



**Financial Results  
For the Second Quarter ended  
31 December 2017**

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

## SINGAPORE EXCHANGE

### Financial Results for the Second Quarter Ended 31 December 2017

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*The financial results set out in Sections 2 to 7, 9 to 13, 15 to 20 of this announcement have been extracted from the interim financial report that has been prepared in accordance with Singapore Financial Reporting Standard 34 Interim Financial Reporting.*

## 1. Performance Summary

### Financial Overview

- Revenue: \$205 million, up 3% from a year earlier
- Operating profit: \$103 million, up 1%
- Net profit: \$88 million, unchanged
- Earnings per share: 8.2 cents, unchanged
- Interim dividend per share: 5 cents, unchanged

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

SGX recorded operating profit of \$103.0 million (\$102.4 million) and a net profit of \$88.4 million (\$88.3 million) in 2Q FY2018, with earnings per share of 8.2 cents (8.2 cents). The Board of Directors has declared an interim dividend of 5 cents (5 cents) per share, payable on 5 February 2018.

Revenue increased \$5.4 million or 3% to \$205.0 million (\$199.6 million). Expenses increased \$4.8 million or 5% to \$102.1 million (\$97.2 million).

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

Cash from operating activities was \$75.9 million (\$72.2 million).

Total equity was \$971.0 million (\$914.7 million) as of 31 December 2017.

### Business and Expenses Overview

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

Equities & Fixed Income revenue declined 4% to \$97.5 million (\$101.4 million), and accounted for 48% (51%) of total revenue.

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

Issuer Services revenue increased \$0.8 million or 4% to \$20.3 million (\$19.5 million), accounting for 10% (10%) of total revenue.

- Listing revenue: \$12.4 million, up 3% from \$12.0 million
- Corporate actions and other revenue: \$8.0 million, up 6% from \$7.5 million

Listing revenue increased 3% following higher number of new bond and equity listings. There were a total of 289 bond listings raising \$103.5 billion, compared to 204 listings raising \$89.0 billion a year earlier. There were a total of 7 new equity listings which raised \$1.6 billion, compared to 3 new equity listings raising \$131.1 million a year earlier. Secondary equity funds raised were \$2.1 billion (\$2.5 billion).

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

Securities Trading and Clearing revenue decreased \$0.4 million or 1% to \$51.8 million (\$52.1 million) and accounted for 25% (26%) of total revenue.

- Securities Clearing revenue: \$40.2 million, unchanged from a year ago
- Access revenue: \$9.2 million, down 1% from \$9.3 million
- Collateral management, membership and other revenue: \$2.4 million, down 5% from \$2.5 million

Securities daily average traded value (SDAV) increased 4% to \$1.14 billion (\$1.09 billion) and total traded value increased 3% to \$71.6 billion (\$69.8 billion). This was made up of Equities<sup>1</sup> where traded value was comparable at \$66.5 billion (\$66.2 billion), and Other products<sup>2</sup> where traded value increased 41% to \$5.1 billion (\$3.6 billion). There were 63 (64) trading days in the quarter.

<sup>1</sup> Equities include ordinary shares, real-estate investment trusts and business trusts

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

Average clearing fee for Equities was 2.93 basis points, a decrease from 2.97 basis points a year earlier due to a higher proportion of trading from market makers. The average clearing fee for Other products was 0.51 basis points. This was a decline from 0.86 basis points a year ago due to a change in mix of Other products traded. Overall turnover velocity for the quarter was 36% (41%).

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

	2Q FY2018	2Q FY2017	Change
Securities total traded value (\$ billion)	72	70	3%
· <i>Equities</i>	66	66	-
· <i>Other products</i>	5	4	41%
Period-end total market capitalisation (\$ billion)	1,052	926	14%
· <i>Primary-listed</i>	709	604	17%
· <i>Secondary-listed</i>	344	322	7%
Turnover velocity (primary-listed)	36%	41%	-13%
Securities total traded volume (in billion)	122	126	-3%

### ***EFI: Post Trade Services***

Post Trade Services revenue decreased \$4.3 million or 15% to \$25.4 million (\$29.7 million), accounting for 12% (15%) of total revenue.

- Securities settlement revenue: \$22.3 million, down 9% from \$24.5 million
- Contract processing revenue: \$1.1 million, down 63% from \$3.0 million
- Depository management revenue: \$2.0 million, down 6% from \$2.2 million

Securities settlement revenue decreased 9%, following a change in mix of securities settlement instructions.

Contract processing revenue decreased \$1.9 million or 63% to \$1.1 million (\$3.0 million) due to lower number of contracts processed. As previously highlighted, contract processing will be performed by brokers as they continue migrating to their own back office systems by the end of 3Q FY2018.

### ***Derivatives***

Derivatives revenue increased \$8.4 million or 11% to \$83.3 million (\$75.0 million), and accounted for 41% (38%) of total revenue.

- Equity and Commodities revenue: \$57.8 million, up 6% from \$54.7 million
- Collateral management, licence, membership and other revenue: \$25.5 million, up 26% from \$20.2 million

Equity and Commodities revenue grew 6% as total volumes increased 18% to 48.6 million contracts (41.4 million contracts). This was mainly due to higher volumes in SGX FTSE China A50 futures, Nikkei 225 futures, and MSCI Singapore futures reflecting higher volatility and increasing activity in underlying markets. This was offset by lower volumes in Iron Ore due to lower volatility. Average fee per contract decreased to \$1.07 (\$1.16) due to growth in volumes from trading members.

Collateral management, licence, membership and other revenue increased 26% mainly due to higher yield from collateral management.

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

	2Q FY2018	2Q FY2017	Change
SGX FTSE China A50 Index futures	18,641	16,207	15%
Japan Nikkei 225 Index futures	5,942	5,094	17%
SGX Nifty 50 Index futures	5,612	5,254	7%
MSCI Taiwan Index futures	4,805	4,654	3%
MSCI Singapore Index futures	2,626	1,954	34%
MSCI Indonesia Index futures	63	77	-19%
Japan Nikkei 225 Index options	3,232	1,217	166%
SGX Nifty 50 Index options	106	24	343%
FX futures	3,186	1,752	82%
Iron Ore futures	2,821	3,424	-18%
Rubber futures	327	520	-37%
FFA futures	141	101	39%
Iron Ore swaps	13	53	-75%
Iron Ore options	501	714	-30%
Others	612	326	88%
<b>Total</b>	<b>48,629</b>	<b>41,373</b>	<b>18%</b>

### **Market Data and Connectivity**

Market Data and Connectivity revenue increased \$0.9 million or 4% to \$24.2 million (\$23.3 million), accounting for 12% (12%) of total revenue.

- Market data revenue: \$10.4 million, up 4% from \$10.0 million
- Connectivity revenue: \$13.7 million, up 4% from \$13.2 million

Market data revenue increased 4%, attributed mainly to revisions to data usage fees.

Connectivity revenue increased 4%, following continued growth of our colocation services business.

### **Expenses Overview**

Expenses increased \$4.8 million or 5% to \$102.1 million (\$97.2 million). This increase is mainly due to higher staff costs and technology expenses, partially offset by lower discretionary expenses

Total staff costs increased \$3.7 million or 9% to \$43.4 million (\$39.7 million). Fixed staff costs increased 7% to \$29.2 million (\$27.4 million) mainly due to annual staff salary increments, and there were higher provisions for variable staff costs. Our average headcount for the quarter was comparable at 789 (794).

Technology expenses increased \$2.6 million or 9% to \$31.6 million (\$29.0 million). This was due mainly to increases in system maintenance and depreciation from the implementation of new systems. This was partially offset by a decrease in costs from lower negotiated vendor charges.

Professional fees declined \$2.6 million or 68% to \$1.3 million (\$3.9 million) mainly due to the absence of fees relating to the acquisition of Baltic Exchange incurred a year ago.

Tax expense for the quarter was \$17.6 million (\$16.2 million). The effective tax rate was 17% (16%).

Technology-related capital expenditure was \$9.6 million (\$13.1 million). These investments were mainly for the on-going development of our new securities post-trade system.

## Regulatory Overview

SGX consulted the market on several proposals during the quarter to address areas of concern and to align our rules with global practices:

- We proposed strengthening our disclosure regime by requiring additional disclosures on secondary fund-raising, interested person transactions, and loans that are not part of the ordinary course of business.
- We proposed shortening the securities settlement cycle to two days (T+2) from three days (T+3). Also consulted were the simultaneous settlement of securities and monies and the enhancement of various settlement processes. These will make securities settlement and clearing safer and aligned with those of other global markets.
- Feedback was also sought on changes that would make the rules governing our securities brokers more principles-based and less prescriptive.

All three consultations have since closed and SGX is reviewing the feedback.

SGX, together with the Association of Banks in Singapore, the Institute of Singapore Chartered Accountants, the Law Society of Singapore and the Singapore Institute of Directors also jointly launched in December 2017 a best practices guide to help in the prevention of insider trading. We also published case studies on listing matters to make more transparent our decision making process and interpretation of our Listing Rules.

## Commitment to Clearing Funds

SGX's commitment to the CDP and SGX-DC clearing funds was \$60 million and \$200 million respectively. The total CDP clearing fund was \$100 million and the total SGX-DC clearing fund was \$710 million as of 31 December 2017.

## Outlook

Our second quarter results reflect increased activities in our markets. Participation in our securities market improved as we engaged the investment community, profiled issuers, and enhanced our equity research content. Our focus on key sectors and active engagement with prospective issuers led to a pick-up in equity listing activity. Efforts to grow our client base contributed to higher equity futures trading, record volumes in key FX futures contracts, and increased participation from global clients in our Fixed Income business.

We are seeing growth globally and in particular, flows into ASEAN, India and China supported by business optimism. Looking forward, we expect market activity to improve and more listings to be acquired through our global network and strategic partnerships. Over the course of the year, our Asian derivatives foothold will strengthen through new product offerings in equities, commodities and FX. We will also work towards expanding our business and global connectivity through strategic investments and collaborations.

In line with our success in managing costs, operating expenses for FY2018 are now expected to be between \$410 million and \$420 million. This is lower than the previously announced range of between \$425 million and \$435 million. As previously guided, technology-related capital expenditure is expected to be between \$60 million and \$65 million.

## 2. Income Statement - Group

2Q			1H			
FY2018	FY2017	Change	FY2018	FY2017	Change	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
			<b>Operating revenue</b>			
97,541	101,393	(3.8)	<b>Equities and Fixed Income</b>	197,230	199,377	(1.1)
83,330	74,954	11.2	<b>Derivatives</b>	163,882	145,770	12.4
24,174	23,256	3.9	<b>Market Data and Connectivity</b>	48,391	45,284	6.9
205,045	199,603	2.7	<b>Operating revenue</b>	409,503	390,431	4.9
			<b>Operating expenses</b>			
43,441	39,721	9.4	<b>Staff</b>	84,936	79,346	7.0
31,605	29,015	8.9	<b>Technology</b>	62,142	58,431	6.4
11,256	11,373	(1.0)	<b>Processing and royalties</b>	22,952	22,784	0.7
7,015	6,361	10.3	<b>Premises</b>	13,590	12,289	10.6
1,258	3,890	(67.7)	<b>Professional fees</b>	3,451	5,796	(40.5)
7,496	6,876	9.0	<b>Others</b>	13,475	12,260	9.9
102,071	97,236	5.0	<b>Operating expenses</b>	200,546	190,906	5.0
102,974	102,367	0.6	<b>Operating profit</b>	208,957	199,525	4.7
			<b>Other gains/(losses)</b>			
2,445	2,291	6.7	- Other revenue including interest income	5,005	5,301	(5.6)
210	(461)	NM	- Net foreign exchange gain/(loss)	411	(353)	NM
2,655	1,830	45.1	<b>Other gains/(losses)</b>	5,416	4,948	9.5
105,629	104,197	1.4	Profit before tax and share of results of associated company	214,373	204,473	4.8
290	285	1.8	Share of results of associated company	644	654	(1.5)
(17,566)	(16,181)	8.6	Tax	(35,959)	(33,725)	6.6
88,353	88,301	0.1	<b>Net profit after tax</b>	179,058	171,402	4.5
			<b>Attributable to:</b>			
88,353	88,301	0.1	Equity holders of the Company	179,058	171,402	4.5

## 3. Statement of Comprehensive Income - Group

2Q			1H			
FY2018	FY2017	Change	FY2018	FY2017	Change	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
88,353	88,301	0.1	Net profit after tax	179,058	171,402	4.5
			Other comprehensive income/(expense):			
			Items that may be reclassified subsequently to profit or loss:			
(1,106)	4,206	NM	Net currency translation differences of financial statements of subsidiaries and associated company	903	4,056	(77.7)
(302)	(2,193)	(86.2)	Fair value losses arising from cash flow hedges	(383)	(5,390)	(92.9)
(1,408)	2,013	NM	<b>Other comprehensive income/(expense) for the period, net of tax</b>	520	(1,334)	NM
86,945	90,314	(3.7)	<b>Total comprehensive income for the period</b>	179,578	170,068	5.6
			<b>Total comprehensive income attributable to:</b>			
86,945	90,314	(3.7)	Equity holders of the Company	179,578	170,068	5.6

NM: Not meaningful

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

2Q			1H		
FY2018 S\$'000	FY2017 S\$'000	Change %	FY2018 S\$'000	FY2017 S\$'000	Change %
<b>Operating revenue</b>					
<b>Equities and Fixed Income</b>					
<i>- Issuer Services</i>					
12,398	12,012	3.2	25,369	24,208	4.8
7,950	7,518	5.7	17,030	17,149	(0.7)
20,348	19,530	4.2	42,399	41,357	2.5
<i>- Securities Trading and Clearing</i>					
40,246	40,411	(0.4)	79,655	77,274	3.1
9,179	9,255	(0.8)	18,593	17,451	6.5
2,353	2,466	(4.6)	4,732	4,496	5.2
51,778	52,132	(0.7)	102,980	99,221	3.8
<i>- Post Trade Services</i>					
22,271	24,537	(9.2)	45,333	48,048	(5.7)
1,111	3,028	(63.3)	2,539	6,459	(60.7)
2,033	2,166	(6.1)	3,979	4,292	(7.3)
25,415	29,731	(14.5)	51,851	58,799	(11.8)
97,541	101,393	(3.8)	197,230	199,377	(1.1)
<b>Derivatives</b>					
57,784	54,747	5.5	116,077	108,246	7.2
25,546	20,207	26.4	47,805	37,524	27.4
83,330	74,954	11.2	163,882	145,770	12.4
<b>Market Data and Connectivity</b>					
10,438	10,028	4.1	20,752	19,290	7.6
13,736	13,228	3.8	27,639	25,994	6.3
24,174	23,256	3.9	48,391	45,284	6.9
205,045	199,603	2.7	409,503	390,431	4.9



## 5. Detailed Notes on Expenses - Group

2Q			1H			
FY2018 S\$'000	FY2017 S\$'000	Change %	FY2018 S\$'000	FY2017 S\$'000	Change %	
<b>Operating expenses</b>						
<b>Staff</b>						
29,222	27,385	6.7	- Fixed staff costs (excluding variable bonus)	58,062	56,055	3.6
11,572	10,317	12.2	- Variable bonus (including CPF)	21,605	18,824	14.8
2,647	2,019	31.1	- Variable share-based payment	5,269	4,467	18.0
43,441	39,721	9.4		84,936	79,346	7.0
<b>Technology</b>						
18,369	16,382	12.1	- System maintenance and rental	35,505	33,892	4.8
12,422	11,581	7.3	- Depreciation and amortisation	24,692	21,939	12.5
814	1,052	(22.6)	- Communication charges	1,945	2,600	(25.2)
31,605	29,015	8.9		62,142	58,431	6.4
11,256	11,373	(1.0)	<b>Processing and royalties</b>	22,952	22,784	0.7
<b>Premises</b>						
4,974	4,424	12.4	- Rental and maintenance of premises	9,571	8,539	12.1
2,041	1,937	5.4	- Depreciation of furniture and fittings, buildings and leasehold improvements	4,019	3,750	7.2
7,015	6,361	10.3		13,590	12,289	10.6
1,258	3,890	(67.7)	<b>Professional fees</b>	3,451	5,796	(40.5)
<b>Others</b>						
1,400	1,544	(9.3)	- Marketing	2,410	2,145	12.4
851	587	45.0	- Travelling	1,281	1,010	26.8
335	197	70.1	- Allowance for impairment of trade receivables (net)	991	733	35.2
-	-	-	- Net write-off/impairment of property, plant and equipment and software	7	-	NM
-	(122)	NM	- Net gain on disposal of property, plant and equipment and software	-	(122)	NM
537	399	34.6	- Directors' fee	1,151	1,041	10.6
1,236	1,046	18.2	- Regulatory fee	2,518	2,087	20.7
561	446	25.8	- Amortisation of intangible assets	1,117	672	66.2
2,576	2,779	(7.3)	- Miscellaneous	4,000	4,694	(14.8)
7,496	6,876	9.0		13,475	12,260	9.9
102,071	97,236	5.0	<b>Operating expenses</b>	200,546	190,906	5.0

## 6. Earnings Per Share - Group

2Q			1H	
FY2018	FY2017		FY2018	FY2017
<b>Earnings per ordinary share for the period (cents)</b>				
8.2	8.2	(a) Based on weighted average number of ordinary shares in issue	16.7	16.0
8.2	8.2	(b) On a fully diluted basis	16.7	16.0
1,071,127	1,070,895	Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,070,711	1,070,583
3,465	3,505	Adjustment for assumed vesting of shares granted under share plans ('000)	2,902	3,067
1,074,592	1,074,400	Weighted average number of ordinary shares for diluted earnings per share ('000)	1,073,613	1,073,650

## 7. Statement of Financial Position - Group

	As at	
	31 Dec 2017 S\$'000	30 Jun 2017 S\$'000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	742,988	796,392
Trade and other receivables	776,277	814,701
Derivative financial instruments	902	1,450
	1,520,167	1,612,543
<b>Non-current assets</b>		
Investment property	26,400	26,193
Property, plant and equipment	71,985	80,421
Software	159,053	159,477
Intangible assets	62,725	63,544
Goodwill	88,976	88,401
Club memberships	332	325
Investment in associated company	8,909	10,307
	418,380	428,668
<b>Total assets</b>	1,938,547	2,041,211
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	792,855	891,566
Dividend payable	53,556	-
Derivative financial instruments	6	79
Taxation	74,516	71,398
Provisions	10,344	10,353
	931,277	973,396
<b>Non-current liabilities</b>		
Trade and other payables	-	18
Deferred tax liabilities	36,246	35,264
	36,246	35,282
<b>Total liabilities</b>	967,523	1,008,678
<b>Net assets</b>	<b>971,024</b>	<b>1,032,533</b>
<b>Equity</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>		
Share capital	428,822	428,031
Treasury shares	(3,847)	(12,561)
Cash flow hedge reserve	686	1,069
Currency translation reserve	3,875	2,972
Securities clearing fund reserve	25,000	25,000
Derivatives clearing fund reserve	34,021	34,021
Share-based payment reserve	11,215	15,448
Retained profits	471,252	399,460
Proposed dividends	-	139,093
<b>Total equity</b>	<b>971,024</b>	<b>1,032,533</b>

## 8. Net Asset Value - Group

	As at	
	31 Dec 2017	30 Jun 2017
	Cents	Cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	90.7	96.5

## 9. Borrowings and Debt Securities - Group

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

	As at 31 Dec 2017		As at 30 Jun 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	Nil	Nil	Nil	Nil
Amount repayable after one year	Nil	Nil	Nil	Nil

### (b) Details of any collaterals

None.

## 10. Statement of Cash Flows - Group

2Q			1H	
FY2018	FY2017		FY2018	FY2017
S\$'000	S\$'000		S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
105,629	104,197	Profit before tax and share of results of associated company	214,373	204,473
Adjustments for:				
15,024	13,964	Depreciation and amortisation	29,828	26,361
2,647	2,019	Variable share-based payment	5,269	4,467
-	-	Net write-off/impairment of property, plant and equipment and software	7	-
(2,188)	(2,142)	Interest income	(4,715)	(5,039)
-	(201)	Grant income for property, plant and equipment and software	-	(201)
-	(122)	Net gain on disposal of property, plant and equipment and software	-	(122)
121,112	117,715	<b>Operating cash flow before working capital change</b>	244,762	229,939
Change in working capital				
1,473	(2,115)	Cash committed for National Electricity Market of Singapore	4,339	(3,827)
113,482	(27,985)	Trade and other receivables	37,104	304,037
(125,972)	17,816	Trade and other payables	(75,819)	(345,484)
110,095	105,431	Cash generated from operations	210,386	184,665
(34,244)	(33,274)	Income tax paid	(31,863)	(35,323)
75,851	72,157	<b>Net cash provided by operating activities</b>	178,523	149,342
<b>Cash flows from investing activities</b>				
(14,157)	(14,091)	Purchases of property, plant and equipment and software	(42,747)	(29,864)
2,513	3,284	Interest received	6,093	4,649
(7)	-	Purchase of club memberships	(7)	-
1,869	-	Dividend received from associated company	1,869	-
-	122	Proceeds from disposal of property, plant and equipment and software	-	172
-	373	Grant received for property, plant and equipment and software	-	373
-	(16,535)	Dividend payment to the former shareholders of a subsidiary	-	(16,535)
-	(120,096)	Acquisition of a subsidiary, net of cash acquired	-	(120,096)
(9,782)	(146,943)	<b>Net cash used in investing activities</b>	(34,792)	(161,301)
<b>Cash flows from financing activities</b>				
(192,803)	(192,802)	Dividends paid	(192,803)	(192,802)
-	(2,950)	Purchase of treasury shares	-	(2,950)
(192,803)	(195,752)	<b>Net cash used in financing activities</b>	(192,803)	(195,752)
(126,734)	(270,538)	<b>Net decrease in cash and cash equivalents held</b>	(49,072)	(207,711)
598,009	660,910	Cash and cash equivalents at the beginning of the period	520,323	598,083
(17)	540	Effects of currency translation on cash and cash equivalents	7	540
471,258	390,912	<b>Cash and cash equivalents at the end of the period</b>	471,258	390,912
<b>Reconciliation of cash and cash equivalents</b>				
2Q			1H	
FY2018	FY2017		FY2018	FY2017
S\$'000	S\$'000		S\$'000	S\$'000
For the purposes of the Statement of Cash Flows, the cash and cash equivalents comprised the following:				
471,258	390,912	Cash and cash equivalents per Statement of Cash Flows	471,258	390,912
Add : Cash committed for				
200,021	200,021	- Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund	200,021	200,021
60,000	60,000	- The Central Depository (Pte) Limited - Securities Clearing Fund	60,000	60,000
11,709	12,029	- National Electricity Market of Singapore	11,709	12,029
742,988	662,962	Cash and cash equivalents per Statement of Financial Position - Group	742,988	662,962

## 11. Statement of Changes in Equity - Group

	Attributable to equity holders of the Company								Total S\$'000
	Share capital	Treasury shares	Cash flow hedge reserve *	Currency translation reserve *	Securities clearing fund reserve *	Derivatives clearing fund reserve *	Share-based payment reserve *	Retained profits	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>(i) Group - 2Q FY2018</b>									
<b>Balance at 1 October 2017</b>	428,822	(3,847)	988	4,981	25,000	34,021	8,568	436,608	935,141
<b>Changes in equity for the period</b>									
Dividends paid									
- FY2017 - Under provision of final base and variable dividends	-	-	-	-	-	-	-	(153)	(153)
Dividend payable									
- 2Q FY2018 - Interim base dividend	-	-	-	-	-	-	-	(53,556)	(53,556)
Employee share plan - Value of employee services	-	-	-	-	-	-	2,647	-	2,647
	-	-	-	-	-	-	2,647	(53,709)	(51,062)
Total comprehensive income for the period	-	-	(302)	(1,106)	-	-	-	88,353	86,945
<b>Balance at 31 December 2017</b>	428,822	(3,847)	686	3,875	25,000	34,021	11,215	471,252	971,024
<b>(ii) Group - 2Q FY2017</b>									
<b>Balance at 1 October 2016</b>	428,031	(3,880)	(1,045)	(1,475)	25,000	34,021	9,243	389,176	879,071
<b>Changes in equity for the period</b>									
Dividends paid									
- FY2016 - Under provision of final base and variable dividends	-	-	-	-	-	-	-	(164)	(164)
Dividend payable									
- 2Q FY2017 - Interim base dividend	-	-	-	-	-	-	-	(53,535)	(53,535)
Employee share plan - Value of employee services	-	-	-	-	-	-	2,019	-	2,019
Purchase of treasury shares	-	(2,950)	-	-	-	-	-	-	(2,950)
Tax effect on treasury shares ^^	-	(30)	-	-	-	-	-	-	(30)
	-	(2,980)	-	-	-	-	2,019	(53,699)	(54,660)
Total comprehensive income for the period	-	-	(2,193)	4,206	-	-	-	88,301	90,314
<b>Balance at 31 December 2016</b>	428,031	(6,860)	(3,238)	2,731	25,000	34,021	11,262	423,778	914,725

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

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

## 11. Statement of Changes in Equity - Group

	Attributable to equity holders of the Company									
	Share capital	Treasury shares	Cash flow hedge reserve *	Currency translation reserve *	Securities clearing fund reserve *	Derivatives clearing fund reserve *	Share-based payment reserve *	Retained profits	Proposed dividends	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>(iii) Group - 1H FY2018</b>										
<b>Balance at 1 July 2017</b>	428,031	(12,561)	1,069	2,972	25,000	34,021	15,448	399,460	139,093	1,032,533
<b>Changes in equity for the year</b>										
Dividends paid										
- FY2017 - Final base and variable dividends	-	-	-	-	-	-	-	-	(139,093)	(139,093)
- FY2017 - Under provision of final base and variable dividends	-	-	-	-	-	-	-	(153)	-	(153)
- 1Q FY2018 - Interim base dividend	-	-	-	-	-	-	-	(53,557)	-	(53,557)
Dividend payable										
- 2Q FY2018 - Interim base dividend	-	-	-	-	-	-	-	(53,556)	-	(53,556)
Employee share plan - Value of employee services	-	-	-	-	-	-	5,269	-	-	5,269
Vesting of shares under share-based remuneration plans	791	8,711	-	-	-	-	(9,502)	-	-	-
Tax effect on treasury shares <sup>^^</sup>	-	3	-	-	-	-	-	-	-	3
	791	8,714	-	-	-	-	(4,233)	(107,266)	(139,093)	(241,087)
Total comprehensive income for the year	-	-	(383)	903	-	-	-	179,058	-	179,578
<b>Balance at 31 December 2017</b>	428,822	(3,847)	686	3,875	25,000	34,021	11,215	471,252	-	971,024
<b>(iv) Group - 1H FY2017</b>										
<b>Balance at 1 July 2016</b>	426,445	(12,855)	2,152	(1,325)	25,000	34,021	17,430	359,631	139,082	989,581
<b>Changes in equity for the year</b>										
Dividends paid										
- FY2016 - Final base and variable dividends	-	-	-	-	-	-	-	-	(139,082)	(139,082)
- FY2016 - Under provision of final base and variable dividends	-	-	-	-	-	-	-	(164)	-	(164)
- 1Q FY2017 - Interim base dividend	-	-	-	-	-	-	-	(53,556)	-	(53,556)
Dividend payable										
- 2Q FY2017 - Interim base dividend	-	-	-	-	-	-	-	(53,535)	-	(53,535)
Employee share plan - Value of employee services	-	-	-	-	-	-	4,467	-	-	4,467
Vesting of shares under share-based remuneration plans	1,586	9,049	-	-	-	-	(10,635)	-	-	-
Purchase of treasury shares	-	(2,950)	-	-	-	-	-	-	-	(2,950)
Tax effect on treasury shares <sup>^^</sup>	-	(104)	-	-	-	-	-	-	-	(104)
	1,586	5,995	-	-	-	-	(6,168)	(107,255)	(139,082)	(244,924)
Total comprehensive income for the year	-	-	(5,390)	4,056	-	-	-	171,402	-	170,068
<b>Balance at 31 December 2016</b>	428,031	(6,860)	(3,238)	2,731	25,000	34,021	11,262	423,778	-	914,725

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

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

12. Segment Information - Group

(i) Group - 2Q FY2018 and 2Q FY2017

2Q FY2018					2Q FY2017					
Equities & Fixed Income S\$'000	Derivatives S\$'000	Market Data & Connectivity S\$'000	Corporate * S\$'000	Group S\$'000		Equities & Fixed Income S\$'000	Derivatives S\$'000	Market Data & Connectivity S\$'000	Corporate * S\$'000	Group S\$'000
97,541	83,330	24,174	-	205,045	<b>Operating revenue</b>	101,393	74,954	23,256	-	199,603
53,460	36,700	12,814	-	102,974	Operating profit	59,928	28,247	14,192	-	102,367
-	-	-	2,655	2,655	Other gains/(losses)	-	-	-	1,830	1,830
-	-	-	290	290	Share of results of associated company	-	-	-	285	285
-	-	-	(17,566)	(17,566)	Tax	-	-	-	(16,181)	(16,181)
				88,353	<b>Net profit after tax</b>					88,301
688,997	455,271	42,049	752,230	1,938,547	<b>Segment assets</b>	564,226	426,412	39,649	718,701	1,748,988
			8,909	8,909	<b>Segment assets include:</b>				10,214	10,214
					Investment in associated company	-	-	-	10,214	10,214
					Additions to:					
6,169	2,737	826	-	9,732	- Property, plant and equipment and software	8,668	40,972	913	-	50,553
-	-	-	-	-	- Intangible asset	-	38,399	-	-	38,399
-	-	-	-	-	- Goodwill	-	76,224	-	-	76,224
590,035	198,832	7,146	171,510	967,523	<b>Segment liabilities</b>	469,948	196,398	5,215	162,702	834,263
					<b>Other information</b>					
6,700	7,154	1,170	-	15,024	Depreciation and amortisation	6,554	6,370	1,040	-	13,964

(ii) Group - 1H FY2018 and 1H FY2017

1H FY2018					1H FY2017					
Equities & Fixed Income S\$'000	Derivatives S\$'000	Market Data & Connectivity S\$'000	Corporate * S\$'000	Group S\$'000		Equities & Fixed Income S\$'000	Derivatives S\$'000	Market Data & Connectivity S\$'000	Corporate * S\$'000	Group S\$'000
197,230	163,882	48,391	-	409,503	<b>Operating revenue</b>	199,377	145,770	45,284	-	390,431
110,271	72,077	26,609	-	208,957	Operating profit	112,900	59,152	27,473	-	199,525
-	-	-	5,416	5,416	Other gains/(losses)	-	-	-	4,948	4,948
-	-	-	644	644	Share of results of associated company	-	-	-	654	654
-	-	-	(35,959)	(35,959)	Tax	-	-	-	(33,725)	(33,725)
				179,058	<b>Net profit after tax</b>					171,402
688,997	455,271	42,049	752,230	1,938,547	<b>Segment assets</b>	564,226	426,412	39,649	718,701	1,748,988
			8,909	8,909	<b>Segment assets include:</b>				10,214	10,214
					Investment in associated company	-	-	-	10,214	10,214
					Additions to:					
13,045	5,136	1,590	-	19,771	- Property, plant and equipment and software	10,495	43,583	1,075	-	55,153
-	-	-	-	-	- Intangible asset	-	38,399	-	-	38,399
-	-	-	-	-	- Goodwill	-	76,224	-	-	76,224
590,035	198,832	7,146	171,510	967,523	<b>Segment liabilities</b>	469,948	196,398	5,215	162,702	834,263
					<b>Other information</b>					
13,314	14,169	2,345	-	29,828	Depreciation and amortisation	13,493	10,715	2,153	-	26,361

\* The corporate segment is a non-operating segment

### 13. Statement of Financial Position - Company

	As at	
	31 Dec 2017 S\$'000	30 Jun 2017 S\$'000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	317,383	393,754
Trade and other receivables	16,875	20,997
	334,258	414,751
<b>Non-current assets</b>		
Property, plant and equipment	46,554	52,962
Software	34,741	37,482
Club memberships	332	325
Investments in subsidiaries	733,690	723,690
Investment in associated company	4,389	4,389
Other receivables	6,133	6,215
	825,839	825,063
<b>Total assets</b>	1,160,097	1,239,814
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	234,122	321,724
Dividend payable	53,556	-
Taxation	3,347	3,733
Provisions	7,193	7,193
	298,218	332,650
<b>Non-current liabilities</b>		
Deferred tax liabilities	7,117	6,355
	7,117	6,355
<b>Total liabilities</b>	305,335	339,005
<b>Net assets</b>	<b>854,762</b>	<b>900,809</b>
<b>Equity</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>		
Share capital	428,822	428,031
Treasury shares	(3,847)	(12,561)
Share-based payment reserve	11,215	15,448
Retained profits	418,572	330,798
Proposed dividends	-	139,093
<b>Total equity</b>	<b>854,762</b>	<b>900,809</b>

### 14. Net Asset Value - Company

	As at	
	31 Dec 2017 Cents	30 Jun 2017 Cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	79.8	84.2



## 15. Statement of Changes in Equity - Company

	Attributable to equity holders of the Company					Total S\$'000
	Share capital	Treasury shares	Cash flow hedge reserve *	Share-based payment reserve *	Retained profits	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>(i) Company - 2Q FY2018</b>						
<b>Balance at 1 October 2017</b>	428,822	(3,847)	-	8,568	410,022	843,565
<b>Changes in equity for the period</b>						
Dividends paid						
- FY2017 - Under provision of final base and variable dividends	-	-	-	-	(153)	(153)
Dividend payable						
- 2Q FY2018 - Interim base dividend	-	-	-	-	(53,556)	(53,556)
Employee share plan - Value of employee services	-	-	-	2,647	-	2,647
	-	-	-	2,647	(53,709)	(51,062)
Total comprehensive income for the period	-	-	-	-	62,259	62,259
<b>Balance at 31 December 2017</b>	428,822	(3,847)	-	11,215	418,572	854,762
<b>(ii) Company - 2Q FY2017</b>						
<b>Balance at 1 October 2016</b>	428,031	(3,880)	(1,495)	9,243	311,945	743,844
<b>Changes in equity for the period</b>						
Dividends paid						
- FY2016 - Under provision of final base and variable dividends	-	-	-	-	(164)	(164)
Dividend payable						
- 2Q FY2017 - Interim base dividend	-	-	-	-	(53,535)	(53,535)
Employee share plan - Value of employee services	-	-	-	2,019	-	2,019
Purchase of treasury shares	-	(2,950)	-	-	-	(2,950)
Tax effect on treasury shares ^^	-	(30)	-	-	-	(30)
	-	(2,980)	-	2,019	(53,699)	(54,660)
Total comprehensive income for the period	-	-	1,495	-	162,584	164,079
<b>Balance at 31 December 2016</b>	428,031	(6,860)	-	11,262	420,830	853,263

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

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

## 15. Statement of Changes in Equity - Company

	Attributable to equity holders of the Company					
	Share capital	Treasury shares	Share-based payment reserve *	Retained profits	Proposed dividends	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>(iii) Company - 1H FY2018</b>						
<b>Balance at 1 July 2017</b>	428,031	(12,561)	15,448	330,798	139,093	900,809
<b>Changes in equity for the year</b>						
Dividends paid						
- FY2017 - Final base and variable dividends	-	-	-	-	(139,093)	(139,093)
- FY2017 - Under provision of final base and variable dividends	-	-	-	(153)	-	(153)
- 1Q FY2018 - Interim base dividend	-	-	-	(53,557)	-	(53,557)
Dividend payable						
- 2Q FY2018 - Interim base dividend	-	-	-	(53,556)	-	(53,556)
Employee share plan - Value of employee services	-	-	5,269	-	-	5,269
Vesting of shares under share-based remuneration plans	791	8,711	(9,502)	-	-	-
Tax effect on treasury shares ^^	-	3	-	-	-	3
	791	8,714	(4,233)	(107,266)	(139,093)	(241,087)
Total comprehensive income for the year	-	-	-	195,040	-	195,040
<b>Balance at 31 December 2017</b>	428,822	(3,847)	11,215	418,572	-	854,762
<b>(iv) Company - 1H FY2017</b>						
<b>Balance at 1 July 2016</b>	426,445	(12,855)	17,430	243,475	139,082	813,577
<b>Changes in equity for the year</b>						
Dividends paid						
- FY2016 - Final base and variable dividends	-	-	-	-	(139,082)	(139,082)
- FY2016 - Under provision of final base and variable dividends	-	-	-	(164)	-	(164)
- 1Q FY2017 - Interim base dividend	-	-	-	(53,556)	-	(53,556)
Dividend payable						
- 2Q FY2017 - Interim base dividend	-	-	-	(53,535)	-	(53,535)
Employee share plan - Value of employee services	-	-	4,467	-	-	4,467
Vesting of shares under share-based remuneration plans	1,586	9,049	(10,635)	-	-	-
Purchase of treasury shares	-	(2,950)	-	-	-	(2,950)
Tax effect on treasury shares ^^	-	(104)	-	-	-	(104)
	1,586	5,995	(6,168)	(107,255)	(139,082)	(244,924)
Total comprehensive income for the year	-	-	-	284,610	-	284,610
<b>Balance at 31 December 2016</b>	428,031	(6,860)	11,262	420,830	-	853,263

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

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

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

### Bank Facilities

- As at 31 December 2017, the Group had \$357 million (30 June 2017: \$367 million) of bank credit facilities comprising committed unsecured credit lines for prudent risk management and maintaining adequate liquid resources.

### Contingent Liabilities and Other Commitments

- As at 31 December 2017, the Group had contingent liabilities to banks for US\$94 million (30 June 2017: US\$174 million) of unsecured standby letters of credit issued to Chicago Mercantile Exchange as margin and performance bond for futures trading.
- The Group has committed cash of \$272 million (30 June 2017: \$276 million) for the following:
  - Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund \$200 million (30 June 2017 \$200 million);
  - The Central Depository (Pte) Limited - Securities Clearing Fund \$60 million (30 June 2017: \$60 million); and
  - National Electricity Market of Singapore \$12 million (30 June 2017: \$16 million)

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

## 17. Dividend - Company

### Interim Base Dividend

	2Q FY2018	2Q FY2017
Name of Dividend	Interim Base - tax-exempt	Interim Base - tax-exempt
Dividend Type	Cash	Cash
Dividend Rate - Base	5.0 cents per ordinary share	5.0 cents per ordinary share
Books Closure Date	29 January 2018, 5pm	27 January 2017, 5pm
Date Payable/Paid	5 February 2018	6 February 2017

## 18. Share Capital - Company

The total number of issued ordinary shares as at 31 December 2017 was 1,071,642,400 (31 December 2016: 1,071,642,400, 30 June 2017: 1,071,642,400), of which 515,063 (31 December 2016: 934,757, 30 June 2017: 1,693,757) were held by the Company as treasury shares.

The Company did not purchase any of its ordinary shares during the 3 months ended 31 December 2017 (2Q FY2017: Purchased 414,700 shares by way of on-market purchases at share prices ranging from \$7.02 to \$7.16. The total amount paid was \$3.0 million). No shares under the Company's share-based remuneration plans have vested (2Q FY2017: Nil).

The Company did not purchase any of its ordinary shares in 1H FY2018 (1H FY2017: Purchased 414,700 shares by way of on-market purchases at share prices ranging from \$7.02 to \$7.16. The total amount paid was \$3.0 million). During 1H FY2018, 1,178,154 shares under the Company's share-based remuneration plans have vested (1H FY2017: 1,264,083).

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

2Q			1H	
FY2018	FY2017		FY2018	FY2017
515,603	520,057	Balance at beginning of period	1,693,757	1,784,140
-	414,700	Purchase of treasury shares	-	414,700
-	-	Shares transferred to employees pursuant to SGX's share-based remuneration plans	(1,178,154)	(1,264,083)
515,603	934,757	Balance at end of period	515,603	934,757

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

## 19. Accounting Policies - Group

The same accounting policies and methods of computation as in the FY2017 audited financial statements have been applied for the current reporting period, with the exception of the following changes adopted with effect from 1 July 2017.

Adoption of the following amendments to accounting standards that are issued by the Accounting Standards Council and relevant for the Group:

- Amendments to FRS 7 Statement of Cash Flows: Disclosure initiative
- Amendments to FRS 12 Income Taxes: Recognition of deferred tax assets for unrealised losses
- Amendments to FRS 112 Disclosure of Interests in Other Entities: Clarification of the scope of the Standard

There is no significant impact on the Group's financial statements from the adoption of the above amendments of FRSs.

## 20. Taxation

2Q			1H			
FY2018	FY2017	Change	FY2018	FY2017	Change	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
17,566	16,181	8.6	Tax	35,959	33,725	6.6

Tax expense for 2Q FY2018 included a \$1.0 million (2Q FY2017: \$1.1 million) write back of prior years' tax provisions. Tax expense for 1H FY2018 included a \$2.0 million write back of prior years' tax provisions (1H FY2017: \$1.1 million).

## 21. Other Appendix 7.2 Listing Manual Requirements

### Interested Person Transactions - Group

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

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

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

Ding Hui Yun  
Company Secretary  
19 January 2018

## 22. Listing Manual Compliance Checklist

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

Listing Manual Paragraph	Summary of Listing Manual Requirements	Compliance in SGXNet Section
1	Income Statement - Group Statement of Comprehensive Income - Group Statement of Financial Position - Group and Company Borrowings and Debt Securities - Group Statement of Cash Flows - Group Statement of Changes in Equity - Group and Company Changes in Share Capital - Company Number of shares that may be issued on conversion of all outstanding convertibles, against total number of issued shares excluding treasury shares and subsidiary holdings at the end of current financial period and at the end of the corresponding period of immediately preceding year Total number of issued shares excluding treasury shares as at the end of the current financial period and immediately preceding year Statement of sales, transfers, disposals, cancellation and/or use of treasury shares and/or use of subsidiary holdings as at the end of the current financial period reported on	2 3 7 and 13 9 10 11 and 15 18 18 18 18
2	Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice	Cover page and attached auditors' report.
3	Where the figures have been audited/reviewed, the auditors' report	Attached auditors' report.
4 and 5	Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied. To state reasons and effect of change, if any	19
6	Earnings per ordinary share - Group: (a) Weighted average number of ordinary shares on issue; and (b) On a fully diluted basis	6
7	Net asset value per ordinary share based on the total number of issued shares excluding treasury shares - Group and Company	8 and 14
8	A review of the performance of the Group	1 - Performance Summary
9	Variance between a previously disclosed forecast or prospect statement and actual results	Update on expectation of FY2018 operating expenses is provided in the performance summary
10	A commentary of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months	1 - Performance Summary, paragraph on "Outlook".
11 and 12	Information on dividend	17
13	Interested person transactions	21
14	Negative confirmation pursuant to Rule 705(5) of the Listing Manual	Attached negative confirmation by SGX's Board of Directors
15	Confirmation pursuant to Rule 720(1) of the Listing Manual	21
16	Segment information	12
17	In the review of performance, factors leading to any material changes in contributions to turnover and earnings.	1 - Performance Summary
18	Breakdown of first and second half year results for sales and operating profit	Required only for full year announcement
19	Breakdown in total annual dividend in dollar value by ordinary and preference shares	Required only for full year announcement
20	Confirmation pursuant to Rule 704(13) of the Listing Manual	Required only for full year announcement
NA	Not required (Additional information provided by SGX)	16 - Bank Facilities, Contingent Liabilities and Commitments - Group

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter ended 31 December 2017 to be false or misleading.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Kwa Chong Seng", written above a horizontal line.

Kwa Chong Seng  
Director

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

Loh Boon Chye  
Director

19 January 2018

The extract of the review report dated 19 January 2018, on the condensed interim financial information of the Company and its subsidiaries for the quarter ended 31 December 2017 which has been prepared in accordance with Singapore Financial Reporting Standards 34 Interim Financial Reporting, is as follows



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

**Report on Review of Interim Financial Information  
For the three-month and half-year period ended 31 December 2017**

*Introduction*

We have reviewed the accompanying condensed statement of financial position of the Company as of 31 December 2017 and the related condensed statements of changes in equity of the Company for the three-month and half-year period then ended, the consolidated condensed statement of financial position of the Group as of 31 December 2017 and the related consolidated condensed income statement, statements of comprehensive income, changes in equity and cash flows of the Group for the three-month and half-year period then ended, and other explanatory notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Financial Reporting Standard (“FRS”) 34, “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim financial information based on our review.

*Scope of Review*

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

*Conclusion*

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

Yours faithfully

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

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants

Singapore, 19 January 2018

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