, Dubai and Japan. Rest of the world includes US, UK, Australia, Italy, France, Switzerland, Finland and South Africa.

## Our Performance in FY2023

- In ensuring gender diversity on the Board, SGX Group has appointed two female candidates to be part of the Board in FY2023
- Ms Julie Gao and Ms Lin Huey Ru were appointed onto the SGX Board in FY2023. Their appointments will contribute significantly to the diversity of skillsets, geographical experience, and in-depth understanding of different industries of the SGX Board

## Our Target for FY2024

- Continue to ensure diversity to achieve the strategic and business objectives of the company
- Where external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to present female candidates
- In ensuring gender diversity on the Board, SGX Group actively strives to have at least 25%-30% representation of female directors on the Board. In FY2023, SGX reached its target goal in achieving 30% representation of female directors on the Board



# Progressing Sustainable Transition

## As a Company

### Ethics and Compliance

At SGX Group, we advocate the highest level of conduct and ethical standards to maintain high standards of governance. We are underpinned by concrete policies that frame the way we operate.

#### Internal Ethical Standards

SGX Group is committed to deliver outcomes that drive long-term success to build trust with our stakeholders. The following internal policies are essential in guiding the behaviour of our employees and further details may be found on our policies page.

- Anti-Corruption, Gifts and Entertainment
- Anti-Money Laundering, Terrorism Financing and Sanctions
- Conduct and Ethics
- Employee Recruitment
- Environmental
- Misconduct Reporting and Handling
- Personal Data Protection
- Procurement
- Regulatory Conflicts Governance
- Staff Dealing

- Whistleblowing
- Workplace Anti-Harassment

These policies provide guidance on appropriate conduct for common ethical issues, such as conflicts of interest, bribery and corruption, fair compensation, anti-money laundering/terrorist financing and sanctions, confidential information, insider trading, workplace harassment, among others. All employees are required to undergo rigorous training, including annual compliance training on all the above.

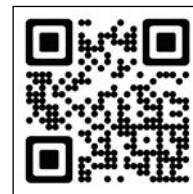
SGX Group had no monetary losses because of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations in FY2023.

There were no cases of bribery, corruption, anti-competitive behaviour, or other material non-compliance with

the law at SGX Group in FY2023. We continue to strive to uphold the highest standards of corporate governance with respect to our stringent governance framework.

#### Tax Policy

The Chief Financial Officer (CFO) is responsible for oversight of SGX Group's tax strategy and overall function, with support from the Head of Tax. Both CFO and Head of Tax will update tax developments and tax risk assessment of our business to the Board of Directors, as necessary. SGX Group is committed to tax compliance and engage regularly with authorities. Please refer to our policies page for more information on our Tax Policy.



**Sustainability Policies**  
Scan the code, or  
visit [sgxgroup.com/  
sustainability/policy](https://sgxgroup.com/sustainability/policy)

### Our Performance in FY2023

- Disclosed Code of Conduct and Ethics Policy and Tax Policy in line with GRI 207 and SASB: Managing Conflict of Interest
- Zero cases of bribery, corruption, anti-competitive behaviour, or other non-compliance with the law
- Zero monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations
- Disclosed processes for identifying and assessing conflicts of interest, including Conduct and Ethics Policy and Regulatory Conflicts Governance Framework

### Our Target for FY2024

- Maintain zero cases of material non-compliance with laws
- Disclose number of material non-compliance with laws
- Disclose number of incidents of corruption and actions taken

# As a Business

## Economic Performance

In line with SASB and GRI standards and SDG guidelines, SGX Group discloses our economic performance every year. Please refer to the Financials section of the Annual Report for more details.

### Our Target for FY2024

- Continue to disclose the group's financial statement in accordance with accepted financial reporting standards

## Sustainability Products and Services

To further advance sustainability in the financial markets, SGX Group continues to develop and provide a wide range of revenue-generating sustainability products and services under our SGX Future in Reshaping Sustainability Together (FIRST) platform which spans across the various asset classes, including securities, fixed income, equity derivatives, commodities and indices. These products and solutions are developed through collaborative efforts across business units. We aim to help companies and financial institutions accelerate their journey towards a low-carbon economy by providing products and services that meet their needs.

As a business, SGX Group has been exploring, developing opportunities, and growing efforts to build new 'green' revenue lines over time as well as futureproofing our existing asset classes. We hold regular cross business units sustainability meetings

amongst business unit heads, SSF team and the CEO to help hone our key priorities through sustainability and commercial lens for the years ahead. Our approach is to be practical and nimble so that we are well-prepared to harness sustainable finance opportunities in a timely manner backed by our leadership credentials.

SGX Group launched the ESGenome Disclosure Portal in September 2022, a common digital disclosure portal providing (1) streamlined sustainability reporting for SGX-listed companies, and (2) structured ESG data access for investors. ESGenome is a part of MAS' Project Greenprint, with plans to further scale the portal into a national-level disclosure utility that meets the reporting needs of all companies. ESGenome was awarded the ESG Initiative of the Year in the Regulation Asia Awards for Excellence 2022. SGX also published

a recommended list of 27 core ESG metrics in August 2022 for listed companies to use as a starting point for sustainability reporting. These core ESG metrics are intended as a common and standardised set of ESG metrics, which will in turn create better alignment between users and reporters of ESG information. In June 2023, we signed a memorandum of understanding (MOU) with MAS and the Climate Data Steering Committee (CDSC) to connect ESGenome into the Net Zero Data Public Utility (NZDPU) to facilitate allocation of public and private capital towards financing climate transition. This connectivity will link SGX-listed companies' reported GHG emissions data from ESGenome into the NZDPU repository, which is an open, free and centralised repository for climate transition data.

For more information, please refer to the respective pages for additional details and latest information.



**Sustainability Products and Services**  
Scan the code, or visit [sgx.com/sustainable-finance](https://sgx.com/sustainable-finance)

# Progressing Sustainable Transition

## As a Business

### Our Performance in FY2023

#### Equities

- Launch of ESGenome, SGX Group's ESG digital disclosure portal for SGX-listed companies
- Engaged and procured feedback from issuers, investors and professionals on potential equity capital market initiatives for ESG listings
- Launch of GFANZ Index Investing workstream this year that will take stock of existing guidance with respect to net zero corporate engagement and investor recommendations on enhancements to net zero benchmarks. SGX Group CEO is the co-chair of the workstream

#### Equity Derivatives

- Partnered with MSCI and Ilmarinen in the development of the MSCI Climate Action methodology and secured the license to launch a global shelf of derivatives on the index, to offer investors a broader choice of solutions enabling them to meet their net-zero commitment and integrate climate considerations in their portfolio
- SGX Group launched the first global suite of futures tracking MSCI Climate Action Indexes Net USD (World, Europe, USA, Japan and Asia Ex-Japan) to provide investors with efficient tools to access and manage their decarbonisation objectives

#### Fixed Income

- Expanded the number of GSSS bonds listed on SGX to date to over 400
- Launch of the Sustainability Fixed Income (SFI) initiative to provide regulatory backing and allow investors to more easily identify fixed income securities that meet one or more internationally recognised green, social or sustainability standards for fixed income securities (Recognised Standards), which is confirmed by an independent external reviewer pre-issuance
- SGX Group listed the first retail green bonds. The Green Singapore Government Securities (Infrastructure) is issued by the Singapore Government under the Singapore Green Bond Framework to finance major long-term green infrastructure projects
- Launched Marketnode Gateway, a one-stop, end-to-end issuer services platform providing data, workflow, and tokenisation solutions. Greennode, an information portal aggregating ESG bond data, saw the addition of sustainability-linked bond (SLB) data on the back of client demand and was subsequently integrated into Gateway. The platform currently has coverage for more than 305 issuers and 780 bonds in APAC
- SGX Group is co-leading the products and instruments workstream under the China-Singapore green finance taskforce, under the auspices of People's Bank of China (PBOC) and MAS. Workslope will include (1) development of green finance products to cater to the growing needs of investors investing in China, (2) Singapore and ASEAN, initially focusing on scaling green and transition finance through the bond market

#### Commodities

- Listed a suite of battery metals derivatives which are key raw materials in the electric vehicle production process and will support the transition of passenger transportation away from fossil fuels
- Listed steel rebar futures – steel is a continually recyclable material and is a key metal used in the development of renewable energy sources
- Jointly organised the 10th edition of Singapore International Ferrous Week, particularly focused on green steel production and recycling with SGX providing thought leadership and curating the agenda
- The Baltic Exchange has created a microsite to support the maritime sector's decarbonisation drive through calculating a set of indicative CO<sub>2</sub> emission reference points for the Baltic dry and tanker routes based on its standard ship descriptions where information on the Energy Efficiency Operational Indicator (EEOI), the Carbon Intensity Indicator (CII), and the European Union Emissions Trading Scheme (EU ETS) is provided
- Climate Impact X launched CIX Exchange, a spot trading venue for carbon credits that facilitates the discovery of market-driven prices, individual project comparison and trading of standard contracts

### Indices

- Structured products referencing iEdge ESG Indices raised an AUM of over \$3bn in Europe in FY2023
- Hosted joint marketing seminars involving presentations, fireside chats, panel discussions with ESG ETF issuers across iEdge ESG indices with an aim to raise product awareness
- Scientific Beta won a EUR 300mn mandate to track its Eurozone Paris-Aligned Benchmark index from a French pension fund

## Our Target for FY2024

- Continue to gather adoption and momentum on the existing suite of sustainable investing and hedging products and launch new products based on engagement with institutional and retail investors, corporates and other stakeholders e.g. for Indices, ETFs and bond solutions
- Continue discussions on the evolution of the Sustainable Fixed Income initiative
- Continue to capture on Marketnode Gateway newly issued ESG bond data and SLB data in APAC
- Explore and anchor to capture equity listings in emerging green focus sectors
- To further scale ESGenome into a national-level disclosure utility that meets the reporting needs of all companies
- Continue to develop price risk management tools to support the energy transition
- Continue to work on the products and instruments workstream under the China-Singapore green finance taskforce
- Focus on the development of green products and to scale green and transition finance through the bond market
- Continue discussions on the index investing workstream, and to explore best practices around aligning passive investment with net zero objectives

## Business Continuity

SGX Group has a set of established and well tested business continuity plans to ensure resilience against market disruptions and data breaches. Given the inter-dependencies between SGX Group and its diverse participants, our investment in well-orchestrated and designed recovery plans has provided fully functioning and well-regulated markets.

In FY2023, our markets achieved 100% uptime. We did not have any significant data breaches, defined as unauthorised movements or disclosures of sensitive information to parties that are not authorised to consume the information. Fundamental to prevention of errors, breaches and disruptions are our various technologies and data-related policies and controls.

# Progressing Sustainable Transition

## As a Business

Policies/efforts taken to prevent errors, breaches, and disruptions	Description
<b>Technology Resilience Framework</b>	<p>Provide guiding principles and controls to make sure that IT services are delivered securely, effectively, and efficiently. It focuses on IT infrastructure and shared services provided/ supported by SGX Technology</p> <p>Disciplines such as Information security (e.g., Access Management Vulnerability Assessment) and application (e.g., Software development, testing) are also established</p>
<b>Cyber Security Risk Management Framework</b>	A framework to provide a comprehensive overview of its approach to identify and manage cybersecurity risk to ensure continuous adherence to the Cyber Security Act (CSA) as designated Critical Information Infrastructure Operator
<b>Common Vulnerabilities and Exposures (CVE) Handling Procedure</b>	A comprehensive framework that identifies, prioritises, manages, and remediates threats and vulnerabilities from CVEs, government, and vendor advisories timely
<b>Integrated Enterprise Command Centre and Security Operations Centre</b>	An integrated Enterprise Command and Control centres consisting of Enterprise Command Centre (ECC) and Security Operations Centre (SOC) that provides monitoring, detection, analysis, processing, and recovery of all technical and cyber incidents within SGX Group. This ensures rapid response to maintain the highest level of availability and security of our IT Services. Authorised staff can securely access the integrated Enterprise Command and control centre remotely
<b>IT Disaster Recovery (ITDR) Plan</b>	<p>The objective is to enable IT to recover the operation of its critical systems in the ITDR site (i.e., SGX Secondary Data Centre) in a planned and orderly manner</p> <p>The annual industry wide Business Continuity Plan (BCP) exercise practised the ITDR Plan to simulate an intra-day scenario to failover systems from SGX Primary Data Centre to SGX Secondary Data Centre</p> <p>The last BCP Exercise was successfully conducted on August 2022</p>
<b>Member Disaster Recovery Test</b>	A window opened once a year where SGX Production systems are made available for participants to carry out BCP testing from their backup systems
<b>Industry-Wide Data Corruption Recovery Test</b>	Tests with market participants were conducted to ensure their ability to recover their data and to reconcile them against SGX Group platforms using SGX Group's data as the 'golden source'. This will help market participants to resume trading, clearing and settlement services expeditiously in a data corruption scenario

Policies/efforts taken to prevent errors, breaches, and disruptions	Description
<b>Stringent Data Centre Physical Access Procedures</b>	Strict physical access controls are in place to ensure only authorised personnel are allowed access to the Data Centre on an as-needed basis
<b>Robust Change Management Process</b>	An established change management process is in place. Augmenting the process is the use of visualisation tools to provide a multi-dimensional view that shows interdependencies, thus improving risk assessment and enabling SGX Group to effectively manage risk
<b>Digital Tools</b>	We continue to embrace digital tools to drive digital transformation within the organisation. For example, business analytics dashboard and red flag alerts were implemented
<b>Intelligent Operations</b>	Use of AIOps (Artificial Intelligence for IT Operations) for event correlation, anomaly detection which leads to faster resolution of incidents. Bots are also used to further improve our efficiency and effectiveness in our IT Operations
<b>Proactive Capacity Management</b>	Establish a continuous and iterative process that monitors, analyses, and evaluates the performance and capacity of IT infrastructure
<b>Monitoring of Energy Consumption in Data Centres</b>	Use of state-of-the-art power monitor equipment to ensure SGX Group's Data Centre environment is operating at optimal power utilisation and cooling consumption levels, to minimise any wastage while meeting operational requirements

## Our Performance in FY2023

- Zero significant market disruptions or downtime
- Zero material data breaches
- Disclosed efforts to prevent technology errors, security breaches and market disruptions. Efforts included conducting 15 business continuity and IT disaster recovery exercises, of which four exercises involved industry participants

## Our Target for FY2024

- Continue to disclose the number of significant market disruptions and downtime
- Continue to disclose the number of material data breaches
- Continue to demonstrate efforts in preventing technology errors, security breaches and market disruptions



# Progressing Sustainable Transition

## As a Regulator

### Transparent Capital Markets

SGX Group is committed to the highest standards of disclosure and transparency to build trust across stakeholders, promote a liquid market and sustain long-term capital market growth.

#### Creating Sustainability Reporting Baseline

In FY2023, SGX RegCo set up the Sustainability Reporting Advisory Committee (SRAC) together with the Accounting and Corporate Regulatory Authority (ACRA). It was formed to advise on a sustainability reporting roadmap for Singapore-incorporated companies and SGX RegCo serves as the joint secretariat of the SRAC, along with ACRA.

SGX RegCo launched the SGX Group-Global Reporting Initiative (GRI) Sustainability Reporting Learning Series, to keep industry professionals and listed issuers abreast of updates and key issues relating to sustainability and the GRI Standards, with two events organised to date. To promote the upskilling of the wider ecosystem,

SGX RegCo fully subsidised fees for listed companies for a course organised by the Singapore Institute of Directors (SID) in June 2023 on operationalising sustainability for directors. In November 2022, SGX RegCo also launched the SGX Sustainable Fixed Income initiative to recognise fixed income securities listed on SGX-ST that meet certain green, social or sustainability standards.

#### Advancing Ethics and Compliance

To further strengthen the trust and confidence of investors in the market's integrity, SGX RegCo introduced changes to the Listing Rules governing enforcement actions for greater and swifter accountability and clarity in the securities market.

SGX RegCo has an independent Whistleblowing Office for members of the public and investors to report any regulatory issues concerning listed companies (except SGX Group), and to bolster

confidence that reports received are properly managed and given due attention.

#### Corporate Disclosure Policy

We also have a corporate disclosure policy regarding the timing and nature of public release of information by listed companies that may affect a stock price. Details can be found in Appendix 7.1 of the SGX Listing Rules (Mainboard) and Appendix 7A of the SGX Listing Rules (Catalist).

#### Trading Halts and Pauses

The policies related to trading halts and pauses can be found in Appendix 7.1 of the SGX Listing Rules (Mainboard) and Appendix 7A of the SGX Listing Rules (Catalist).



**SGX-ST Listing Manual**  
Scan the code, or visit  
[rulebook.sgx.com](http://rulebook.sgx.com)

### Our Performance in FY2023

- During the year, there were 512 trading halts relating to the public release of information and zero occurrences of trading pauses related to trading volatility. Average duration of trading halts per counter was 265 minutes
- Disclosed number of trading suspensions. During the year, there were 17,935 trading suspensions. Average duration of trading suspensions per counter was 79,269 minutes
- Disclosed involvement in automated trading and associated risks and opportunities
- Disclosed percentage of screen trades
- Disclosed alert policy
- Disclosed policies for sustainability disclosures of listed companies
- Published quarterly Public Quantitative disclosures in line with Committee on Payments and Market Infrastructures-International Organisation of Securities Commissions (CPMI-IOSCO) guidelines, providing transparency on how SGX Group's post trade, clearing, settlement and depository activities are governed and operated, and risks managed
- Advanced ethics and compliance through implementing changes to listing rules regarding enforcement

Note: Includes Ready market data only. Trading halts and suspensions pertaining to the wholesale bond market is not reported as although wholesale bonds are listed on SGX, they cannot be traded on SGX. Trading suspensions could occur over multiple trading days. Refers to the total number of days for all counters, including counters that are suspended pending for delisting. Trading halts could occur multiple times during a trading day.

## Our Target for FY2024

- Continue to disclose number of voluntary trading halts, and number of halts due to market volatility
- Disclose policies relating to alerts and disclosure of material information of listed companies
- Disclose policies relating to the disclosure of sustainability information by listed companies

## Stewardship of the Financial Ecosystem

To ensure that our market continues to thrive amid changing regulations and developments driven by sustainability and climate change, SGX Group is committed to actively engage the ecosystem, particularly in areas where Asian perspectives are underrepresented. As a thought and action leader in sustainability and sustainable finance, we will continue to lead in conversations and build capacity to guide and support the global transition journey.

### External Capacity Building

SGX Group emphasises capacity building of our wider ecosystem, through various initiatives.

### Issuers and corporates

#### Director sustainability training

In March 2022, SGX RegCo announced eight sustainability training courses that directors of listed companies can attend to equip themselves with basic knowledge on sustainability matters. Directors must attend one of the courses to meet the enhanced SGX Listing Rules that mandated sustainability training for all board of directors of equity issuers listed on SGX. In FY2023, more than 3,200 attendees attended the prescribed sustainability training for directors. Companies are required to provide a confirmation that their directors have attended sustainability training, in their first sustainability report for FY commencing on or after 1 January 2022. Directors have one year from the date of

appointment to the board to complete the mandatory training.

#### SGX Group green field trip

Newly introduced this year is SGX Group Green Field Trip, an initiative for SGX-listed companies to forge partnerships with important stakeholders and promote information sharing for the latest ESG initiatives. In November 2022, SGX Group partnered with CapitaLand Investment Limited to host a field trip to Funan, an integrated development in Singapore's city centre. The green field trip allows listed companies to engage important media and research stakeholders to promote information sharing on latest ESG developments through physical visits to experience their sustainability showcase.

#### Investors

Every year, SGX Group conducts several education events for institutional investors, retail investors, family offices, private banks, corporate issuers, small and medium-sized enterprises (SMEs),

and other stakeholders. SGX Group partnered with DBS to host 'SGX-DBS ESG Investment Corporate Day' featuring C-suite from SATS, Olam, Keppel Infrastructure Trust, CapitaLand Investment, and City Developments Limited among others, and presented on sustainability frameworks and roadmaps to institutional investors. SGX Group co-hosted Raffles Family Office ("RFO") Sustainable Family Office Investing Forum targeting family office principals and professionals. Speakers included Wealth Management Institute (WMI), Big 4 accounting firm representatives, to bring insights into the sustainable investing landscape.

### Community

SGX RegCo organised its fourth sustainability-themed case competition together with the NUS Business School students' club in February 2023, where 75 teams from local universities competed to present a business case on facilitating listed issuers to be net zero and adopt climate transition plans.

As a thought and action leader in sustainability and sustainable finance, we will continue to lead in conversations and build capacity to guide and support the global transition journey.

# Progressing Sustainable Transition

## In the Ecosystem

### Ecosystem Engagement Sustainability-related networks

SGListCos, a dedicated association for companies listed on the Mainboard and Catalist of SGX Group, grew its membership base to more than 56 members. These include a wide spectrum of Straits Times Index (STI) component stocks, large/mid-caps, SMEs, and capital market intermediaries.

Set up by listed companies for listed companies, the association aims to support the community in three areas which are critical to long-term growth and success: (1) thought leadership and advocacy, (2) ESG ecosystem, and (3) corporate access and investor relations. Advisory panels have been set up to focus on the development of these three areas.

To foster greater collaboration across the ecosystem, SGX RegCo exchanged ideas on sustainability-related disclosures and practices when meeting with representatives from international organisations and regional securities regulators and exchanges. SGX RegCo also engaged local institutes of higher learning to understand their curriculum on sustainability education.

### Issuing guidance with partners

The Disclosure workstream of the Green Finance Industry Taskforce (GFIT), co-led by SGX RegCo, collaborated with the Institute of Singapore Chartered Accountants (ISCA) to launch: (1) a green and sustainable finance guide for SMEs, and (2) a climate disclosure guide on first steps in conducting climate-related scenario analysis in April 2023.

SGX RegCo worked with Institute of Internal Auditors Singapore (IIAS) on its guide to internal review of sustainability reports launched in November 2022.

### ASEAN Exchanges



The ASEAN Exchanges is a collaboration between six exchanges in ASEAN to promote greater market integration and bring investment opportunities to the region.

In December 2022, as part of continuing efforts to address challenges around the availability of consistent and comparable ESG data, the six exchanges have agreed on a voluntary common set of ASEAN Exchanges foundational social metrics:

### ASEAN Exchanges' Foundational Social Metrics

Topic	Common Metric
Gender Diversity	Percentage of enterprise headcount held by men and women
	Percentage of entry- and mid-level positions held by men and women
	Percentage of senior- and executive-level positions held by men and women
	Number of employee level (entry, mid, senior, executive) held by men and women by age group
Employee Turnover	Percentage of year-over-year change for full-time employees
Non-Discrimination	Company policy regarding sexual harassment and/or non-discrimination
Injury Rate	Frequency of injury events relative to total workforce time or total number of serious accidents
Development & Training	Average training hours per employee
Human Rights	Company policy regarding human rights
	Number of incidents regarding human rights abuse
Child & Forced Labor	Company policy regarding child and/or forced labor
Temporary Worker Ratio	Total enterprise headcount held by contractors and/or consultants
Social and Community Investment	Total amount of corporate or group donations and community investments made to registered not-for-profit organisations

The group had previously published a set of aligned foundational environmental metrics as well as a table comparing their sustainability reporting regimes to streamline ESG data for investors. Highlights of the comparison include information on the regulatory authority overseeing sustainability reporting rules, sustainability reporting rules coverage and standards/frameworks required, and sustainability reporting resources from member exchanges.

Moving forward, the exchanges will align their foundational 'governance' metrics to devise the first set of ASEAN ESG metrics.

### Taskforce on Nature-related Financial Disclosures (TNFD)



Taskforce on Nature-related Financial Disclosures

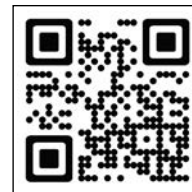
Nature loss poses both risks and opportunities for business, now and in the future, yet investors and corporates presently lack the necessary means to make informed

TNFD is a market-led, science-based, government-endorsed organisation which aims to develop a disclosure framework for reporting on nature-related risks and opportunities.

decisions. TNFD, modelling the widely adopted Task Force on Climate-related Financial Disclosures (TCFD), is a market-led, science-based, government-endorsed organisation which aims to develop a disclosure framework for reporting on nature-related risks and opportunities. SGX Group's Head of Sustainability and Sustainable Finance is one of 40 Taskforce members responsible for framework development and actively contributes to the workstreams.

In June 2023, TNFD released version 0.2 of its beta framework for nature-risk and opportunity management and disclosure. TNFD's complete

recommendation will be published in September 2023 for market adoption. TNFD together with World Business Council for Sustainable Development (WBCSD) and supported by SGX Group, has led a series of ASEAN TNFD consultation sessions to ensure that the needs, expectations, and experiences of the businesses in ASEAN are heard by the taskforce.



**Sustainability Knowledge Hub**  
Scan the code, or visit [sgx.com/sustainable-finance/sustainability-knowledge-hub](https://sgx.com/sustainable-finance/sustainability-knowledge-hub)

## Our Performance in FY2023

- Continued facilitating our listed companies' navigation of the sustainability reporting requirements by offering relevant capacity building workshops and resources for them at subsidised rates or free-of-charge
- More than 3,200 attendees attended the prescribed sustainability training for directors
- Members of SGListCos has grown from 20 members in FY2022 to 56 members in FY2023
- Over 350 participants signed up for ASEAN TCFD consultation workshop across 26 different sectors

## Our Target for FY2024

- Conduct education events for the investment community and listed companies, including sustainability
- Implement initiatives to encourage listed companies to advance their sustainability journey

# Progressing Sustainable Transition

## Independent Limited Assurance Statement

Singapore Exchange Limited ("SGX")

28 August 2023

### Independent Limited Assurance Statement in connection with the Subject Matter included in the SGX 2023 Sustainability Report

To the Management of SGX

#### Scope

We have been engaged by SGX to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on SGX's selected sustainability information as detailed below (the "Subject Matter") contained in SGX's 2023 Sustainability Report for the period from 1 July 2022 to 30 June 2023 ("FY2023") ("the Report") as set out in the Subject Matter and Criteria section below as of 22 April 2022 and associated addendums dated 12 August 2022, 30 March 2023 and 21 August 2023.

#### Subject Matter and Criteria

The criteria ("The Criteria") for our assurance evaluation are as follows:

- Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and
- Sustainability Accounting Standards Board Security and Commodity Exchanges Sustainability Accounting Standard ("SASB Standards")

The Subject Matter is set out in the table below:

#### GRI Standards Disclosures

GRI Standards Disclosures	Sub-indicators under "Shall" requirements (referenced as per GRI Standards)	Scope
<b>302-1</b> <b>Energy consumption within the organisation</b>	a) Total fuel consumption within the organisation from non-renewable sources, in joules or multiples, and including fuel types used.	SGX Group <sup>1</sup>
	b) Total fuel consumption within the organisation from renewable sources, in joules or multiples, and including fuel types used.	
	c) In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> <li>i. electricity consumption;</li> <li>ii. heating consumption;</li> <li>iii. cooling consumption;</li> <li>iv. steam consumption.</li> </ul>	
	d) In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> <li>i. electricity sold;</li> <li>ii. heating sold;</li> <li>iii. cooling sold;</li> <li>iv. steam sold.</li> </ul>	
	e) Total energy consumption within the organisation, in joules or multiples.	
	f) Standards, methodologies, assumptions, and/or calculation tools used.	
	g) Source of the conversion factors used.	
	2.1 When compiling the information specified in Disclosure 302-1, the reporting organisation shall: <ul style="list-style-type: none"> <li>2.1.1 Avoid the double-counting of fuel consumption, when reporting self-generated energy consumption. If the organisation generates electricity from a non-renewable or renewable fuel source and then consumes the generated electricity, the energy consumption shall be counted once under fuel consumption;</li> </ul>	

<sup>1</sup> SGX Group under the audit scope comprises all SGX Group entities, including overseas offices and acquired subsidiaries.

GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
<b>302-1</b> <b>Energy consumption within the organisation</b>	2.1.2 Report fuel consumption separately for non-renewable and renewable fuel sources;	SGX Group <sup>1</sup>
	2.1.3 Only report energy consumed by entities owned or controlled by the organisation;  2.1.4 Calculate the total energy consumption within the organisation in joules or multiples using the following formula:  Total energy consumption within the organisation = Non-renewable fuel consumed + Renewable fuel consumed + Electricity, heating, cooling, and steam purchased for consumption + Self-generated electricity, heating, cooling, and steam which are not consumed - Electricity, heating, cooling, and steam sold.	
<b>302-3</b> <b>Energy intensity</b>	a) Energy intensity ratio for the organisation.  b) Organisation-specific metric (the denominator) chosen to calculate the ratio.  c) Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.  d) Whether the ratio uses energy consumption within the organisation, outside of it, or both.	SGX Group
	2.5 When compiling the information specified in Disclosure 302-3, the reporting organisation shall:  2.5.1 Calculate the ratio by dividing the absolute energy consumption (the numerator) by the organisation-specific metric (the denominator);  2.5.2 If reporting an intensity ratio both for the energy consumed within the organisation and outside of it, report these intensity ratios separately.	
<b>305-1</b> <b>Direct (Scope 1) GHG emissions</b>	a) Gross direct (Scope 1) GHG emissions in metric tons of CO <sub>2</sub> equivalent.  b) Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.  c) Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.  d) Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	SGX Group
	e) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.  f) Consolidation approach for emissions; whether equity share, financial control, or operational control.  g) Standards, methodologies, assumptions, and/or calculation tools used.	



# Progressing Sustainable Transition

## Independent Limited Assurance Statement

GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
305-1	<p><b>Direct (Scope 1) GHG emissions</b></p>	SGX Group
	<p>2.1 When compiling the information specified in Disclosure 305-1, the reporting organisation shall:</p>	
	<p>2.1.1 Exclude any GHG trades from the calculation of gross direct (Scope 1) GHG emissions;</p>	
	<p>2.1.2 Report biogenic emissions of CO<sub>2</sub> from the combustion or biodegradation of biomass separately from the gross direct (Scope 1) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH<sub>4</sub> and N<sub>2</sub>O), and biogenic emissions of CO<sub>2</sub> that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).</p>	
	<p>a) Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p>	
	<p>b) If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p>	
	<p>c) If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p>	
	<p>d) Base year for the calculation, if applicable, including:            i. the rationale for choosing it;            ii. emissions in the base year;            iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p>	
	<p>e) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p>	
305-2	<p><b>Energy indirect (Scope 2) GHG emissions</b></p>	SGX Group
	<p>f) Consolidation approach for emissions; whether equity share, financial control, or operational control.</p>	
	<p>g) Standards, methodologies, assumptions, and/or calculation tools used.</p>	
	<p>2.3 When compiling the information specified in Disclosure 305-2, the reporting organisation shall:</p>	
	<p>2.3.1 Exclude any GHG trades from the calculation of gross energy indirect (Scope 2) GHG emissions;</p>	
	<p>2.3.2 Exclude other indirect (Scope 3) GHG emissions that are disclosed as specified in Disclosure 305-3;</p>	
	<p>2.3.3 Account and report energy indirect (Scope 2) GHG emissions based on the location-based method, if it has operations in markets without product or supplier-specific data;</p>	
	<p>2.3.4 Account and report energy indirect (Scope 2) GHG emissions based on both the location-based and market-based methods, if it has any operations in markets providing product or supplier-specific data in the form of contractual instruments.</p>	

GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
<b>305-3</b>  <b>Other indirect emissions (Scope 3) emissions</b>	a) Gross other indirect (Scope 3) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	
	b) If available, the gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	
	c) Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.	
	d) Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.	
	e) Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	
	f) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	SGX Group
	g) Standards, methodologies, assumptions, and/or calculation tools used.	
	2.5 When compiling the information specified in Disclosure 305-3, the reporting organisation shall:	
	2.5.1 Exclude any GHG trades from the calculation of gross other indirect (Scope 3) GHG emissions;	
	2.5.2 Exclude energy indirect (Scope 2) GHG emissions from this disclosure. Energy indirect (Scope 2) GHG emissions are disclosed as specified in Disclosure 305-2;	
	2.5.3 Report biogenic emissions of CO <sub>2</sub> from the combustion or biodegradation of biomass that occur in its value chain separately from the gross other indirect (Scope 3) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH <sub>4</sub> and N <sub>2</sub> O), and biogenic emissions of CO <sub>2</sub> that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).	
<b>401-1</b>  <b>New employee hires and employee turnover</b>	a) Total number and rate of new employee hires during the reporting period, by age group, gender and region.	SGX Group
	b) Total number and rate of employee turnover during the reporting period, by age group, gender and region.	
<b>404-1</b>  <b>Average hours of training per year per employee</b>	a) Average hours of training that the organisation’s employees have undertaken during the reporting period, by: i. gender; ii. employee category.	SGX Group

# Progressing Sustainable Transition

## Independent Limited Assurance Statement

GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
405-1 <b>Diversity of governance bodies and employees</b>	<p>a) Percentage of individuals within the organisation’s governance bodies in each of the following diversity categories:</p> <p>i. Gender;</p> <p>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p> <p>b) Percentage of employees per employee category in each of the following diversity categories:</p> <p>i. Gender;</p> <p>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p>	SGX Group

### SASB Standards Disclosures

SASB Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per SASB Standards)	Scope
<b>Promoting Transparent &amp; Efficient Capital Markets</b>	<b>FN-EX-410a.1</b>	(1) Number and (2) average duration of (a) halts related to public release of information and (b) pauses related to volatility.
<b>Managing Conflicts of Interest</b>	<b>FN-EX-510a.1</b>	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.
<b>Managing Business Continuity &amp; Technology Risk</b>	<b>FN-EX-550a.1</b>	(1) Number of significant market disruptions and (2) duration of downtime.
	<b>FN-EX-550a.2</b>	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected.

### SGX Management’s responsibilities

SGX Management is responsible for selecting Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter Information, such that it is free from material misstatement, whether due to fraud or error.

### EY’s responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we performed and evidence we obtained.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (“ISAE 3000”) issued by the International Auditing and Assurance Standards Board, and the terms of reference for this engagement as agreed with SGX as of 22 April 2022 and associated addendums dated 12 August 2022, 30 March 2023 and 21 August 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

## Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Inquiries with SGX’s Sustainability teams to
  - a. Understand principal business operations,
  - b. Appreciate key sustainability issues and developments,
  - c. Map out information flow for sustainability reporting and the relevant controls,
  - d. Identify data providers with their responsibilities, and
  - e. Recognise the likelihood of possible manipulation of sustainability information and data.
2. Virtual meetings with SGX’s data stakeholders and management.
3. Process walk-through of systems and processes for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms, assessing and testing the controls in relation to the Subject Matter in the Report.
4. Interviews with employees and management in SGX (Sustainability and Sustainable Finance, Human Resources, Technology Shared Services and Operations, Securities Listing and Trading and Legal Compliance) to understand key sustainability issues related to the selected indicators and processes for the collection and accurate reporting of performance information.
5. Obtaining of documentation through sampling methods to verify assumptions, estimations and computations made by management in relation to the Subject Matter in the Report.
6. Checking that data and statements had been correctly transcribed from corporate systems and / or supporting evidence, into the Report.
7. Obtaining of third-party reports and confirmations in relation to the Subject Matter in the Report.
8. Relying on SGX’s management representation letter on the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

# Progressing Sustainable Transition

## Independent Limited Assurance Statement

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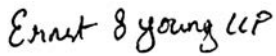
### Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 28 August 2023 for the year ended 30 June 2023, in order for it to be in accordance with the Criteria.

### Restricted use

This report is intended solely for the information and use of the Management of SGX and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young LLP



Signed for Ernst & Young LLP by  
Praveen Tekchandani  
Partner, Climate Change and Sustainability Services  
Singapore  
28 August 2023

# Independent Limited Assurance Report

Singapore Exchange Limited (“SGX”)

28 August 2023

## Independent Limited Assurance Report on SGX’s 2023 Greenhouse Gas (“GHG”) Emissions Report

To the Management of SGX

### Scope

We have undertaken a ‘limited assurance engagement’ of the accompanying GHG Emissions Report of SGX’s 2023 Sustainability Report for the period from 1 July 2022 to 30 June 2023 (“FY2023”) (“the Report”) as set out in the Subject Matter and Criteria section below as of 24 June 2022 and associated addendums dated 30 March 2023, 16 June 2023 and 21 August 2023.

### Subject Matter and Criteria

The criteria (“The Criteria”) for our assurance evaluation are as follows:

- GHG Protocol Corporate Accounting and Reporting Standard for GHG inventories, and
- ISO 14064-3 Specification with guidance for the validation and verification of GHG assertions

The Subject Matter is set out in the table below:

### Greenhouse Gas Emissions Disclosures

Greenhouse Gas Emissions	Coverage	Scope
<b>Direct (Scope 1) GHG emissions</b>	<ul style="list-style-type: none"> <li>▪ Direct emissions from sources owned or controlled by SGX (e.g. stationary combustion emissions, fugitive emissions, mobile combustion emissions).</li> <li>▪ Generation of Scope 1 emissions: 30.28 tCO<sub>2</sub>e<sup>1</sup>.</li> </ul>	SGX Group <sup>2</sup>
<b>Energy indirect (Scope 2) GHG emissions</b>	<ul style="list-style-type: none"> <li>▪ Indirect emissions from electricity consumption and purchased cooling<sup>3</sup>.</li> <li>▪ Generation of Scope 2 emissions (location-based): 3,568.33 tCO<sub>2</sub>e.</li> </ul>	
<b>Other indirect (Scope 3) emissions<sup>4</sup></b>	<ul style="list-style-type: none"> <li>▪ Indirect emissions from purchased goods and services, waste generated in operations, employee commuting, domestic and international air travel (business travel) for business purposes and downstream leased assets (electricity consumption from space leased out at data centre).</li> <li>▪ Generation of Scope 3 emissions: 7,061.34 tCO<sub>2</sub>e.</li> </ul>	SGX Group
<b>Total GHG emissions</b>	<ul style="list-style-type: none"> <li>▪ Total Scope 1, Scope 2 (location-based), Scope 3 emissions: 10,659.95 tCO<sub>2</sub>e.</li> </ul>	

As part of our scope of limited assurance, we have conducted the verification of the GHG emission figures stated above.

### SGX Management’s responsibilities

SGX Management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the GHG statement, such that it is free from material misstatement, whether due to fraud or error.

### EY’s responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we performed and evidence we obtained.

<sup>1</sup> tCO<sub>2</sub>e refers to the tonnes of carbon dioxide equivalent. Carbon dioxide equivalent is a standard unit for calculating GHGs such as carbon dioxide, methane in a common unit.

<sup>2</sup> SGX Group under the audit scope comprises all SGX Group entities, including overseas offices and acquired subsidiaries. SGX Group uses an ‘Operational Control’ boundary for the GHG reporting.

<sup>3</sup> Excludes Scope 2 emissions for SGX-owned spaces that are leased to tenants (downstream assets).

<sup>4</sup> The assurance scope for other indirect (Scope 3) emissions only covers purchased goods and services, waste generated in operations, employee commuting, domestic and international air travel by employees and downstream leased assets. It does not include other categories of Scope 3.



# Progressing Sustainable Transition

## Independent Limited Assurance Report

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We conducted our limited assurance engagement in accordance with International Standard for Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”), and the terms of reference for this engagement as agreed with SGX on 24 June 2022 and associated addendums dated 30 March 2023, 16 June 2023 and 21 August 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. Inquiries with SGX’s Sustainability teams to
  - a. Understand principal business operations,
  - b. Appreciate key GHG accounting-related issues and developments,
  - c. Map out information flow for GHG reporting and the relevant controls,
  - d. Identify data providers with their responsibilities, and
  - e. Recognise the likelihood of possible manipulation of GHG accounting-related information and data.
2. Virtual meetings with SGX’s data stakeholders and management.
3. Process walk-through of systems and processes for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms, assessing and testing the controls in relation to the Subject Matter in the Report.

4. Interviews with employees and management in SGX (Sustainability and Sustainable Finance) to understand key GHG accounting-related issues related to the select indicators and processes for the collection and accurate reporting of performance information.
5. Obtaining of documentation through sampling methods to verify assumptions, estimations and computations made by management in relation to the Subject Matter in the Report.
6. Checking that data and statements had been correctly transcribed from corporate systems and / or supporting evidence, into the Report.
7. Obtaining of third-party reports and confirmations in relation to the Subject Matter in the Report.
8. Relying on SGX's management representation letter on the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

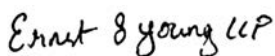
### Conclusion

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Ernst & Young LLP



Signed for Ernst & Young LLP by  
Praveen Tekchandani  
Partner, Climate Change and Sustainability Services  
Singapore  
28 August 2023

# Corporate Social Responsibility



#BetterHappensTogether

**At the heart of SGX Group's social impact lies SGX Cares. It is more than just a charity initiative; it serves as a powerful testament to the collective strength of the financial community and SGX-listed companies.**

Since its inception in 2004, SGX Cares has raised close to \$48 million for various charities and causes through our flagship fundraising events like the Charity Futsal, and Charity Run. Through the three pillars of SGX Cares – Bull Charge (fundraising), Outreach (employee volunteerism), and Financial Literacy – SGX Group aspires to uplift and empower communities, create positive change, and drive opportunities for a brighter and more sustainable future. It is through these initiatives that SGX Group demonstrates its unwavering commitment to creating positive change and empowering underprivileged children and families, persons with disabilities, and the elderly. When we rally with a shared purpose, *Better Happens Together*.



SGX Cares Bull Charge Charity Run 2022 was graced by Senior Minister Teo Chee Hean who also participated in the Chief Challenge Run at the Float @ Marina Bay.



SGX Management team along with Minister Edwin Tong and Singapore ex-international team during SGX Cares Charity Futsal 2022.

## SGX Cares Bull Charge

In 2022, SGX Cares Bull Charge events successfully raised \$3 million through our flagship Charity Run, Charity Futsal, a Charity Racing League, a quiz challenge and several fundraising activities contributed by various SGX units. In collaboration with Community Chest, these funds have made a positive impact to our beneficiaries – Autism Association (Singapore), AWWA Ltd, Fei Yue

Community Services, HCSA Community Services, and Shared Services for Charities. Thanks to the generous support of our corporate sponsors and partners who have been our biggest supporters since 2004, we were able to continue supporting our beneficiaries. The impact of these contributions resonates deeply with SGX Group's core values of Trust, Passion and Service, fostering a sense of hope and empowerment within the communities we support.



Representatives from our corporate sponsors before the kickoff of the Charity Futsal 2022.

**SGX Cares Bull Charge raised \$3 million through fundraising activities**



Cheque presentation of \$2,988,888 to our beneficiaries during the Bull Charge Charity Run 2022.



## SGXCares Outreach

Beyond philanthropy, SGX Cares is driven by a desire to develop community spirit and engagement. SGX Cares Outreach provides opportunities for our dedicated staff to volunteer and make a direct impact on the lives of those in need. Throughout the year, our employees participated in various activities that bring joy, support, and comfort to our beneficiaries.

From packing and delivering care packages to underprivileged families, to supporting weekly sports activities at AWWA school and engaging in environmental activities like kayaking-cum-waterway clean-up at Bedok reservoir, our staff volunteers have clocked close to 2,000 volunteering hours across 12 different activities between July 2022 to June 2023. Through their engagement and action, our volunteers have touched the lives of more than 2,000 individuals, spreading warmth and compassion throughout the community.



SGX staff participated in the packing and delivery of goodie bags at the Community Chest Fu Dai event.



SGX staff from the Technology Shared Services team built five wheelchairs that were donated to Fei Yue Family Services.



Sports Fun with AWWA School at Bedok. This weekly sports activity was specially curated and integrated into the school curriculum to engage and interact with children with special needs, allowing them to improve on their fundamental movement skills, social and communication skills as well.

 Touching lives of more than **2,000** individuals in the community

 SGX staff clocked close to **2,000** volunteering hours across **12** different activities

# Corporate Social Responsibility

## SGXCares Financial Literacy

Furthermore, SGX recognises the importance of financial literacy in building resilience and empowering individuals across society.

SGX Academy was established in 2008 as a platform to foster financial literacy and empower retail investors to make informed financial decisions. SGX was one of the first exchanges in Asia to implement programmes for investor education and professional training, and we continue to be leaders in this area. We seek to promote financial resilience across all sectors of society, equipping individuals with practical skills and knowledge to manage their finances sustainably.

SGX Academy conducts a wide range of seminars, courses and e-training sessions so that retail investors can find the right programme to match their level of investing and trading knowledge. We have expanded our range of digital assets, ranging from e-learning videos to online investor resources to cater to consumers' preference.



SGX conferred as a Champion of Good 2022 – 2023 by the Company of Good.

Through SGX Academy, the SGX Cares Financial Literacy programme partners with various organisations and initiatives to impart fundamental investing knowledge and concepts. Through partnerships and initiatives like the NUS-SGX Stock Pitch Competition and financial literacy workshops for professional footballers in collaboration with the Lion City Sailors Football Club, SGX Cares promotes financial literacy and equips individuals with the necessary tools to make informed financial decisions for their futures.

### Community Awards & Accolades

In 2022, SGX also received the Charity Platinum Award from Community Chest for our contributions through fundraising and community outreach. SGX was conferred as a Champion of Good (2022 – 2023), a national recognition for organisations that are exemplary in doing good and have also been a multiplier by engaging our partners and stakeholders on a collaborative journey to becoming the City of Good. Over the years, SGX has been supporting the SG Cares Giving Week initiatives and in 2022, we were gifted a Bronze digital certificate as a token of appreciation for our support.

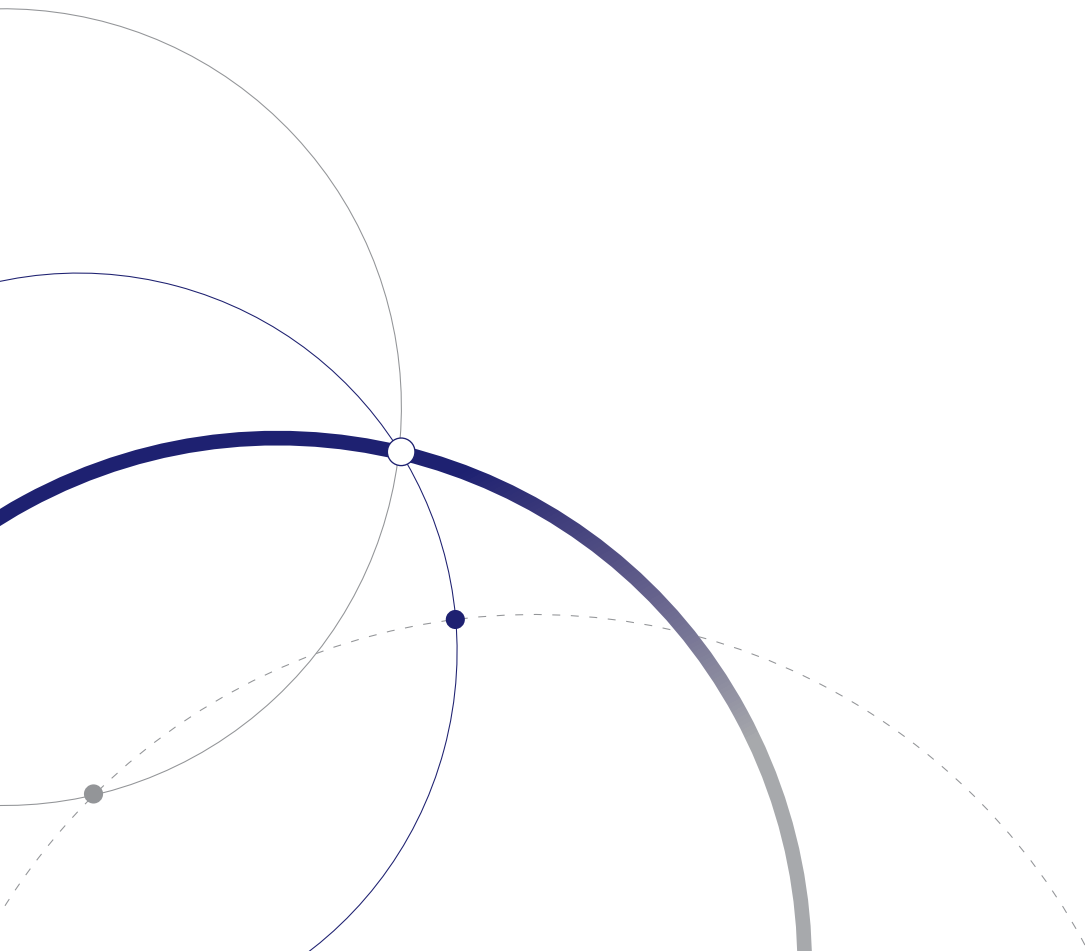


Receiving the Community Chest Charity Platinum Award 2022 from President Halimah.

In 2022, SGX also received the Charity Platinum Award from Community Chest for our contributions through fundraising and community outreach.



# Governance





# Corporate Governance Report

## Compliance with the Code of Corporate Governance 2018

Singapore Exchange Limited (SGX) is fully committed to upholding the highest standards of corporate governance, business integrity and professionalism in all activities undertaken by SGX Group.

Throughout the financial year ended 30 June 2023 (FY2023), SGX has complied with all material respects with the principles and provisions of the Code of Corporate Governance 2018 (CCG 2018), as well as the Securities and Futures (Corporate Governance of Approved Exchanges,

Approved Clearing Houses and Approved Holding Companies) Regulations 2005 (SFR 2005). This Corporate Governance Report sets out SGX’s corporate governance practices with reference to the CCG 2018. Where there are any deviations from the provisions of the CCG 2018, appropriate explanations have been provided. We also provide a summary disclosure on our compliance with the CCG 2018 on page 133.

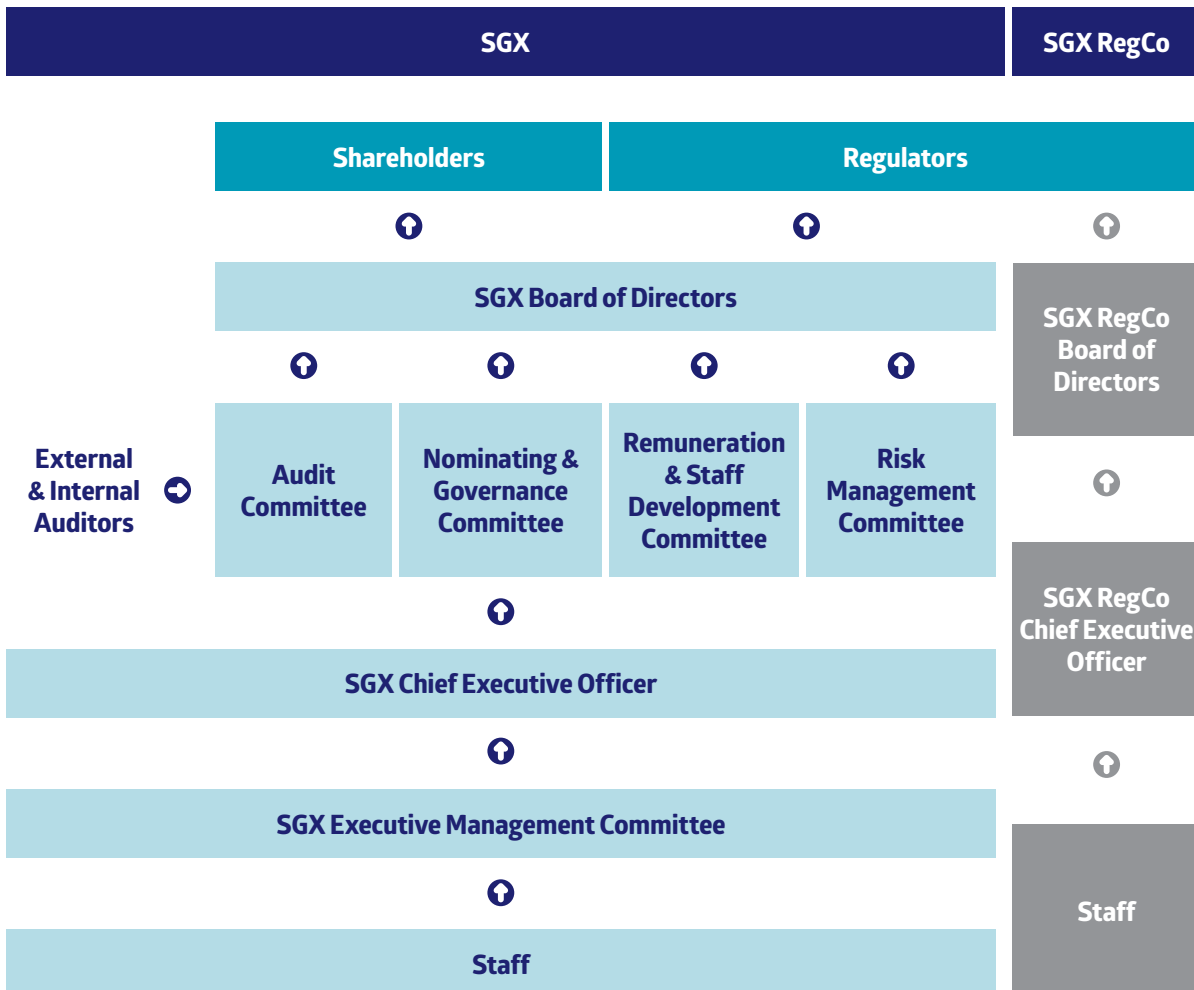
## Self-Regulatory Organisation Governance

Singapore Exchange Regulation (SGX RegCo) was established as an

independently governed subsidiary to undertake all regulatory functions for SGX and its regulated subsidiaries. This move further enhances the governance of SGX as a self-regulatory organisation (SRO) by making more explicit the segregation of SGX’s regulatory functions from its commercial and operating activities.

This Corporate Governance Report is to be read in conjunction with the SRO Governance Report, which sets out SGX’s corporate governance practices as a self-regulatory organisation. The SRO Governance Report is set out on pages 134 to 140.

## Corporate Governance Framework



## Highlights



### Awards & Accolades

- FX Markets Asia Awards 2023 – ‘Best FX Exchange’ in Asia
- FX Markets Asia Awards 2023 – ‘Best FX Clearing House’ in Asia
- FOW International Awards 2022 - ‘Global Exchange of the Year’
- Regulation Asia Awards for Excellence 2022 – ‘Exchange of the Year’ and ‘ESG Initiative of the Year’
- Asia Risk Awards – ‘Derivatives Exchange of the Year’
- Asia Capital Markets Awards by FOW – ‘Exchange of the Year’



### Transparency

- Daily updates on SGX’s website of volumes and values of key securities and derivatives products traded or cleared by SGX
- Monthly publications of market statistics such as volume, value and open interest of key products traded on SGX
- Quarterly disclosure of average clearing fee per contract for our securities and derivatives markets
- Half-yearly financial reports
- Half-yearly briefings to analysts and media webcasts



### Strong Risk Management

- Board-endorsed risk appetite statement, driving a balanced approach to strategy development, within defined risk boundaries. Please refer to the section on ‘Risk Management Report’.



### Board Succession Planning

- Mr Kevin Kwok stepped down as a non-independent and non-executive Director, and as a member of the Audit Committee, the Nominating & Governance Committee and the Risk Management Committee upon conclusion of the Twenty-Third Annual General Meeting held on 6 October 2022;
- Mr Kwa Chong Seng stepped down as Chairman of the SGX Board, and as a member of the Nominating & Governance Committee and the Remuneration and Staff Development Committee on 31 December 2022;
- Mr Koh Boon Hwee succeeded as Chairman of the SGX Board with effect from 1 January 2023;
- Dr Beh Swan Gin stepped down as the Lead Independent Director with effect from 1 January 2023<sup>1</sup>;
- Mr Mark Makepeace is considered to be a non-independent and non-executive Director with effect from 23 March 2023<sup>2</sup>. Following the change of his independence status, Mr Makepeace stepped down as a member of the Audit Committee and the Risk Management Committee immediately;
- Appointment of Mr Lim Chin Hu as a member of the Audit Committee with effect from 24 March 2023. Mr Lim will step down as a member of the Audit Committee following the conclusion of the Twenty-Fourth Annual General Meeting held on 5 October 2023 (‘2023 AGM’);
- Appointment of Dr Beh Swan Gin as a member of the Risk Management Committee with effect from 24 March 2023. Dr Beh will step down as a member of the Risk Management Committee following the conclusion of the 2023 AGM;
- Appointment of Ms Julie Gao as an independent and non-executive Director and as a member of the Audit Committee with effect from 1 May 2023;
- Appointment of Ms Lin Huey Ru as an independent and non-executive Director and as a member of the Risk Management Committee with effect from 1 May 2023;
- Mr Koh Boon Hwee will step down as a member of the Audit Committee following the conclusion of the 2023 AGM;
- Following the conclusion of the 2023 AGM, Mr Samuel Tsien to be appointed as a member of the Audit Committee and the Nominating and Governance Committee;
- Following the conclusion of the 2023 AGM, Mr Mark Makepeace to be appointed as a member of the Risk Management Committee;
- Appointment of Ms Claire Perry O’Neill as an independent and non-executive Director at the 2023 AGM; and
- Ms Chew Gek Khim will be stepping down from the Board and as a member of the Nominating and Governance Committee and the Remuneration and Staff Development Committee upon conclusion of the 2023 AGM.

<sup>1</sup> A Lead Independent Director (‘LID’) is appointed when the Chairman is considered non-independent. Dr Beh Swan Gin was appointed as LID with effect from 20 September 2021 to lead and co-ordinate the activities of the NEDs, following the determination that the previous Chairman, Mr Kwa Chong Seng, was considered non-independent with effect from 20 September 2021. Mr Kwa Chong Seng stepped down as Chairman of SGX Board on 31 December 2022, with Mr Koh Boon Hwee succeeding him as Chairman with effect from 1 January 2023. Since Mr Koh is an independent director, Dr Beh stepped down as LID on 31 December 2022.

<sup>2</sup> Please see explanation under Principle 4 pertaining to the change of independence status of Mr Mark Makepeace, and the rationale for the Board’s determination. Details may also be found in the SGXNet announcement dated 19 April 2023.

# Corporate Governance Report

## Board Matters

### The Board's Conduct of Affairs Principle 1

#### Principal Duties of the Board

The Board oversees the conduct of SGX Group's affairs, works with Management and is accountable to shareholders for the long-term performance and financial soundness of SGX Group. In this regard, the Board supervises the achievements of Management's performance targets, which include (1) strategic and non-financial priorities, (2) earnings per share, and (3) a comparison of SGX's total shareholder return against selected peer exchanges and Straits Times Index companies. This aligns the interests of the Board and Management with that of the shareholders, whilst balancing the interest of all stakeholders. The Board sets the appropriate tone-from-the-top for SGX Group in respect of ethics, values and desired organisational culture, and also ensures proper accountability within the SGX Group.

In addition to its statutory duties, the Board reserves the following key matters for its decision:

- the appointment of the SGX Chief Executive Officer (CEO) and Directors, appointments on Board committees and Board succession and appointments on the board of SGX RegCo;
- the appointment of key Management personnel and succession planning as an on-going process;
- approving broad policies, strategies and objectives. The SGX Board provides guidance and leadership to Management and ensures that adequate resources are available to meet its objectives;
- approving annual budgets, major funding proposals, investment and divestment proposals, material acquisition and disposal of assets, corporate or financial restructuring, and any investments or

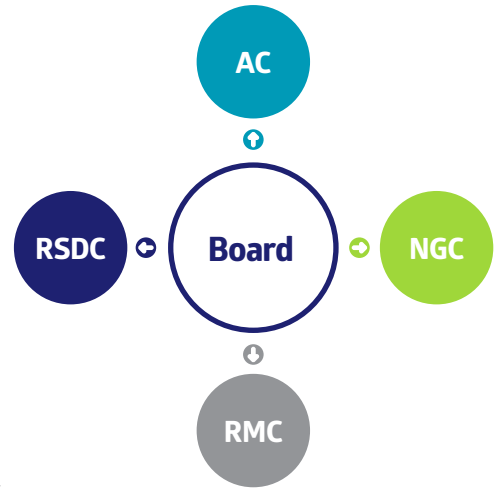
- expenditures exceeding S\$15 million in total;
- the adequacy of internal controls, risk management, financial reporting and compliance;
  - the assessment of Management performance;
  - the assumption of corporate governance responsibilities;
  - matters involving a conflict of interest for a substantial shareholder (if any) or a Director;
  - overseeing SGX Group's approach to sustainability including the integration of sustainability-related matters and monitoring of sustainability-related risks and opportunities to inform long-term strategy;
  - share issuances, interim dividends and other returns to shareholders; and
  - matters which require the SGX Board's approval as specified under SGX's interested person transaction policy.

The above reserved matters requiring the Board's approval are clearly communicated to Management in writing.

#### Independent Judgement

All Directors are fiduciaries who exercise due diligence and independent judgement and make decisions objectively in the best interests of SGX Group. In determining the independence of its Directors, SGX takes into account the requirements and/or guidance provided under the SFR 2005, the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) and the CCG 2018 and its accompanying Practice Guidance. Please refer to 'Board Independence' under Principle 2 in this Corporate Governance Report for more information.

Unless specified otherwise, references to the independence of Directors are references to independence as defined under the Listing Manual, the CCG 2018 and the SFR 2005.



#### Delegation by the Board

Board committees, namely the Audit Committee (AC), Nominating & Governance Committee (NGC), Remuneration & Staff Development Committee (RSDC) and Risk Management Committee (RMC), have been constituted to assist the Board in the discharge of specific responsibilities. Clear written terms of reference (TORs) set out the composition, duties, authority and accountabilities of each Board committee (including reporting back to the Board) as well as qualifications for Board committee membership, in line with the CCG 2018 and SFR 2005, where applicable. The TORs are reviewed on a regular basis, along with the Board committee structures and membership, to ensure their continued relevance. The detailed TORs of the Board committees are available on SGX's website at the URL <https://www.sgxgroup.com/leadership/board-committee-composition>.

Please refer to the relevant sections in this Corporate Governance Report, for further information on the activities of the NGC, RSDC, RMC and AC.

#### Key Features of Board Processes

The Board and the various Board committees meet regularly with Directors attending and actively participating in such meetings. Board meetings and briefing sessions may include presentations by senior executives and/

or external advisers/consultants/experts on strategic issues, new initiatives, the developing business and regulatory landscape, risk management issues (such as cyber security risk) or sustainability issues.

The schedule of all Board and Board committee meetings, and the Annual General Meetings (AGMs) of SGX for the next three calendar years are planned in advance, in consultation with the Board. The Board meets at least four times a year at regular intervals. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances. Participation by telephone and video conference at Board and Board committee meetings are allowed under the SGX's Constitution. The Board and Board committees may also make decisions by way of circulating resolutions. Four Board meetings were held in FY2023. Key matters discussed at these meetings included financial performance, annual budget, corporate and risk strategy, business plans, regulation, significant operational matters, capital-related matters and organic and inorganic strategic opportunities. In the interest of allocating more time for the Board to deliberate on issues of a strategic nature, and to focus on particular themes for each Board meeting, submissions which were straightforward in content as well as those that were for information only, were compiled and circulated in between scheduled Board meetings dates. The Board held two strategy meetings and also dedicated time at each quarterly Board meeting to interact with senior management executives and have in-depth discussions on SGX Group's strategic direction. These strategy meetings in FY2023 were held in October 2022 and April 2023. Periodic information papers and Board briefings on the latest market developments and trends, and key business initiatives were also provided to the Board.

A record of the Directors' attendance at Board and Board committee meetings during FY2023 is set out in the table under Principle 2.

### Board Approval

SGX has documented internal guidelines for matters that require Board approval (see section on 'Principal Duties of the Board' above).

For expenditures of S\$15 million and below, SGX has internal guidelines which set out the authorisation limits granted to Management for approval of capital and operating expenditures, specified financial transactions and supplementary budgets.

While matters relating to SGX's objectives, strategies and policies require the Board's direction and approval, the Executive Management Committee (EMCO) comprising key Management personnel and senior Management executives is responsible for overseeing the management of SGX Group and implementing the Board-approved strategic policies.

Pursuant to the Directors' Conflicts of Interest Policy, Directors must avoid situations in which their own personal or business interests directly or indirectly conflict or potentially conflict, with the interests of SGX Group. Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she will immediately declare his/her interest at a meeting of the Directors or send a written notice to the Company (for the attention of the Chairman and/or Company Secretaries), setting out the details of his/her interest and the conflict, and wherever appropriate, recuse himself/herself from any discussions and abstain from participating in any Board decision on the matter.

### Directors' Orientation and Training

Each new Director will, upon his/her appointment, receive a manual containing information on his/her

directorship duties (including his/her role as an executive, non-executive, independent and/or non-independent Director, as the case may be) and Board and SGX policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving SGX, restrictions on dealings in SGX's securities and the disclosure of price-sensitive and trade-sensitive information. The NGC has overall oversight to ensure that new Directors are aware of their duties and obligations.

SGX conducts a comprehensive orientation programme to familiarise new Directors with its business and governance practices. The orientation programmes are conducted by the CEO and senior Management executives and provide Directors an understanding of SGX Group's businesses, operations and regulatory environment, to enable them to assimilate into their new roles. The programmes also allow the new Director to get acquainted with senior Management executives, thereby facilitating board interaction and independent access to senior Management executives. New Directors are also provided an overview of SGX's history, strategic intent, corporate values and key business units through the SGX induction e-learning.

Any new Director appointed to the Board who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training on his/her roles and responsibilities as prescribed by the SGX-ST, unless the NGC is of the view that such training is not required because the Director has other relevant experience. Ms Julie Gao and Ms Lin Huey Ru were Directors appointed onto the SGX Board during the year under review. Ms Gao has completed the relevant mandatory training on her roles and responsibilities as a director of an

# Corporate Governance Report

issuer listed on the SGX-ST. Ms Lin will undergo the relevant mandatory training on her roles and responsibilities as a director of an issuer listed on the SGX-ST in October 2023.

Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. Directors can also request for further information on any aspect of SGX Group's operations or business from Management. The NGC makes recommendations to the Board on matters relating to the review of training and professional development programmes for the Board and the Directors.

During the financial year:

- The external auditor, KPMG LLP, regularly briefed AC members on developments in accounting and governance standards.
- The CEO updated the Board at each Board meeting on business and strategic developments in the global exchange and clearing house industry.
- Management circulated regular informational papers and created the knowledge management repository for Directors on Boardvantage.
- Management team members presented key topics to the Board. These included updates on business strategies and key industry developments and trends.
- The Board and senior Management executives had in-depth discussions on the strategic issues and direction of the SGX Group at the Board meetings, Strategy meetings and Board briefings.
- The Board and senior Management executives received updates on SGX Group's approach to Sustainability and Sustainable Finance which incorporated ESG topics, and the opportunities and risks.
- The Board completed the sustainability training course organised by SID.

## **Access to Information** **Complete, Adequate and Timely Information**

Management recognises that the flow of complete, adequate and timely information on an ongoing basis to the Board is essential to the Board's effective and efficient discharge of its duties. To allow Directors sufficient time to prepare for the meetings, all scheduled Board and Board committee papers are distributed to Directors not less than a week in advance of the meeting. This allows Directors to focus on questions or raise issues which they may have at the meetings. Any additional material or information requested by the Directors is promptly furnished. As part of its sustainability efforts, SGX has abolished the provision of hard copy Board and Board committee papers to Directors and, instead, Directors are provided with tablet devices to enable them to access and read Board and Board committee papers.

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

Directors have direct and independent access to key management personnel and senior Management, and have various opportunities to interact with them (for instance, during regular briefings for Board Committee Chairmen, quarterly Board-hosted

dinners and/or lunches, and other informal events with senior Management). Draft agendas for Board and Board committee meetings are circulated to the EMCO (including key management personnel) and the respective Chairmen of the Board and Board committees, in advance, for them to suggest items for the agenda and/or review the usefulness of the items in the proposed agenda.

For the AC and the RMC to liaise closely and have a clear understanding of each other's work and plan their work on the same risk framework, the finalised minutes in relation to meetings of each committee are promptly circulated to the other committee. Arrangements are also in place for the AC and the RMC to share information on a regular basis, which includes having common Directors on the AC and the RMC, and the Head of Internal Audit, the Chief Risk Officer and the Head of Legal, Compliance and Corporate Secretariat attending both AC and the RMC meetings. These measures are in line with the recommendations of the Guidebook for Audit Committees in Singapore.

In order to keep Directors abreast of sell-side analysts' views on SGX Group's performance, the Board is updated annually on the market view which includes a summary of analysts' feedback and recommendations following the full-year results. A monthly financial performance report is also provided to the Board. This report includes the financial and management accounts, accompanied by an analysis of SGX Group's performance and supporting data. A quarterly financial report provided to the Directors further contain operational metrics, audit findings, and a risk dashboard which provides an overview of SGX Group's key risks. These risks include clearing and settlement risks, regulatory and compliance risks, technology and

operations service availability, and other strategic risks.

During every quarterly Board meeting, the Chief Executive Officer provides an update on key aspects of SGX Group's business and operations, and/or a macro perspective on industry trends and developments; the Board also holds a private session for Directors where required. In 2022, the Lead Independent Director held private sessions with the other independent directors on matters where the SGX Board Chairman had to recuse himself.

The half-yearly and year-end financial statements are reviewed and recommended by the AC to the Board for approval.

#### **Role of the Company Secretaries**

Directors have separate and independent access to the Company Secretaries at all times. The Company Secretaries are responsible for, among other things, ensuring that Board procedures are observed and that SGX's Constitution, relevant legislation, rules and regulations, including the requirements of the Securities and Futures Act 2001 (SFA), the Companies Act 1967 and the Listing Manual, are complied with. The Company Secretaries also assist the Chairman and the Board to implement and strengthen corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretaries assist the Chairman to ensure good information flows within the Board and its Board committees and between Management and non-executive Directors, as well as facilitating orientation and assisting with professional development as required. The Company Secretaries are responsible for designing and implementing a framework for Management's compliance with the Listing Manual, including training and

In order to keep Directors abreast of sell-side analysts' views on SGX Group's performance, the Board is updated annually on the market view which includes a summary of analysts' feedback and recommendations following the full-year results.



advising Management to ensure that material information is disclosed on a prompt basis. The Company Secretaries attend all Board and Board committee meetings and assist to ensure coordination and liaison between the Board, the Board committees and Management. The Company Secretaries assist the Chairman, the Chairman of each Board committee and Management in the development of the agendas for the various meetings.

The Company Secretaries are legally trained, with experience in legal matters and company secretarial practices. The appointment and the removal of the Company Secretaries are subject to the Board's approval.

#### **Independent Professional Advice**

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

### **Board Matters**

#### **Board Composition and Guidance Principle 2**

##### **Board Independence**

In FY2023, SGX well exceeded the minimum requirements of the CCG 2018 and SFR 2005 being, (i) at least one-third of the directors are independent and (ii) at least majority of the Board comprises non-executive directors (NEDs). During the year under review, 7 out of 12 SGX Directors were

considered independent, based on the criteria for independence under the Listing Manual, the CCG 2018 and the SFR 2005, and 11 out of 12 SGX Directors were NEDs.

The Board, taking into account the views of the NGC, the nature and scope of SGX's businesses and the number of Board committees, considers that a board with a majority of members being independent is necessary.

Over the course of the year, the NGC assessed the independence of Board members in compliance with the requirements of the SFR 2005 and the Listing Manual and took into consideration the relevant provisions of the CCG 2018 and its accompanying Practice Guidance (collectively the 'Code and Regulations'). Under the Code and Regulations, an 'independent director' is defined to mean a director who is: (a) independent from any management and business relationship with SGX; (b) independent from any substantial shareholder of SGX; and (c) has not served on the SGX Board for a continuous period of nine years or longer.

The Board, through the NGC, assessed the independence of each of its Directors in FY2023. Based on the declarations of independence provided by the Directors and taking into account the requirements and/or



# Corporate Governance Report

guidance set out in the SFR 2005, the Listing Manual and the CCG 2018 and its accompanying Practice Guidance, Ms Lim Sok Hui (Mrs Chng), Mr Loh Boon Chye, Mr Samuel Tsien, Ms Chew Gek Khim and Mr Mark Makepeace were determined to be non-independent Directors during FY2023.

- Ms Lim is considered non-independent by virtue of her employment as chief financial officer of DBS Bank Limited (DBS Ltd) and on account that DBS Ltd is a trading member of SGX-DC (OTCF) and DBS Vickers Securities (Singapore) Pte. Ltd. is a trading and clearing member of SGX-ST, CDP, SGX-DT and SGX-DC.
- As CEO of SGX, Mr Loh is considered non-independent by virtue of his employment with SGX.
- Mr Tsien is considered non-independent by virtue of (a) his service on the board of OCBC Wing Hang Bank Limited ('Wing Hang Bank'), which is a related corporation of OCBC Securities Private Limited ('OCBC Securities'), a trading and clearing member of SGX-ST, CDP, SGX-DT and SGX-DC; and (b) his previous employment as the chief executive officer of Oversea-Chinese Banking Corporation Limited ('OCBC') and subsequently advisor to OCBC. With effect from 1 July 2023, the NGC considers Mr Tsien independent of business relationships with SGX Group as (a) his appointment on the board of Wing Hang Bank is non-executive in nature, and he is not involved in the day-to-day conduct of the businesses of Wing Hang Bank, which in turn shares no common directors with OCBC Securities; and (b) no further payments are received by him from OCBC in the last 12 months.
- Ms Chew is considered non-independent with effect from 1 December 2022 solely on account of having completed nine years of service on the Board.

- Mr Makepeace is considered non-independent with effect from 23 March 2023 on account of his appointment as chief executive officer of Wilshire Benchmarks TopCo Limited, an entity that SGX is investing in. For this reason, Mr Makepeace would not satisfy Regulation 3(3)(a) of the SFA 2005, which requires directors to be independent from business relationships.

Mr Koh Boon Hwee, Dr Beh Swan Gin, Mr Lim Chin Hu, Prof Subra Suresh, Mr Yeoh Oon Jin, Ms Julie Gao and Ms Lin Huey Ru were considered independent directors during FY2023. Although Ms Lin Huey Ru is on the board of Hang Seng Bank, a related corporation of HSBC Securities (Singapore) Pte Limited, a trading and clearing member of Singapore Exchange Securities Trading Limited, the NGC considers her independent of business relationships with SGX Group as her appointment on the board of Hang Seng Bank is non-executive in nature and she is not involved in the day-to-day conduct of the businesses of Hang Seng Bank, which in turn shares no common directors with HSBC Securities (Singapore) Pte Limited.

In line with the Directors' Conflicts of Interest Policy, each member of the NGC and the Board recused himself or herself from the NGC's and the

Board's deliberations respectively on his or her own independence.

## Board Diversity

The Board Diversity Policy of SGX endorses the principle that its Board should have the balance of skills, knowledge, experience and other aspects of diversity that supports SGX in the pursuit of its strategic and business objectives, and its sustainable development. The policy seeks to promote the inclusion of different perspectives, ideas and insights and ensure that SGX can benefit from all available sources of talent.

In determining the optimum composition and size of the Board and each Board committee, the Board Diversity Policy provides for the NGC to consider a combination of factors such as skills, knowledge, professional experience, educational background, gender, age and length of service. The skills, knowledge and experience to be considered include banking, finance, accounting, business acumen, management experience, exchange industry knowledge, technology expertise, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls. A skills matrix is used to help identify the gaps. The skills matrix classifies the skills, knowledge and professional experience of existing Directors into several broad categories such as industry

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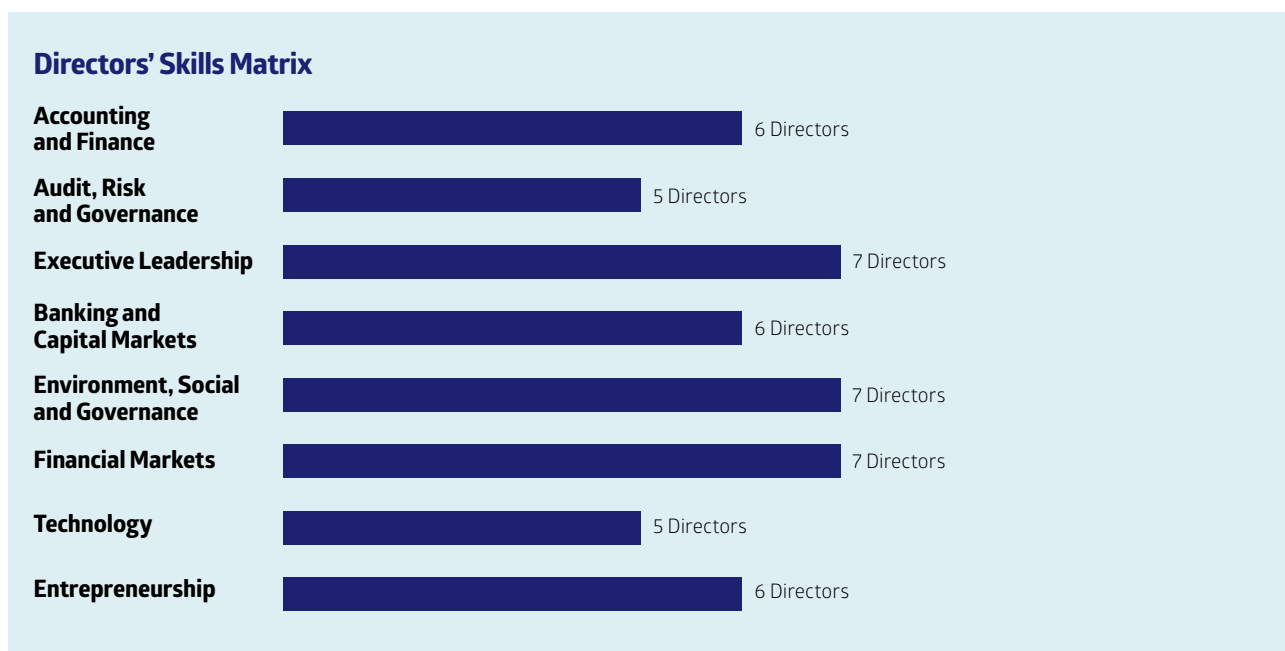
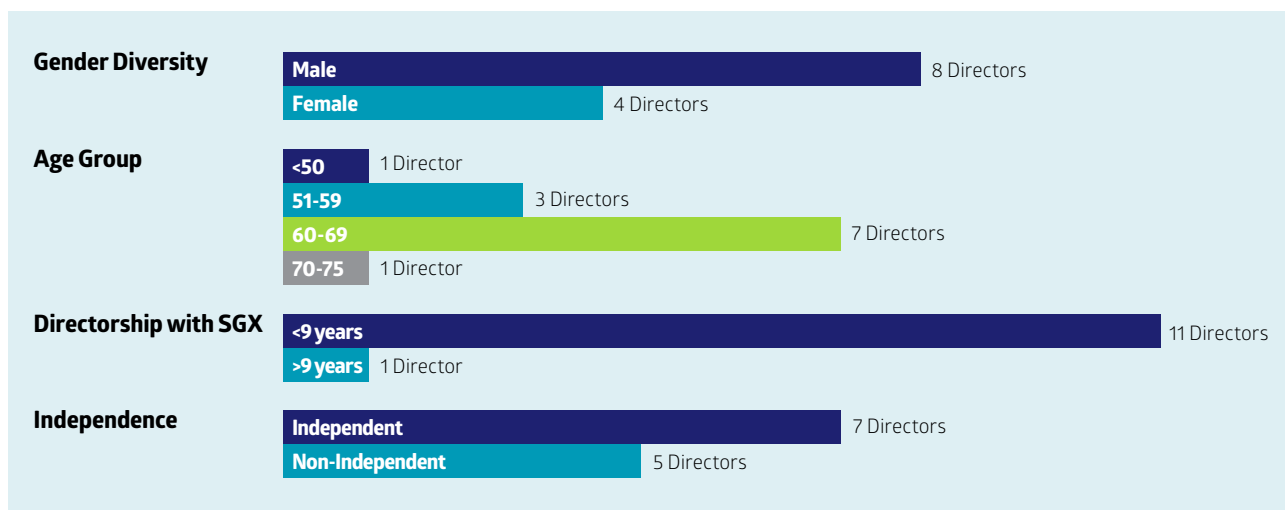
knowledge; financial markets; regulation, compliance and/or government relations; leadership; cybersecurity and technology; environmental, social and governance (ESG), and also where such skills, knowledge and professional experience were acquired or utilised geographically.

Suitable candidates will then be identified, including through

external search firms. External search firms that are engaged, are instructed that diversity is a key criterion in the search and in particular, gender diversity. Female candidates are therefore required to be included for consideration.

Following its assessment of the candidates, the NGC will then interview the short-listed candidates. The NGC will thereafter make its

recommendations to the Board including appointments to the appropriate Board committee(s) after matching the candidates' skills-set to the needs of each Board committee. The Board, taking into account the views of the NGC, will consider if its Directors meet the criteria under its Board Diversity Policy and possess the necessary competencies to govern SGX effectively. Details of the Board composition are as follows.



# Corporate Governance Report

## Diversity Targets and Progress in FY2023

### Ensuring diversity to achieve the strategic and business objectives of SGX.

Ms Julie Gao and Ms Lin Huey Ru were appointed onto SGX's Board during FY2023. Ms Gao has extensive experience in corporate governance and corporate development across companies at varying development stages, after practicing corporate law for over 23 years in the United States of America and Asia. Ms. Lin has extensive experience in technology and venture capital, having advised several start-up companies, and also spent more than a decade in an American multinational financial technology company where she led China and Asia-Pacific operations in addition to serving in key leadership roles in product, international risk and policy strategy.

Ms Claire Perry O'Neill, who is to be appointed at the annual general meeting in 2023, has in-depth experience in sustainability and decarbonisation. She was the Minister of State for Energy and Clean Growth in 2017 in the United Kingdom, led the Climate and Energy team at the World Business Council for Sustainable Development ('WBCSD') till 2021 and is currently the Co-Chair of the Global Imperatives Advisory Board at the WBCSD.

The three appointments will contribute significantly to the diversity of skillsets, geographical experience, and in-depth understanding of different industries on the SGX Board.

With the help of external search firms, the NGC also identified several candidates with financial services/capital markets and/or risk management experience. Candidates who were considered suitable but not currently available, will continue to be tracked for future consideration. The NGC will continue in its identification and evaluation of suitable candidates.

Details of the current SGX Board's mix of expertise, background and age are set out above.

### Where external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to present female candidates.

Aside from financial services/capital markets and/or risk management experience, the NGC instructed the external search firms to focus on identifying female candidates.

SGX's CEO, Mr Loh Boon Chye, who is also the co-chair of the Council of Diversity in Singapore, attends all NGC meetings and provides insights to the identification process of candidates.

### Ensuring gender diversity on the Board with not less than two female representatives on the Board.

In FY2023, SGX reached its target goal in achieving 30% representation of female directors on the Board. Notwithstanding this, the NGC will continue, as part of its Board succession planning, to identify and evaluate suitable candidates to maintain diversity, including gender diversity, on the SGX Board.

SGX remains committed to implementing the Board Diversity Policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

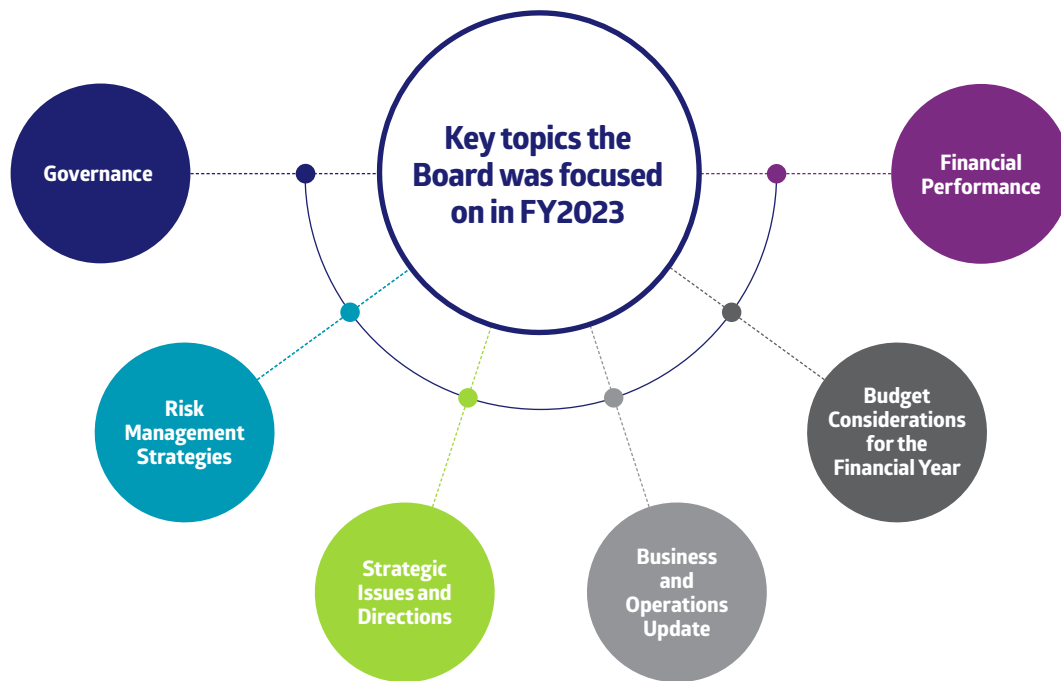
**Board Guidance**

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

For this to happen, the Board, in particular its NEDs, must be kept

well informed of SGX Group's businesses and be knowledgeable about the exchange industry. To ensure that NEDs are well supported by accurate, complete, and timely information, NEDs have unrestricted access to Management. NEDs also receive periodic information papers and Board briefings on the latest market developments and trends, and key business initiatives. Regular formal and/or informal meetings are held for Management to brief Directors on prospective

deals and potential developments in the early stages, before formal Board approval is sought. Board papers are provided to Directors not less than a week in advance of the meeting to afford the Directors sufficient time to review the Board papers prior to the meeting. If a Director is unable to attend a Board or Board committee meeting, the Director may nevertheless provide his/her comments to the Chairman or relevant Board committee Chairman separately.



An effective and robust Board, whose members engage in open and constructive debate and challenge Management on its assumptions and proposals, is fundamental to good corporate governance.



**Meeting of Directors without Management**

The NEDs and/or independent Directors, led by the Chairman or the Lead Independent Director where the Chairman is not present or has to recuse himself, or Board Committee Chairman (as the case may be), set aside time at each scheduled Board or Board Committee meeting to meet without the presence of Management. The Chairman of such meetings provided feedback to the rest of the Board after such meetings, as appropriate.

# Corporate Governance Report

## Composition of Board and Board committees as at 30 June 2023



Directors' Details as at 30 June 2023	Directors' Independence Status as at 30 June 2023						Directors' Meeting Attendance Report							
	Assessment of Independence of Individual Directors						AGM	Board	Offsite	AC	NGC	RSDC	RMC	
	Independence status under the Listing Manual	Independence status under the CCG 2018	Independence status under the SFR 2005	Reg 3(1)(a) Independent from management relationship	Reg 3(1)(b) Independent from business relationship	Reg 4 Independent from substantial shareholder <sup>1</sup>								No. of meetings held in FY2023
Names							1	6	1	4	3	2	4	
Mr Kwa Chong Seng <sup>2</sup>	No	No	Yes	Yes	Yes	Yes								
							1/1	3/3 <sup>2</sup>	1/1	2/2 <sup>2</sup>	1/1 <sup>2</sup>	1/1 <sup>2</sup>	2/2 <sup>2</sup>	
Mr Koh Boon Hwee <sup>3</sup>	Yes	Yes	Yes	Yes	Yes	Yes								
							1/1	3/3	1/1	4/4	2/2 <sup>3</sup>	1/1 <sup>3</sup>	2/2 <sup>3</sup>	
Mr Loh Boon Chye <sup>4</sup>	No	No	No	No	Yes	Yes								
							1/1	6/6	1/1	4/4	3/3	2/2	4/4	
Dr Beh Swan Gin	Yes	Yes	Yes	Yes	Yes	Yes				-				
							1/1	6/6	1/1	-	3/3	1/1 <sup>5</sup>	0/1 <sup>6</sup>	
Ms Chew Gek Khim	Yes	Yes	Yes	Yes	Yes	Yes				-			-	
							1/1	6/6	1/1	-	3/3	2/2	-	
Ms Julie Gao <sup>7</sup>	Yes	Yes	Yes	Yes	Yes	Yes	-	-	-	-	-	-	-	
							-	-	-	-	-	-	-	
Mr Kevin Kwok <sup>8</sup>	No	No	Yes	Yes	Yes	Yes						-		
							0/1	1/1	-	1/1	1/1	-	1/1	
Mr Lim Chin Hu	Yes	Yes	Yes	Yes	Yes	Yes								
							1/1	6/6	1/1	1/1 <sup>9</sup>	3/3	2/2	4/4	
Ms Lim Sok Hui (Mrs Chng) <sup>10</sup>	Yes	Yes	No	Yes	No	Yes				-	-	-		
							1/1	6/6	1/1	-	-	-	4/4	
Ms Lin Huey Ru <sup>11</sup>	Yes	Yes	Yes	Yes	Yes	Yes	-	-	-	-	-	-	-	
							-	-	-	-	-	-	-	
Mr Mark Makepeace	Yes	No	Yes	Yes	No	Yes					-	-		
							1/1	6/6	1/1	3/3 <sup>12</sup>	-	-	2/2 <sup>12</sup>	
Mr Samuel Tsien	Yes	Yes	No	Yes	No	Yes				-	-	-		
							1/1	6/6	1/1	-	-	-	4/4	
Prof Subra Suresh	Yes	Yes	Yes	Yes	Yes	Yes				-		-	-	
							1/1	6/6	1/1	-	3/3	-	-	
Mr Yeoh Oon Jin	Yes	Yes	Yes	Yes	Yes	Yes					-	-		
							1/1	6/6	1/1	4/4	-	-	4/4	

Independent Non-Independent Executive Non-Executive  
 Chairman Member By Invitation

<sup>1</sup> As at 30 June 2023, SGX does not have a substantial shareholder.  
<sup>2</sup> Mr Kwa Chong Seng stepped down as Chairman of the SGX Board and as a member of the NGC and RSDC on 31 December 2022.  
<sup>3</sup> Mr Koh Boon Hwee succeeded as Chairman of the SGX Board with effect from 1 January 2023.  
<sup>4</sup> Mr Loh Boon Chye is employed as CEO by SGX and deemed non-independent by virtue of Rule 210(5)(d)(i) of the Listing Manual, Provision 2.1 and Regulation 3(1)(a).  
<sup>5</sup> Dr Beh Swan Gin was appointed as a member of the RSDC upon the conclusion of the Twenty-Third Annual General Meeting held on 6 October 2022.  
<sup>6</sup> Dr Beh Swan Gin was appointed as a member of the RMC on 24 March 2023. Given his recent appointment to the RMC, he was unable to de-conflict a prior scheduled engagement with the RMC meeting.  
<sup>7</sup> Ms Julie Gao was appointed to the SGX Board and as a member of the AC on 1 May 2023.  
<sup>8</sup> Mr Kevin Kwok retired from the SGX Board at the conclusion of the Twenty-Third Annual General Meeting held on 6 October 2022.  
<sup>9</sup> Mr Lim Chin Hu was appointed as a member of the AC on 24 March 2023.  
<sup>10</sup> As chief financial officer of DBS Bank Limited (DBS Ltd) and on account that DBS Ltd is a trading member of SGX-DC (OTCF) and DBS Vickers Securities (Singapore) Pte Ltd is a trading and clearing member of SGX-ST, CDP, SGX-DT and SGX-DC, Ms Lim Sok Hui (Mrs Chng) is deemed non-independent by virtue of Regulation 3(3)(d).  
<sup>11</sup> Ms Lin Huey Ru was appointed to the SGX Board and as a member of the RMC on 1 May 2023.  
<sup>12</sup> The Board considered Mr Makepeace to be non-independent with effect from 23 March 2023. Following this determination, Mr Makepeace stepped down as a member of the AC and RMC immediately.



# Corporate Governance Report

## Board Matters Chairman and Chief Executive Officer Principle 3

### Separation of the Roles of Chairman and CEO

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

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

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

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

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

### Lead Independent Director

As the Chairman then, Mr Kwa Chong Seng, was considered non-independent with effect from 20 September 2021 solely on account of having completed nine consecutive years of service on the Board (see section on 'Board Independence' above), Dr Beh Swan Gin was appointed as Lead Independent Director (LID) with effect from 20 September 2021 to lead and co-ordinate the activities of the NEDs.

The LID has the authority to call and lead meetings of the Board when the Chairman has to recuse himself or is not present. The LID has the authority to call for and preside at meetings with the independent directors and/or the non-executive directors when necessary and appropriate, and to provide feedback to the Chairman as appropriate thereafter. He represents the independent directors as a key contact point for shareholders and other stakeholders, especially where the concerns from shareholders and stakeholders are such that the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Mr Kwa Chong Seng stepped down as Chairman of SGX Board on 31 December 2022, with Mr Koh Boon Hwee succeeding him as Chairman with effect from 1 January 2023. Since Mr Koh is an independent director, Dr Beh stepped down as the LID on 31 December 2022.

## Board Matters Board Membership Principle 4

### Continuous Board Renewal

The Board, in conjunction with the NGC, reviews the composition of the

Board and Board committees annually, taking into account the performance and contribution of each individual Director. Board composition is also evaluated to ensure that diversity of skills, core competencies, knowledge, professional experience, educational background, gender, age and length of service as prescribed under the Board Diversity Policy is maintained within the Board and Board committees.

Based on the NGC's assessment of the independence of each individual Director and his/her relevant expertise, and with the aim of ensuring compliance with the requirements of the CCG 2018 and SFR 2005, the Board reviews, and reconstitutes as appropriate, the membership of the Board committees. To avoid an abrupt loss of members with experience and institutional memory of SGX Group, the Board will pace the retirement of its directors as needed.

Where Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on SGXNet in compliance with the requirements of the Listing Manual.

The Constitution, in compliance with the Listing Manual, provides that at each AGM, one-third of the Directors, including the CEO who also serves on the Board (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Effectively, this results in all Directors having to retire at least once every three years or even earlier. Directors appointed by the Board during the financial year, to fill a casual vacancy or as an additional Director, may only hold office until the next AGM, but will be eligible for re-election by shareholders at that AGM. Shareholders will be provided with relevant information on the candidates for election or re-election so that they may exercise their voting rights on an informed basis.

**Directors retiring at 2023 AGM**

Messrs Lim Chin Hu, Loh Boon Chye, Mark Makepeace and Yeoh Oon Jin will be retiring by rotation at the Twenty-Fourth AGM to be held on 5 October 2023 (2023 AGM) under Article 97 of the SGX Constitution. Messrs Lim, Loh, Makepeace and Yeoh have given their consents to stand for re-election. Mr Lim will, upon re-election, continue to serve as Chairman of the Remuneration & Staff Development Committee and as a member of the Nominating & Governance Committee and Risk Management Committee. Upon conclusion of the 2023 AGM, Mr Lim will step down as a member of the Audit Committee. Mr Loh will,

upon re-election, continue to serve as the Chief Executive Officer. Upon conclusion of the 2023 AGM, Mr Makepeace will, upon re-election, be appointed as a member of the Risk Management Committee. Mr Yeoh will, upon re-election, continue to serve as Chairman of the Audit Committee and as a member of the Risk Management Committee.

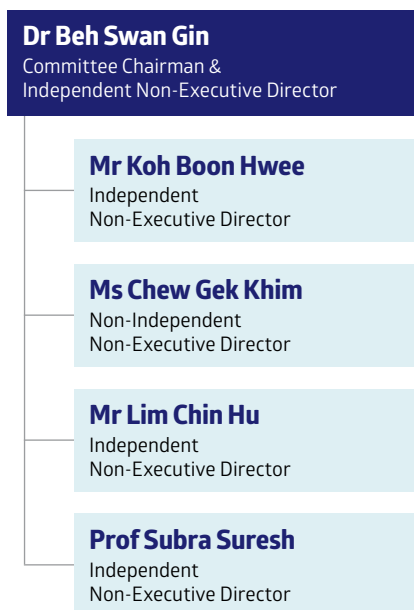
Mmes Julie Gao and Lin Huey Ru who were both appointed to the Board on 1 May 2023, will each be retiring at the 2023 AGM pursuant to Article 103 of the SGX Constitution, and have given their consents to stand for re-election. Ms Gao will, upon re-election,

continue to serve as a member of the Audit Committee. Ms Lin will, upon re-election, continue to serve as a member of the Risk Management Committee.

The profiles of the Directors who are retiring and standing for re-election at the 2023 AGM are set out under the ‘Board of Directors’ section of this Annual Report. In addition, the Notice of the 2023 AGM sets out information on the Directors proposed for re-election at the 2023 AGM. Detailed information on these Directors can be found in the “Supplemental Information on Directors Seeking Election and Re-election” section of this Annual Report.

**NGC Composition**

As at 30 June 2023, the NGC comprised five Directors namely:



The NGC is responsible for SGX’s corporate governance framework, the Board’s succession plan and reviewing relevant local and international developments in the area of corporate governance (including changes in

applicable laws, regulations and listing rules).

**Nomination and Selection of Directors**

SGX adopts a comprehensive and detailed process in the selection of new Directors. The NGC is responsible for identifying candidates and reviewing all nominations and recommendations to the Board for the appointment, re-appointment or termination of Directors and Board committee members, taking into account the Monetary Authority of Singapore’s (MAS) fit and proper criteria for such appointments, the Director’s independence status, his/her participation and contributions during and outside Board meetings, the factors prescribed under the Board Diversity Policy and other relevant factors as may be determined by the NGC. Where the need to appoint a new Director arises, the NGC will review the composition and range of knowledge, expertise, skills and attributes of the Board and Board committees. The NGC identifies SGX’s needs and prepares a shortlist of candidates with the appropriate

profile for nomination before sourcing for candidates through an extensive network of contacts. Candidates are identified based on the needs of SGX and the relevant expertise required. After the NGC Chairman, the Chairman of the Board and the other NGC members have interviewed the candidates, the candidates are shortlisted for the NGC’s formal consideration for appointment to the Board.

When reviewing a nomination for a proposed Board appointment, the NGC complies with SFR 2005 criteria as follows:

- (a) a determination of the candidate’s independence;
- (b) whether his/her appointment will result in non-compliance with any of the SFR 2005 composition requirements for the Board and its Board committees; and
- (c) whether the candidate fulfils the fit and proper criteria under the MAS’ fit and proper guidelines which include honesty, integrity, reputation, competence and capability, and financial soundness.

# Corporate Governance Report

All Directors of SGX are approved by the MAS, based on its fit and proper criteria, before they are appointed by the Board or by shareholders at the AGM (as the case may be).

## Continuous Review of Directors' Independence

The NGC conducts an annual review of each Director's independence, and as and when circumstances require, in accordance with the requirements under the SFR 2005 and the Listing Manual, while also taking into consideration the relevant provisions in the CCG 2018 and its accompanying Practice Guidance. SGX has procedures in place to ensure continuous monitoring of SGX Directors'

independence, and Directors are required to disclose any relationships they have with the Company, its related corporations, substantial shareholders or its officers, if any, which may affect their independence, to the Board.

The NGC has ascertained that save for Messrs Loh Boon Chye, Chew Gek Khim, Lim Sok Hui (Mrs Chng), Mark Makepeace and Samuel Tsien, all Directors were considered independent as at 30 June 2023 according to the criteria set out in the section on 'Board Independence' above. If at any time the MAS is not satisfied that a Director is independent, notwithstanding any

determination by the NGC, the MAS may direct SGX to rectify the composition of the Board or Board committees (as the case may be).

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

## Independence Status

Upon completion of SGX's investment in Wilshire Benchmarks TopCo Limited (Wilshire Indexes), Mr Mark Makepeace was appointed as the chief executive officer of Wilshire Indexes. Wilshire Indexes will collaborate with SGX in the provision of indexing solutions and services for institutional investors and intermediaries. In view of the foregoing, the NGC assessed and concluded, with the consensus of the Board, that Mr Makepeace is not independent of business relationships with SGX Group with effect from 24 March 2023. Following this determination, Mr Makepeace stepped down as a member of the AC and RMC with immediate effect.

## Directors' Time Commitments

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

The NGC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions as well as by taking into account each Director's listed company board directorships, and any other directorships and relevant time commitments. While having a numerical limit on the number of directorships may be considered by some other companies to be suitable for their

circumstances, at present SGX considers the assessment as described above to be more effective for its purposes. SGX also does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board.

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

SGX will continue to disclose each Director's listed company board directorships and principal commitments, which may be found in

the 'Board of Directors' section in the Annual Report.

A majority of the Directors attended all Board and Board committee meetings held in FY2023. Based on the contributions by the Directors and their performance and level of preparedness at Board and Board committee meetings, the NGC and the Board are satisfied that all Directors (including those who hold a significant number of other directorships and principal commitments) have been able to and have adequately discharged their duties as Directors in FY2023. The NGC and the Board also expect that the Directors (including any Directors who are newly appointed) will continue to (or will) discharge their duties adequately in the financial year ending 30 June 2024.

### Alternate Directors

SGX has no alternate Directors on its Board.

### Succession Planning for the Board

Succession planning is an important part of the governance process. The NGC makes recommendations to the Board on matters relating to the review of succession plans for Directors (in particular, the appointment and/or replacement of the Chairman and the CEO) and will seek to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.

With regard to the succession planning for the Board, the NGC aims to maintain an optimal Board composition by considering the Company's strategic priorities and the factors and trends affecting the long-term success of the Company, reviewing the skills needed on the Board, and identifying the gaps (which includes considering whether there is an appropriate level of diversity of thought) on the then-existing Board.

### Key Information on Directors

The profiles of, and other key information on, the Directors are set out under the 'Board of Directors' section in this Annual Report. Key information on the Directors is also available on SGX's website. The Notice of AGM sets out the agenda items in relation to the Directors who are standing for re-election at the AGM.

## Board Matters

### Board Performance Principle 5

#### Board Performance Evaluation

The NGC makes recommendations to the Board on the process and objective criteria for evaluation of the performance of the Board, the Board committees and the individual Directors. Following from this, the Board has implemented a process

The Board oversees the affairs of SGX Group and is accountable to shareholders for the long-term performance and financial soundness of SGX Group.

carried out by the NGC, for assessing the effectiveness of the Board as a whole and its Board committees, and for assessing the contribution by each individual Director to the effectiveness of the Board. The Board Evaluation Policy is available on SGX's website.

Annually, the NGC undertakes a process to assess the effectiveness of the Board as a whole and its Board committees. The NGC will ascertain the key areas for improvement and requisite follow-up actions. Every other year, an independent consultant will also be appointed to assist in the evaluation process of the Board and Board committees. The Board believes that this regular use of an external independent consultant greatly enhances the quality and objectivity of the evaluation. As an external independent consultant was engaged for the previous financial year, no independent consultant was appointed to evaluate the performance of the Board and Board committees in FY2023.

The annual Board evaluation process includes a questionnaire designed to assess the performance of the Board and its Board committees and enhance the overall effectiveness of Directors. The Board and Board committees' performance will be evaluated by each Director and EMCO member.

During FY2023, Corporate Secretariat assisted the NGC in the evaluation process. Questionnaires were sent by the Corporate Secretariat to the Directors for the evaluation of the

Board and its Board committees. Factors which were evaluated by the Directors included board composition, information management, board processes, environment, social and governance (ESG), managing the SGX Group's performance, strategy review, board committee evaluation, CEO performance and succession planning, director development and management, risk management and overall perception of the Board. The findings from the evaluations were presented to the NGC and the Board to facilitate continuous improvements to the Board's practices.

### Board Performance Criteria

The Board reviews its performance annually.

The Board oversees the affairs of SGX Group and is accountable to shareholders for the long-term performance and financial soundness of SGX Group. In this regard, the Board supervises the achievement of Management's performance targets namely (a) strategic and non-financial priorities; (b) earnings per share; and (c) a comparison of SGX's total shareholder return against selected peer exchanges and Straits Times Index companies.

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

# Corporate Governance Report

## Individual Director Evaluation

Each NED's contribution and performance is taken into account in their re-appointment or re-election. The factors considered in the individual assessment include the NED's attendance record, intensity of participation at Board and Board committee meetings, quality of interventions and special contributions made by the NED.

The assessment of the CEO's performance is undertaken by the Chairman of the Board together with the Chairmen of the NGC and the RSDC, and the results are reviewed by the Board.

The NEDs assess the performance of the Chairman of the Board. The NGC Chairman will lead the assessment, who will then provide the feedback to the Chairman of the Board.

## Remuneration Matters Procedures for Developing Remuneration Policies Principle 6

### Remuneration & Staff Development Committee

As at 30 June 2023, the RSDC comprised four Directors namely:

**Mr Lim Chin Hu**  
Committee Chairman &  
Independent Non-Executive Director

**Mr Koh Boon Hwee**  
Independent  
Non-Executive Director

**Dr Beh Swan Gin**  
Independent  
Non-Executive Director

**Ms Chew Gek Khim**  
Non-Independent  
Non-Executive Director

The key responsibilities of the RSDC, as delegated by the Board, are to:

- Oversee the governance of SGX Group's overall remuneration policy;
- Review and make recommendations to the Board on the framework and policy of remuneration for the Board and key Management personnel to ensure alignment with shareholders' interest and long-term value creation of SGX Group;
- Oversee the remuneration of the Board and key Management personnel including reviewing the remuneration of the CEO upon recruitment or renewal (where applicable);
- Review and recommend to the Board, the specific remuneration packages for each Director, the CEO and each key Management personnel against the achievement of their prescribed goals and targets;
- Review and consider all aspects of remuneration, including the Company's obligations in the event of termination of the CEO's and key Management personnel's contracts of service, to ensure that all aspects of remuneration (including termination terms) are fair;
- Approve and/or implement (as the case may be) the framework of remuneration for the entire organisation including the structure of short-term and long-term incentive schemes and policies. Each year, the RSDC also approves the salary increment pool and total incentive pool for distribution to staff of all grades; and
- Review the development and succession plan for EMCO members, including the consideration of how key talent is managed within the organisation, the mechanisms for identifying strong candidates and developing them to take on senior positions in the future and the various time horizons for succession planning (e.g., long-term, medium-term and contingency planning) for preparedness against sudden and unforeseen changes.

The RSDC has access to the Head of Human Resources, who attends all RSDC meetings. The RSDC may also seek external professional advice on remuneration of Directors and staff. See the 'Remuneration Report' section of this Annual Report for more information.

Whilst the RSDC reviews the fees payable to NEDs to be recommended for shareholders' approval at the AGM, no member of the RSDC may by himself or herself decide on his or her own remuneration.

## Remuneration Matters Level And Mix of Remuneration Principle 7

The RSDC administers all the performance-related elements of remuneration for senior Management. A significant proportion of senior Management's remuneration is in the form of variable or 'at risk' compensation, awarded in a combination of short-term and long-term incentives. The incentive schemes are designed to promote the long-term success of SGX, align the interests of the CEO, key Management personnel and staff with those of shareholders and other stakeholders, as well as to link rewards to corporate and individual performance. As a policy, up to half of the senior Management's variable compensation may be deferred in the form of long-term incentives, which will vest over a period of time.

Details of SGX's compensation philosophy and the compensation framework including the long-term incentive awards made thereunder, and the performance conditions for the vesting of the awards, are found under the 'Remuneration Report' section of this Annual Report.

### Non-Executive Directors' Remuneration

SGX's CEO is an executive Director, and is therefore remunerated as part of senior Management and in accordance



with the terms of his contract. He does not receive director fees.

During FY2023, an external independent consultant was appointed to facilitate the review of non-executive directors' (NED) fees (including the fees payable to the Chairman). Comparing against Singapore-listed companies of similar size and industry and to a lesser extent, global bourses, and taking into account the scope and extent of a Director's responsibilities and obligations, market competitive compensation levels to attract and retain talent, market trends on a

national level and best practices for corporate governance, the independent consultant had recommended an increase in NED base retainer fee (including Chairman fees) and Board committee fees.

The RSDC considered the recommendations of the independent consultant and recommended adoption of the proposed changes to enhance market competitiveness as well as to attract and retain directors with key skills or expertise. The Board concurs with the RSDC and recommends the updated NED fees for the shareholders' approval at the

AGM. The revised fee structure for FY2024 is set out on page 277 of this Annual Report.

The SGX Chairman receives fees for being the Chairman of the Board, as approved by a separate resolution at each AGM. The fees paid to the SGX Chairman have remained unchanged since FY2019. The RSDC (with SGX Chairman recusing himself), recommended that the fees paid to the SGX Chairman be increased from S\$930,000 to S\$980,000. The sum of S\$980,000 does not include any fees payable for serving as chairman or member of any Board committee.

## Directors' Fees for FY2023

	For Board	For Audit Committee & Risk Management Committee	For Other Board Committees
Chairman	S\$930,000 per annum	S\$55,000 per annum	S\$40,000 per annum
Member	S\$75,000 per annum	S\$40,000 per annum	S\$25,000 per annum
Lead Independent	S\$40,000 per annum		

The gross remuneration paid to the NEDs (including the SGX Chairman) for FY2023 was S\$2,284,005.91 (details as set out in the table below):

FY2023 Fees	Share-Based Remuneration	Directors' Fees	Total
1 Mr Kwa Chong Seng <sup>1</sup>		S\$490,000.00	S\$490,000.00
2 Mr Koh Boon Hwee <sup>2</sup>		S\$579,184.78	S\$579,184.78
3 Dr Beh Swan Gin <sup>3</sup>		S\$174,883.45	S\$174,883.45
4 Ms Chew Gek Khim	S\$18,745.46	S\$106,254.54	S\$125,000.00
5 Ms Julie Gao <sup>4</sup>		S\$19,271.98	S\$19,271.98
6 Mr Kevin Kwok <sup>5</sup>		S\$47,934.78	S\$47,934.78
7 Mr Lim Chin Hu <sup>6</sup>	S\$18,745.46	S\$172,143.43	S\$190,888.89
8 Ms Lim Sok Hui (Mrs Chng)		S\$130,000.00	S\$130,000.00
9 Ms Lin Huey Ru <sup>7</sup>		S\$19,271.98	S\$19,271.98
10 Mr Mark Makepeace <sup>8</sup>	S\$18,745.46	S\$103,824.59	S\$122,570.05
11 Prof Subra Suresh	S\$18,745.46	S\$81,254.54	S\$100,000.00
12 Mr Samuel Tsien		S\$115,000.00	S\$115,000.00
13 Mr Yeoh Oon Jin	S\$18,745.46	S\$151,254.54	S\$170,000.00

<sup>1</sup> Mr Kwa Chong Seng stepped down as Chairman of the SGX Board and as a member of the NGC and RSDC on 31 December 2022.

<sup>2</sup> Mr Koh Boon Hwee succeeded as Chairman of the SGX Board with effect from 1 January 2023.

<sup>3</sup> Dr Beh Swan Gin was appointed as a member of the RMC on 24 March 2023.

<sup>4</sup> Ms Julie Gao was appointed to the SGX Board and as a member of the AC on 1 May 2023.

<sup>5</sup> Mr Kevin Kwok retired from the SGX Board at the conclusion of the Twenty-Third Annual General Meeting held on 6 October 2022.

<sup>6</sup> Mr Lim Chin Hu was appointed as a member of the AC on 24 March 2023.

<sup>7</sup> Ms Lin Huey Ru was appointed to the SGX Board and as a member of the RMC on 1 May 2023.

<sup>8</sup> The Board considered Mr Makepeace to be non-independent with effect from 23 March 2023. Following this determination, Mr Makepeace stepped down as a member of the AC and RMC immediately.



# Corporate Governance Report

SGX seeks shareholders' approval at its AGMs for the NED fees to be paid for the current financial year so that the NED fees can be paid on a quarterly basis in arrears. No Director decides his/her own fees. The NED fees, which are paid on a current year basis, will be payable to the Director if he/she is in service at the end of the current quarter, or if the term of appointment ends within the quarter. Overseas Directors are reimbursed for out-of-pocket travelling and accommodation expenses in Singapore.

To encourage NEDs to hold shares in the Company to better align their interests with those of shareholders, one-quarter of the Chairman's fee of S\$980,000 and the NED base retainer fee is paid in the form of share awards, provided that certain eligibility requirements are met, with the remaining three-quarters paid in cash. The awards consist of the grant of fully paid shares, with no performance conditions attached. The share awards are not subject to a vesting period, but are subject to a selling moratorium whereby each NED is required to hold the equivalent of one (1) year's basic retainer fees for his or her tenure as a Director and for one (1) year after the date he or she steps down. The fair value of share grants to the NEDs are based on the volume-weighted average price of the ordinary shares of SGX over the fourteen (14) trading days immediately after (and excluding) the date of the AGM at which approval for the NED fees for that current financial year is obtained from shareholders. The actual number of ordinary shares to be awarded to each NED is rounded down to the nearest share, and any residual balance is paid in cash. Other than these share awards, the NEDs do not receive any other share incentives or securities pursuant to any of SGX's share plans. Save as disclosed above, the NEDs also do not receive any salary, performance-related income or bonuses, benefits-in-kind or any other long-term incentives.

## Remuneration Matters Disclosure of Remuneration Principle 8

### Remuneration of the CEO and the five top-earning Executives

For disclosure of the remuneration of the CEO and the five top-earning executives (excluding the CEO), please refer to the 'Remuneration Report' section in the Annual Report. The 'Remuneration Report' further sets out the performance conditions used to determine the EMCO's short-term and long-term incentives. SGX has also disclosed in the 'Remuneration Report', the remuneration of the CEO and the five top-earning executives (excluding the CEO) in actual figures, in line with best practices, with a breakdown in terms of fixed pay, variable bonus, ex-gratia payment (if any), long-term incentives and benefits-in-kind.

None of the current employees of SGX Group are related to the Directors.

### Remuneration of employees who are immediate family members of a Director or the Group CEO

No employee of SGX Group is a substantial shareholder of SGX or is an immediate family member of a Director, the CEO or a substantial shareholder of SGX and whose remuneration exceeded S\$100,000 during FY2023.

## Accountability & Audit Risk Management and Internal Controls Principle 9

The Board is responsible for overseeing risk management in SGX, amongst other matters. SGX recognises the importance of balancing risks and rewards to achieve the optimal level of risk that SGX can tolerate in its pursuit of its strategic priorities, value creation and business opportunities. In this regard, the Board, together with Management, has established a Risk Appetite Statement to identify the return

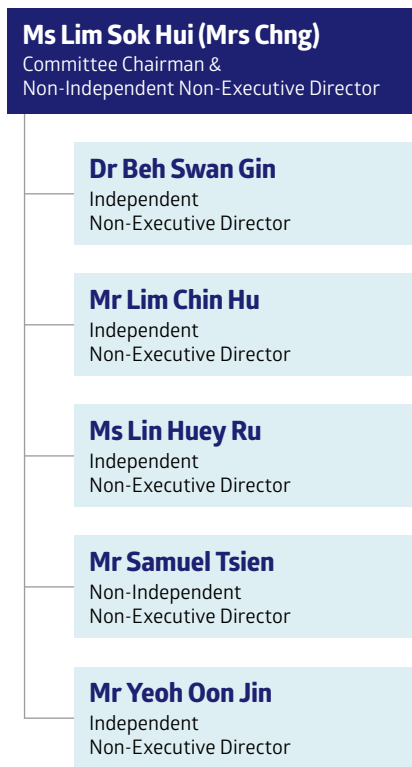
objectives that are imperative to the organisation and the corresponding risk boundaries that are acceptable to support these objectives. The risk appetite boundaries help bring discipline and reinforces SGX's risk culture through a 'tone-from-the-top' direction demonstrating leadership and the extent of risks that SGX is willing to accept.

To assist the Board, the Board has delegated authority to the RMC which functions as a dedicated board risk management committee. Its responsibilities include reviewing and recommending to the Board the type and level of risk that SGX undertakes on an integrated basis to achieve its business strategy, and the appropriate framework and policies for managing risks consistent with SGX's risk appetite.

At the Management level, the EMCO has also established a dedicated Enterprise Risk Committee (ERC), chaired by the Chief Risk Officer. This committee oversees and ensures that risks are being managed by appropriate units holistically across the organisation.

SGX adopts a 'three lines of defence' model for risk management. The operating units are the first line who, as risk takers and owners, establish and effect processes and controls to respond to risks. The second line comprises the independent Compliance and Enterprise Risk functions. Compliance focuses on compliance risks; whilst Enterprise Risk maintains an independent oversight on the operating units' risk management processes, risk mitigating measures, as well as operational resiliency management. Internal Audit, as the third line, provides objective assurance to the AC. Together, these three lines provide a level of assurance that there are adequate internal controls relating to processes, risk and control governance.

As at 30 June 2023, the RMC comprised six Directors namely:



Ms Lin Huey Ru, who was appointed to the RMC in FY2023, has extensive experience and knowledge in risk management and policy strategy. Her detailed CV may be found on <https://www.sgxgroup.com/about>.

Dr Beh Swan Gin who was appointed to RMC in FY2023, has extensive and practical experience in risk management. His detailed CV may be found on <https://www.sgxgroup.com/about>.

SGX has implemented an enterprise-wide risk management framework to facilitate the management of risks across the organisation. There are three programmes in place to identify, assess and manage risks faced by SGX. The first program adopts a top-down approach, where key risks including strategic, financial, operational, technology, legal and regulatory, sustainability and reputational risks, are identified by senior Management. Mitigating actions are put in place to

manage these risks, and key risk indicators (KRIs) are established to monitor them. KRIs are approved by the RMC and the Board. The second programme, the unit-level 'Risk Self Assessments' (RSA), adopts a bottom-up approach and allows individual units to continuously identify risks faced by their units. Similar to the top-down exercise, mitigating actions are formulated to manage the risks. The third program is a 'Control Self-Assessment' program which provides objective assurance to the EMCO that key controls are operating effectively. The units perform self-testing to verify that key controls operated effectively throughout the year. Together, the programmes and tools provide greater assurance that identified risks are adequately managed. Where deficiencies in controls are identified, the operating units are able to address and rectify such deficiencies in a timely manner.

In addition to our frameworks, policies and programmes for managing risks, SGX recognises that a strong risk culture is critical to SGX's success. Risk culture is embedded within our corporate values and refers to the behaviours of people when dealing with risks. In SGX, we encourage open discussion of risks or opportunities, promote forward-looking risk management, and recognise that risk management is everyone's responsibility. Enhancing risk awareness across all levels within the organisation remains a key focus. We engaged operating units on risk topics through various channels e.g., risk talks, unit huddles and gamification through virtual platforms, to enhance risk awareness and enable a risk-attuned workforce.

SGX has an active Business Continuity Management (BCM) Framework and Governance structure to guide operational resilience effort across the organisation. As a major financial industry infrastructure provider, SGX

has an obligation to ensure the continuity of its business as any operational disruption may cause adverse impact on the financial industry. SGX's BCM Policy Guidelines and Programme ensure business continuity planning and operational readiness by way of regular review, exercises and tests. SGX recognises that operational resilience requires effort across the entire ecosystem and actively engages industry participants to improve their preparedness and readiness to deal with potential business disruptions together as an industry. During the year under review, SGX successfully tested the organisation's and industry participants' recovery process to market disruptions. The effectiveness and key learning from these exercises and SGX's business continuity readiness and alignment to MAS BCM Guidelines are attested to the RMC annually.

The Board received assurance from the CEO and CFO that, as at 30 June 2023, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received assurance from the CEO, the EMCO and its permanent invitees, and the Head of Internal Audit that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 30 June 2023 to address the risks that the Group considers relevant and material to its operations.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management, various Board committees and the Board, as well as the said assurances set out above, the Board, with the concurrence of the AC, is of the opinion that the

# Corporate Governance Report

Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 30 June 2023 to address the risks that the Group considers relevant and material to its operations.

SGX's internal controls and risk management systems provides reasonable assurance against foreseeable events that may adversely affect SGX's business objectives. The Board notes that no internal controls and risk management systems can provide absolute assurance in this regard, or against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

## Accountability

The Board provides shareholders with half-yearly and annual financial statements. The half year results are released to shareholders no later than 45 days from the end of the half year. Annual results are released within 60 days from the financial year-end. In presenting the financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of SGX's financial results, position and prospects.

For the financial year under review, the CEO and CFO provided assurance to the Board on the integrity of the financial statements of SGX and its subsidiaries. For interim financial statements, the Board provides a statement of negative assurance to shareholders, in line with the requirements under the Listing Manual. For the full-year financial statements, the Board with the concurrence of the AC provides an opinion that the financial statements give a true and fair view of the results of SGX Group and that SGX will be able to pay its debts as and when they fall due. This, in turn, is supported by a negative assurance statement from the CEO and CFO. Management

provides Directors with a monthly financial performance report either (a) within 10 business days from month-end close; or (b) on the day when the annual or quarterly financial results are provided to the Directors.

SGX is accountable to MAS on how it discharges its responsibilities as a market operator, depository and clearing house, and as a regulator. In this respect, an annual self-assessment report and an annual report on SGX RegCo activities in relation to SGX's regulatory conflicts management are typically prepared and submitted to MAS. MAS ordinarily also conducts an annual on-site inspection of SGX as part of its oversight of SGX.

In compliance with Rule 720(1) of the Listing Manual, SGX has procured undertakings from all its Directors and executive officers to use their best endeavours to (a) comply with the relevant provisions of the Listing Manual; and (b) procure that SGX complies with the relevant provisions of the Listing Manual.

## Accountability & Audit Audit Committee Principle 10

As at 30 June 2023, the AC comprised four Directors namely:

**Mr Yeoh Oon Jin**  
Committee Chairman &  
Independent Non-Executive Director

**Mr Koh Boon Hwee**  
Independent  
Non-Executive Director

**Ms Julie Gao**  
Independent  
Non-Executive Director

**Mr Lim Chin Hu**  
Independent  
Non-Executive Director

As at 30 June 2023, all members of the AC are independent non-executive Directors who do not have any management and/or business relationships with SGX or any connection to any substantial shareholder of SGX. This exceeds the requirement that at least a majority of the members of the AC shall be independent non-executive Directors. None of the AC members were previous partners or directors of the Company's external auditor, KPMG LLP (KPMG), within the last 24 months or hold any financial interest in KPMG. The Board considers Mr. Yeoh Oon Jin, who has recent, extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC.

The members of the AC collectively have strong accounting and related financial management expertise and experience. They keep abreast of relevant changes to accounting standards and issues which have a direct impact on the financial statements.

Ms Julie Gao, who was appointed to the AC in FY2023, has extensive experience in corporate governance and practiced corporate law for over 23 years in the United States of America and Asia. As the Chief Financial Officer of ByteDance with a wide array of responsibilities including finance, corporate development and IR/capital markets, she has recent and relevant accounting and related financial management expertise and experience. Her detailed CV may be found on <https://www.sgxgroup.com/about>.

Mr Lim Chin Hu, who was appointed to the AC in FY2023, has extensive and practical accounting and related financial management knowledge and experience. His detailed CV may be found on <https://www.sgxgroup.com/about>.

**Key Objectives**

The key objectives of the AC are to assist the Board in discharging its statutory and other responsibilities relating to the integrity of the financial statements, monitoring the system of internal controls and the independence of the external auditor.



**Financial Reporting**

Following the risk-based approach to quarterly reporting adopted by SGX RegCo from 7 February 2020, the Company transitioned to a half-yearly reporting regime. The AC continues to meet on a quarterly basis to review the financial results, including the relevance and consistency of the accounting principles adopted and the significant financial reporting issues and accounting judgements, so as to obtain reasonable assurance as to the integrity and fairness of the financial statements and any announcements relating to SGX’s financial performance.

The AC also reviews the half-yearly assurance from CEO and CFO on the integrity of the financial records and

financial statements and recommends the half-yearly financial statements and corresponding SGXNet announcements to the Board for approval.

**Internal Controls and Regulatory Compliance**

The AC reviews and assesses at least annually the adequacy and effectiveness of SGX’s systems of internal controls and risk management as well as SGX’s regulatory compliance measures. To do this, the AC considers the reports, the processes and controls in place and carries out discussions with Management, the Head of Internal Audit, the Head of Legal, Compliance & Corporate Secretariat, the Chief Risk Officer and the external auditor, at its quarterly AC meetings.

Taking into consideration the three lines of defence that SGX has for risk management (as described under Principle 9 above), the AC also considers the results of the Controls Self-Assessment Framework administered by the Enterprise Risk Management function in its assessment of SGX’s internal controls.

Based on its reviews, the AC makes recommendations to the Board with regard to the adequacy and effectiveness of SGX’s internal controls.

**Internal Audit**

The AC reviews and approves the scope and plans undertaken by the Internal Audit function, and considers the results, significant findings and recommendations together with Management’s responses. The AC assesses the independence, adequacy and effectiveness of the Internal Audit function and ensures that Internal Audit has direct and unrestricted access to the Chairman of the Board and the AC. The appointment, remuneration and termination of the Head of Internal Audit are reviewed and decided by the AC.

**Compliance**

The AC reviews the compliance framework and workplan. The AC also reviews compliance matters that may have a material impact on SGX’s financials, internal controls or reputation.

**External Auditor**

The AC oversees SGX’s relationship with its external auditor. It reviews the selection of the external auditor and recommends to the Board the appointment, re-appointment and removal of the external auditor, as well as the remuneration and terms of engagement of the external auditor. The annual re-appointment of the external auditor is subject to shareholders’ approval at SGX’s AGM.

On an annual basis, the AC evaluates the performance, adequacy and effectiveness of the external auditor and recommends the re-appointment of the external auditor to the Board. The AC reviews the scope and the audit plans as well as the results of audits undertaken by the external auditor and considers all significant findings, recommendations and Management’s responses. It also reviews the independence and objectivity of the external auditor, and assesses the nature, extent and costs of non-audit services provided by the external auditor, seeking to balance the independence and objectivity of the external auditor with the business and operational needs of SGX.



# Corporate Governance Report

## **Whistleblowing Policy**

SGX has a whistleblowing policy which encourages employees and vendors to report malpractices, wrongdoing and/or misconduct in the workplace and sets out the procedures for a whistleblower to make a report to SGX on such malpractices, wrongdoing and/or misconduct relating to SGX and its officers. The policy establishes a confidential line of communication to report concerns about possible improprieties to the Head of Internal Audit, and ensures the independent investigation, and follow-up, of reports made in good faith. SGX will treat all information received confidentially and protect the identity of all whistle-blowers. Anonymous disclosures will be accepted and anonymity honoured. SGX is committed to ensuring protection of whistleblowers who have acted in good faith against reprisal and detrimental or unfair treatment. Reports can be lodged by calling the hotline at +65 6236 8585 or via email at [whistleblowing@sgx.com](mailto:whistleblowing@sgx.com). The AC is responsible for the overall oversight and monitoring of the whistleblowing policy and its implementation. In particular, the AC reviews the whistleblowing policy from time to

time and also reviews and considers all whistleblowing complaints at its quarterly meetings to ensure independent, thorough investigation and appropriate follow-up actions. The outcome of each investigation is reported to the AC.

All SGX employees are educated on the whistleblowing policy as part of their mandatory annual e-learning. SGX also publicly discloses the purpose, scope, reporting and communication channels of the whistleblowing policy on its website.

## **Interested Person Transactions Policy**

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

## **Authority of the AC**

The Board has delegated to the AC the authority to investigate any matter within its terms of reference. The AC has full access to the internal and

external auditors as well as to Management. It also has full discretion to invite any Director or officer, including any director from any subsidiary board within the SGX Group, to attend its meetings and has access to various resources, including external consultants, to enable it to discharge its responsibilities properly.

## **Activities in FY2023**

The AC met four (4) times during FY2023. The Chairman, CEO, CFO, Chief Risk Officer, Chief Technology Officer, Head of Internal Audit, Head of Legal, Compliance & Corporate Secretariat and the external auditor were invited to attend these meetings. The following matters were reviewed during the meetings:

## **Financial Matters**

In the review of the financial results and financial statements, the AC discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the AC:

Significant matters	How the AC reviewed these matters
<b>Impairment assessment of goodwill and intangible assets</b>	The AC has considered the approach and methodology applied to the valuation model in goodwill impairment assessment as well as the assessment for indicators of impairment of intangible assets of Energy Market Company Pte Ltd, Baltic Exchange Limited, Scientific Beta Pte. Ltd., BidFX Systems Ltd and MaxxTrader. It has reviewed the reasonableness of business projections and cash flow forecasts, the long-term growth rate and the discount rate. The AC is satisfied with the appropriateness of the methodology used and the reasonableness of the rates applied.
<b>Valuation of financial assets measured at fair value</b>	The AC has reviewed the following: <ul style="list-style-type: none"> <li>(i) Valuation approach and methodology.</li> <li>(ii) Key assumptions applied in arriving at the fair value of the financial assets.</li> </ul> The AC is satisfied with the reasonableness of the valuation approaches and appropriateness of key inputs and assumptions used.



Following the review and discussions, the AC recommended to the Board to approve the full-year financial statements.

**Oversight of the External Auditor**

KPMG LLP was re-appointed as the external auditor following shareholders' approval at the last AGM.

The AC reviewed the scope and plans for the audit undertaken by the external auditor, the results of the audits, significant findings and recommendations as well as Management's responses.

The AC considered the independence and quality of the external auditor throughout the year and also met with the external auditor without the presence of Management. The external auditor provided regular updates to the AC on relevant changes to the accounting standards and the implications on the financial statements.

The AC received a report from Management on their evaluation of the performance and effectiveness of the external auditor. This report assessed the quality of the external auditor across a number of evaluation criteria, including measures of relevance and quality of its work as well as its level of independence. Management has referred to the Checklist for Evaluation of External Auditors in the Guidebook for Audit Committees in Singapore issued jointly by the Accounting, Corporate and Regulatory Authority (ACRA), MAS and SGX, the Guidance to Audit Committees on ACRA's Audit Quality Indicators Disclosure Framework issued by ACRA and the Audit Committee Guide issued by the Singapore Institute of Directors to set the evaluation criteria.

On the basis of their own interactions with KPMG and with the report from Management, the AC assessed and concluded that KPMG has fulfilled its responsibilities as external auditor. The Board concurred with the AC's endorsement. Accordingly, the Board

recommends the re-appointment of KPMG at the coming 2023 AGM.

SGX has complied with Rules 712 and 715 of the Listing Manual in relation to its external auditor.

The AC has determined that SGX will conduct a Request for Proposal Exercise for the appointment of an external auditor to provide audit services. SGX will seek shareholders' approval at the AGM to be held in 2024 for the appointment of the selected external auditor.

**Non-Audit Services**

The AC reviewed the fees and nature of non-audit services provided by the external auditor during FY2023. Based on this and other information, the AC is satisfied that the financial, professional and business relationships between SGX and the external auditor did not prejudice their independence and objectivity.

The total fees paid to SGX's external auditor, KPMG, are disclosed in the table below:

External Auditor Fees	Total Audit Fees	Total Non-Audit Fees	Total Fees Paid
S\$'000	1,490	247	1,737
% of total audit fees		17%	

**Limited Assurance of Sustainability Report**

Ernst & Young LLP (EY) was engaged to perform limited assurance procedures for SGX's FY2023 Sustainability Report. The AC reviewed the limited assurance report from EY and approved publication of the report together with the FY2023 Sustainability Report.

**Internal Controls and Regulatory Compliance**

The AC reviewed and assessed the effectiveness of SGX's systems of internal controls and risk management as well as SGX's regulatory compliance

measures. The AC took into account the system of internal controls established and maintained by SGX, the work performed by the internal and external auditors as well as the Compliance function, and reviews performed by Management, including the results of the Controls Self-Assessments, and various Board committees, in reviewing and assessing the adequacy and effectiveness of SGX Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems for FY2023.

SGX also engaged with various domestic and overseas regulators on the SGX Group regulated entities' compliance with relevant laws and regulations.

**Oversight of Internal Audit**

The AC exercised its oversight over the Internal Audit function throughout the financial year. The AC performed the following:

- (a) reviewed and approved the scope of the annual internal audit plans to ensure that those plans provided a sufficiently robust review of the system of internal controls of SGX;



# Corporate Governance Report

- (b) reviewed significant audit observations and Management's responses thereto;
- (c) approved the Internal Audit Charter;
- (d) ensured the independence, adequacy and effectiveness of the Internal Audit function; and
- (e) approved the budget and staffing for the Internal Audit function.

The AC Chairman met regularly with the Head of Internal Audit without the presence of Management, several times during the financial year under review. The Head of Internal Audit provided regular updates to the AC on the ongoing operations of and various initiatives undertaken by the Internal Audit function.

## **Oversight of Compliance**

The AC exercised its oversight over the Compliance function throughout the year. The AC reviewed the following:

- (a) scope of annual compliance plans;
- (b) compliance activities, key compliance risks identified and compliance response thereto;
- (c) regulatory breaches and compliance responses thereto;
- (d) approval of Compliance Charter; and
- (e) budget and staffing for the Compliance function.

The Compliance function is independent of the business functions and reports directly to the CEO. The role of the Compliance function and its accountability to the CEO and the AC is described in the Compliance Charter, which is reviewed annually and approved by the AC. The Compliance

function executes an annual risk-based compliance programme, focusing on regulatory risks arising from SGX's obligations to comply with applicable laws and regulations. The programme comprises a combination of regulatory risk assessments and responses, compliance training (including mandatory annual e-learning for staff), independent compliance reviews, and regular reporting to senior Management, the AC and regulators on breaches, significant compliance issues and relevant action plans. The AC receives regular quarterly reports and other relevant reports from the Head of Compliance.

## **Material Contracts**

No material contracts involving interests of any Director, CEO or controlling shareholder were entered into by SGX or any of its subsidiaries during, or were subsisting at the end of, FY2023.

## **Interested Person Transactions**

SGX has established procedures to comply with the SGX-ST Listing Rules requirements relating to interested person transactions. All new Directors are briefed on the relevant provisions that they need to comply with. SGX also takes steps to ensure that interested person transactions, if any, are conducted fairly and at arms' length basis.

There was no shareholder mandate obtained for interested person transaction for the financial year under review. There were also no interested person transactions for the financial year under review.

## **Internal Audit**

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

## **Line of Reporting and Activities**

Internal Audit is an independent function within SGX. The primary reporting line of the internal audit function is to the AC. The Head of Internal Audit reports directly to the AC and administratively to the CEO. The AC approves matters relating to the Internal Audit Charter, risk assessment and related audit plans, as well as results from internal audit activities. The AC approves the hiring, removal, performance evaluation and compensation of the Head of Internal Audit. Internal Audit has unfettered access to all of SGX's documents, records, properties and personnel and has appropriate standing within SGX to perform its function effectively.

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

The primary role of Internal Audit is to assist the Board and senior Management to meet the strategic and operational objectives of SGX.



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

**Adequacy and Independence of the Internal Audit Function**

Internal Audit’s annual risk-based plan is established in consultation with, but independent of, Management and is aligned with the risk management framework of SGX. The plan is submitted to, and approved by, the AC. The AC is satisfied that the Internal Audit function is independent, effective, has adequate resources to perform its functions and has appropriate stature within SGX. The AC also reviews annually the adequacy and effectiveness of the Internal Audit

function. As at 30 June 2023, there are 12 staff within the Internal Audit function.

**Professional Standards and Competency**

Internal Audit is a member of The Institute of Internal Auditors (IIA) and has adopted the International Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. Quality assessment reviews are carried out at least once in five years by external qualified professionals. The last review was completed in FY2021 and the next review will be conducted in FY2026. The quality assessment review concluded that the Internal Audit function is adequate and conforms with the IIA Standards. Besides the IIA, the technology auditors in the Internal Audit function are members of the ISACA, an international professional association focused on information technology (IT) governance.

The professional competence of the internal auditors is maintained or upgraded through relevant audit training programmes, conferences and seminars. Internal Audit is staffed with suitably qualified and experienced professionals with a range of 6 to 22 years of diverse financial, operational, compliance and technology audit experience.

**Other Codes and Practices Conduct & Ethics Policy**

All employees are required to observe and maintain high standards of integrity, as well as comply with laws, regulations and company policies. SGX sets standards of ethical conduct for employees, which covers all aspects of the business operations of SGX such as work ethics, personal conflicts of interest, confidentiality of information, related party transactions, gifts and dealings in securities.

**Confidential Information**

SGX deals with confidential information on a daily basis. Protecting confidential information is of paramount importance to establishing and maintaining a trusted marketplace. SGX provides clear guidance to its staff on the proper management, use and disclosure of confidential information. SGX’s Confidentiality Policy and SGX’s Personal Data Protection Policy set out SGX’s framework and procedures for compliance with, among other things, the user confidentiality obligations under the SFA, and the personal data protection obligations under the Personal Data Protection Act.

**Anti-Corruption, Gifts and Entertainment**

SGX has zero tolerance for bribery and corruption. SGX requires its employees to comply with the relevant anti-corruption legislation in Singapore and overseas, and to follow SGX’s internal procedures when giving or receiving gifts, entertainment, sponsorships and charitable contributions. This requirement extends to all of SGX’s business dealings in all countries in



# Corporate Governance Report

SGX is fully committed to treat all its shareholders fairly and equitably. All SGX shareholders enjoy specific rights under the Constitution and under relevant laws and regulations. SGX ensures that all material information is disclosed on a comprehensive, accurate and timely basis.

which it operates. SGX will always choose to forgo business rather than pay bribes and fully supports its employees in adopting the same stance.

## Securities Dealings

To guard against insider trading, SGX adopts a 'black-out' policy that is consistent with what is prescribed under the Listing Manual. All Directors and staff and their 'related persons' (e.g. spouses and financial dependents) are prohibited from dealing in SGX's securities for a period of one month before the release of the half-yearly financial results and before the release of the full-year results.

SGX issues a half-yearly notice to its Directors and staff informing them not to deal in SGX's securities during a black-out period and that they are prohibited at all times from trading in SGX securities if they are in possession of unpublished price-sensitive or trade-sensitive information. Directors and staff are also discouraged from dealing in SGX's securities on short term considerations.

In addition to the black-out policy on SGX's securities, staff and their 'related persons' are subject to various restrictions when trading in prescribed financial instruments, such as obtaining prior approval

from their managers. Staff are prohibited at all times from trading in the securities of any company if they are in possession of material non-public information concerning that company.

All SGX staff are required to complete an annual online refresher module on SGX's staff dealing requirements as part of SGX's mandatory compliance training.

All Directors are required to report their dealings in SGX's securities within two business days of any such dealings.

## Shareholder Rights and Engagement

### Shareholder Rights and Conduct of General Meetings Principle 11

#### Shareholder Rights

SGX is fully committed to treat all its shareholders fairly and equitably. All SGX shareholders enjoy specific rights under the Constitution and under relevant laws and regulations. SGX ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, and where appropriate, such information is also posted on the SGX Investor Relations (IR) Website (<http://investorrelations.sgx.com>). SGX recognises that the release of timely, regular and relevant

information regarding SGX Group's performance, progress and prospects aids its shareholders in their investment decisions.

Shareholders are entitled to attend general meetings and are accorded the opportunity to participate effectively in and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate shareholder, through its appointed representative). Shareholders are also informed of the rules, including the voting procedures that govern general meetings. Indirect investors who hold SGX shares through a nominee company or custodian bank or through a CPF agent bank or SRS operator may also attend and vote at the AGM. See the sections below on '2022 AGM' and 'Forthcoming 2023 AGM' on the alternative arrangements for the 2022 AGM which was held in a wholly physical format in Singapore and the forthcoming 2023 AGM, which will be held both in a physical format in Singapore and by using virtual meeting technology.

#### Conduct of General Meetings

SGX shareholders are informed of general meetings through notices sent to them or at the shareholder's election, made available electronically. The Annual Report, Notice of AGM, accompanying proxy form and other related AGM documents are also made available on the SGX IR Website. The general meeting procedures provide shareholders the opportunity to raise questions relating to each resolution tabled for approval at the relevant general meeting. Opportunities are given to shareholders to participate, engage, and openly communicate their views on matters relating to SGX to the Directors. As such, general meetings are one of the key avenues for SGX to solicit and understand the views of its shareholders, especially retail shareholders.

Shareholders or their appointed proxies are given the opportunity to vote at the general meetings of shareholders. To provide greater transparency to its shareholders in the voting process, SGX conducts electronic poll voting for all the resolutions tabled for approval at the general meetings of shareholders. An independent external consultant would also be appointed as scrutineer for the electronic poll voting process. Prior to the commencement of the general meeting of shareholders, the scrutineer would review the proxies and the proxy process. A proxy verification process agreed upon with the scrutineer is also in place. Votes cast for, or against, each resolution would be tallied and displayed live-on-screen immediately after each poll conducted at the meeting. SGX maintains an audit trail of all votes cast at the general meeting of shareholders. The outcome of the general meeting of shareholders (including total numbers and percentage of votes cast for or against the resolutions) are also promptly disclosed on SGXNet on the same day after the general meeting. Each share is entitled to one vote.

Provision 11.4 of the CCG 2018 provides for a company's constitution to allow for absentia voting at general meetings of shareholders. SGX's Constitution however does not currently provide for voting in absentia (such as voting via mail, email or fax). This is because, the authentication of shareholder identity and other related security and integrity issues still remain a concern. As such, SGX has decided for the time being not to implement voting in absentia. SGX will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and

after the Company has evaluated and put in place the necessary security processes to facilitate in absentia voting, and prevention measures against errors, fraud and other irregularities.

In line with Principle 11 of the CCG 2018, shareholders nevertheless have the opportunity to communicate their views on matters affecting the Company through their appointed proxy(ies), who can attend, speak and vote on behalf, in the event they are unable to be in attendance at general meetings.

All Directors, including the Chairman of each of the AC, NGC, RSDC and RMC, SGX's external auditor, senior Management and legal advisors (where necessary), are present at general meetings to address queries from the meeting attendees. Questions relating to the conduct of the audit and the preparation and content of the external auditor's report may be addressed by the external auditor.

At each AGM, the CEO delivers a presentation to update shareholders on SGX's progress over the past year. The CFO will also deliver a presentation to shareholders on the financial performance for the year.

SGX provides for separate resolutions at general meetings of shareholders on each distinct issue. All the resolutions at the general meetings are single item resolutions. In the event that resolutions are to be bundled, SGX will explain the reasons and material implications in the notice of general meeting. Detailed information on each resolution in the AGM agenda is in the explanatory notes to the AGM Notice in the Annual Report.

The Company Secretaries prepare minutes of the general meetings, which capture the substantial and relevant comments or queries from

meeting attendees relating to the agenda of the general meeting and responses from the Board and Management. These minutes are made available on the SGX IR Website and where required, on SGXNet, as soon as practicable after the meeting.

### 2022 AGM

The Twenty-Third AGM (2022 AGM) of SGX was convened and held in a wholly physical format, at Raffles City Convention Centre, Level 4, Fairmont Ballroom, 80 Bras Basah Road, Singapore 189560 on 6 October 2022 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Arrangements were put in place for attendance at the 2022 AGM, the submission of questions to the Chairman of the Meeting in advance of, or at, the 2022 AGM, and voting at the 2022 AGM by shareholders or their duly appointed proxy(ies), and these arrangements were disclosed to shareholders by way of an announcement released on SGXNet on 12 September 2022.

### Forthcoming 2023 AGM

The Twenty-Fourth AGM (2023 AGM) will be held in a hybrid format at Marina Bay Sands Expo and Convention Centre, Level 4, Peony Ballroom, 10 Bayfront Avenue, Singapore 018956 on Thursday, 5 October 2023 at 10.30 a.m. (Singapore time) and concurrently using virtual meeting technology. Arrangements relating to attendance at the 2023 AGM, submission of questions to the Chairman of the Meeting in advance of, or at, the 2023 AGM, and voting at the 2023 AGM by shareholders or their duly appointed proxy(ies), are set out in a separate announcement released on SGXNet on 11 September 2023.

# Corporate Governance Report

## Disclosure of Information on a Timely Basis

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

In addition to comprehensive, accurate and timely disclosure of material information that may influence the price of SGX shares or influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, SGX shares, on SGXNet in compliance with the requirements of the Listing Manual, SGX communicates major developments in its businesses and operations through the appropriate media regularly. Such channels include news releases, annual reports, shareholder circulars, shareholders' meetings, and direct announcements on the SGX Group website.

SGX's Annual Report is provided to shareholders within 120 days from the end of the Company's financial year. SGX provides more than the legally required notice period for general meetings. The rationale and explanation for each agenda item requiring shareholders' approval are provided in the Notice of AGM to enable shareholders to exercise their voting rights on an informed basis.

SGX notifies investors of the date of release of its financial results in advance. This is done through an SGXNet announcement and a media release. In FY2023, SGX provided its shareholders with half year and full year financial statements ('the financial results') within the relevant periods. The financial results were reviewed and approved by the Board prior to release to shareholders by announcement on SGXNet. In addition to the financial results,

SGX also provided shareholders with monthly market statistics and STI reviews.

Briefings to present the half-year and full-year financial results are held for the media and analysts. 'Live' video webcasts of briefings, accessible by the public, are made available on the SGX IR Website.

## Dividend Policy

SGX aims to pay a sustainable and growing dividend over time, consistent with the company's long-term growth prospects. Dividends will be paid on a quarterly basis at the discretion of the Board.

## Corporate Website

SGX adopts transparent, accountable and effective communication practices as a key means to enhance standards of corporate governance. We aim to provide clear and continuous disclosure of our corporate governance practices through SGX's corporate website (<https://www.sgxgroup.com> and <https://www.sgx.com>), which has a dedicated 'Investor Relations' link to the SGX IR Website. The following information is made available on the SGX IR Website:

- Notice of AGM and Proxy Form;
- Minutes of general meetings of shareholders;
- Annual Reports;
- Letter/Circular to Shareholders;
- Press releases regarding financial results;
- Financial results; and
- Calendar of Events.

The latest and past Annual Reports, financial results (including webcasts of the financial results briefings for media and analysts and press releases) and company announcements are posted on SGX's corporate website and the SGX IR website following their release to the market. SGX also makes available speeches and presentations given by

the Chairman, CEO, and senior Management executives, and a range of other information considered to be of interest to investors.

The contact of the Investor Relations team is available on the IR Website, as well as in the Annual Report, to enable shareholders, investors, analysts and other stakeholders to contact SGX easily. The Investor Relations team has procedures in place to address investors' and other stakeholders' queries and feedback.

## Shareholder Rights and Engagement with Shareholders Principle 12

### Managing Stakeholder Relationships Engagement with Stakeholders Principle 13

SGX has in place an Investor Relations Policy, which sets out the process and mechanism to engage its shareholders, including the channel of communication (as described above) for questions to be posed by shareholders and through which SGX may respond accordingly.

Through the Investor Relations team, SGX engages its shareholders, investors and analysts through investor roadshows, social media, participation in major investor conferences locally and abroad and regular briefings on SGX's financial results. SGX is committed to engage the investment community actively to convey its investment proposition, as well as obtain feedback on its expectations.

Apart from engaging with its shareholders, SGX also actively engages with other stakeholders which include persons and entities that have an influence on the value of the Company. Examples of the key stakeholders engaged by SGX during FY2023 include employees, regulators

and the government, issuers, intermediaries, the investment community at-large and the general public. SGX places great value on stakeholder engagement as a means to guide SGX's commercial and policy decisions and its long-term commitment to nurture and build a robust Asian capital markets scene. Engagements with key stakeholders during FY2023 were largely conducted through town halls, focus group discussions, roadshows, seminars, investor perception studies and public consultations. Please refer to the section on 'Stakeholder Engagement' on page 30 for more information on how SGX manages its stakeholder relationships.

During FY2023, SGX conducted its annual investor perception study to understand the investment community's sentiments on SGX's strategy, management team, investment case, capital allocation, investor communications and corporate governance. Please refer to the section on 'Stakeholder Engagement' on page 30 for more information.

SGX is committed to serving the market as a leading sustainable and credible transition finance and trade hub. The Board's role includes overseeing SGX Group's approach to sustainability and the integration of sustainability-related matters.



SGX is committed to serving the market as a leading sustainable and credible transition finance and trade hub. The Board's role includes overseeing SGX Group's approach to sustainability and the integration of sustainability-related matters, including climate-related issues, in the formulation of SGX Group's long-term strategy. More details of SGX Group's sustainability governance, as well as SGX RegCo's regulatory efforts to advance the availability of corporate sustainability disclosures and build capacity in our market ecosystem can be found in the Sustainability Report on page 44.

As Singapore progressively transitioned towards living with COVID-19, SGX RegCo called on listed companies to make preparations for physical general meetings, while also providing further guidance on the conduct of general meetings, including through hybrid formats.

For further information on SGX's sustainability efforts, please refer to SGX's Sustainability Reports, which are available on the Company's website at the URL <https://www.sgx.com/sustainable-finance/sustainability-reporting>.



# Remuneration Report

The Remuneration & Staff Development Committee (RSDC) reviews and recommends to the Board for approval, and where authority is delegated by the Board, approves matters concerning management development, succession planning and remuneration of senior management and employees and the remuneration of the Board.

As at 30 June 2023, the RSDC comprised the following directors:

**Mr Lim Chin Hu**

*Committee Chairman & Independent Non-Executive Director*

**Mr Koh Boon Hwee**

*Independent Non-Executive Director*

**Dr Beh Swan Gin**

*Independent Non-Executive Director*

**Ms Chew Gek Khim**

*Non-Independent Non-Executive Director*

## Compensation Philosophy

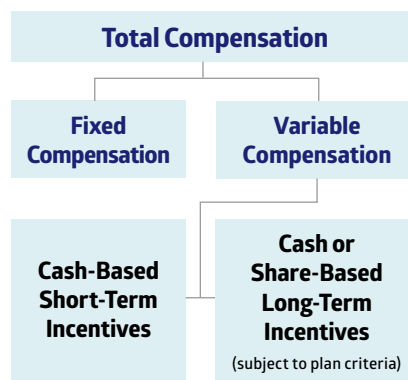
SGX adopts a compensation philosophy that is directed towards the attraction, retention and motivation of talent to achieve its business vision and strategic priorities and create sustainable value for its shareholders. Pay-for-performance is emphasised by linking total compensation to the achievement of organisational and individual performance goals and objectives, taking into consideration relevant regulatory standards and comparative compensation in the market to maintain competitiveness.

SGX benchmarks the total compensation for employees against other local and regional firms which compete with SGX for the same talent using the market data provided by McLagan, a product of Aon Solutions Singapore Pte Ltd. Aon Solutions and its consultants are independent and not related to any of our Directors. In FY2023, SGX engaged Aon Solutions

Singapore Pte Ltd in the review of its compensation framework.

## Compensation Components and Mix

An employee's total compensation is made up of the following components:



The mix of fixed and variable compensation for employees is aligned with the remuneration mix in the financial services industry. The proportion of variable or 'at risk' compensation to the total compensation increases with job grade seniority. In line with the principles and standards set out by the Financial Stability Board (FSB), up to 50% of variable compensation at the senior management level is deferred over a time period of three to four years in the form of long-term incentives.

Furthermore, in alignment with current regulatory standards, the mix of fixed and variable compensation for functions in SGX RegCo, Risk Management, CFO unit, Human Resources, Internal Audit and Legal, Compliance and Corporate Secretariat, collectively known as 'control functions', is weighted towards fixed compensation.

## Fixed Compensation

Fixed compensation comprises base salary, fixed allowances and an annual wage supplement. Base salary is pegged to the 50th percentile of its comparators' pay data.

The annual salary review is in July. The RSDC approves the salary increment budget, taking into account market trends, compensation positioning, business outlook and the profitability of SGX as a whole.

## Variable Compensation

Variable compensation comprises cash-based short-term incentives and cash or share-based long-term incentives. The award of variable compensation is approved by the RSDC and the Management through a process where due consideration is given to corporate and individual performance as well as relevant comparative remuneration in the market.

SGX adopts a performance management framework that is designed to drive organisational success through the achievement of goals that are aligned to its corporate mission and strategic priorities.

In measuring performance, achievement of goals in five categories namely, financial, products and services, stakeholders' trust, operational excellence, people and culture, are assessed. Employees' demonstration of SGX values – *Trust, Passion, Service* – is also assessed as a measure of 'how' performance is delivered and used to determine an overall performance rating based on a blended, qualitative assessment. In addition, under the consequence management framework, feedback from the control functions on an individual's regulatory and controls performance as well as any policy breaches will be considered in the individual's performance and compensation decisions.

In line with the current regulatory standards, the control functions' performance is assessed principally on the achievement of goals and objectives for the functions, not directly linked to the company's financial performance.

Each year, the RSDC evaluates the extent to which each of the senior management has delivered on the corporate and individual goals and objectives (details are not disclosed for strategic and confidentiality reasons), to approve the compensation for senior management and propose the compensation for the CEO to the Board for approval.

### Total Incentives Funding

The Total Incentives (TI) pool funds the annual variable bonus for all employees (excluding those in control functions and those on sales incentive plan) and the long-term incentive plans. It is computed using the following formula:

#### TI Pool =

**A percentage of Profit before Variable Bonus less Corporate Tax less Cost of Equity**

The TI pool is determined by the RSDC and takes into account SGX's overall performance.

### Short-Term Incentives

Short-term incentives take the form of a sales incentive or an annual variable bonus. The sales incentive pool for participants of Sales Incentive Plan is determined by the achievement of sales and corporate goals while the variable bonus pool for the rest of the functions is determined by organisational and functional performance. Each year, the RSDC reviews and approves the short-term incentive pools for distribution, and the Management reviews and allocates incentive/variable bonus based on the employee's individual performance and contribution towards SGX's performance.

### Long-Term Incentives

Long-term incentives (LTIs) create value for the company by aligning employees' long-term incentives to the

achievement of SGX's long-term results. Furthermore, due to its time-based vesting characteristic over a period of three to four years, it carries a retention element that strengthens SGX's ability to reward and retain key employees. The costs of LTIs are funded by the TI pool, which is approved by the RSDC.

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

There are three types of LTIs awarded as part of employees' total compensation – the SGX Performance Share Plan (SGX PSP), the SGX Deferred Long-Term Incentives Scheme (DLTIS) and a non equity-based deferral plan – SGX Deferred Cash Incentive Scheme (DCIS). All LTI awards are made at the discretion of the RSDC. For the senior management, half of their deferred variable compensation is granted in performance shares under the SGX PSP and the remaining half in deferred shares under the DLTIS. The number of shares awarded is determined using the valuation of the shares based on one-month volume-weighted average prices of SGX shares before the approval of awards.

### The SGX Performance Share Plan

The SGX PSP is a share-based incentive scheme established with the objective of rewarding, motivating, and retaining key senior executives to optimise their performance standards. Through the SGX PSP, SGX will be able to recognise and reward past contributions and services, and motivate the plan participants to continue to strive for SGX's long-term success. In relation to SGX's business, the effective execution of strategic and non-financial priorities and growing scale and relevance amongst peer exchanges and companies,

are key success factors and this is reflected in the SGX PSP performance targets.

Under the current SGX Performance Share Plan ("SGX PSP 2015") that was adopted at the annual general meeting of the Company held on 23 September 2015, performance targets have been revised and the vesting period has been extended to four years. With that, any shares that have been released by participants under SGX PSP 2015 are no longer subject to a retention period.

The RSDC may decide to vest an award, wholly or partly, in SGX shares or in cash, based on the aggregate market value of shares on vesting date.

### Limitation on the size of SGX PSP 2015

The total number of new SGX shares which may be issued pursuant to awards granted under the SGX PSP 2015 on any date, when added to the total number of new shares issued and issuable in respect of all awards granted under the SGX PSP 2015 (and/or any share schemes then in force), shall not exceed 10% of the total number of SGX's issued shares (excluding shares held by the company as treasury shares) on the day preceding the relevant date of award.

### Restriction

Unless otherwise decided by the RSDC, the entitlement to the award shall lapse immediately as of the date the notice of termination of employment is tendered by or given to a plan participant.

### Eligibility

Selected members of senior management who have attained the rank of Executive Director<sup>1</sup>, and above are eligible to be considered for the award under the plan.

<sup>1</sup> Senior Vice President has been renamed to Executive Director from 1 July 2022.

# Remuneration Report

## Summary of Grants (FY2020 to FY2023)

The performance targets chosen are key success factors of SGX's business that also drive alignment with shareholders' interests.

Starting from FY2018 grant, strategic and non-financial priorities have been introduced as a performance measure. For SGX to stay competitive in the fast-changing business environment, it has to drive growth through the delivery of various strategic priorities, including non-financial ones. This performance measure is adopted to reward Management for driving the development of product and services, managing stakeholders' trust, achieving greater operational efficiency and cultivating the desired people and corporate culture.

Grant	Performance Period	Grant Date	Vesting Date	Performance Targets
FY2020	1 July 2019 to 30 June 2022	15 August 2019	1 September 2023	(1) Strategic and Non-Financial Priorities (2) EPS (3) Relative TSR against selected peer exchanges (4) Relative TSR against Straits Times Index peer companies <b>(Details in Table A)</b>
FY2021	1 July 2020 to 30 June 2023	17 August 2020	1 September 2024	(1) Strategic and Non-Financial Priorities (2) EPS (3) Relative TSR against selected peer exchanges (4) Relative TSR against Straits Times Index peer companies <b>(Details in Table B)</b>
FY2022	1 July 2021 to 30 June 2024	16 August 2021	1 September 2025	(1) Strategic and Non-Financial Priorities (2) EPS (3) Relative TSR against selected peer exchanges (4) Relative TSR against Straits Times Index peer companies <b>(Details in Table C)</b>
FY2023	1 July 2022 to 30 June 2025	18 August 2022	1 September 2026	(1) Strategic and Non-Financial Priorities (2) EPS (3) Relative TSR against selected peer exchanges (4) Relative TSR against Straits Times Index peer companies <b>(Details in Table D)</b>

<sup>1</sup> Selected peer exchanges comprises 13 international listed exchanges.

<sup>2</sup> Straits Times Index peer companies comprises 28 component-stocks of the FTSE STI Index, excluding SGX.

Table A - FY2020 Grant

Strategic and Non-Financial Priorities (Weight = 40%)		+		EPS (Weight = 30%)		+		Relative TSR against selected peer exchanges (Weight = 15%)		+		Relative TSR against Straits Times Index peer companies (Weight = 15%)	
Performance Level	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)
Exceeded	150%	Above Target	≥42 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers	150%	150%	150%	≥75th percentile of peers	150%	150%
Met	100%	At Target	39 cents	100%	50th percentile of peers	100%	50th percentile of peers	100%	100%	100%	50th percentile of peers	100%	100%
Partially Met	50%	Threshold	34 cents	50%	25th percentile of peers	50%	25th percentile of peers	50%	50%	50%	25th percentile of peers	50%	50%
Not Met	Nil	Below Threshold	<34 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers	Nil	Nil	Nil	<25th percentile of peers	Nil	Nil

Table B - FY2021 Grant

Strategic and Non-Financial Priorities (Weight = 40%)		+		EPS (Weight = 30%)		+		Relative TSR against selected peer exchanges (Weight = 15%)		+		Relative TSR against Straits Times Index peer companies (Weight = 15%)	
Performance Level	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)
Exceeded	150%	Above Target	≥47 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers	150%	150%	150%	≥75th percentile of peers	150%	150%
Met	100%	At Target	42.5 cents	100%	50th percentile of peers	100%	50th percentile of peers	100%	100%	100%	50th percentile of peers	100%	100%
Partially Met	50%	Threshold	38 cents	50%	25th percentile of peers	50%	25th percentile of peers	50%	50%	50%	25th percentile of peers	50%	50%
Not Met	Nil	Below Threshold	<38 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers	Nil	Nil	Nil	<25th percentile of peers	Nil	Nil

# Remuneration Report

**Table C - FY2022 Grant**

Strategic and Non-Financial Priorities (Weight = 40%)		EPS (Weight = 30%)			Relative TSR against selected peer exchanges (Weight = 15%)		Relative TSR against Straits Times Index peer companies (Weight = 15%)	
Performance Level	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)
Exceeded	150%	Above Target	≥50 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers	150%
Met	100%	At Target	45 cents	100%	50th percentile of peers	100%	50th percentile of peers	100%
Partially Met	50%	Threshold	40 cents	50%	25th percentile of peers	50%	25th percentile of peers	50%
Not Met	Nil	Below Threshold	<40 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers	Nil

**Table D - FY2023 Grant**

Strategic and Non-Financial Priorities (Weight = 40%)		EPS (Weight = 30%)			Relative TSR against selected peer exchanges (Weight = 15%)		Relative TSR against Straits Times Index peer companies (Weight = 15%)	
Performance Level	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)
Exceeded	150%	Above Target	≥52 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers	150%
Met	100%	At Target	47 cents	100%	50th percentile of peers	100%	50th percentile of peers	100%
Partially Met	50%	Threshold	42 cents	50%	25th percentile of peers	50%	25th percentile of peers	50%
Not Met	Nil	Below Threshold	<42 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers	Nil

The extent to which the performance share awards will vest could range from 0% to 150%, depending on the achievement of performance targets in the respective performance periods. There shall be no award if the achievement falls below the threshold performance level. For an achievement between the 'Threshold/Partially Met' and 'Above Target/Exceeded' performance levels, the payout percentage will be pro-rated on a straight-line basis.

### The SGX Deferred Long-Term Incentives Scheme

The SGX DLTIS was approved by the RSDC in July 2006.

It recognises past contributions and services and strengthens the Company's ability to reward and retain high-performing recipients whose contributions are essential to the long-term growth of SGX.

The RSDC may decide to vest an award, wholly or partly, in SGX shares or in cash, based on the aggregate market value of shares on vesting date.

The shares are vested in three equal instalments over a period of three years with the first instalment vesting one year after grant date.

#### Restrictions

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

#### Eligibility

Selected executives in the rank of Associates and above are eligible to be considered for the award under the scheme.

### The SGX Deferred Cash Incentive Scheme

The SGX DCIS was approved by the RSDC in January 2021. Complementing the DLTIS and PSP as another long-term incentive scheme, this cash-based incentive scheme can be awarded to eligible employees of SGX Group who are not eligible for share-based awards.

DCIS was established with the objective of rewarding and retain high-performing recipients whose contributions are essential to the long-term growth and profitability of SGX Group and to align their interests to the long-term direction of SGX Group.

The award will be vested over three equal instalments over a period of three years with the first instalment vesting one year after grant date. The RSDC may decide to vest an award wholly or partly.

#### Restrictions

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

#### Eligibility

Selected executives in the rank of Associates and above or equivalent are eligible to be considered for the award under the scheme.

### The SGX Restricted Share Plan

The SGX Restricted Share Plan (SGX RSP) was adopted at the annual general meeting of the Company held on 20 September 2018.

Through the SGX RSP, SGX will grant shares to the Group's Non-Executive Directors (NEDs) as part of their remuneration in respect of their office

as such in lieu of cash, or where, the RSDC deems appropriate, to give recognition to the contributions made or to be made by such Group NEDs to the success of the Group, in order to improve the alignment of the interests of Group NEDs with the interests of shareholders. The SGX RSP may also serve as an additional tool to recruit and retain Group employees whose contributions are essential to the long-term growth and profitability of the Group and to give recognition to outstanding Group employees who have contributed to the growth of the Group. The SGX RSP will act as an enhancement to the Group's overall ability to attract and retain high performing talent.

#### Restrictions

Group NEDs who are granted SGX RSP are required to have served on the Board of Directors for at least 12 months on the date of grant of the share awards. The grant will consist of fully paid shares with no performance conditions attached and no vesting period imposed. A moratorium on sale of such shares for a period up to one year after the grant of the award is imposed. The moratorium will be lifted if the NED steps down from the Board before the end of the moratorium period.

#### Eligibility

NEDs meeting the criteria set out under 'Restrictions' are eligible to participate in the SGX RSP. Selected employees of the Group are eligible to be considered for the award under the SGX RSP.

Please refer to the Directors' Statement on page 149 for the details of the share plans and grants to NEDs, senior management and employees.



# Remuneration Report

## Disclosure on Directors' Remuneration

The table below shows the gross remuneration of the Executive Director of SGX for the financial year ended 30 June 2023.

Executive Director	Fixed pay <sup>1</sup> \$	Bonus for FY2023 <sup>1,2</sup> \$	Long-term incentives <sup>3</sup> \$	Benefits-in-kind \$	Total gross remuneration \$
Mr Loh Boon Chye	1,210,333	3,154,104	3,150,514	50,568	7,565,519

<sup>1</sup> Includes Employer CPF Contribution.

<sup>2</sup> The bonus was determined by the Board after taking into account the achievement of specific quantitative and qualitative targets and objectives set for FY2023.

<sup>3</sup> Arising from a review of remuneration disclosures, the basis of disclosure for LTI has been revised to align to the performance year. In other words, this is the value of PSP and DLTIS granted for performance in FY2023, as opposed to the previous basis where the value of LTI vested in the year was disclosed. The vesting of these grants will be subject to the respective vesting periods and additionally for PSP grant, the achievement of performance targets over a 3-year performance period. Based on the previous disclosure methodology, the value of LTI would have been \$2,842,045.

Please refer to the Corporate Governance Report on page 112 for the details of the Non-Executive Directors' remuneration.

## Disclosure on Five Top-Earning Executives' Remuneration

The table below shows the gross remuneration of the five top-earning executives for the financial year ended 30 June 2023.

Executives	Fixed pay <sup>1</sup> \$	Bonus for FY2023 <sup>1,2</sup> \$	Long-term incentives <sup>3</sup> \$	Benefits-in-kind \$	Total gross remuneration \$
Mr Syn Hsien-Min Michael	512,244	1,004,896	999,222	3,837	2,520,199
Mr Lee Beng Hong	512,244	922,896	917,068	5,085	2,357,293
Mr Tan Boon Gin	586,248	777,396	771,866	16,102	2,151,612
Mr Pol de Win	500,004	618,000	617,110	11,327	1,746,441
Ms Tinku Gupta	512,329	571,811	567,436	7,760	1,659,336

<sup>1</sup> Includes Employer CPF Contribution.

<sup>2</sup> The bonuses for SGX senior management were determined by the RSDC after taking into account the achievement of the specific individual and organisational targets and objectives set for FY2023.

<sup>3</sup> Arising from a review of remuneration disclosures, the basis of disclosure for LTI has been revised to align to the performance year. In other words, this is the value of PSP and DLTIS granted for performance in FY2023, as opposed to the previous basis where the value of LTI vested in the year was disclosed. The vesting of these grants will be subject to the respective vesting periods and additionally for PSP grant, the achievement of performance targets over a 3-year performance period. Based on the previous disclosure methodology, the value of LTI would have been: Mr Syn Hsien-Min Michael \$782,720; Mr Lee Beng Hong \$238,715; Mr Tan Boon Gin \$750,043; Mr Pol de Win \$0 and Ms Tinku Gupta \$468,655.

There were no retirement plans, severance/termination and post-employment benefits granted to Directors, the CEO and the five top-earning executives, save for the shares vested to Mr Muthukrishnan Ramaswami, Mr Chng Lay Chew and Mr Chew Sutat who retired from SGX on 30 September 2019, 30 September 2020 and 31 July 2021 respectively, as approved by the RSDC.

## Disclosure on Guaranteed Bonuses, Sign-On Payments and Severance Payments

	Senior Managers*	Material Risk Personnel*
No. of guaranteed bonuses	-	-
No. of sign-on payments	-	1
No. of severance payments	-	-
Total amount of payments in FY2023	-	60,000

\* In line with the definitions set out under MAS Individual Accountability and Conduct (IAC).

## Benefits

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

# Summary of Disclosures

## Summary of Disclosures of Code of Corporate Governance 2018 (CCG 2018)

This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirements under the CCG 2018.

Board Matters	Remuneration Matters	Shareholder Rights and Engagement
<b>The Board's Conduct of Affairs</b> <b>Principle 1</b> Provision 1.1 Page 98 Provision 1.2 Pages 99 and 100 Provision 1.3 Page 98 Provision 1.4 Page 98 Provision 1.5 Page 98 Provision 1.6 Page 100 Provision 1.7 Page 100  <b>Board Composition and Guidance</b> <b>Principle 2</b> Provision 2.1 Page 101 Provision 2.2 Page 101 Provision 2.3 Page 101 Provision 2.4 Page 102 Provision 2.5 Page 105  <b>Chairman and Chief Executive Officer</b> <b>Principle 3</b> Provision 3.1 Page 108 Provision 3.2 Page 108 Provision 3.3 Page 108  <b>Board Membership</b> <b>Principle 4</b> Provision 4.1 Page 109 Provision 4.2 Page 109 Provision 4.3 Page 109 Provision 4.4 Page 110 Provision 4.5 Page 110  <b>Board Performance</b> <b>Principle 5</b> Provision 5.1 Page 111 Provision 5.2 Page 111	<b>Procedures for Developing Remuneration Policies</b> <b>Principle 6</b> Provision 6.1 Page 112 Provision 6.2 Page 112 Provision 6.3 Page 112 Provision 6.4 Page 113  <b>Level and Mix of Remuneration</b> <b>Principle 7</b> Provision 7.1 Page 112 Provision 7.2 Pages 112 and 113 Provision 7.3 Page 113  <b>Disclosure on Remuneration</b> <b>Principle 8</b> Provision 8.1 Pages 113 and 114 Provision 8.2 Page 114 Provision 8.3 Pages 113 and 114  <b>Accountability and Audit</b> <b>Risk Management and Internal Controls</b> <b>Principle 9</b> Provision 9.1 Pages 114 and 115 Provision 9.2 Pages 115 and 116  <b>Audit Committee</b> <b>Principle 10</b> Provision 10.1 Page 117 Provision 10.2 Page 116 Provision 10.3 Page 116 Provision 10.4 Page 120 Provision 10.5 Pages 119 and 120	<b>Shareholder Rights and Conduct of General Meetings</b> <b>Principle 11</b> Provision 11.1 Page 122 Provision 11.2 Page 123 Provision 11.3 Page 123 Provision 11.4 Page 123 Provision 11.5 Page 123 Provision 11.6 Page 124  <b>Engagement with Shareholders</b> <b>Principle 12</b> Provision 12.1 Page 124 Provision 12.2 Page 124 Provision 12.3 Page 124  <b>Managing Stakeholders Relationships</b> <b>Engagement with Stakeholders</b> <b>Principle 13</b> Provision 13.1 Pages 124 and 125 Provision 13.2 Page 125 Provision 13.3 Page 124

# Self-Regulatory Organisation Governance Report

## Obligations

SGX is a front-line regulator, regulating market participants including listed companies, and trading and clearing members. At the same time, SGX is also a listed, for-profit entity with a widely distributed ownership and shareholder base. In balancing potential conflicts between these two roles, SGX is operating as a Self-Regulatory Organisation (SRO). We have rigorous regulatory standards in place, to ensure that any potential regulatory conflicts between our responsibilities as a regulator and as a listed company are adequately addressed.

## Our regulatory activities are focused on:



**Operating a fair, orderly and transparent market**



**Admitting high quality issuers and market intermediaries**



**Providing safe and efficient clearing and settlement facilities**



**Supporting the continuous development of SGX's markets and clearing houses**

We achieve our objectives through stringent listing, trading and clearing rules. We apply strict admission criteria to our members, sponsors and their registered professionals and issuers to assure their quality and safeguard the integrity of the markets and clearing houses. Issuers must ensure the timely, accurate and adequate disclosure of material information. We also impose prudential requirements on our members and check that they have robust risk management measures in place. To ensure compliance with our rules, we conduct comprehensive ongoing supervision and surveillance and take enforcement action when necessary. We continually benchmark ourselves against developed jurisdictions and established international standards to improve our systems and processes. .

### The Role of Singapore Exchange Regulation (SGX RegCo) in Managing Regulatory Conflicts

The Monetary Authority of Singapore (MAS) directly regulates SGX in the

discharge of our regulatory functions and our management of regulatory conflicts. We have a strong governance framework in place to manage any potential, perceived or actual regulatory conflicts. In addition, SGX RegCo was established as an independently governed subsidiary of SGX in 2017. This further enhances SGX's regulatory conflicts governance framework, as SGX RegCo is responsible for all regulatory functions on behalf of SGX and its regulated subsidiaries. The SGX RegCo Board is responsible for ensuring that SGX RegCo, in the performance of its regulatory duties, exercises its judgment independently of SGX's business functions. The SGX RegCo Board is independent of the SGX Board and a majority of the SGX RegCo Board, including its chairperson, are independent of management and business relationships with SGX. All members of the SGX RegCo Board are also independent of companies listed on SGX-ST and member firms of the SGX Group. Appointments to the SGX RegCo Board are subject to MAS' approval.

The SGX RegCo Chief Executive Officer reports exclusively to the SGX RegCo Board in relation to the performance of SGX RegCo's different functions. This direct line of reporting further strengthens the independence of SGX RegCo. The formation of SGX RegCo and the nature of its independent board structure demonstrably segregates SGX's regulatory functions from SGX's commercial and operating activities. One of SGX RegCo's functions is to formulate and maintain arrangements and processes within the SGX Group for managing potential, perceived or actual regulatory conflicts. The SGX RegCo Board is directly responsible for reviewing the adequacy of such arrangements, and is accountable to the MAS and the SGX Board in this regard. The SGX RegCo Board decides on conflict cases as needed, reviews the regulatory implications of our strategic initiatives, and ensures that the plans, budget and resources of SGX RegCo remain adequate. The SGX RegCo Board reports to MAS and the SGX Board on its activities annually.

## Developing a More Mature Marketplace

### 1. Providing Clarity to the Market

#### ▪ Conduct of General Meetings

As Singapore progressively transitioned towards living with COVID-19, SGX RegCo called on listed companies to prepare for physical general meetings, while also providing further guidance on the conduct of general meetings, including through hybrid formats. To aid companies when choosing their service providers for general meetings conducted by electronic means, SGX RegCo partnered with the Singapore Institute of Directors (SID) and the Chartered Secretaries Institute of Singapore (CSIS) to issue technical standards for service providers.

#### ▪ Hard Cap on IDs' Tenure and Enhanced Remuneration Disclosures

To accelerate board renewal and promote board independence, SGX RegCo introduced new rules to limit to nine years the tenure of independent directors (IDs). The two-tier vote mechanism for companies to retain long-serving IDs who have served for more than nine years was removed. SGX RegCo also amended the rules to require listed companies to disclose the exact amount and breakdown of remuneration paid to individual directors and CEO in their annual reports to increase transparency and bring our regime in line with global standards. These enhancements stemmed from recommendations by the Corporate Governance Advisory Committee and received broad market support during a public consultation process.

#### ▪ Listing Decisions

SGX RegCo published four Listing Decisions on (i) common prospectus disclosure modifications under the Fifth Schedule of the Securities and Futures (Offers of Investment) (Securities and Securities-based Derivatives Contracts) Regulations 2018 in the introductory documents which SGX RegCo will allow for secondary listing applicants with a primary listing in developed jurisdictions; (ii) SGX RegCo's considerations on the application of listing rules under the SPAC framework for certain arrangements involving SPACs; (iii) due diligence and assessment expected of issue managers and full sponsors on the character and integrity of a listing applicant's directors, management, founding shareholders and controlling shareholders; and (iv) SGX RegCo's expectations on listing applicants' compliance with the Listing Rule requirements on public shareholding spread and distribution in substance, including for placement agents and sub-placement agents to be issue managers, full sponsors or SGX member firms.

### 2. Strengthened Enforcement, Streamlined Processes

SGX RegCo has increasingly stepped up its disciplinary and enforcement actions against errant market participants to uphold market discipline, since the new listing rules expanded RegCo's direct enforcement powers and enabled RegCo to impose public sanctions which previously were only carried out by the independent Listings Disciplinary Committee (LDC) which had a demanding caseload.

#### ▪ Enforcement

In FY2023, SGX RegCo issued formal charges against 30 relevant persons, compared to 16 in FY2022; and (ii) resolved cases involving 23 relevant persons before the LDC or via the direct enforcement framework, more than triple that in FY2022.

#### ▪ Resolution Agreement

SGX RegCo has formally included the resolution agreement procedures in the Enforcement Handbook. Apart from enhancing the consistency

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# Self-Regulatory Organisation Governance Report

of the resolution agreement process, the publication of the resolution agreement procedures will uplift market awareness of this process, which has allowed SGX RegCo to conclude enforcement cases more efficiently.

## ▪ Coordination with Regulatory Agencies

SGX RegCo actively coordinated its administrative and enforcement actions with regulatory agencies such as the MAS, CAD, and ACRA to reinforce deterrent messages, where appropriate. For instance, MAS imposed a composition penalty on UOB Kay Hian (UOB KH) in August 2022 for UOB KH's failure to comply with the business conduct requirements under the Securities and Futures (Licensing and Conduct of Business) Regulations and AML/CFT requirements. Following MAS' composition penalty, SGX RegCo imposed interim restrictions on UOB KH in December 2022, which included, amongst others, (i) a moratorium on UOB KH's ability to undertake new mandates as issue manager or full sponsor for SGX Mainboard and Catalist IPO and RTO submissions, save for those

which UOB KH had agreed to act as issue manager or full sponsor under any agreement entered into before 31 August 2022; and (ii) certain requirements in respect of UOB KH's introducing activities as full sponsor.

## 3. Stakeholders Engagement

SGX RegCo has continued to maintain high standards among our issuers, sponsors, issue managers and members through regular engagements, inspections and supervisory reviews. To engage key stakeholders, SGX RegCo also expanded its reach by use of videos and podcasts to raise retail investor awareness on SGX RegCo's work. We also continued to speak at international and local industry engagement events. As part of market outreach and thought leadership, SGX RegCo also organised a fireside chat with esteemed Ambassador-at-Large Tommy Koh on the state of US-China relations.

### ▪ Listed Issuers

As part of SGX RegCo's initiatives to work with companies and the industry to raise governance standards, KPMG was engaged to conduct an independent review of

the Code of Corporate Governance (CG Code) disclosures of listed companies. Thereafter, SGX RegCo engaged one-on-one meetings with selected listed companies on the findings and highlighted the areas of improvements. In addition, SGX RegCo engaged with audit committees and external auditors of listed issuers to highlight key areas of concern and to ensure that audit committees take pro-active steps to address them. These engagements are intended to enhance Listing Compliance's supervision of issuers' compliance with the Listing Rules and corporate governance standards.

SGX RegCo has also performed on-site visits at selected listed companies to engage their boards and key management on the new sustainability reporting requirements, for example, climate reporting to be provided on a 'comply or explain' basis, and for sustainability reporting processes to be subject to internal review.

SGX RegCo conducted two outreach sessions titled 'Faster Track to Governance' for directors and key management of selected Mainboard-listed companies, where key findings and recommendations of KPMG's review, the new sustainability reporting requirements and cybersecurity risk were shared.

### ▪ Issue Managers and Sponsors

SGX RegCo conducted annual dialogue sessions with Continuing and Full Sponsors to engage and interface sponsors on regulatory developments, and to share the key findings of KPMG's review, as well as case studies on common pitfalls. SGX RegCo also completed four inspections of Continuing Sponsors and one inspection of Full Sponsor. During the year, SGX RegCo also

SGX RegCo has continued to maintain high standards among our issuers, sponsors, issue managers and members through regular engagements, inspections and supervisory reviews. To engage key stakeholders, SGX RegCo also expanded its reach by use of videos and podcasts to raise retail investor awareness on SGX RegCo's work.



published guidance to Sponsors on what we expect of placement agents for Catalyst IPOs.

## Demonstrated Leadership in Sustainability

As detailed in our Sustainability Report, one of the four pillars of SGX's sustainability approach is as a regulator. Our role as a regulator is to guide the market on sustainability-related disclosures and practices, and we did so in FY2023 through the industry collaboration, dialogue sessions and other organised events.

### 1. Sustainable Development Office (SDO)

The Sustainable Development Office (SDO) was established in January this year and is the newest function in RegCo. The SDO is dedicated to coordinating SGX RegCo's regulatory efforts in sustainability, such as in reporting and transition. The team also participates in standards-setting projects, and builds awareness and capability across the ecosystem.

### 2. Recognising Sustainable Fixed Income

In November 2022, SGX RegCo launched the SGX Sustainable Fixed Income initiative to provide regulatory backing and visibility for green, social and sustainable fixed income securities listed on SGX that meet internationally recognised criteria.

### 3. Capacity Building

In FY2023, SGX RegCo continued its capacity building efforts to build awareness and technical skillsets in the ecosystem:

- i. The disclosure workstream of the Green Finance Industry Taskforce (GFIT), co-led by SGX RegCo, collaborated with the Institute of Singapore Chartered Accountants (ISCA) to launch: (i) a green and

sustainable finance guide for small and medium enterprises and (ii) a climate disclosure guide on first steps in conducting climate-related scenario analysis in April 2023.

- ii. SGX RegCo worked with Institute of Internal Auditors Singapore (IIAS) on its guide to internal review of sustainability reports launched in November 2022.
- iii. SGX RegCo launched the SGX-Group-Global Reporting Initiative (GRI) sustainability reporting learning series, to keep industry professionals and listed issuers abreast of updates on sustainability reporting standards. Two events have been organised in March and May 2023 so far, both well-received.
- iv. SGX RegCo fully subsidised fees for a course organised by the Singapore Institute of Directors (SID) in June 2023 on operationalising sustainability for directors.
- v. SGX RegCo organised its fourth sustainability-themed case competition together with the NUS Business School's students' club in February 2023, where 75 teams from local universities competed to present a business case on facilitating listed issuers to be net zero and to adopt climate transition plans.

### 4. Strengthening the Ecosystem

In SGX RegCo's capacity as joint secretariat of the Sustainability Reporting Advisory Committee and co-lead of the Green Finance Industry Taskforce's disclosure workstream, SGX RegCo submitted comments to ISSB on its two exposure drafts IFRS S1 and IFRS S2.

## Deepening Our Markets

### 1. Special Purpose Acquisition Companies (SPACs)

SGX RegCo guided the market on SPACs listings through (i) the

publication of a listing decision to provide clarity on SGX RegCo's consideration on the application of certain listing rules under the SPACs framework and (ii) working with ISCA's SPAC Taskforce to publish a financial reporting guidance on accounting considerations to assist SPACs in dealing with complex accounting matters relating to SPAC significant events and financial instruments. In anticipation of intensifying de-SPAC activities, SGX RegCo engaged in preparatory initiatives to address potential de-SPAC regulatory issues to equip retail investors with adequate knowledge on key de-SPAC events, including organising an information session for international and local financial media on SPAC post-IPO key milestones.

### 2. Depository Receipts (DR)

The inaugural Singapore Depository Receipts (SDR) under the Thailand-Singapore DR Linkage was launched on 30 May 2023<sup>1</sup>. SGX RegCo supported the collaboration with The Stock Exchange of Thailand (SET) by closely engaging MAS on, and resolving, various complex and novel regulatory issues that were crucial to the commercial viability of SDR.

### 3. NSE IFSC-SGX Connect

SGX RegCo was heavily involved in the transition of SGX Nifty derivatives to NSE IFSC, in collaboration with both NSE as well as the MAS and International Financial Services Centres Authority (IFSCA). Regulatory frameworks governing the proper operation of the NSE IFSC-SGX Connect were put in place, along with the promulgation of the necessary rules. SGX RegCo is currently working closely with both the Indian and Singapore regulatory authorities to ensure the smooth migration of open positions in the SGX Nifty derivatives onto NSE IFSC.

<sup>1</sup> <https://www.sgxgroup.com/media-centre/20230523-sgx-group-launch-depository-receipts-under-dr-linkage-stock-exchange>



# Self-Regulatory Organisation Governance Report

## Statistics Overview

### Stakeholder Engagement

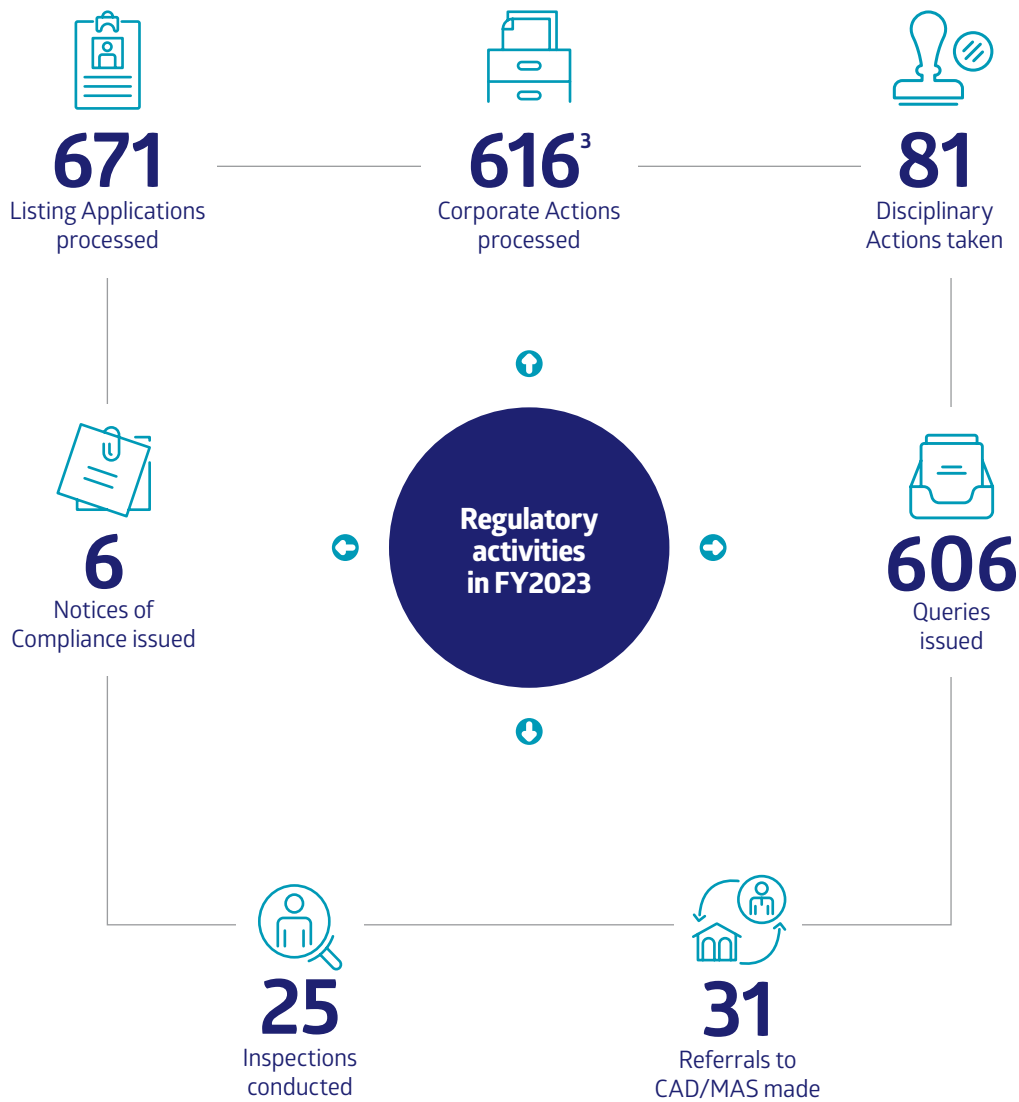
We set and enforce regulation that assures a fair, orderly and transparent marketplace, as well as supports the overall advancement of our markets. To achieve this, we regularly assess existing requirements including those deemed as fundamental pillars of the market with a view of either adopting new frameworks and structures, or refining existing requirements.



<sup>1</sup> Includes issuer visits and targeted engagement to raise standards following a CG Code review conducted in FY2022.

### Regulatory Activities

SGX RegCo closely monitors the disclosures of our listed companies and product issuers, and issues queries when further clarity is required. We diligently apply our administrative powers on listed companies and product issuers for all major disclosure failings, and closely monitor issuers with suspected financial irregularities. Where necessary and appropriate, we exercised our administrative powers during the year through the issuance of Notices of Compliance<sup>2</sup>.



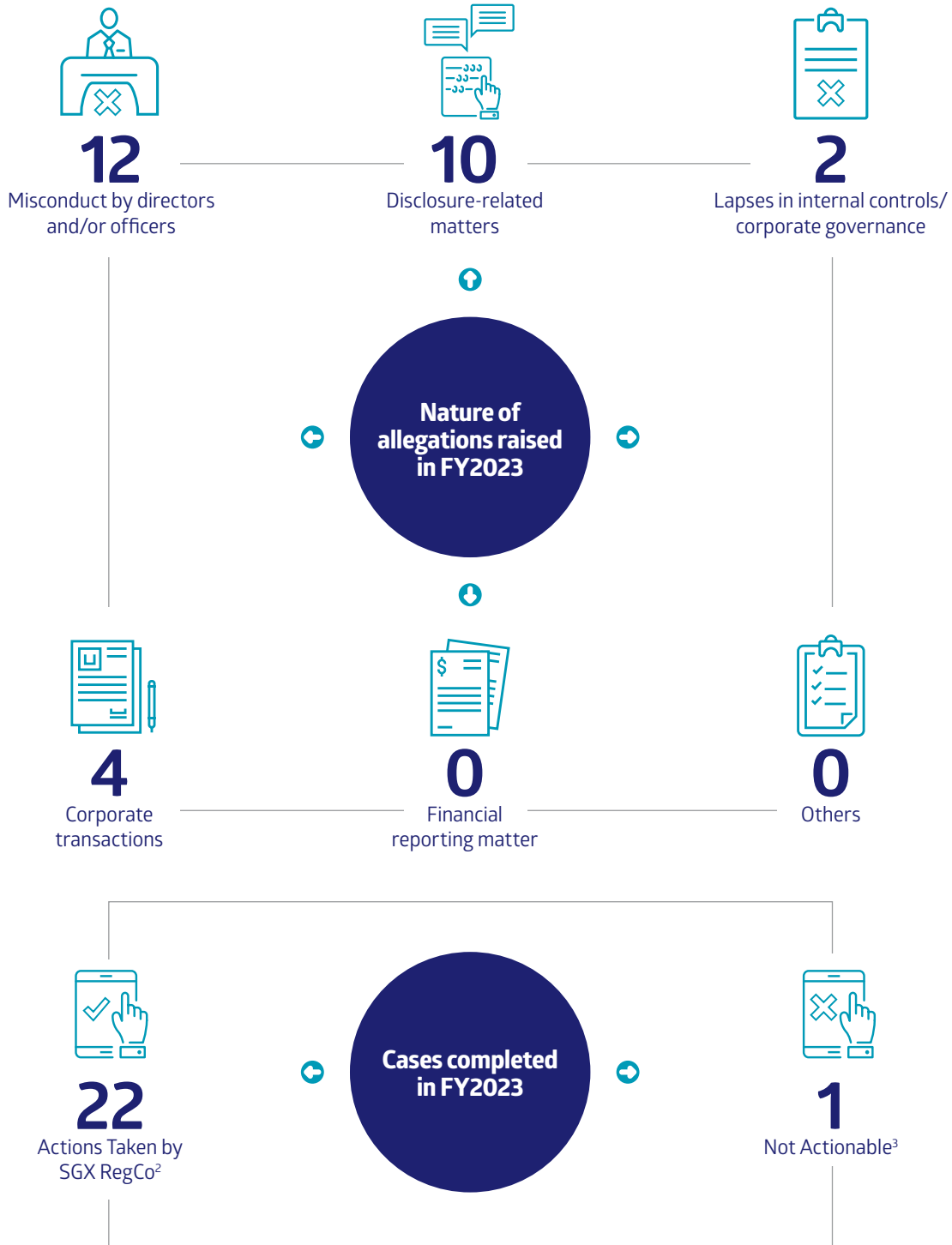
<sup>2</sup> SGX RegCo may exercise its administrative powers by issuing a Notice of Compliance. The Notice contains requirements imposed on Relevant Persons that must be complied with. The requirements are definitive and calibrated to address the circumstances of each case. For more information, please refer to the Regulator's Column on "What SGX RegCo does when it detects irregularities in a company" issued on 13 April 2022.

<sup>3</sup> Includes corporate actions reviewed and processed under automated clearance regime.

# Self-Regulatory Organisation Governance Report

## Whistleblowing

SGX RegCo's Whistleblowing Office was established in January 2020 to provide a formal and confidential channel for whistleblowers to report any issues or areas of concern relating to listed companies on SGX<sup>1</sup>.



<sup>1</sup> SGX's Whistleblowing Office receives reports on listed companies excluding Singapore Exchange Limited.

<sup>2</sup> Actions taken by SGX RegCo can be public or private, including (i) issuance of continuous disclosure query(s) and/or oversight by audit committee and/or independent reviews; (ii) referral to relevant statutory authorities and industry bodies; and/or (iii) review for potential breaches of the Listing Rules.

<sup>3</sup> Cases that are not actionable includes where (i) allegations are not substantiated; or (ii) the matter is already under investigation by other regulatory authorities.

# Report of Independent Committees

SGX's framework to deal with potential conflicts of interests arising from its dual role as a front-line regulator of the market and a listed for-profit entity includes the establishment of independent committees comprising the Listings Advisory Committee, Disciplinary Committee and Appeals Committee. To ensure the impartial and independent administration of their powers and duties, the members of the independent committees are not directors, officers or employees of SGX or its related corporations.

The Listings Advisory Committee provides advice on SGX's listing policies and Mainboard listing applications which involve novel or unprecedented issues, or where specialist expertise is required, or which involve matters of public interest, or when SGX is of the view that a referral is appropriate. The Listings Advisory Committee comprises members with legal, accounting and corporate finance experience, as well as representatives of the investment community.

The Disciplinary Committee and Appeals Committee provide independent and transparent adjudication of rule breaches. The Disciplinary and Appeals Committees comprise members with legal, accounting, corporate finance and directorship experience in SGX-listed issuers.

The Disciplinary Committee hears charges brought by SGX against relevant persons for breaches of SGX's rules. Under the SGX trading rules and clearing rules, the Disciplinary Committee is able to impose a wide range of sanctions against trading or clearing members,

SGX's framework to deal with potential conflicts of interests arising from its dual role as a front-line regulator of the market and a listed for-profit entity includes the establishment of independent committees comprising the Listings Advisory Committee, Disciplinary Committee and Appeals Committee.

their approved executive directors, trading representatives, approved traders and registered representatives including reprimands, fines, restrictions or conditions on activities, suspensions, expulsions, requiring directors to step down from day-to-day conduct of the business affairs of a member and appointing a manager to manage a member's business. Under the SGX listing rules, the Listings Disciplinary Committee (whose members are drawn from the Disciplinary Committee) can impose sanctions including reprimands, fines against issuers, sponsors and registered professionals, prohibiting issuers from raising funds through SGX, requiring the resignation of directors or executive officers, prohibiting issue managers from participating in any specific listing application on SGX, revocation or cancellation of an issue manager's accreditation, sponsor's authorisation or registered professional's registration, suspending the trading of an issuer's securities and removal of an issuer from the Official List of the SGX-ST.

The Appeals Committee hears appeals by relevant persons or SGX, against the decisions of the Disciplinary Committee. The Listings Appeals Committee, apart from hearing appeals against decisions of the Listings Disciplinary Committee, additionally hears appeals against certain decisions of SGX made under the SGX listing rules. The decision of the Appeals Committee or Listings Appeals Committee is final.

The independent committees are supported by the Office of the Secretariat which manages the procedures for the independent committees' meetings and hearings.

The operations of the independent committees and the Office of the Secretariat are funded separately by a Compliance Fund which is segregated from the rest of SGX's monies. In FY2023, the operating costs of the independent committees and the Office of the Secretariat amounted to S\$757,295.

## Listings Advisory Committee Report

In FY2023, no listing applications or listing policies were referred to the Listings Advisory Committee ("LAC") for review.

# Report of Independent Committees

## Listings Advisory Committee Members

During FY2023, Mr Goh Kian Hwee stepped down from his role as a member of the LAC. Four new members were recruited into the LAC, namely, Mr Tan Jeh Wuan (Co-Deputy Chairman), Mr Andrew Lim, Mr Mah Kah Loon, and Mr Kevin Wong Heng Ning.

The members of the LAC in FY2023 were:

No.	Name	Position	Title
1	Mr Tham Sai Choy	Chairman	▪ Chartered Accountant
2	Professor Hans Tjio	Co-Deputy Chairman	▪ Director, EW Barker Centre for Law and Business, National University of Singapore ▪ Member, Securities Industry Council
3	Mr Tan Jeh Wuan	Co-Deputy Chairman (from 6 March 2023)	▪ Chairman and Independent Director, Daiwa House Logistics Trust
4	Mrs Fang Ai Lian	Member	▪ Chartered Accountant
5	Mr David Gerald	Member	▪ Founder, President and Chief Executive Officer, Securities Investors Association (Singapore)
6	Mr Goh Kian Hwee	Member (until 31 August 2022)	▪ Joint Group Managing Director, QAF Limited ▪ Former Senior Partner, Rajah & Tann Singapore LLP
7	Mr Subramaniam Iyer	Member	▪ Founder and Director, S2K2 Advisory (operating as SmartKapital)
8	Mr Derek Lau	Member	▪ Chief Executive Officer, Heliconia Capital Management Pte. Ltd.
9	Mr Daryl Liew	Member	▪ Co-Chairman, Advocacy Committee, CFA Society Singapore ▪ Head of Portfolio Management, SingAlliance Pte Ltd
10	Mr Andrew Lim	Member (from 6 March 2023)	▪ Group COO, CapitaLand Investment Ltd
11	Mrs Margaret Lui	Member	▪ Chief Executive Officer, Azalea Investment Management Pte Ltd
12	Mr Mah Kah Loon	Member (from 6 March 2023)	▪ CEO, Ernst & Young Corporate Finance Pte. Ltd.
13	Mr Mak Lye Mun	Member	▪ Executive Chairman, Intraco Limited
14	Mr Ronald Ong	Member	▪ Chairman, Southeast Asia, Morgan Stanley Asia (Singapore) Pte.
15	Mr Soon Tit Koon	Member	▪ Chairman, Great Eastern Holdings Limited
16	Mr Toh Teng Peow David	Member	▪ Chief Executive Officer, Nanyang Technological University-NTUitive Pte. Ltd. ▪ Independent Director, iFAST Corporation Ltd.
17	Mr Kevin Wong Heng Ning	Member (from 6 March 2023)	▪ Independent Director, ACRA
18	Ms Tracey Woon	Member	▪ Non-executive Director, United Overseas Bank Ltd ▪ Non-executive Director, National University Health Systems Pte Ltd ▪ Non-executive Director, SPH Foundation Ltd. ▪ Investment Board Member, GIC Pte Ltd ▪ Member, Securities Industry Council

## Disciplinary and Appeals Committee Report Cases Heard in FY2023

The Listings Disciplinary Committee dealt with three cases in FY2023.

In the first case, the Listings Disciplinary Committee (i) publicly reprimanded a Mainboard company for breaching Mainboard Rules 703 and 719(1), (ii) publicly reprimanded the company's group chief executive officer for causing the company to breach Mainboard Rules 703 and 719(1), and required him to provide an undertaking not to be appointed to any position in any SGX-listed issuer (apart from the company) for a period of six months, as well as undertake mandatory education / training on listing rule obligations, and (iii) publicly reprimanded the company's executive directors for causing the company to breach Mainboard Rules 703 and 719(1) and required them to undertake mandatory education / training on listing rule obligations.

In the second case, the Listings Disciplinary Committee publicly reprimanded the former executive director of a Mainboard company for causing the company to breach Mainboard Rules 719(1), 1014(1) and 1014(2).

In the third case, the Listings Disciplinary Committee (i) publicly reprimanded the former chief executive officer of a Catalist company for causing the company to breach Catalist Rules 703(1), 703(4)(a), 719(1) and 1010 and required him to provide an undertaking not to seek any directorship or role as a key executive officer (as defined in the SGX listing rules) in any SGX-listed issuer for a period of two years, and (ii) publicly reprimanded the former directors of the company for causing the company to breach Catalist Rules 703(1), 703(4)(a), 719(1) and 1010 and required them to provide undertakings not to seek any directorship or role as a key executive officer (as defined in the SGX listing rules) in any SGX-listed issuer for a period of one year.

The Listings Disciplinary Committee's decisions are published on the SGX Website.

### Disciplinary Committee Members

During FY2023, Mr Cavinder Bull, S.C., stepped down from his role as Chairman of the Disciplinary Committee. Mr Lok Vi Ming, S.C., was appointed as the next Chairman. Two members also stepped down from the Disciplinary Committee, namely, Mr Quek Suan Kiat and Ms Karen Tiah. Three new members were recruited into the Disciplinary Committee, namely, Mr Vincent Leow (Deputy Chairman), Ms Eunice Chua and Prof Eleanor Wong.

The members of the Disciplinary Committee in FY2023 were:

No.	Name	Position	Title
1	Mr Cavinder Bull, Senior Counsel	Chairman (until 31 March 2023)	▪ Chief Executive Officer, Drew & Napier LLC
2	Mr Lok Vi Ming, Senior Counsel	Member (until 14 June 2023) / Chairman (from 15 June 2023)	▪ Managing Director, LVM Law Chambers LLC
3	Mr Vincent Leow	Deputy Chairman (from 6 March 2023)	▪ Partner, Allen & Gledhill LLP ▪ Independent Director, UG Healthcare Corporation Ltd
4	Mr Ang Hao Yao	Member	▪ Honorary Secretary, Securities Investors Association (Singapore)
5	Ms Cheng Ai Phing	Member	▪ Independent Director, Citibank Singapore Limited ▪ Independent Director, ARA Asset Management (Fortune) Limited ▪ Former Senior Partner, Deloitte & Touche LLP
6	Ms Eunice Chua	Member (from 6 March 2023)	▪ CEO, Financial Industry Disputes Resolution Centre Ltd



# Report of Independent Committees

No.	Name	Position	Title
7	Mr David Gerald	Member	<ul style="list-style-type: none"> <li>▪ Founder, President and Chief Executive Officer, Securities Investors Association (Singapore)</li> </ul>
8	Mr Kan Yut Keong, Benjamin	Member	<ul style="list-style-type: none"> <li>▪ Managing Director, Cornerstone Advisors Pte. Ltd.</li> <li>▪ Independent Director, Nam Cheong Limited</li> <li>▪ Independent Director and Chairman of Audit Committee, PropNex Limited</li> <li>▪ Former Managing Director, PricewaterhouseCoopers Corporate Finance Pte Ltd</li> <li>▪ Former Partner, PricewaterhouseCoopers Singapore</li> </ul>
9	Mr Peter Koy	Member	<ul style="list-style-type: none"> <li>▪ Deputy Chief Prosecutor, Attorney-General's Chambers</li> </ul>
10	Mr George Lee	Member	<ul style="list-style-type: none"> <li>▪ Independent Director, Bumitama Agri Ltd.</li> <li>▪ Independent Director, RE&amp;S Holdings Limited</li> <li>▪ Independent Director and Former Adviser, OCBC Bank (Malaysia) Berhad</li> <li>▪ Independent Director, Great Eastern Holdings Ltd</li> <li>▪ Former Head of Global Corporate Banking and Former Head of Global Investment Banking, OCBC Bank Ltd</li> </ul>
11	Mr Sushil Nair	Member	<ul style="list-style-type: none"> <li>▪ Deputy CEO, Drew &amp; Napier LLC</li> </ul>
12	Mr Quek Suan Kiat	Member (until 2 April 2023)	<ul style="list-style-type: none"> <li>▪ Director, National Environment Agency</li> <li>▪ Former Country Manager and COO, Barclays Bank Plc Singapore Branch</li> </ul>
13	Mr Harpreet Singh Nehal, Senior Counsel	Member	<ul style="list-style-type: none"> <li>▪ Managing Partner, Audent Chambers LLC</li> </ul>
14	Dr David Smith	Member	<ul style="list-style-type: none"> <li>▪ Senior Investment Director, abrdn</li> </ul>
15	Mr Michael Smith	Member	<ul style="list-style-type: none"> <li>▪ Regional Chief Executive Officer, Europe and USA, Mapletree Investments Pte Ltd</li> </ul>
16	Mr Soh Gim Teik	Member	<ul style="list-style-type: none"> <li>▪ Partner, Finix Corporate Advisory LLP</li> </ul>
17	Mr Tan Ken Hwee	Member	<ul style="list-style-type: none"> <li>▪ Chief Transformation and Innovation Officer, Judiciary, Supreme Court</li> </ul>
18	Dr Tommy Tan	Member	<ul style="list-style-type: none"> <li>▪ Chief Executive Officer, Co-Founder, TC Capital Pte Ltd</li> </ul>
19	Mr Teo Guan Siew	Member	<ul style="list-style-type: none"> <li>▪ Deputy Chief Prosecutor, Attorney-General's Chambers</li> </ul>
20	Mr Teyu Che Chern	Member	<ul style="list-style-type: none"> <li>▪ Chief Executive Officer, Phillip Nova Pte Ltd</li> <li>▪ Executive Director, Phillip Securities Pte Ltd</li> </ul>
21	Ms Karen Tiah	Member (until 11 November 2022)	<ul style="list-style-type: none"> <li>▪ Partner, Allen &amp; Gledhill LLP</li> </ul>
22	Mr Lucas Tran	Member	<ul style="list-style-type: none"> <li>▪ Partner, WLT Assurance LLP</li> <li>▪ Former Partner, KPMG LLP</li> <li>▪ Independent Director, Kim Heng Ltd</li> <li>▪ Independent Director, Natural Cool Holdings Limited</li> <li>▪ Independent Director, Singapura Finance Ltd</li> </ul>

No.	Name	Position	Title
23	Ms Yeoh Choo Guan	Member	<ul style="list-style-type: none"> <li>Managing Director, UBS AG</li> </ul>
24	Prof Eleanor Wong	Member (from 6 March 2023)	<ul style="list-style-type: none"> <li>Dean, Singapore Institute of Legal Education</li> <li>Associate Provost (Special Projects), NUS</li> <li>Director, Legal Skills Programme, NUS Faculty of Law</li> <li>Co-Director, Centre for Pro Bono and Clinical Legal Education, NUS Faculty of Law</li> </ul>

### Appeals Committee Members

During FY2023, Ms Karen Tiah stepped down from her role as member of the Appeals Committee. Two new members were recruited into the Appeals Committee, namely, Ms Eunice Chua and Prof Eleanor Wong.

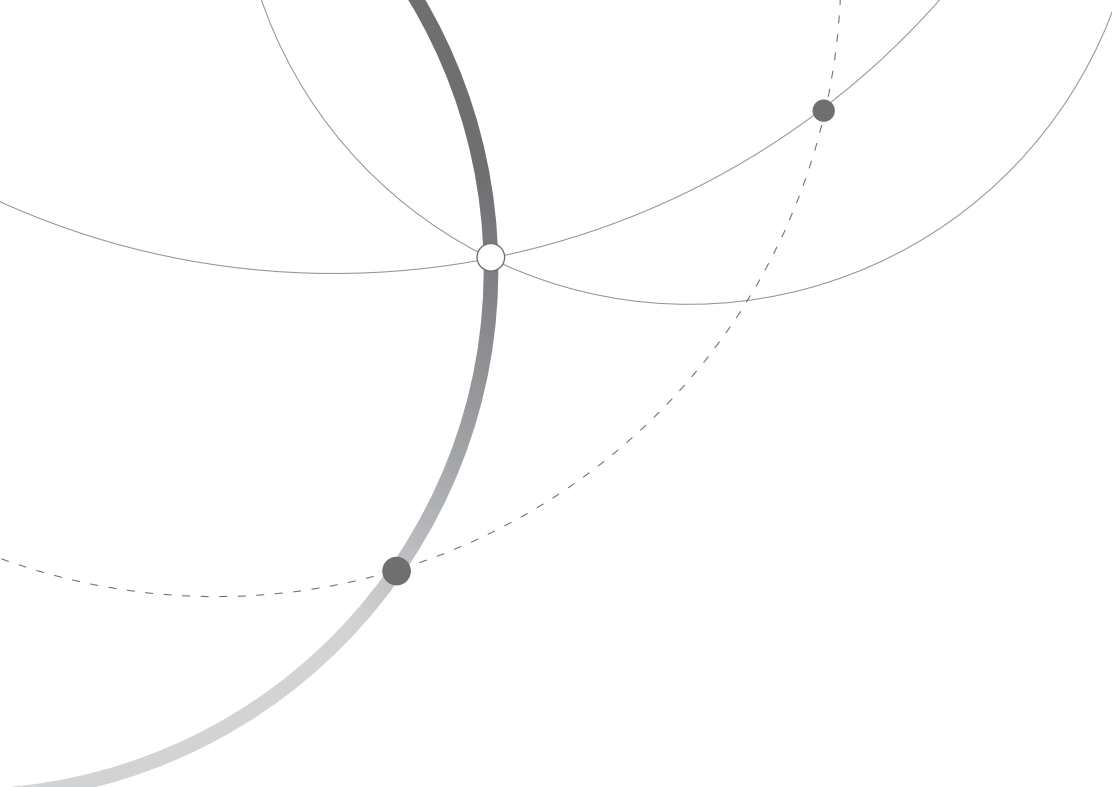
The members of the Appeals Committee in FY2023 were:

No.	Name	Position	Title
1	Mr Francis Xavier, Senior Counsel, PBM	Chairman	<ul style="list-style-type: none"> <li>Regional Head, Dispute Resolution, Rajah &amp; Tann Singapore LLP</li> </ul>
2	Mr Chan Leng Sun, Senior Counsel	Deputy Chairman	<ul style="list-style-type: none"> <li>Senior Counsel and Chartered Arbitrator, Duxton Hill Chambers (Singapore Group Practice)</li> </ul>
3	Mr Ang Hao Yao	Member	<ul style="list-style-type: none"> <li>Honorary Secretary, Securities Investors Association (Singapore)</li> </ul>
4	Ms Cheng Ai Phing	Member	<ul style="list-style-type: none"> <li>Independent Director, Citibank Singapore Limited</li> <li>Independent Director, ARA Asset Management (Fortune) Limited</li> <li>Former Senior Partner, Deloitte &amp; Touche LLP</li> </ul>
5	Ms Eunice Chua	Member (from 6 March 2023)	<ul style="list-style-type: none"> <li>CEO, Financial Industry Disputes Resolution Centre Ltd</li> </ul>
6	Mr David Gerald	Member	<ul style="list-style-type: none"> <li>Founder, President and Chief Executive Officer, Securities Investors Association (Singapore)</li> </ul>
7	Mr Kan Yut Keong, Benjamin	Member	<ul style="list-style-type: none"> <li>Managing Director, Cornerstone Advisors Pte. Ltd.</li> <li>Independent Director, Nam Cheong Limited</li> <li>Independent Director and Chairman of Audit Committee, PropNex Limited</li> <li>Former Managing Director, PricewaterhouseCoopers Corporate Finance Pte Ltd</li> <li>Former Partner, PricewaterhouseCoopers Singapore</li> </ul>
8	Mr Peter Koy	Member	<ul style="list-style-type: none"> <li>Deputy Chief Prosecutor, Attorney-General's Chambers</li> </ul>
9	Mr Lok Vi Ming, Senior Counsel	Member (until 14 June 2023 <sup>1</sup> )	<ul style="list-style-type: none"> <li>Managing Director, LVM Law Chambers LLC</li> </ul>
10	Mr Sushil Nair	Member	<ul style="list-style-type: none"> <li>Deputy CEO, Drew &amp; Napier LLC</li> </ul>
11	Mr Quek Suan Kiat	Member	<ul style="list-style-type: none"> <li>Director, National Environment Agency</li> <li>Former Country Manager and COO, Barclays Bank Plc Singapore Branch</li> </ul>

<sup>1</sup> Upon his appointment as Chairman of the Disciplinary Committee on 15 June 2023, Mr Lok Vi Ming ceased to be a member of the Appeals Committee.

# Report of Independent Committees

No.	Name	Position	Title
12	Mr Harpreet Singh Nehal, Senior Counsel	Member	<ul style="list-style-type: none"> <li>Managing Partner, Audent Chambers LLC</li> </ul>
13	Dr David Smith	Member	<ul style="list-style-type: none"> <li>Senior Investment Director, abrdn</li> </ul>
14	Mr Michael Smith	Member	<ul style="list-style-type: none"> <li>Regional Chief Executive Officer, Europe and USA, Mapletree Investments Pte Ltd</li> </ul>
15	Mr Soh Gim Teik	Member	<ul style="list-style-type: none"> <li>Partner, Finix Corporate Advisory LLP</li> </ul>
16	Mr Tan Ken Hwee	Member	<ul style="list-style-type: none"> <li>Chief Transformation and Innovation Officer, Judiciary, Supreme Court</li> </ul>
17	Dr Tommy Tan	Member	<ul style="list-style-type: none"> <li>Chief Executive Officer, Co-Founder, TC Capital Pte Ltd</li> </ul>
18	Mr Teo Guan Siew	Member	<ul style="list-style-type: none"> <li>Deputy Chief Prosecutor, Attorney-General's Chambers</li> </ul>
19	Mr Teyu Che Chern	Member	<ul style="list-style-type: none"> <li>Chief Executive Officer, Phillip Nova Pte Ltd</li> <li>Executive Director, Phillip Securities Pte Ltd</li> </ul>
20	Ms Karen Tiah	Member (until 11 November 2022)	<ul style="list-style-type: none"> <li>Partner, Allen &amp; Gledhill LLP</li> </ul>
21	Mr Lucas Tran	Member	<ul style="list-style-type: none"> <li>Partner, WLT Assurance LLP</li> <li>Former Partner, KPMG LLP</li> <li>Independent Director, Kim Heng Ltd</li> <li>Independent Director, Natural Cool Holdings Limited</li> <li>Independent Director, Singapura Finance Ltd</li> </ul>
22	Ms Yeoh Choo Guan	Member	<ul style="list-style-type: none"> <li>Managing Director, UBS AG</li> </ul>
23	Prof Eleanor Wong	Member (from 6 March 2023)	<ul style="list-style-type: none"> <li>Dean, Singapore Institute of Legal Education</li> <li>Associate Provost (Special Projects), NUS</li> <li>Director, Legal Skills Programme, NUS Faculty of Law</li> <li>Co-Director, Centre for Pro Bono and Clinical Legal Education, NUS Faculty of Law</li> </ul>



# Financials

## Contents

### Financials

148	Directors' Statement
165	Independent Auditors' Report
170	Statement of Comprehensive Income
172	Statement of Financial Position
174	Consolidated Statement of Changes in Equity
178	Statement of Changes in Equity
180	Consolidated Statement of Cash Flows
182	Notes to the Financial Statements

### Others

275	Statistics of Shareholdings
277	Notice of Annual General Meeting
286	Supplemental Information on Directors Seeking Election and Re-election at the 2023 AGM

# Directors' Statement

For the financial year ended 30 June 2023

The directors present their statement to the shareholders together with the audited financial statements of Singapore Exchange Limited ("the Company" or "SGX") and its subsidiaries ("the Group") for the financial year ended 30 June 2023.

In the opinion of the directors,

- (a) the financial statements set out on pages 170 to 274 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and the financial performance, 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; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Mr Koh Boon Hwee	(Appointed as Chairman on 1 January 2023)
Mr Loh Boon Chye	(Chief Executive Officer)
Dr Beh Swan Gin	
Ms Chew Gek Khim	
Ms Julie Gao	(Appointed on 1 May 2023)
Mr Lim Chin Hu	
Ms Lim Sok Hui (Mrs Chng Sok Hui)	
Ms Lin Huey Ru	(Appointed on 1 May 2023)
Mr Mark Makepeace	
Professor Subra Suresh	
Mr Samuel Tsien	
Mr Yeoh Oon Jin	

## Arrangements to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share plans" in this statement.

## Directors' interests in shares or debentures

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

	Number of ordinary shares registered in name of director or nominee		Number of ordinary shares in which director is deemed to have an interest	
	At 30.06.2023	At 01.07.2022	At 30.06.2023	At 01.07.2022
<b>Singapore Exchange Limited</b>				
Mr Loh Boon Chye	–	762,799	<b>1,121,199</b>	–
Mr Lim Chin Hu	<b>45,982</b>	43,835	–	–
Ms Chew Gek Khim	<b>10,982</b>	8,835	–	–
Professor Subra Suresh	<b>8,405</b>	6,258	–	–
Mr Mark Makepeace	<b>4,099</b>	1,952	–	–
Mr Yeoh Oon Jin	<b>2,147</b>	–	–	–

- (b) According to the register of directors' shareholdings,
- five non-executive directors holding office at the end of the financial year had interests in the shares of the Company granted pursuant to the SGX Restricted Share Plan; and
  - one executive director holding office at the end of the financial year had interests in the shares of the Company granted pursuant to the SGX Performance Share Plan; and the SGX Deferred Long-Term Incentives Scheme as set out below:

Subject to the terms and conditions of the SGX Performance Share Plan and SGX Deferred Long-Term Incentives Scheme, 910,501 shares granted to Loh Boon Chye will vest between 1 September 2023 and 1 September 2026.
- (c) There was no change in any of the abovementioned interests in the Company or in related corporations between the end of the financial year and 21 July 2023.

## Share plans

The Company offers the following share plans administered by the Remuneration & Staff Development Committee ("RSDC"):

- SGX Performance Share Plan;
- SGX Deferred Long-Term Incentives Scheme; and
- SGX Restricted Share Plan.



# Directors' Statement

For the financial year ended 30 June 2023

## Share plans (continued)

### (a) SGX Performance Share Plan

The current SGX Performance Share Plan ("SGX PSP 2015") was adopted at the annual general meeting of the Company held on 23 September 2015. Through the SGX PSP 2015, SGX will be able to recognise and reward past contributions and services, and motivate the plan participants to continue to strive for SGX's long term success. In addition, the SGX PSP 2015 aims to foster an ownership culture which aligns the interest of employees with the interest of shareholders.

#### Eligibility

Selected members of senior management who have attained the rank of Executive Director<sup>1</sup> and above are eligible to be considered for the award under SGX PSP 2015.

Fully paid SGX shares, their equivalent cash value or combinations thereof will be awarded and vest, free of charge, provided that certain prescribed performance targets are met and upon expiry of the prescribed vesting period(s). The amount released, if in the form of cash, is based on the market value of such shares on vesting date.

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

#### Restrictions

The total number of new SGX shares which may be issued pursuant to awards granted under SGX PSP 2015 on any date, when added to the total number of new shares issued and issuable in respect of all awards granted, shall not exceed 10% of SGX's issued share capital on the day preceding the relevant date of award.

For grants under SGX PSP 2015, the vesting period is four years and any shares that have been released to the participants are not subject to a retention period.

#### Share grant and vesting

The RSDC approves all grants and has absolute discretion in the granting and award of performance shares.

<sup>1</sup> Senior Vice President has been renamed to Executive Director from 1 July 2022.

**Share plans** (continued)**(a) SGX Performance Share Plan** (continued)

## Share grant and vesting (continued)

(i) *FY2019 Grant under SGX PSP 2015*

The number of SGX shares to be awarded to each participant was based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2018 to 30 June 2021. The performance shares vested on 1 September 2022 and were fulfilled by delivery of the shares previously purchased from the market.

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

Participants (as defined under SGX Performance Share Plan)	Shares granted at grant date <sup>(1)</sup>	Balance as at 01.07.2022	Additional shares from higher achievement level	Shares vested during the financial year	Balance as at 30.06.2023
<b>EMCO members</b>					
Mr Loh Boon Chye <sup>(2)</sup>	152,900	152,900	54,600	(207,500)	—
Mr Tan Boon Gin <sup>(2)</sup>	42,600	42,600	15,200	(57,800)	—
Mr Syn Hsien-Min Michael <sup>(2)</sup>	41,200	41,200	14,700	(55,900)	—
Ms Agnes Koh	24,800	24,800	8,900	(33,700)	—
Ms Tinku Gupta	24,800	24,800	8,900	(33,700)	—
Mr Arulraj Maria Devadoss	17,400	17,400	6,200	(23,600)	—
<b>Other recipients</b>					
Mr Muthukrishnan Ramaswami <sup>(2)(3)</sup>	62,500	62,500	22,300	(84,800)	—
Mr Chew Sutat <sup>(2)(4)</sup>	48,000	48,000	17,100	(65,100)	—
Others	282,300	240,000	86,000	(326,000)	—
	<b>696,500</b>	<b>654,200</b>	<b>233,900</b>	<b>(888,100)</b>	<b>—</b>

<sup>(1)</sup> The shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions. The achievement level for FY2019 grant is at 135.7%, hence the number of shares vested exceeds the number of shares granted.

<sup>(2)</sup> Received more than 5% of the shares granted.

<sup>(3)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

<sup>(4)</sup> Mr Chew Sutat retired as SGX's Head of Global Sales & Origination and his last day of service was 31 July 2021. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

# Directors' Statement

For the financial year ended 30 June 2023

## Share plans (continued)

### (a) SGX Performance Share Plan (continued)

Share grant and vesting (continued)

#### (ii) FY2020 Grant under SGX PSP 2015

The number of SGX shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2019 to 30 June 2022. An estimated 960,100 performance shares will vest on 1 September 2023.

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

Participants (as defined under SGX Performance Share Plan)	Shares granted at grant date <sup>(1)</sup>	Balance as at 01.07.2022	Shares lapsed during the financial year	Balance as at 30.06.2023
<b>EMCO members</b>				
Mr Loh Boon Chye <sup>(2)</sup>	155,800	155,800	–	155,800
Mr Syn Hsien-Min Michael <sup>(2)</sup>	46,200	46,200	–	46,200
Mr Tan Boon Gin <sup>(2)</sup>	39,000	39,000	–	39,000
Ms Tinku Gupta	25,600	25,600	–	25,600
Ms Agnes Koh	25,000	25,000	–	25,000
Mr Arulraj Maria Devadoss	17,000	17,000	–	17,000
<b>Other recipients</b>				
Mr Muthukrishnan Ramaswami <sup>(2)(3)</sup>	58,400	58,400	–	58,400
Mr Chew Sutat <sup>(2)(4)</sup>	40,300	40,300	–	40,300
Others	303,700	261,500	(9,500)	252,000
	<b>711,000</b>	<b>668,800</b>	<b>(9,500)</b>	<b>659,300</b>

<sup>(1)</sup> Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

<sup>(2)</sup> Received more than 5% of the shares granted.

<sup>(3)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

<sup>(4)</sup> Mr Chew Sutat retired as SGX's Head of Global Sales & Origination and his last day of service was 31 July 2021. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

**Share plans** (continued)**(a) SGX Performance Share Plan** (continued)

## Share grant and vesting (continued)

*(iii) FY2021 Grant under SGX PSP 2015*

The number of SGX shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2020 to 30 June 2023. The performance shares will vest on 1 September 2024.

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

Participants (as defined under SGX Performance Share Plan)	Shares granted at grant date <sup>(1)</sup>	Balance as at 01.07.2022	Shares lapsed during the financial year	Balance as at 30.06.2023
<b>EMCO members</b>				
Mr Loh Boon Chye <sup>(2)</sup>	161,200	161,200	–	161,200
Mr Lee Beng Hong <sup>(2)</sup>	42,600	42,600	–	42,600
Mr Syn Hsien-Min Michael <sup>(2)</sup>	41,100	41,100	–	41,100
Mr Tan Boon Gin <sup>(2)</sup>	39,500	39,500	–	39,500
Ms Tinku Gupta	27,400	27,400	–	27,400
Ms Agnes Koh	26,200	26,200	–	26,200
Mr Arulraj Maria Devadoss	17,600	17,600	–	17,600
<b>Other recipients</b>				
Mr Chew Sutat <sup>(2)(3)</sup>	39,500	39,500	–	39,500
Others	337,100	280,900	(8,900)	272,000
	<b>732,200</b>	<b>676,000</b>	<b>(8,900)</b>	<b>667,100</b>

<sup>(1)</sup> Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

<sup>(2)</sup> Received more than 5% of the shares granted.

<sup>(3)</sup> Mr Chew Sutat retired as SGX's Head of Global Sales & Origination and his last day of service was 31 July 2021. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

# Directors' Statement

For the financial year ended 30 June 2023

## Share plans (continued)

### (a) SGX Performance Share Plan (continued)

Share grant and vesting (continued)

#### (iv) FY2022 Grant under SGX PSP 2015

The number of SGX shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2021 to 30 June 2024. The performance shares will vest on 1 September 2025.

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

Participants (as defined under SGX Performance Share Plan)	Shares granted at grant date <sup>(1)</sup>	Balance as at 01.07.2022	Shares lapsed during the financial year	Balance as at 30.06.2023
<b>EMCO members</b>				
Mr Loh Boon Chye <sup>(2)</sup>	135,700	135,700	–	135,700
Mr Syn Hsien-Min Michael <sup>(2)</sup>	40,100	40,100	–	40,100
Mr Lee Beng Hong <sup>(2)</sup>	34,400	34,400	–	34,400
Mr Tan Boon Gin <sup>(2)</sup>	33,200	33,200	–	33,200
Ms Tinku Gupta	22,900	22,900	–	22,900
Ms Agnes Koh	21,800	21,800	–	21,800
Mr Ng Yao Loong	18,300	18,300	–	18,300
Mr Arulraj Maria Devadoss	15,400	15,400	–	15,400
<b>Other recipients</b>	243,100	213,500	(5,500)	208,000
	<b>564,900</b>	<b>535,300</b>	<b>(5,500)</b>	<b>529,800</b>

<sup>(1)</sup> Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

<sup>(2)</sup> Received more than 5% of the shares granted.

**Share plans** (continued)**(a) SGX Performance Share Plan** (continued)

## Share grant and vesting (continued)

(v) *FY2023 Grant under SGX PSP 2015*

The number of SGX shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2022 to 30 June 2025. The performance shares will vest on 1 September 2026.

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

Participants (as defined under SGX Performance Share Plan)	Shares granted during financial year	Shares lapsed during the financial year	Balance as at 30.06.2023 <sup>(1)</sup>
<b>EMCO members</b>			
Mr Loh Boon Chye <sup>(2)</sup>	156,800	—	156,800
Mr Syn Hsien-Min Michael <sup>(2)</sup>	49,700	—	49,700
Mr Lee Beng Hong <sup>(2)</sup>	44,400	—	44,400
Mr Tan Boon Gin <sup>(2)</sup>	39,200	—	39,200
Mr Pol de Win	31,400	—	31,400
Ms Tinku Gupta	28,200	—	28,200
Ms Agnes Koh	26,800	—	26,800
Mr Ng Yao Loong	24,800	—	24,800
Mr Arulraj Maria Devadoss	18,300	—	18,300
<b>Other recipients</b>	295,500	—	295,500
	<b>715,100</b>	<b>—</b>	<b>715,100</b>

<sup>(1)</sup> Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

<sup>(2)</sup> Received more than 5% of the shares granted.



# Directors' Statement

For the financial year ended 30 June 2023

## Share plans (continued)

### (a) SGX Performance Share Plan (continued)

Share grant and vesting (continued)

(vi) Summary of SGX Performance Share Plan under SGX PSP 2015

Summary of the total number of shares granted, lapsed, vested and outstanding as at 30 June 2023 is as follows:

	Shares granted during financial year	Additional shares from higher achievement level	Aggregated shares granted since commencement of SGX Performance Share Plan to 30.06.2023	Aggregated shares lapsed since commencement of SGX Performance Share Plan to 30.06.2023	Aggregated shares vested since commencement of SGX Performance Share Plan to 30.06.2023	Aggregate shares outstanding as at 30.06.2023
<b>Participants who received more than 5% of the total grants available</b>						
Mr Loh Boon Chye	156,800	54,600	1,098,000	(97,700)	(390,800)	609,500
Mr Syn Hsien-Min Michael	49,700	14,700	347,500	(64,000)	(106,400)	177,100
Mr Muthukrishnan Ramaswami <sup>(1)</sup>	–	22,300	319,600	(97,600)	(163,600)	58,400
<b>Participants who received less than 5% of the total grants available</b>						
Other recipients	508,600	142,300	3,748,800	(967,500)	(1,055,000)	1,726,300
	<b>715,100</b>	<b>233,900</b>	<b>5,513,900</b>	<b>(1,226,800)</b>	<b>(1,715,800)</b>	<b>2,571,300</b>

<sup>(1)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

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

The SGX Deferred Long-Term Incentives Scheme ("SGX DLTIS") was approved by the RSDC in July 2006. The objective of the SGX DLTIS is to retain key employees whose contributions are essential to the long-term growth and profitability of the SGX Group and attract potential employees with relevant skills to contribute to the SGX Group and to create value for its shareholders.

## Share plans (continued)

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

#### Eligibility

Selected executives in the rank of Associates and above are eligible to be considered for the award under the SGX DLTIS.

Fully paid SGX shares, their equivalent cash value or combinations thereof will be awarded to eligible employees and vest upon expiry of the prescribed vesting period(s). The amount released, if in the form of cash, is based on the market value of such shares on vesting date.

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

#### Share grant and vesting

##### (i) FY2020 Award

The FY2020 Award is in the form of SGX shares. The award will vest in three equal instalments over a period of three years with the first instalment vested on 1 September 2020 and the final instalment vested on 1 September 2022.

The details of shares awarded are as follows:

Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)	Shares granted at grant date	Balance as at 01.07.2022	Shares lapsed during the financial year	Shares vested during the financial year	Balance as at 30.06.2023
<b>EMCO members</b>					
Mr Loh Boon Chye <sup>(1)</sup>	155,800	51,934	–	(51,934)	–
Mr Syn Hsien-Min Michael	46,200	15,400	–	(15,400)	–
Mr Tan Boon Gin	39,000	13,000	–	(13,000)	–
Ms Tinku Gupta	25,600	8,534	–	(8,534)	–
Ms Agnes Koh	25,000	8,334	–	(8,334)	–
Mr Arulraj Maria Devadoss	17,000	5,668	–	(5,668)	–
<b>Other recipients</b>	1,137,600	317,794	(1,000)	(316,794)	–
	<b>1,446,200</b>	<b>420,664</b>	<b>(1,000)</b>	<b>(419,664)</b>	<b>–</b>

<sup>(1)</sup> Received more than 5% of the shares awarded.

# Directors' Statement

For the financial year ended 30 June 2023

## Share plans (continued)

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

Share grant and vesting (continued)

#### (ii) FY2021 Award

The FY2021 Award is in the form of SGX shares. The award will vest in three equal instalments over a period of three years with the first instalment vested on 1 September 2021.

The details of shares awarded are as follows:

Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)	Shares granted at grant date	Balance as at 01.07.2022	Shares lapsed during the financial year	Shares vested during the financial year	Balance as at 30.06.2023
<b>EMCO members</b>					
Mr Loh Boon Chye <sup>(1)</sup>	161,200	107,467	–	(53,733)	53,734
Mr Lee Beng Hong	42,600	28,400	–	(14,200)	14,200
Mr Syn Hsien-Min Michael	41,100	27,400	–	(13,700)	13,700
Mr Tan Boon Gin	39,500	26,334	–	(13,166)	13,168
Ms Tinku Gupta	27,400	18,267	–	(9,133)	9,134
Ms Agnes Koh	26,200	17,467	–	(8,733)	8,734
Mr Arulraj Maria Devadoss	17,600	11,734	–	(5,866)	5,868
<b>Other recipients</b>	1,121,200	638,461	(15,942)	(318,273)	304,246
	<b>1,476,800</b>	<b>875,530</b>	<b>(15,942)</b>	<b>(436,804)</b>	<b>422,784</b>

<sup>(1)</sup> Received more than 5% of the shares awarded.

**Share plans** (continued)**(b) SGX Deferred Long-Term Incentives Scheme** (continued)

## Share grant and vesting (continued)

(iii) *FY2022 Award*

The FY2022 Award is in the form of SGX shares. The award will vest in three equal instalments over a period of three years with the first instalment vested on 1 September 2022.

The details of shares awarded are as follows:

Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)	Shares granted at grant date	Balance as at 01.07.2022	Shares lapsed during the financial year	Shares vested during the financial year	Balance as at 30.06.2023
<b>EMCO members</b>					
Mr Loh Boon Chye <sup>(1)</sup>	135,700	135,700	–	(45,233)	90,467
Mr Syn Hsien-Min Michael	40,100	40,100	–	(13,366)	26,734
Mr Lee Beng Hong	34,400	34,400	–	(11,466)	22,934
Mr Tan Boon Gin	33,200	33,200	–	(11,066)	22,134
Ms Tinku Gupta	22,900	22,900	–	(7,633)	15,267
Ms Agnes Koh	21,800	21,800	–	(7,266)	14,534
Mr Ng Yao Loong	18,300	18,300	–	(6,100)	12,200
Mr Arulraj Maria Devadoss	15,400	15,400	–	(5,133)	10,267
<b>Other recipients</b>	847,100	770,700	(25,304)	(255,458)	489,938
	<b>1,168,900</b>	<b>1,092,500</b>	<b>(25,304)</b>	<b>(362,721)</b>	<b>704,475</b>

<sup>(1)</sup> Received more than 5% of the shares awarded.

# Directors' Statement

For the financial year ended 30 June 2023

## Share plans (continued)

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

Share grant and vesting (continued)

#### (iv) FY2023 Award

The FY2023 Award is in the form of SGX shares. The award will vest in three equal instalments over a period of three years with the first instalment vesting on 1 September 2023.

The details of shares awarded are as follows:

	Shares awarded at grant date	Shares lapsed during financial year	Balance as at 30.06.2023
<b>Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)</b>			
<b>EMCO members</b>			
Mr Loh Boon Chye <sup>(1)</sup>	156,800	—	156,800
Mr Syn Hsien-Min Michael	49,700	—	49,700
Mr Lee Beng Hong	44,400	—	44,400
Mr Tan Boon Gin	39,200	—	39,200
Mr Pol de Win	31,400	—	31,400
Ms Tinku Gupta	28,200	—	28,200
Ms Agnes Koh	26,800	—	26,800
Mr Ng Yao Loong	24,800	—	24,800
Mr Arulraj Maria Devadoss	18,300	—	18,300
<b>Other recipients</b>	1,049,400	(40,800)	1,008,600
	<b>1,469,000</b>	<b>(40,800)</b>	<b>1,428,200</b>

<sup>(1)</sup> Received more than 5% of the shares awarded.

**Share plans** (continued)**(b) SGX Deferred Long-Term Incentives Scheme** (continued)

## Share grant and vesting (continued)

(v) *Summary of SGX Deferred Long-Term Incentives Scheme*

Summary of the total number of shares awarded, lapsed, vested and outstanding as at 30 June 2023 is as follows:

	Shares awarded during financial year	Aggregate shares awarded since commencement of SGX Deferred Long-Term Incentives Scheme to 30.06.2023	Aggregate shares lapsed since commencement of SGX Deferred Long-Term Incentives Scheme to 30.06.2023	Aggregate shares vested since commencement of SGX Deferred Long-Term Incentives Scheme to 30.06.2023	Aggregate shares outstanding as at 30.06.2023
<b>Recipient who received more than 5% of the total grants available</b>					
Mr Loh Boon Chye	156,800	1,031,400	–	(730,399)	301,001
<b>Recipients who received less than 5% of the total awards available</b>					
Other recipients	1,312,200	15,058,300	(1,399,069)	(11,404,773)	2,254,458
	<b>1,469,000</b>	<b>16,089,700</b>	<b>(1,399,069)</b>	<b>(12,135,172)</b>	<b>2,555,459</b>

**(c) SGX Restricted Share Plan**

The SGX Restricted Share Plan ("SGX RSP") was adopted at the annual general meeting of the Company held on 20 September 2018 to:

- (i) Grant shares to the Group non-executive directors as part of their remuneration in respect of their office as such in lieu of cash, or where, the RSDC deems appropriate, to give recognition to the contributions made or to be made by such Group non-executive directors to the success of the Group, in order to improve the alignment of the interests of Group non-executive directors with the interests of shareholders; and
- (ii) Serve as an additional motivational tool to recruit and retain Group employees whose contributions are essential to the long-term growth and profitability of the Group and to give recognition to outstanding Group employees who have contributed to the growth of the Group. The SGX RSP will act as an enhancement to the Group's overall ability to attract and retain high performing talent.



# Directors' Statement

For the financial year ended 30 June 2023

## Share plans (continued)

### (c) SGX Restricted Share Plan (continued)

#### Eligibility

Non-executive directors meeting the criteria set out below under "Share grant and vesting" and employees of the Group are eligible to participate in the SGX RSP.

#### Share grant and vesting

For shares granted under the SGX RSP to non-executive directors of the Group, the non-executive director is required to have served on the board of directors for at least 12 months on the date of grant of the share awards. The grant will consist of fully paid shares with no performance conditions attached and no vesting period imposed. A moratorium on sale of such shares for a period of up to one year after the grant of the award is imposed. The moratorium will be lifted if the non-executive director steps off the board of directors before the end of the moratorium period.

For shares granted under the SGX RSP to employees, while there are no performance conditions, these shares are subject to vesting period(s) as may be determined on a case-by-case basis.

#### (i) FY2023 Award

In FY2023, the Group Chairman's fees were delivered entirely in cash and approximately one-quarter of eligible non-executive directors' basic fees were delivered in SGX shares, with approximately three-quarters being paid in cash.

The details of shares awarded are as follows:

	Shares awarded at grant date	Shares vested during financial year	Balance as at 30.06.2023
<b>Recipients (as defined under SGX Restricted Share Plan)</b>			
<b>Non-Executive Directors<sup>(1)</sup></b>			
Ms Chew Gek Khim	2,147	(2,147)	–
Mr Lim Chin Hu	2,147	(2,147)	–
Professor Subra Suresh	2,147	(2,147)	–
Mr Mark Makepeace	2,147	(2,147)	–
Mr Yeoh Oon Jin	2,147	(2,147)	–
	<b>10,735</b>	<b>(10,735)</b>	<b>–</b>

<sup>(1)</sup> All recipients received more than 5% of the shares awarded.

**Share plans** (continued)**(c) SGX Restricted Share Plan** (continued)*(ii) Summary of SGX Restricted Share Plan*

Summary of the total number of shares awarded and vested as at 30 June 2023 is as follows:

	Shares awarded during financial year	Aggregate shares awarded since commencement of SGX restricted share plan to 30.06.2023	Aggregate shares vested since commencement of SGX restricted share plan to 30.06.2023	Aggregate shares outstanding as at 30.06.2023
<b>Recipients who received more than 5% of the total grants available</b>				
Mr Kwa Chong Seng <sup>(1)</sup>	–	109,584	(109,584)	–
Ms Chew Gek Khim	2,147	10,982	(10,982)	–
Mr Lim Chin Hu	2,147	10,982	(10,982)	–
Mr Kevin Kwok <sup>(2)</sup>	–	8,835	(8,835)	–
<b>Recipients who received less than 5% of the total grants available</b>				
Professor Subra Suresh	2,147	8,405	(8,405)	–
Mr Mark Makepeace	2,147	4,099	(4,099)	–
Mr Yeoh Oon Jin	2,147	2,147	(2,147)	–
Other recipients	–	13,766	(13,766)	–
	<b>10,735</b>	<b>168,800</b>	<b>(168,800)</b>	<b>–</b>

<sup>(1)</sup> Mr Kwa Chong Seng stepped down as SGX's Board Chairman on 31 December 2022.

<sup>(2)</sup> Mr Kevin Kwok stepped down as SGX's Non-Executive Director on 6 October 2022.

# Directors' Statement

For the financial year ended 30 June 2023

## Audit Committee

The Audit Committee ("AC") comprises the following non-executive directors at the date of this statement:

Mr Yeoh Oon Jin (Chairman)  
Ms Julie Gao  
Mr Koh Boon Hwee  
Mr Lim Chin Hu

Based on the criteria prescribed in the Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses and Approved Holding Companies) Regulations 2005 (SFR 2005), and the Code of Corporate Governance 2018 (CCG 2018), all of the AC members are independent.

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Regulation 14(2) of the SFR 2005, the CCG 2018 and the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual. These functions include a review of the financial statements of the Group and of the Company for the financial year and the independent auditors' report thereon.

Accordingly, the AC has also undertaken a review of the nature and extent of non-audit services provided by the firm acting as the auditor. In the opinion of the AC, these services would not affect the independence of the auditor.

The AC has recommended to the Board that the independent auditor, KPMG LLP be nominated for re-appointment at the forthcoming Annual General Meeting.

In appointing the auditor of the Company and the subsidiaries, the Group has complied with Rule 712 and Rule 715 of the SGX-ST Listing Manual.

## Independent Auditor

The independent auditor, KPMG LLP, has indicated its willingness to accept re-appointment.

On behalf of the Board of Directors



Mr Koh Boon Hwee  
Director



Mr Loh Boon Chye  
Director

16 August 2023

# Independent Auditors' Report

Members of the Company Singapore Exchange Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Singapore Exchange Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 170 to 274.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date.

### 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 'Auditors' responsibilities for the audit of the financial statements' section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 of the current period. 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 Auditors' Report

Members of the Company Singapore Exchange Limited

## Impairment of Goodwill

(Refer to Note 23 to the financial statements)

### *The key audit matter*

Included in the Group's financial statements at 30 June 2023 is goodwill arising from business combinations of \$703 million.

The Group performs an impairment testing of the carrying amount of goodwill annually or more frequently if there is an indication of impairment. Goodwill is impaired if the carrying amount of the cash generating units ("CGUs"), including goodwill, is not supported by the respective recoverable amount.

The recoverable amounts are determined based on the value-in-use method, estimated using discounted cash flows. In deriving the value-in-use, significant judgement and estimation are made by management in its:

- forecast of the future cash flows;
- estimation of the terminal growth rates; and
- determination of the applicable discount rates.

### *How the matter was addressed in our audit*

We assessed the appropriateness of the CGUs identified by management, considering our understanding of the Group's business, its operations and structure.

Together with our valuation specialists, we assessed management's estimate of the recoverable amounts of the respective CGUs, including:

- evaluating the reasonableness of management's future cash flow forecasts, by comparing the forecasts against historical results, Board approved forecasts, business plans, economic outlook and industry trends;
- assessing the data sources used by management in deriving its expectations of terminal growth rates, and comparing the growth rates against long-term inflation rates based on the CGU's country of operation; and
- independently determining the discount rates based on external observable data sources for risk-free rate, beta, market risk premium and any size premium and, comparing these against management's discount rates.

We performed sensitivity analysis of the key assumptions used – cash flow forecasts, terminal growth rates and discount rates – to assess the impact of reasonably possible changes in these assumptions on the outcome of the impairment assessment.

We found management's assessment that there is no impairment of the Group's goodwill to be reasonable and supported by the recoverable amounts.

### Valuation of financial assets measured at fair value (Refer to Notes 17 and 18 to the financial statements)

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 30 June 2023, the Group's financial assets measured at fair value include:</p> <ul style="list-style-type: none"> <li>an unquoted debt security of \$330 million, at fair value through profit or loss; and</li> <li>an unquoted equity security of \$155 million, at fair value through other comprehensive income.</li> </ul> <p>These instruments are classified as Level 3 on the fair value hierarchy.</p> <p>The measurement of these Level 3 financial assets involves significant judgement and estimation, both in determining the valuation methodologies to be applied and in the use of unobservable inputs and assumptions.</p>	<p>We engaged our valuation specialists to evaluate the reasonableness of the methodologies applied and challenge the appropriateness of key inputs and assumptions used, considering comparable companies in the industry. We also considered alternative valuation methods and assessed sensitivities to the key inputs and assumptions.</p> <p>We found that the fair values of the Group's financial assets were within an acceptable range of estimates.</p>

### Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' Statement prior to the date of this auditors' report. The other sections of the annual report ("the Reports") 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 auditors' 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 Reports, 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.

# Independent Auditors' Report

Members of the Company Singapore Exchange Limited

## 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 SFRS(I)s, 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.

## Auditors' 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 auditors' 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.

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 controls.
- Obtain an understanding of internal controls 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 controls.
- 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 auditors' 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 auditors' 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



**Auditors' responsibilities for the audit of the financial statements** (continued)

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 controls 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 auditors' report unless the law or regulations preclude 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.

**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Leong Kok Keong.

**KPMG LLP***Public Accountants and  
Chartered Accountants***Singapore**

16 August 2023

# Statement of Comprehensive Income

For the financial year ended 30 June 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Operating revenue</b>					
Fixed Income, Currencies and Commodities	4	338,166	252,745	–	–
Equities	4	709,183	698,867	–	–
Data, Connectivity and Indices	4	147,059	147,429	34,822	30,136
Management fees from subsidiaries		–	–	247,880	238,391
Dividends from subsidiaries		–	–	446,500	388,080
		<b>1,194,408</b>	1,099,041	<b>729,202</b>	656,607
<b>Operating expenses</b>					
Staff	5	276,159	250,954	150,313	136,552
Technology	6	88,094	81,343	50,458	48,889
Processing and royalties		73,116	69,216	1,654	782
Premises	7	9,801	9,997	5,844	5,650
Professional fees		18,344	15,788	9,056	6,301
Others	8	41,029	37,637	22,650	23,023
		<b>506,543</b>	464,935	<b>239,975</b>	221,197
<b>Earnings before interest, tax, depreciation and amortisation</b>		<b>687,865</b>	634,106	<b>489,227</b>	435,410
Depreciation and amortisation	9	98,322	96,658	35,674	35,681
<b>Operating profit</b>	10	<b>589,543</b>	537,448	<b>453,553</b>	399,729
<b>Non-operating items</b>					
Other income (net)	11	92,008	13,146	20,525	13,516
Interest income	11	28,096	3,310	3,899	633
Finance charges	11	(7,251)	(7,384)	(5,583)	(5,681)
Net foreign exchange (losses)/gains	11	(1,391)	8,602	6,537	16
Impairment losses on non-financial assets	11	(11,626)	–	–	–
		<b>99,836</b>	17,674	<b>25,378</b>	8,484
<b>Profit before tax and share of results of associated companies and joint ventures</b>		<b>689,379</b>	555,122	<b>478,931</b>	408,213
Share of results of associated companies and joint ventures, net of tax	26, 27	(15,557)	(10,534)	–	–
<b>Profit before tax</b>		<b>673,822</b>	544,588	<b>478,931</b>	408,213
Tax	32	(103,257)	(92,687)	(2,148)	(3,503)
<b>Net profit after tax</b>		<b>570,565</b>	451,901	<b>476,783</b>	404,710
<b>Attributable to:</b>					
<b>Equity holders of the Company</b>		<b>570,895</b>	451,398	<b>476,783</b>	404,710
<b>Non-controlling interests</b>		<b>(330)</b>	503	–	–
<b>Earnings per share based on net profit after tax attributable to the equity holders of the Company (in cents)</b>					
Basic	12	53.4	42.2		
Diluted	12	51.8	41.0		

The accompanying notes form an integral part of these financial statements.

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net profit after tax	<b>570,565</b>	451,901	<b>476,783</b>	404,710
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Foreign exchange translation				
– Exchange differences arising during the year	<b>(10,095)</b>	(13)	–	–
Cash flow hedges				
– Fair value losses arising during the year	<b>(109)</b>	(2,260)	–	–
– Transferred to profit or loss	<b>626</b>	1,112	–	–
Financial assets, at FVOCI				
– Fair value losses arising during the year	<b>(267)</b>	(936)	–	–
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Financial assets, at FVOCI				
– Fair value (losses)/gains arising during the year	<b>(61,634)</b>	65,487	–	–
Foreign exchange translation				
– Exchange differences arising during the year	<b>39</b>	(305)	–	–
Other comprehensive income for the financial year, net of tax	<b>(71,440)</b>	63,085	–	–
<b>Total comprehensive income for the financial year</b>	<b>499,125</b>	514,986	<b>476,783</b>	404,710
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<b>499,416</b>	514,788	<b>476,783</b>	404,710
Non-controlling interests	<b>(291)</b>	198	–	–

# Statement of Financial Position

As at 30 June 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	13	<b>1,033,183</b>	997,747	<b>130,098</b>	85,520
Trade and other receivables	14	<b>1,111,368</b>	1,060,820	<b>179,141</b>	154,027
Derivative financial instruments	16	<b>1,008</b>	17	–	–
Financial assets, at FVOCI	17	<b>33,917</b>	94,155	–	–
		<b>2,179,476</b>	2,152,739	<b>309,239</b>	239,547
<b>Non-current assets</b>					
Financial assets, at FVOCI	17	<b>162,919</b>	239,064	–	–
Financial assets, at FVPL	18	<b>353,866</b>	293,545	–	–
Investment property	19	<b>15,231</b>	18,059	–	–
Property, plant and equipment	19	<b>41,178</b>	34,229	<b>26,362</b>	19,479
Software	20	<b>151,770</b>	166,304	<b>45,813</b>	42,915
Right-of-use assets	21	<b>33,931</b>	50,938	<b>28,293</b>	47,359
Intangible assets	22	<b>91,628</b>	117,796	–	–
Goodwill	23	<b>702,865</b>	708,290	–	–
Investments in subsidiaries	25	–	–	<b>1,604,180</b>	1,569,384
Investments in associated companies	26	<b>38,226</b>	47,549	<b>4,389</b>	4,389
Investments in joint ventures	27	<b>10,140</b>	10,542	–	–
Loan receivable	28	–	9,036	–	9,036
Other assets		<b>109</b>	109	<b>109</b>	109
		<b>1,601,863</b>	1,695,461	<b>1,709,146</b>	1,692,671
<b>Total assets</b>		<b>3,781,339</b>	3,848,200	<b>2,018,385</b>	1,932,218

The accompanying notes form an integral part of these financial statements.

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	29	<b>1,136,571</b>	1,262,354	<b>237,672</b>	149,363
Derivative financial instruments	16	<b>2,599</b>	2,090	–	–
Loans and borrowings	30	<b>351,883</b>	41,858	<b>1,093</b>	41,858
Lease liabilities	31	<b>20,470</b>	22,140	<b>18,290</b>	20,201
Taxation	32	<b>112,812</b>	99,939	<b>4,443</b>	5,678
Provisions	33	<b>14,012</b>	13,801	<b>8,680</b>	8,711
		<b>1,638,347</b>	1,442,182	<b>270,178</b>	225,811
<b>Non-current liabilities</b>					
Other payables	29	–	–	–	63,474
Loans and borrowings	30	<b>340,040</b>	693,935	<b>340,040</b>	350,912
Lease liabilities	31	<b>14,828</b>	30,938	<b>11,622</b>	29,537
Deferred tax liabilities	32	<b>55,046</b>	79,468	<b>1,960</b>	1,760
Other liabilities	34	<b>29,469</b>	52,212	–	–
		<b>439,383</b>	856,553	<b>353,622</b>	445,683
<b>Total liabilities</b>		<b>2,077,730</b>	2,298,735	<b>623,800</b>	671,494
<b>Net assets</b>		<b>1,703,609</b>	1,549,465	<b>1,394,585</b>	1,260,724
<b>Equity</b>					
<b>Capital and reserves attributable to the Company's equity holders</b>					
Share capital	35	<b>423,056</b>	427,365	<b>423,056</b>	427,365
Capital reserve	36	<b>3,989</b>	3,989	–	–
Treasury shares	35	<b>(32,447)</b>	(34,640)	<b>(32,447)</b>	(34,640)
Cash flow hedge reserve		<b>(1,232)</b>	(1,749)	–	–
Currency translation reserve		<b>(4,432)</b>	5,663	–	–
Fair value reserve		<b>82,211</b>	140,464	–	–
Securities clearing fund reserve	40	<b>25,000</b>	25,000	–	–
Derivatives clearing fund reserve	41	<b>34,021</b>	34,021	–	–
Share-based payment reserve		<b>30,881</b>	29,595	<b>30,881</b>	29,595
Other reserve	37	<b>(40,506)</b>	(40,506)	–	–
Retained profits		<b>1,089,582</b>	869,767	<b>882,316</b>	752,965
Proposed dividends	38	<b>90,779</b>	85,439	<b>90,779</b>	85,439
		<b>1,700,902</b>	1,544,408	<b>1,394,585</b>	1,260,724
<b>Non-controlling interests</b>		<b>2,707</b>	5,057	–	–
<b>Total equity</b>		<b>1,703,609</b>	1,549,465	<b>1,394,585</b>	1,260,724

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2023

Group	Note	Share capital \$'000	Capital reserve \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000
<b>Balance at 1 July 2022</b>		<b>427,365</b>	<b>3,989</b>	<b>(34,640)</b>	<b>(1,749)</b>	<b>5,663</b>	<b>140,464</b>
<b>Transactions with equity holders, recognised directly in equity</b>							
<u>Contributions by and distributions to equity holders</u>							
Dividends paid							
- Financial year 2022 - Final dividends		-	-	-	-	-	-
- Financial year 2022 - Under provision of final dividends		-	-	-	-	-	-
- Financial year 2023 - Interim dividends	38	-	-	-	-	-	-
Proposed dividends							
- Financial year 2023 - Final dividends	38	-	-	-	-	-	-
Employees' share plans - Value of employees' services		-	-	-	-	-	-
Restricted share plan - Value of directors' services		-	-	-	-	-	-
Vesting of shares under share-based remuneration plans	35(a)	(4,303)	-	20,797	-	-	-
Vesting of shares under restricted share plan	35(a)	(6)	-	100	-	-	-
Purchase of treasury shares	35(a)	-	-	(18,613)	-	-	-
Tax effect on treasury shares**	35(a)	-	-	(91)	-	-	-
Transfer upon disposal of equity investments		-	-	-	-	-	3,648
Dividends paid to non-controlling interests		-	-	-	-	-	-
<b>Total contributions by and distributions to equity holders</b>		<b>(4,309)</b>	<b>-</b>	<b>2,193</b>	<b>-</b>	<b>-</b>	<b>3,648</b>
<b>Total comprehensive income for the financial year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>517</b>	<b>(10,095)</b>	<b>(61,901)</b>
<b>Balance at 30 June 2023</b>		<b>423,056</b>	<b>3,989</b>	<b>(32,447)</b>	<b>(1,232)</b>	<b>(4,432)</b>	<b>82,211</b>

## Attributable to equity holders of the Company

Securities clearing fund reserve* \$'000	Derivatives clearing fund reserve* \$'000	Share-based payment reserve* \$'000	Other reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
25,000	34,021	29,595	(40,506)	869,767	85,439	1,544,408	5,057	1,549,465
–	–	–	–	–	(85,439)	(85,439)	–	(85,439)
–	–	–	–	(163)	–	(163)	–	(163)
–	–	–	–	(256,490)	–	(256,490)	–	(256,490)
–	–	–	–	(90,779)	90,779	–	–	–
–	–	17,780	–	–	–	17,780	–	17,780
–	–	94	–	–	–	94	–	94
–	–	(16,494)	–	–	–	–	–	–
–	–	(94)	–	–	–	–	–	–
–	–	–	–	–	–	(18,613)	–	(18,613)
–	–	–	–	–	–	(91)	–	(91)
–	–	–	–	(3,648)	–	–	–	–
–	–	–	–	–	–	–	(2,059)	(2,059)
–	–	1,286	–	(351,080)	5,340	(342,922)	(2,059)	(344,981)
–	–	–	–	570,895	–	499,416	(291)	499,125
25,000	34,021	30,881	(40,506)	1,089,582	90,779	1,700,902	2,707	1,703,609





## Attributable to equity holders of the Company

Securities clearing fund reserve* \$'000	Derivatives clearing fund reserve* \$'000	Share-based payment reserve* \$'000	Other reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
25,000	34,021	30,152	(40,506)	760,530	85,511	1,384,909	4,859	1,389,768
–	–	–	–	–	(85,511)	(85,511)	–	(85,511)
–	–	–	–	(142)	–	(142)	–	(142)
–	–	–	–	(256,580)	–	(256,580)	–	(256,580)
–	–	–	–	(85,439)	85,439	–	–	–
–	–	14,579	–	–	–	14,579	–	14,579
–	–	326	–	–	–	326	–	326
–	–	(15,136)	–	–	–	–	–	–
–	–	(326)	–	–	–	–	–	–
–	–	–	–	–	–	(27,719)	–	(27,719)
–	–	–	–	–	–	(242)	–	(242)
–	–	(557)	–	(342,161)	(72)	(355,289)	–	(355,289)
–	–	–	–	451,398	–	514,788	198	514,986
25,000	34,021	29,595	(40,506)	869,767	85,439	1,544,408	5,057	1,549,465

# Statement of Changes in Equity

For the financial year ended 30 June 2023

	Note	Attributable to equity holders of the Company					Total equity \$'000
		Share capital \$'000	Treasury shares \$'000	Share-based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	
<b>Company</b>							
<b>Balance at 1 July 2022</b>		<b>427,365</b>	<b>(34,640)</b>	<b>29,595</b>	<b>752,965</b>	<b>85,439</b>	<b>1,260,724</b>
Dividends paid							
– Financial year 2022							
– Final dividends		–	–	–	–	(85,439)	(85,439)
– Financial year 2022							
– Under provision of final dividends		–	–	–	(163)	–	(163)
– Financial year 2023							
– Interim dividends	38	–	–	–	(256,490)	–	(256,490)
Proposed dividends							
– Financial year 2023							
– Final dividends	38	–	–	–	(90,779)	90,779	–
Employees' share plans							
– Value of employees' services		–	–	17,780	–	–	17,780
Restricted share plan							
– Value of directors' services		–	–	94	–	–	94
Vesting of shares under share-based remuneration plans	35(a)	(4,303)	20,797	(16,494)	–	–	–
Vesting of shares under restricted share plan	35(a)	(6)	100	(94)	–	–	–
Purchase of treasury shares	35(a)	–	(18,613)	–	–	–	(18,613)
Tax effect on treasury shares**	35(a)	–	(91)	–	–	–	(91)
		(4,309)	2,193	1,286	(347,432)	5,340	(342,922)
<b>Total comprehensive income for the financial year</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>476,783</b>	<b>–</b>	<b>476,783</b>
<b>Balance at 30 June 2023</b>		<b>423,056</b>	<b>(32,447)</b>	<b>30,881</b>	<b>882,316</b>	<b>90,779</b>	<b>1,394,585</b>

	Attributable to equity holders of the Company						
	Note	Share capital \$'000	Treasury shares \$'000	Share-based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total equity \$'000
<b>Company</b>							
<b>Balance at 1 July 2021</b>		<b>430,413</b>	<b>(25,189)</b>	<b>30,152</b>	<b>690,416</b>	<b>85,511</b>	<b>1,211,303</b>
Dividends paid							
– Financial year 2021							
– Final dividends		–	–	–	–	(85,511)	(85,511)
– Financial year 2021							
– Under provision of final dividends		–	–	–	(142)	–	(142)
– Financial year 2022							
– Interim dividends	38	–	–	–	(256,580)	–	(256,580)
Proposed dividends							
– Financial year 2022							
– Final dividends	38	–	–	–	(85,439)	85,439	–
Employees' share plans							
– Value of employees' services		–	–	14,579	–	–	14,579
Restricted share plan							
– Value of directors' services		–	–	326	–	–	326
Vesting of shares under share-based remuneration plans	35(a)	(3,021)	18,157	(15,136)	–	–	–
Vesting of shares under restricted share plan	35(a)	(27)	353	(326)	–	–	–
Purchase of treasury shares	35(a)	–	(27,719)	–	–	–	(27,719)
Tax effect on treasury shares**	35(a)	–	(242)	–	–	–	(242)
		(3,048)	(9,451)	(557)	(342,161)	(72)	(355,289)
<b>Total comprehensive income for the financial year</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>404,710</b>	<b>–</b>	<b>404,710</b>
<b>Balance at 30 June 2022</b>		<b>427,365</b>	<b>(34,640)</b>	<b>29,595</b>	<b>752,965</b>	<b>85,439</b>	<b>1,260,724</b>

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

\*\* The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and share-based payment expense relating to employees' and directors' services.

# Consolidated Statement of Cash Flows

For the financial year ended 30 June 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Profit before tax and share of results of associated companies and joint ventures		<b>689,379</b>	555,122
Adjustments for:			
– Depreciation and amortisation	9	<b>98,322</b>	96,658
– Share-based payment expense		<b>17,874</b>	14,980
– Finance charges	11	<b>7,251</b>	7,384
– Net loss on disposal of property, plant and equipment and software	8	<b>708</b>	1,832
– Impairment losses on non-financial assets	11	<b>11,626</b>	–
– Net fair value gains on financial assets, at FVPL	11	<b>(39,748)</b>	–
– Interest income		<b>(28,096)</b>	(3,310)
– Fair value gain on forward liability to acquire non-controlling interests	11	<b>(23,306)</b>	–
– Fair value gain on contingent consideration	11	<b>(14,880)</b>	–
– Other non-cash income		<b>(10,000)</b>	–
– Net gains on changes in interests in associated companies		<b>(1,707)</b>	(5,289)
– Grant income for property, plant and equipment and software		<b>(111)</b>	–
– Dividend income from financial assets, at FVOCI	11	<b>–</b>	(897)
Operating cash flow before working capital change		<b>707,312</b>	666,480
Changes in:			
– Cash committed for National Electricity Market of Singapore		<b>(23,501)</b>	(43,930)
– Cash committed for Singapore Exchange Derivatives Clearing Limited			
– Derivatives Clearing Fund		<b>(6,784)</b>	25,000
– Cash committed for Securities Clearing Fund		<b>20,000</b>	–
– Trade and other receivables		<b>(33,894)</b>	(311,326)
– Trade and other payables		<b>(117,527)</b>	346,397
<b>Cash generated from operations</b>		<b>545,606</b>	682,621
Income tax paid	32	<b>(98,908)</b>	(99,094)
<b>Net cash generated from operating activities</b>		<b>446,698</b>	583,527

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Cash flows from investing activities</b>			
Acquisition of business, net of cash acquired	24	–	(166,509)
Purchase of financial assets, at FVPL		<b>(4,729)</b>	(288,579)
Purchase of financial assets, at FVOCI		<b>(260,866)</b>	(119,479)
Purchase of property, plant and equipment and software		<b>(54,304)</b>	(44,150)
Loan to external party		–	(9,036)
Investments in associated companies		<b>(13,349)</b>	(6,763)
Investments in joint ventures		<b>(4,731)</b>	(7,364)
Proceeds from loan repayment from external party		<b>9,036</b>	–
Proceeds from financial assets, at FVOCI		<b>322,135</b>	55,000
Proceeds from sale of long lease of building		–	31,056
Interest received		<b>16,423</b>	3,378
Grant income received for property, plant and equipment and software		<b>1,019</b>	–
Dividend received from associated company		<b>1,710</b>	1,830
Dividend received from financial assets, at FVOCI		–	897
<b>Net cash generated from/(used in) investing activities</b>		<b>12,344</b>	(549,719)
<b>Cash flows from financing activities</b>			
Dividends paid		<b>(344,151)</b>	(342,233)
Net proceeds from issue of medium term notes	30	–	334,649
Proceeds from borrowings	30	–	82,014
Purchase of treasury shares	35	<b>(18,613)</b>	(27,719)
Repayment of lease liabilities	31	<b>(24,429)</b>	(23,142)
Repayment of borrowings	30	<b>(41,241)</b>	(129,928)
Interest paid	30	<b>(4,452)</b>	(2,340)
<b>Net cash used in financing activities</b>		<b>(432,886)</b>	(108,699)
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of financial year	13	<b>752,153</b>	833,365
Effects of currency translation on cash and cash equivalents		<b>(1,005)</b>	(6,321)
<b>Cash and cash equivalents at end of financial year</b>	13	<b>777,304</b>	752,153

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 16 August 2023.

## 1 Domicile and activities

The Company is incorporated and domiciled in Singapore. On 23 November 2000, the Company was admitted to the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the registered office is:

2 Shenton Way  
#02-02 SGX Centre 1  
Singapore 068804

The principal activities of the Group are to operate an integrated securities exchange and derivatives exchange, related clearing houses, operation of an electricity market in Singapore, provision and distribution of bulk freight market indices and information, index administration and related services, operation of electronic foreign exchange trading platforms and investment holding.

The principal activities of the Company are those of investment holding, treasury management, provision of management and administrative services to related corporations, provision of market data and technology connectivity services. The principal activities of the subsidiaries are set out in Note 25 to the financial statements. There has been no significant change in the principal activities of the Company and its subsidiaries during the financial year.

## 2 Significant accounting policies

### 2.1 Basis of preparation

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

### New standards and amendments

The Group has applied the following amendments to SFRS(I) for the first time for the annual period beginning on 1 July 2022:

- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)
- Reference to the Conceptual Framework (Amendments to SFRS(I) 3)
- Property, Plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)
- Annual Improvements to SFRS(I)s 2018-2020

The adoption of the amendments to SFRS(I)s did not have significant impact on the financial statements.

### 2.2 Group accounting

#### (1) Subsidiaries

##### (i) Consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date when control is transferred to the Group and cease to be consolidated on the date when that control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Unrealised losses are considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly



or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific SFRS(I).

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(iv) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 2 Significant accounting policies (continued)

### 2.2 Group accounting (continued)

#### (2) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Where the voting rights are less than 20%, the presumption that the entity is not an associated company is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and the rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

#### (i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

#### (ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distribution received from associated companies or joint ventures

are adjusted against the carrying amounts of the investments. Dividends received or recoverable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company or joint venture.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the assets transferred. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

#### (iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. Any retained interest in the entity, if classified as a financial asset, is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

#### (3) Put and call options with non-controlling interests

When the Group enters into a put and call option agreement with the non-controlling shareholder in an existing subsidiary on their equity interests in that subsidiary and provides for settlement in cash or in another financial asset by the Group, the Group recognises a financial liability for the present value of the exercise price of the option and a corresponding entry under equity – other reserve. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised in profit or loss. Amount initially recognised under equity is not subsequently re-measured.

When the non-controlling shareholder continues to have present access to the returns associated with the underlying ownership interest, the Group has elected the present-access method to account for the underlying non-controlling interests. Under this method, non-controlling interests continue to be recognised because the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests.

On exercise of the put or call option, the financial liability will be derecognised on settlement in cash or in another financial asset by the Group. Changes in the Group's ownership interest in a subsidiary is accounted for according to transaction with non-controlling interests. Refer to Note 2.2(1)(iv).

If the put and call options expire unexercised, the financial liability is reversed against equity – other reserve.

## 2.3 Currency translation

### (1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD"), which is the functional currency of the Company.

### (2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss.

Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange at the balance sheet date. Currency translation differences are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When the foreign operation is a non-wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the

non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the currency translation reserve in equity.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

### (3) Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Revenue and expenses are translated at average exchange rates; and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 2 Significant accounting policies (continued)

### 2.4 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue as service is performed and as it satisfied its obligations to provide a product or service to a customer. Revenue is presented net of goods and services tax and after eliminating revenue within the Group on the following basis:

#### (1) Fixed Income, Currencies and Commodities

##### *Fixed Income*

##### Listing, corporate actions and other revenue of fixed income

Revenue is recognised on a per transaction basis when service is provided.

##### *Currencies and Commodities*

##### Trading and clearing

Trading and clearing revenue, net of rebates, generated from contracts traded, cleared and settled is recognised when service is provided and on a per transaction basis.

##### Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.

#### (2) Equities

##### *Equities – Cash*

##### Listing

Initial and additional listing fees represent one performance obligation. Revenue is recognised over a period of time that the Group provides listing services.

Annual listing fee is recognised on a straight-line basis over the period which the fee relates. It represents the extent of the Group's completion of the performance obligation under the contract.

##### Corporate actions and other revenue

Revenue is recognised on a per transaction basis when service is provided.

##### Trading and clearing

Trading revenue generated from contracts is recognised when service is rendered and on a per transaction basis. Clearing revenue, net of rebates, generated from contracts cleared and settled is recognised when service is provided and on a per transaction basis.

##### Securities settlement and depository management

Revenue is recognised on a per transaction basis when service is provided.

##### Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Membership revenue is recognised on a straight-line basis over the period which the fee relates. It represents the extent of the Group's completion of the performance obligation under the contract. Other revenue is recognised when service is rendered.

##### *Equities – Derivatives*

##### Trading and clearing

Trading and clearing revenue, net of rebates, generated from contracts traded, cleared and settled is recognised when service is provided and on a per transaction basis.

##### Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.

#### (3) Data, Connectivity and Indices

Data subscription, connectivity and indices revenue is recognised to the extent of the Group's completion of the performance obligation under the contract. Other market data services are recognised when service is rendered.

#### (4) Rental income

Revenue from rental is recognised on a straight-line basis over the period which the rental income relates.

#### (5) Interest income

Revenue is recognised on a time proportion basis using the effective interest method.

#### (6) Dividend income

Revenue is recognised when the right to receive payment is established.

## 2.5 Income taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured at:

- (i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax jurisdiction.

## 2.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 2 Significant accounting policies (continued)

### 2.6 Leases (continued)

#### (i) As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term.

## 2.7 Employee benefits

Employee benefits are recognised as staff costs when they are due, unless they can be capitalised as an asset.

### (1) Defined contribution plans

The Group makes legally required contributions to defined contribution plans. The Group's obligation is limited to the amount it contributes to the defined contribution plan. The Group's contributions are recognised as staff costs when they are due.

### (2) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

### (3) Share-based compensation

The fair value of employee services received in exchange for equity-settled share-based remuneration plans granted to employees is recognised as variable share-based payment to employees in profit or loss with a corresponding increase in the share-based payment reserve over the vesting period. The amount is determined by reference to the fair value of the shares on grant date and the expected number of shares to be vested on vesting date.

At the end of each financial reporting period, the Company revises its estimates of the expected number of shares that the participants are expected to receive. Any changes to the expected number of shares to be vested will entail a corresponding adjustment to the share-based payment to employees and share-based payment reserve.

Upon vesting of a share-based compensation plan, the portion of share-based payment previously recognised in the share-based payment reserve is reversed against treasury shares. Differences between share-based payment and cost of treasury shares are taken to the share capital of the Company.



## 2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks which are subject to an insignificant risk of change in value, and are used by the Group in the management of its short-term commitments.

## 2.9 Financial assets

### (1) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVPL”).

The classification depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

#### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### At subsequent measurement

##### (i) *Debt instruments*

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group’s business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets’ cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented in “non-operating gains/(losses)”. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVPL:** Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values, including any interest income, are recognised in profit and loss in the period in which it arises and presented in “non-operating gains/(losses)”.



# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 2 Significant accounting policies (continued)

### 2.9 Financial assets (continued)

#### (1) Classification and measurement (continued)

At subsequent measurement (continued)

##### (ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments or for liquidity funds and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/(losses)" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

#### (2) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (3) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and the sale proceeds is recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

### 2.10 Property, plant and equipment

#### (1) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and accumulated impairment losses.

#### (2) Components of costs

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition and bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management. Cost also includes any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is required to be incurred for the purpose of acquiring and using the asset.

#### (3) Depreciation of property, plant and equipment

No depreciation is provided on freehold land and work-in-progress.

Depreciation is calculated on a straight-line basis to allocate the cost of property, plant and equipment over their expected useful lives as follows:

	Useful lives
Leasehold improvements	1 to 7 years or lease term, whichever is shorter
Building and plant	25 to 50 years
Furniture, fittings and office equipment	3 to 10 years
Computer hardware	1 to 7 years
Motor vehicles	5 years

Fully depreciated assets still in use are retained in the financial statements.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in profit or loss when the changes arise.

#### (4) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and the cost can be reliably measured. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### (5) Disposal

On disposal or retirement of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

### 2.11 Software

Costs recognised are directly associated with identifiable software controlled by the Group that generate economic benefits exceeding costs beyond one year. Cost also includes any fair value gains or losses on qualifying cash flow hedges of software that are transferred from the hedging reserve. Costs associated with maintaining computer software are expensed off when incurred.

Acquired software licences are capitalised on the basis of the cost incurred to acquire and other directly attributable costs of preparing the software for its intended use. Direct expenditures, including employee costs, which enhance or extend the performance of software programmes beyond their original specifications, and which can be reliably measured, are recognised as a capital improvement and added to the original cost of the software.

Software costs and acquired software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives, a period not exceeding seven years. Where an indication of impairment exists, the carrying amount is assessed and written down immediately to its recoverable amount.

The period and method of amortisation of the software are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise.

### 2.12 Intangible assets

Intangible assets arising from business combinations are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the estimated useful life of the underlying asset as follows:

	Useful lives
Right to operate Singapore electricity spot market	30 years
Trade name	30 years
Technical know-how	7 to 10 years
Customer relationships	5 to 7 years

The period and method of amortisation of intangible assets are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise.

### 2.13 Investment property

Investment property is held to earn rental and for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land of the investment property is not depreciated. Building is depreciated on a straight-line basis to allocate the cost over the estimated useful life of 50 years. The residual value and useful life are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in profit or loss when the changes arise.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 2 Significant accounting policies (continued)

### 2.14 Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies and joint ventures represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

### 2.15 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are stated at cost less accumulated impairment losses in the statement of financial position of the Company. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. Impairment losses are recognised in the profit or loss in the year in which it is determined.

On disposal of an investment, the difference between the net proceeds and its carrying amount is recognised in profit or loss.

### 2.16 Impairment of non-financial assets

#### (1) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company or joint venture is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to the Group's cash-generating-units ("CGU") or group of CGUs expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

#### (2) Property, plant and equipment

Software

Intangible assets

Investment property

**Investments in subsidiaries, associated companies and joint ventures**

Property, plant and equipment, software, intangible assets, investment property and investments in subsidiaries, associated companies and joint ventures are reviewed for impairment whenever there is any objective evidence or indication that the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's net selling value and its value-in-use. The impairment loss is recognised in profit or loss.

The recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

### 2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities, if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

### 2.18 Loans and borrowings

Loans and borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Loans and borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

### 2.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 2.20 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Changes in the estimated amount are recognised in profit or loss when the changes arise.

## 2.21 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

### (1) Currency forwards – cash flow hedge

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are transferred to profit or loss immediately.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 2 Significant accounting policies (continued)

### 2.21 Derivative financial instruments and hedging activities (continued)

#### (2) Net investment hedge

The Group has foreign currency borrowings that qualify as net investment hedges of foreign operations. The currency translation differences on the borrowings relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

### 2.22 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in Euro dollars that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

### 2.23 Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit losses are a probability-weighted estimate of credit losses. Expected credit losses are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Liabilities arising from financial guarantees are included within "Loans and borrowings".

### 2.24 Share capital and treasury shares

Ordinary shares are classified as equity.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's equity holders and presented as treasury shares within equity, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold or reissued pursuant to the share-based remuneration plan, the cost of the treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is taken to the share capital account of the Company.

## 2.25 Dividends

Interim dividends are deducted from retained profits during the financial year in which they are declared payable.

Final dividends are transferred from retained profits to a proposed dividend reserve when they are proposed by the directors. The amount will be transferred from the proposed dividend reserve to dividend payable when the dividends are approved by the shareholders.

## 2.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee who are responsible for allocating resources and assessing performance of the operating segments.

## 2.27 Government grants

Grants from the government are recognised as a receivable when there is reasonable assurance that the grant will be received and compliance with all the attached conditions.

Government grants relating to expenses are offset against the related expenses. Government grants relating to assets are deducted against the carrying amount of the assets.

## 3 Critical accounting estimates and judgements

Estimates and judgements are regularly evaluated based on historical experience, current circumstances and expectations of future events. The following provides a description of the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements:

### (i) Goodwill

Goodwill is tested for impairment in accordance with Note 2.16(1). The recoverable amount of goodwill is based on value-in-use calculation using discounted cash flow model and management's best estimate of future cash flows, long term growth rate and discount rate (Note 23).

### (ii) Fair value of financial instruments

The Group holds certain financial instruments for which no quoted prices are available, and which may have little or no observable market inputs. For these financial instruments, the determination of fair value requires subjective assessment and management judgment which takes into consideration the liquidity, pricing assumptions, current economic and competitive environment and the risks affecting the specific financial instrument. In such circumstances, valuation is determined based on management's judgment related to the assumptions that market participants would use in pricing assets or liabilities (Note 48).

### (iii) Intangible assets

Intangible assets are valued on acquisition using appropriate methodology and amortised over the estimated useful lives. The valuation methodology employed includes: (a) discounted cash flow model and management's best estimate of future cash flows, long term growth rate and discount rate; (b) relief-from-royalty method for technical know-how; and (c) multi-period excess earnings method for customer relationships. Useful lives are based on management's best estimates of periods over which value from the intangible assets will be realised (Note 2.12 and Note 22). Management reassesses the estimated useful lives at each financial year end, taking into account the period over which the intangible assets are expected to generate future economic benefit. Intangible assets are tested for impairment in accordance with Note 2.16(2).

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 4 Operating revenue

Operating revenue comprised the following:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Fixed Income, Currencies and Commodities</b>				
<i>Fixed Income</i>				
Listing	5,126	8,722	–	–
Corporate actions and other	3,178	3,453	–	–
	<b>8,304</b>	12,175	–	–
<i>Currencies and Commodities</i>				
Trading and clearing	227,106	183,905	–	–
Treasury and other	102,756	56,665	–	–
	<b>329,862</b>	240,570	–	–
	<b>338,166</b>	252,745	–	–
<b>Equities</b>				
<i>Equities – Cash</i>				
Listing	30,912	34,752	–	–
Corporate actions and other	35,394	28,050	–	–
Trading and clearing	175,416	209,731	–	–
Securities settlement and depository management	96,925	108,321	–	–
Treasury and other	7,480	7,594	–	–
	<b>346,127</b>	388,448	–	–
<i>Equities – Derivatives</i>				
Trading and clearing	281,578	281,860	–	–
Treasury and other	81,478	28,559	–	–
	<b>363,056</b>	310,419	–	–
	<b>709,183</b>	698,867	–	–
<b>Data, Connectivity and Indices</b>				
Market data and indices	78,034	82,908	–	–
Connectivity	69,025	64,521	34,822	30,136
	<b>147,059</b>	147,429	<b>34,822</b>	30,136



## 5 Staff

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Salaries	<b>173,995</b>	154,747	<b>88,766</b>	78,555
Employer's contribution to defined contribution plans on salaries	<b>8,978</b>	8,700	<b>6,417</b>	6,131
	<b>182,973</b>	163,447	<b>95,183</b>	84,686
Variable bonus	<b>72,575</b>	70,019	<b>38,154</b>	37,722
Employer's contribution to defined contribution plans on variable bonus	<b>2,831</b>	2,834	<b>2,101</b>	1,964
	<b>75,406</b>	72,853	<b>40,255</b>	39,686
Variable share-based payment	<b>17,780</b>	14,654	<b>17,111</b>	14,167
Variable share-based payment recharged to subsidiary	<b>–</b>	–	<b>(2,236)</b>	(1,987)
	<b>276,159</b>	250,954	<b>150,313</b>	136,552

## 6 Technology

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
System maintenance and rental	<b>84,804</b>	77,940	<b>47,881</b>	46,352
Communication charges	<b>3,290</b>	3,403	<b>2,577</b>	2,537
	<b>88,094</b>	81,343	<b>50,458</b>	48,889

## 7 Premises

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Premise maintenance and rental	<b>9,801</b>	9,997	<b>5,844</b>	5,650

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 8 Other operating expenses

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Marketing	8,935	7,660	2,987	2,760
Travelling	6,227	3,207	2,079	1,115
Allowance for impairment of trade receivables, net	1,405	3,291	56	58
Net loss on disposal of property, plant and equipment and software	708	1,832	708	1,150
Directors' fees	3,063	3,095	2,284	2,292
Regulatory fees	7,318	6,636	402	400
Miscellaneous	13,373	11,916	14,134	15,248
	<b>41,029</b>	<b>37,637</b>	<b>22,650</b>	<b>23,023</b>

## 9 Depreciation and amortisation

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Technology-related depreciation and amortisation	64,911	64,874	21,810	21,968
Premises-related depreciation	15,584	14,799	13,796	13,633
Amortisation of intangible assets	17,759	16,905	–	–
Depreciation of motor vehicle	68	80	68	80
	<b>98,322</b>	<b>96,658</b>	<b>35,674</b>	<b>35,681</b>

## 10 Operating profit

The following items have been included in arriving the operating profit:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Charging/(crediting):</i>				
Audit services by auditor of the Company <sup>(a)</sup>	1,490	1,501	382	574
Other services by auditor of the Company	247	199	52	62
Provision for/(utilisation of) unutilised leave (Note 33(b))	214	(3,747)	(31)	(1,895)
<i>And crediting:</i>				
Treasury income on collateral balances held in trust (net)	136,857	49,428	–	–

<sup>(a)</sup> Amount for the financial year ended 30 June 2022 does not include \$50,000 for audit services relating to issuance of USD 250 million medium term notes that had been capitalised.

## 11 Non-operating items

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Other income (net)</b>				
- Dividend income from associated company	–	–	<b>1,710</b>	1,830
- Dividend income from financial assets, at FVOCI	–	897	–	–
- Fair value gain on forward liability to acquire non-controlling interests (Note 34)	<b>23,306</b>	–	–	–
- Changes in fair value of financial assets, at FVPL	<b>39,748</b>	–	–	–
- Changes in fair value of contingent consideration (Note 24)	<b>14,880</b>	4,943	–	–
- Gains on changes in interests in associated companies	<b>1,707</b>	5,289	–	–
- Others	<b>12,367</b>	2,017	<b>18,815</b>	11,686
	<b>92,008</b>	13,146	<b>20,525</b>	13,516
<b>Interest income</b>				
- Interest income from fixed deposits and current accounts with banks	<b>25,697</b>	3,161	<b>3,899</b>	633
- Interest income from financial assets, at FVOCI	<b>2,399</b>	149	–	–
	<b>28,096</b>	3,310	<b>3,899</b>	633
<b>Finance charges</b>				
Interest expense				
- Bank borrowings	<b>(94)</b>	(412)	<b>(94)</b>	(412)
- Lease liabilities	<b>(1,227)</b>	(1,688)	<b>(1,116)</b>	(1,634)
- Convertible bonds	<b>(1,557)</b>	(1,649)	–	–
- Medium term notes	<b>(4,373)</b>	(3,635)	<b>(4,373)</b>	(3,635)
	<b>(7,251)</b>	(7,384)	<b>(5,583)</b>	(5,681)
<b>Net foreign exchange (losses)/gains</b>	<b>(1,391)</b>	8,602	<b>6,537</b>	16
<b>Impairment losses on non-financial assets</b>				
- Impairment loss on intangible assets (Note 22)	<b>(8,343)</b>	–	–	–
- Impairment loss on investment property (Note 19)	<b>(3,080)</b>	–	–	–
- Impairment loss on investment in joint venture	<b>(203)</b>	–	–	–
	<b>(11,626)</b>	–	–	–
	<b>99,836</b>	17,674	<b>25,378</b>	8,484

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 12 Earnings per share

	Group	
	2023	2022
Net profit after tax attributable to the equity holders of the Company for basic earnings per share (\$'000)	<b>570,895</b>	451,398
Interest expense on convertible bonds (\$'000)	<b>1,557</b>	1,649
Net profit after tax attributable to the equity holders of the Company for diluted earnings per share (\$'000)	<b>572,452</b>	453,047
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	<b>1,068,621</b>	1,068,983
Adjustments for:		
– Effect of conversion of convertible bonds ('000)	<b>31,560</b>	30,505
– Shares granted under SGX performance share plans and deferred long-term incentives schemes ('000)	<b>5,346</b>	5,236
Weighted average number of ordinary shares for diluted earnings per share ('000)	<b>1,105,527</b>	1,104,724
Earnings per share (in cents)		
– Basic	<b>53.4</b>	42.2
– Diluted	<b>51.8</b>	41.0

## 13 Cash and cash equivalents

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and on hand	<b>419,980</b>	352,194	<b>89,598</b>	39,920
Fixed deposits with banks	<b>613,203</b>	623,102	<b>40,500</b>	45,600
Escrow (Note 29(b))	–	22,451	–	–
	<b>1,033,183</b>	997,747	<b>130,098</b>	85,520

Escrow funds are held by the Group on behalf of certain clients. These funds are controlled by the Group and economic benefits are derived from them. Accordingly, these funds are recognised as an asset on the Group's balance sheet.

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

	Group	
	2023 \$'000	2022 \$'000
Cash and cash equivalents per consolidated statement of cash flows	<b>777,304</b>	752,153
Add:		
Cash committed for		
– Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund (Note 41)	<b>131,805</b>	125,021
– Securities Clearing Fund (Note 40)	<b>40,000</b>	60,000
– National Electricity Market of Singapore ("NEMS") (Note (a))	<b>84,074</b>	60,573
Cash and cash equivalents (as above)	<b>1,033,183</b>	997,747

### 13 Cash and cash equivalents (continued)

#### (a) Cash committed for NEMS

Cash committed for NEMS represents Energy Market Company Pte Ltd (“EMC”) commitment to the operation of the electricity market of Singapore. The manner in which the cash can be used are defined by the Singapore Electricity Market Rules issued by the Energy Market Authority of Singapore. The committed cash is not available to EMC for its operations.

### 14 Trade and other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current</b>				
Trade receivables (net) (Note (a))	<b>904,559</b>	994,814	<b>11,848</b>	7,659
Escrow deposits (Note (b))	<b>5,294</b>	–	–	–
Other receivables (Note (c))	<b>201,515</b>	66,006	<b>167,293</b>	146,368
	<b>1,111,368</b>	1,060,820	<b>179,141</b>	154,027

#### (a) Trade receivables (net) comprise:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights (Note 29(a))	<b>319,639</b>	573,867	–	–
Receivables under NEMS (Note 15)	<b>371,410</b>	240,161	–	–
Other trade receivables	<b>219,693</b>	185,961	<b>11,959</b>	7,714
	<b>910,742</b>	999,989	<b>11,959</b>	7,714
Less: Allowance for impairment of trade receivables (Note 48)	<b>(6,183)</b>	(5,175)	<b>(111)</b>	(55)
	<b>904,559</b>	994,814	<b>11,848</b>	7,659

The receivables from clearing members and settlement banks represent the net settlement obligations to The Central Depository (Pte) Limited (“CDP”). The corresponding net settlement obligations from CDP to the clearing members and settlement banks are disclosed in Note 29(a).

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 14 Trade and other receivables (continued)

- (b) Escrow deposits are cash balances placed by the Group in term deposits where the funds cannot be withdrawn at any time from the banks without penalty.
- (c) Other receivables comprise:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Prepayments	36,420	28,953	21,450	17,487
Interest receivable	152,487	30,365	591	34
Deposits	931	1,017	186	226
Amounts due from subsidiaries (non-trade) (Note (d))	–	–	142,832	124,237
Others (non-trade)	11,677	5,671	2,234	4,384
	<b>201,515</b>	66,006	<b>167,293</b>	146,368

- (d) Amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

## 15 Cash, receivables and payables under NEMS

EMC has cash, receivables and payables in respect of sale of electricity to market participants and purchase of electricity and ancillary services from market participants in the NEMS as follows:

	Group	
	2023 \$'000	2022 \$'000
Cash committed for NEMS (Note 13)	84,074	60,573
Receivables under NEMS (Note 14(a))	371,410	240,161
<b>Total settlement cash and receivables</b>	<b>455,484</b>	300,734
Payables under NEMS (Note 29(a))	455,484	300,734
<b>Total settlement payables</b>	<b>455,484</b>	300,734

## 16 Derivative financial instruments

	Currency forwards notional amount \$'000	Group Fair value	
		Asset \$'000	Liability \$'000
<b>30 June 2023</b>			
Cash-flow hedges			
– Currency forwards	169,024	1,008	(2,599)
		1,008	(2,599)
<b>30 June 2022</b>			
Cash-flow hedges			
– Currency forwards	76,179	17	(2,090)
		17	(2,090)

## 17 Financial assets, at FVOCI

	Group	
	2023 \$'000	2022 \$'000
<b>Current</b>		
Equity securities – Quoted	–	31,442
Bonds – Quoted	33,917	62,713
	33,917	94,155
<b>Non-current</b>		
Equity securities – Unquoted	162,919	239,064

## 18 Financial assets, at FVPL

	Group	
	2023 \$'000	2022 \$'000
<b>Non-current</b>		
Equity securities – Quoted	22,169	–
Debt securities – Unquoted	331,697	293,545
	353,866	293,545



# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 19 Investment property, and Property, plant and equipment

	Investment property \$'000	Owner occupied property		Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in-progress \$'000	Total \$'000
		Freehold land \$'000	Building and plant \$'000						
<b>Group</b>									
<b>2023</b>									
<b>Cost</b>									
At 1 July 2022	18,059	–	–	45,199	10,023	72,694	401	8,041	136,358
Reclassification	–	–	–	506	–	4,710	–	(5,216)	–
Additions	–	–	–	–	631	5,522	–	14,674	20,827
Write-off/ Disposals	–	–	–	(27)	(104)	(2,024)	–	–	(2,155)
Currency translation	252	–	–	(3)	(1)	(78)	–	(89)	(171)
At 30 June 2023	18,311	–	–	45,675	10,549	80,824	401	17,410	154,859
<b>Accumulated depreciation and impairment</b>									
At 1 July 2022	–	–	–	41,305	8,747	51,744	333	–	102,129
Depreciation charge	–	–	–	1,894	609	10,949	68	–	13,520
Impairment (Note 11)	3,080	–	–	–	–	–	–	–	–
Write-off/ Disposals	–	–	–	(27)	(104)	(1,787)	–	–	(1,918)
Currency translation	–	–	–	(3)	2	(49)	–	–	(50)
At 30 June 2023	3,080	–	–	43,169	9,254	60,857	401	–	113,681
<b>Net book value</b>									
At 30 June 2023	15,231	–	–	2,506	1,295	19,967	–	17,410	41,178
<b>Market value</b>									
At 30 June 2023	15,231								

During the financial year ended 30 June 2023, an impairment loss of \$3,080,000 was recognised on the investment property. The recoverable amount of the investment property was appraised by an external valuer and determined using the income method.

## 19 Investment property, and Property, plant and equipment (continued)

	Investment property \$'000	Owner occupied property			Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in-progress \$'000	Total \$'000
		Freehold land \$'000	Building and plant \$'000	Leasehold improvements \$'000					
<b>Group</b>									
<b>2022</b>									
<b>Cost</b>									
At 1 July 2021	27,305	6,111	6,080	44,296	10,082	74,631	401	5,505	147,106
Reclassification	5,544 <sup>(a)</sup>	(5,544) <sup>(a)</sup>	–	–	–	2,658	–	(2,658)	(5,544)
Additions	–	–	–	929	511	2,482	–	5,248	9,170
Write-off/ Disposals	(12,259) <sup>(a)</sup>	–	(5,516) <sup>(a)</sup>	(26)	(504)	(7,001)	–	–	(13,047)
Currency translation	(2,531)	(567)	(564)	–	(66)	(76)	–	(54)	(1,327)
At 30 June 2022	18,059	–	–	45,199	10,023	72,694	401	8,041	136,358
<b>Accumulated depreciation</b>									
At 1 July 2021	1,144	–	1,811	39,664	8,529	46,449	253	–	96,706
Depreciation charge	89	–	50	1,653	510	11,274	80	–	13,567
Write-off/ Disposals	(1,119)	–	(1,689)	(12)	(248)	(5,953)	–	–	(7,902)
Currency translation	(114)	–	(172)	–	(44)	(26)	–	–	(242)
At 30 June 2022	–	–	–	41,305	8,747	51,744	333	–	102,129
<b>Net book value</b>									
At 30 June 2022	18,059	–	–	3,894	1,276	20,950	68	8,041	34,229
<b>Market value</b>									
At 30 June 2022	18,144								

<sup>(a)</sup> During the financial year ended 30 June 2022, the Group completed the sale of a long lease of a building for cash consideration of GBP 17,000,000. Upon the sale, the building and plant were derecognised, while the freehold land continues to be on the balance sheet as the Group retains ownership of the land. The capital receipt attributed to the freehold land is recognised as deferred revenue and amortised over the lease period (Note 34). The owner occupied freehold land was transferred to investment property.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 19 Investment property, and Property, plant and equipment (continued)

The following amounts are recognised in the statement of comprehensive income of the Group:

	Group	
	2023 \$'000	2022 \$'000
Rental income	–	578
Direct operating expenses arising from the investment property	–	(354)
	–	224

Details of the Group's investment property as at 30 June 2023 are as follows:

Location	Description	Tenure
38 St Mary Axe, London EC3, United Kingdom	Land	Freehold

The fair value of the investment property was independently appraised by an external valuer and is determined using the income method. The property is classified under Level 3 of the fair value hierarchy and the significant unobservable input used for valuation is market rental. The estimated fair value would increase (decrease) if the market rental was higher (lower).

	Leasehold improve- ments \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	Total \$'000
<b>Company</b>						
<b>2023</b>						
<b>Cost</b>						
At 1 July 2022	44,489	9,175	33,043	401	5,836	92,944
Reclassification	424	–	2,899	–	(3,323)	–
Additions	–	459	–	–	12,875	13,334
Write-off/Disposals	–	–	(1,609)	–	–	(1,609)
At 30 June 2023	<b>44,913</b>	<b>9,634</b>	<b>34,333</b>	<b>401</b>	<b>15,388</b>	<b>104,669</b>
<b>Accumulated depreciation</b>						
At 1 July 2022	40,944	8,139	24,049	333	–	73,465
Depreciation charge	1,783	524	3,874	68	–	6,249
Write-off/Disposals	–	–	(1,407)	–	–	(1,407)
At 30 June 2023	<b>42,727</b>	<b>8,663</b>	<b>26,516</b>	<b>401</b>	<b>–</b>	<b>78,307</b>
<b>Net book value</b>						
At 30 June 2023	<b>2,186</b>	<b>971</b>	<b>7,817</b>	<b>–</b>	<b>15,388</b>	<b>26,362</b>

**19 Investment property, and Property, plant and equipment** (continued)

	Leasehold improve- ments \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	Total \$'000
<b>Company</b>						
<b>2022</b>						
<b>Cost</b>						
At 1 July 2021	43,786	8,931	35,950	401	1,893	90,961
Reclassification	–	–	1,654	–	(1,654)	–
Additions	714	308	–	–	5,597	6,619
Write-off/Disposals	(11)	(64)	(4,561)	–	–	(4,636)
At 30 June 2022	44,489	9,175	33,043	401	5,836	92,944
<b>Accumulated depreciation</b>						
At 1 July 2021	39,354	7,782	23,503	253	–	70,892
Depreciation charge	1,598	421	4,195	80	–	6,294
Write-off/Disposals	(8)	(64)	(3,649)	–	–	(3,721)
At 30 June 2022	40,944	8,139	24,049	333	–	73,465
<b>Net book value</b>						
At 30 June 2022	3,545	1,036	8,994	68	5,836	19,479

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 20 Software

	Software \$'000	Work-in- progress \$'000	Total \$'000
<b>Group</b>			
<b>2023</b>			
<b>Cost</b>			
At 1 July 2022	375,573	34,404	409,977
Reclassification	28,511	(28,511)	–
Additions	10,322	21,995	32,317
Write-off/Disposals	(5,505)	–	(5,505)
Currency translation	(551)	(582)	(1,133)
At 30 June 2023	<u>408,350</u>	<u>27,306</u>	<u>435,656</u>
<b>Accumulated amortisation</b>			
At 1 July 2022	243,673	–	243,673
Amortisation charge	44,615	–	44,615
Write-off/Disposals	(4,125)	–	(4,125)
Currency translation	(277)	–	(277)
At 30 June 2023	<u>283,886</u>	<u>–</u>	<u>283,886</u>
<b>Net book value</b>			
At 30 June 2023	<u>124,464</u>	<u>27,306</u>	<u>151,770</u>
<b>2022</b>			
<b>Cost</b>			
At 1 July 2021	333,870	38,445	372,315
Reclassification	40,907	(40,907)	–
Additions	8,450	36,945	45,395
Write-off/Disposals	(8,014)	–	(8,014)
Currency translation	360	(79)	281
At 30 June 2022	<u>375,573</u>	<u>34,404</u>	<u>409,977</u>
<b>Accumulated amortisation</b>			
At 1 July 2021	206,472	–	206,472
Amortisation charge	44,767	–	44,767
Write-off/Disposals	(7,780)	–	(7,780)
Currency translation	214	–	214
At 30 June 2022	<u>243,673</u>	<u>–</u>	<u>243,673</u>
<b>Net book value</b>			
At 30 June 2022	<u>131,900</u>	<u>34,404</u>	<u>166,304</u>

**20 Software** (continued)

	Software \$'000	Work-in- progress \$'000	Total \$'000
<b>Company</b>			
<b>2023</b>			
<b>Cost</b>			
At 1 July 2022	76,846	10,156	87,002
Reclassification	10,100	(10,100)	–
Additions	–	13,025	13,025
Write-off/Disposals	(3,427)	–	(3,427)
At 30 June 2023	<u>83,519</u>	<u>13,081</u>	<u>96,600</u>
<b>Accumulated amortisation</b>			
At 1 July 2022	44,087	–	44,087
Amortisation charge	9,620	–	9,620
Write-off/Disposals	(2,920)	–	(2,920)
At 30 June 2023	<u>50,787</u>	<u>–</u>	<u>50,787</u>
<b>Net book value</b>			
At 30 June 2023	<u>32,732</u>	<u>13,081</u>	<u>45,813</u>
<b>2022</b>			
<b>Cost</b>			
At 1 July 2021	67,747	10,113	77,860
Reclassification	11,527	(11,527)	–
Additions	–	11,570	11,570
Write-off/Disposals	(2,428)	–	(2,428)
At 30 June 2022	<u>76,846</u>	<u>10,156</u>	<u>87,002</u>
<b>Accumulated amortisation</b>			
At 1 July 2021	36,736	–	36,736
Amortisation charge	9,544	–	9,544
Write-off/Disposals	(2,193)	–	(2,193)
At 30 June 2022	<u>44,087</u>	<u>–</u>	<u>44,087</u>
<b>Net book value</b>			
At 30 June 2022	<u>32,759</u>	<u>10,156</u>	<u>42,915</u>

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 21 Right-of-use assets

### Leases – The Group and the Company as a lessee

The Group and the Company lease office premises, data centres and equipment with varying terms and renewal rights.

The Group and the Company lease IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

	Premises \$'000	Other equipment \$'000	Total \$'000
<b>Group</b>			
<b>2023</b>			
At 1 July 2022	48,646	2,292	50,938
Depreciation charge	(21,129)	(1,299)	(22,428)
Additions	5,123	261	5,384
Reassessment and modifications <sup>(a)</sup>	5	–	5
Currency translation	32	–	32
At 30 June 2023	<b>32,677</b>	<b>1,254</b>	<b>33,931</b>
<b>2022</b>			
At 1 July 2021	65,607	3,551	69,158
Depreciation charge	(20,070)	(1,260)	(21,330)
Additions	3,129	–	3,129
Reassessment and modifications <sup>(a)</sup>	33	–	33
Currency translation	(53)	1	(52)
At 30 June 2022	<b>48,646</b>	<b>2,292</b>	<b>50,938</b>
<b>Company</b>			
<b>2023</b>			
At 1 July 2022	45,070	2,289	47,359
Depreciation charge	(18,512)	(1,293)	(19,805)
Additions	500	239	739
At 30 June 2023	<b>27,058</b>	<b>1,235</b>	<b>28,293</b>
<b>2022</b>			
At 1 July 2021	63,622	3,547	67,169
Depreciation charge	(18,585)	(1,258)	(19,843)
Reassessment and modifications <sup>(a)</sup>	33	–	33
At 30 June 2022	<b>45,070</b>	<b>2,289</b>	<b>47,359</b>

<sup>(a)</sup> Reassessment and modifications for the Group and the Company relate to changes in lease term and lease payments of existing leases.



## 21 Right-of-use assets (continued)

### Leases – The Group and the Company as a lessee (continued)

#### (1) Other amounts recognised in profit or loss

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Leases under SFRS(I) 16</b>				
Interest on lease liabilities (Note 11)	<b>1,227</b>	1,688	<b>1,116</b>	1,634
Expenses relating to short-term leases and low-value assets	<b>2,840</b>	3,228	<b>808</b>	1,050
	<b>4,067</b>	4,916	<b>1,924</b>	2,684

#### (2) Amounts recognised in statement of cash flows

	Group	
	2023 \$'000	2022 \$'000
Total cash outflow for leases	<b>24,429</b>	23,142

#### (3) Extension options

Some property leases contain extension options exercisable by the Group and the Company before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension options in new leases to provide operational flexibility. The Group and the Company assess at lease commencement date whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 22 Intangible assets

	Right to operate Singapore electricity spot market \$'000	Trade name \$'000	Technical know-how \$'000	Customer relationships \$'000	Total \$'000
<b>Group</b>					
<b>2023</b>					
<b>Cost</b>					
At 1 July 2022	27,140	37,501	50,816	46,835	162,292
Currency translation	–	522	(134)	(170)	218
At 30 June 2023	27,140	38,023	50,682	46,665	162,510
<b>Accumulated amortisation and impairment losses</b>					
At 1 July 2022	7,012	7,084	14,601	15,799	44,496
Amortisation charge (Note 9)	905	1,218	7,418	8,218	17,759
Impairment loss (Note 11)	–	–	6,409	1,934	8,343
Currency translation	–	148	(9)	145	284
At 30 June 2023	7,917	8,450	28,419	26,096	70,882
<b>Net book value</b>					
At 30 June 2023	19,223	29,573	22,263	20,569	91,628
<b>2022</b>					
<b>Cost</b>					
At 1 July 2021	27,140	41,334	45,428	37,969	151,871
Acquisition of business (Note 24)	–	–	7,759	10,532	18,291
Currency translation	–	(3,833)	(2,371)	(1,666)	(7,870)
At 30 June 2022	27,140	37,501	50,816	46,835	162,292
<b>Accumulated amortisation</b>					
At 1 July 2021	6,107	6,431	7,954	8,986	29,478
Amortisation charge (Note 9)	905	1,335	7,062	7,603	16,905
Currency translation	–	(682)	(415)	(790)	(1,887)
At 30 June 2022	7,012	7,084	14,601	15,799	44,496
<b>Net book value</b>					
At 30 June 2022	20,128	30,417	36,215	31,036	117,796

The intangible assets are the right to operate the Singapore electricity spot market, arising from the acquisition of EMC, the Baltic Exchange Limited (“BEL”) trade name arising from the acquisition of BEL and technical know-how and customer relationships, arising from the acquisitions of Scientific Beta Pte. Ltd. (“SB”), BidFX Systems Ltd (“BidFX”) and MaxxTrader trading platform business (“MT”).

## 22 Intangible assets (continued)

During the financial year, an impairment loss of \$8,343,000 (2022: Nil) was recognised on SB's technical know-how and customer relationships, which was attributable to SB's performance decline. The recoverable amount of SB's technical know-how and customer relationships was estimated based on fair value less costs of disposal. For the technical know-how, the recoverable amount was estimated using the relief-from-royalty method while the recoverable amount of the customer relationships was estimated using the multi-period excess earnings method. No impairment loss has been recognised on the other intangible assets as there is no objective evidence or indication that the carrying amounts may not be fully recoverable as at 30 June 2023 (2022: Nil).

## 23 Goodwill

	Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	708,290	541,233
Acquisition of business (Note 24)	–	186,677
Currency translation	(5,425)	(19,620)
Balance at end of financial year	<b>702,865</b>	708,290

The goodwill relates to the acquisitions of:

- a) EMC, a subsidiary operating the Singapore electricity spot market;
- b) BEL, a subsidiary providing freight market indices and information as well as membership services;
- c) SB, an index-provider subsidiary specialising in smart beta strategies;
- d) BidFX, a subsidiary providing electronic foreign exchange trading solutions and platform to the global financial marketplace; and
- e) MT, a provider of foreign exchange pricing and risk solutions for sell-side institutions including banks and broker-dealers, and a multi-dealer platform for hedge funds.

For the purpose of impairment testing, goodwill is allocated to each of the Group's CGU or group of CGUs that is expected to benefit from synergies of the business combination. Goodwill arising from the acquisition of EMC is allocated to EMC CGU, goodwill arising from the acquisitions of BEL, BidFX and MT are allocated to Currencies and commodities CGU, and goodwill arising from the acquisition of SB is allocated to Data and indices CGU.

The carrying amounts of goodwill allocated to the following CGUs as at 30 June were as follows:

	Group	
	2023 \$'000	2022 \$'000
EMC	9,614	9,614
Currencies and commodities	459,357	467,834
Data and indices	233,894	230,842
	<b>702,865</b>	708,290

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 23 Goodwill (continued)

The recoverable amount of the goodwill was determined based on value-in-use calculation using the discounted cash flow model. Key inputs of the computation are as follows:

CGU – EMC	Key Inputs	Basis
Free cash flows	Management's forecasts of earnings and capital expenditure over a ten-year period.	Past performance and market developments
Long term growth rate	2% – 3.5% (2022: 2% - 3%)	Long term inflation and growth rate of Singapore
Discount rate	12.0% (2022: 11.5%)	Cost of capital to operate the Singapore electricity spot market
CGU – Currencies and commodities	Key Inputs	Basis
Free cash flows	Management's forecasts of earnings and capital expenditure over a 10-year period.	Past performance, expectations of growth in currencies and commodities contract volumes and market developments
Long term growth rate	3.5% (2022: 3%)	Long term growth rate of developed economies
Discount rate	11.5% (2022: 11%)	Cost of capital to operate the currencies and commodities market
CGU – Data and indices	Key Inputs	Basis
Free cash flows	Management's forecasts of earnings and capital expenditure over a 10-year period.	Past performance, expectations of growth in data and indices volumes and market developments
Long term growth rate	3.5% (2022: 3%)	Long term growth rate of developed economies
Discount rate	11.5% (2022: 11%)	Cost of capital to operate the data and indices market

Based on the value-in-use calculations, there is no impairment on goodwill (2022: Nil). While the estimated recoverable amount of the goodwill is sensitive to any change in key inputs to the value-in-use calculations, the change in the estimated recoverable amount from any reasonably possible changes on the key inputs do not cause the recoverable amount to be materially lower than its carrying amount.

## 24 Acquisition of business

### MaxxTrader trading platform business

On 8 January 2022, SGX acquired the MaxxTrader (“MT”) trading platform business.

Included in the identifiable assets and liabilities acquired at the date of acquisition of MT are inputs (proprietary software that supports a foreign exchange (“FX”) pricing engine and multi-dealer platform, customer-related contracts and relationships), an organised workforce and processes. The Group has assessed and concluded that the acquired set is a business.

The principal activity of MT is the provision of FX pricing and risk solutions for sell-side institutions including banks and broker-dealers, as well as a multi-dealer platform for hedge funds. Together with wholly-owned subsidiary BidFX, this acquisition accelerates SGX’s plan to build an integrated FX ecosystem and marketplace that facilitates global access to OTC and FX derivatives, and paves the way for SGX to become Asia’s largest one-stop venue for international FX OTC and futures participants.

#### (1) Consideration

	<b>\$’000</b>
Cash paid	169,458
Contingent consideration	35,467
<b>Total consideration</b>	<b>204,925</b>

#### (2) Effect on cash flows of the Group

	<b>\$’000</b>
Cash paid	169,458
Less: Cash and cash equivalents in business acquired	(2,949)
<b>Cash outflow on acquisition</b>	<b>166,509</b>

#### (3) Identifiable assets acquired and liabilities assumed

	<b>\$’000</b>
Cash and cash equivalents	2,949
Trade and other receivables	1,328
Property, plant and equipment	70
Intangible assets	18,291
<b>Total assets</b>	<b>22,638</b>
Trade and other payables	1,281
Deferred tax liabilities	3,109
<b>Total liabilities</b>	<b>4,390</b>
<b>Total identifiable net assets</b>	<b>18,248</b>

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 24 Acquisition of business (continued)

### MaxxTrader trading platform business (continued)

#### (4) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	<b>\$'000</b>
Total consideration	204,925
Fair value of identifiable net assets	<u>(18,248)</u>
<b>Goodwill</b>	<b>186,677</b>

The goodwill of \$186,677,000 relates to synergies expected to arise from growth in the foreign exchange business as well as wider range of product offerings and clients for MT and SGX.

#### (5) Acquisition-related costs

Total acquisition-related costs amounted to \$3,320,000 of which \$404,000 are included in FY2022. These costs have been included in "Professional fees" and "Others".

#### (6) Acquired receivables

The fair value and gross contractual amount of Trade and other receivables is \$1,328,000.

#### (7) Intangible assets

The intangible assets comprised proprietary software technology as well as customer contracts and relationships and were estimated to amount to \$18,291,000 based on relief-from-royalty method for proprietary software technology and multi-period excess earnings method for customer contracts and relationships. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the proprietary software technology being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer-related intangibles, by excluding any cash flows related to contributory assets.

## 24 Acquisition of business (continued)

### MaxxTrader trading platform business (continued)

#### (8) Contingent consideration

The Group agreed to pay the selling shareholders additional consideration if MT reaches certain revenue targets in 2021 and 2022. As at 30 June 2022, the carrying amount of the contingent consideration was \$36,284,000 (Note 29). During the financial year ended 30 June 2023, the carrying amount of the contingent consideration was revised to \$20,588,000 to reflect the 2021 and 2022 actual revenue of MT and full settlement was based on the revised amount. Excluding effects of changes in foreign exchange rates, the change in the fair value of the contingent consideration of \$14,880,000 was recorded as "Other income" (Note 11).

#### (9) Revenue and profit contribution

MT contributed revenue of \$11,577,000 and net loss after tax of \$750,000 to the Group for the period from 8 January 2022 to 30 June 2022. Net loss after tax of \$750,000 included amortisation of intangible assets amounting to \$1,489,000. Had MT been consolidated from 1 July 2021, consolidated revenue and estimated net loss after tax for the year ended 30 June 2022 would have been \$22,697,000 and \$842,000 respectively.

## 25 Investments in subsidiaries

	Company	
	2023 \$'000	2022 \$'000
<i>Equity investments at cost</i>		
Balance at beginning of financial year	<b>1,063,997</b>	851,721
Capital injection	<b>253,196</b>	212,276
	<b>1,317,193</b>	1,063,997
<i>Long-term receivables</i>		
Amount due from subsidiaries	<b>286,987</b>	505,387
Balance at end of financial year	<b>1,604,180</b>	1,569,384

The amount due from subsidiaries is interest-free and has no fixed terms of repayment.



# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 25 Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2023 %	2022 %	2023 %	2022 %
Singapore Exchange Securities Trading Limited	Operating a securities exchange	Singapore	<b>100</b>	100	—	—
Singapore Exchange Derivatives Trading Limited	Operating a derivatives exchange	Singapore	<b>100</b>	100	—	—
The Central Depository (Pte) Limited	Providing clearing, counterparty guarantee, depository and related services for securities transactions	Singapore	<b>100</b>	100	—	—
Singapore Exchange Derivatives Clearing Limited	Providing clearing, counterparty guarantee and related services for derivatives transactions	Singapore	<b>100</b>	100	—	—
SGX Bond Trading Pte. Ltd.	Providing bond trading services	Singapore	<b>100</b>	100	—	—
Singapore Exchange Regulation Pte. Ltd.	Providing front-line regulatory functions	Singapore	<b>100</b>	100	—	—
Singapore Exchange IT Solutions Pte Limited	Providing computer services and software maintenance	Singapore	<b>100</b>	100	—	—
Asian Gateway Investments Pte. Ltd.	Investment holding	Singapore	<b>100</b>	100	—	—
Singapore Commodity Exchange Limited	Dormant	Singapore	<b>100</b>	100	—	—
SGX International Pte. Ltd.	Investment holding	Singapore	<b>100</b>	100	—	—
Securities Clearing and Computer Services (Pte) Limited	Investment holding	Singapore	<b>100</b>	100	—	—
Asian Gateway Investments (China) Pte. Ltd.	Investment holding	Singapore	—	—	<b>100</b>	100

**25 Investments in subsidiaries** (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2023 %	2022 %	2023 %	2022 %
SGX Baltic Investments Pte. Ltd.	Investment holding	Singapore	–	–	<b>100</b>	100
The Baltic Exchange Limited	Investment holding, membership services and provision of management services to related corporations	United Kingdom	–	–	<b>100</b>	100
Baltic Exchange Derivatives Trading Limited	Dormant	United Kingdom	–	–	<b>100</b>	100
Baltic Exchange Information Services Limited	Providing and distributing bulk freight market indices and information	United Kingdom	–	–	<b>100</b>	100
The Baltic Exchange (Asia) Pte. Ltd.	Distributing bulk freight market indices and information in Asia and membership services	Singapore	–	–	<b>100</b>	100
Energy Market Company Pte Ltd	Operating an electricity market	Singapore	–	–	<b>100</b>	100
Scientific Beta Pte. Ltd.	Providing management consultancy services of index activities	Singapore	–	–	<b>93</b>	93
Scientific Beta North America, Inc.	Providing services of index activities	United States of America	–	–	<b>100</b>	100
Scientific Beta (France) SAS	Providing services and administration for index calculation, risk analyses and financial research	France	–	–	<b>100</b>	100
Scientific Beta (Europe) Limited	Providing services of index activities	United Kingdom	–	–	<b>100</b>	100
Scientific Beta (ANZ) Pty Ltd	Providing services of index activities	Australia	–	–	<b>100</b>	–

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 25 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2023 %	2022 %	2023 %	2022 %
BidFX Systems Ltd.	Providing electronic foreign exchange trading solutions and platform	United Kingdom	–	–	<b>100</b>	100
BidFX Systems Pte. Ltd.	Provision of management services to related corporations, sales and client support services	Singapore	–	–	<b>100</b>	100
BidFX Systems US LLC	Providing sales and client support services	United States of America	–	–	<b>100</b>	100
BidFX Systems Australia Pty. Ltd.	Providing sales and client support services	Australia	–	–	<b>100</b>	100
Asia Converge Pte Ltd	Investment holding	Singapore	–	–	<b>100</b>	100
Asiaclear Pte Ltd	Dormant	Singapore	–	–	<b>100</b>	100
CDP Nominees Pte Ltd	Dormant	Singapore	–	–	<b>100</b>	100
Global Clear Pte Ltd	Dormant	Singapore	–	–	<b>100</b>	100
Joint Asian Derivatives Pte. Ltd.	Dormant	Singapore	–	–	<b>100</b>	100
SGX America Limited	Providing consultancy services	United States of America	–	–	<b>100</b>	100
Shanghai Yaxu Consultancy Company Limited	Providing consultancy services	People's Republic of China	–	–	<b>100</b>	100
SGX General Counterparty Pte. Ltd.	Providing general counterparty services	Singapore	<b>100</b>	100	–	–

**25 Investments in subsidiaries** (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2023 %	2022 %	2023 %	2022 %
SGX FX Pte. Ltd.	Investment holding	Singapore	<b>100</b>	100	–	–
SGX FX Markets Pte. Ltd.	Operating an electronic communication network	Singapore	–	–	<b>100</b>	100
SGX Treasury I Pte. Ltd.	Investment holding	Singapore	–	–	<b>100</b>	100
SGX India Connect IFSC Private Limited	Providing financial services for dealing, trading and clearing of financial instruments	India	–	–	<b>100</b>	100
MaxxTrader Systems Pte. Ltd.	FX platform and providing FX pricing and risk solutions	Singapore	–	–	<b>100</b>	100
MaxxTrader Systems UK Limited	Providing sales support services relating to FX platform business	United Kingdom	–	–	<b>100</b>	100
LLFX Technologies Private Limited	Providing research and development support services relating to FX platform business	India	–	–	<b>100</b>	100
MaxxTrader Kabushiki Kaisha	Providing sales support services relating to FX platform business	Japan	–	–	<b>100</b>	100
MaxxTrader Systems US LLC	Providing sales support services relating to FX platform business	United States	–	–	<b>100</b>	100

KPMG LLP is the auditor of all significant subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 25 Investments in subsidiaries (continued)

	Group	
	2023 \$'000	2022 \$'000
<i>Carrying value of non-controlling interests</i>		
Subsidiary with immaterial non-controlling interests – Scientific Beta Pte. Ltd.	<b>2,707</b>	5,057

## 26 Investments in associated companies

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investments in associated companies	<b>38,226</b>	47,549	<b>4,389</b>	4,389

Details of the associated companies held by the Group and the Company are as follows:

Name of company	Principal activities	Country of business and incorporation	Equity held	
			2023 %	2022 %
<i>Held by the Group through a subsidiary</i>				
Capbridge Pte. Ltd.	Shares, stocks and bonds broking	Singapore	<b>6.8<sup>(a)</sup></b>	7.2 <sup>(a)</sup>
1x Exchange Pte. Ltd.	Operating private market platform	Singapore	<b>10.2<sup>(a)</sup></b>	10.9 <sup>(a)</sup>
Commodities Intelligence Centre Pte. Ltd.	Operating e-commerce platform	Singapore	<b>10.0<sup>(a)</sup></b>	10.0 <sup>(a)</sup>

## 26 Investments in associated companies (continued)

Name of company	Principal activities	Country of business and incorporation	Equity held	
			2023 %	2022 %
<b><i>Held by the Group through a subsidiary</i></b>				
ICHX Tech Pte. Ltd.	Operating capital markets platform	Singapore	<b>9.2<sup>(a)</sup></b>	9.7 <sup>(a)</sup>
Freightos Limited	Operating online freight marketplace	Cayman Islands	– <sup>(b)</sup>	13.3 <sup>(a)</sup>
Agridence Pte. Ltd. (formerly known as HeveaConnect Pte. Ltd.)	Commodities trading platform	Singapore	<b>6.6<sup>(a)</sup></b>	9.1 <sup>(a)</sup>
Wilshire Benchmarks TopCo Limited	Global provider of indexes	United Kingdom	<b>9.7<sup>(a)</sup></b>	–
<b><i>Held by the Company</i></b>				
Philippines Dealing System Holdings Corp	Investment holding	Philippines	<b>20.0</b>	20.0

<sup>(a)</sup> Where the voting rights are less than 20%, the presumption that the entity is not an associated company is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

<sup>(b)</sup> Reclassified to Financial asset, at FVPL during the financial year.

There was no associated company that was individually material to the Group (2022: Nil).

The following table summarises, in aggregate, the Group's share of loss and other comprehensive income of the Group's individually immaterial associated companies accounted for using the equity method:

	Group	
	2023 \$'000	2022 \$'000
<b>Carrying amount of interests</b>		
Net loss from continuing operations	<b>(442)</b>	(4,144)
Total comprehensive income	<b>(442)</b>	(4,144)

There is no contingent liability relating to the Group's interest in the associated companies (2022: Nil).

## 27 Investments in joint ventures

	Group	
	2023 \$'000	2022 \$'000
Investments in joint ventures	<b>10,140</b>	10,542

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 27 Investments in joint ventures (continued)

Details of the joint ventures held by the Group through a subsidiary are as follows:

Name of company	Principal activities	Country of business and incorporation	Equity held	
			2023 %	2022 %
SGX MySteel Index Company Private Limited	Indexation and benchmarking of commodities	Singapore	50	50
MarketNode Pte. Ltd.	Operating a digital asset issuance platform and development of digital assets	Singapore	65 <sup>(a)</sup>	65 <sup>(a)</sup>
XinTru Pte. Ltd.	Operation of electronic bond trading platform	Singapore	33	33
Verified Impact Exchange Holdings Pte. Ltd.	Establishment and operation of an international marketplace and exchange for the listing and trading of voluntary carbon credits	Singapore	24 <sup>(a)</sup>	24 <sup>(a)</sup>

<sup>(a)</sup> Unanimous consent is required for key relevant activities of the entity. Accordingly, the entity is accounted for as an investment in joint venture due to presence of joint control.

There was no joint venture that was individually material to the Group (2022: Nil).

The following table summarises, in aggregate, the Group's share of loss and other comprehensive income of the joint ventures accounted for using the equity method:

	Group	
	2023 \$'000	2022 \$'000
<b>Carrying amount of interests</b>		
Loss from continuing operations	(15,115)	(6,390)
Total comprehensive income	(15,115)	(6,390)

There is no contingent liability relating to the Group's interest in the joint ventures (2022: Nil).

## 28 Loan receivable

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-current</b>				
Loan receivable from external party	–	9,036	–	9,036

The loan receivable as at 30 June 2022 from an external party was secured and interest bearing at SOFR plus 3% per annum. The full amount was repaid during the financial year ended 30 June 2023.



## 29 Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current</b>				
Trade payables (Note (a))	<b>934,135</b>	999,178	<b>3,988</b>	5,014
Other payables (Note (b))	<b>202,436</b>	226,892	<b>77,150</b>	77,873
Amount due to subsidiaries (non-trade) (Note (c))	–	–	<b>156,534</b>	66,476
Contingent consideration (Note 24)	–	36,284	–	–
	<b>1,136,571</b>	1,262,354	<b>237,672</b>	149,363
<b>Non-current</b>				
Other payables				
– Amount due to a subsidiary (non-trade) (Note (d))	–	–	–	63,474
	–	–	–	63,474

(a) Trade payables comprise:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights (Note 14(a))	<b>319,639</b>	573,867	–	–
Payables under NEMS (Note 15)	<b>455,484</b>	300,734	–	–
Other trade payables	<b>159,012</b>	124,577	<b>3,988</b>	5,014
	<b>934,135</b>	999,178	<b>3,988</b>	5,014

The payables to clearing members and settlement banks represent the net settlement obligations by CDP. The corresponding net settlement obligations by clearing members and settlement banks to CDP are disclosed in Note 14(a).

(b) Other payables comprise:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Accrual for operating expenses	<b>88,834</b>	91,991	<b>29,690</b>	29,510
Accrual for bonus	<b>81,388</b>	77,218	<b>44,464</b>	43,553
Defined contribution plans payable	<b>1,832</b>	2,199	<b>1,144</b>	1,381
Advance receipts	<b>16,308</b>	20,225	–	–
Sundry creditors	<b>3,242</b>	5,735	–	972
Escrow payable (Note 13, 14(b))	<b>5,294</b>	22,443	–	–
Others (non-trade)	<b>5,538</b>	7,081	<b>1,852</b>	2,457
	<b>202,436</b>	226,892	<b>77,150</b>	77,873

(c) The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(d) The amount due to a subsidiary is unsecured, non-interest bearing with no fixed terms of repayment.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 30 Loans and borrowings

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current</b>				
Unsecured bank borrowings	–	41,858	–	41,858
Convertible bonds (Note(a))	<b>351,883</b>	–	–	–
Intra-group financial guarantee (Note (c))	–	–	<b>1,093</b>	–
	<b>351,883</b>	41,858	<b>1,093</b>	41,858
<b>Non-current</b>				
Convertible bonds (Note(a))	–	345,721	–	–
Medium term notes (Note(b))	<b>340,040</b>	348,214	<b>340,040</b>	348,214
Intra-group financial guarantee (Note (c))	–	–	–	2,698
	<b>340,040</b>	693,935	<b>340,040</b>	350,912

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 48.

### Terms and debt repayment schedule

The terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Weighted average interest rate	Year of maturity	2023		2022	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
<b>Group</b>							
Convertible bonds	EUR	0.44% (2022: 0.44%)	2024	<b>356,423</b>	<b>351,883</b>	351,773	345,721
Medium term notes	USD	1.29% (2022: 1.29%)	2026	<b>339,199</b>	<b>340,040</b>	347,550	348,214
Unsecured bank borrowings	USD	NA (2022: 0.60% - 0.71%)	2022	–	–	41,858	41,858
				<b>695,622</b>	<b>691,923</b>	741,181	735,793
<b>Company</b>							
Medium term notes	USD	1.29% (2022: 1.29%)	2026	<b>339,199</b>	<b>340,040</b>	347,550	348,214
Unsecured bank borrowings	USD	NA (2022: 0.60% - 0.71%)	2022	–	–	41,858	41,858
				<b>339,199</b>	<b>340,040</b>	389,408	390,072

### 30 Loans and borrowings (continued)

#### (a) Convertible bonds

EUR 240,000,000 of zero-coupon convertible bonds were issued on 1 March 2021 with maturity date on 1 March 2024. The bonds are convertible into ordinary shares at any time on or after 11 April 2021 up to 21 February 2024 at the option of the bond holder at the current conversion price of \$12.2640 per share. The conversion price is subjected to adjustment upon occurrence of certain trigger events set out in the terms and conditions of the bonds offering. Any unconverted bonds will be redeemed by the issuer at its principal amount on 1 March 2024.

#### Information on beneficial holdings unavailable

The global certificate representing the Convertible Bonds is registered in the name of The Bank of New York Depository (Nominees) Limited. Information on the beneficial holdings of the convertible bonds is unavailable.

#### Use of proceeds

The Company had announced on 2 February 2021 that the estimated proceeds from the issuance of the Convertible Bonds (before fees and expenses related to such issuance) of approximately EUR 242,400,000 were to be allocated as to approximately 80% for refinancing of existing debt and as to approximately 20% for general corporate purposes. Pursuant to Rule 704(30) of the Listing Manual, the Company subsequently announced on 2 March 2021 that there had been a change in the use of the proceeds from the issuance of the Convertible Bonds in that the portion of the proceeds from the issuance which the Company had originally allocated for general corporate purposes had been used to repay part of an existing loan and that accordingly, 100% of the net proceeds of the issuance of the Convertible Bonds had been used for the refinancing of existing debt. The Company stated that it was of the view that this reallocation was in the best interests of the Company and its shareholders as there was no immediate or near-term need to utilise such proceeds for general corporate purposes. The Company also announced at the same time that all of the net proceeds from the issuance of the Convertible Bonds had been fully utilised.

#### (b) Medium term notes

USD 250,000,000 of medium term notes were issued on 3 September 2021 with maturity date on 3 September 2026. The unsecured notes issued under SGX's SGD 1.5 billion multicurrency debt issuance programme, bear interest at a fixed rate of 1.234 per cent per annum payable semi-annually in arrears on 3 March and 3 September each year.

	<b>Group \$'000</b>
Proceeds from issue of medium term notes	335,525
Transaction costs	(876)
Net proceeds	334,649
Accrued interest	3,635
Interest paid	(2,075)
Effects of changes in foreign exchange rates	12,005
Carrying amount as at 30 June 2022	348,214
Accrued interest	4,373
Interest paid	(4,210)
Effects of changes in foreign exchange rates	(8,337)
Carrying amount as at 30 June 2023	340,040

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 30 Loans and borrowings (continued)

### (c) Intra-group financial guarantee

Intra-group financial guarantee comprises a guarantee given by the Company in respect of due payment of all sums in relation to the convertible bonds amounting to EUR 240,000,000 issued by a wholly-owned subsidiary maturing on 1 March 2024. At the reporting date, the Company has not recognised a provision for expected credit losses as the amount of expected credit losses was lower than the amortised liability for the intra-group financial guarantee contract. The Company does not consider it probable that a claim will be made against the Company under the guarantee. The carrying amount represented the initial fair value less the cumulative amount of income recognised.

### (d) Reconciliation of movements of liabilities to cash flows from financing activities

	Convertible bonds \$'000	Medium term notes \$'000	Unsecured bank borrowings \$'000	Total \$'000
<b>As at 1 July 2022</b>	<b>345,721</b>	<b>348,214</b>	<b>41,858</b>	<b>735,793</b>
<b>Financing cash flows</b>				
Repayment of borrowings	–	–	(41,241)	(41,241)
Interest paid	–	(4,210)	(242)	(4,452)
	–	(4,210)	(41,483)	(45,693)
<b>Non-cash changes</b>				
Effect of changes in foreign exchange rates	4,605	(8,337)	(469)	(4,201)
Interest expense	1,557	4,373	94	6,024
	6,162	(3,964)	(375)	1,823
<b>As at 30 June 2023</b>	<b>351,883</b>	<b>340,040</b>	<b>–</b>	<b>691,923</b>
<b>As at 1 July 2021</b>	379,003	–	88,758	467,761
<b>Financing cash flows</b>				
Net proceeds from issuance of medium term notes	–	334,649	–	334,649
Proceeds from borrowings	–	–	82,014	82,014
Repayment of borrowings	–	–	(129,928)	(129,928)
Interest paid	–	(2,075)	(265)	(2,340)
	–	332,574	(48,179)	284,395
<b>Non-cash changes</b>				
Effect of changes in foreign exchange rates	(34,931)	12,005	867	(22,059)
Interest expense	1,649	3,635	412	5,696
	(33,282)	15,640	1,279	(16,363)
<b>As at 30 June 2022</b>	<b>345,721</b>	<b>348,214</b>	<b>41,858</b>	<b>735,793</b>

### 31 Lease liabilities

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current lease liabilities	20,470	22,140	18,290	20,201
Non-current lease liabilities	14,828	30,938	11,622	29,537
	<b>35,298</b>	53,078	<b>29,912</b>	49,738

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 48.

#### (a) Repayment schedule of lease liabilities

	Payment \$'000	Interest \$'000	Principal \$'000
<b>Group</b>			
<b>2023</b>			
Within 1 year	21,210	740	20,470
After 1 year but within 5 years	15,321	693	14,628
After 5 years	202	2	200
	<b>36,733</b>	<b>1,435</b>	<b>35,298</b>
<b>2022</b>			
Within 1 year	23,283	1,143	22,140
After 1 year but within 5 years	31,847	909	30,938
After 5 years	–	–	–
	55,130	2,052	53,078
<b>Company</b>			
<b>2023</b>			
Within 1 year	18,859	570	18,290
After 1 year but within 5 years	11,976	353	11,622
After 5 years	–	–	–
	<b>30,835</b>	<b>923</b>	<b>29,912</b>
<b>2022</b>			
Within 1 year	21,300	1,099	20,201
After 1 year but within 5 years	30,432	895	29,537
After 5 years	–	–	–
	51,732	1,994	49,738

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 31 Lease liabilities (continued)

### (b) Reconciliation of liabilities arising from financing activities

	Lease liabilities Group	
	2023 \$'000	2022 \$'000
<b>Balance at beginning of financial year</b>	<b>53,078</b>	71,422
<b>Financing cash flows</b>		
Repayment of lease liabilities	<b>(24,429)</b>	(23,142)
	<b>(24,429)</b>	(23,142)
<b>Non-cash changes</b>		
New leases	<b>5,384</b>	3,129
Reassessment and modifications	<b>5</b>	33
Interest expense (Note 11)	<b>1,227</b>	1,688
Effect of changes in foreign exchange rates	<b>33</b>	(52)
	<b>6,649</b>	4,798
<b>Balance at end of financial year</b>	<b>35,298</b>	53,078

## 32 Income taxes

### (a) Income tax expense

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Tax expense attributable to profit is made up of:				
– current income tax	<b>112,191<sup>(a)</sup></b>	99,631	<b>2,039</b>	4,486
– deferred income tax	<b>(9,301)</b>	(6,229)	<b>109</b>	(983)
	<b>102,890</b>	93,402	<b>2,148</b>	3,503
Under/(over) provision in prior financial years:				
– current income tax	<b>358</b>	(1,110) <sup>(b)</sup>	–	–
– deferred income tax	<b>9</b>	395	–	–
	<b>103,257</b>	92,687	<b>2,148</b>	3,503

<sup>(a)</sup> Includes \$533,000 utilisation of tax receivables under Trade and other receivables.

<sup>(b)</sup> Includes \$1,377,000 of tax receivables under Trade and other receivables.

## 32 Income taxes (continued)

### (b) Tax reconciliation

The tax expense on profit differs from the amount that would arise using the Singapore rate of income tax due to the following:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Profit before tax and share of results of associated companies and joint ventures	<b>689,379</b>	555,122	<b>478,931</b>	408,213
Tax calculated at a tax rate of 17% (2022: 17%)	<b>117,194</b>	94,371	<b>81,418</b>	69,396
Tax effect of:				
Singapore statutory income exemption	<b>(192)</b>	(167)	<b>(17)</b>	(17)
Income not subject to tax	<b>(14,965)</b>	(3,193)	<b>(79,131)</b>	(66,285)
Tax incentives and rebates	<b>(1,616)</b>	(1,406)	<b>(1,243)</b>	(643)
Expenses not deductible for tax purposes	<b>2,654</b>	2,040	<b>564</b>	782
Different tax rates in other countries	<b>1,015</b>	1,132	–	–
Others	<b>(1,200)</b>	625	<b>557</b>	270
Under/(over) provision in prior financial years	<b>367</b>	(715)	–	–
	<b>103,257</b>	92,687	<b>2,148</b>	3,503

### (c) Movements in provision for tax

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of financial year	<b>99,939</b>	99,634	<b>5,678</b>	4,946
Income tax paid	<b>(98,908)</b>	(99,094)	<b>(3,274)</b>	(3,754)
Tax expense on profit for the financial year	<b>111,658</b>	99,631	<b>2,039</b>	4,486
Under provision in prior financial years	<b>358</b>	267	–	–
Utilisation of losses and capital allowances <sup>(a)</sup>	–	(578)	–	–
Currency translation	<b>(235)</b>	79	–	–
Balance at end of financial year	<b>112,812</b>	99,939	<b>4,443</b>	5,678

<sup>(a)</sup> This arises from transfer of prior year's tax losses and unutilised capital allowances between entities within the Group.



# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 32 Income taxes (continued)

### (d) Deferred income tax

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred tax assets:				
- to be recovered within 12 months	6,008	5,082	3,518	3,541
- to be recovered after 12 months	2,231	2,203	1,623	2,183
	8,239	7,285	5,141	5,724
- Effect of offsetting	(8,239)	(7,285)	(5,141)	(5,724)
	-	-	-	-
Deferred tax liabilities:				
- to be settled within 12 months	14,555	10,628	2,486	2,524
- to be settled after 12 months	48,730	76,125	4,615	4,960
	63,285	86,753	7,101	7,484
- Effect of offsetting	(8,239)	(7,285)	(5,141)	(5,724)
	55,046	79,468	1,960	1,760

The movements in the deferred tax assets and liabilities during the financial year are as follows:

#### The Group – deferred tax assets

	Unutilised tax losses		Employee share plans		Unutilised leave		Others		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of financial year	1,129	857	4,483	3,821	1,128	1,569	545	700	7,285	6,947
Credited/(charged) to profit or loss	1,297	850	(367)	904	268	(441)	(145)	(155)	1,053	1,158
Utilisation of losses and capital allowances <sup>(a)</sup>	-	(578)	-	-	-	-	-	-	-	(578)
Charged to equity	-	-	(91)	(242)	-	-	-	-	(91)	(242)
Currency translation	(8)	-	-	-	-	-	-	-	(8)	-
Balance at end of financial year	2,418	1,129	4,025	4,483	1,396	1,128	400	545	8,239	7,285

<sup>(a)</sup> This arises from transfer of prior year's tax losses and unutilised capital allowances between entities within the Group.

## 32 Income taxes (continued)

### (d) Deferred income tax (continued)

#### The Group – deferred tax liabilities

	Cash flow hedge reserve		Accelerated tax depreciation		Intangible assets arising from business combinations		Financial assets, at FVOCI		Others		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of financial year	(236)	(143)	25,365	26,515	23,052	24,819	38,158	21,391	414	821	86,753	73,403
Acquisition from subsidiary	–	–	–	–	–	3,109	–	–	–	–	–	3,109
Credited to profit or loss	–	–	(2,884)	(1,144)	(5,107)	(3,125)	–	–	(248)	(407)	(8,239)	(4,676)
(Credited)/charged to equity	49	(93)	–	–	–	–	(15,948)	16,767	–	–	(15,899)	16,674
Currency translation	–	–	53	(6)	615	(1,751)	–	–	2	–	670	(1,757)
Balance at end of financial year	(187)	(236)	22,534	25,365	18,560	23,052	22,210	38,158	168	414	63,285	86,753

#### The Company – deferred tax assets

	Employee share plans		Unutilised leave		Others		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of financial year	4,483	3,821	837	1,159	404	404	5,724	5,384
(Charged)/credited to profit or loss	(367)	904	4	(322)	(129)	–	(492)	582
Charged to equity	(91)	(242)	–	–	–	–	(91)	(242)
Balance at end of financial year	4,025	4,483	841	837	275	404	5,141	5,724

#### The Company – deferred tax liabilities

	Accelerated tax depreciation		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of financial year	7,484	7,885	7,484	7,885
Credited to profit or loss	(383)	(401)	(383)	(401)
Balance at end of financial year	7,101	7,484	7,101	7,484

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 32 Income taxes (continued)

### (d) Deferred income tax (continued)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2023 \$'000	2022 \$'000
Tax losses	22,574	22,585

These items principally relate to four (2022: four) entities within the Group which are dormant.

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The tax losses are subject to the relevant provisions of the Singapore Income Tax Act and confirmation by the tax authorities.

### (e) Tax effects on other comprehensive income

	Group		
	Before tax \$'000	Tax benefit/ (liability) \$'000	Net of tax \$'000
<b>2023</b>			
<b>Other comprehensive income</b>			
Foreign exchange translation	(10,056)	–	(10,056)
Fair value gains and transferred to profit or loss on cash flow hedges	566	(49)	517
Fair value losses on financial assets, at FVOCI	(77,849)	15,948	(61,901)
	<b>(87,339)</b>	<b>15,899</b>	<b>(71,440)</b>
<b>2022</b>			
<b>Other comprehensive income</b>			
Foreign exchange translation	(318)	–	(318)
Fair value losses and transferred to profit or loss on cash flow hedges	(1,241)	93	(1,148)
Fair value gains on financial assets, at FVOCI	81,318	(16,767)	64,551
	79,759	(16,674)	63,085

## 33 Provisions

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Provision for SGX-MAS Market Development Scheme (Note (a))	1,802	1,802	–	–
Provision for unutilised leave (Note (b))	8,249	8,035	4,894	4,925
Provision for dismantlement, removal or restoration of property, plant and equipment (Note (c))	3,961	3,964	3,786	3,786
	<b>14,012</b>	13,801	<b>8,680</b>	8,711

### 33 Provisions (continued)

#### (a) Provision for SGX-MAS Market Development Scheme

Provision for SGX-MAS Market Development Scheme is used to fund projects that raise awareness of the securities and derivatives market among investors.

#### (b) Provision for unutilised leave

Provision for unutilised leave is the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of financial year	8,035	11,592	4,925	6,820
Acquisition of business	–	190	–	–
Provision/(utilisation) made during the financial year, net	214	(3,747)	(31)	(1,895)
Balance at end of financial year	8,249	8,035	4,894	4,925

#### (c) Provision for dismantlement, removal or restoration of property, plant and equipment

Provision for dismantlement, removal or restoration of leased premises is expected to be utilised upon return of leased premises.

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of financial year	3,964	3,805	3,786	3,786
Acquisition of business	–	159	–	–
Currency translation	(3)	–	–	–
Balance at end of financial year	3,961	3,964	3,786	3,786

### 34 Other liabilities

	Group	
	2023 \$'000	2022 \$'000
Forward liability to acquire non-controlling interests (Note (a))	14,774	37,583
Deferred revenue (Note 19)	14,695	14,629
	29,469	52,212

- (a) Arising from the acquisition of Scientific Beta Pte. Ltd. ("SB"), the forward liability relates to a put and call option agreement with the non-controlling shareholder of SB to acquire its 7% equity interests in SB. Refer to Note 2.2(3) on the accounting policy relating to the forward liability.

As at 30 June 2023, the forward liability has decreased from \$37,583,000 to \$14,774,000 due to decline in SB performance. Excluding effects of changes in foreign exchange rates, the resultant fair value gain of \$23,306,000 was recognised for the financial year (Note 11).

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 35 Share capital

### (a) Share capital and treasury shares

Group and Company

	Number of shares		Amount	
	Issued shares '000	Treasury shares '000	Share Capital \$'000	Treasury shares \$'000
<b>2023</b>				
Balance at beginning of financial year	1,071,642	3,657	427,365	(34,640)
Purchase of treasury shares	–	2,115	–	(18,613)
Vesting of shares under share-based remuneration plans	–	(2,107)	(4,303)	20,797
Vesting of shares under restricted share plan	–	(11)	(6)	100
Tax effect on treasury shares	–	–	–	(91)
Balance at end of financial year	<b>1,071,642</b>	<b>3,654</b>	<b>423,056</b>	<b>(32,447)</b>
<b>2022</b>				
Balance at beginning of financial year	1,071,642	2,752	430,413	(25,189)
Purchase of treasury shares	–	2,947	–	(27,719)
Vesting of shares under share-based remuneration plans	–	(2,008)	(3,021)	18,157
Vesting of shares under restricted share plan	–	(34)	(27)	353
Tax effect on treasury shares	–	–	–	(242)
Balance at end of financial year	1,071,642	3,657	427,365	(34,640)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company, except for shares held as treasury shares.

The Company purchased 2,115,000 of its shares (2022: 2,947,000) in the open market during the financial year. The total amount paid to purchase the shares was \$18,613,000 (2022: \$27,719,000). The Company holds the shares bought back as treasury shares.

## 35 Share capital (continued)

### (b) Performance share plans

#### (i) Outstanding performance shares

Details of performance shares awarded to participants at the balance sheet date are as follows:

Number of shares	Group and Company						Total
	FY2018 grant*	FY2019 grant*	FY2020 grant**	FY2021 grant**	FY2022 grant**	FY2023 grant**	
<b>2023</b>							
Balance at beginning of financial year	–	654,200	668,800	676,000	535,300	–	2,534,300
Granted	–	–	–	–	–	715,100	715,100
Additional award at vesting	–	233,900	–	–	–	–	233,900
Vested	–	(888,100)	–	–	–	–	(888,100)
Lapsed	–	–	(9,500)	(8,900)	(5,500)	–	(23,900)
Balance at end of financial year	–	–	659,300	667,100	529,800	715,100	2,571,300
<b>2022</b>							
Balance at beginning of financial year	602,200	673,600	687,600	707,400	–	–	2,670,800
Granted	–	–	–	–	564,900	–	564,900
Additional award at vesting	52,700	1,300	900	900	–	–	55,800
Vested	(654,900)	(4,900)	(3,500)	(3,500)	–	–	(666,800)
Lapsed	–	(15,800)	(16,200)	(28,800)	(29,600)	–	(90,400)
Balance at end of financial year	–	654,200	668,800	676,000	535,300	–	2,534,300

\* The number of shares vested represents the level of achievement against the performance conditions. Performance targets exceeded for FY2018 and FY2019 grant. Accordingly, additional shares were awarded for vesting.

\*\* Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

The terms of the performance share plans are set out in the Directors' Statement under the caption "SGX Performance Share Plan".

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 35 Share capital (continued)

### (b) Performance share plans (continued)

#### (ii) Fair value of performance shares

The fair value of the performance shares at grant date and the key assumptions of the fair value model for the grants were as follows:

	FY2023 grant	FY2022 grant	FY2021 grant	FY2020 grant	FY2019 grant
Date of grant	<b>18.08.2022</b>	16.08.2021	17.08.2020	15.08.2019	15.08.2018
Vesting date	<b>01.09.2026</b>	01.09.2025	01.09.2024	01.09.2023	01.09.2022
Number of performance shares at grant date	<b>715,100</b>	564,900	732,200	711,000	696,500
Fair value per performance share at grant date	<b>\$8.78</b>	\$9.55	\$7.37	\$7.08	\$7.46
<b>Assumptions under Monte-Carlo Model</b>					
<b>Expected volatility</b>					
Shares of Singapore Exchange Limited	<b>22.42%</b>	22.30%	22.00%	14.20%	15.82%
Shares of selected peer exchanges	<b>22.42% to 45.84%</b>	22.40% to 78.60%	21.30% to 41.90%	14.80% to 31.40%	15.62% to 31.96%
Shares of Straits Times Index peer companies	<b>19.82% to 36.96%</b>	19.80% to 45.20%	19.40% to 40.70%	13.10% to 39.30%	15.75% to 34.91%
Historical volatility period	<b>36 months</b>	36 months	36 months	36 months	36 months
<b>Risk-free interest rate</b>					
Date on which yield of Singapore government bond was based	<b>18.08.2022</b>	16.08.2021	17.08.2020	15.08.2019	15.08.2018
Term (years)	<b>3</b>	3	3	3	3
<b>Expected dividend yield based on management's forecast</b>					
	<b>3.20%</b>	2.96%	3.70%	3.64%	4.04%
<b>Share price reference</b>	<b>\$10.00</b>	\$10.82	\$8.64	\$8.25	\$7.43



### 35 Share capital (continued)

#### (c) Deferred long-term incentives scheme

##### (i) Outstanding deferred long-term incentives shares

Details of deferred long-term incentives shares awarded to recipients at the balance sheet date are as follows:

Number of shares	Group and Company				Total
	FY2020 award	FY2021 award	FY2022 award	FY2023 award	
<b>2023</b>					
Balance at beginning of financial year	420,664	875,530	1,092,500	–	2,388,694
Awarded	–	–	–	1,469,000	1,469,000
Vested	(419,664)	(436,804)	(362,721)	–	(1,219,189)
Lapsed	(1,000)	(15,942)	(25,304)	(40,800)	(83,046)
Balance at end of financial year	–	422,784	704,475	1,428,200	2,555,459

Number of shares	Group and Company				Total
	FY2019 award	FY2020 award	FY2021 award	FY2022 award	
<b>2022</b>					
Balance at beginning of financial year	416,632	898,985	1,419,400	–	2,735,017
Awarded	–	–	–	1,168,900	1,168,900
Vested	(416,632)	(450,283)	(474,132)	–	(1,341,047)
Lapsed	–	(28,038)	(69,738)	(76,400)	(174,176)
Balance at end of financial year	–	420,664	875,530	1,092,500	2,388,694

The terms of the deferred long-term incentives scheme are set out in the Directors' Statement under the caption "SGX Deferred Long-Term Incentives Scheme".

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 35 Share capital (continued)

### (c) Deferred long-term incentives scheme (continued)

#### (ii) Fair value of deferred long-term incentives shares

The fair value of deferred long-term incentives shares was estimated by the present value of the share price adjusted for future expected dividends. The fair value of shares at award date and the key assumptions of the fair value model for the awards were as follows:

<b>FY2023 Award</b>			
Date of award		← 18.08.2022 →	
Vesting date	01.09.2023	01.09.2024	01.09.2025
Number of shares at award date	489,584	489,584	489,832
Fair value per deferred long-term incentives share at award date	\$9.68	\$9.38	\$9.07
<b>Assumptions used in fair value model</b>			
<b>Risk-free interest rate</b>	2.81%	2.61%	2.59%
Date on which yield of Singapore government bond was based	18.08.2022	18.08.2022	18.08.2022
<b>Expected dividend yield based on management's forecast</b>	3.20%	3.20%	3.20%
<b>Share price reference</b>	\$10.00	\$10.00	\$10.00
<b>FY2022 Award</b>			
Date of award		← 16.08.2021 →	
Vesting date	01.09.2022	01.09.2023	01.09.2024
Number of shares at award date	389,546	389,546	389,808
Fair value per deferred long-term incentives share at award date	\$11.11	\$10.79	\$10.47
<b>Assumptions used in fair value model</b>			
<b>Risk-free interest rate</b>	0.30%	0.51%	0.67%
Date on which yield of Singapore government bond was based	16.08.2021	16.08.2021	16.08.2021
<b>Expected dividend yield based on management's forecast</b>	2.96%	2.96%	2.96%
<b>Share price reference</b>	\$10.82	\$10.82	\$10.82

**35 Share capital** (continued)**(c) Deferred long-term incentives scheme** (continued)*(ii) Fair value of deferred long-term incentives shares* (continued)

<b>FY2021 Award</b>			
Date of award	← 17.08.2020 →		
Vesting date	01.09.2021	01.09.2022	01.09.2023
Number of shares at award date	492,193	492,193	492,414
Fair value per deferred long-term incentives share at award date	\$8.16	\$7.84	\$7.52
<b>Assumptions used in fair value model</b>			
<b>Risk-free interest rate</b>	0.25%	0.29%	0.39%
Date on which yield of Singapore government bond was based	17.08.2020	17.08.2020	17.08.2020
<b>Expected dividend yield based on management's forecast</b>	3.70%	3.70%	3.70%
<b>Share price reference</b>	\$8.64	\$8.64	\$8.64
<b>FY2020 Award</b>			
Date of award	← 15.08.2019 →		
Vesting date	01.09.2020	01.09.2021	01.09.2022
Number of shares at award date	482,009	482,009	482,182
Fair value per deferred long-term incentives share at award date	\$7.71	\$7.41	\$7.13
<b>Assumptions used in fair value model</b>			
<b>Risk-free interest rate</b>	1.67%	1.63%	1.62%
Date on which yield of Singapore government bond was based	15.08.2019	15.08.2019	15.08.2019
<b>Expected dividend yield based on management's forecast</b>	3.64%	3.64%	3.64%
<b>Share price reference</b>	\$8.25	\$8.25	\$8.25

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 35 Share capital (continued)

### (c) Deferred long-term incentives scheme (continued)

(ii) Fair value of deferred long-term incentives shares (continued)

FY2019 Award			
Date of award		← 15.08.2018 →	
Vesting date	01.09.2019	01.09.2020	01.09.2021
Number of shares at award date	459,896	459,896	460,008
Fair value per deferred long-term incentives share at award date	\$7.14	\$6.84	\$6.56
<b>Assumptions used in fair value model</b>			
<b>Risk-free interest rate</b>	1.74%	1.95%	2.07%
Date on which yield of Singapore government bond was based	15.08.2018	15.08.2018	15.08.2018
<b>Expected dividend yield based on management's forecast</b>	4.04%	4.04%	4.04%
<b>Share price reference</b>	\$7.43	\$7.43	\$7.43

### (d) Restricted Share Plan

Details of restricted share plan ("RSP") awarded to recipients at the balance sheet date are as follows:

	Group and Company	
	2023	2022
<b>Number of shares</b>		
Balance at beginning of financial year	–	–
Awarded	<b>10,735</b>	33,975
Vested	<b>(10,735)</b>	(33,975)
Balance at end of financial year	–	–

The terms of the RSP are set out in the Directors' Statement under the caption "SGX Restricted Share Plan".

The RSP award relates to approximately one-quarter of the Group's Chairman fees and approximately one-quarter of selected non-executive directors' basic fees (collectively known as "Fees") which were paid in shares in lieu of cash. The Group's FY2023 Chairman fees were paid entirely in cash.

The number of shares to be awarded was estimated by Fees divided by volume weighted average share price of SGX share listed on the Singapore Exchange Securities Trading Limited over 14 trading days immediately following the date of the Annual General Meeting on 6 October 2022 (FY2022 award: 7 October 2021).

### 36 Capital reserve

	Group	
	2023 \$'000	2022 \$'000
Equity component of convertible bonds, net of tax	<b>3,989</b>	3,989

### 37 Other reserve

	Group	
	2023 \$'000	2022 \$'000
Forward liability to acquire non-controlling interests	<b>40,506</b>	40,506

Refer to Note 2.2(3) on the accounting policy relating to the forward liability.

### 38 Dividends

	Group and Company	
	2023 \$'000	2022 \$'000
Interim tax-exempt dividends of 24.0 cents (2022: 24.0 cents) per share	<b>256,490</b>	256,580
Proposed final tax-exempt dividends of 8.5 cents (2022: 8.0 cents) per share	<b>90,779</b>	85,439
	<b>347,269</b>	342,019

The directors have proposed a final tax-exempt dividend for the financial year ended 30 June 2023 of 8.5 cents (2022: 8.0 cents) per share amounting to a total of \$90,779,000 (2022: \$85,439,000). The proposed dividend has been transferred from retained profits to proposed dividends reserve.

### 39 Segment information

Management determines the operating segments based on the reports reviewed and used by the Executive Management Committee for performance assessment and resources allocation.

The Group operates primarily in Singapore and is organised into four segments as follows:

- (i) Fixed Income, Currencies and Commodities – Provision of fixed income issuer services, trading and clearing services and collateral management.
- (ii) Equities – Provision of issuer services, securities trading and clearing, securities settlement and depository management, derivatives trading and clearing and collateral management.
- (iii) Data, Connectivity and Indices – Provision of market data, connectivity and indices services.
- (iv) Corporate – Non-operating segment comprising corporate activities which are not allocated to the three operating segments described above.

Segment performance is evaluated based on operating profits of the segment. Management monitors the operating results of the segments for the purpose of making decisions on performance assessment and resource allocation.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 39 Segment information (continued)

	Fixed Income, Currencies and Commodities \$'000	Equities \$'000	Data, Connectivity and Indices \$'000	Corporate \$'000	Group \$'000
<b>2023</b>					
<b>Operating Revenue</b>	<b>338,166</b>	<b>709,183</b>	<b>147,059</b>	–	<b>1,194,408</b>
<b>Earnings before interest, tax, depreciation and amortisation</b>	<b>143,992</b>	<b>450,091</b>	<b>93,782</b>	–	<b>687,865</b>
Depreciation and amortisation	41,974	40,851	15,497	–	98,322
<b>Operating profit</b>	<b>102,018</b>	<b>409,240</b>	<b>78,285</b>	–	<b>589,543</b>
Non-operating items	–	–	–	99,836	99,836
Share of results of associated companies and joint ventures, net of tax	–	–	–	(15,557)	(15,557)
Tax	–	–	–	(103,257)	(103,257)
<b>Net profit after tax</b>					<b>570,565</b>
<b>2022</b>					
<b>Operating Revenue</b>	252,745	698,867	147,429	–	1,099,041
<b>Earnings before interest, tax, depreciation and amortisation</b>	90,815	448,109	95,182	–	634,106
Depreciation and amortisation	37,731	42,915	16,012	–	96,658
<b>Operating profit</b>	53,084	405,194	79,170	–	537,448
Non-operating items	–	–	–	17,674	17,674
Share of results of associated companies and joint ventures, net of tax	–	–	–	(10,534)	(10,534)
Tax	–	–	–	(92,687)	(92,687)
<b>Net profit after tax</b>					<b>451,901</b>

## 40 Securities Clearing Fund

The Securities Clearing Fund was established under the clearing rules of the securities clearing subsidiary, CDP. The clearing fund is to provide resources to enable CDP to discharge its obligations and the liabilities of defaulting clearing members arising from transactions in approved securities.

The Securities Clearing Fund uses a scalable structure that aligns members' contributions to their clearing risk exposure with CDP. Clearing members are required to post clearing fund contributions that is the higher of \$500,000 or the clearing member's proportionate share of the total clearing fund requirement, based on the exposure that the member brings to CDP.

## 40 Securities Clearing Fund (continued)

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

### (a) Contribution by CDP

	Group	
	2023 \$'000	2022 \$'000
Cash at bank – contributed by CDP	40,000	60,000

Cash contributions by CDP are denominated in SGD and placed in interest bearing accounts with four banks (2022: four banks). The initial \$25,000,000 contribution by CDP into the Securities Clearing Fund is recorded in the securities clearing fund reserve.

### (b) Contribution by Clearing Members

The cash contributions from CDP clearing members are not recorded in the statement of financial position of the Group as these contributions are held in trust by the Group.

	Group	
	2023 \$'000	2022 \$'000
Contributions by CDP clearing members – cash at bank, held in trust	48,231	51,452

The Securities Clearing Fund is a trust asset held subject to the trust purposes set out in CDP Clearing Rule 7.1.2. CDP is obliged to contribute at least 25% of the Securities Clearing Fund size.

Payments out of the Securities Clearing Fund shall be made in the following order:

- (1) Contributions by defaulting clearing member(s);
- (2) CDP's contribution of an amount not less than 15% of the Clearing Fund size;
- (3) Collateralised contributions by all other non-defaulting clearing members on a pro-rata basis in the proportion of each clearing member's collateralised contribution relative to the aggregate collateralised contributions of all non-defaulting clearing members;
- (4) CDP's contribution of an amount not less than the difference between 25% of the Clearing Fund size, and layer (2) above. The second contribution of the Securities Clearing Fund contributed by CDP amounted to \$20,000,000 (2022: \$30,000,000);
- (5) Contingent contributions by all non-defaulting clearing members on a pro-rata basis in the proportion of each clearing member's contingent contributions relative to the aggregate contingent contributions of all non-defaulting clearing members.



# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 41 Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) Clearing Fund

The SGX-DC Clearing Fund structure specifies the apportionment and sequence of use of resources in the event of single and multiple defaults. It provides a scalable structure that aligns clearing members’ contributions to their clearing risk exposure with SGX-DC.

The Group has committed cash, amounting to \$131,805,000 (2022: \$125,021,000) (Note 13) to support the SGX-DC Clearing Fund. The SGX-DC Clearing Fund is made up of the following:

	2023 \$'000	2022 \$'000
SGX-DC share capital earmarked for SGX-DC Clearing Fund	97,784	91,000
Derivatives clearing fund reserve (Note (a))	34,021	34,021
	<b>131,805</b>	125,021

Except for the \$131,805,000 (2022: \$125,021,000) mentioned above, other resources available for the SGX-DC Clearing Fund are not included in the statement of financial position of the Group. These are third party obligations towards the SGX-DC Clearing Fund and where they are held by SGX-DC, these resources are held in trust (Note 42(b)).

### (a) Derivatives clearing fund reserve

Upon the dissolution of the SGX-DT Compensation Fund on 24 November 2006, the cash proceeds of \$34,021,000 were set aside as the Group’s derivatives clearing fund reserve to support the SGX-DC Clearing Fund. This reserve is not available for distribution as dividend.

### (b) Utilisation of SGX-DC Clearing Fund

Under the SGX-DC Clearing Fund structure, the resources available would be utilised in the following priority in the event of default of a SGX-DC clearing member:

- (1) the defaulting derivatives clearing member’s collateral deposited with or provided to SGX-DC;
- (2) SGX-DC’s contributions of an amount not less than 15% of the SGX-DC Clearing Fund size;
- (3) clearing fund deposits of non-defaulting derivatives clearing members participating in the same contract class as the defaulted derivatives clearing member;
- (4) SGX-DC’s contributions of an amount not less than the difference of 25% of the SGX-DC Clearing Fund size and SGX-DC’s contribution to layer (2) above;
- (5) clearing fund deposits of other non-defaulting derivatives clearing members not participating in the same contract class as the defaulted derivatives clearing member;
- (6) further assessments on other non-defaulting derivatives clearing members; and
- (7) any other contributions to the SGX-DC Clearing Fund.

## 41 Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) Clearing Fund (continued)

### (b) Utilisation of SGX-DC Clearing Fund (continued)

The rules of SGX-DC provide for SGX-DC to continually draw down resources in the above sequence in the event of multiple defaults occurring within a period of 90 days. Upon utilisation of the SGX-DC Clearing Fund, SGX-DC will be obliged to contribute at least 25% of the SGX-DC Clearing Fund size in relation to the paragraph above.

The rules of SGX-DC further provide for resources to be mobilised should the GIFT Connect counterparty, NSE IFSC Clearing Corporation Limited (NICCL), be unable to meet its obligations. The resources available (“GIFT Connect Layer”) would be utilised in the following priority in the event of default of the GIFT Connect counterparty:

- (1) The defaulting GIFT Connect counterparty collateral deposited with SGX-DC;
- (2) SGX-DC’s contributions of an amount not less than 15% of the GIFT Connect Layer size;
- (3) Connect Layer contribution by derivatives clearing members participating in GIFT Connect; and
- (4) SGX-DC’s contribution of an amount not less than the difference between 25% of the GIFT Connect Layer size, and SGX-DC’s contribution to layer (2) above.

In the event that the above GIFT Connect Layer is inadequate, the SGX-DC clearing fund resources starting from layer (2) of the SGX-DC clearing fund above, will be applied.

## 42 Clearing fund, margin and other deposits

The Group, in its normal course of business, through subsidiaries operating as clearing houses, holds assets in trust or contingent assets such as irrevocable letters of credit, government securities or on-demand guarantees. None of these assets or contingent assets, together with the corresponding liabilities, are included in the statement of financial position of the Group.

### (a) The Central Depository (Pte) Limited (“CDP”)

#### (i) Margin and other deposits

As the clearing house for securities traded on Singapore Exchange Securities Trading Limited (“SGX-ST”), CDP becomes the novated counterparty for these trades.

The rules of CDP require its clearing members to provide collateral in the form acceptable to CDP as margin deposits to guarantee the performance of the obligations associated with securities traded on SGX-ST and cleared by CDP. The total collateral required by CDP as at 30 June 2023 were approximately \$43,142,000 (2022: \$53,925,000).

In addition, the CDP Clearing Rules provide that CDP may request its clearing members to place additional collateral with CDP in respect of its securities clearing activities from time to time.

Forms of collateral acceptable by CDP as margins include cash, government securities, selected common stocks and other instruments as approved by CDP from time to time.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 42 Clearing fund, margin and other deposits (continued)

### (a) The Central Depository (Pte) Limited ("CDP") (continued)

#### (i) Margin and other deposits (continued)

As at the reporting date, clearing members had lodged the following collateral with CDP:

	2023 \$'000	2022 \$'000
<b>Margin deposits</b>		
Cash	168,082	198,180
Quoted government securities, at fair value	1,980	–
<b>Other collateral</b>		
Irrevocable letters of credit	30,000	30,000

All cash deposits in the financial year are placed with banks. Interest earned on the cash deposits is credited to the securities clearing members, with a portion paid to CDP as administrative fee.

### (b) Singapore Exchange Derivatives Clearing Limited ("SGX-DC")

#### (i) Margin deposits

As the clearing house for futures and options traded on Singapore Exchange Derivatives Trading Limited ("SGX-DT") and Over-The-Counter ("OTC") commodities contracts, SGX-DC becomes the novated counterparty for these derivative instruments.

The rules of SGX-DC require its derivatives clearing members to provide margin deposits to guarantee the performance of the obligations associated with derivative instruments positions. Forms of collateral acceptable by SGX-DC as margins include cash, government securities, and other instruments as approved by SGX-DC from time to time.

In addition, the SGX-DC Clearing Rules provide that SGX-DC may request its clearing members to place additional collateral with SGX-DC in respect of its derivatives clearing activities from time to time.

The total margins required by SGX-DC as at 30 June 2023 were approximately \$11,355,208,000 (2022: \$12,561,221,000).

As at the reporting date, clearing members had lodged the following collateral with SGX-DC:

	2023 \$'000	2022 \$'000
<b>Margin deposits</b>		
Cash	11,244,785	13,860,539
Quoted government securities, at fair value	2,665,911	1,395,925

All cash deposits are placed with banks and/or in reverse repurchase agreements. Interest earned on the cash deposits is credited to the derivatives clearing members, with a portion paid to SGX-DC as administrative fee.

## 42 Clearing fund, margin and other deposits (continued)

### (b) Singapore Exchange Derivatives Clearing Limited ("SGX-DC") (continued)

#### (ii) Performance deposits and deposits received for contract value

For commodities contracts which are physically-settled, the rules of SGX-DC and its contract specifications require its clearing members to provide collateral in the form acceptable to SGX-DC as performance deposits to secure the performance of a delivery contract. In its capacity as escrow agent to the physical delivery of the contract, SGX-DC also collects the contract value of the commodities to be delivered through the exchange.

As at the reporting date, the following were lodged with SGX-DC for performance deposits purposes:

	2023 \$'000	2022 \$'000
<b>Performance deposits and deposits received for contract value</b>		
Cash	278	5

#### (iii) Clearing fund and other deposits

The rules of SGX-DC require its clearing members to deposit clearing fund contributions for their derivatives clearing obligations to SGX-DC.

Clearing members are required to post clearing fund deposit amount that is higher of \$1,000,000 or the clearing member's proportionate share of the total clearing fund requirement, based on the exposure that the member brings to SGX-DC, taking into account its three-month average risk margin. Such deposits can be in cash, government securities or any forms of collateral acceptable to SGX-DC.

As at the reporting date, the following clearing fund and other deposits were lodged with SGX-DC for clearing fund purpose:

	2023 \$'000	2022 \$'000
<b>Clearing fund and other deposits</b>		
Cash	419,863	488,654
Quoted government securities, at fair value	25,923	12,844

#### (iv) Collateral for Mutual Offset Settlement Agreement

As at 30 June 2023, irrevocable letters of credit amounting to approximately \$386,687,000 (2022: \$458,767,000) were lodged by The Chicago Mercantile Exchange with SGX-DC. This is to fulfill collateral requirements under the Mutual Offset Settlement Agreement.

#### (v) Collateral for GIFT Connect

As at 30 June 2023, Bankers' Guarantee amounting to approximately \$67,840,000 (2022: Not applicable) was lodged by NSE IFSC Clearing Corporation Ltd (NICCL) with SGX-DC. This is to fulfill collateral requirement under the GIFT Connect operating agreement.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 43 Collaterals for Securities Borrowing and Lending

CDP operates a Securities Borrowing and Lending (“SBL”) programme for banks, its depositors, clearing members and depository agents. SBL involves a temporary transfer of securities from a lender to a borrower, via CDP, for a fee. The SBL programme requires the borrowers of securities to provide collateral in the form of cash and/or certain designated securities.

As at the reporting date, borrowers had lodged the following collateral with CDP for SBL purpose:

	2023 \$'000	2022 \$'000
Cash	112,469	91,964
Securities, at fair value	48,399	39,117

None of these assets or contingent assets nor the corresponding liabilities are included in the statement of financial position of the Group.

## 44 Securities and Derivatives Fidelity Funds

The fidelity funds are administered by Singapore Exchange Securities Trading Limited (“SGX-ST”) and Singapore Exchange Derivatives Trading Limited (“SGX-DT”), as required by Section 176 of the Securities and Futures Act. The assets of the fidelity funds are kept separate from all other assets, and are held in trust for the purposes set out in the Securities and Futures Act. The balances of the fidelity funds are as follows:

	2023 \$'000	2022 \$'000
Securities Exchange Fidelity Fund	38,525	37,745
Derivatives Exchange Fidelity Fund	26,158	25,629
	<b>64,683</b>	63,374

The purposes of the fidelity funds pursuant to Section 186 of the Securities and Futures Act are as follows:

- (a) to compensate any person (other than an accredited investor) who has suffered a pecuniary loss from any defalcation committed:
  - (i) in the course of, or in connection with, dealing in securities, or the trading of a futures contract;
  - (ii) by a member of a securities exchange or a futures exchange or by any agent of such member; and
  - (iii) in relation to any money or other property entrusted to or received:
    - by that member or any of its agents; or
    - by that member or any of its agents as trustee or on behalf of the trustees of that money or property.
- (b) to pay the Official Assignee or a trustee in bankruptcy within the meaning of the Bankruptcy Act (Cap. 20) if the available assets of a bankrupt, who is a member of SGX-ST or SGX-DT, are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the bankruptcy by creditors of the bankrupt member.

#### 44 Securities and Derivatives Fidelity Funds (continued)

- (c) to pay a liquidator of a member of SGX-ST or SGX-DT which is being wound up if the available assets of a member are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the liquidation of the member.

Any reference to dealing in securities or trading of a futures contract refers to such dealing or trading through the exchange which establishes, keeps and administers the fidelity fund or through a trading linkage of the exchange with an overseas securities exchange or an overseas futures exchange.

No further provision has been made in the financial year ended 30 June 2023 for contribution to be paid to the securities and derivatives fidelity funds as the minimum sum of \$20,000,000 (2022: \$20,000,000) for each fidelity fund as currently required under the Securities and Futures Act has been met.

The assets and liabilities of the fidelity funds are as follows:

	2023 \$'000	2022 \$'000
<b>Assets</b>		
Fixed deposits with banks	64,810	63,260
Bank balance	157	144
Interest receivable	7	17
	<b>64,974</b>	<b>63,421</b>
<b>Liabilities</b>		
Other payables and accruals	4	3
Taxation	286	41
Deferred tax liabilities	1	3
	<b>291</b>	<b>47</b>
<b>Net assets</b>	<b>64,683</b>	<b>63,374</b>

The assets and liabilities of the fidelity funds are not included in the statement of financial position of the Group as they are held in trust.

#### 45 Contingent liabilities

At the balance sheet date, the Group and the Company's contingent liabilities are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange ("CME") for members' open positions on CME. These guarantees are supported by members' collateral balances.	356,838	389,257	-	-

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 46 Capital commitments

Capital commitments contracted for at year-end but not recognised in the financial statements are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Property, plant and equipment	14,114	179	14,104	–
Software	2,895	5,660	616	1,052
	<b>17,009</b>	5,839	<b>14,720</b>	1,052

## 47 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

### Directors' fees and key management's remuneration

Key management's remuneration included fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or the Company did not incur any costs, the value of the benefit is included. The directors' fees and key management's remuneration are as follows:

	2023 \$'000	2022 \$'000
Salaries and other short-term employee benefits	16,929	17,734
Employer's contribution to Central Provident Fund	125	135
Share-based payment to key management	6,710	5,076
	<b>23,764</b>	22,945

During the financial year, 419,600 shares (FY2022: 321,800 shares) under SGX performance share plan and 419,600 shares (FY2022: 321,800 shares) under SGX deferred long-term incentives scheme were granted to key management of the Group. The shares were granted under the same terms and conditions as those offered to other employees of the Company.

## 48 Financial risk management

### *Financial risk management objectives and policies*

The Group is exposed to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk arising from its business activities. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors has overall responsibility for the oversight of financial risk management for the Group. The Risk Management Committee ("RMC") assists the Board in discharging its oversight responsibility. The RMC's primary function is to review, recommend to the Board for approval, and where authority is delegated by the Board, approve:

- (1) The type and level of risks that the Group undertakes on an integrated basis to achieve its business strategy; and
- (2) Frameworks and policies for managing risks that are consistent with its risk appetite.

Management is responsible for identifying, monitoring and managing the Group's financial risk exposures.

## 48 Financial risk management (continued)

The main financial risks that the Group is exposed to and how they are managed are set out below.

### Market risk – Currency risk

The Group manages its main currency exposure as follows:

#### (a) Revenue from clearing of derivative products Interest receivables from placements of margin deposits

The Group's revenue from the clearing of derivative products is mainly in USD. Interest receivables from placements of margin deposits with banks are mainly denominated in USD. For these receivables denominated in USD, the Group manages the currency exposure through currency forward contracts which are designated as cash flow hedges. Upon settlement of the currency forward contracts and payment obligations denominated in foreign currency, any excess foreign currencies are converted back to the functional currency of the respective entity in a timely manner to minimise currency exposure. As at the reporting date, there is no significant currency risk exposure arising from these receivables.

#### (b) Net assets in foreign operations

The Group is exposed to currency risk on the net assets in foreign operations mainly in GBP, EUR and USD.

For the Group's net assets in foreign operations denominated in GBP, the management monitors the Group's currency exposure by tracking the GBP currency movement on a regular basis. The Group does not hedge the currency risk of the net assets in foreign operations.

The Group's net investment in foreign operations denominated in EUR is held under a wholly-owned subsidiary that has a EUR functional currency. Currency exposure arising from the investment is hedged by EUR-denominated convertible bonds issued by the subsidiary. This provides an economic hedge without derivatives being entered.

Part of the currency exposure to the Group's net assets in foreign operations denominated in USD is hedged through borrowings denominated in USD using net investment hedge. To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate.

A 5% strengthening (weakening) of the USD and GBP against the SGD at the reporting date would affect other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2023	2022
	Impact to other comprehensive income \$'000	Impact to other comprehensive income \$'000
<b>Group</b>		
- USD (5% strengthening)	<b>21,887</b>	19,343
- GBP (5% strengthening)	<b>5,840</b>	6,038
- USD (5% weakening)	<b>(21,887)</b>	(19,343)
- GBP (5% weakening)	<b>(5,840)</b>	(6,038)



# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Market risk – Currency risk (continued)

#### (b) Net assets in foreign operations (continued)

##### Net investment hedge

The amounts relating to items designated as hedging instruments were as follows:

	Carrying amount – liabilities \$'000	Line item in the statement of financial position where the hedging instrument is included \$'000	Change in value used for calculating hedge ineffectiveness \$'000	Recognised in foreign currency translation reserve \$'000
<b>2023</b>				
Medium term notes (USD)	<b>22,536</b>	<b>Loans and borrowings</b>	<b>2,174</b>	<b>2,174</b>
<b>2022</b>				
Foreign exchange- denominated loan (USD)	41,858	Loans and borrowings	(782)	(782)
Medium term notes (USD)	54,005	Loans and borrowings	(5,521)	(5,521)
	95,863		(6,303)	(6,303)

The amounts relating to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness \$'000	Recognised in foreign currency translation reserve \$'000
<b>2023</b>		
USD net investment	<b>(6,431)</b>	<b>(6,431)</b>
<b>2022</b>		
USD net investment	8,315	8,315

## 48 Financial risk management (continued)

### Market risk – Currency risk (continued)

#### (c) Investments in financial assets, at FVOCI

Investment in financial assets, at FVOCI classified as current assets relate to the Group's and the Company's investments during the year in equity securities and bonds denominated in SGD and USD.

Investment in financial assets, at FVOCI classified as non-current assets relate to Group's investments on a long term basis. The Group does not hedge the currency exposure of these investments. The Group has investments in unquoted equity securities denominated in USD. Management monitors the currency exposure by tracking the currency movement on a regular basis.

A 5% strengthening (weakening) of the USD against the SGD at the reporting date would affect other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2023	2022
	Impact to other comprehensive income \$'000	Impact to other comprehensive income \$'000
<b>Group</b>		
– 5% strengthening	6,520	11,102
– 5% weakening	(6,520)	(11,102)

#### (d) Cash and cash equivalents

As at the reporting date, the cash balances of the Group and the Company are mainly denominated in SGD, USD, EUR and GBP. USD, EUR and GBP cash balances placed in banks to meet the short-term payment obligations were not hedged.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Market risk – Currency risk (continued)

#### (d) Cash and cash equivalents (continued)

The Group and the Company's currency exposures are as follows:

	Group						Total \$'000
	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	
<b>2023</b>							
<b>Financial assets</b>							
Cash and cash equivalents	<b>839,781</b>	<b>123,244</b>	<b>27,321</b>	<b>38,512</b>	<b>861</b>	<b>3,464</b>	<b>1,033,183</b>
Trade and other receivables							
– Daily settlement of accounts for due contracts and rights	<b>293,605</b>	<b>25,122</b>	<b>90</b>	<b>757</b>	–	<b>65</b>	<b>319,639</b>
– Receivables under NEMS	<b>371,410</b>	–	–	–	–	–	<b>371,410</b>
– Others	<b>212,355</b>	<b>156,343</b>	<b>2,499</b>	<b>5,627</b>	<b>2,137</b>	<b>4,938</b>	<b>383,899</b>
Financial assets, at FVOCI	<b>33,917</b>	<b>162,919</b>	–	–	–	–	<b>196,836</b>
Financial assets, at FVPL	–	<b>353,866</b>	–	–	–	–	<b>353,866</b>
<b>Financial liabilities</b>							
Trade and other payables							
– Daily settlement of accounts for due contracts and rights	<b>(293,605)</b>	<b>(25,122)</b>	<b>(90)</b>	<b>(757)</b>	–	<b>(65)</b>	<b>(319,639)</b>
– Payables under NEMS	<b>(455,484)</b>	–	–	–	–	–	<b>(455,484)</b>
– Others	<b>(260,898)</b>	<b>(74,878)</b>	<b>(14,568)</b>	<b>(10,456)</b>	<b>(576)</b>	<b>(72)</b>	<b>(361,448)</b>
Loans and borrowings	–	<b>(340,040)</b>	–	<b>(351,883)</b>	–	–	<b>(691,923)</b>
Lease liabilities	<b>(30,207)</b>	<b>(4,500)</b>	–	–	–	<b>(591)</b>	<b>(35,298)</b>
Net financial assets/ (liabilities)	<b>710,874</b>	<b>376,954</b>	<b>15,252</b>	<b>(318,200)</b>	<b>2,422</b>	<b>7,739</b>	<b>795,041</b>
<b>Net non-financial assets of foreign subsidiaries</b>	–	<b>13,951</b>	<b>4,386</b>	<b>11,825</b>	–	–	<b>30,162</b>
Currency exposure	<b>710,874</b>	<b>390,905</b>	<b>19,638</b>	<b>(306,375)</b>	<b>2,422</b>	<b>7,739</b>	<b>825,203</b>
Currency forward contracts	–	<b>(166,615)</b>	–	–	<b>(219)</b>	<b>(2,190)</b>	<b>(169,024)</b>

<sup>(a)</sup> The SGD balances have been included for completeness.

**48 Financial risk management** (continued)**Market risk – Currency risk** (continued)

## (d) Cash and cash equivalents (continued)

	Group						Total \$'000
	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	
<b>2022</b>							
<b>Financial assets</b>							
Cash and cash equivalents	812,039	110,086	37,757	32,451	490	4,924	997,747
Trade and other receivables							
– Daily settlement of accounts for due contracts and rights	532,040	39,810	924	1,090	–	3	573,867
– Receivables under NEMS	240,161	–	–	–	–	–	240,161
– Others	133,132	65,590	4,734	9,935	278	4,170	217,839
Financial assets, at FVOCI	62,713	270,506	–	–	–	–	333,219
Financial asset, at FVPL	–	293,545	–	–	–	–	293,545
Loan receivable	–	9,036	–	–	–	–	9,036
<b>Financial liabilities</b>							
Trade and other payables							
– Daily settlement of accounts for due contracts and rights	(532,040)	(39,810)	(924)	(1,090)	–	(3)	(573,867)
– Payables under NEMS	(300,734)	–	–	–	–	–	(300,734)
– Others	(239,812)	(120,840)	(13,945)	(11,543)	(596)	(1,017)	(387,753)
Loans and borrowings	–	(390,072)	–	(345,721)	–	–	(735,793)
Lease liabilities	(52,288)	–	–	–	–	(790)	(53,078)
Net financial assets/ (liabilities)	655,211	237,851	28,546	(314,878)	172	7,287	614,189
<b>Net non-financial assets of foreign subsidiaries</b>	–	15,998	3,830	11,138	–	–	30,966
Currency exposure	655,211	253,849	32,376	(303,740)	172	7,287	645,155
Currency forward contracts	–	(75,693)	–	–	(108)	(378)	(76,179)

<sup>(a)</sup> The SGD balances have been included for completeness.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Market risk – Currency risk (continued)

#### (d) Cash and cash equivalents (continued)

	Company						Total \$'000
	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	
<b>2023</b>							
<b>Financial assets</b>							
Cash and cash equivalents	89,071	12,461	–	27,395	7	1,164	130,098
Trade and other receivables	157,019	484	106	16	–	66	157,691
<b>Financial liabilities</b>							
Trade and other payables	(232,561)	(4,662)	(83)	(93)	(17)	(256)	(237,672)
Loans and borrowings	–	(340,040)	–	(1,093)	–	–	(341,133)
Lease liabilities	(29,548)	–	–	–	–	(364)	(29,912)
Net financial assets/ (liabilities)	(16,019)	(331,757)	23	26,225	(10)	610	(320,928)
Currency exposure	(16,019)	(331,757)	23	26,225	(10)	610	(320,928)

<sup>(a)</sup> The SGD balances have been included for completeness.

	Company						Total \$'000
	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	
<b>2022</b>							
<b>Financial assets</b>							
Cash and cash equivalents	72,645	11,439	1	3	4	1,428	85,520
Trade and other receivables	135,643	834	–	–	–	63	136,540
Loan receivable	–	9,036	–	–	–	–	9,036
<b>Financial liabilities</b>							
Trade and other payables	(208,768)	(3,524)	(119)	(91)	(11)	(324)	(212,837)
Loans and borrowings	–	(390,072)	–	(2,698)	–	–	(392,770)
Lease liabilities	(49,655)	–	(36)	–	–	(47)	(49,738)
Net financial assets/ (liabilities)	(50,135)	(372,287)	(154)	(2,786)	(7)	1,120	(424,249)
Currency exposure	(50,135)	(372,287)	(154)	(2,786)	(7)	1,120	(424,249)

<sup>(a)</sup> The SGD balances have been included for completeness.

**48 Financial risk management** (continued)**Market risk – Currency risk** (continued)**(d) Cash and cash equivalents** (continued)

A 5% strengthening (weakening) of the USD against the SGD at the reporting date would affect profit after tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	2023	2022
	Impact to profit after tax	Impact to profit after tax
<b>Group</b> <sup>(a)</sup>		
– 5% strengthening	3,069	(4,618)
– 5% weakening	<b>(3,069)</b>	4,618
<b>Company</b>		
– 5% strengthening	<b>(16,588)</b>	(18,614)
– 5% weakening	<b>16,588</b>	18,614

<sup>(a)</sup> Excluding Financial assets, at FVOCI.

Currency risk sensitivity analysis is not provided for the remaining currencies as the Group and the Company do not have significant foreign currency exposures to these currencies.

**Market risk – Price risk**

The Group and the Company are exposed to price risk arising from investments in financial assets, at FVOCI and FVPL. To manage the price risk arising from these investments, the Group and the Company diversify their multi-asset portfolio comprising of equities and bonds across developed markets and sectors, in accordance with limits set in the investment mandate. During the financial year ended 30 June 2023, the Group made further investments in equities and bonds as part of its review during the financial year. For financial assets, at FVOCI and FVPL classified as non-current assets, these investments are held as strategic investments. Performance of these investments are regularly monitored by management.

A change of 5% (2022: 5%) in prices for investments at the reporting date would affect net profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2023		2022	
	Impact to profit after tax \$'000	Impact to other comprehensive income \$'000	Impact to profit after tax \$'000	Impact to other comprehensive income \$'000
<b>Group</b>				
– Price increase	17,693	8,219	14,677	14,238
– Price decrease	<b>(17,693)</b>	<b>(8,219)</b>	(14,677)	(14,238)

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Market risk – Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Company's fixed deposit placements are mainly short-term in nature and placed with banks that offer the most competitive interest rates. The Group and the Company manages its interest rate risks arising from investments in bonds by placing such balances on varying maturities and interest rate terms. The Group and the Company's borrowings are fixed rate instruments held at amortised cost. The borrowings are not subjected to interest rate risk due to the variability of market interest rates.

The tables set out in the following pages illustrate the Group and the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Variable rates		Fixed rates		Non-interest bearing \$'000	Total \$'000
	Less than 6 months \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000		
<b>Group</b>						
<b>2023</b>						
<b>Financial assets</b>						
Cash and cash equivalents	<b>336,360</b>	<b>456,155</b>	<b>157,048</b>	–	<b>83,620</b>	<b>1,033,183</b>
Trade and other receivables	–	<b>5,294</b>	–	–	<b>1,069,654</b>	<b>1,074,948</b>
Financial assets, at FVOCI	–	<b>14,293</b>	–	<b>19,624</b>	<b>162,919</b>	<b>196,836</b>
Financial asset, at FVPL	–	–	–	–	<b>353,866</b>	<b>353,866</b>
<b>Financial liabilities</b>						
Trade and other payables	–	–	–	–	<b>(1,136,571)</b>	<b>(1,136,571)</b>
Loans and borrowings	–	–	<b>(351,883)</b>	<b>(340,040)</b>	–	<b>(691,923)</b>
Lease liabilities	–	<b>(11,542)</b>	<b>(8,928)</b>	<b>(14,828)</b>	–	<b>(35,298)</b>
Net financial assets/(liabilities)	<b>336,360</b>	<b>464,200</b>	<b>(203,763)</b>	<b>(335,244)</b>	<b>533,488</b>	<b>795,041</b>
<b>2022</b>						
<b>Financial assets</b>						
Cash and cash equivalents	266,335	590,600	32,502	–	108,310	997,747
Trade and other receivables	–	–	–	–	1,031,867	1,031,867
Financial assets, at FVOCI	–	42,925	–	19,788	270,506	333,219
Financial asset, at FVPL	–	–	–	–	293,545	293,545
Loan receivable	9,036	–	–	–	–	9,036
<b>Financial liabilities</b>						
Trade and other payables	–	–	–	–	<b>(1,262,354)</b>	<b>(1,262,354)</b>
Loans and borrowings	–	<b>(41,858)</b>	–	<b>(693,935)</b>	–	<b>(735,793)</b>
Lease liabilities	–	<b>(10,785)</b>	<b>(11,355)</b>	<b>(30,938)</b>	–	<b>(53,078)</b>
Net financial assets/(liabilities)	275,371	580,882	21,147	<b>(705,085)</b>	441,874	614,189

## 48 Financial risk management (continued)

### Market risk – Interest rate risk (continued)

	Variable rates		Fixed rates		Non-interest bearing \$'000	Total \$'000
	Less than 6 months \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000		
<b>Company</b>						
<b>2023</b>						
<b>Financial assets</b>						
Cash and cash equivalents	61,795	40,500	–	–	27,803	130,098
Trade and other receivables	–	–	–	–	157,691	157,691
<b>Financial liabilities</b>						
Trade and other payables	–	–	–	–	(237,672)	(237,672)
Loans and borrowings	–	–	(1,093)	(340,040)	–	(341,133)
Lease liabilities	–	(10,332)	(7,958)	(11,622)	–	(29,912)
Net financial assets/(liabilities)	61,795	30,168	(9,051)	(351,662)	(52,178)	(320,928)
<b>2022</b>						
<b>Financial assets</b>						
Cash and cash equivalents	39,524	45,600	–	–	396	85,520
Trade and other receivables	–	–	–	–	136,540	136,540
Loan receivable	–	–	–	9,036	–	9,036
<b>Financial liabilities</b>						
Trade and other payables	–	–	–	–	(212,837)	(212,837)
Loans and borrowings	–	(41,858)	–	(350,912)	–	(392,770)
Lease liabilities	–	(10,153)	(10,048)	(29,537)	–	(49,738)
Net financial assets/(liabilities)	39,524	(6,411)	(10,048)	(371,413)	(75,901)	(424,249)

A change by 0.5% (2022: 0.5%) in interest rate for the Group's investment in bonds at the reporting date would affect other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2023	2022
	Impact to other comprehensive income \$'000	Impact to other comprehensive income \$'000
<b>Group</b>		
– Interest rate increase	(169)	(312)
– Interest rate decrease	170	315



# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The major classes of financial assets of the Group with credit exposures are: receivables from clearing and settlement, receivables under NEMS, trade and interest receivables, cash deposits and investments in debt instruments.

The Group manages its credit exposures as follows:

#### (a) Clearing and settlement

In the normal course of business as clearing houses, SGX-DC and CDP act as central counterparties ("CCP") for every transaction received by or matched through the Group's facilities. As CCP, each clearing house substitutes itself as the buyer to the selling clearing member, and seller to the buying clearing member, and assumes all rights and obligations to the counterparty. As a result, each clearing house faces considerable credit risk exposure should any of its clearing members be unable to meet its settlement obligations to the clearing house, resulting in a default. The Group has in place a sound and transparent risk management and regulatory framework governing the operations of securities and derivatives markets. On an on-going basis, the Group mitigates its counterparty risk through active monitoring and management of its exposures to clearing members by having in place a system of financial safeguards.

#### Credit risk management practices

The Group mitigates its exposures to risk by admitting clearing members which meet prescribed capital and financial requirements and have risk management systems to monitor their exposures. On an on-going basis, a clearing member must continue to comply with the financial requirements, and also set aside capital commensurate with its risk exposures. In addition, the clearing member must ensure that it has the necessary systems and procedures to preserve sound liquidity and financial position at all times.

Both SGX-DC and CDP have well-established risk management systems to monitor and measure the risk exposures of its members. In addition, SGX-DC and CDP require all cleared positions and contracts to be sufficiently collateralised at all times to protect SGX-DC and CDP against potential losses. SGX-DC also revalues and settles the daily mark-to-market variations with clearing members to prevent losses from accumulating. For CDP, it also requires clearing members to monitor compliance with risk management measures such as monitoring for large exposures and risk concentration.

Refer to Note 42 on margin and other deposits held in trust by SGX-DC and CDP.

#### Financial safeguards

A clearing fund has been established for each of the securities and derivatives markets to be used in support of the clearing houses' roles as CCP. The Group and the relevant clearing members are required to contribute to the respective clearing funds.

Refer to Note 40 and 41 on Securities Clearing Fund and Singapore Exchange Derivatives Clearing Limited Clearing Fund.

## 48 Financial risk management (continued)

### Credit risk (continued)

#### Trade receivables arising from settlement of securities trades

Settlement for all securities transactions of securities clearing members are effected through the Group's subsidiary, CDP, and through MAS MEPS+ for SGD and designated settlement banks.

The "Receivables from clearing members and settlement banks" included in trade receivables represent the aggregate of net settlement obligations of each of the clearing members and settlement banks to CDP for the last two trading days of the financial years ended 30 June 2023 and 30 June 2022. As at 30 June 2023, there were 26 (2022: 26) securities clearing members and 8 (2022: 8) designated settlement banks. The Group may have concentration risk exposure to these securities clearing members with regards to their net settlement obligations to CDP. The settlement exposure of CDP to each securities clearing member fluctuates daily according to the net position (net buy or net sell) of each securities clearing member and the extent to which these settlement obligations are effected through MAS MEPS+ and the settlement banks.

#### (b) Receivables under NEMS

In relation to NEMS receivables in Note 15, EMC is required to ensure that market participants maintain certain levels of prudential security in discharging its obligations under the NEMS Market Rules ("Market Rules"). EMC is entitled to recover any default receivables from all market participants under the Market Rules and credit risk exposure to NEMS receivables is minimised.

Under the Market Rules, each market participant has to provide credit support which is not less than 38 times of individual estimated average daily exposure. The Market Rules specify the type of credit support to be provided and assigned to EMC. These include bankers' guarantees or irrevocable commercial letter of credit from reputable financial institutions, cash deposits and Singapore Government Treasury bills. The credit support received as at 30 June 2023 were in the form of bankers' guarantees and cash deposits and have an aggregate value of \$1,392,228,000 (2022: \$766,064,000). There is no significant concentration of credit risk for receivables under NEMS.

#### (c) Trade receivables (excluding balances arising from clearing and settlement of securities trades and NEMS)

Trade receivables (excluding balances arising from clearing and settlement of securities trades and NEMS) of the Group and the Company comprise receivables from trading and clearing members, listed companies and other entities.

#### (d) Cash deposits, interest receivables and escrow receivables

Cash balances of the Group and the Company are mainly placed in fixed deposits with financial institutions of high credit quality. The Board has approved policies that limit the maximum credit exposure to each financial institution. Exposure and compliance with counterparty limits set by the RMC are monitored by the relevant business units and reported by the Risk Management unit to the RMC.

#### (e) Financial assets, at FVOCI

The bond instruments invested by the Group and the Company are restricted to fixed income securities with minimum credit rating of BBB+ or Baa1 by international credit rating agencies or by internal equivalent rating of investment manager where applicable. These are considered "low credit risk" as they are of investment grade credit rating with at least one major rating agency.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Credit risk (continued)

#### (f) Credit loss allowance

For receivables from clearing and settlement, the expected credit loss is minimal as these receivables were due from clearing members and settlement banks. The admission of these clearing members and settlement banks are subject to the Group's admission criteria, compliance monitoring and risk management measures. These receivables had no recent history of default and there were no unfavourable current conditions at the reporting date.

For receivables under NEMS, there is no expected credit loss. Under the NEMS Market Rules, EMC is entitled to recover any default receivables from all market participants.

For trade receivables excluding balances arising from clearing and settlement of securities trades and NEMS, the Group applied the simplified approach permitted by SFRS(I) 9 which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables.

On this basis, the loss allowance for trade receivables as at 30 June 2023 and 30 June 2022 was determined as not material. The gross carrying amount of trade receivables subject to expected credit loss allowance that are more than 360 days past due as at 30 June 2023 and 30 June 2022 is \$3,077,000 and \$5,175,000 respectively.

Trade receivables excluding balances arising from clearing and settlement of securities trades and NEMS are considered in default if the counterparty fails to make contractual payments within 360 days when they fall due, and are written off when there is no reasonable expectation of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Financial assets, at FVOCI comprised bond instruments invested by the Group and the Company restricted to fixed income securities at investment grade with minimum credit rating of BBB+ or Baa1 by international credit rating agencies or by internal equivalent rating of investment manager where applicable. Loss allowance is recognised on these assets measured at the 12-month expected credit losses. These financial assets had no recent history of default and none had been below the minimum credit rating of BBB+ or Baa1.

Cash deposits, staff advances and other receivables are subject to immaterial credit loss.

## 48 Financial risk management (continued)

### Credit risk (continued)

#### (f) Credit loss allowance (continued)

The movements in credit loss allowance are as follows:

	Trade receivables Group	
	2023 \$'000	2022 \$'000
Balance at beginning of financial year	5,175	1,930
Allowance made	1,979	3,578
Allowance utilised	(547)	(73)
Allowance written back	(424)	(260)
Balance at end of financial year	6,183	5,175

Exposures from receivables from clearing and settlement and receivables under NEMS are managed by risk management systems and collateralised as described above.

The maximum exposure to credit risk to trade receivables, cash deposits and investment in debt instruments is the carrying amount presented on the statement of financial position of the Group and the Company. The Group and the Company do not hold any collateral against these financial instruments. In addition, clearing houses, SGX-DC and CDP, also have general lien on all monies and other properties deposited by clearing members. The clearing house may combine any account of the clearing member with its liabilities to the clearing house. Such funds may be applied towards satisfaction of liabilities of the clearing member to the clearing house.

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

#### (a) Liabilities related risk

The Group and the Company has minimal liquidity risk as it maintains sufficient cash for daily operations through prudent liquidity risk management.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Liquidity risk (continued)

#### (a) Liabilities related risk (continued)

The financial liabilities of the Group and the Company are analysed into the relevant maturity buckets based on the remaining period from the balance sheet date to the contractual maturity dates. The amounts disclosed in the table below are contractual undiscounted cash flows.

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
<b>Group</b>				
<b>2023</b>				
<b>Financial liabilities</b>				
Trade and other payables <sup>(a)</sup>	1,128,307	2,970	–	1,131,277
Lease liabilities	5,968	15,242	15,523	36,733
Loans and borrowings	–	351,883	340,040	691,923
<b>2022</b>				
<b>Financial liabilities</b>				
Trade and other payables <sup>(b)</sup>	1,243,708	18,646	–	1,262,354
Lease liabilities	5,919	17,364	31,847	55,130
Loans and borrowings	22,716	23,430	712,190	758,336

<sup>(a)</sup> Included the following:

- \$319,639,000 payables to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables; and
- \$455,484,000 payables under NEMS with corresponding amounts in cash and cash equivalents and trade receivables.

Excluded the following:

- \$5,294,000 (2022: \$Nil) escrow payables as the escrow funds are placed by the Group in term deposits where the funds cannot be withdrawn at any time from the banks without penalty.

<sup>(b)</sup> Included the following:

- \$573,867,000 payables to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables; and
- \$300,734,000 payables under NEMS with corresponding amounts in cash and cash equivalents and trade receivables.

**48 Financial risk management** (continued)**Liquidity risk** (continued)

## (a) Liabilities related risk (continued)

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
<b>Company</b>				
<b>2023</b>				
<b>Financial liabilities</b>				
Trade and other payables	173,364	64,308	–	237,672
Lease liabilities	5,245	13,614	11,976	30,835
Loans and borrowings	–	1,093	340,040	341,133
<b>2022</b>				
<b>Financial liabilities</b>				
Trade and other payables	149,363	–	63,474	212,837
Lease liabilities	5,482	15,818	30,432	51,732
Loans and borrowings	22,716	23,430	363,115	409,261

As at 30 June 2023, the gross notional value of outstanding currency forward contracts held by the Group was \$169,024,000 (2022: \$76,179,000). The Group's outstanding currency forward contracts that would be settled on a gross basis are analysed into relevant maturity buckets based on the remaining contractual maturity dates as follows:

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Total \$'000
<b>Group</b>			
<b>2023</b>			
Currency forward contracts			
– gross outflows	73,629	93,985	167,614
– gross inflows	73,978	92,045	166,023
<b>2022</b>			
Currency forward contracts			
– gross outflows	35,264	40,790	76,054
– gross inflows	33,940	40,041	73,981

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Liquidity risk (continued)

#### (b) Contingent liabilities related risk

At the balance sheet date, the following guarantees may impact the liquidity positions in the earliest period in which the guarantees are called upon:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange (Note 45)	356,838	389,257	–	–

The settlement obligation of the above contingent liabilities is not determinable as the obligation arises from the occurrence of future events that are not within the control of the Group and the Company.

#### (c) Clearing and settlement-related risk

The clearing houses of the Group, CDP and SGX-DC, act as the novated counterparty for transactions of approved securities and derivatives. The Group is exposed to liquidity risk should any clearing member or settlement bank default. The Group has put in place sufficient committed bank credit facilities of \$699,879,000 (2022: \$784,375,000), comprising committed unsecured credit lines for prudent risk management and to maintain adequate liquid resources.

### Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

**48 Financial risk management** (continued)**Fair value measurements** (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>				
<b>2023</b>				
<b>Assets</b>				
Derivative financial instruments	–	1,008	–	1,008
Financial assets, at FVOCI	33,917	8,082	154,837	196,836
Financial asset, at FVPL	22,169	–	331,697	353,866
<b>Liabilities</b>				
Derivative financial instruments	–	2,599	–	2,599
Financial liability	–	–	14,774	14,774
<b>2022</b>				
<b>Assets</b>				
Derivative financial instruments	–	17	–	17
Financial assets, at FVOCI	94,155	8,282	230,782	333,219
Financial asset, at FVPL	–	–	293,545	293,545
<b>Liabilities</b>				
Derivative financial instruments	–	2,090	–	2,090
Financial liability	–	–	37,583	37,583
Contingent consideration	–	–	36,284	36,284

No transfers were made between Level 1, 2 and 3 for the Group and the Company during the financial year ended 30 June 2023.

As at 30 June 2022, the Group's financial asset at FVOCI with carrying amount of \$230,782,000 was transferred from Level 2 to Level 3 due to unavailability of observable market pricing. To determine the fair value of this financial asset at FVOCI, management used a market comparison valuation technique. No other transfers were made during the financial year ended 30 June 2022.



# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Fair value measurements (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for debt instruments. The fair value of currency forward contracts is determined using quoted forward currency rates at the balance sheet date. Unquoted equity securities classified as financial assets, at FVOCI, are valued using latest transacted price. These instruments are classified as Level 2 and comprise debt instruments, derivatives financial instruments and unquoted equity securities.

Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3. The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3.

Description	Fair value \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Forward liability to acquire non-controlling interests	14,774 (2022: 37,583)	Multiples of forecast on Earnings before interest, tax and amortisation ("EBITA")	Forecast of EBITA	Not applicable
Contingent consideration	– (2022: 36,284)	Probability of forecast revenue	Forecast of revenue	Not applicable
Financial asset, at FVPL	331,697 (2022: 293,545)	Net Asset Value	Net Asset Value	Not applicable
Financial assets, at FVOCI (unquoted equity securities)	154,837 (2022: 230,782)	Implied market multiple of public comparables on revenue forecast	Forecast of revenue	Not applicable

## 48 Financial risk management (continued)

### Fair value measurements (continued)

For financial assets, at FVOCI and at FVPL, increases (decreases) in the above unobservable inputs, in isolation, would result in a higher (lower) fair value measurement. In respect of the other financial instruments, management considers that any reasonably possible changes to the unobservable inputs will not result in a significant financial impact.

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	Financial liability \$'000	Contingent consideration \$'000	Financial asset, at FVPL \$'000	Financial assets, at FVOCI \$'000
<b>Group</b>				
At 1 July 2022	<b>37,583</b>	<b>36,284</b>	<b>293,545</b>	<b>230,782</b>
Additions	–	–	4,729	–
Disposals	–	(20,588)	–	–
Fair value (losses)/gains recognised in profit or loss	(23,306)	(14,880)	40,021	–
Fair value losses recognised in other comprehensive income	–	–	–	(69,555)
Effects of changes in foreign exchange rates	497	(816)	(6,598)	(6,390)
As at 30 June 2023	<b>14,774</b>	<b>–</b>	<b>331,697</b>	<b>154,837</b>
At 1 July 2021	41,390	19,358	–	–
Additions	–	35,467	288,579	–
Disposals	–	(14,811)	–	–
Transfer in from other levels	–	–	–	230,782
Fair value losses recognised in profit or loss	–	(4,943)	–	–
Effects of changes in foreign exchange rates	(3,807)	1,213	4,966	–
As at 30 June 2022	37,583	36,284	293,545	230,782

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 48 Financial risk management (continued)

### Offsetting financial assets and financial liabilities

The Group reports financial assets and financial liabilities on a net basis on the statement of financial position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liabilities simultaneously.

The following table shows the effect of netting arrangements on financial assets and liabilities that are reported net on the statement of financial position.

#### (a) Financial assets subject to offsetting arrangements

	Gross amounts of recognised financial assets \$'000	Less: Gross amounts of recognised financial liabilities set off in the statement of financial position \$'000	Net amounts of financial assets presented in the statement of financial position <sup>(1)</sup> \$'000
<b>2023</b>			
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	<b>2,853,824</b>	<b>(2,534,185)</b>	<b>319,639</b>
<b>2022</b>			
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,391,134	(1,817,267)	573,867

<sup>(1)</sup> The collateral deposited by clearing members and settlement banks cannot be attributed directly to the individual transactions. For information on the collaterals, please refer to Note 42(a).

## 48 Financial risk management (continued)

### Offsetting financial assets and financial liabilities (continued)

#### (b) Financial liabilities subject to offsetting arrangements

	Gross amounts of recognised financial liabilities \$'000	Less: Gross amounts of recognised financial assets set off in the statement of financial position \$'000	Net amounts of financial liabilities presented in the statement of financial position <sup>(1)</sup> \$'000
<b>2023</b>			
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,853,824	(2,534,185)	319,639
<b>2022</b>			
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,391,134	(1,817,267)	573,867

<sup>(1)</sup> The collateral deposited by clearing members and settlement banks cannot be attributed directly to the individual transactions. For information on the collaterals, please refer to Note 42(a).

## 49 Capital requirement and management

The Group's capital management objectives are to optimise returns to shareholders whilst supporting the growth requirements of the business and fulfilling its obligations to the relevant regulatory authorities and other stakeholders.

Given the dynamic nature of the Group's business and the framework, the Group regularly reviews and monitors its capital and cash positions to ensure that the business activities and growth are prudently funded. In addition, the Group will seek opportunities to optimise shareholders' returns by creating a more efficient capital structure to reduce the overall cost of capital. SGX aims to pay a sustainable and growing dividend over time, consistent with the Company's long-term growth prospects.

The six MAS regulated subsidiaries within the Group, are Singapore Exchange Securities Trading Limited, The Central Depository (Pte) Limited., Singapore Exchange Derivatives Trading Limited, Singapore Exchange Derivatives Clearing Limited, SGX Bond Trading Pte. Ltd., and SGX FX Markets Pte. Ltd.. These subsidiaries are required to comply with Regulatory Capital Framework ("Framework") issued by the Monetary Authority of Singapore to meet prudential requirements that commensurate with the operational risk, investment risk and the counterparty default risk arising from its central counterparty clearing and settlement activities. These subsidiaries are in compliance with the Framework.

SGX India Connect IFSC Private Limited also complies with the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, and is required to maintain minimum net worth requirements at all times for its activities in India.

# Notes to the Financial Statements

For the financial year ended 30 June 2023

## 50 New accounting standards and SFRS(I) interpretations

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *Amendments to SFRS(I) 1-1 Conceptual Classification of Liabilities as Current or Non-Current*
- *SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts*
- *Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 – Disclosure of Accounting Policies*
- *Amendments to SFRS(I) 1-8 Definition of Accounting Estimates*
- *Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

# Statistics of Shareholdings

as at 15 August 2023

Share Capital	: S\$ 410,553,725.94
Number of Issued and Paid-up Shares	: 1,071,642,400
Class of Shares	: Ordinary shares
Voting Rights	: One vote per share
	The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Subject to the Companies Act 1967, subsidiaries cannot exercise any voting rights in respect of shares held by them as subsidiary holdings<sup>1</sup>.

## Distribution of Shareholdings

Size of shareholdings	No. of shareholders	%	No. of shares (excluding treasury shares)	% <sup>2</sup>
1 – 99	115	0.31	3,913	0.00
100 – 1,000	13,728	37.36	11,115,508	1.04
1,001 – 10,000	19,576	53.28	74,758,429	7.00
10,001 – 1,000,000	3,299	8.98	125,000,052	11.70
1,000,001 and above	25	0.07	857,109,657	80.26
<b>Total</b>	<b>36,743</b>	<b>100.00</b>	<b>1,067,987,559</b>	<b>100.00</b>

Based on information available to the Company as at 15 August 2023 approximately 99.7% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

## Twenty Largest Shareholders

No.	Name	No. of shares	% <sup>2</sup>
1	SEL HOLDINGS PTE LTD <sup>3</sup>	249,991,184	23.41
2	CITIBANK NOMINEES SINGAPORE PTE LTD	183,792,161	17.21
3	DBSN SERVICES PTE. LTD.	118,568,822	11.10
4	RAFFLES NOMINEES (PTE.) LIMITED	100,508,841	9.41
5	HSBC (SINGAPORE) NOMINEES PTE LTD	80,314,037	7.52
6	DBS NOMINEES (PRIVATE) LIMITED	62,647,379	5.87
7	PHILLIP SECURITIES PTE LTD	15,373,971	1.44
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,124,629	0.67
9	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,915,493	0.55
10	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,553,214	0.43
11	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	4,063,539	0.38
12	SOCIETE GENERALE SINGAPORE BRANCH	3,247,159	0.30
13	OCBC SECURITIES PRIVATE LIMITED	2,906,866	0.27
14	UOB KAY HIAN PRIVATE LIMITED	2,745,300	0.26
15	IFAST FINANCIAL PTE. LTD.	2,547,871	0.24
16	WAN FOOK WENG	2,100,000	0.20
17	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,531,141	0.14
18	PHANG TAI TIM @ HENRY PHANG	1,343,949	0.13
19	ABN AMRO CLEARING BANK N.V.	1,203,421	0.11
20	TAN HAN SWEE @ TAN AH HENG	1,200,000	0.11
	<b>Total</b>	<b>851,678,977</b>	<b>79.75</b>

# Statistics of Shareholdings

as at 15 August 2023

## Treasury Shares and Subsidiary Holdings

Number of treasury shares: 3,654,841

Number of subsidiary holdings: Nil

Percentage of treasury shares against the total number of issued ordinary shares: 0.34%<sup>2</sup>

Percentage of subsidiary holdings against the total number of issued ordinary shares: 0%

## Substantial Shareholders

According to the Register of Substantial Shareholders maintained by the Company, the Company had no substantial shareholders as at 15 August 2023.

<sup>1</sup> "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

<sup>2</sup> Percentage is calculated based on the total number of issued shares, excluding treasury shares.

<sup>3</sup> Pursuant to section 11(2)(b) of the Exchanges (Demutualisation & Merger) Act 1999 (the "Merger Act"), SEL Holdings Pte Ltd ("SEL"), being the special purpose company set up under the Merger Act to hold the SGX shares for the benefit of the Financial Sector Development Fund, shall not exercise or control the exercise of votes attached to the SGX shares. Owing to the restriction in the exercise of votes attached to the shares, SEL is not regarded as a substantial shareholder of SGX.

# Notice of Annual General Meeting

## Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that the Twenty-Fourth Annual General Meeting of Singapore Exchange Limited (the “Company”) will be held at Marina Bay Sands Expo and Convention Centre, Level 4, Peony Ballroom, 10 Bayfront Avenue, Singapore 018956 and using virtual meeting technology on Thursday, 5 October 2023 at 10.30 a.m. (Singapore time) to transact the following business:

## ROUTINE BUSINESS

**Ordinary Resolution 1** To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 30 June 2023 and the Auditor’s Report thereon.

**Ordinary Resolution 2** To declare a final tax-exempt dividend of 8.5 cents per share for the financial year ended 30 June 2023 (“Final Dividend”). (FY2022: 8 cents per share)

To re-elect the following Directors who will be retiring by rotation under Article 97 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

**Ordinary Resolution 3(a)** ▪ Mr Lim Chin Hu;

**Ordinary Resolution 3(b)** ▪ Mr Loh Boon Chye;

**Ordinary Resolution 3(c)** ▪ Mr Mark Makepeace; and

**Ordinary Resolution 3(d)** ▪ Mr Yeoh Oon Jin.

To re-elect the following Directors who will cease to hold office in accordance with Article 103 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

**Ordinary Resolution 4(a)** ▪ Ms Julie Gao; and

**Ordinary Resolution 4(b)** ▪ Ms Lin Huey Ru.

**Ordinary Resolution 5** To approve the sum of S\$980,000 to be paid to the Chairman as director’s fees for the financial year ending 30 June 2024. (FY2023 (and since FY2019): S\$930,000 for Chairman)

**Ordinary Resolution 6** To approve the sum of up to S\$1,800,000 to be paid to all Directors (other than the Chief Executive Officer) as directors’ fees for the financial year ending 30 June 2024. (FY2023 (and since FY2016): up to S\$1,600,000 for all Directors other than the Chief Executive Officer)

**Ordinary Resolution 7** To re-appoint KPMG LLP as Auditor of the Company and to authorise the Directors to fix its remuneration.

## SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

**Ordinary Resolution 8** That Ms Claire Perry O’Neill be and is hereby appointed as a Director of the Company pursuant to Article 103 of the Constitution of the Company.

**Ordinary Resolution 9** That authority be and is hereby given to the Directors to allot and issue from time to time such number of new ordinary shares of the Company as may be required to be allotted and issued pursuant to the Singapore Exchange Limited Scrip Dividend Scheme.

**Ordinary Resolution 10** That authority be and is hereby given to the Directors to:

- (a) (i) issue shares of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and



# Notice of Annual General Meeting

Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
- (ii) any subsequent bonus issue or consolidation or subdivision of shares,
- and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the Monetary Authority of Singapore) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

## Ordinary Resolution 11

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the “Companies Act”), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“Shares”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and/or any other securities exchange on which the Shares may for the time being be listed and quoted (“Other Exchange”); and/or
- (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Purchase Mandate”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held;
  - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
  - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) in this Resolution:
- “Average Closing Price” means the average of the closing market prices of a Share over the five consecutive trading days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;
- “date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;
- “Maximum Percentage” means that number of issued Shares representing 10 per cent. of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and
- “Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105 per cent. of the Average Closing Price of the Shares; and
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

## By Order of the Board

**Ding Hui Yun (Ms)**  
**Seah Kim Ming Glenn (Mr)**  
 Company Secretaries  
 Singapore Exchange Limited  
 11 September 2023

# Notice of Annual General Meeting

## Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

## EXPLANATORY NOTES

### Routine Business

**Ordinary Resolutions 3(a), 3(b), 3(c) and 3(d)** are to re-elect Mr Lim Chin Hu, Mr Loh Boon Chye, Mr Mark Makepeace and Mr Yeoh Oon Jin who will be retiring by rotation under Article 97 of the Constitution of the Company.

**Ordinary Resolutions 4(a) and 4(b)** are to re-elect Ms Julie Gao and Ms Lin Huey Ru who will cease to hold office under Article 103 of the Constitution of the Company.

Mr Lim Chin Hu will, upon re-election, continue to serve as Chairman of the Remuneration & Staff Development Committee and as a member of the Nominating & Governance Committee and a member of the Risk Management Committee. Upon the conclusion of the Twenty-Fourth Annual General Meeting, Mr Lim will step down as a member of the Audit Committee. Mr Loh Boon Chye will, upon re-election, continue to serve as the Chief Executive Officer of the Company. Mr Mark Makepeace will, upon re-election, be appointed as a member of the Risk Management Committee with effect from the conclusion of the Twenty-Fourth Annual General Meeting. Mr Yeoh Oon Jin will, upon re-election, continue to serve as Chairman of the Audit Committee and as a member of the Risk Management Committee. Ms Julie Gao will, upon re-election, continue to serve as a member of the Audit Committee. Ms Lin Huey Ru will, upon re-election, continue to serve as a member of the Risk Management Committee. Detailed information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited) can be found under "Board of Directors" and "Supplemental Information on Directors Seeking Re-election at the 2023 AGM" in the Company's Annual Report 2023.

Mr Lim, Mr Yeoh, Ms Gao and Ms Lin are each considered an independent Director. Mr Loh is considered an executive and non-independent Director. Mr Makepeace is considered a non-executive and non-independent Director.

**Ordinary Resolution 5** is to seek approval for the payment of S\$980,000 to the Chairman as director's fees for undertaking duties and responsibilities as Chairman of the Board for the financial year ending 30 June 2024 ("FY2024") (S\$930,000 for the financial year ended 30 June 2023 ("FY2023") and which had remained unchanged since the financial year ended 30 June 2019). As was the case for FY2023, the sum of S\$980,000 does not include any director's fees payable for serving as Chairman or member of any Board committee(s). However, there will be no other emoluments or separate attendance fees payable to the Chairman. In arriving at the proposed Chairman's fee of S\$980,000, the Company took into account:

- (a) the significant leadership role played by the Chairman on the Board, and in providing clear oversight and guidance to management;
- (b) the amount of time the Chairman spends on Company matters, including providing input and guidance on strategy and supporting management in engaging with a wide range of other stakeholders such as partners, governments and regulators, as well as travelling to visit with industry global peers; and
- (c) comparable benchmarks from other large listed companies and peers in the financial industry in Singapore that have chairmen with similar roles and responsibilities, as well as benchmarks from global bourses.

The increase of S\$50,000 over the sum approved for FY2023 is in line with the increase in the basic fee and committee fee payable to Directors for FY2024 onwards (please see explanatory notes for Ordinary Resolution 6 below for more details).

Additional information on the role of the Chairman can be found under "Corporate Governance" in the Company's Annual Report 2023.

Approximately three-quarters of the Chairman's fee of S\$980,000 for FY2024 will be paid in cash and approximately one-quarter will be delivered in SGX shares in the form of a share award to be granted under the SGX Restricted Share Plan for the Chairman who, on the date of grant of the share award, has served as a Director for at least 12 months. All fees payable for serving as Chairman or member of any Board committee(s) will be paid entirely in cash. The actual number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the Singapore Exchange Securities Trading Limited over the 14 trading days immediately following the date of the Twenty-Fourth Annual General Meeting at which the Chairman's fee is approved, rounded down to the nearest share. The award will consist of fully paid shares, with no performance conditions attached and no vesting period imposed, but there will be a moratorium on the sale of such shares for a period of up to one year after the grant of the award (this will be lifted if the Chairman steps down from the Board before the end of the moratorium period).

**Ordinary Resolution 6** is to seek approval for the payment of up to S\$1,800,000 to all Directors (other than the Chief Executive Officer) as directors' fees for the financial year ending 30 June 2024 ("FY2024") (up to S\$1,600,000 for the financial year ended 30 June 2023 ("FY2023") and which had remained unchanged since the financial year ended 30 June 2016).

The fees for the non-executive Directors reflect the scope and extent of a Director's responsibilities and obligations, and are measured competitively against industry benchmarks. The basic fee and committee fee payable to Directors will be increased for FY2024 onwards to bring these fees in line with market norms, and to ensure that the Company is able to attract and retain the right calibre of Directors necessary to contribute effectively to the Board in an ever-increasingly competitive market. The fee structure for FY2023 and the revised fee structure for FY2024 onwards are set out below.

#### FY2023 fee structure and revised fee structure for FY2024 onwards

Non-Executive Director	FY2023	FY2024	Increase
Basic Fee – Member	S\$75,000	S\$82,500	S\$7,500
Audit Committee – Chairman	S\$55,000	S\$60,500	S\$5,500
Audit Committee – Member	S\$40,000	S\$44,000	S\$4,000
Risk Management Committee – Chairman	S\$55,000	S\$60,500	S\$5,500
Risk Management Committee – Member	S\$40,000	S\$44,000	S\$4,000
Other Committee – Chairman	S\$40,000	S\$44,000	S\$4,000
Other Committee – Member	S\$25,000	S\$27,500	S\$2,500

The directors' fees are calculated based on, among other things, the number of Directors expected to hold office during the course of that year. The increase of S\$200,000 over the sum approved for FY2023 is to cater for the increase in the basic fee and committee fee payable to Directors for FY2024 onwards as well as for any unforeseen circumstances, including, for example, the appointment of additional Directors or additional members to Board committee(s), and the formation of any ad-hoc and/or additional Board committee(s).

Approximately three-quarters of the basic fee for the non-executive Directors for FY2024 will be paid in cash and approximately one-quarter will be delivered in SGX shares in the form of a share award to be granted under the SGX Restricted Share Plan for the non-executive Directors (other than Dr Beh Swan Gin and Ms Lim Sok Hui) who, on the date of grant of the share awards, have served as a Director for at least 12 months. All fees payable for serving as Chairman or member of any Board committee(s) will be paid entirely in cash. The actual number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the Singapore Exchange Securities Trading Limited over the 14 trading days immediately following the date of the Twenty-Fourth Annual General Meeting, rounded down to the nearest share. The award will consist of fully paid shares, with no performance conditions attached and no vesting period imposed, but it is subject to a selling moratorium whereby each non-executive Director is required to hold the equivalent of one year's basic retainer fees for his or her tenure as a Director and this will be lifted if the non-executive Director steps down from the Board before the end of the moratorium period.

The following persons will receive all of their directors' fees for FY2024 in cash (calculated on a pro-rated basis): (i) Ms Chew Gek Khim, who will be stepping down from the Board upon the conclusion of the Twenty-Fourth Annual General Meeting, (ii) Ms Julie Gao and Ms Lin Huey Ru, who were both appointed to the Board on 1 May 2023 and will not have served as a Director for at least 12 months prior to the date of grant of the share awards, (iii) Ms Claire Perry O'Neill, who is proposed to be appointed as an additional Director at the Twenty-Fourth Annual General Meeting and will not have served as a Director for at least 12 months prior to the date of grant of the share awards, (iv) any other non-executive Director who is appointed as an additional Director during the course of FY2024 in accordance with Article 103 of the Constitution of the Company, and (v) any non-executive Director who steps down before the date of grant of the share awards. The directors' fees for FY2024 for Dr Beh Swan Gin and Ms Lim Sok Hui will be paid in cash to their respective employers, Public Service Division, Prime Minister's Office and DBS Bank Ltd.

The exact amount of director's fees received by each non-executive Director for FY2023 is disclosed in full in the Company's Annual Report 2023.

# Notice of Annual General Meeting

## Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

### Special Business

**Ordinary Resolution 8** is to appoint Ms Claire Perry O'Neill as an additional Director pursuant to Article 103 of the Constitution of the Company. Ms O'Neill will be considered an independent Director. Detailed information on Ms O'Neill (including information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited) can be found under "Board of Directors" and "Supplemental Information on Directors Seeking Re-election at the 2023 AGM" in the Company's Annual Report 2023.

**Ordinary Resolution 9** is to empower the Directors, should they choose to apply the Singapore Exchange Limited Scrip Dividend Scheme (the "Scrip Dividend Scheme") to a qualifying dividend, to issue such number of new ordinary shares of the Company as may be required to be issued pursuant to the Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

The Company announced the adoption of the Scrip Dividend Scheme on 13 September 2021. The terms and conditions of the Scrip Dividend Scheme are set out in the Scrip Dividend Scheme Statement appended to the Company's announcement, which is available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

The Company will, in compliance with Rule 863 of the Listing Manual of the Singapore Exchange Securities Trading Limited, announce whether the Scrip Dividend Scheme is to apply to a particular dividend promptly after the decision is taken and in any event, no later than the market day following the record date for that particular dividend.

**Ordinary Resolution 10** is to empower the Directors to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 10 per cent. for issues other than on a *pro rata* basis to shareholders. The sub-limit of 10 per cent. for non *pro rata* issues is lower than the 20 per cent. sub-limit allowed under the Listing Manual of the SGX-ST. The Company believes that the lower limit sought for the issue of shares made on a non *pro rata* basis to shareholders is adequate for the time being and will review this limit annually. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution 10 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution 10 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. As at 15 August 2023, the Company had 3,654,841 treasury shares and no subsidiary holdings.

**Ordinary Resolution 11** is to renew the mandate to allow the Company to purchase or otherwise acquire Shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use internal or external sources of funds or a combination of both to finance its purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on whether the Shares are purchased or acquired out of capital and/or retained profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

Based on the existing issued Shares (excluding treasury shares) as at 15 August 2023 (the "Latest Practicable Date"), and assuming that on or prior to the Twenty-Fourth Annual General Meeting (i) no further Shares are issued or repurchased, or held by the Company as treasury shares, and (ii) no Shares are held as subsidiary holdings, the purchase by the Company of up to the maximum limit of 10 per cent. of its issued Shares (excluding treasury shares) will result in the purchase or acquisition of 106,798,755 Shares.

In the case of both market purchases and off-market purchases by the Company, assuming that the Maximum Price is S\$10.13 for one Share (being the price equivalent to 5 per cent. above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), having regard to the Company's share capital and cash and cash equivalents of approximately S\$423,056,000 and S\$130,098,000 respectively, the maximum number of Shares the Company is able to purchase or acquire out of capital to be held as treasury shares or to be cancelled for the duration of the proposed Share Purchase Mandate is 12,842,843 Shares representing 1.20 per cent. of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.

In the case of both market purchases and off-market purchases by the Company, assuming that the Maximum Price is S\$10.13 for one Share (being the price equivalent to 5 per cent. above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), having regard to the Company's retained profits and cash and cash equivalents of approximately S\$882,316,000 and S\$130,098,000 respectively, the maximum number of Shares the Company is able to purchase or acquire out of retained profits to be held as treasury shares or to be cancelled for the duration of the proposed Share Purchase Mandate is 12,842,843 Shares representing 1.20 per cent. of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 30 June 2023 based on the assumptions set out above are set out in paragraph 2.7 of the Letter to Shareholders dated 11 September 2023.

## NOTES

### *Format of Meeting*

- (1) The Twenty-Fourth Annual General Meeting will be held at Marina Bay Sands Expo and Convention Centre, Level 4, Peony Ballroom, 10 Bayfront Avenue, Singapore 018956 ("Physical Meeting") and using virtual meeting technology ("Virtual Meeting") on Thursday, 5 October 2023 at 10.30 a.m. (Singapore time). Shareholders, including CPFIS and SRS investors who hold SGX shares through CPF Agent Banks or SRS Operators, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Twenty-Fourth Annual General Meeting by attending the Physical Meeting or by participating in the Virtual Meeting via live audio-visual webcast.

Printed copies of this Notice and the accompanying proxy form will be sent by post to members (other than those who have signed up for the electronic service provided by the Company to its members to receive notices of meetings, annual reports and other shareholder communications electronically, for online proxy appointment and for the access and use of an SGX-designated website (collectively, "Electronic Service") and where such service has been made available). These documents will also be published on the Company's website at the URL <https://investorrelations.sgx.com/financial-information/annual-reports> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

### *Arrangements for Participating in Meeting*

- (2) Arrangements relating to:
- (a) in-person attendance at the Twenty-Fourth Annual General Meeting by shareholders, including CPFIS and SRS investors, and (where applicable) duly appointed proxies and representatives (including arrangements by which they are to register in person for the Physical Meeting);
  - (b) attendance at the Twenty-Fourth Annual General Meeting by shareholders, including CPFIS and SRS investors, and (where applicable) duly appointed proxies and representatives using virtual meeting technology (including arrangements by which shareholders are to pre-register themselves or (where applicable) their duly appointed proxies or representatives at the pre-registration website at the URL <https://investorrelations.sgx.com/financial-information/annual-reports> for access to the Virtual Meeting electronically via live audio-visual webcast or live audio-only stream);
  - (c) submission of questions by shareholders, including CPFIS and SRS investors, in advance of, or at, the Twenty-Fourth Annual General Meeting, and addressing of substantial and relevant questions in advance of, or at, the Twenty-Fourth Annual General Meeting; and
  - (d) voting at the Twenty-Fourth Annual General Meeting by (i) shareholders or their duly appointed proxies (other than the Chairman of the Meeting) or representative(s); (ii) CPFIS and SRS investors if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators; or (iii) shareholders, or CPFIS and SRS investors, appointing the Chairman of the Meeting as proxy to vote on their behalf at the Twenty-Fourth Annual General Meeting,

are set out in the accompanying Company's announcement dated 11 September 2023. This announcement may be accessed at the Company's website at the URL <https://investorrelations.sgx.com/financial-information/annual-reports> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the announcement will also be sent by post to members (other than those who have signed up for the Electronic Service and where such service has been made available).

- (3) Each of the resolutions to be put to the vote of members at the Twenty-Fourth Annual General Meeting (and at any adjournment thereof) will be voted on by way of a poll.



# Notice of Annual General Meeting

## Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

### *Appointment of Proxy(ies)*

- (4) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Twenty-Fourth Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Twenty-Fourth Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

- (5) A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
- (6) Completion and return of the instrument appointing a proxy(ies) by a member will not prevent the member from attending, speaking and voting at the Twenty-Fourth Annual General Meeting if the member so wishes. The appointment of the proxy(ies) for the Twenty-Fourth Annual General Meeting will be deemed to be revoked if the member attends the Physical Meeting or accesses the Virtual Meeting and in such event, the Company reserves the right to refuse to admit any proxy(ies) appointed under the relevant instrument appointing a proxy(ies) to the Physical Meeting and/or terminate such proxy(ies)' access to the Virtual Meeting.
- (7) The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (a) if submitted personally or by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632;
- (b) if submitted electronically via email, be submitted to the Company's Share Registrar at [sgxagm2023@boardroomlimited.com](mailto:sgxagm2023@boardroomlimited.com); or
- (c) if submitted electronically via the SGX-designated website for online proxy appointments (for members who have signed up for the Electronic Service and where such service has been made available), be submitted via the online proxy appointment process through the Electronic Service,

and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Twenty-Fourth Annual General Meeting.

- (8) CPFIS and SRS investors:
- (a) may vote at the Twenty-Fourth Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Twenty-Fourth Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 25 September 2023.

### Access to Documents

(9) The Company's Annual Report 2023 and the Letter to Shareholders dated 11 September 2023 (in relation to the proposed renewal of the share purchase mandate) have been published and may be accessed at the Company's website as follows:

- (a) the Company's Annual Report 2023 may be accessed at the URL <https://investorrelations.sgx.com/financial-information/annual-reports>; and
- (b) the Letter to Shareholders dated 11 September 2023 may be accessed at the URL <https://investorrelations.sgx.com/financial-information/annual-reports>.

The above documents will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

A member who has not signed up for the Electronic Service and who wishes to request for a printed copy of the Company's Annual Report 2023 and the Letter to Shareholders dated 11 September 2023 may do so by completing and returning the Request Form which is sent to him/her/it by post together with printed copies of this Notice and the accompanying proxy form, or otherwise made available on the Company's website at the URL <https://investorrelations.sgx.com/financial-information/annual-reports> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>, by 20 September 2023.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Twenty-Fourth Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Twenty-Fourth Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Twenty-Fourth Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## NOTICE OF BOOKS CLOSURE

**NOTICE IS ALSO HEREBY GIVEN** that, subject to the approval of shareholders for the Final Dividend being obtained at the Twenty-Fourth Annual General Meeting, the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on Friday, 13 October 2023 up to (and including) Monday, 16 October 2023 for the preparation of dividend warrants. Duly completed registrable transfers of ordinary shares of the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to 5.00 p.m. on Friday, 13 October 2023 will be registered to determine shareholders' entitlements to the proposed Final Dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company at 5.00 p.m. on Friday, 13 October 2023 will be entitled to the proposed Final Dividend. Payment of the Final Dividend, if approved by shareholders at the Twenty-Fourth Annual General Meeting, will be made on Friday, 20 October 2023.





Name of Director	Mr Lim Chin Hu	Mr Loh Boon Chye	Mr Mark Makepeace	Mr Yeoh Oon Jin	Ms Julie Gao	Ms Lin Huey Ru	Ms Claire Perry O'Neill
<b>Conflict of interest (including any competing business)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes

**Other Principal Commitments\* Including Directorships**

<p><b>Past (for the last 5 years)</b></p>	<ul style="list-style-type: none"> <li>▪ Citibank Singapore Limited</li> <li>▪ Vanda 1 Investments Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>▪ BC Capital Properties Holdings LLC</li> <li>▪ BidFX Systems Limited (in UK)</li> <li>▪ SBF Holdings Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>▪ FTSE Russell</li> <li>▪ London Stock Exchange</li> <li>▪ Suzhou Wilshire Investment Services Co., Ltd.</li> <li>▪ Westwood Grange (Cobham) Management Company Limited</li> <li>▪ Wilshire (Singapore) Pte. Ltd.</li> <li>▪ Wilshire Asia Private Markets VIII (Offshore), Inc.</li> <li>▪ Wilshire Australia Pty Limited</li> <li>▪ Wilshire European Private Markets VIII (Offshore), Inc.</li> <li>▪ Wilshire Global Advisors, LLC</li> <li>▪ Wilshire Hong Kong Limited</li> <li>▪ Wilshire U.S. Private Markets Fund VI (Offshore), Inc.</li> <li>▪ Wilshire U.S. Private Markets Fund VIII (Offshore), Inc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CPA Australia, Singapore Division</li> <li>▪ Pricewaterhouse Coopers CM Services Pte Ltd</li> <li>▪ Pricewaterhouse Coopers ASEANZ Pty Limited</li> <li>▪ Pricewaterhouse Coopers Business Advisory Services Pte. Ltd.</li> <li>▪ Pricewaterhouse Coopers Consulting (Myanmar) Pte Ltd</li> <li>▪ Pricewaterhouse Coopers Consulting (Singapore) Pte Ltd</li> <li>▪ Pricewaterhouse Coopers Consulting (Thailand) Ltd</li> <li>▪ Pricewaterhouse Coopers Consulting (Vietnam) Ltd</li> <li>▪ Pricewaterhouse Coopers Consulting Holdings (S) Pte Ltd</li> <li>▪ Pricewaterhouse Coopers Consulting LLP</li> <li>▪ Pricewaterhouse Coopers GHRS Pte Ltd</li> <li>▪ Pricewaterhouse Coopers Holdings Singapore No. 1</li> <li>▪ Pricewaterhouse Coopers Holdings Singapore No. 2</li> <li>▪ Pricewaterhouse Coopers LLP</li> <li>▪ Pricewaterhouse Coopers Nominees Pte Ltd</li> <li>▪ Pricewaterhouse Coopers Services LLP</li> <li>▪ Pricewaterhouse Coopers Singapore Pte Ltd</li> <li>▪ Pricewaterhouse Coopers WMS Holdings Pte Ltd</li> <li>▪ Pricewaterhouse Coopers WMS Pte Ltd</li> <li>▪ PT Pricewaterhouse Coopers Consulting Indonesia</li> <li>▪ PwC Consulting Associates (M) Sdn Bhd</li> <li>▪ PwC Consulting Myanmar Co. Limited</li> <li>▪ PwC Consulting Services (M) Sdn Bhd</li> <li>▪ PwC International Assignment Services Holdings Pte. Ltd.</li> <li>▪ Shared Services For Charities</li> <li>▪ Singapore Institute of International Affairs</li> <li>▪ Singapore Press Holdings Limited</li> </ul>	<p>Nil</p>	<ul style="list-style-type: none"> <li>▪ Yati Inc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Scottish Power</li> </ul>
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\* "Principal Commitments" has the same meaning as defined in the Code.

# Supplemental Information on Directors Seeking Election and Re-election at the 2023 AGM

Information in the table below is as at 15 August 2023 (Latest Practicable Date)

Name of Director	Mr Lim Chin Hu	Mr Loh Boon Chye	Mr Mark Makepeace	Mr Yeoh Oon Jin	Ms Julie Gao	Ms Lin Huey Ru	Ms Claire Perry O'Neill
<b>Present</b>	<p><b>Listed Company</b></p> <ul style="list-style-type: none"> <li>G-Able Public Company Limited (Listed on Stock Exchange of Thailand)</li> <li>Kulicke &amp; Soffa Incorporated (Listed on Nasdaq)</li> <li>Singapore Technologies Engineering Ltd ("STEngg")</li> </ul> <p><b>Others (Non-listed company)</b></p> <ul style="list-style-type: none"> <li>Certis Cisco Security Pte Ltd</li> <li>Heliconia Capital Management Pte Ltd</li> <li>Singapore Health Services Pte. Ltd. ("SingHealth")</li> <li>Aescapulus Holdings Pte Ltd (Subsidiary of SingHealth)</li> <li>Alps Pte. Ltd. (Subsidiary of SingHealth)</li> <li>Integrated Health Information Systems Pte. Ltd. (Subsidiary of Ministry of Health Holdings)</li> <li>SPTel Pte Ltd (Subsidiary of STEngg)</li> </ul> <p><b>Major Appointment (other than Directorship)</b></p> <ul style="list-style-type: none"> <li>Stream Global Pte Ltd (Partner)</li> </ul>	<p><b>Listed Company Directorships</b></p> <p>Nil</p> <p><b>Others (Non-listed company)</b></p> <ul style="list-style-type: none"> <li>BC Capital Ltd</li> <li>BC Capital Management Pte. Ltd.</li> <li>BC Capital Properties, LLC</li> <li>BC Investment Management Pte. Ltd.</li> <li>Climate Impact X Pte. Ltd.</li> <li>GIC Private Limited</li> <li>Gym &amp; Sports Pte. Ltd. (Chairman)</li> <li>SGX Bond Trading Pte. Ltd.</li> <li>Singapore Exchange Derivatives Clearing Limited</li> <li>Singapore Exchange Derivatives Trading Limited</li> <li>Singapore Exchange Securities Trading Limited</li> <li>The Central Depository (Pte) Limited</li> <li>Verified Impact Exchange Holdings Pte. Ltd.</li> </ul> <p><b>Major Appointment (other than Directorship)</b></p> <ul style="list-style-type: none"> <li>Climate Governance Singapore Limited (Advisory Board Member)</li> <li>Council of Board Diversity (Co-Chairman)</li> <li>Glasgow Financial Alliance for Net Zero (GFANZ) APAC Network Advisory Board (Member)</li> <li>Glasgow Financial Alliance for Net Zero (GFANZ) Principals Group (Principal)</li> <li>MAS Financial Centre Advisory Panel (Member)</li> <li>NUS Medicine International Council (Council Member)</li> <li>Sim Kee Boon Institute for Financial Economics Advisory Board at Singapore Management University (Chairman)</li> <li>Singapore Green Finance Centre (SGFC) Advisory Board (Co-Chairman)</li> <li>The Institute of Banking and Finance (Council Member)</li> <li>United Nations Sustainable Stock Exchanges Initiative (Independent Advisory Committee Member)</li> <li>World Federation of Exchanges (Board Member and Vice-Chairman)</li> </ul>	<p><b>Listed Company Directorships</b></p> <p>Nil</p> <p><b>Others (Non-listed company)</b></p> <ul style="list-style-type: none"> <li>M8R Limited</li> <li>Monica Holdco (UK) Limited</li> <li>Monica Holdco (US), Inc.</li> <li>Monica Intermediate Holdings GP, LLC</li> <li>Monica Top GP (Cayman), LLC</li> <li>St Giles Global (SGG) GP LLC</li> <li>St Giles Global (SGG) LP</li> <li>St Giles Global LCC</li> <li>The Stock Exchange of Saudi Arabia (Tawadul)</li> <li>Wilshire Benchmarks TopCo Limited</li> <li>Wilshire Benchmarks US LLC</li> <li>Wilshire Opco UK Limited</li> </ul> <p><b>Major Appointment (other than Directorship)</b></p> <ul style="list-style-type: none"> <li>Wilshire Advisors LLC (Chief Executive Officer)</li> </ul>	<p><b>Listed Company</b></p> <ul style="list-style-type: none"> <li>Singapore Airlines Limited (Chairman of Audit Committee)</li> </ul> <p><b>Others (Non-listed company)</b></p> <ul style="list-style-type: none"> <li>Carsome Group Inc. (Board Member and Chairman of Audit Committee)</li> <li>Singapore Health Services Pte Ltd (Chairman of Population Health Committee)</li> <li>Singapore Land Authority (Chairman)</li> <li>Trust Bank Singapore Limited (fka SC Bank Solutions (Singapore) Limited) (Chairman of Audit Committee)</li> </ul> <p><b>Major Appointment (other than Directorship)</b></p> <ul style="list-style-type: none"> <li>Kidney Dialysis Foundation Limited (Director &amp; Chairman of Audit Committee)</li> <li>Lien Foundation (Independent Governor)</li> <li>Monetary Authority of Singapore (Corporate Governance Advisory Committee Member)</li> <li>Singapore Business Federation (Vice Chairman)</li> <li>Singapore Institute of Directors (Council Member and Vice-Chair)</li> </ul>	<p><b>Listed company</b></p> <p>Nil</p> <p><b>Others (Non-listed company)</b></p> <p>Nil</p> <p><b>Major Appointment (other than Directorship)</b></p> <ul style="list-style-type: none"> <li>ByteDance (Chief Financial Officer)</li> </ul>	<p><b>Listed company</b></p> <ul style="list-style-type: none"> <li>Hang Seng Bank</li> </ul> <p><b>Others (Non-listed company)</b></p> <ul style="list-style-type: none"> <li>Nium</li> </ul> <p><b>Major Appointment (other than Directorship)</b></p> <ul style="list-style-type: none"> <li>Addi (Board Observer)</li> <li>Terraformation, Inc. (Special Projects)</li> <li>Chainlink Labs (Advisor)</li> <li>Growtheum Capital Partners (Advisor)</li> <li>PayU (Advisor)</li> <li>TrueLayer (Advisor)</li> </ul>	<p><b>Listed company</b></p> <ul style="list-style-type: none"> <li>Occidental Petroleum (OXY)</li> </ul> <p><b>Others (Non-listed company)</b></p> <ul style="list-style-type: none"> <li>Climate Impact X</li> </ul> <p><b>Major Appointment (other than Directorship)</b></p> <ul style="list-style-type: none"> <li>GHGSat (Global Advisor - Part-time)</li> <li>Hambro Perks (Senior Advisor - Part-time)</li> <li>Hysata Pty Ltd (Advisor)</li> <li>McKinsey &amp; Company (Senior Global Advisor - Part-time)</li> <li>Protium (Member of Advisory Board - Part-time)</li> <li>Sarasin &amp; Partners LLP (Advisor)</li> <li>World Business Council for Sustainable Development (Imperatives Advisory Board - Part-time)</li> </ul>

Name of Director	Mr Lim Chin Hu	Mr Loh Boon Chye	Mr Mark Makepeace	Mr Yeoh Oon Jin	Ms Julie Gao	Ms Lin Huey Ru	Ms Claire Perry O'Neill
<b>Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual</b>	There is no change to the responses previously disclosed by Mr Lim under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".  The Appendix 7.4.1 information in respect of Mr Lim's appointment as Director was announced on 18 September 2017.	There is no change to the responses previously disclosed by Mr Loh under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".  The Appendix 7.4.1 information in respect of Mr Loh's appointment as Director was announced on 08 June 2015.	There is no change to the responses previously disclosed by Mr Makepeace under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".  The Appendix 7.4.1 information in respect of Mr Makepeace's appointment as Director was announced on 31 August 2020.	There is no change to the responses previously disclosed by Mr Yeoh under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".  The Appendix 7.4.1 information in respect of Mr Yeoh's appointment as Director was announced on 1 July 2021.	There is no change to the responses previously disclosed by Ms Gao under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".  The Appendix 7.4.1 information in respect of Ms Gao's appointment as Director was announced on 19 April 2023.	There is no change to the responses previously disclosed by Ms Lin under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".  The Appendix 7.4.1 information in respect of Ms Lin's appointment as Director was announced on 19 April 2023.	There is no change to the responses previously disclosed by Ms O'Neill under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".  The Appendix 7.4.1 information in respect of Ms O'Neill's appointment as Director was announced on 11 September 2023.

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