

**Singapore Exchange Limited  
and its subsidiaries  
Registration Number: 199904940D**

Financial Statements  
For the financial year ended 30 June 2022

## **Directors' statement**

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 2022.

In the opinion of the directors,

- (a) the financial statements set out on pages FS1 to FS121 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 2022 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 Kwa Chong Seng	(Chairman)
Mr Loh Boon Chye	(Chief Executive Officer)
Dr Beh Swan Gin	
Ms Chew Gek Khim	
Mr Koh Boon Hwee	(Appointed on 15 March 2022)
Mr Kevin Kwok	
Mr Lim Chin Hu	
Ms Lim Sok Hui (Mrs Chng Sok Hui)	
Mr Mark Makepeace	
Professor Subra Suresh	
Mr Samuel Tsien	(Appointed on 1 May 2022)
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 <u>director or nominee</u>		Number of ordinary shares in which director is deemed <u>to have an interest</u>	
	At	At	At	At
	<u>30.06.2022</u>	<u>01.07.2021</u>	<u>30.06.2022</u>	<u>01.07.2021</u>
<b>Singapore Exchange Limited</b>				
Mr Kwa Chong Seng	129,584	105,369	–	–
Mr Loh Boon Chye	762,799	458,265	–	–
Ms Chew Gek Khim	8,835	6,883	–	–
Mr Kevin Kwok	28,835	26,883	70,000	70,000
Mr Lim Chin Hu	43,835	41,883	–	–
Mr Mark Makepeace	1,952	–	–	–
Professor Subra Suresh	6,258	4,306	–	–

- (b) According to the register of directors' shareholdings,
- six 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, 900,701 shares granted to Loh Boon Chye will vest between 1 September 2022 and 1 September 2025.

- (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 2022.

**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.

## **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, the Company recognises and rewards key senior management for achievements and contributions to the SGX Group and motivates them to continue to strive for the SGX Group’s long-term prosperity, and at the same time meet guidelines on the deferral of employees’ variable compensation in line with prevailing regulatory requirements. In addition, the SGX PSP 2015 aims to foster an ownership culture which aligns the interest of employees with the interest of shareholders.

#### Eligibility

Senior management having rank of Senior Vice President and above, who have been in the full time employment of the SGX Group for a period of at least 1 year (or such shorter period as the RSDC may determine), are eligible to participate in the 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.

**Share plans (continued)***(a) SGX Performance Share Plan (continued)*Share grant and vesting (continued)*(i) FY2018 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 2017 to 30 June 2020. The performance shares vested on 1 September 2021 and were fulfilled by delivery of the shares previously purchased from the market.

The details of shares granted to the participants are as follows:

<b>Participants (as defined under SGX Performance Share Plan)</b>	<b>Shares granted at grant date</b>	<b>Balance as at 01.07.2021</b>	<b>Additional shares from higher achievement level<sup>(1)</sup></b>	<b>Shares vested during the financial year<sup>(1)</sup></b>	<b>Balance as at 30.06.2022</b>
<b>EMCO members</b>					
Mr Loh Boon Chye <sup>(2)</sup>	135,900	135,900	12,000	(147,900)	–
Mr Syn Hsien-Min Michael <sup>(2)</sup>	36,700	36,700	3,200	(39,900)	–
Mr Tan Boon Gin <sup>(2)</sup>	34,000	34,000	3,000	(37,000)	–
Ms Agnes Koh	22,100	22,100	1,900	(24,000)	–
Ms Tinku Gupta	22,100	22,100	1,900	(24,000)	–
Mr Arulraj Maria Devadoss	16,100	16,100	1,400	(17,500)	–
<b>Other staff</b>	<b>264,700</b>	<b>208,700</b>	<b>18,200</b>	<b>(226,900)</b>	<b>–</b>
<b>Other participants</b>					
Mr Muthukrishnan Ramaswami <sup>(2)(3)</sup>	57,800	57,800	5,100	(62,900)	–
Mr Chng Lay Chew <sup>(4)</sup>	26,300	26,300	2,300	(28,600)	–
Mr Chew Sutat <sup>(2)(5)</sup>	42,500	42,500	3,700	(46,200)	–
	<b>658,200</b>	<b>602,200</b>	<b>52,700</b>	<b>(654,900)</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 FY2018 grant is at 108.8%, 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 Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. 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>(5)</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)*(ii) 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. An estimated 888,100 performance shares will vest on 1 September 2022.

The details of shares granted to the participants are as follows:

<b>Participants (as defined under SGX Performance Share Plan)</b>	<b>Shares granted at grant date<sup>(1)</sup></b>	<b>Balance as at 01.07.2021</b>	<b>Shares lapsed during the financial year</b>	<b>Additional shares from higher achievement level<sup>^</sup></b>	<b>Shares vested during the financial year<sup>^</sup></b>	<b>Balance as at 30.06.2022</b>
<b>EMCO members</b>						
Mr Loh Boon Chye <sup>(2)</sup>	152,900	152,900	–	–	–	152,900
Mr Tan Boon Gin <sup>(2)</sup>	42,600	42,600	–	–	–	42,600
Mr Syn Hsien-Min Michael <sup>(2)</sup>	41,200	41,200	–	–	–	41,200
Ms Agnes Koh	24,800	24,800	–	–	–	24,800
Ms Tinku Gupta	24,800	24,800	–	–	–	24,800
Mr Arulraj Maria Devados	17,400	17,400	–	–	–	17,400
<b>Other staff</b>	252,900	230,000	(15,800)	1,300	(4,900)	210,600
<b>Other participants</b>						
Mr Muthukrishnan Ramaswami <sup>(2)(3)</sup>	62,500	62,500	–	–	–	62,500
Mr Chng Lay Chew <sup>(4)</sup>	29,400	29,400	–	–	–	29,400
Mr Chew Sutat <sup>(2)(5)</sup>	48,000	48,000	–	–	–	48,000
	<b>696,500</b>	<b>673,600</b>	<b>(15,800)</b>	<b>1,300</b>	<b>(4,900)</b>	<b>654,200</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 Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. 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>(5)</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.

<sup>^</sup> Shares vested to the estate of a deceased employee on 1 June 2022 in accordance with RSDC's approval.

**Share plans (continued)**

(a) *SGX Performance Share Plan (continued)*

Share grant and vesting (continued)

(iii) 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. The 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 01.07.2021	Shares lapsed during the financial year	Additional shares from higher achievement level <sup>^</sup>	Shares vested during the financial year <sup>^</sup>	Balance as at 30.06.2022
<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 staff</b>	274,500	251,100	(16,200)	900	(3,500)	232,300
<b>Other participants</b>						
Mr Muthukrishnan Ramaswami <sup>(2)(3)</sup>	58,400	58,400	–	–	–	58,400
Mr Chng Lay Chew <sup>(4)</sup>	29,200	29,200	–	–	–	29,200
Mr Chew Sutat <sup>(2)(5)</sup>	40,300	40,300	–	–	–	40,300
	<u>711,000</u>	<u>687,600</u>	<u>(16,200)</u>	<u>900</u>	<u>(3,500)</u>	<u>668,800</u>

<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 Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. 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>(5)</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.

<sup>^</sup> Shares vested to the estate of a deceased employee on 1 June 2022 in accordance with RSDC's approval.

**Share plans (continued)***(a) SGX Performance Share Plan (continued)*Share grant and vesting (continued)*(iv) 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:

<b>Participants (as defined under SGX Performance Share Plan)</b>	<b>Shares granted during financial year<sup>(1)</sup></b>	<b>Balance as at 01.07.2021</b>	<b>Shares lapsed during the financial year</b>	<b>Additional shares from higher achievement level<sup>^</sup></b>	<b>Shares vested during the financial year<sup>^</sup></b>	<b>Balance as at 30.06.2022</b>
<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 staff</b>	<b>305,600</b>	<b>280,800</b>	<b>(28,800)</b>	<b>900</b>	<b>(3,500)</b>	<b>249,400</b>
<b>Other participant</b>						
Mr Chng Lay Chew <sup>(3)</sup>	31,500	31,500	–	–	–	31,500
Mr Chew Sutat <sup>(2)(4)</sup>	39,500	39,500	–	–	–	39,500
	<b>732,200</b>	<b>707,400</b>	<b>(28,800)</b>	<b>900</b>	<b>(3,500)</b>	<b>676,000</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 Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. 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.

<sup>^</sup> Shares vested to the estate of a deceased employee on 1 June 2022 in accordance with RSDC's approval.



**Share plans** (continued)(a) *SGX Performance Share Plan* (continued)Share grant and vesting (continued)

## (v) 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:

<b>Participants (as defined under SGX Performance Share Plan)</b>	<b>Shares granted during financial year</b>	<b>Shares lapsed during the financial year</b>	<b>Balance as at 30.06.2022<sup>(1)</sup></b>
<b>EMCO members</b>			
Mr Loh Boon Chye <sup>(2)</sup>	135,700	–	135,700
Mr Syn Hsien-Min Michael <sup>(2)</sup>	40,100	–	40,100
Mr Lee Beng Hong <sup>(2)</sup>	34,400	–	34,400
Mr Tan Boon Gin <sup>(2)</sup>	33,200	–	33,200
Ms Tinku Gupta	22,900	–	22,900
Ms Agnes Koh	21,800	–	21,800
Mr Ng Yao Loong	18,300	–	18,300
Mr Arulraj Maria Devadoss	15,400	–	15,400
<b>Other staff</b>	243,100	(29,600)	213,500
	<u>564,900</u>	<u>(29,600)</u>	<u>535,300</u>

<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)**(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 2022 is as follows:

	Shares granted during financial year	Additional shares from higher achievement level	Aggregate shares granted since commencement of SGX Performance Share Plan to 30.06.2022	Aggregate shares lapsed since commencement of SGX Performance Share Plan to 30.06.2022	Aggregate shares vested since commencement of SGX Performance Share Plan to 30.06.2022	Aggregate shares outstanding as at 30.06.2022
<b>Participants who received more than 5% of the total grants available</b>						
Mr Loh Boon Chye	135,700	12,000	886,600	(97,700)	(183,300)	605,600
Mr Muthukrishnan Ramaswami <sup>(1)</sup>	–	5,100	297,300	(97,600)	(78,800)	120,900
Mr Chew Sutat <sup>(2)</sup>	–	3,700	253,400	(68,300)	(57,300)	127,800
Mr Syn Hsien-Min Michael	40,100	3,200	283,100	(64,000)	(50,500)	168,600
<b>Participants who received less than 5% of the total grants available</b>						
Other staff	389,100	31,800	2,844,500	(875,300)	(457,800)	1,511,400
	<u>564,900</u>	<u>55,800</u>	<u>4,564,900</u>	<u>(1,202,900)</u>	<u>(827,700)</u>	<u>2,534,300</u>

<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.

<sup>(2)</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)

*(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 objectives 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.

Eligibility

Employees having the rank of Assistant Vice President and above, and have been in the continuous employment of the SGX Group for at least one year as at the date of award, are eligible to participate in 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 plans (continued)**

*(b) SGX Deferred Long-Term Incentives Scheme (continued)*

Share grant and vesting (continued)

(i) FY2019 Award

The FY2019 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 2 September 2019 and the final instalment vested on 1 September 2021.

The details of shares awarded are as follows:

<b>Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)</b>	<b>Shares awarded at grant date</b>	<b>Balance as at 01.07.2021</b>	<b>Shares vested during financial year</b>	<b>Balance as at 30.06.2022</b>
<b>EMCO members</b>				
Mr Loh Boon Chye <sup>(1)</sup>	152,900	50,968	(50,968)	—
Mr Tan Boon Gin	42,600	14,200	(14,200)	—
Mr Syn Hsien-Min Michael	41,200	13,734	(13,734)	—
Ms Agnes Koh	24,800	8,268	(8,268)	—
Ms Tinku Gupta	24,800	8,268	(8,268)	—
Mr Arulraj Maria Devadoss	17,400	5,800	(5,800)	—
<b>Other staff</b>	<b>936,200</b>	<b>268,760</b>	<b>(268,760)</b>	<b>—</b>
<b>Other recipients</b>				
Mr Muthukrishnan Ramaswami <sup>(2)</sup>	62,500	20,834	(20,834)	—
Mr Chng Lay Chew <sup>(3)</sup>	29,400	9,800	(9,800)	—
Mr Chew Sutat <sup>(4)</sup>	48,000	16,000	(16,000)	—
	<b>1,379,800</b>	<b>416,632</b>	<b>(416,632)</b>	<b>—</b>

<sup>(1)</sup> Received more than 5% of the shares awarded.

<sup>(2)</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 award at the vesting date.

<sup>(3)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the award at the vesting date.

<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.

**Share plans** (continued)*(b) SGX Deferred Long-Term Incentives Scheme* (continued)Share grant and vesting (continued)

## (ii) 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.

The details of shares awarded are as follows:

<b>Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)</b>	<b>Shares awarded at grant date</b>	<b>Balance as at 01.07.2021</b>	<b>Shares lapsed during financial year</b>	<b>Shares vested during financial year</b>	<b>Balance as at 30.06.2022</b>
<b>EMCO members</b>					
Mr Loh Boon Chye <sup>(1)</sup>	155,800	103,867	–	(51,933)	51,934
Mr Syn Hsien-Min Michael	46,200	30,800	–	(15,400)	15,400
Mr Tan Boon Gin	39,000	26,000	–	(13,000)	13,000
Ms Tinku Gupta	25,600	17,067	–	(8,533)	8,534
Ms Agnes Koh	25,000	16,667	–	(8,333)	8,334
Mr Arulraj Maria Devadoss	17,000	11,334	–	(5,666)	5,668
<b>Other staff</b>	1,009,700	607,982	(28,038)	(304,786)	275,158
<b>Other recipients</b>					
Mr Muthukrishnan Ramaswami <sup>(2)</sup>	58,400	38,934	–	(19,466)	19,468
Mr Chng Lay Chew <sup>(3)</sup>	29,200	19,467	–	(9,733)	9,734
Mr Chew Sutat <sup>(4)</sup>	40,300	26,867	–	(13,433)	13,434
	<b>1,446,200</b>	<b>898,985</b>	<b>(28,038)</b>	<b>(450,283)</b>	<b>420,664</b>

<sup>(1)</sup> Received more than 5% of the shares awarded.

<sup>(2)</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 award at the vesting date.

<sup>(3)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the award at the vesting date.

<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.

**Share plans (continued)**

*(b) SGX Deferred Long-Term Incentives Scheme (continued)*

Share grant and vesting (continued)

(iii) 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:

<b>Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)</b>	<b>Shares awarded at grant date</b>	<b>Balance as at 01.07.2021</b>	<b>Shares lapsed during financial year</b>	<b>Shares vested during financial year</b>	<b>Balance as at 30.06.2022</b>
<b>EMCO members</b>					
Mr Loh Boon Chye <sup>(1)</sup>	161,200	161,200	–	(53,733)	107,467
Mr Lee Beng Hong	42,600	42,600	–	(14,200)	28,400
Mr Syn Hsien-Min Michael	41,100	41,100	–	(13,700)	27,400
Mr Tan Boon Gin	39,500	39,500	–	(13,166)	26,334
Ms Tinku Gupta	27,400	27,400	–	(9,133)	18,267
Ms Agnes Koh	26,200	26,200	–	(8,733)	17,467
Mr Arulraj Maria Devadoss	17,600	17,600	–	(5,866)	11,734
<b>Other staff</b>	<b>1,050,200</b>	<b>992,800</b>	<b>(69,738)</b>	<b>(331,935)</b>	<b>591,127</b>
<b>Other recipient</b>					
Mr Chng Lay Chew <sup>(2)</sup>	31,500	31,500	–	(10,500)	21,000
Mr Chew Sutat <sup>(3)</sup>	39,500	39,500	–	(13,166)	26,334
	<b>1,476,800</b>	<b>1,419,400</b>	<b>(69,738)</b>	<b>(474,132)</b>	<b>875,530</b>

<sup>(1)</sup> Received more than 5% of the shares awarded.

<sup>(2)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the award at the vesting date.

<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.

**Share plans** (continued)

(b) *SGX Deferred Long-Term Incentives Scheme* (continued)

Share grant and vesting (continued)

(iv) 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 vesting on 1 September 2022.

The details of shares awarded are as follows:

	<b>Shares awarded at grant date</b>	<b>Shares lapsed during financial year</b>	<b>Balance as at 30.06.2022</b>
<b>Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)</b>			
<b>EMCO members</b>			
Mr Loh Boon Chye <sup>(1)</sup>	135,700	–	135,700
Mr Syn Hsien-Min Michael	40,100	–	40,100
Mr Lee Beng Hong	34,400	–	34,400
Mr Tan Boon Gin	33,200	–	33,200
Ms Tinku Gupta	22,900	–	22,900
Ms Agnes Koh	21,800	–	21,800
Mr Ng Yao Loong	18,300	–	18,300
Mr Arulraj Maria Devadoss	15,400	–	15,400
<b>Other staff</b>	<u>847,100</u>	<u>(76,400)</u>	<u>770,700</u>
	<u>1,168,900</u>	<u>(76,400)</u>	<u>1,092,500</u>

<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 2022 is as follows:

		<b>Aggregate shares awarded since commencement of SGX Deferred Long-Term Incentives Scheme to 30.06.2022</b>	<b>Aggregate shares lapsed since commencement of SGX Deferred Long-Term Incentives Scheme to 30.06.2022</b>	<b>Aggregate shares vested since commencement of SGX Deferred Long-Term Incentives Scheme to 30.06.2022</b>	<b>Aggregate shares outstanding as at 30.06.2022</b>
<b>Recipient who received more than 5% of the total grants available</b>	<b>Shares awarded during financial year</b>				
Mr Loh Boon Chye	135,700	874,600	–	(579,499)	295,101
<b>Recipients who received less than 5% of the total awards available</b>					
Other staff	1,033,200	13,746,100	(1,316,023)	(10,336,484)	2,093,593
	<u>1,168,900</u>	<u>14,620,700</u>	<u>(1,316,023)</u>	<u>(10,915,983)</u>	<u>2,388,694</u>

*(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.



**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) FY2022 Award*

In FY2022, approximately one-quarter of the Group Chairman's fees 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:

<b>Recipients (as defined under SGX Restricted Share Plan)</b>	<b>Shares awarded at grant date</b>	<b>Shares vested during financial year</b>	<b>Balance as at 30.06.2022</b>
<b>Non-Executive Directors</b> <sup>(1)</sup>			
Mr Kwa Chong Seng	24,215	(24,215)	—
Ms Chew Gek Khim	1,952	(1,952)	—
Mr Kevin Kwok	1,952	(1,952)	—
Mr Lim Chin Hu	1,952	(1,952)	—
Mr Mark Makepeace	1,952	(1,952)	—
Professor Subra Suresh	1,952	(1,952)	—
	<b>33,975</b>	<b>(33,975)</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 2022 is as follows:

	<b>Shares awarded during financial year</b>	<b>Aggregate shares awarded since commencement of SGX restricted share plan to 30.06.2022</b>	<b>Aggregate shares vested since commencement of SGX restricted share plan to 30.06.2022</b>	<b>Aggregate shares outstanding as at 30.06.2022</b>
<b>Recipients who received more than 5% of the total grants available</b>				
Mr Kwa Chong Seng	24,215	109,584	(109,584)	–
Ms Chew Gek Khim	1,952	8,835	(8,835)	–
Mr Kevin Kwok	1,952	8,835	(8,835)	–
Mr Lim Chin Hu	1,952	8,835	(8,835)	–
<b>Recipients who received less than 5% of the total grants available</b>				
Other non-executive directors	3,904	8,210	(8,210)	–
Other recipients	–	13,766	(13,766)	–
	33,975	158,065	(158,065)	–

### **Audit Committee**

The Audit Committee ("AC") comprises the following non-executive directors at the date of this statement:

Mr Yeoh Oon Jin (Chairman)  
Mr Koh Boon Hwee  
Mr Kevin Kwok  
Mr Mark Makepeace

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 save for Mr Kevin Kwok. Mr Kevin Kwok is deemed non-independent solely on account of having completed nine consecutive years of service on the Board.

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 Kwa Chong Seng**  
*Director*



**Mr Loh Boon Chye**  
*Director*

17 August 2022



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## 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 2022, 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 FS1 to FS121.

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 2022 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.



Impairment of Goodwill (Refer to Note 24 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Included in the Group's financial statements at 30 June 2022 is goodwill arising from business combinations of \$708 million.</p> <p>The Group performs an impairment assessment of the carrying amount of goodwill annually or more frequently if there are indications 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.</p> <p>The recoverable amounts are determined based on the value-in-use method, estimated using discounted cash flows. Significant management judgement and estimation is required in:</p> <ul style="list-style-type: none"> <li>• forecasting the future cash flows;</li> <li>• estimating the long-term growth rates; and</li> <li>• determining the applicable discount rates.</li> </ul>	<p>We assessed the appropriateness of the CGUs identified by management, considering our understanding of the Group's business and structure.</p> <p>Together with our valuation specialists, we evaluated management's estimate of the recoverable amounts of the respective CGUs. Our procedures included:</p> <ul style="list-style-type: none"> <li>• assessing and challenging the reasonableness of management's cash flow forecasts, by comparing the forecasts against historical results, Board approved forecasts, business plans and industry trends;</li> <li>• evaluating the methodology and external data sources used by management in determining its expectations of long-term growth rates, and comparing the growth rates against long-term inflation rates; and</li> <li>• independently deriving the discount rates based on external observable market data for risk-free rate, beta, market risk premium and any size premium.</li> </ul> <p>We performed a sensitivity analysis of the key assumptions used – cash flow forecasts, long-term growth rates and discount rates – to assess the impact of reasonably possible changes to the assumptions on the outcome of the impairment assessment.</p> <p>We found management's assessment that there is no impairment of the Group's goodwill to be reasonable and supported by the recoverable amounts.</p>



Accounting for acquisition of MaxxTrader (Refer to Note 25 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>In January 2022, the Group completed the acquisition of the FX business of FlexTrade Systems Inc (“MaxxTrader”) for a cash consideration of \$169 million and a contingent consideration of \$35 million. The transaction was accounted for as a business combination.</p> <p>The Group engaged an external valuation specialist to perform a purchase price allocation exercise (“PPA”) for the acquisition. The purchase consideration was allocated to the fair value of the identifiable assets acquired, including intangible assets, and liabilities assumed, with the residual amount recognised as goodwill. The fair value of the contingent consideration was also determined as part of the PPA.</p> <p>Significant management judgement is applied in identifying the identifiable assets acquired and liabilities assumed, including the intangible assets, and in determining the respective fair values.</p>	<p>We reviewed the sale and purchase and related agreements and evaluated the appropriateness of the Group’s accounting of the acquisition.</p> <p>We involved our valuation specialists in evaluating the results of the PPA. We focused on:</p> <ul style="list-style-type: none"> <li>• assessing the methodology applied in the valuation of the intangible assets acquired and challenging the appropriateness of the key assumptions used in determining the valuation of the intangible assets by comparing against external market data and historical results; and</li> <li>• evaluating the reasonableness of the fair value of the contingent consideration recognised by the Group.</li> </ul> <p>The valuation methodologies applied by the Group are in line with generally accepted industry practice and the assumptions adopted are within a reasonable range. We found management’s basis of estimating the fair value of the contingent consideration to be reasonable. The resultant goodwill amount is also appropriately accounted for.</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.

*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.

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.

A handwritten signature in blue ink, appearing to read 'Leong Kok Keong' followed by 'LLP'.

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
17 August 2022

**Statement of comprehensive income**  
**For the financial year ended 30 June 2022**

		Group		Company	
	Note	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Operating revenue</b>					
Fixed Income, Currencies and Commodities	4	252,745	211,754	–	–
Equities	4	698,867	701,089	–	–
Data, Connectivity and Indices	4	147,429	143,110	30,136	28,438
Management fees from subsidiaries		–	–	238,391	240,019
Dividends from subsidiaries		–	–	388,080	468,000
		<u>1,099,041</u>	<u>1,055,953</u>	<u>656,607</u>	<u>736,457</u>
<b>Operating expenses</b>					
Staff	5	250,954	236,194	136,552	139,084
Technology	6	81,343	74,397	48,889	46,218
Processing and royalties		69,216	62,937	782	903
Premises	7	9,997	9,656	5,650	5,510
Professional fees		15,788	16,971	6,301	9,715
Others	8	37,637	30,561	23,023	20,227
		<u>464,935</u>	<u>430,716</u>	<u>221,197</u>	<u>221,657</u>
<b>Earnings before interest, tax, depreciation and amortisation</b>					
Depreciation and amortisation	9	634,106	625,237	435,410	514,800
		96,658	94,523	35,681	35,427
<b>Operating profit</b>	10	537,448	530,714	399,729	479,373
<b>Non-operating gains</b>					
Other income including interest income	11	16,456	17,716	14,149	15,082
Finance charges	11	(7,384)	(4,782)	(5,681)	(4,090)
Net foreign exchange gains/(losses)	11	8,602	(830)	16	2,316
Impairment loss on investment in associated companies	11	–	(2,056)	–	–
		<u>17,674</u>	<u>10,048</u>	<u>8,484</u>	<u>13,308</u>

The accompanying notes form an integral part of these financial statements.

**Statement of comprehensive income (continued)**  
**For the financial year ended 30 June 2022**

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Profit before tax and share of results of associated companies and joint ventures</b>		555,122	540,762	408,213	492,681
Share of results of associated companies and joint ventures, net of tax	27, 28	(10,534)	(4,286)	–	–
<b>Profit before tax</b>		544,588	536,476	408,213	492,681
Tax	33	(92,687)	(90,699)	(3,503)	(3,345)
<b>Net profit after tax</b>		<b>451,901</b>	<b>445,777</b>	<b>404,710</b>	<b>489,336</b>
<b>Attributable to:</b>					
<b>Equity holders of the Company</b>		451,398	445,406	404,710	489,336
<b>Non-controlling interests</b>		503	371	–	–
<b>Earnings per share based on net profit after tax attributable to the equity holders of the Company (in cents)</b>					
Basic	12	42.2	41.6		
Diluted	12	41.0	41.1		

The accompanying notes form an integral part of these financial statements.

**Statement of comprehensive income (continued)**  
**For the financial year ended 30 June 2022**

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Net profit after tax	451,901	445,777	404,710	489,336
<b>Other comprehensive income</b>				
<b>Items that may be reclassified</b>				
<b>subsequently to profit or</b>				
<b>loss:</b>				
Foreign exchange translation				
- Exchange differences arising during the year	(13)	9,503	-	-
Cash flow hedges				
- Fair value (losses)/gains arising during the year	(2,260)	2,227	-	104
- Transferred to profit or loss	1,112	(3,173)	-	(52)
Financial assets, at FVOCI				
- Fair value losses arising during the year	(936)	(140)	-	-
- Transferred to profit or loss	-	(411)	-	(411)
<b>Items that will not be</b>				
<b>reclassified subsequently to</b>				
<b>profit or loss:</b>				
Financial assets, at FVOCI				
- Fair value gains arising during the year	65,487	23,073	-	1,993
Foreign exchange translation				
- Exchange differences arising during the year	(305)	53	-	-
Other comprehensive income for the financial year, net of tax	63,085	31,132	-	1,634
<b>Total comprehensive income for the financial year</b>	<b>514,986</b>	<b>476,909</b>	<b>404,710</b>	<b>490,970</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	514,788	476,485	404,710	490,970
Non-controlling interests	198	424	-	-

The accompanying notes form an integral part of these financial statements.

**Statement of financial position**  
**As at 30 June 2022**

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	13	997,747	1,060,029	85,520	229,012
Trade and other receivables	14	1,060,820	748,749	154,027	143,773
Derivative financial instruments	16	17	314	–	–
Financial assets, at FVOCI	17	94,155	40,936	–	–
		<u>2,152,739</u>	<u>1,850,028</u>	<u>239,547</u>	<u>372,785</u>
<b>Non-current assets</b>					
Financial assets, at FVOCI	17	239,064	146,467	–	–
Financial asset, at FVPL	18	293,545	–	–	–
Investment property	19	18,059	26,161	–	–
Property, plant and equipment	19	34,229	50,400	19,479	20,069
Software	20	166,304	165,843	42,915	41,124
Right-of-use assets	21	50,938	69,158	47,359	67,169
Intangible assets	23	117,796	122,393	–	–
Goodwill	24	708,290	541,233	–	–
Investments in subsidiaries	26	–	–	1,569,384	1,070,122
Investments in associated companies	27	47,549	40,964	4,389	4,389
Investments in joint ventures	28	10,542	9,570	–	–
Loan receivable	29	9,036	–	9,036	–
Other assets		109	333	109	333
		<u>1,695,461</u>	<u>1,172,522</u>	<u>1,692,671</u>	<u>1,203,206</u>
<b>Total assets</b>		<u>3,848,200</u>	<u>3,022,550</u>	<u>1,932,218</u>	<u>1,575,991</u>

The accompanying notes form an integral part of these financial statements.

**Statement of financial position (continued)**  
**As at 30 June 2022**

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	30	1,262,354	867,770	149,363	113,664
Derivative financial instruments	16	2,090	1,150	–	–
Loans and borrowings	31	41,858	–	41,858	–
Lease liabilities	32	22,140	20,366	20,201	19,624
Taxation	33	99,939	99,634	5,678	4,946
Provisions	34	13,801	17,199	8,711	10,606
		<u>1,442,182</u>	<u>1,006,119</u>	<u>225,811</u>	<u>148,840</u>
<b>Non-current liabilities</b>					
Other payables	30	–	–	63,474	69,972
Loans and borrowings	31	693,935	467,761	350,912	93,467
Lease liabilities	32	30,938	51,056	29,537	49,908
Deferred tax liabilities	33	79,468	66,456	1,760	2,501
Other liabilities	35	52,212	41,390	–	–
		<u>856,553</u>	<u>626,663</u>	<u>445,683</u>	<u>215,848</u>
<b>Total liabilities</b>		<u>2,298,735</u>	<u>1,632,782</u>	<u>671,494</u>	<u>364,688</u>
<b>Net assets</b>		<u>1,549,465</u>	<u>1,389,768</u>	<u>1,260,724</u>	<u>1,211,303</u>
<b>Equity</b>					
<b>Capital and reserves attributable to the Company's equity holders</b>					
Share capital	36	427,365	430,413	427,365	430,413
Capital reserve	37	3,989	3,989	–	–
Treasury shares	36	(34,640)	(25,189)	(34,640)	(25,189)
Cash flow hedge reserve		(1,749)	(601)	–	–
Currency translation reserve		5,663	5,676	–	–
Fair value reserve		140,464	75,913	–	–
Securities clearing fund reserve	41	25,000	25,000	–	–
Derivatives clearing fund reserve	42	34,021	34,021	–	–
Share-based payment reserve		29,595	30,152	29,595	30,152
Other reserve	38	(40,506)	(40,506)	–	–
Retained profits		869,767	760,530	752,965	690,416
Proposed dividends	39	85,439	85,511	85,439	85,511
		<u>1,544,408</u>	<u>1,384,909</u>	<u>1,260,724</u>	<u>1,211,303</u>
<b>Non-controlling interests</b>		<u>5,057</u>	<u>4,859</u>	<u>–</u>	<u>–</u>
<b>Total equity</b>		<u>1,549,465</u>	<u>1,389,768</u>	<u>1,260,724</u>	<u>1,211,303</u>

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity  
For the financial year ended 30 June 2022**

Group	Note	Attributable to equity holders of the Company											Non-controlling interests \$'000	Total equity \$'000		
		Share capital \$'000	Capital reserve \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000	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
<b>Balance at 1 July 2021</b>		430,413	3,989	(25,189)	(601)	5,676	75,913	25,000	34,021	30,152	(40,506)	760,530	85,511	1,384,909	4,859	1,389,768
<b>Transactions with equity holders, recognised directly in equity</b>																
<b>Contributions by and distributions to equity holders</b>																
Dividends paid																
- Financial year 2021 – Final dividends		-	-	-	-	-	-	-	-	-	-	-	(85,511)	(85,511)	-	(85,511)
- Financial year 2021 – Under provision of final dividends		-	-	-	-	-	-	-	-	-	-	(142)	-	(142)	-	(142)
- Financial year 2022 – Interim dividends	39	-	-	-	-	-	-	-	-	-	-	(256,580)	-	(256,580)	-	(256,580)
Proposed dividends																
- Financial year 2022 – Final dividends	39	-	-	-	-	-	-	-	-	-	-	(85,439)	85,439	-	-	-
Employees' share plans – Value of employees' services	5	-	-	-	-	-	-	-	-	14,579	-	-	-	14,579	-	14,579
Restricted share plan - Value of directors' services		-	-	-	-	-	-	-	-	326	-	-	-	326	-	326
Vesting of shares under share-based remuneration plans	36(a)	(3,021)	-	18,157	-	-	-	-	-	(15,136)	-	-	-	-	-	-
Vesting of shares under restricted share plan	36(a)	(27)	-	353	-	-	-	-	-	(326)	-	-	-	-	-	-
Purchase of treasury shares	36(a)	-	-	(27,719)	-	-	-	-	-	-	-	-	-	(27,719)	-	(27,719)
Tax effect on treasury shares**	36(a)	-	-	(242)	-	-	-	-	-	-	-	-	-	(242)	-	(242)
<b>Total contributions by and distributions to equity holders</b>		<b>(3,048)</b>	<b>-</b>	<b>(9,451)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(557)</b>	<b>-</b>	<b>(342,161)</b>	<b>(72)</b>	<b>(355,289)</b>	<b>-</b>	<b>(355,289)</b>
<b>Total comprehensive income for the financial year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,148)</b>	<b>(13)</b>	<b>64,551</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>451,398</b>	<b>-</b>	<b>514,788</b>	<b>198</b>	<b>514,986</b>
<b>Balance at 30 June 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>25,000</b>	<b>34,021</b>	<b>29,595</b>	<b>(40,506)</b>	<b>869,767</b>	<b>85,439</b>	<b>1,544,408</b>	<b>5,057</b>	<b>1,549,465</b>

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity (continued)**  
**For the financial year ended 30 June 2022**

Group	Note	Attributable to equity holders of the Company												Non-controlling interests \$'000	Total equity \$'000	
		Share capital \$'000	Capital reserve \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000	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
<b>Balance at 1 July 2020</b>		429,738	–	(20,996)	345	(3,827)	54,909	25,000	34,021	24,554	(40,506)	656,092	85,518	1,244,848	4,435	1,249,283
<b>Transactions with equity holders, recognised directly in equity</b>																
<b>Contributions by and distributions to equity holders</b>																
Convertible bonds - Equity component		–	3,989	–	–	–	–	–	–	–	–	–	–	3,989	–	3,989
Dividends paid																
- Financial year 2020 – Final dividends		–	–	–	–	–	–	–	–	–	–	–	(85,518)	(85,518)	–	(85,518)
- Financial year 2020 – Under provision of final dividends		–	–	–	–	–	–	–	–	–	–	–	(114)	(114)	–	(114)
- Financial year 2021 – Interim dividends	39	–	–	–	–	–	–	–	–	–	–	–	(256,861)	(256,861)	–	(256,861)
Proposed dividends																
- Financial year 2021 – Final dividends	39	–	–	–	–	–	–	–	–	–	–	–	(85,511)	85,511	–	–
Employees' share plans – Value of employees' services	5	–	–	–	–	–	–	–	–	17,538	–	–	–	17,538	–	17,538
Restricted share plan - Value of directors' services		–	–	–	–	–	–	–	–	345	–	–	–	345	–	345
Vesting of shares under share-based remuneration plans	36(a)	644	–	11,296	–	–	–	–	–	(11,940)	–	–	–	–	–	–
Vesting of shares under restricted share plan	36(a)	31	–	314	–	–	–	–	–	(345)	–	–	–	–	–	–
Purchase of treasury shares	36(a)	–	–	(15,930)	–	–	–	–	–	–	–	–	–	(15,930)	–	(15,930)
Tax effect on treasury shares**	36(a)	–	–	127	–	–	–	–	–	–	–	–	–	127	–	127
Transfer upon disposal of equity investments		–	–	–	–	–	(1,518)	–	–	–	–	–	1,518	–	–	–
<b>Total contributions by and distributions to equity holders</b>		<b>675</b>	<b>3,989</b>	<b>(4,193)</b>	<b>–</b>	<b>–</b>	<b>(1,518)</b>	<b>–</b>	<b>–</b>	<b>5,598</b>	<b>–</b>	<b>(340,968)</b>	<b>(7)</b>	<b>(336,424)</b>	<b>–</b>	<b>(336,424)</b>
<b>Total comprehensive income for the financial year</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(946)</b>	<b>9,503</b>	<b>22,522</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>445,406</b>	<b>–</b>	<b>476,485</b>	<b>424</b>	<b>476,909</b>
<b>Balance at 30 June 2021</b>		<b>430,413</b>	<b>3,989</b>	<b>(25,189)</b>	<b>(601)</b>	<b>5,676</b>	<b>75,913</b>	<b>25,000</b>	<b>34,021</b>	<b>30,152</b>	<b>(40,506)</b>	<b>760,530</b>	<b>85,511</b>	<b>1,384,909</b>	<b>4,859</b>	<b>1,389,768</b>

The accompanying notes form an integral part of these financial statements.



**Statement of changes in equity  
For the financial year ended 30 June 2022**

	Note	Attributable to equity holders of the Company							
		Share capital \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Fair value reserve* \$'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	39	–	–	–	–	–	(256,580)	–	(256,580)
Proposed dividends									
- Financial year 2022 – Final dividends	39	–	–	–	–	–	(85,439)	85,439	–
Employees' share plans – Value of employees' services	5	–	–	–	–	14,579	–	–	14,579
Restricted share plan – Value of directors' services		–	–	–	–	326	–	–	326
Vesting of shares under share-based remuneration plans	36(a)	(3,021)	18,157	–	–	(15,136)	–	–	–
Vesting of shares under restricted share plan	36(a)	(27)	353	–	–	(326)	–	–	–
Purchase of treasury shares	36(a)	–	(27,719)	–	–	–	–	–	(27,719)
Tax effect on treasury shares**	36(a)	–	(242)	–	–	–	–	–	(242)
		(3,048)	(9,451)	–	–	(557)	(342,161)	(72)	(355,289)
<b>Total comprehensive income for the financial year</b>		–	–	–	–	–	<b>404,710</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>

The accompanying notes form an integral part of these financial statements.

**Statement of changes in equity (continued)**  
**For the financial year ended 30 June 2022**

	Note	Attributable to equity holders of the Company							
		Share capital \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Fair value reserve* \$'000	Share-based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total equity \$'000
<b>Company</b>									
<b>Balance at 1 July 2020</b>		<b>429,738</b>	<b>(20,996)</b>	<b>(52)</b>	<b>(64)</b>	<b>24,554</b>	<b>542,048</b>	<b>85,518</b>	<b>1,060,746</b>
Dividends paid									
- Financial year 2020 – Final dividends		–	–	–	–	–	–	(85,518)	(85,518)
- Financial year 2020 – Under provision of final dividends		–	–	–	–	–	(114)	–	(114)
- Financial year 2021 – Interim dividends	39	–	–	–	–	–	(256,861)	–	(256,861)
Proposed dividends									
- Financial year 2021 – Final dividends	39	–	–	–	–	–	(85,511)	85,511	–
Employees' share plans – Value of employees' services	5	–	–	–	–	17,538	–	–	17,538
Restricted share plan – Value of directors' services		–	–	–	–	345	–	–	345
Vesting of shares under share-based remuneration plans	36(a)	644	11,296	–	–	(11,940)	–	–	–
Vesting of shares under restricted share plan	36(a)	31	314	–	–	(345)	–	–	–
Purchase of treasury shares	36(a)	–	(15,930)	–	–	–	–	–	(15,930)
Tax effect on treasury shares**	36(a)	–	127	–	–	–	–	–	127
Transfer upon disposal of equity investments		–	–	–	(1,518)	–	1,518	–	–
		675	(4,193)	–	(1,518)	5,598	(340,968)	(7)	(340,413)
<b>Total comprehensive income for the financial year</b>		<b>–</b>	<b>–</b>	<b>52</b>	<b>1,582</b>	<b>–</b>	<b>489,336</b>	<b>–</b>	<b>490,970</b>
<b>Balance at 30 June 2021</b>		<b>430,413</b>	<b>(25,189)</b>	<b>–</b>	<b>–</b>	<b>30,152</b>	<b>690,416</b>	<b>85,511</b>	<b>1,211,303</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.

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of cash flows**  
**For the financial year ended 30 June 2022**

	Note	Group	
		2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Profit before tax and share of results of associated companies and joint ventures		555,122	540,762
Adjustments for:			
- Depreciation and amortisation	9	96,658	94,523
- Share-based payment expense		14,980	17,883
- Finance charges	11	7,384	4,782
- Impairment loss on investment in associated companies	11	–	2,056
- Write-off and net loss on disposal of property, plant and equipment and software	8	1,832	25
- Net gains on previously held interest in an associated company	11	–	(16,663)
- Interest income		(3,310)	(5,109)
- Gains on changes in interests in associated companies		(5,289)	(2,164)
- Dividend income from financial assets, at FVOCI	11	(897)	(826)
Operating cash flow before working capital change		666,480	635,269
Changes in:			
- Cash committed for National Electricity Market of Singapore		(43,930)	(7,751)
- Cash committed for Singapore Exchange Derivatives Clearing Limited – Derivatives Clearing Fund		25,000	–
- Trade and other receivables		(311,326)	12,635
- Trade and other payables		346,397	22,175
<b>Cash generated from operations</b>		682,621	662,328
Income tax paid	33	(99,094)	(109,390)
<b>Net cash generated from operating activities</b>		583,527	552,938
<b>Cash flows from investing activities</b>			
Acquisition of business/subsidiary, net of cash acquired	25	(166,509)	(155,703)
Purchase of financial asset, at FVPL		(288,579)	–
Purchase of financial assets, at FVOCI		(119,479)	(42,997)
Purchase of property, plant and equipment and software		(44,150)	(45,283)
Loan to external party		(9,036)	–
Investments in joint ventures		(7,364)	(7,022)
Investments in associated companies		(6,763)	(5,311)
Additional payment on completion adjustment for previously acquired subsidiary		–	(5,178)
Proceeds from financial assets, at FVOCI upon maturity		55,000	52,289
Proceeds from sale of long lease of building		31,056	–
Interest received		3,378	6,972
Dividend received from associated company		1,830	3,428
Dividend received from financial assets, at FVOCI		897	842
<b>Net cash used in investing activities</b>		(549,719)	(197,963)

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of cash flows (continued)**  
**For the financial year ended 30 June 2022**

	Note	Group 2022 \$'000	2021 \$'000
<b>Cash flows from financing activities</b>			
Dividends paid		(342,233)	(342,493)
Net proceeds from issue of medium term notes	31	334,649	–
Net proceeds from issue of convertible bonds	31	–	386,440
Proceeds from borrowings	31	82,014	495,197
Purchase of treasury shares	36	(27,719)	(15,930)
Repayment of lease liabilities	32	(23,142)	(22,509)
Repayment of borrowings	31	(129,928)	(708,492)
Interest paid	31	(2,340)	(2,134)
<b>Net cash used in financing activities</b>		<u>(108,699)</u>	<u>(209,921)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(74,891)	145,054
Cash and cash equivalents at beginning of financial year	13	833,365	686,430
Effects of currency translation on cash and cash equivalents		(6,321)	1,881
<b>Cash and cash equivalents at end of financial year</b>	13	<u>752,153</u>	<u>833,365</u>

The accompanying notes form an integral part of these financial statements.

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 17 August 2022.

### **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, and operation of electronic foreign exchange trading platforms.

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 26 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.

## 2 Significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

#### **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 2021:

- Amendments to SFRS(I) 9 *Financial Instruments* SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*, SFRS(I) 7 *Financial Instruments: Disclosures*, SFRS(I) 4 *Insurance Contracts*, SFRS(I) 16 *Leases - Interest Rate Benchmark Reform - Phase 2*
- Amendment to SFRS(I) 16: *Leases Covid-19-Related Rent Concessions beyond 30 June 2021*

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.

## **2 Significant accounting policies (continued)**

### **2.2 Group accounting (continued)**

#### *(1) Subsidiaries (continued)*

##### *(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.

## **2 Significant accounting policies (continued)**

### **2.2 Group accounting (continued)**

#### *(1) Subsidiaries (continued)*

##### *(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.

#### *(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.



## 2 Significant accounting policies (continued)

### 2.2 Group accounting (continued)

#### (2) *Associated companies and joint ventures (continued)*

##### (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.

## 2 Significant accounting policies (continued)

### 2.2 Group accounting (continued)

#### (3) Put and call options with non-controlling interests (continued)

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.

## 2 Significant accounting policies (continued)

### 2.3 Currency translation (continued)

#### (2) *Transactions and balances (continued)*

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.

### 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:

## 2 Significant accounting policies (continued)

### 2.4 Revenue recognition (continued)

#### (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.

## 2 Significant accounting policies (continued)

### 2.4 Revenue recognition (continued)

#### (2) *Equities (continued)*

##### *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.

## **2 Significant accounting policies (continued)**

### **2.5 Income taxes (continued)**

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 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.

## 2 Significant accounting policies (continued)

### 2.6 Leases (continued)

#### (i) As a lessee (continued)

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.

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 Significant accounting policies (continued)**

### **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.



## 2 Significant accounting policies (continued)

### 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.

## 2 Significant accounting policies (continued)

### 2.9 Financial assets (continued)

#### (1) Classification and measurement (continued)

##### At subsequent measurement (continued)

##### (i) Debt instruments (continued)

- 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)".

##### (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.

## 2 Significant accounting policies (continued)

### 2.9 Financial assets (continued)

#### (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:

	<u>Useful lives</u>
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

## **2 Significant accounting policies (continued)**

### **2.10 Property, plant and equipment (continued)**

#### *(3) Depreciation of property, plant and equipment (continued)*

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 7 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 Significant accounting policies (continued)

### 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:

	<u>Useful lives</u>
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.

### 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 Significant accounting policies (continued)

### 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.

## 2 Significant accounting policies (continued)

### 2.16 Impairment of non-financial assets (continued)

#### (2) *Property, plant and equipment*

*Software*

*Intangible assets*

*Investment property*

*Investments in subsidiaries, associated companies and joint ventures (continued)*

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 represents 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 Significant accounting policies (continued)

### 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.

#### (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 Significant accounting policies (continued)**

### **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 Significant accounting policies (continued)**

### **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) 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 23). 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).

(ii) 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 24).

## 4 Operating revenue

Operating revenue comprised the following:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Fixed Income, Currencies and Commodities</b>				
<i>Fixed Income</i>				
Listing	8,722	11,510	–	–
Corporate actions and other	3,453	3,371	–	–
	<u>12,175</u>	<u>14,881</u>	–	–
<i>Currencies and Commodities</i>				
Trading and clearing	183,905	152,577	–	–
Treasury and other	56,665	44,296	–	–
	<u>240,570</u>	<u>196,873</u>	–	–
	<u>252,745</u>	<u>211,754</u>	–	–
<b>Equities</b>				
<i>Equities - Cash</i>				
Listing	34,752	34,463	–	–
Corporate actions and other	28,050	32,547	–	–
Trading and clearing	209,731	230,242	–	–
Securities settlement and depository management	108,321	106,645	–	–
Treasury and other	7,594	8,820	–	–
	<u>388,448</u>	<u>412,717</u>	–	–
<i>Equities - Derivatives</i>				
Trading and clearing	281,860	230,886	–	–
Treasury and other	28,559	57,486	–	–
	<u>310,419</u>	<u>288,372</u>	–	–
	<u>698,867</u>	<u>701,089</u>	–	–
<b>Data, Connectivity and Indices</b>				
Market data and indices	82,908	80,641	–	–
Connectivity	64,521	62,469	30,136	28,438
	<u>147,429</u>	<u>143,110</u>	<u>30,136</u>	<u>28,438</u>

**5 Staff**

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Salaries	154,747	145,064	78,555	75,581
Employer's contribution to defined contribution plans on salaries	8,700	8,718	6,131	6,330
	163,447	153,782	84,686	81,911
Variable bonus	70,019	62,451	37,722	39,633
Employer's contribution to defined contribution plans on variable bonus	2,834	2,423	1,964	1,796
	72,853	64,874	39,686	41,429
Variable share-based payment	14,654	17,538	14,167	17,538
Variable share-based payment recharged to subsidiary	–	–	(1,987)	(1,794)
	250,954	236,194	136,552	139,084

During the financial year ended 30 June 2021, the Group and the Company recognised credit of \$6,860,000 against salaries relating to the Jobs Support Scheme provided by the Government of Singapore.

**6 Technology**

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
System maintenance and rental	77,940	71,283	46,352	44,101
Communication charges	3,403	3,114	2,537	2,117
	81,343	74,397	48,889	46,218

**7 Premises**

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Premise maintenance and rental	9,997	9,656	5,650	5,510

## 8 Other operating expenses

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Marketing	7,660	7,602	2,760	2,477
Travelling	3,207	338	1,115	85
Allowance for impairment of trade receivables, net	3,291	1,226	58	(18)
Write-off and net loss on disposal of property, plant and equipment and software	1,832	25	1,150	44
Directors' fees	3,095	3,020	2,292	2,226
Regulatory fees	6,636	6,269	400	400
Miscellaneous	11,916	12,081	15,248	15,013
	37,637	30,561	23,023	20,227

## 9 Depreciation and amortisation

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Technology-related depreciation and amortisation	64,874	64,269	21,968	21,828
Premises-related depreciation	14,799	14,410	13,633	13,519
Amortisation of intangible assets	16,905	15,764	–	–
Depreciation of motor vehicle	80	80	80	80
	96,658	94,523	35,681	35,427

## 10 Operating profit

The following items have been included in arriving the operating profit:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Charging/(crediting):</i>				
Audit services by auditor of the Company <sup>(a)</sup>	1,501	1,189	574	372
Other services by auditor of the Company	199	382	62	143
(Utilisation)/provision for unutilised leave (Note 34(b))	(3,747)	3,060	(1,895)	1,157
<i>And crediting:</i>				
Treasury income on collateral balances held in trust (net)	49,428	72,110	–	–

<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.  
Amount for the financial year ended 30 June 2021 does not include \$88,000 for audit services relating to issuance of EUR 240 million zero-coupon convertible bond that had been capitalised.

## 11 Non-operating gains

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Other income (net)</b>				
- Interest income from fixed deposits and current accounts with banks	3,161	3,511	633	648
- Interest income from financial assets, at FVOCI	149	1,621	–	1,567
- Dividend income from associated company	–	–	1,830	3,428
- Dividend income from financial assets, at FVOCI	897	826	–	170
- Net gains on remeasurement of previously held interest in an associated company	–	16,663	–	–
- Changes in fair value of contingent consideration	4,943	(9,564)	–	–
- Gains on changes in interests in associated companies	5,289	2,164	–	–
- Others	2,017	2,495	11,686	9,269
	16,456	17,716	14,149	15,082

**11 Non-operating gains (continued)**

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Finance charges</b>				
Interest expense				
- Bank borrowings	(412)	(1,943)	(412)	(1,943)
- Lease liabilities	(1,688)	(2,280)	(1,634)	(2,147)
- Convertible bonds	(1,649)	(559)	-	-
- Medium term notes	(3,635)	-	(3,635)	-
	<u>(7,384)</u>	<u>(4,782)</u>	<u>(5,681)</u>	<u>(4,090)</u>
<b>Net foreign exchange gains/(losses)</b>	8,602	(830)	16	2,316
<b>Impairment loss on investment in associated companies (Note (a))</b>				
	-	(2,056)	-	-
	<u>17,674</u>	<u>10,048</u>	<u>8,484</u>	<u>13,308</u>

- (a) During the financial year ended 30 June 2021, an impairment loss of \$2,056,000 was recognised on the Group's investment in associated companies due to poor financial health of these companies. The carrying value of the investments had been fully written down.

**12 Earnings per share**

	Group	
	2022 \$'000	2021 \$'000
Net profit after tax attributable to the equity holders of the Company for basic earnings per share	451,398	445,406
Interest expense on convertible bonds	1,649	559
Net profit after tax attributable to the equity holders of the Company for diluted earnings per share	<u>453,047</u>	<u>445,965</u>



## 12 Earnings per share (continued)

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,068,983	1,069,926
Adjustments for:		
- Effect of conversion of convertible bonds ('000)	30,505	9,799
- Shares granted under SGX performance share plans and deferred long-term incentives schemes ('000)	5,236	5,410
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,104,724	1,085,135
Earnings per share (in cents)		
- Basic	42.2	41.6
- Diluted	41.0	41.1

## 13 Cash and cash equivalents

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	352,194	331,400	39,920	70,912
Fixed deposits with banks	623,102	718,620	45,600	158,100
Escrow (Note 30(b))	22,451	10,009	–	–
	997,747	1,060,029	85,520	229,012

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:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents per consolidated statement of cash flows	752,153	833,365
Add:		
Cash committed for		
- Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund (Note 42)	125,021	150,021
- Securities Clearing Fund (Note 41)	60,000	60,000
- National Electricity Market of Singapore ("NEMS") (Note (a))	60,573	16,643
Cash and cash equivalents (as above)	997,747	1,060,029

**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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current</b>				
Trade receivables (net) (Note (a))	994,814	689,912	7,659	4,055
Other receivables (Note (b))	66,006	58,837	146,368	139,718
	<u>1,060,820</u>	<u>748,749</u>	<u>154,027</u>	<u>143,773</u>

## (a) Trade receivables (net) comprise:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Receivables from clearing members and settlement banks - Daily settlement of accounts for due contracts and rights (Note 30(a))	573,867	446,912	–	–
Receivables under NEMS (Note 15)	240,161	127,290	–	–
Other trade receivables	185,961	117,640	7,714	4,090
	<u>999,989</u>	<u>691,842</u>	<u>7,714</u>	<u>4,090</u>
Less: Allowance for impairment of trade receivables (Note 49)	(5,175)	(1,930)	(55)	(35)
	<u>994,814</u>	<u>689,912</u>	<u>7,659</u>	<u>4,055</u>

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 30(a).

## 14 Trade and other receivables (continued)

(b) Other receivables comprise:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Prepayments	28,953	29,298	17,487	16,511
Interest receivable	30,365	24,405	34	81
Deposits	1,017	686	226	237
Staff advances	7	6	–	1
Amounts due from subsidiaries (non-trade) (Note (c))	–	–	124,237	117,510
Others (non-trade)	5,664	4,442	4,384	5,378
	<u>66,006</u>	<u>58,837</u>	<u>146,368</u>	<u>139,718</u>

(c) 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:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash committed for NEMS (Note 13)	60,573	16,643
Receivables under NEMS (Note 14(a))	240,161	127,290
<b>Total settlement cash and receivables</b>	<u>300,734</u>	<u>143,933</u>
Payables under NEMS (Note 30(a))	300,734	143,933
<b>Total settlement payables</b>	<u>300,734</u>	<u>143,933</u>

## 16 Derivative financial instruments

	Currency forwards notional amount \$'000	Group Fair value	
		Asset \$'000	Liability \$'000
<b>30 June 2022</b>			
Cash-flow hedges			
- Currency forwards	76,179	17	(2,090)
		17	(2,090)
<b>30 June 2021</b>			
Cash-flow hedges			
- Currency forwards	103,016	314	(1,150)
		314	(1,150)

## 17 Financial assets, at FVOCI

	Group	
	2022 \$'000	2021 \$'000
<b>Current</b>		
Equity securities – Quoted	31,442	31,094
Bonds – Quoted	62,713	9,842
	94,155	40,936
<b>Non-current</b>		
Equity securities – Unquoted	239,064	146,467

## 18 Financial asset, at FVPL

	Group	
	2022 \$'000	2021 \$'000
<b>Non-Current</b>		
Debt securities – Unquoted	293,545	–

During the financial year, the Group made an investment in a private equity fund that focuses on investments in transformative technologies.

## 19 Investment property, and Property, plant and equipment

Group	<u>Owner occupied property</u>								
	Investment property \$'000	Freehold land \$'000	Building and plant \$'000	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in-progress \$'000	Total \$'000
<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	<u>18,059</u>	<u>–</u>	<u>–</u>	<u>45,199</u>	<u>10,023</u>	<u>72,694</u>	<u>401</u>	<u>8,041</u>	<u>136,358</u>
<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	<u>–</u>	<u>–</u>	<u>–</u>	<u>41,305</u>	<u>8,747</u>	<u>51,744</u>	<u>333</u>	<u>–</u>	<u>102,129</u>
<b>Net book value</b>									
At 30 June 2022	<u>18,059</u>	<u>–</u>	<u>–</u>	<u>3,894</u>	<u>1,276</u>	<u>20,950</u>	<u>68</u>	<u>8,041</u>	<u>34,229</u>
<b>Market value</b>									
At 30 June 2022	<u>18,144</u>								

(a) During the financial year, 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 35). The owner occupied freehold land was transferred to investment property.

**19 Investment property, and Property, plant and equipment (continued)**

Group	<u>Owner occupied property</u>								Total \$'000
	Investment property \$'000	Freehold land \$'000	Building and plant \$'000	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	
<b>2021</b>									
<b>Cost</b>									
At 1 July 2020	25,175	5,626	5,613	44,484	9,462	69,174	401	5,666	140,426
Acquisition of subsidiary (Note 25)	–	–	–	–	64	408	–	–	472
Reclassification	–	–	–	218	420	5,555	–	(6,193)	–
Additions	–	–	–	222	109	5,550	–	6,032	11,913
Write-off/Disposals	(38)	–	(17)	(630)	(50)	(6,113)	–	–	(6,810)
Currency translation	2,168	485	484	2	77	57	–	–	1,105
At 30 June 2021	<u>27,305</u>	<u>6,111</u>	<u>6,080</u>	<u>44,296</u>	<u>10,082</u>	<u>74,631</u>	<u>401</u>	<u>5,505</u>	<u>147,106</u>
<b>Accumulated depreciation</b>									
At 1 July 2020	827	–	1,537	38,742	8,016	41,181	173	–	89,649
Depreciation charge	241	–	138	1,551	530	11,344	80	–	13,643
Write-off/Disposals	(4)	–	(2)	(630)	(50)	(6,106)	–	–	(6,788)
Currency translation	80	–	138	1	33	30	–	–	202
At 30 June 2021	<u>1,144</u>	<u>–</u>	<u>1,811</u>	<u>39,664</u>	<u>8,529</u>	<u>46,449</u>	<u>253</u>	<u>–</u>	<u>96,706</u>
<b>Net book value</b>									
At 30 June 2021	<u>26,161</u>	<u>6,111</u>	<u>4,269</u>	<u>4,632</u>	<u>1,553</u>	<u>28,182</u>	<u>148</u>	<u>5,505</u>	<u>50,400</u>
<b>Market value</b>									
At 30 June 2021	<u>26,903</u>								

**19 Investment property, and Property, plant and equipment (continued)**

The following amounts are recognised in the statement of comprehensive income of the Group:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental income	578	2,421
Direct operating expenses arising from the investment property	(354)	(1,129)
	224	1,292

Details of the Group's investment property as at 30 June 2022 are as follows:

<b><u>Location</u></b>	<b><u>Description</u></b>	<b><u>Tenure</u></b>
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).

<b>Company</b>	<b>Leasehold improve- ments \$'000</b>	<b>Furniture, fittings and office equipment \$'000</b>	<b>Computer hardware \$'000</b>	<b>Motor vehicle \$'000</b>	<b>Work-in- progress \$'000</b>	<b>Total \$'000</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

## 19 Investment property, and Property, plant and equipment (continued)

Company	Leasehold improve- ments \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	Total \$'000
<b>2021</b>						
<b>Cost</b>						
At 1 July 2020	43,994	8,471	35,984	401	3,382	92,232
Reclassification	218	417	2,872	–	(3,507)	–
Additions	204	88	19	–	2,018	2,329
Write-off/Disposals	(630)	(45)	(2,925)	–	–	(3,600)
At 30 June 2021	43,786	8,931	35,950	401	1,893	90,961
<b>Accumulated depreciation</b>						
At 1 July 2020	38,489	7,434	21,527	173	–	67,623
Depreciation charge	1,495	393	4,898	80	–	6,866
Write-off/Disposals	(630)	(45)	(2,922)	–	–	(3,597)
At 30 June 2021	39,354	7,782	23,503	253	–	70,892
<b>Net book value</b>						
At 30 June 2021	4,432	1,149	12,447	148	1,893	20,069

## 20 Software

Group	Software \$'000	Work- in-progress \$'000	Total \$'000
<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	375,573	34,404	409,977
<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	243,673	–	243,673
<b>Net book value</b>			
At 30 June 2022	131,900	34,404	166,304



## 20 Software (continued)

<b>Group</b>	<b>Software \$'000</b>	<b>Work- in-progress \$'000</b>	<b>Total \$'000</b>
<b>2021</b>			
<b>Cost</b>			
At 1 July 2020	364,271	21,995	386,266
Acquisition of subsidiary (Note 25)	6,230	–	6,230
Reclassification	15,936	(15,936)	–
Additions	6,830	32,386	39,216
Write-off/Disposals	(59,201)	–	(59,201)
Currency translation	(196)	–	(196)
At 30 June 2021	<u>333,870</u>	<u>38,445</u>	<u>372,315</u>
<b>Accumulated amortisation</b>			
At 1 July 2020	218,068	–	218,068
Amortisation charge	44,297	–	44,297
Write-off/Disposals	(55,922)	–	(55,922)
Currency translation	29	–	29
At 30 June 2021	<u>206,472</u>	<u>–</u>	<u>206,472</u>
<b>Net book value</b>			
At 30 June 2021	<u>127,398</u>	<u>38,445</u>	<u>165,843</u>
<b>Company</b>			
<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>

## 20 Software (continued)

<b>Company</b>	<b>Software \$'000</b>	<b>Work- in-progress \$'000</b>	<b>Total \$'000</b>
<b>2021</b>			
<b>Cost</b>			
At 1 July 2020	63,875	10,087	73,962
Reclassification	9,334	(9,334)	–
Additions	–	9,360	9,360
Write-off/Disposals	(5,462)	–	(5,462)
At 30 June 2021	<u>67,747</u>	<u>10,113</u>	<u>77,860</u>
<b>Accumulated amortisation</b>			
At 1 July 2020	32,977	–	32,977
Amortisation charge	8,706	–	8,706
Write-off/Disposals	(4,947)	–	(4,947)
At 30 June 2021	<u>36,736</u>	<u>–</u>	<u>36,736</u>
<b>Net book value</b>			
At 30 June 2021	<u>31,011</u>	<u>10,113</u>	<u>41,124</u>

## 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.

<b>Group</b>	<b>Premises \$'000</b>	<b>Other equipment \$'000</b>	<b>Total \$'000</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	<u>48,646</u>	<u>2,292</u>	<u>50,938</u>

**21 Right-of-use assets (continued)****Leases – The Group and the Company as a lessee (continued)**

<b>Group</b>	<b>Premises \$'000</b>	<b>Other equipment \$'000</b>	<b>Total \$'000</b>
<b>2021</b>			
At 1 July 2020	82,541	4,583	87,124
Depreciation charge	(19,319)	(1,259)	(20,578)
Additions	1,613	242	1,855
Derecognition	–	(15)	(15)
Reassessment and modifications <sup>(a)</sup>	753	–	753
Currency translation	19	–	19
At 30 June 2021	<u>65,607</u>	<u>3,551</u>	<u>69,158</u>
<b>Company</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	<u>45,070</u>	<u>2,289</u>	<u>47,359</u>
<b>2021</b>			
At 1 July 2020	82,100	4,583	86,683
Depreciation charge	(18,597)	(1,258)	(19,855)
Additions	–	237	237
Derecognition	–	(15)	(15)
Reassessment and modifications <sup>(a)</sup>	119	–	119
At 30 June 2021	<u>63,622</u>	<u>3,547</u>	<u>67,169</u>

<sup>(a)</sup> Reassessment and modifications for the Group and the Company relate to changes in lease term and lease payments of existing leases.

**(1) Other amounts recognised in profit or loss**

	<b>Group</b>		<b>Company</b>	
	<b>2022 \$'000</b>	<b>2021 \$'000</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Leases under SFRS(I) 16</b>				
Interest on lease liabilities (Note 11)	1,688	2,280	1,634	2,147
Expenses relating to short-term leases and low-value assets	3,228	2,279	1,050	1,239
	<u>4,916</u>	<u>4,559</u>	<u>2,684</u>	<u>3,386</u>

## 21 Right-of-use assets (continued)

### Leases – The Group and the Company as a lessee (continued)

#### (2) Amounts recognised in statement of cash flows

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Total cash outflow for leases	23,142	22,509

#### (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.

## 22 Leases – The Group as a lessor

During the financial year ended 30 June 2021, the Group leased out its investment property consisting of an office building (Note 19) and had classified the leases as operating leases from a lessor perspective. This is because the Group does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from the investment property is disclosed in Note 19.

The following table sets out a maturity analysis of lease payments as at 30 June 2021, showing the undiscounted lease payments to be received after the reporting date.

	<b>Group</b>
	<b>2021</b>
	<b>\$'000</b>
<b>Operating leases under SFRS(I) 16</b>	
Less than one year	905
One to two years	396
Two to three years	352
Three to four years	286
Four to five years	26
More than five years	–
<b>Total</b>	<b>1,965</b>

During the financial year, the Group completed the sale of a long lease of the building, including land for cash consideration of GBP 17,000,000 (Note 19).

## 23 Intangible assets

Group	Right to operate Singapore electricity spot market \$'000	Trade name \$'000	Technical know-how \$'000	Customer relationships \$'000	Total \$'000
<b>2022</b>					
<b>Cost</b>					
At 1 July 2021	27,140	41,334	45,428	37,969	151,871
Acquisition of business (Note 25)	–	–	7,759	10,532	18,291
Currency translation	–	(3,833)	(2,371)	(1,666)	(7,870)
At 30 June 2022	<u>27,140</u>	<u>37,501</u>	<u>50,816</u>	<u>46,835</u>	<u>162,292</u>
<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	<u>7,012</u>	<u>7,084</u>	<u>14,601</u>	<u>15,799</u>	<u>44,496</u>
<b>Net book value</b>					
At 30 June 2022	<u>20,128</u>	<u>30,417</u>	<u>36,215</u>	<u>31,036</u>	<u>117,796</u>
<b>2021</b>					
<b>Cost</b>					
At 1 July 2020	27,140	38,057	31,502	24,850	121,549
Acquisition of subsidiary (Note 25)	–	–	13,746	13,053	26,799
Currency translation	–	3,277	180	66	3,523
At 30 June 2021	<u>27,140</u>	<u>41,334</u>	<u>45,428</u>	<u>37,969</u>	<u>151,871</u>
<b>Accumulated amortisation</b>					
At 1 July 2020	5,202	4,652	1,313	2,070	13,237
Amortisation charge (Note 9)	905	1,346	6,616	6,897	15,764
Currency translation	–	433	25	19	477
At 30 June 2021	<u>6,107</u>	<u>6,431</u>	<u>7,954</u>	<u>8,986</u>	<u>29,478</u>
<b>Net book value</b>					
At 30 June 2021	<u>21,033</u>	<u>34,903</u>	<u>37,474</u>	<u>28,983</u>	<u>122,393</u>

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”).

No impairment loss has been recognised as there is no objective evidence or indication that the carrying amounts may not be fully recoverable as at 30 June 2022 (2021: Nil).

## 24 Goodwill

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of financial year	541,233	329,176
Acquisition of business/subsidiary (Note 25)	186,677	202,363
Additional payment on completion adjustment for previously acquired subsidiary	–	5,178
Currency translation	(19,620)	4,516
Balance at end of financial year	708,290	541,233

The goodwill relates to the acquisition 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 allocated to each of the Group's CGU or group of CGUs 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:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
EMC	9,614	9,614
Currencies and commodities	467,834	277,394
Data and indices	230,842	254,225
	708,290	541,233

## 24 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:

<b>CGU – EMC</b>	<b>Key Inputs</b>	<b>Basis</b>
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% (2021: 2% - 3%)	Long term inflation and growth rate of Singapore
Discount rate	11.5% (2021: 10.5%)	Cost of capital to operate the Singapore electricity spot market
<hr/>		
<b>CGU – Currencies and commodities</b>	<b>Key Inputs</b>	<b>Basis</b>
Free cash flows	Management’s forecasts of earnings and capital expenditure over a ten-year period.	Past performance, expectations of growth in currencies and commodities contract volumes and market developments
Long term growth rate	3% (2021: 3%)	Long term growth rate of developed economies
Discount rate	11% (2021: 10%)	Cost of capital to operate the currencies and commodities market
<hr/>		
<b>CGU – Data and indices</b>	<b>Key Inputs</b>	<b>Basis</b>
Free cash flows	Management’s forecasts of earnings and capital expenditure over a ten-year period.	Past performance, expectations of growth in data and indices volumes and market developments
Long term growth rate	3% (2021: 3%)	Long term growth rate of developed economies
Discount rate	11% (2021: 10%)	Cost of capital to operate the data and indices market

## 24 Goodwill (continued)

Based on the value-in-use calculations, there is no impairment on goodwill (2021: 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 change on the key input does not materially cause the recoverable amount to be lower than its carrying amount.

## 25 Acquisition of business/subsidiary

### (a) 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>	<u><u>204,925</u></u>

#### (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>	<u><u>166,509</u></u>



## 25 Acquisition of business/subsidiary (continued)

### (a) MaxxTrader trading platform business (continued)

#### (3) Identifiable assets acquired and liabilities assumed (determined on a provisional basis)

	<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>	22,638
Trade and other payables	1,281
Deferred tax liabilities	3,109
<b>Total liabilities</b>	4,390
<b>Total identifiable net assets</b>	18,248

#### (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	(18,248)
<b>Goodwill</b>	186,677

The balances for identifiable assets and liabilities were provisionally determined at the date of acquisition. In accordance to SFRS(I) 3 *Business Combinations*, if new information is obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition, adjustments will be identified to the above amounts and revised accordingly.

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.

## **25 Acquisition of business/subsidiary (continued)**

### **(a) MaxxTrader trading platform business (continued)**

#### **(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.

#### **(8) Contingent consideration**

The Group agreed to pay the selling shareholders additional consideration if MT reaches certain revenue targets in 2021 and 2022. The Group has included US\$26,100,000 (S\$35,467,000) as contingent consideration related to the additional consideration based on projections of MT's revenue in 2021 and 2022 at acquisition date. As at 30 June 2022, the carrying amount of the contingent consideration was revalued to S\$36,284,000 (Note 30).

#### **(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.

### **(b) BidFX Systems Ltd.**

On 27 March 2019, SGX acquired 20% equity interest in BidFX Systems Ltd. ("BidFX") and recorded it as an investment in associated company. On 7 July 2020, SGX acquired the remaining 80% equity interest in BidFX. Consequently, BidFX became a wholly-owned subsidiary of SGX.

Included in the identifiable assets and liabilities acquired at the date of acquisition of BidFX are inputs (software technology, intellectual property, customer 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 BidFX is to provide electronic foreign exchange trading solutions and platform to the global financial marketplace. This acquisition provides SGX opportunities to expand into the global over-the-counter ("OTC") foreign exchange market and offer end-to-end solutions covering OTC markets.

## 25 Acquisition of business/subsidiary (continued)

### (b) BidFX Systems Ltd. (continued)

#### (1) Consideration

	<b>\$'000</b>
Cash paid	191,493
Contingent consideration	10,144
Others	2,786
<b>Total consideration</b>	<b>204,423</b>

#### (2) Effect on cash flows of the Group

	<b>\$'000</b>
Cash paid	191,493
Less: Cash and cash equivalents in subsidiary acquired	(35,790)
<b>Cash outflow on acquisition</b>	<b>155,703</b>

#### (3) Identifiable assets acquired and liabilities assumed

	<b>\$'000</b>
Cash and cash equivalents	35,790
Trade and other receivables	5,070
Property, plant and equipment	472
Software	6,230
Intangible assets	26,799
<b>Total assets</b>	<b>74,361</b>
Trade and other payables	20,540
Deferred tax liabilities	3,914
<b>Total liabilities</b>	<b>24,454</b>
<b>Total identifiable net assets</b>	<b>49,907</b>

#### (4) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	<b>\$'000</b>
Total consideration	204,423
Fair value of pre-existing interest in the acquiree	47,847
Fair value of identifiable net assets	(49,907)
<b>Goodwill</b>	<b>202,363</b>

The goodwill of \$202,363,000 relates to synergies expected to arise from growth in the foreign exchange business as well as wider range of product offerings and clients for BidFX and SGX.

## **25 Acquisition of business/subsidiary (continued)**

### **(b) BidFX Systems Ltd. (continued)**

#### **(5) Acquisition-related costs**

Total acquisition-related costs amounted to \$2,666,000 of which \$1,320,000 are included in FY2021. 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 \$5,070,000.

#### **(7) Intangible assets**

The intangible assets comprised capitalised software development costs and intellectual property as well as customer contracts and relationships estimated at \$26,799,000. The capitalised software development costs and intellectual property were based on revised net book value following review of the useful life. In measuring the fair value of the customer-related intangibles, the multi-period excess earnings method is used and 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.

#### **(8) Contingent consideration**

The Group had agreed to pay the selling shareholders additional consideration in 2022 if BidFX reached certain revenue targets in 2021. As at 30 June 2021, the carrying amount of the contingent consideration was \$19,358,000. During the financial year ended 30 June 2022, the carrying amount of the contingent consideration was revised to \$14,812,000 to reflect the 2021 actual revenue of BidFX and settlement was based on the revised amount.

#### **(9) Revenue and profit contribution**

BidFX contributed revenue of \$39,700,000 and net profit after tax of \$4,579,000 to the Group for the period from 1 July 2020 to 30 June 2021. The results were consolidated from 1 July 2020 as the revenue and net profit after tax generated by BidFX for the first 7 days of July 2020 is immaterial. Consequently, if the acquisition had occurred on 1 July 2020, consolidated revenue and net profit after tax would be the same.

#### **(10) Step acquisition**

The fair value of the initial equity interest in BidFX held by the Group is \$47,847,000 as at the date of acquisition. As a result of this re-measurement to fair value, the Group recognised a net gain of \$16,663,000 in the consolidated income statement under Non-operating gains.

## 26 Investments in subsidiaries

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Equity investments at cost</i>		
Balance at beginning of financial year	851,721	831,741
Capital injection	212,276	19,980
	1,063,997	851,721
 <i>Long-term receivables</i>		
Amount due from a subsidiary	505,387	218,401
Balance at end of financial year	1,569,384	1,070,122

The amount due from a subsidiary is interest-free and has no fixed terms of repayment.

Details of the subsidiaries are as follows:

<b>Name of subsidiaries</b>	<b>Principal activities</b>	<b>Country of business and incorporation</b>	<b>Equity held by</b>			
			<b>Company</b>		<b>Subsidiaries</b>	
			<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
			%	%	%	%
Singapore Exchange Securities Trading Limited	Operating a securities exchange	Singapore	100	100	–	–
Singapore Exchange Derivatives Trading Limited	Operating a derivatives exchange	Singapore	100	100	–	–
The Central Depository (Pte) Limited	Providing clearing, counterparty guarantee, depository and related services for securities transactions	Singapore	100	100	–	–

## 26 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2022	2021	2022	2021
			%	%	%	%
Singapore Exchange Derivatives Clearing Limited	Providing clearing, counterparty guarantee and related services for derivatives transactions	Singapore	100	100	–	–
SGX Bond Trading Pte. Ltd.	Providing bond trading services	Singapore	100	100	–	–
Singapore Exchange Regulation Pte. Ltd.	Providing front-line regulatory functions	Singapore	100	100	–	–
Singapore Exchange IT Solutions Pte Limited	Providing computer services and software maintenance	Singapore	100	100	–	–
Asian Gateway Investments Pte. Ltd.	Investment holding	Singapore	100	100	–	–
Singapore Commodity Exchange Limited	Dormant	Singapore	100	100	–	–
SGX International Pte. Ltd.	Investment holding	Singapore	100	100	–	–
Securities Clearing and Computer Services (Pte) Limited	Investment holding	Singapore	100	100	–	–
Asian Gateway Investments (China) Pte. Ltd.	Investment holding	Singapore	–	–	100	100
SGX Baltic Investments Pte. Ltd.	Investment holding	Singapore	–	–	100	100
The Baltic Exchange Limited	Investment holding, membership services and provision of management services to related corporations	United Kingdom	–	–	100	100
Baltic Exchange Derivatives Trading Limited	Dormant	United Kingdom	–	–	100	100

## 26 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2022	2021	2022	2021
			%	%	%	%
Baltic Exchange Information Services Limited	Providing and distributing bulk freight market indices and information	United Kingdom	–	–	100	100
The Baltic Exchange (Asia) Pte. Limited	Distributing bulk freight market indices and information in Asia and membership services	Singapore	–	–	100	100
Energy Market Company Pte Ltd	Operating an electricity market	Singapore	–	–	100	100
Scientific Beta Pte. Ltd.	Providing management consultancy services of index activities	Singapore	–	–	93	93
Scientific Beta North America, Inc.	Providing services and administration of index activities	United States of America	–	–	100	100
Scientific Beta (France) SAS	Providing services and administration for index calculation, risk analyses and financial research	France	–	–	100	100
Scientific Beta (Europe) Limited	Providing services and administration for index calculation and risk analyses	United Kingdom	–	–	100	100
BidFX Systems Ltd.	Providing electronic foreign exchange trading solutions and platform	United Kingdom	–	–	100	100
BidFX Systems Pte. Ltd.	Provision of management services to related corporations, sales and client support services	Singapore	–	–	100	100
BidFX Systems US LLC	Providing sales and client support services	United States of America	–	–	100	100
BidFX Systems Australia Pty. Ltd.	Providing sales and client support services	Australia	–	–	100	100
Asia Converge Pte Ltd	Investment holding	Singapore	–	–	100	100
Asiaclear Pte Ltd	Dormant	Singapore	–	–	100	100

## 26 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2022	2021	2022	2021
			%	%	%	%
CDP Nominees Pte Ltd	Dormant	Singapore	–	–	100	100
Global Clear Pte Ltd	Dormant	Singapore	–	–	100	100
Joint Asian Derivatives Pte. Ltd.	Dormant	Singapore	–	–	100	100
SGX America Limited	Providing consultancy services	United States of America	–	–	100	100
Shanghai Yaxu Consultancy Company Limited	Providing consultancy services	People's Republic of China	–	–	100	100
SGX General Counterparty Pte. Ltd.	Providing general counterparty services	Singapore	100	100	–	–
SGX FX Pte. Ltd.	Investment holding	Singapore	100	100	–	–
SGX FX Markets Pte. Ltd.	Operating an electronic communication network	Singapore	–	–	100	100
SGX Treasury I Pte. Ltd.	Investment holding	Singapore	–	–	100	100
SGX India Connect IFSC Private Limited	Providing financial services for dealing, trading and clearing of financial instruments	India	–	–	100	100
MaxxTrader Systems Pte. Ltd.	FX platform and providing FX pricing and risk solutions	Singapore	–	–	100	–
MaxxTrader Systems UK Limited	Providing sales support services relating to FX platform business	United Kingdom	–	–	100	–
LLFX Technologies Private Limited	Providing research and development support services relating to FX platform business	India	–	–	100	–
MaxxTrader Kabushiki Kaisha	Providing sales support services relating to FX platform business	Japan	–	–	100	–
MaxxTrader Systems US LLC	Providing sales support services relating to FX platform business	United States	–	–	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.



## 26 Investments in subsidiaries (continued)

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Carrying value of non-controlling interests</i>		
Subsidiary with immaterial non-controlling interests		
- Scientific Beta Pte. Ltd.	5,057	4,859
	5,057	4,859

## 27 Investments in associated companies

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Investments in associated companies	47,549	40,964	4,389	4,389
	47,549	40,964	4,389	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	
			2022	2021
			%	%
<i>Held by the Group through a subsidiary</i>				
Capbridge Pte. Ltd.	Shares, stocks and bonds broking	Singapore	7.2 <sup>(a)</sup>	8.2 <sup>(a)</sup>
1x Exchange Pte. Ltd.	Operating private market platform	Singapore	10.9 <sup>(a)</sup>	11.8 <sup>(a)</sup>
Commodities Intelligence Centre Pte. Ltd.	Operating e-commerce platform	Singapore	10.0 <sup>(a)</sup>	10.0 <sup>(a)</sup>

## 27 Investments in associated companies (continued)

Name of company	Principal activities	Country of business and incorporation	Equity held	
			2022 %	2021 %
<i>Held by the Group through a subsidiary</i>				
ICHX Tech Pte. Ltd.	Operating capital markets platform	Singapore	9.7 <sup>(a)</sup>	9.8 <sup>(a)</sup>
Freightos Limited	Operating online freight marketplace	Cayman Islands	13.3 <sup>(a)</sup>	14.1 <sup>(a)</sup>
Heveaconnect Pte. Ltd.	Commodities trading platform	Singapore	9.1 <sup>(a)</sup>	9.1 <sup>(a)</sup>
<i>Held by the Company</i>				
Philippines Dealing System Holdings Corp	Investment holding	Philippines	20.0	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.

There was no associated company that was individually material to the Group (2021: 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	
	2022 \$'000	2021 \$'000
<b>Carrying amount of interests</b>		
Loss from continuing operations	(4,144)	(2,157)
Total comprehensive income	<u>(4,144)</u>	<u>(2,157)</u>

There is no contingent liability relating to the Group's interest in the associated companies (2021: Nil).

## 28 Investments in joint ventures

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Investments in joint ventures	10,542	9,570

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	
			2022	2021
			%	%
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>	—

(a) 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 (2021: 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:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount of interests</b>		
Loss from continuing operations	(6,390)	(2,129)
Total comprehensive income	(6,390)	(2,129)

There are no contingent liabilities relating to the Group's interest in the joint ventures (2021: Nil).

## 29 Loan receivable

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current</b>				
Loan receivable from external party	9,036	–	9,036	–

The loan receivable from an external party is secured, interest bearing at SOFR plus 3% per annum and will be repayable in full on 28 December 2024.

## 30 Trade and other payables

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Trade payables (Note (a))	999,178	655,389	5,014	3,822
Other payables (Note (b))	226,892	193,023	77,873	62,742
Amount due to subsidiaries (non-trade) (Note (c))	–	–	66,476	47,100
Contingent consideration (Note 25)	36,284	19,358	–	–
	<u>1,262,354</u>	<u>867,770</u>	<u>149,363</u>	<u>113,664</u>
<b>Non-current</b>				
Other payables				
- Amount due to a subsidiary (non-trade) (Note (d))	–	–	63,474	69,972
	<u>–</u>	<u>–</u>	<u>63,474</u>	<u>69,972</u>

**30 Trade and other payables (continued)**

(a) Trade payables comprise:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Payables to clearing members and settlement banks - Daily settlement of accounts for due contracts and rights (Note 14(a))	573,867	446,912	–	–
Payables under NEMS (Note 15)	300,734	143,933	–	–
Other trade payables	124,577	64,544	5,014	3,822
	<u>999,178</u>	<u>655,389</u>	<u>5,014</u>	<u>3,822</u>

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Accrual for operating expenses	91,991	70,644	29,510	17,843
Accrual for bonus	77,218	69,870	43,553	40,854
Defined contribution plans payable	2,199	1,706	1,381	1,102
Advance receipts	20,225	18,891	–	–
Sundry creditors	5,735	6,099	972	289
Escrow payable	22,443	9,991	–	–
Others (non-trade)	7,081	15,822	2,457	2,654
	<u>226,892</u>	<u>193,023</u>	<u>77,873</u>	<u>62,742</u>

(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.

## 31 Loans and borrowings

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current</b>				
Unsecured bank borrowings	41,858	–	41,858	–
	<u>41,858</u>	<u>–</u>	<u>41,858</u>	<u>–</u>
<b>Non-current</b>				
Unsecured bank borrowings	–	88,758	–	88,758
Convertible bonds (Note(a))	345,721	379,003	–	–
Medium term notes (Note(b))	348,214	–	348,214	–
Intra-group financial guarantee (Note (c))	–	–	2,698	4,709
	<u>693,935</u>	<u>467,761</u>	<u>350,912</u>	<u>93,467</u>

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 49.

### 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	2022		2021	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
<b>Group</b>							
Convertible bonds	EUR	0.44% (2021: 0.44%)	2024	351,773	345,721	387,406	379,003
Medium term notes	USD	1.29% (2021: Not applicable)	2026	347,550	348,214	–	–
Unsecured bank borrowings	USD	0.60% - 0.71% (2021: 1.20%)	2022	41,858	41,858	88,758	88,758
				<u>741,181</u>	<u>735,793</u>	<u>476,164</u>	<u>467,761</u>
<b>Company</b>							
Medium term notes	USD	1.29% (2021: Not applicable)	2026	347,550	348,214	–	–
Unsecured bank borrowings	USD	0.60% - 0.71% (2021: 1.20%)	2022	41,858	41,858	88,758	88,758
				<u>389,408</u>	<u>390,072</u>	<u>88,758</u>	<u>88,758</u>

## 31 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 conversion price of \$12.6879 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.

	<b>Group \$'000</b>
Proceeds from issue of convertible bonds (2,400 bonds at EUR 100,000 par value)	390,653
Transaction costs	(4,213)
Net proceeds	386,440
Amount classified as equity	(4,817)
Accreted interest	559
Effects of changes in foreign exchange rates	(3,179)
Carrying amount as at 30 June 2021	379,003
Accreted interest	1,649
Effect of changes in foreign exchange rates	(34,931)
Carrying amount as at 30 June 2022	345,721

The amount of the convertible bonds classified as equity of \$4,817,000 is net of attributable transaction costs of \$53,000. In addition, tax recognised directly in equity in respect of the convertible bonds on inception amounted to \$828,000.

#### **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 EUR242,400,000 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.

## 31 Loans and borrowings (continued)

### (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

### (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.



**31 Loans and borrowings (continued)****(d) Reconciliation of liabilities arising from financing activities**

	<b>Convertible bonds \$'000</b>	<b>Medium term notes \$'000</b>	<b>Unsecured bank borrowings \$'000</b>	<b>Total \$'000</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>	345,721	348,214	41,858	735,793
<b>As at 1 July 2020</b>	–	–	302,036	302,036
<b>Financing cash flows</b>				
Net proceeds from issuance of convertible bonds	386,440	–	–	386,440
Proceeds from borrowings	–	–	495,197	495,197
Repayment of borrowings	–	–	(708,492)	(708,492)
Interest paid	–	–	(2,134)	(2,134)
	386,440	–	(215,429)	171,011
<b>Non-cash changes</b>				
Effect of changes in foreign exchange rates	(3,179)	–	208	(2,971)
Interest expense	559	–	1,943	2,502
Amount classified as equity	(4,817)	–	–	(4,817)
	(7,437)	–	2,151	(5,286)
<b>As at 30 June 2021</b>	379,003	–	88,758	467,761

## 32 Lease liabilities

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current lease liabilities	22,140	20,366	20,201	19,624
Non-current lease liabilities	30,938	51,056	29,537	49,908
	53,078	71,422	49,738	69,532

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 49.

### (a) Repayment schedule of lease liabilities

	Payment \$'000	Interest \$'000	Principal \$'000
<b>Group</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>2021</b>			
Within 1 year	22,020	1,654	20,366
After 1 year but within 5 years	52,629	2,013	50,616
After 5 years	441	1	440
	75,090	3,668	71,422
<b>Company</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
<b>2021</b>			
Within 1 year	21,256	1,632	19,624
After 1 year but within 5 years	51,461	1,993	49,468
After 5 years	441	1	440
	73,158	3,626	69,532

## 32 Lease liabilities (continued)

### (b) Reconciliation of liabilities arising from financing activities

	Lease liabilities Group	
	2022 \$'000	2021 \$'000
<b>Balance at beginning of financial year</b>	71,422	89,030
<b>Financing cash flows</b>		
Repayment of lease liabilities	(23,142)	(22,509)
	<u>(23,142)</u>	<u>(22,509)</u>
<b>Non-cash changes</b>		
New leases	3,129	1,856
Derecognition	–	(15)
Reassessment and modifications	33	762
Interest expense (Note 11)	1,688	2,280
Effect of changes in foreign exchange rates	(52)	18
	<u>4,798</u>	<u>4,901</u>
<b>Balance at end of financial year</b>	<u>53,078</u>	<u>71,422</u>

## 33 Income taxes

### (a) Income tax expense

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Tax expense attributable to profit is made up of:				
- current income tax	99,631	99,861	4,486	4,631
- deferred income tax	(6,229)	(8,675)	(983)	(1,295)
	<u>93,402</u>	<u>91,186</u>	<u>3,503</u>	<u>3,336</u>
(Over)/under provision in prior financial years:				
- current income tax	(1,110) <sup>(a)</sup>	(391)	–	9
- deferred income tax	395	(96)	–	–
	<u>92,687</u>	<u>90,699</u>	<u>3,503</u>	<u>3,345</u>

<sup>(a)</sup> Includes \$1,377,000 of tax receivables under Trade and other receivables.

**33 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Profit before tax and share of results of associated companies and joint ventures	555,122	540,762	408,213	492,681
Tax calculated at a tax rate of 17% (2021: 17%)	94,371	91,930	69,396	83,756
Tax effect of:				
Singapore statutory income exemption	(167)	(180)	(17)	(17)
Income not subject to tax	(3,193)	(2,422)	(66,285)	(81,645)
Tax incentives and rebates	(1,406)	(1,393)	(643)	(680)
Expenses not deductible for tax purposes	2,040	1,934	782	1,183
Different tax rates in other countries	1,132	291	–	–
Others	625	1,026	270	739
(Over)/under provision in prior financial years	(715)	(487)	–	9
	<u>92,687</u>	<u>90,699</u>	<u>3,503</u>	<u>3,345</u>

**(c) Movements in provision for tax**

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of financial year	99,634	109,558	4,946	6,356
Income tax paid	(99,094)	(109,390)	(3,754)	(6,050)
Tax expense on profit for the financial year	99,631	99,861	4,486	4,631
Under/(over) provision in prior financial years	267	(391)	–	9
(Utilisation)/overutilisation of losses and capital allowances <sup>(a)</sup>	(578)	10	–	–
Currency translation	79	(14)	–	–
Balance at end of financial year	<u>99,939</u>	<u>99,634</u>	<u>5,678</u>	<u>4,946</u>

(a) This arises from transfer of prior year's tax losses and unutilised capital allowances between entities within the Group.

**33 Income taxes (continued)****(d) Deferred income tax**

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred tax assets:				
- to be recovered within 12 months	5,082	5,361	3,541	3,956
- to be recovered after 12 months	2,203	1,586	2,183	1,428
	<u>7,285</u>	<u>6,947</u>	<u>5,724</u>	<u>5,384</u>
- Effect of offsetting	<u>(7,285)</u>	<u>(6,947)</u>	<u>(5,724)</u>	<u>(5,384)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities:				
- to be settled within 12 months	10,628	11,356	2,524	2,527
- to be settled after 12 months	76,125	62,047	4,960	5,358
	<u>86,753</u>	<u>73,403</u>	<u>7,484</u>	<u>7,885</u>
- Effect of offsetting	<u>(7,285)</u>	<u>(6,947)</u>	<u>(5,724)</u>	<u>(5,384)</u>
	<u>79,468</u>	<u>66,456</u>	<u>1,760</u>	<u>2,501</u>

### 33 Income taxes (continued)

(d) Deferred income tax (continued)

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of financial year	857	620	3,821	3,100	1,569	1,195	700	431	6,947	5,346
Credited/(charged) to profit or loss	850	237	904	594	(441)	374	(155)	269	1,158	1,474
Utilisation of losses and capital allowances <sup>(a)</sup>	(578)	–	–	–	–	–	–	–	(578)	–
(Charged)/credited to equity	–	–	(242)	127	–	–	–	–	(242)	127
Balance at end of financial year	1,129	857	4,483	3,821	1,128	1,569	545	700	7,285	6,947

<sup>(a)</sup> This arises from transfer of prior year's tax losses and unutilised capital allowances between entities within the Group.

The Group - deferred tax liabilities

	Cash flow hedge reserve		Accelerated tax depreciation		Intangible assets arising from business combinations		Financial assets, at FVOCI		Others		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of financial year	(143)	65	26,515	30,142	24,819	23,284	21,391	14,170	821	–	73,403	67,661
Acquisition from subsidiary	–	–	–	1,187	3,109	2,727	–	–	–	–	3,109	3,914
Credited to profit or loss	–	–	(1,144)	(4,785)	(3,125)	(2,512)	–	–	(407)	–	(4,676)	(7,297)
(Credited)/charged to equity	(93)	(208)	–	–	–	–	16,767	7,221	–	821	16,674	7,834
Currency translation	–	–	(6)	(29)	(1,751)	1,320	–	–	–	–	(1,757)	1,291
Balance at end of financial year	(236)	(143)	25,365	26,515	23,052	24,819	38,158	21,391	414	821	86,753	73,403

**33 Income taxes (continued)**(d) Deferred income tax (continued)The Company - deferred tax assets

	Employee share plans		Unutilised leave		Others		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of financial year	3,821	3,100	1,159	963	404	329	5,384	4,392
Credited/(charged) to profit or loss	904	594	(322)	196	–	75	582	865
(Charged)/credited to equity	(242)	127	–	–	–	–	(242)	127
Balance at end of financial year	4,483	3,821	837	1,159	404	404	5,724	5,384

The Company - deferred tax liabilities

	Cash flow hedge reserve		Financial assets, at FVOCI		Accelerated tax depreciation		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of financial year	–	(10)	–	(13)	7,885	8,315	7,885	8,292
Credited to profit or loss	–	–	–	–	(401)	(430)	(401)	(430)
Charged to equity	–	10	–	13	–	–	–	23
Balance at end of financial year	–	–	–	–	7,484	7,885	7,484	7,885

**33 Income taxes (continued)****(d) Deferred income tax (continued)**

Deferred tax assets have not been recognised in respect of the following items:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Tax losses	22,585	22,563

These items principally relate to four (2021: 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**

	<b>Group</b>			<b>Company</b>		
	<b>Before tax</b>	<b>Tax</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Tax</b>	<b>Net of tax</b>
	<b>\$'000</b>	<b>benefit/ (liability) \$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>benefit/ (liability) \$'000</b>	<b>\$'000</b>
<b>2022</b>						
<b>Other comprehensive income</b>						
Foreign exchange translation	(318)	–	(318)	–	–	–
Fair value (losses)/gains 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	–	–	–
<b>2021</b>						
<b>Other comprehensive income</b>						
Foreign exchange translation	9,556	–	9,556	–	–	–
Fair value (losses)/gains and transferred to profit or loss on cash flow hedges	(1,154)	208	(946)	62	(10)	52
Fair value gains on financial assets, at FVOCI	29,743	(7,221)	22,522	1,595	(13)	1,582
	38,145	(7,013)	31,132	1,657	(23)	1,634



## 34 Provisions

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Provision for SGX-MAS Market Development Scheme (Note (a))	1,802	1,802	–	–
Provision for unutilised leave (Note (b))	8,035	11,592	4,925	6,820
Provision for dismantlement, removal or restoration of property, plant and equipment (Note (c))	3,964	3,805	3,786	3,786
	13,801	17,199	8,711	10,606

(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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of financial year	11,592	8,532	6,820	5,663
Acquisition of business (Utilisation)/provision made during the financial year, net	190	–	–	–
	(3,747)	3,060	(1,895)	1,157
Balance at end of financial year	8,035	11,592	4,925	6,820

(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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of financial year	3,805	3,601	3,786	3,582
Acquisition of business	159	–	–	–
Provision made during the financial year, net	–	204	–	204
Balance at end of financial year	3,964	3,805	3,786	3,786

**35 Other liabilities**

	Group	
	2022 \$'000	2021 \$'000
Forward liability to acquire non-controlling interests (Note (a))	37,583	41,390
Deferred revenue (Note 19)	14,629	–
	52,212	41,390

- (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.

**36 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>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)

## 36 Share capital (continued)

(a) Share capital and treasury shares (continued)

Group and Company (continued)

	Number of shares		Amount	
	Issued shares '000	Treasury shares '000	Share Capital \$'000	Treasury shares \$'000
<b>2021</b>				
Balance at beginning of financial year	1,071,642	2,663	429,738	(20,996)
Purchase of treasury shares	–	1,547	–	(15,930)
Vesting of shares under share-based remuneration plans	–	(1,420)	644	11,296
Vesting of shares under restricted share plan	–	(38)	31	314
Tax effect on treasury shares	–	–	–	127
Balance at end of financial year	<u>1,071,642</u>	<u>2,752</u>	<u>430,413</u>	<u>(25,189)</u>

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 2,947,000 of its shares (2021: 1,547,000) in the open market during the financial year. The total amount paid to purchase the shares was \$27,719,000 (2021: \$15,930,000). The Company holds the shares bought back as treasury shares.

**36 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
	FY2017 grant	FY2018 grant*	FY2019 grant**	FY2020 grant**	FY2021 grant**	FY2022 grant**	
<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
<b>2021</b>							
Balance at beginning of financial year	604,600	621,600	696,500	711,000	–	–	2,633,700
Granted	–	–	–	–	732,200	–	732,200
Vested	(160,900)	–	–	–	–	–	(160,900)
Lapsed	(443,700)	(19,400)	(22,900)	(23,400)	(24,800)	–	(534,200)
Balance at end of financial year	–	602,200	673,600	687,600	707,400	–	2,670,800

\* The number of shares vested represents the level of achievement against the performance conditions. Performance targets exceeded for FY2018 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".

## 36 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:

	<b>FY2022 grant</b>	<b>FY2021 grant</b>	<b>FY2020 grant</b>	<b>FY2019 grant</b>	<b>FY2018 grant</b>
Date of grant	16.08.2021	17.08.2020	15.08.2019	15.08.2018	15.09.2017
Vesting date	01.09.2025	01.09.2024	01.09.2023	01.09.2022	01.09.2021
Number of performance shares at grant date	564,900	732,200	711,000	696,500	658,200
Fair value per performance share at grant date	\$9.55	\$7.37	\$7.08	\$7.46	\$7.25
<b>Assumptions under Monte-Carlo Model</b>					
<b>Expected volatility</b>					
Shares of Singapore Exchange Limited	22.30%	22.00%	14.20%	15.82%	17.30%
Shares of selected peer exchanges	22.40% to 78.60%	21.30% to 41.90%	14.80% to 31.40%	15.62% to 31.96%	15.64% to 42.66%
Shares of Straits Times Index peer companies	19.80% to 45.20%	19.40% to 40.70%	13.10% to 39.30%	15.75% to 34.91%	15.68% to 35.45%
Historical volatility period	36 months	36 months	36 months	36 months	36 months
<b>Risk-free interest rate</b>					
Date on which yield of Singapore government bond was based	16.08.2021	17.08.2020	15.08.2019	15.08.2018	15.09.2017
Term (years)	3	3	3	3	3
<b>Expected dividend yield based on management's forecast</b>					
	2.96%	3.70%	3.64%	4.04%	3.77%
<b>Share price reference</b>	<b>\$10.82</b>	<b>\$8.64</b>	<b>\$8.25</b>	<b>\$7.43</b>	<b>\$7.42</b>

### (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 2022	<b>Group and Company</b>				Total
	<b>FY2019 award</b>	<b>FY2020 award</b>	<b>FY2021 award</b>	<b>FY2022 award</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

## 36 Share capital (continued)

### (c) Deferred long-term incentives scheme (continued)

#### (i) *Outstanding deferred long-term incentives shares (continued)*

Number of shares	<b>Group and Company</b>				Total
	FY2018 award	FY2019 award	FY2020 award	FY2021 award	
<b>2021</b>					
Balance at beginning of financial year	357,880	867,901	1,423,200	–	2,648,981
Awarded	–	–	–	1,476,800	1,476,800
Vested	(357,880)	(433,899)	(467,444)	–	(1,259,223)
Lapsed	–	(17,370)	(56,771)	(57,400)	(131,541)
Balance at end of financial year	–	416,632	898,985	1,419,400	2,735,017

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".

#### (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:

#### **FY2022 Award**

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

#### **Assumptions used in fair value model**

<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

## 36 Share capital (continued)

### (c) Deferred long-term incentives scheme (continued)

#### (ii) *Fair value of deferred long-term incentives shares (continued)*

##### **FY2021 Award**

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

##### **FY2020 Award**

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

## 36 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

##### **FY2018 Award**

Date of award	←	15.08.2017	→
Vesting date	01.09.2018	01.09.2019	01.09.2020
Number of shares at award date	391,286	391,286	391,428
Fair value per deferred long-term incentives share at award date	\$7.25	\$6.98	\$6.71
<b>Assumptions used in fair value model</b>			
<b>Risk-free interest rate</b>	1.18%	1.31%	1.46%
Date on which yield of Singapore government bond was based	15.08.2017	15.08.2017	15.08.2017
<b>Expected dividend yield based on management's forecast</b>	3.77%	3.77%	3.77%
<b>Share price reference</b>	\$7.57	\$7.57	\$7.57



## 36 Share capital (continued)

### (d) Restricted Share Plan

Details of restricted share plan (“RSP”) awarded to recipients at the balance sheet date are as follows:

	<b>Group and Company</b>	
	<b>2022</b>	<b>2021</b>
<b>Number of shares</b>		
Balance at beginning of financial year	–	–
Awarded	33,975	37,730
Vested	(33,975)	(37,730)
Balance at end of financial year	<u>–</u>	<u>–</u>

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 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 7 October 2021 (FY2021 award: 24 September 2020).

## 37 Capital reserve

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
Equity component of convertible bonds, net of tax	<u>3,989</u>	<u>3,989</u>

## 38 Other reserve

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
Forward liability to acquire non-controlling interests	<u>40,506</u>	<u>40,506</u>

Refer to Note 2.2(3) on the accounting policy relating to the forward liability.

## 39 Dividends

	<b>Group and Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Interim tax-exempt dividends of 24.0 cents (2021: 24.0 cents) per share	256,580	256,861
Proposed final tax-exempt dividends of 8.0 (2021: 8.0 cents) per share	85,439	85,511
	342,019	342,372

The directors have proposed a final tax-exempt dividend for the financial year ended 30 June 2022 of 8.0 cents (2021: 8.0 cents) per share amounting to a total of \$85,439,000 (2021: \$85,511,000). The proposed dividend has been transferred from retained profits to proposed dividends reserve.

## 40 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.

## 40 Segment information (continued)

	Fixed Income, Currencies and Commodities \$'000	Equities \$'000	Data, Connectivity and Indices \$'000	Corporate \$'000	Group \$'000
<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 gains	–	–	–	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>					<u>451,901</u>
<b>2021</b>					
<b>Operating Revenue</b>	211,754	701,089	143,110	–	1,055,953
<b>Earnings before interest, tax, depreciation and amortisation</b>	72,990	461,723	90,524	–	625,237
Depreciation and amortisation	32,092	45,725	16,706	–	94,523
<b>Operating profit</b>	40,898	415,998	73,818	–	530,714
Non-operating gains	–	–	–	10,048	10,048
Share of results of associated companies and joint ventures, net of tax	–	–	–	(4,286)	(4,286)
Tax	–	–	–	(90,699)	(90,699)
<b>Net profit after tax</b>					<u>445,777</u>

## 41 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. Contributions by clearing members is at minimum of \$500,000, and will vary with their value of securities cleared with CDP.

## 41 Securities Clearing Fund (continued)

The Securities Clearing Fund comprised contributions from both CDP and its clearing members as follows:

(a) Contribution by CDP

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank - contributed by CDP	60,000	60,000

Cash contributions by CDP are denominated in SGD and placed in interest bearing accounts with 4 banks (2021: 4 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.

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contributions by CDP clearing members</b>		
- cash at bank, held in trust	51,452	49,861

The Securities Clearing Fund is a trust asset held subject to the trust purposes set out in CDP Clearing Rule 7.1.2.

Payments out of the Securities Clearing Fund shall be made in the following order:

- (1) Contributions by defaulting clearing member(s);
- (2) Contributions by CDP of an amount not less than 15% of the Securities Clearing Fund size or \$30,000,000, whichever is higher;
- (3) Collateralised contributions by all other non-defaulting clearing members on a pro-rata basis in the proportion of each clearing member's required collateralised contribution to the total required collateralised contributions of all other non-defaulting clearing members at the time of default;
- (4) Contingent contributions by all other non-defaulting clearing members on a pro-rata basis in the proportion of each clearing member's required contingent contributions to the total required contingent contributions of all other non-defaulting clearing members;
- (5) Insurance (if any); and
- (6) Any other contributions (the last layer of the Securities Clearing Fund contributed by CDP amounted to \$30,000,000 (2021: \$30,000,000)).

## 42 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 members’ contributions to their clearing risk exposure with SGX-DC.

The Group has committed cash, amounting to \$125,021,000 (2021: \$150,021,000) (Note 13) to support the SGX-DC Clearing Fund. The SGX-DC Clearing Fund is made up of the following:

	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
SGX-DC share capital earmarked for SGX-DC Clearing Fund	91,000	116,000
Derivatives clearing fund reserve (Note (a))	34,021	34,021
	<u>125,021</u>	<u>150,021</u>

Except for the \$125,021,000 (2021: \$150,021,000) 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 43(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

The SGX-DC clearing rules enable resources to be mobilised should any derivatives clearing member be unable to meet its obligations. Under the SGX-DC Clearing Fund structure, the resources available would be utilised in the following priority:

- (1) the defaulting derivatives clearing member’s collateral deposited with or provided to SGX-DC;
- (2) SGX-DC’s contributions of an amount equivalent to 15% of its 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 equivalent to 10% of its clearing fund size;
- (5) clearing fund deposits of other non-defaulting derivatives clearing members not participating in the same contract class as the defaulted derivatives clearing member;

## 42 Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) Clearing Fund (continued)

- (6) further assessments on other non-defaulting derivatives clearing members; and
- (7) any other contributions to the SGX-DC Clearing Fund.

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.

## 43 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 2022 were approximately \$53,925,000 (2021: \$48,612,000).

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.

As at the reporting date, clearing members had lodged the following collateral with CDP:

	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
<b>Margin deposits</b>		
Cash	198,180	187,109
<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.

**43 Clearing fund, margin and other deposits (continued)****(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 2022 were approximately \$12,561,221,000 (2021: \$11,114,204,000).

As at the reporting date, clearing members had lodged the following collateral with SGX-DC:

	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
<b>Margin deposits</b>		
Cash	13,860,539	12,894,563
Quoted government securities, at fair value	1,395,925	128,251

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.

**(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:

	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
<b>Performance deposits and deposits received for contract value</b>		
Cash	5	96

**43 Clearing fund, margin and other deposits (continued)**(b) Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) (continued)

(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 3-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:

	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
<b>Clearing fund and other deposits</b>		
Cash	488,654	460,595
Quoted government securities, at fair value	12,844	18,040

(iv) Collateral for Mutual Offset Settlement Agreement

As at 30 June 2022, irrevocable letters of credit amounting to approximately \$458,767,000 (2021: \$416,891,000) were lodged by The Chicago Mercantile Exchange with SGX-DC. This is to fulfill collateral requirements under the Mutual Offset Settlement Agreement.

**44 Collaterals for Securities Borrowing and Lending**

CDP operates a Securities Borrowing and Lending (“SBL”) programme for banks, its depositors 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:

	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
Cash	91,964	29,042
Securities, at fair value	39,117	61,005

None of these assets or contingent assets nor the corresponding liabilities are included in the statement of financial position of the Group.



## 45 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:

	<b>2022</b>	<b>2021</b>
	<b>\$’000</b>	<b>\$’000</b>
Securities Exchange Fidelity Fund	37,745	37,664
Derivatives Exchange Fidelity Fund	25,629	25,580
	<u>63,374</u>	<u>63,244</u>

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.
- (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.

## 45 Securities and Derivatives Fidelity Funds (continued)

No further provision has been made in the financial year ended 30 June 2022 for contribution to be paid to the securities and derivatives fidelity funds as the minimum sum of \$20,000,000 (2021: \$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:

	2022 \$'000	2021 \$'000
<b>Assets</b>		
Fixed deposits with banks	63,260	63,100
Bank balance	144	387
Interest receivable	17	4
	<u>63,421</u>	<u>63,491</u>
<b>Liabilities</b>		
Other payables and accruals	3	3
Taxation	41	243
Deferred tax liabilities	3	1
	<u>47</u>	<u>247</u>
<b>Net assets</b>	<u>63,374</u>	<u>63,244</u>

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.

## 46 Contingent liabilities

At the balance sheet date, the Group and the Company's contingent liabilities are as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'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.	<u>389,257</u>	<u>360,409</u>	–	–

## 47 Capital commitments

Capital commitments contracted for at year-end but not recognised in the financial statements are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Property, plant and equipment	179	450	–	–
Software	5,660	5,015	1,052	603
	<u>5,839</u>	<u>5,465</u>	<u>1,052</u>	<u>603</u>

## 48 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:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short-term employee benefits	17,734	16,166
Employer's contribution to Central Provident Fund	135	143
Share-based payment to key management	5,076	6,026
	<u>22,945</u>	<u>22,335</u>

During the financial year, 321,800 shares (FY2021: 426,600 shares) under SGX performance share plan and 321,800 shares (FY2021: 426,600 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.

## 49 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.

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 receivables 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.

## 49 Financial risk management (continued)

### Market risk – Currency risk (continued)

#### (b) *Net assets in foreign operations (continued)*

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.

	<b>2022</b>	<b>2021</b>
	<b>Impact to other comprehensive income</b>	<b>Impact to other comprehensive income</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>		
- USD (5% strengthening)	19,343	7,835
- GBP (5% strengthening)	6,038	7,523
- USD (5% weakening)	(19,343)	(7,835)
- GBP (5% weakening)	(6,038)	(7,523)
	<hr/>	<hr/>

## 49 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>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)
	<u>95,863</u>		<u>(6,303)</u>	<u>(6,303)</u>
<b>2021</b>				
Foreign exchange-denominated loan (USD)	<u>88,758</u>	Loans and borrowings	6,913	6,913

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>2022</b>		
USD net investment	<u>8,315</u>	<u>8,315</u>
<b>2021</b>		
USD net investment	<u>(9,477)</u>	<u>(9,477)</u>

## 49 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.

	2022	2021
	Impact to other comprehensive income	Impact to other comprehensive income
	\$'000	\$'000
<b>Group</b>		
- 5% strengthening	11,102	7,383
- 5% weakening	(11,102)	(7,383)
	(11,102)	(7,383)

#### (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.

## 49 Financial risk management (continued)

### Market risk – Currency risk (continued)

The Group and the Company's currency exposures are as follows:

	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	Group EUR \$'000	JPY \$'000	Others \$'000	Total \$'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.



## 49 Financial risk management (continued)

### Market risk – Currency risk (continued)

	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	Group EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
<b>2021</b>							
<b>Financial assets</b>							
Cash and cash equivalents	956,048	53,806	17,117	26,982	778	5,298	1,060,029
Trade and other receivables							
- Daily settlement of accounts							
for due contracts and rights	405,656	36,417	1,225	3,587	–	27	446,912
- Receivables under NEMS	127,290	–	–	–	–	–	127,290
- Others	85,020	51,851	1,598	5,779	209	792	145,249
Financial assets, at FVOCI	9,842	177,561	–	–	–	–	187,403
<b>Financial liabilities</b>							
Trade and other payables							
- Daily settlement of accounts							
for due contracts and rights	(405,656)	(36,417)	(1,225)	(3,587)	–	(27)	(446,912)
- Payables under NEMS	(143,933)	–	–	–	–	–	(143,933)
- Others	(167,596)	(80,963)	(14,801)	(8,832)	(719)	(4,014)	(276,925)
Loans and borrowings	–	(88,758)	–	(379,003)	–	–	(467,761)
Lease liabilities	(69,484)	(259)	(590)	–	(283)	(806)	(71,422)
Net financial assets/(liabilities)	797,187	113,238	3,324	(355,074)	(15)	1,270	559,930
<b>Net non-financial assets of foreign subsidiaries</b>	8	19,185	15,578	12,328	–	–	47,099
Currency exposure	797,195	132,423	18,902	(342,746)	(15)	1,270	607,029
Currency forward contracts	–	(99,768)	–	–	(3,104)	(144)	(103,016)

<sup>(a)</sup> The SGD balances have been included for completeness.

	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	Company EUR \$'000	JPY \$'000	Others \$'000	Total \$'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.

## 49 Financial risk management (continued)

### Market risk – Currency risk (continued)

	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	Company EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
<b>2021</b>							
<b>Financial assets</b>							
Cash and cash equivalents	227,723	438	2	3	20	826	229,012
Trade and other receivables	127,197	13	–	–	5	47	127,262
<b>Financial liabilities</b>							
Trade and other payables	(180,323)	(3,017)	(1)	(1)	(1)	(293)	(183,636)
Loans and borrowings	–	(88,758)	–	(4,709)	–	–	(93,467)
Lease liabilities	(69,209)	–	(107)	–	–	(216)	(69,532)
Net financial assets/(liabilities)	105,388	(91,324)	(106)	(4,707)	24	364	9,639
Currency exposure	<u>105,388</u>	<u>(91,324)</u>	<u>(106)</u>	<u>(4,707)</u>	<u>24</u>	<u>364</u>	<u>9,639</u>

<sup>(a)</sup> The SGD balances have been included for completeness.

A currency risk sensitivity analysis is not provided as the Group and the Company do not have significant foreign currency exposures.

### 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 2022, 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% (2021: 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.

	2022		2021	
	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	14,677	14,238	–	7,527
- Price decrease	(14,677)	(14,238)	–	(7,527)

## **49 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.

## 49 Financial risk management (continued)

### Market risk – Interest rate risk (continued)

Group	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>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	–	–	–	19,788	313,431	333,219
Financial asset, at FVPL	–	–	–	–	293,545	293,545
Loan receivable	–	–	–	9,036	–	9,036
<b>Financial liabilities</b>						
Trade and other payables	–	–	–	–	(1,262,354)	(1,262,354)
Loans and borrowings	–	(41,858)	–	(693,935)	–	(735,793)
Lease liabilities	–	(10,785)	(11,355)	(30,938)	–	(53,078)
Net financial assets/(liabilities)	266,335	537,957	21,147	(696,049)	484,799	614,189
<b>2021</b>						
<b>Financial assets</b>						
Cash and cash equivalents	273,515	503,620	215,000	–	67,894	1,060,029
Trade and other receivables	–	1	–	–	719,450	719,451
Financial assets, at FVOCI	–	–	–	9,842	177,561	187,403
<b>Financial liabilities</b>						
Trade and other payables	–	–	–	–	(867,770)	(867,770)
Loans and borrowings	–	–	–	(467,761)	–	(467,761)
Lease liabilities	–	(8,300)	(12,066)	(51,056)	–	(71,422)
Net financial assets/(liabilities)	273,515	495,321	202,934	(508,975)	97,135	559,930

## 49 Financial risk management (continued)

### Market risk – Interest rate risk (continued)

Company	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>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)
<b>2021</b>						
<b>Financial assets</b>						
Cash and cash equivalents	70,348	103,100	55,000	–	564	229,012
Trade and other receivables	–	1	–	–	127,261	127,262
<b>Financial liabilities</b>						
Trade and other payables	–	–	–	–	(183,636)	(183,636)
Loans and borrowings	–	–	–	(93,467)	–	(93,467)
Lease liabilities	–	(7,949)	(11,675)	(49,908)	–	(69,532)
Net financial assets/(liabilities)	70,348	95,152	43,325	(143,375)	(55,811)	9,639

## 49 Financial risk management (continued)

### Market risk – Interest rate risk (continued)

A change by 0.5% (2021: 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.

	<b>2022</b>	<b>2021</b>
	<b>Impact to other comprehensive income \$'000</b>	<b>Impact to other comprehensive income \$'000</b>
<b>Group</b>		
- Interest rate increase	(312)	(175)
- Interest rate decrease	315	175
	<u>315</u>	<u>175</u>

### 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.

## **49 Financial risk management (continued)**

### Credit risk (continued)

(a) Clearing and settlement (continued)

### Credit risk management practices (continued)

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.

Refer to Note 43 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 41 and 42 on Securities Clearing Fund and Singapore Exchange Derivatives Clearing Limited Clearing Fund.

### 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 effected through 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 year ended 30 June 2022 and 30 June 2021. As at 30 June 2022, there were 26 (2021: 25) securities clearing members and 8 (2021: 9) 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 trading position (net buy or net sell) of each securities clearing member and the extent to which these settlement obligations are effected through 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.

## **49 Financial risk management (continued)**

### Credit risk (continued)

(b) Receivables under NEMS (continued)

Under the Market Rules, each market participant has to provide credit support which is not less than 30 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 2022 were in the form of bankers' guarantees and cash deposits and have an aggregate value of \$766,064,000 (2021: \$312,224,000). 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 and interest 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.

(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.



## **49 Financial risk management (continued)**

### Credit risk (continued)

#### (f) Credit loss allowance (continued)

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 2022 and 30 June 2021 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 2022 and 30 June 2021 is \$5,175,000 and \$1,930,000 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.

## 49 Financial risk management (continued)

### Credit risk (continued)

(f) Credit loss allowance (continued)

The movements in credit loss allowance are as follows:

	<b>Trade receivables</b>	
	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	1,930	1,834
Allowance made	3,578	1,928
Allowance utilised	(73)	(1,146)
Allowance written back	(260)	(686)
Balance at end of financial year	5,175	1,930

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.

## 49 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.

Group	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
<b>2022</b>				
<b>Financial liabilities</b>				
Trade and other payables <sup>(a)</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

<b>2021</b>				
<b>Financial liabilities</b>				
Trade and other payables <sup>(b)</sup>	864,133	3,637	–	867,770
Lease liabilities	5,557	16,463	53,070	75,090
Loans and borrowings	–	–	467,761	467,761

<sup>(a)</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.

<sup>(b)</sup> Included the following:

- \$446,912,000 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
- \$143,933,000 payables under NEMS with corresponding amounts in cash and cash equivalents and trade receivables.

Company	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
<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

<b>2021</b>				
<b>Financial liabilities</b>				
Trade and other payables	113,664	–	69,972	183,636
Lease liabilities	5,347	15,909	51,902	73,158
Loans and borrowings	–	–	93,467	93,467

## 49 Financial risk management (continued)

### Liquidity risk (continued)

#### (a) Liabilities related risk (continued)

As at 30 June 2022, the gross notional value of outstanding currency forward contracts held by the Group was \$76,179,000 (2021: \$103,016,000). 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:

<b>Group</b>	<b>Up to 3 months \$'000</b>	<b>&gt; 3 months to 1 year \$'000</b>	<b>Total \$'000</b>
<b>2022</b>			
Currency forward contracts			
- gross outflows	35,264	40,790	76,054
- gross inflows	33,940	40,041	73,981
	<hr/>	<hr/>	<hr/>
<b>2021</b>			
Currency forward contracts			
- gross outflows	55,375	47,722	103,097
- gross inflows	55,124	47,137	102,261
	<hr/>	<hr/>	<hr/>

## 49 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:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange (Note 46)	389,257	360,409	–	–

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 \$784,375,000 (2021: \$896,681,000), 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).

**49 Financial risk management (continued)**Fair value measurements (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>				
<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
<hr/>				
<b>Liabilities</b>				
Derivative financial instruments	–	2,090	–	2,090
Financial liability	–	–	37,583	37,583
Contingent consideration	–	–	36,284	36,284
<hr/>				
<b>2021</b>				
<b>Assets</b>				
Derivative financial instruments	–	314	–	314
Financial assets, at FVOCI	40,936	146,467	–	187,403
<hr/>				
<b>Liabilities</b>				
Derivative financial instruments	–	1,150	–	1,150
Financial liability	–	–	41,390	41,390
Contingent consideration	–	–	19,358	19,358
<hr/>				

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.

No transfers were made between Level 1, 2 and 3 for the Group and the Company during the financial year ended 30 June 2021.

## 49 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	37,583 (2021: 41,390)	Multiples of forecast on Earnings before interest, tax and amortisation (“EBITA”)	Forecast of EBITA	Not applicable
Contingent consideration	36,284 (2021: 19,358)	Probability of forecast revenue	Forecast of revenue	Not applicable
Financial asset, at FVPL	293,545 (2021: Nil)	Net Asset Value	Net Asset Value	Not applicable
Financial assets, at FVOCI (unquoted equity securities)	230,782 (2021: 142,432)	Implied market multiple of public comparables on revenue forecast	Forecast of revenue	Not applicable

## 49 Financial risk management (continued)

### Fair value measurements (continued)

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).

<b>Group</b>	<b>Derivative financial instruments \$'000</b>	<b>Financial liability \$'000</b>	<b>Contingent consideration \$'000</b>	<b>Financial asset, at FVPL \$'000</b>	<b>Financial asset, at FVOCI \$'000</b>
At 1 July 2020	3,047	40,548	–	–	111,656
Additions	–	–	10,144	–	–
Disposals	(3,047)	–	–	–	–
Fair value losses recognised in profit or loss	–	–	9,564	–	–
Fair value losses recognised in other comprehensive income	–	–	–	–	34,323
Effects of changes in foreign exchange rates	–	842	(350)	–	(3,547)
As at 30 June 2021	–	41,390	19,358	–	142,432
At 1 July 2021	–	41,390	19,358	–	142,432
Additions	–	–	35,467	288,579	–
Disposals	–	–	(14,811)	–	–
Fair value losses recognised in profit or loss	–	–	(4,943)	–	–
Fair value gains recognised in other comprehensive income	–	–	–	–	79,340
Effects of changes in foreign exchange rates	–	(3,807)	1,213	4,966	9,010
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.

### 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.



## 49 Financial risk management (continued)

### Offsetting financial assets and financial liabilities (continued)

(a) Financial assets subject to offsetting arrangements

	<b>Gross amounts of recognised financial assets \$'000</b>	<b>Less: Gross amounts of recognised financial liabilities set off in the statement of financial position \$'000</b>	<b>Net amounts of financial assets presented in the statement of financial position <sup>(1)</sup> \$'000</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
<b>2021</b>			
Receivables from clearing members and settlement banks - Daily settlement of accounts for due contracts and rights	2,890,674	(2,443,762)	446,912

(b) Financial liabilities subject to offsetting arrangements

	<b>Gross amounts of recognised financial liabilities \$'000</b>	<b>Less: Gross amounts of recognised financial assets set off in the statement of financial position \$'000</b>	<b>Net amounts of financial liabilities presented in the statement of financial position <sup>(1)</sup> \$'000</b>
<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
<b>2021</b>			
Payables to clearing members and settlement banks - Daily settlement of accounts for due contracts and rights	2,890,674	(2,443,762)	446,912

<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 43(a).

## 50 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 five regulated subsidiaries within the Group, namely Singapore Exchange Securities Trading Limited, The Central Depository (Pte) Limited., Singapore Exchange Derivatives Trading Limited, Singapore Exchange Derivatives Clearing Limited, and SGX Bond Trading Pte Ltd, are also 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. The regulated subsidiaries are in compliance with the Framework.

## 51 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 2021 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.

- *SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts*
- *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)*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Annual Improvements to SFRS(I)s 2018-2020*
- *Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)*