



**Financial Results
For the Half Year Ended
31 December 2020**

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

SINGAPORE EXCHANGE LIMITED

Financial Results for the Half Year Ended 31 December 2020

| Section | Content | Page |
|---------|---|------|
| 1. | Performance Summary | 2 |
| 2. | Income Statement - Group | 8 |
| 3. | Statement of Comprehensive Income - Group | 8 |
| 4. | Detailed Notes on Revenue - Group | 9 |
| 5. | Detailed Notes on Expenses - Group | 10 |
| 6. | Earnings Per Share - Group | 10 |
| 7. | Adjusted Financial Measures - Group | 11 |
| 8. | Statement of Financial Position - Group | 12 |
| 9. | Net Asset Value - Group | 13 |
| 10. | Borrowings and Debt Securities - Group | 13 |
| 11. | Statement of Cash Flows - Group | 14 |
| 12. | Statement of Changes in Equity - Group | 15 |
| 13. | Segment Information - Group | 16 |
| 14. | Statement of Financial Position - Company | 17 |
| 15. | Net Asset Value - Company | 17 |
| 16. | Statement of Changes in Equity - Company | 18 |
| 17. | Bank Facilities, Contingent Liabilities and Commitments - Group | 19 |
| 18. | Dividend - Company | 19 |
| 19. | Share Capital - Company | 19 |
| 20. | Accounting Policies - Group | 20 |
| 21. | Acquisition of BidFX Systems Ltd. | 21 |
| 22. | Other Listing Manual Requirements | 22 |

The financial results set out in Sections 2 to 6, 8, 10 to 14, 16 to 21 and auditor's report of this announcement have been extracted from the interim financial report that has been prepared in accordance with Singapore Financial Reporting Standard (International) 1-34 Interim Financial Reporting.

1. Performance Summary

Financial Overview

| | 1H FY2021 | 1H FY2021 Adjusted ¹ |
|--|-----------------------------------|---------------------------------|
| Revenue | \$521 million, up 9% year-on-year | |
| EBITDA | \$322 million, up 8% | \$321 million, up 7% |
| Net profit attributable to equity holders of the Company | \$240 million, up 12% | \$228 million, up 7% |
| Earnings per share | 22.4 cents | 21.3 cents |
| Interim quarterly dividend per share | 8.0 cents, up 0.5 cents | |

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

SGX recorded EBITDA of \$321.5 million (\$297.9 million) and a net profit of \$239.8 million (\$213.3 million) in 1H FY2021. Earnings per share was 22.4 cents (19.9 cents). Adjusted EBITDA was \$321.2 million (\$298.8 million) and adjusted net profit was \$228.0 million (\$213.9 million). Adjusted earnings per share was 21.3 cents (20.0 cents).

The Board of Directors has declared an interim quarterly dividend of 8.0 cents (7.5 cents) per share, payable on 8 February 2021. This brings total dividends in 1H FY2021 to 16.0 cents (15.0 cents) per share.

Please refer to the Business and Expenses Overview section below for more details.

Cash from operating activities was \$247.4 million (\$237.1 million).

Total equity was \$1,268.2 million (\$1,075.8 million) as of 31 December 2020.

Business and Expenses Overview

Fixed Income, Currencies and Commodities Business (FICC)

FICC revenue increased \$14.5 million or 17% to \$99.2 million (\$84.8 million), and accounted for 19% (18%) of total revenue. Excluding BidFX that was acquired in July 2020, FICC revenue would have decreased \$2.3 million or 3% to \$82.5 million (\$84.8 million).

FICC: Fixed Income

Fixed Income revenue increased \$0.2 million or 3% to \$6.7 million (\$6.5 million).

- Listing revenue: \$5.1 million, up 4% from \$4.9 million
- Corporate actions and other revenue: \$1.6 million, comparable

There were 358 bond listings raising \$169.9 billion, compared to 585 bond listings raising \$257.8 billion a year earlier.

FICC: Currencies and Commodities - Derivatives

Currencies and Commodities - Derivatives revenue increased \$14.3 million or 18% to \$92.5 million (\$78.3 million), accounting for 18% (16%) of total revenue.

¹ Adjusted figures are non-SFRS(I) measures. Please refer to Section 7 of our financial results for reconciliations between the adjusted and their equivalent measures.

- Trading and clearing revenue: \$71.4 million, up 36% from \$52.4 million
- Treasury and other revenue: \$21.1 million, down 18% from \$25.8 million

Trading and clearing revenue grew mainly due to consolidation of BidFX revenue, excluding which, Trading and clearing revenue would have increased by \$3.2 million. Commodities futures volumes increased 5% to 12.0 million contracts (11.4 million contracts). Currency futures volume decreased 8% to 11.8 million contracts (12.8 million contracts).

Treasury and other revenue decreased mainly from lower treasury income, which declined primarily due to lower yield.

Table 1: Currencies and Commodities Volumes ('000)

| | 1H FY2021 | 1H FY2020 | Change |
|----------------------|---------------|---------------|------------|
| Currency futures | 11,810 | 12,788 | -8% |
| Iron Ore derivatives | 10,194 | 9,928 | 3% |
| Rubber futures | 890 | 855 | 4% |
| Freight derivatives | 515 | 450 | 14% |
| Others | 614 | 412 | 49% |
| Total | 24,023 | 24,434 | -2% |

Equities Business

Equities revenue increased \$9.5 million or 3% to \$350.8 million (\$341.4 million), and accounted for 67% (71%) of total revenue.

Equities - Cash

Equities - Cash revenue increased \$24.8 million or 14% to \$201.1 million (\$176.4 million), accounting for 39% (37%) of total revenue.

- Listing revenue: \$17.0 million, down 5% from \$17.8 million
- Corporate actions and other revenue: \$14.7 million, down 8% from \$15.9 million

We recorded 5 new equity listing which raised \$0.7 billion, compared to 3 new equity listings raising \$1.6 billion a year earlier. Secondary equity funds raised were \$6.5 billion (\$7.1 billion).

- Trading and clearing revenue: \$111.5 million, up 23% from \$90.7 million

Daily average traded value (DAV) increased 19% to \$1.3 billion (\$1.1 billion). Total traded value increased by 19% to \$161.8 billion (\$136.0 billion). This was made up of Cash Equities², where total traded value increased by 19% to \$156.3 billion (\$131.0 billion), and Other Products³, where traded value increased 10% to \$5.5 billion (\$5.0 billion). There were 128 (128) trading days in the first half of FY2021.

Average clearing fees for Cash Equities increased to 2.77 basis points (2.70 basis points) due to a greater spread of participation by different market segments. Average clearing fee for Other Products increased to 0.99 basis points (0.69 basis points) due to increased activity from higher yielding Exchange Traded Funds. Overall turnover velocity for the first half of FY2021 was 49% (34%).

- Securities settlement and depository management revenue: \$53.1 million, up 12% from \$47.5 million
- Treasury and other revenue: \$4.8 million, up 8% from \$4.4 million

² Cash Equities include ordinary shares, real-estate investment trusts and business trusts

³ Other Products include structured warrants, exchange-traded funds, daily leverage certificates, debt securities and American depository receipts

Securities settlement and depository management revenue increased mainly due to higher subsequent settlement activities.

Table 2: Key Metrics for Cash Equities Market

| | 1H FY2021 | 1H FY2020 | Change |
|---|-----------|-----------|--------|
| Total traded value (\$ billion) | 161.8 | 136.0 | 19% |
| Period-end total market capitalisation (\$ billion) | 862 | 938 | -8% |
| · Primary-listed | 598 | 662 | -10% |
| · Secondary-listed | 264 | 276 | -4% |
| Turnover velocity (primary-listed) | 49% | 34% | 45% |
| Total traded volume (in billion) | 223.3 | 150.3 | 49% |

Equities – Derivatives

Equities - Derivatives revenue decreased \$15.3 million or 9% to \$149.7 million (\$165.0 million), accounting for 29% (34%) of total revenue.

- Trading and clearing revenue: \$110.6 million, down 5% from \$116.5 million
- Treasury and other revenue⁴: \$39.1 million, down 19% from \$48.5 million

Equity derivatives volume increased 4% to 93.3 million contracts (89.4 million contracts). Trading and clearing revenue declined mainly due to a change in mix of products and introductory fees for the new FTSE Asia expansion suite.

Treasury and other revenue decreased mainly from lower treasury income. Treasury income decreased mainly due to lower yield.

Table 3: Equity Derivatives Volumes ('000)

| | 1H FY2021 | 1H FY2020 | Change |
|--|---------------|---------------|-----------|
| SGX FTSE China A50 Index futures | 48,858 | 40,617 | 20% |
| Nifty 50 Index futures and options | 12,497 | 10,783 | 16% |
| Japan Nikkei 225 Index futures | 9,223 | 11,207 | -18% |
| MSCI Taiwan Index futures | 5,642 | 11,185 | -50% |
| MSCI Singapore Index futures | 5,835 | 5,491 | 6% |
| FTSE Taiwan Index Futures ⁵ | 6,068 | - | NM |
| MSCI Indonesia Index futures | 39 | 72 | -46% |
| Japan Nikkei 225 Index options | 2,890 | 5,524 | -48% |
| MSCI Net Total Return derivatives | 682 | 3,231 | -79% |
| Single Stock Futures | 1,149 | 1,215 | -5% |
| Others | 439 | 73 | 500% |
| Total | 93,323 | 89,399 | 4% |

Average Fees

Average fee per contract for Equity, Currency and Commodity derivatives was lower at \$1.27 (\$1.34) mainly from lower introductory fees for the new FTSE Asia expansion suite. The average fee per contract includes licence fees, which has been bundled with clearing fees.

⁴ Licence revenue, previously under Treasury, licence and other revenue, has been reclassified into Trading and clearing revenue. The reclassification was due to the bundling of clearing and licence fees into a single clearing fee.

⁵ Launched on 20 July 2020.

Data, Connectivity and Indices Business (DCI)

DCI revenue increased \$18.4 million or 35% to \$70.7 million (\$52.4 million), accounting for 14% (11%) of total revenue. Excluding Scientific Beta Pte. Ltd. ("Scientific Beta"), DCI revenue would have increased \$1.3 million or 3% to \$53.7 million (\$52.4 million).

- Market data and Indices revenue: \$39.6 million, up 85% from \$21.4 million
- Connectivity revenue: \$31.2 million, comparable

Market data and indices revenue increased 85% mainly due to the consolidation of revenues from Scientific Beta, excluding which, Market data and indices revenue would have increased by \$1.0 million.

Expenses Overview

Operating expenses increased \$18.7 million or 10% to \$199.3 million (\$180.6 million) mainly from higher staff costs, and an increase in processing and royalties expenses.

- Total staff costs increased \$10.2 million or 10% to \$110.0 million (\$99.8 million). Fixed staff costs increased \$7.4 million or 11% to \$74.5 million (\$67.1 million) mainly due to an increase in headcount including that of Scientific Beta and BidFX. This was partially offset by a \$3.8 million credit from the Job Support Scheme. Average headcount for the half year was 968 (832), including 120 staff from Scientific Beta and BidFX. Provisions for variable staff costs increased \$2.8 million or 9% to \$35.5 million (\$32.7 million).
- Technology expenses increased \$1.4 million or 4% to \$34.1 million (\$32.6 million) primarily due to the consolidation of system maintenance and rental cost of BidFX.
- Processing and royalties increased \$5.4 million or 22% to \$30.4 million (\$24.9 million) in line with higher derivatives volumes.
- Professional fees increased \$1.4 million or 29% to \$6.3 million (\$4.9 million) mainly due to higher consultancy fees to support corporate projects.

Depreciation and amortisation increased \$5.2 million or 12% to \$49.0 million (\$43.8 million) mainly due to the consolidation of depreciation and amortisation relating to Scientific Beta and BidFX. This was partially offset by lower depreciation following the end of lease of our premises.

Tax expense for the first half of FY2021 was \$47.7 million (\$46.1 million). The effective tax rate was 17% (18%).

Total expenses increased \$23.9 million or 11% to \$248.3 million (\$224.4 million). Excluding BidFX and Scientific Beta, total expenses would have decreased \$6.5 million or 3% to \$217.9 million (\$224.4 million). Adjusted total expenses increased \$19.7 million or 9% to \$242.1 million (\$222.4 million), which excludes amortisation of purchased intangibles, non-recurring staff related credits and acquisition-related expenses.

Technology-related capital expenditure was \$18.8 million (\$12.7 million). These investments were mainly for upgrades to our Titan OTC commodities trade reporting system, technology refresh of the National Electricity Market of Singapore (NEMS) infrastructure and the digitalisation of retail investor services.

Regulatory Overview

In the first half of FY2021, SGX RegCo continued to provide guidance to the market on the importance of timely and reliable disclosures amid the ongoing COVID-19 situation. These included a Regulator's Column on what Singapore Exchange Regulation (SGX RegCo) expects of financial reports and sustainability reports amid COVID-19. A checklist and updated FAQs were provided to issuers to aid them in the conduct of general meetings. We also announced an extension for virtual shareholder meetings and the electronic transmission of certain document to 30 June 2021.

We consulted the public on proposed enhancements to our enforcement and whistleblowing frameworks and an improved process for the management of outstanding securities transactions should a clearing member be in default

Together with the Association of Banks in Singapore (ABS), we enhanced the ABS Listings Due Diligence Guidelines to raise the standard of due diligence conducted on companies planning to list on SGX.

In the area of market misconduct, we issued one Trade with Caution alert. We also warned the public of possible market misconduct activities that exploit Telegram chat groups and other channels where investment strategy is discussed.

We continued to issue statements to specify our concern with certain issuers following the release of independent reviews or special audits on their activities and/or financials. We also published our inaugural "Findings and Recommendations on Continuing Sponsorship Work" to bring to the market's attention areas for improvement following our sponsor reviews and inspections.

SGX RegCo also capped the period by building stronger partnerships and fostering closer collaboration with other regulators and exchanges. We extended in July 2020 our partnership with NASDAQ by entering an agreement to cooperate on regulatory matters. This builds on an existing collaboration to help companies access capital markets funding in both jurisdictions. In August, Israel Securities Authority (ISA) agreed with SGX RegCo to cooperate to enhance investor protection for dual listings.

Commitment to Clearing Funds

SGX's commitment to the CDP and SGX-DC clearing funds was \$60 million and \$150 million respectively. The total CDP clearing fund was \$100 million and the total SGX-DC clearing fund was \$525 million as of 31 December 2020.

Outlook

Our first half performance recorded growth across all three business segments.

In the last six months, we saw higher activity in our derivatives market as investors managed their Asian portfolio risks on SGX. Underlying market volatility was driven by the continued impact of COVID-19 across global economies, escalation of US-China geopolitical tensions, and uncertainties surrounding the US elections. More recently, we saw investors seeking to increase access to China through our multi-asset offering as signs of China's recovery from the pandemic emerged from strong economic data.

In August, we announced the deepening of our relationship with FTSE Russell to refresh and grow our equity derivatives suite. Within three months, we successfully migrated most of our customers' volume and open interest from our MSCI Taiwan futures contract to the new FTSE Taiwan futures contract. Our ability to retain liquidity clearly demonstrates the trust we have built with our customers, the value that our multi-asset offering brings, and the significant benefits the SGX ecosystem offers to the investment community.

SGX has established itself as one of Asia's largest offshore trading venue for Chinese fixed income ETFs. We listed the ICBC CSOP FTSE Chinese Government Bond Index ETF, which is the world's largest Chinese pure government Bond ETF with AUM of over US\$1.1 billion. We also listed the NikkoAM-ICBCSG China Bond ETF, which is the first offshore ETF linked to the ChinaBond-ICBC RMB Bond Index. In the coming months, we will introduce new ETFs that cover equities and fixed income asset classes.

We will continue to drive growth through partnerships, product offerings and client acquisitions. Our newly acquired subsidiaries Scientific Beta and BidFX contributed positively in the first half. As they tap on an enlarged network of resources within the SGX group, we expect their medium-term revenue contribution to the group to grow beyond their current 6%. We also invested in DBS's digital exchange and partnered with Temasek Holdings to build a digital asset infrastructure focused on capital markets workflows. In the coming months, we will expand our fixed income trading capabilities and make further investments to enhance our FX platform.

The launch of SGX FIRST (Future In Reshaping Sustainability Together) is the start of a deeper commitment into driving sustainable practices in our financial ecosystem. We will work with issuers to improve their sustainability disclosures and through our subsidiary Scientific Beta, introduce new climate impact metrics and benchmarks to empower investors in making sustainability investment decisions. Scientific Beta has been active in developing sustainability solutions for customers as over 30% of assets under replication have ESG considerations. SGX will also offer new ESG risk management products to add to our suite of Asian derivatives.

Looking ahead, we expect global economies to recover as COVID-19 vaccines become more widely available. Investments into cash equities is anticipated to grow, while portfolio risk management activities may rise due to shifts in US policies under its new administration. SGX will continue to enhance our multi-asset capabilities and work towards expanding our business through strategic investments and collaborations.

As guided previously, our total expenses and capital expenditure for FY2021 are expected to remain between \$535-\$545 million and between \$55-\$60 million respectively.

2. Income Statement - Group

| | 1H | | |
|---|-------------------|-------------------|-------------|
| | FY2021 S\$'000 | FY2020 S\$'000 | Change % |
| Operating revenue | | | |
| Fixed Income, Currencies and Commodities | 99,220 | 84,762 | 17.1 |
| Equities | 350,842 | 341,386 | 2.8 |
| Data, Connectivity and Indices | 70,743 | 52,350 | 35.1 |
| Operating revenue | 520,805 | 478,498 | 8.8 |
| Operating expenses | | | |
| Staff | 110,005 | 99,848 | 10.2 |
| Technology | 34,067 | 32,630 | 4.4 |
| Processing and royalties | 30,359 | 24,928 | 21.8 |
| Premises | 4,675 | 4,835 | (3.3) |
| Professional fees | 6,343 | 4,930 | 28.7 |
| Others | 13,818 | 13,409 | 3.1 |
| Operating expenses | 199,267 | 180,580 | 10.3 |
| Earnings before interest, tax, depreciation and amortisation | 321,538 | 297,918 | 7.9 |
| Depreciation and amortisation | 48,986 | 43,802 | 11.8 |
| Operating profit | 272,552 | 254,116 | 7.3 |
| Non-operating gains | | | |
| - Other revenue including interest income | 20,192 | 7,786 | NM |
| - Finance charges | (2,406) | (1,316) | 82.8 |
| - Net foreign exchange (losses)/gains | (2,142) | 24 | NM |
| Non-operating gains | 15,644 | 6,494 | NM |
| Profit before tax and share of results of associated companies and joint venture | 288,196 | 260,610 | 10.6 |
| Share of results of associated companies and joint venture, net of tax | (571) | (1,226) | (53.4) |
| Profit before tax | 287,625 | 259,384 | 10.9 |
| Tax | (47,670) | (46,129) | 3.3 |
| Net profit after tax | 239,955 | 213,255 | 12.5 |
| Attributable to: | | | |
| Equity holders of the Company | 239,785 | 213,255 | 12.4 |
| Non-controlling interests | 170 | - | NM |

3. Statement of Comprehensive Income - Group

| | 1H | | |
|---|-------------------|-------------------|-------------|
| | FY2021 S\$'000 | FY2020 S\$'000 | Change % |
| Net profit after tax | 239,955 | 213,255 | 12.5 |
| Other comprehensive income: | | | |
| a) Items that may be reclassified subsequently to profit or loss: | | | |
| <i>Foreign exchange translation</i> | | | |
| Exchange differences arising during the period | 4,821 | 4,029 | 19.7 |
| <i>Cash flow hedges</i> | | | |
| - Fair value gains/(losses) arising during the period | 3,815 | (11) | NM |
| - Transferred to profit or loss | (515) | 679 | NM |
| <i>Financial assets, at FVOCI</i> | | | |
| - Fair value gains arising during the period | 329 | 54 | NM |
| - Transferred to profit or loss | 33 | 9 | NM |
| b) Items that will not be reclassified subsequently to profit or loss: | | | |
| <i>Foreign exchange translation</i> | | | |
| Exchange differences arising during the period | 87 | - | NM |
| <i>Financial assets, at FVOCI</i> | | | |
| Fair value gains/(losses) arising during the period | 18,562 | (151) | NM |
| Other comprehensive income for the period, net of tax | 27,132 | 4,609 | NM |
| Total comprehensive income for the period | 267,087 | 217,864 | 22.6 |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Company | 266,830 | 217,864 | 22.5 |
| Non-controlling interests | 257 | - | NM |

NM: Not meaningful

4. Detailed Notes on Revenue - Group

| | 1H | | Change % |
|---|-------------------|-------------------|-------------|
| | FY2021 S\$'000 | FY2020 S\$'000 | |
| Operating revenue | | | |
| Fixed Income, Currencies and Commodities | | | |
| - Fixed Income | | | |
| - Listing | 5,117 | 4,898 | 4.5 |
| - Corporate actions and other | 1,558 | 1,600 | (2.6) |
| | 6,675 | 6,498 | 2.7 |
| - Currencies and Commodities - Derivatives | | | |
| - Trading and clearing | 71,438 | 52,445 | 36.2 |
| - Treasury and other | 21,107 | 25,819 | (18.3) |
| | 92,545 | 78,264 | 18.2 |
| | 99,220 | 84,762 | 17.1 |
| Equities | | | |
| - Equities - Cash | | | |
| - Listing | 17,002 | 17,822 | (4.6) |
| - Corporate actions and other | 14,687 | 15,878 | (7.5) |
| - Trading and clearing | 111,503 | 90,706 | 22.9 |
| - Securities settlement and depository management | 53,130 | 47,528 | 11.8 |
| - Treasury and other | 4,808 | 4,441 | 8.3 |
| | 201,130 | 176,375 | 14.0 |
| - Equities - Derivatives | | | |
| - Trading and clearing | 110,608 | 116,509 | (5.1) |
| - Treasury and other | 39,104 | 48,502 | (19.4) |
| | 149,712 | 165,011 | (9.3) |
| | 350,842 | 341,386 | 2.8 |
| Data, Connectivity and Indices | | | |
| - Market data and Indices | 39,553 | 21,437 | 84.5 |
| - Connectivity | 31,190 | 30,913 | 0.9 |
| | 70,743 | 52,350 | 35.1 |
| Operating revenue | 520,805 | 478,498 | 8.8 |

5. Detailed Notes on Expenses - Group

| | 1H | | Change % |
|---|-------------------|-------------------|-------------|
| | FY2021 S\$'000 | FY2020 S\$'000 | |
| Operating expenses | | | |
| Staff | | | |
| - Fixed staff costs | 74,470 | 67,102 | 11.0 |
| - Variable bonus | 26,694 | 24,975 | 6.9 |
| - Variable share-based payment | 8,841 | 7,771 | 13.8 |
| | 110,005 | 99,848 | 10.2 |
| Technology | | | |
| - System maintenance and rental | 32,754 | 30,745 | 6.5 |
| - Communication charges | 1,313 | 1,885 | (30.3) |
| | 34,067 | 32,630 | 4.4 |
| Processing and royalties | 30,359 | 24,928 | 21.8 |
| Premises | 4,675 | 4,835 | (3.3) |
| Professional fees | 6,343 | 4,930 | 28.7 |
| Others | | | |
| - Marketing | 2,156 | 3,122 | (30.9) |
| - Travelling | 145 | 1,319 | (89.0) |
| - Allowance for impairment of trade receivables (net) | 753 | 579 | 30.1 |
| - Net loss on disposal of property, plant and equipment and software | - | 1 | (100.0) |
| - Directors' fees | 1,509 | 1,274 | 18.4 |
| - Regulatory fees | 3,092 | 3,112 | (0.6) |
| - Miscellaneous | 6,163 | 4,002 | 54.0 |
| | 13,818 | 13,409 | 3.1 |
| Operating expenses | 199,267 | 180,580 | 10.3 |

6. Earnings Per Share - Group

| | 1H | |
|--|-----------|-----------|
| | FY2021 | FY2020 |
| Earnings per ordinary share for the period attributable to the Company's equity holders (cents) | | |
| (a) Based on weighted average number of ordinary shares in issue | 22.4 | 19.9 |
| (b) On a fully diluted basis | 22.3 | 19.8 |
| Weighted average number of ordinary shares in issue for basic earnings per share ('000) | 1,069,934 | 1,070,563 |
| Adjustment for assumed vesting of shares granted under share plans ('000) | 5,064 | 4,334 |
| Weighted average number of ordinary shares for diluted earnings per share ('000) | 1,074,998 | 1,074,897 |

7. Adjusted Financial Measures - Group

(a) Adjusted earnings before interest, tax, depreciation and amortisation

| | 1H | |
|--|-------------------|-------------------|
| | FY2021 S\$'000 | FY2020 S\$'000 |
| Earnings before interest, tax, depreciation and amortisation | 321,538 | 297,918 |
| Adjusted for: | | |
| - Non-recurring staff related credits | (3,794) | - |
| - Acquisition-related expenses | 3,456 | 1,568 |
| - Other one-off adjustments | - | (692) |
| Adjusted earnings before interest, tax, depreciation and amortisation | 321,200 | 298,794 |

(b) Adjusted net profit after tax attributable to equity holders of the Company

| | 1H | |
|--|-------------------|-------------------|
| | FY2021 S\$'000 | FY2020 S\$'000 |
| Net profit after tax attributable to equity holders of the Company | 239,785 | 213,255 |
| Adjusted for: | | |
| - Net gains from long-term investments | (16,444) | (1,239) |
| - Amortisation of purchased intangible assets | 6,533 | 1,143 |
| - Non-recurring staff related credits | (3,794) | - |
| - Acquisition-related expenses | 3,456 | 1,568 |
| - Other one-off adjustments | - | (692) |
| - Non-controlling interests relating to the above | (292) | - |
| - Income tax adjustment relating to the above | (1,200) | (90) |
| Adjusted net profit after tax attributable to equity holders of the Company | 228,044 | 213,945 |

8. Statement of Financial Position - Group

| | As at | |
|--|------------------------|------------------------|
| | 31 Dec 2020 S\$'000 | 30 Jun 2020 S\$'000 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 943,140 | 907,378 |
| Trade and other receivables | 600,926 | 758,294 |
| Derivative financial instruments | 5,157 | 2,485 |
| Financial assets, at FVOCI | 90,836 | 48,136 |
| | 1,640,059 | 1,716,293 |
| Non-current assets | | |
| Financial assets, at FVOCI | 142,797 | 119,269 |
| Investment property | 25,590 | 24,348 |
| Property, plant and equipment | 49,633 | 50,777 |
| Software | 165,308 | 168,198 |
| Right-of-use assets | 77,860 | 87,124 |
| Intangible assets | 129,661 | 108,312 |
| Goodwill | 539,918 | 329,176 |
| Investments in associated companies | 39,676 | 71,877 |
| Investment in joint venture | 81 | 90 |
| Derivative financial instruments | - | 3,096 |
| Other assets | 333 | 928 |
| | 1,170,857 | 963,195 |
| Total assets | 2,810,916 | 2,679,488 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 697,051 | 808,664 |
| Dividend payable | 85,635 | - |
| Derivative financial instruments | 127 | 2,084 |
| Borrowings | 401,265 | 304,071 |
| Lease liabilities | 19,609 | 19,483 |
| Taxation | 54,275 | 109,558 |
| Provisions | 13,892 | 13,935 |
| | 1,271,854 | 1,257,795 |
| Non-current liabilities | | |
| Trade and other payables | 9,629 | - |
| Financial liability | 42,094 | 40,548 |
| Borrowings | 87,219 | - |
| Lease liabilities | 60,363 | 69,547 |
| Deferred tax liabilities | 71,603 | 62,315 |
| | 270,908 | 172,410 |
| Total liabilities | 1,542,762 | 1,430,205 |
| Net assets | 1,268,154 | 1,249,283 |
| Equity | | |
| Capital and reserves attributable to the Company's equity holders | | |
| Share capital | 430,413 | 429,738 |
| Treasury shares | (9,886) | (20,996) |
| Cash flow hedge reserve | 3,645 | 345 |
| Currency translation reserve | 994 | (3,827) |
| Fair value reserve | 73,865 | 54,909 |
| Securities clearing fund reserve | 25,000 | 25,000 |
| Derivatives clearing fund reserve | 34,021 | 34,021 |
| Share-based payment reserve | 21,455 | 24,554 |
| Other reserve | (40,506) | (40,506) |
| Retained profits | 724,461 | 656,092 |
| Proposed dividends | - | 85,518 |
| | 1,263,462 | 1,244,848 |
| Non-controlling interests | 4,692 | 4,435 |
| Total equity | 1,268,154 | 1,249,283 |

9. Net Asset Value - Group

| | As at | |
|---|-------------|-------------|
| | 31 Dec 2020 | 30 Jun 2020 |
| | S\$ | S\$ |
| Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period | 1.18 | 1.16 |

10. Borrowings and Debt Securities - Group**(a) Aggregate amount of the Group's borrowings and debt securities**

| | As at 31 Dec 2020 | | As at 30 Jun 2020 | |
|--|--------------------|----------------------|--------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Amount repayable in one year or less, or on demand | Nil | 401,265 | Nil | 304,071 |
| Amount repayable after one year | Nil | 87,219 | Nil | Nil |

(b) Details of any collaterals

None.

12. Statement of Changes in Equity - Group

| | Attributable to equity holders of the Company | | | | | | | | | | | | Non-controlling interests | Total equity |
|--|---|-----------------|---------------------------|--------------------------------|----------------------|------------------------------------|-------------------------------------|-------------------------------|-----------------|------------------|--------------------|-----------|---------------------------|--------------|
| | Share capital | Treasury shares | Cash flow hedge reserve * | Currency translation reserve * | Fair value reserve * | Securities clearing fund reserve * | Derivatives clearing fund reserve * | Share-based payment reserve * | Other reserve * | Retained profits | Proposed dividends | Total | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| (i) Group - 1H FY2021 | | | | | | | | | | | | | | |
| Balance at 1 July 2020 | 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 |
| Changes in equity for the period | | | | | | | | | | | | | | |
| Transactions with equity holders, recognised directly in equity | | | | | | | | | | | | | | |
| Contributions by and distributions to equity holders | | | | | | | | | | | | | | |
| Dividends paid | | | | | | | | | | | | | | |
| - FY2020 - Final dividends | - | - | - | - | - | - | - | - | - | - | (85,518) | (85,518) | - | (85,518) |
| - Under provision of FY2020 final dividends | - | - | - | - | - | - | - | - | - | (114) | - | (114) | - | (114) |
| - 1Q FY2021 - Interim dividend | - | - | - | - | - | - | - | - | - | (85,635) | - | (85,635) | - | (85,635) |
| Dividend payable | | | | | | | | | | | | | | |
| - 2Q FY2021 - Interim dividend | - | - | - | - | - | - | - | - | - | (85,635) | - | (85,635) | - | (85,635) |
| Employees' share plans - Value of employees' services | - | - | - | - | - | - | - | 8,841 | - | - | - | 8,841 | - | 8,841 |
| Restricted share plan - Value of directors' services | - | - | - | - | - | - | - | 345 | - | - | - | 345 | - | 345 |
| Vesting of shares under share-based remuneration plans | 644 | 11,296 | - | - | - | - | - | (11,940) | - | - | - | - | - | - |
| Vesting of shares under restricted share plan | 31 | 314 | - | - | - | - | - | (345) | - | - | - | - | - | - |
| Tax effect on treasury shares ^^ | - | (500) | - | - | - | - | - | - | - | - | - | (500) | - | (500) |
| Transfer upon disposal of equity investments | - | - | - | - | 32 | - | - | - | - | (32) | - | - | - | - |
| Total contributions by and distributions to equity holders | 675 | 11,110 | - | - | 32 | - | - | (3,099) | - | (171,416) | (85,518) | (248,216) | - | (248,216) |
| Total comprehensive income for the period | - | - | 3,300 | 4,821 | 18,924 | - | - | - | - | 239,785 | - | 266,830 | 257 | 267,087 |
| Balance at 31 December 2020 | 430,413 | (9,886) | 3,645 | 994 | 73,865 | 25,000 | 34,021 | 21,455 | (40,506) | 724,461 | - | 1,263,462 | 4,692 | 1,268,154 |
| (ii) Group - 1H FY2020 | | | | | | | | | | | | | | |
| Balance at 1 July 2019 | 429,113 | (13,233) | (128) | (3,297) | 8,931 | 25,000 | 34,021 | 18,865 | - | 511,342 | 80,235 | 1,090,849 | - | 1,090,849 |
| Changes in equity for the period | | | | | | | | | | | | | | |
| Dividends paid | | | | | | | | | | | | | | |
| - FY2019 - Final dividends | - | - | - | - | - | - | - | - | - | - | (80,235) | (80,235) | - | (80,235) |
| - 1Q FY2020 - Interim dividend | - | - | - | - | - | - | - | - | - | (80,320) | - | (80,320) | - | (80,320) |
| - Under provision of FY2019 final dividends and 1Q FY2020 interim dividend | - | - | - | - | - | - | - | - | - | (89) | - | (89) | - | (89) |
| Dividend payable | | | | | | | | | | | | | | |
| - 2Q FY2020 - Interim dividend | - | - | - | - | - | - | - | - | - | (80,324) | - | (80,324) | - | (80,324) |
| Employees' share plans - Value of employees' services | - | - | - | - | - | - | - | 7,771 | - | - | - | 7,771 | - | 7,771 |
| Restricted share plan - Value of directors' services | - | - | - | - | - | - | - | 345 | - | - | - | 345 | - | 345 |
| Vesting of shares under share-based remuneration plans | 567 | 8,333 | - | - | - | - | - | (8,900) | - | - | - | - | - | - |
| Vesting of shares under restricted share plan | 58 | 287 | - | - | - | - | - | (345) | - | - | - | - | - | - |
| Tax effect on treasury shares ^^ | - | (68) | - | - | - | - | - | - | - | - | - | (68) | - | (68) |
| Transfer upon disposal of equity investments | - | - | - | - | (8) | - | - | - | - | 8 | - | - | - | - |
| Total comprehensive income for the period | - | - | 668 | 4,029 | (88) | - | - | - | - | 213,255 | - | 217,864 | - | 217,864 |
| Balance at 31 December 2019 | 429,738 | (4,681) | 540 | 732 | 8,835 | 25,000 | 34,021 | 17,736 | - | 563,872 | - | 1,075,793 | - | 1,075,793 |

* 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.

13. Segment Information - Group

Group - 1H FY2021 and 1H FY2020

| 1H FY2021 | | | | | 1H FY2020 | | | | | |
|---|---------------------|---|------------------------|------------------|--|---|---------------------|---|------------------------|------------------|
| Fixed Income, Currencies and Commodities S\$'000 | Equities S\$'000 | Data, Connectivity and Indices S\$'000 | Corporate * S\$'000 | Group S\$'000 | | Fixed Income, Currencies and Commodities S\$'000 | Equities S\$'000 | Data, Connectivity and Indices S\$'000 | Corporate * S\$'000 | Group S\$'000 |
| 99,220 | 350,842 | 70,743 | - | 520,805 | Operating revenue | 84,762 | 341,386 | 52,350 | - | 478,498 |
| 35,200 | 239,061 | 47,277 | - | 321,538 | Earnings before interest, tax, depreciation and amortisation | 35,964 | 227,846 | 34,108 | - | 297,918 |
| 16,209 | 24,415 | 8,362 | - | 48,986 | Depreciation and amortisation | 11,626 | 26,816 | 5,360 | - | 43,802 |
| 18,991 | 214,646 | 38,915 | - | 272,552 | Operating profit | 24,338 | 201,030 | 28,748 | - | 254,116 |
| - | - | - | 15,644 | 15,644 | Non-operating gains | - | - | - | 6,494 | 6,494 |
| - | - | - | (571) | (571) | Share of results of associated companies and joint venture, net of tax | - | - | - | (1,226) | (1,226) |
| - | - | - | (47,670) | (47,670) | Tax | - | - | - | (46,129) | (46,129) |
| | | | | 239,955 | Net profit after tax | | | | | 213,255 |

* The corporate segment is a non-operating segment

14. Statement of Financial Position - Company

| | As at | |
|--|------------------|------------------|
| | 31 Dec 2020 | 30 Jun 2020 |
| | S\$'000 | S\$'000 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 155,238 | 132,291 |
| Trade and other receivables | 647,282 | 371,977 |
| Derivative financial instruments | 256 | 48 |
| Financial assets, at FVOCI | 50,659 | 48,136 |
| | 853,435 | 552,452 |
| Non-current assets | | |
| Property, plant and equipment | 21,240 | 24,609 |
| Software | 40,003 | 40,985 |
| Right-of-use assets | 76,978 | 86,683 |
| Investments in subsidiaries | 876,100 | 872,730 |
| Investment in associated company | 4,389 | 4,389 |
| Other receivables | 1,716 | 4,539 |
| Other assets | 333 | 333 |
| | 1,020,759 | 1,034,268 |
| Total assets | 1,874,194 | 1,586,720 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 98,793 | 115,760 |
| Dividend payable | 85,635 | - |
| Derivative financial instruments | 17 | 70 |
| Borrowings | 401,265 | 302,036 |
| Lease liabilities | 19,229 | 19,132 |
| Taxation | 1,134 | 6,356 |
| Provisions | 9,245 | 9,245 |
| | 615,318 | 452,599 |
| Non-current liabilities | | |
| Borrowings | 87,219 | - |
| Lease liabilities | 59,923 | 69,475 |
| Deferred tax liabilities | 5,810 | 3,900 |
| | 152,952 | 73,375 |
| Total liabilities | 768,270 | 525,974 |
| Net assets | 1,105,924 | 1,060,746 |
| Equity | | |
| Capital and reserves attributable to the Company's equity holders | | |
| Share capital | 430,413 | 429,738 |
| Treasury shares | (9,886) | (20,996) |
| Cash flow hedge reserve | 174 | (52) |
| Fair value reserve | 1,387 | (64) |
| Share-based payment reserve | 21,455 | 24,554 |
| Retained profits | 662,381 | 542,048 |
| Proposed dividends | - | 85,518 |
| Total equity | 1,105,924 | 1,060,746 |

15. Net Asset Value - Company

| | As at | |
|---|-------------|-------------|
| | 31 Dec 2020 | 30 Jun 2020 |
| | S\$ | S\$ |
| Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period | 1.03 | 0.99 |

16. Statement of Changes in Equity - Company

| | Attributable to equity holders of the Company | | | | | | | Total |
|--|---|-----------------|---------------------------|----------------------|-------------------------------|------------------|--------------------|-----------|
| | Share capital | Treasury shares | Cash flow hedge reserve * | Fair value reserve * | Share-based payment reserve * | Retained profits | Proposed dividends | |
| | S\$'000 | S\$'000 | S\$'000 | \$'000 | S\$'000 | S\$'000 | S\$'000 | |
| (i) Company - 1H FY2021 | | | | | | | | |
| Balance at 1 July 2020 | 429,738 | (20,996) | (52) | (64) | 24,554 | 542,048 | 85,518 | 1,060,746 |
| Changes in equity for the period | | | | | | | | |
| Dividends paid | | | | | | | | |
| - FY2020 - Final dividends | - | - | - | - | - | - | (85,518) | (85,518) |
| - Under provision of FY2020 final dividends | - | - | - | - | - | (114) | - | (114) |
| - 1Q FY2021 - Interim dividend | - | - | - | - | - | (85,635) | - | (85,635) |
| Dividend payable | | | | | | | | |
| - 2Q FY2021 - Interim dividend | - | - | - | - | - | (85,635) | - | (85,635) |
| Employees' share plans - Value of employees' services | - | - | - | - | 8,841 | - | - | 8,841 |
| Restricted share plan - Value of directors' services | - | - | - | - | 345 | - | - | 345 |
| Vesting of shares under share-based remuneration plans | 644 | 11,296 | - | - | (11,940) | - | - | - |
| Vesting of shares under restricted share plan | 31 | 314 | - | - | (345) | - | - | - |
| Tax effect on treasury shares ^^ | - | (500) | - | - | - | - | - | (500) |
| Transfer upon disposal of equity investments | - | - | - | 32 | - | (32) | - | - |
| | 675 | 11,110 | - | 32 | (3,099) | (171,416) | (85,518) | (248,216) |
| Total comprehensive income for the period | - | - | 226 | 1,419 | - | 291,749 | - | 293,394 |
| Balance at 31 December 2020 | 430,413 | (9,886) | 174 | 1,387 | 21,455 | 662,381 | - | 1,105,924 |
| (ii) Company - 1H FY2020 | | | | | | | | |
| Balance at 1 July 2019 | 429,113 | (13,233) | 154 | 261 | 18,865 | 437,163 | 80,235 | 952,558 |
| Changes in equity for the period | | | | | | | | |
| Dividends paid | | | | | | | | |
| - FY2019 - Final dividends | - | - | - | - | - | - | (80,235) | (80,235) |
| - 1Q FY2020 - Interim dividend | - | - | - | - | - | (80,320) | - | (80,320) |
| - Under provision of FY2019 final dividends and 1Q FY2020 interim dividend | - | - | - | - | - | (89) | - | (89) |
| Dividend payable | | | | | | | | |
| - 2Q FY2020 - Interim dividend | - | - | - | - | - | (80,324) | - | (80,324) |
| Employees' share plans - Value of employees' services | - | - | - | - | 7,771 | - | - | 7,771 |
| Restricted share plan - Value of directors' services | - | - | - | - | 345 | - | - | 345 |
| Vesting of shares under share-based remuneration plans | 567 | 8,333 | - | - | (8,900) | - | - | - |
| Vesting of shares under restricted share plan | 58 | 287 | - | - | (345) | - | - | - |
| Tax effect on treasury shares ^^ | - | (68) | - | - | - | - | - | (68) |
| Transfer upon disposal of equity investments | - | - | - | (8) | - | 8 | - | - |
| | 625 | 8,552 | - | (8) | (1,129) | (160,725) | (80,235) | (232,920) |
| Total comprehensive income for the period | - | - | (34) | 231 | - | 243,822 | - | 244,019 |
| Balance at 31 December 2019 | 429,738 | (4,681) | 120 | 484 | 17,736 | 520,260 | - | 963,657 |

* 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.

17. Bank Facilities, Contingent Liabilities and Commitments - Group

Bank Facilities

- As at 31 December 2020, the Group had \$451 million (30 June 2020: \$651 million) of bank credit facilities comprising committed unsecured credit lines for prudent risk management and to maintain adequate liquid resources.

Contingent Liabilities and Other Commitments

- As at 31 December 2020, the Group had contingent liabilities to banks for US\$268 million (30 June 2020: US\$250 million) of unsecured standby letters of credit issued to Chicago Mercantile Exchange as margin and performance bond for futures trading.
- The Group has committed cash of \$222 million (30 June 2020: \$219 million) for the following:
 - (i) Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund \$150 million (30 June 2020: \$150 million);
 - (ii) The Central Depository (Pte) Limited - Securities Clearing Fund \$60 million (30 June 2020: \$60 million); and
 - (iii) National Electricity Market of Singapore \$12 million (30 June 2020: \$9 million)

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

18. Dividend - Company

Interim Dividend

| | 2Q FY2021 | 1Q FY2021 | 2Q FY2020 | 1Q FY2020 |
|-------------------|----------------------------|----------------------------|------------------------------|------------------------------|
| Name of Dividend | Interim - tax-exempt | Interim - tax-exempt | Interim - tax-exempt | Interim - tax-exempt |
| Dividend Type | Cash | Cash | Cash | Cash |
| Dividend Rate | 8 cents per ordinary share | 8 cents per ordinary share | 7.5 cents per ordinary share | 7.5 cents per ordinary share |
| Record Date | 1 February 2021, 5pm | 30 October 2020, 5pm | 3 February 2020, 5pm | 4 November 2019, 5pm |
| Date Payable/Paid | 8 February 2021 | 6 November 2020 | 10 February 2020 | 11 November 2019 |

19. Share Capital - Company

The total number of issued ordinary shares as at 31 December 2020 was 1,071,642,400 (31 December 2019: 1,071,642,400, 30 June 2020: 1,071,642,400), of which 1,205,687 (31 December 2019: 661,540, 30 June 2020: 2,663,540) were held by the Company as treasury shares.

For 1H FY2021, the Company did not purchase any of its ordinary shares (1H FY2020: Nil). During 1H FY2021, 1,457,853 shares under the Company's share-based remuneration plans and restricted share plan have vested (1H FY2020: 1,177,746).

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

| | 1H | |
|---|-------------|-------------|
| | FY2021 | FY2020 |
| Balance at beginning of period | 2,663,540 | 1,839,286 |
| Shares transferred to employees pursuant to share-based remuneration plans and to directors pursuant to restricted share plan | (1,457,853) | (1,177,746) |
| Balance at end of period | 1,205,687 | 661,540 |

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

20. Accounting Policies - Group

(a) New accounting policies applicable to SGX

The same accounting policies and methods of computation used in the FY2020 audited annual financial statements have been applied for the current reporting period, except for the adoption of the new or amended SFRS(I) applicable for the financial year beginning on 1 July 2020 as follows:

- Amendments to SFRS(I) 3 Business Combinations
- Amendments to SFRS(I) 16 Covid-19- Related Rent Concessions

The adoption of the above new or amendments to SFRS(I)s did not have significant impact on the financial statements of the Group.

(b) Restatement to presentation of income statement

SGX Group implemented changes to the fee structure of its equity derivatives contracts where licence fees will now form part of trading and clearing fees. Due to the change in fees structure, comparative amounts for 1H FY2020 have been reclassified as illustrated in the table below.

| New classification | 1H FY2020 | Previous classification | 1H FY2020 |
|---------------------------------|------------------|---------------------------------|------------------|
| | S\$'000 | | S\$'000 |
| Equities | | Equities | |
| - <i>Equities - Derivatives</i> | | - <i>Equities - Derivatives</i> | |
| - Trading and clearing | 116,509 | - Trading and clearing | 99,057 |
| - Treasury and other | 48,502 | - Treasury, licence and other | 65,954 |
| | <u>165,011</u> | | <u>165,011</u> |

The revised presentation does not result in a change in the Group's total operating revenue, net profit before and after tax.

21. Acquisition of BidFX Systems Ltd.

On 7 July 2020, SGX acquired the remaining 80% (fully diluted basis) equity interest in BidFX Systems Ltd. (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.

a) Consideration transferred

| | S\$'000 |
|--|----------------|
| Cash | 194,279 |
| Contingent consideration | 10,144 |
| Total consideration transferred | 204,423 |

b) Effect on cash flows of the Group

| | S\$'000 |
|--|----------------|
| Cash paid | 191,493 |
| Less: Cash and cash equivalents in subsidiary acquired | (35,790) |
| Cash outflow on acquisition | 155,703 |

c) Identifiable assets acquired and liabilities assumed (provisionally determined)

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

d) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

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

The goodwill of \$202.4 million 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.

21. Acquisition of BidFX Systems Ltd. (continued)

e) Acquisition-related costs

Total acquisition-related costs incurred amounted to \$2.8 million of which \$1.4 million was incurred in FY2021. These costs have been included in 'Professional fees' and 'Others'.

f) Acquired receivables

The fair value and gross contractual amount of the Trade and other receivables is \$5.1 million.

g) Intangible assets

The intangible assets comprised of capitalised software development costs and intellectual property as well as customer contracts and relationships estimated at \$26.8 million. 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.

h) Contingent consideration

The Group has agreed to pay the selling shareholders additional consideration of up to USD 25 million in 2022 if BidFX reaches certain revenue targets in 2021. The Group has included \$10.1 million as contingent consideration related to the additional consideration.

i) Revenue and profit contribution

BidFX contributed revenue of \$16.7 million and \$0.2 million net profit after tax to the Group for the period from 1 July 2020 to 31 December 2020. 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.

j) Step acquisition

The fair value of the initial equity interest in BidFX held by the Group is \$47.8 million as at the date of acquisition. As a result of this re-measurement to fair value, the Group recognised a net gain of \$16.7 million in the consolidated income statement under 'Non-operating gains'.

22. Other Listing Manual Requirements

Interested Person Transactions - Group

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

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

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

Seah Kim Ming Glenn
Ding Hui Yun
Company Secretaries
22 January 2021

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half year ended 31 December 2020 to be false or misleading.

On behalf of the Board of Directors

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

Kwa Chong Seng
Director

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

Loh Boon Chye
Director

22 January 2021



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Report on review of Interim Financial Information

The Board of Directors
Singapore Exchange Limited

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Singapore Exchange Limited (the Company) and its subsidiaries (the Group) and the condensed statement of financial position of the Company as at 31 December 2020 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows of the Group and the condensed statement of changes in equity of the Company for the six-month period ended 31 December 2020, and certain explanatory notes (the Interim Financial Information). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard (International) (SFRS(I)) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

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

Conclusion

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



Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its Interim Financial Information for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

A handwritten signature in blue ink, appearing to read 'KPMG LLP', is written above the printed name of the firm.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
22 January 2021