



SGX Twenty-Sixth Annual General Meeting 2025

3 October 2025

Responses to Shareholders' Questions

SGX Group (Singapore Exchange) would like to thank shareholders for submitting their questions in advance of our Twenty-Sixth Annual General Meeting to be held at Marina Bay Sands Expo and Convention Centre, Level 3, Hibiscus Ballroom, 10 Bayfront Avenue, Singapore 018956 on Thursday, 9 October 2025 at 10.30 a.m. (Singapore time).

Below are our responses to the questions, which have been reworded for clarity while retaining their original intent.

1. What is SGX's overall strategy across its key business segments? What is the target revenue breakdown for each segment and which segment do you see the greatest growth opportunities?

Our multi-asset strategy has delivered broad-based revenue growth across all business segments. In the medium term, we aim to grow Group revenue (excluding treasury income) at a compounded annual growth rate (CAGR) of 6-8%.

This will be driven mainly by our SGX FX and SGX Derivatives, through product innovation, deeper client engagement and global distribution. Stock market momentum is rising, supported by our initiatives and MAS Equity Market Review Group measures. We aim to maintain diversified revenue streams as we grow overall revenue.

2. Could you share on the company's allocation priorities for excess cash? Which areas are considered the primary focus for growth, and how do you weigh these against returning capital to shareholders through dividends or share buybacks?

A key priority is to drive organic growth by investing in product innovation, sales capabilities and platform enhancements. We will also invest in modernising our technology infrastructure, while exploring value-accretive bolt-on acquisitions. At the same time, we remain committed to strong total shareholder returns through share price appreciation and a steady dividend increase of 0.25 cents every quarter from FY26 to FY28.

3. What steps are you taking to enhance liquidity in small- and mid-cap stocks?

In the first eight months of 2025, daily turnover of small- and mid-cap stocks grew 50%, driven by both institutional and retail investors. We are improving liquidity through initiatives such as the recently launched iEdge Singapore Next 50 Indices and increased support for listed companies'

Singapore Exchange Limited

Company Reg No. 199904940D

2 Shenton Way, #02-02 SGX Centre 1, Singapore 068804

main: +65 6236 8888 fax: +65 6535 6994

sgx.com

investor outreach and profiling efforts. These build on the MAS GEMS (Grant of Equity Market Singapore Scheme) grant which expands research coverage, and the Equities Market Development Programme which channels institutional capital into this segment. Collectively, these measures aim to broaden and deepen market participation, improving liquidity across the stock market.

4. Is SGX planning to launch an ETF based on the newly introduced iEdge Singapore Next 50 indices to provide investors with more options?

These indices are first and foremost designed to raise the visibility of the next tier of large and liquid mainboard companies – beyond the flagship Straits Times Index (STI) benchmark – and showcase the diversity of our stock market. We welcome the opportunity to work with asset managers to develop relevant products in response to market demand.

5. What is SGX’s strategy and outlook for expanding its SDR (Singapore Depository Receipts) offerings, specifically regarding plans to introduce SDRs from markets beyond Hong Kong and Thailand, including potential listings from other stock exchanges and popular Japanese companies with well-known franchises, to diversify investment options and attract broader investor interest?

Since launching SDRs in 2023, we have expanded our shelf to 23 counters from Thailand and Hong Kong, covering about half of the SET50 and Hang Seng Index by constituent weight. Assets under management for our SDRs have surpassed S\$150 million, with increased participation from all segments. We will continue to work with intermediaries and investors to accelerate the adoption of SDRs, and to identify new markets and sectors for expansion based on investor interest.

6. What are the main challenges that SGX faces in attracting new listings, reducing delistings and enhancing valuations of listed companies? What actions are you taking to address these issues?

Market conditions have improved this year, shown in healthy securities daily average value (SDAV) and record highs for the STI. This positive backdrop has revitalised IPO activity, with over S\$2.1 billion raised through new listings to date in 2025.

We are working with the Equities Market Review Group and are driving improvements in our stock market through new products, research, issuer and investor outreach, channel development as well as regional and global partnerships. We also support listed companies in their efforts to enhance shareholder value, while implementing targeted regulatory enhancements to bolster demand and supply-side measures.

With more institutional capital entering Singapore’s stock market, we are optimistic this will stimulate interest in local stocks and listings, and foster an environment for liquidity and valuations that reflect companies’ intrinsic value.

7. What factors have contributed to the decline in Nikkei 225 index futures volumes in recent years, and what steps are being taken to increase volumes going forward?

Broader market dynamics and structural shifts, including changes in the Japanese structured products market and the Bank of Japan (BOJ)’s interest rate regime, have influenced trading strategies for Nikkei 225 index futures globally.

To facilitate risk management during global events and major policy announcements, we extended continuous trading in our overnight trading (T+1) session by 15 minutes. We also introduced TONA futures linked to Japan’s overnight interest rate benchmark, expanding our

Japan-related risk management tools, including Nikkei futures, Japanese Government Bond futures and Japanese Yen futures.

8. In FY24, SGX commented that GIFT Nifty volumes would return to pre-migration levels by June 2025. However, in YTD 2H25, volumes are still lower than pre-migration levels. Why is this so?

Global uncertainty and shifts in India's domestic regulatory landscape impacted investor sentiment and trading activity in 2025. We achieved pre-migration volume levels in March and April this year, driven by increased risk management activity. As we broaden our participant base and diversify the ecosystem, we believe that GIFT Nifty will continue to grow in liquidity, depth and vibrancy.

9. In FY24, SGX mentioned it was exploring strategic options for Scientific Beta in light of its underperformance. Has there been any development on this front?

Scientific Beta has made progress under new leadership, with a sharper focus on product innovation, go-to-market and client engagement. Its factor-based indices delivered encouraging performance this year, amidst global equity market volatility. Scientific Beta is also working closely with SGX Index Edge, our thematic and custom index platform, to enhance its value proposition to its clients. We will continue to evaluate the best way to scale our index businesses, including Scientific Beta, and to position them for sustainable growth.

10. How is SGX supporting employee mental health to help staff manage challenges, prevent burnout and aid recovery?

We take a holistic approach to employee well-being and resilience, by first ensuring that roles are properly resourced and offering preventive mental health support. Employees and their families have 24/7 access to a well-being platform and app with confidential access to professional resources and self-care tools. Employees can access counsellors, psychologists and psychiatrists, as well as educational sessions to improve awareness and reduce stigma. We recognise that many employees balance work with other commitments and encourage those needing flexibility to speak with their managers. As part of our ISO 45001 commitment, we will continue to create a safe, supportive workplace environment and culture.

END