



Growth Through Partnerships

Singapore Exchange Annual Report
July 2021 – June 2022



Corporate Information

Board of Directors

Chairman

Mr Kwa Chong Seng

Chief Executive Officer

Mr Loh Boon Chye

Lead Independent Director

Dr Beh Swan Gin

Members

Ms Chew Gek Khim

Mr Kevin Kwok

Mr Lim Chin Hu

Ms Lim Sok Hui (Mrs Chng Sok Hui)

Mr Mark Makepeace

Prof Subra Suresh

Mr Yeoh Oon Jin

Mr Koh Boon Hwee

Appointed on 15 March 2022

Mr Tsien Samuel Nag

Appointed on 1 May 2022

Company Secretaries

Ms Ding Hui Yun

Mr Seah Kim Ming Glenn

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue,
Keppel Bay Tower #14-07
Singapore 098632

t: +65 6536 5355

e: SRS.TeamB@boardroomlimited.com

w: boardroomlimited.com

Auditor

KPMG LLP

16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

t: +65 6213 3388

w: kpmg.com.sg

Partner-in-Charge

Mr Leong Kok Keong

Appointed on 3 October 2019

Board Committees

Audit Committee

Chairman

Mr Yeoh Oon Jin

Members

Mr Kevin Kwok

Mr Mark Makepeace

Mr Koh Boon Hwee

Appointed on 15 March 2022

Nominating & Governance Committee

Chairman

Dr Beh Swan Gin

Members

Ms Chew Gek Khim

Mr Kevin Kwok

Mr Kwa Chong Seng

Mr Lim Chin Hu

Prof Subra Suresh

Remuneration & Staff Development Committee

Chairman

Mr Lim Chin Hu

Members

Ms Chew Gek Khim

Mr Kwa Chong Seng

Risk Management Committee

Chairman

Ms Lim Sok Hui (Mrs Chng Sok Hui)

Members

Dr Beh Swan Gin

Mr Kevin Kwok

Mr Lim Chin Hu

Mr Yeoh Oon Jin

Mr Tsien Samuel Nag

Appointed on 1 May 2022

Registered Office

Singapore Exchange Limited
2 Shenton Way #02-02

SGX Centre 1

Singapore 068804

t: +65 6236 8888

f: +65 6535 6994

w: sgx.com

Place of Incorporation

Singapore

Company Registration No.

199904940D

Date of Incorporation

21 August 1999

Investor Relations

For enquiries on SGX's business performance, contact the Investor Relations team at

e: ir@sgx.com

Sustainability

e: sustainability@sgx.com

Contents

Letter from the Chairman and the CEO

FY2022 has been a challenging year for financial assets. Our multi-asset strategy has paid off and we were able to deliver our highest revenue of S\$1.1 billion since listing. This was supported by broad-based growth in derivatives volume across equities, currencies and commodities asset classes.

Excerpts from the letter,
read more at page 12



Online Annual Report

<http://investorrelations.sgx.com/financial-information/annual-reports>

Business at a Glance

23% Fixed Income, Currencies and Commodities
64% Equities
13% Data, Connectivity and Indices

\$1,099m
FY2022 Revenue

Business at a Glance,
read more at page 10

Performance Overview

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

Group Overview

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

Value Creation & Sustainability

- 32 How We Create Value
- 34 Identified Trends
- 36 Strategic Priorities
- 38 Risk Management
- 44 Creating Sustainable Value
- 83 Corporate Social Responsibility

Governance

- 86 Corporate Governance Report
- 114 – *Remuneration Report*
- 121 Summary of Disclosures
- 122 Self-Regulatory Organisation Governance Report
- 128 Report of Independent Committees

Financials

- 134 Directors' Statement
- 151 Independent Auditors' Report
- 156 Statement of Comprehensive Income
- 158 Statement of Financial Position
- 160 Consolidated Statement of Changes in Equity
- 164 Statement of Changes in Equity
- 166 Consolidated Statement of Cash Flows
- 167 Notes to the Financial Statements

Others

- 261 Statistics of Shareholdings
- 263 Notice of Annual General Meeting
- 271 Supplemental Information on Directors Seeking Re-election



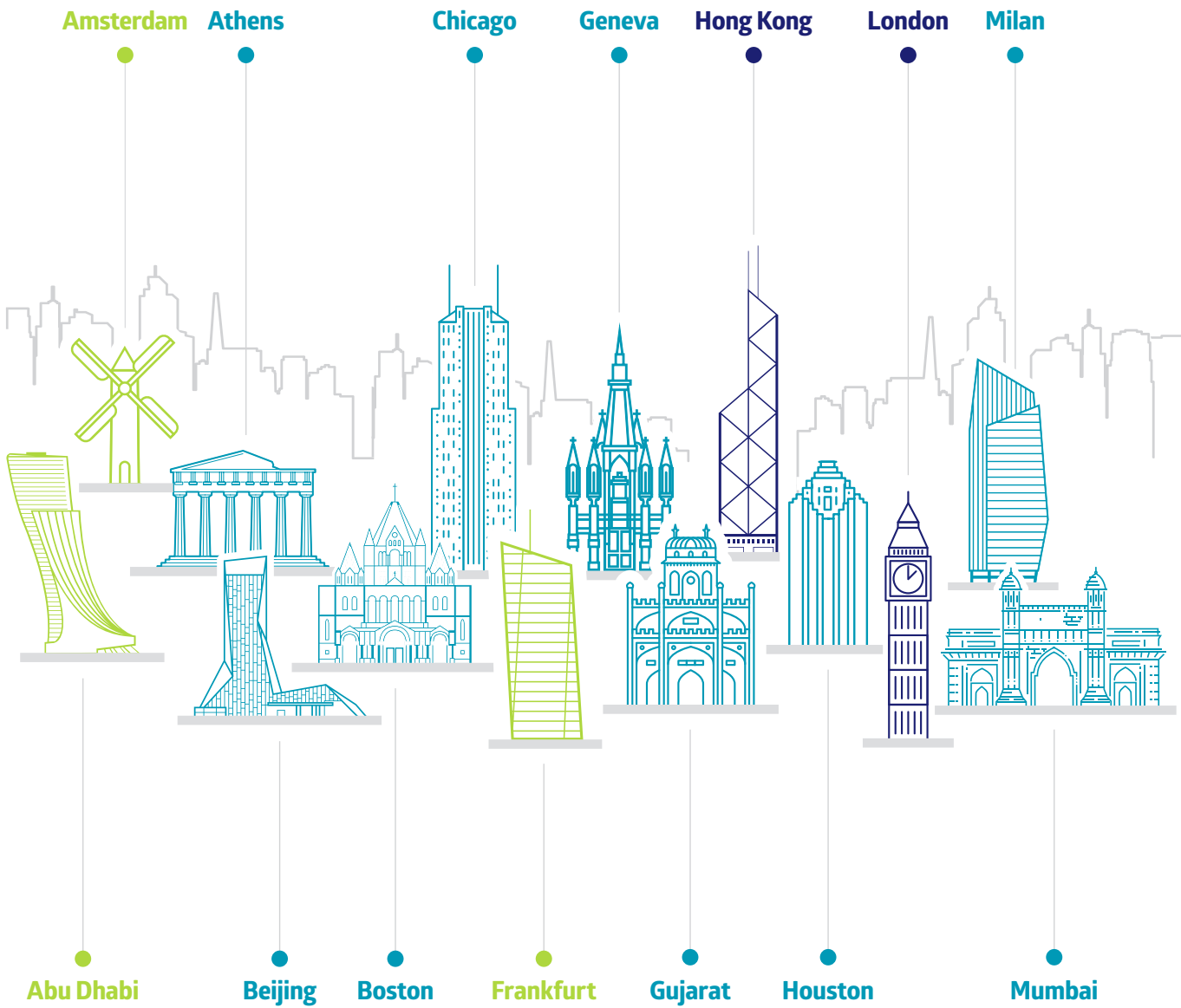
Performance Overview



Our International Network

Offices in
19 Cities

International Network across
27 Cities

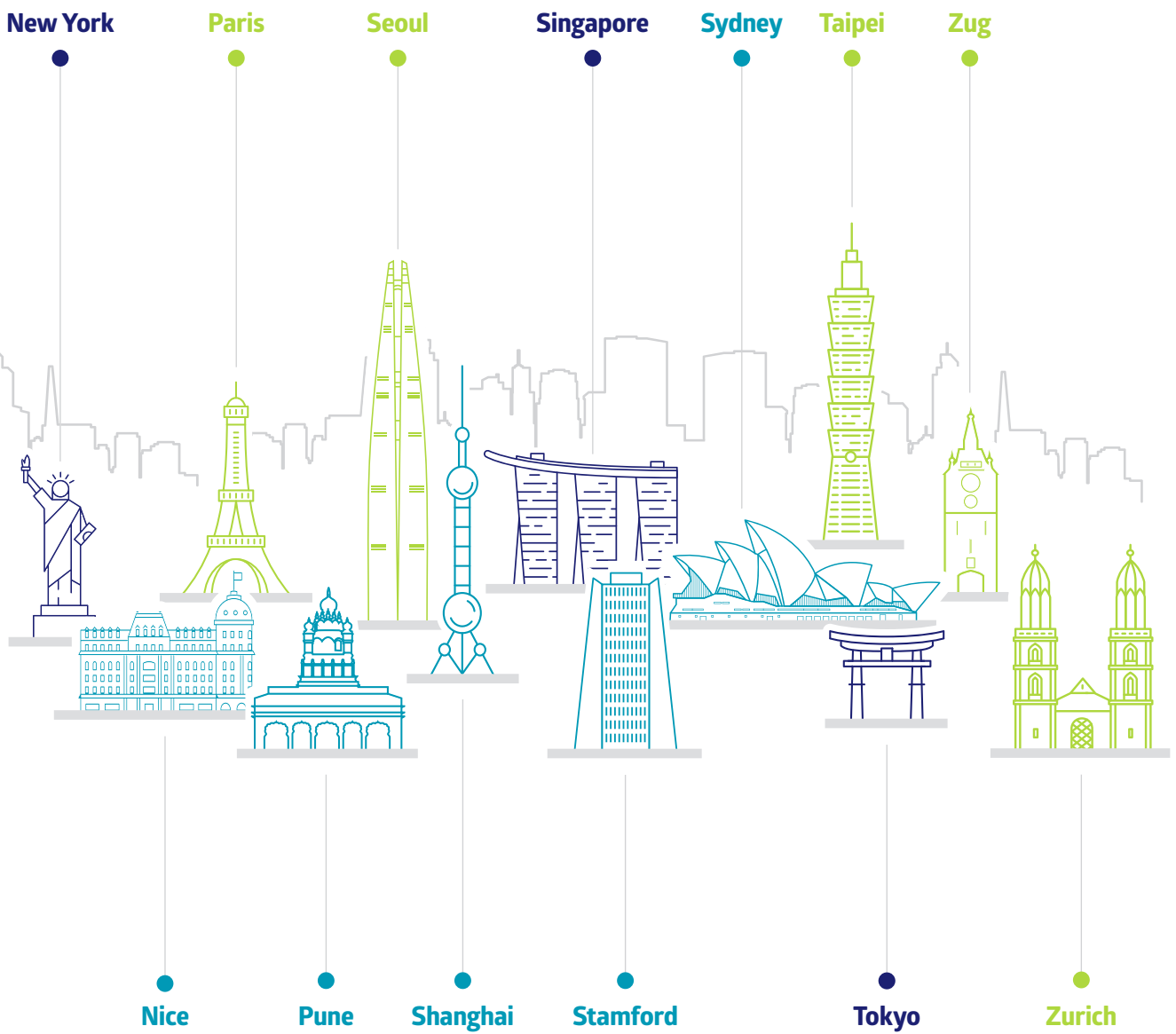


● SGX Offices* and Members

● SGX Offices*

● SGX Members

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



*SGX Offices include Subsidiaries' Offices

Financial Highlights & Performance Review

Financial Overview

Revenue

\$1,099m

↑ 4%

EBITDA

\$634m

↑ 1%

Net profit

\$451m

↑ 1%

Earnings per Share (EPS)

42.2¢

↑ 1%

Dividend per Share

32.0¢

Unchanged

SGX recorded EBITDA of \$634.1 million (\$625.2 million) and net profit attributable to SGX of \$451.4 million (\$445.4 million) in FY2022. Earnings per share was 42.2 cents (41.6 cents). Adjusted EBITDA was \$637.8 million (\$623.9 million) and adjusted net profit was \$456.4 million (\$446.9 million). Adjusted earnings per share was 42.7 cents (41.8 cents).

The Board of Directors has proposed a final quarterly dividend of 8.0 cents (8.0 cents) per share, payable on 21 October 2022, for approval at the forthcoming annual general meeting. If approved, this brings total dividends in FY2022 to 32.0 cents (32.0 cents) per share.

Business and Expenses Overview

Revenue increased \$43.1 million or 4% to \$1,099.0 million (\$1,056.0 million). OTC FX¹ contributed 5% to group revenue, 2%-points higher compared to a year ago.

Excluding treasury income², total revenue grew \$68.1 million or 7% to \$1,049.5 million (\$981.4 million).

Fixed Income, Currencies and Commodities Business (FICC)

FICC revenue increased \$41.0 million or 19% to \$252.7 million (\$211.8 million) and accounted for 23% (20%) of total revenue.



FICC – Fixed Income

Fixed Income revenue decreased \$2.7 million or 18% to \$12.2 million (\$14.9 million).

Listing revenue

\$8.7m



24% from \$11.5m

Corporate actions and other revenue

\$3.5m



2% from \$3.4m

There were 1,179 bond listings raising \$429.6 billion, compared to 795 bond listings raising \$389.1 billion a year earlier.

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.

¹ OTC FX comprised only BidFX in FY2021; BidFX, MaxxTrader and Electronic Communication Network (ECN) in FY2022.

² Treasury income on cash and non-cash collateral balances including associated currency hedging impact.



FICC – Currencies and Commodities

Currencies and Commodities revenue increased \$43.7 million or 22% to \$240.6 million (\$196.9 million), accounting for 22% (19%) of total revenue. Excluding MaxxTrader, Currencies and Commodities revenue would have increased by 16% or \$32.1 million. OTC FX revenue was \$58.4 million, an increase of 47% from \$39.7 million a year ago.

Trading and clearing revenue

\$183.9m



21% from \$152.6m

Treasury and other revenue

\$56.7m



28% from \$44.3m

Trading and clearing revenue grew by \$31.3 million, mainly due to increased volumes in commodity and currency derivatives and higher contribution from OTC FX, which includes the acquisition of MaxxTrader in January 2022.

Commodity derivatives volumes increased 21% to 30.3 million contracts (25.1 million contracts), while currency derivatives volume increased 10% to 28.5 million contracts (25.8 million contracts). OTC FX average daily volume (ADV) increased 64% to US\$70.6 billion (US\$43.1 billion).

Treasury and other revenue increased mainly due to higher margin balances and the consolidation of license, hosting and market data revenue from MaxxTrader.

Equities Business

Equities revenue was comparable at \$698.9 million (\$701.1 million) and accounted for 64% (66%) of total revenue.



Equities – Cash

Equities – Cash revenue decreased \$24.3 million or 6% to \$388.4 million (\$412.7 million).

Listing revenue

\$34.8m

comparable to \$34.5m

Corporate actions and other revenue

\$28.1m



14% from \$32.5m

We recorded 17 new equity listings which raised \$1.9 billion compared to 11 new equity listings which raised \$1.0 billion a year earlier. Secondary equity funds raised were \$5.7 billion (\$16.9 billion).

Trading and clearing revenue

\$209.7m



9% from \$230.2m

Daily average traded value (DAV) and total traded value declined 6% to \$1.27 billion (\$1.35 billion) and \$320.8 billion (\$340.1 billion) respectively. This was made up of Cash Equities³, where total traded value decreased by 6% to \$308.1 billion (\$329.1 billion), and Other Products⁴, where traded value increased 16% to \$12.7 billion (\$11.0 billion). There were 252 (252) trading days in the year.

Overall average clearing fees declined 5% to 2.56 basis points (2.68 basis points). Average clearing fees for Cash Equities decreased 4% to 2.62 basis points (2.73 basis points) due to higher participation from market makers. Average clearing fee for Other Products decreased 6% to 0.99 basis point (1.06 basis points) due to a change in product mix. Overall turnover velocity for FY2022 was 42% (48%).

Securities settlement and depository management revenue

\$108.3m



2% from \$106.6m

Treasury and other revenue

\$7.6m



14% from \$8.8m

Securities settlement and depository management revenue increased mainly from higher accounts maintenance fees due to a growth in number of sub accounts.

³ Cash Equities include ordinary shares, real-estate investment trusts and business trusts.

⁴ Other Products include structured warrants, exchange-traded funds, daily leverage certificates, debt securities and American depository receipts.

Financial Highlights & Performance Review



Equities – Derivatives

Equities – Derivatives revenue increased \$22.0 million or 8% to \$310.4 million (\$288.4 million).

Trading and clearing revenue

\$281.9m



22% from \$230.9m

Treasury and other revenue

\$28.6m



50% from \$57.5m

Trading and clearing revenue increased mainly due to higher average fees and volumes from SGX FTSE China A50 and SGX Nifty 50 Index futures.

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

Average Fees

Average fee per contract for Equity, Currency and Commodity derivatives was higher at \$1.51 (\$1.34) mainly due to higher fees realised from our SGX FTSE China A50 Index futures and SGX Nifty 50 Index futures.

Data, Connectivity and Indices Business (DCI)

DCI revenue increased \$4.3 million or 3% to \$147.4 million (\$143.1 million), accounting for 13% (14%) of total revenue.



DCI

Market data and Indices revenue

\$82.9m



3% from \$80.6m

Connectivity revenue

\$64.5m



3% from \$62.5m

Market data and indices revenue increased 3% mainly due to an increase in data subscription. Connectivity revenue increased 3% mainly due to an increase in subscription to our co-location services.

Financial Performance Summary

(\$million)	FY2018	FY2019	FY2020	FY2021	FY2022
Statement of Income					
Operating Revenue	845	910	1,053	1,056	1,099
Operating Expenses	359	386	397	431	465
Earnings before interest, tax, depreciation and amortisation	486	524	656	625	634
Depreciation and amortisation	61	63	90	95	97
Operating profit	425	461	566	531	537
Profit before tax and share of results of associated companies and joint ventures	436	474	573	541	555
Net profit attributable to equity holders	363	391	472	445	451
Statement of Cash Flows					
Cash flows from operating activities	427	417	624	553	584
Statement of Financial Position					
Total assets	2,115	2,132	2,679	3,023	3,848
– Unrestricted cash and cash equivalents	550	446	686	833	752
– Committed for derivatives clearing fund	200	150	150	150	125
– Committed for securities clearing fund	60	60	60	60	60
– Committed for National Electricity Market of Singapore	22	11	9	17	61
Total liabilities	1,019	1,041	1,430	1,633	2,299
Total equity	1,096	1,091	1,249	1,390	1,549
– Includes proposed final dividends of	161	80	86	86	85
Capital expenditure	65	58	41	51	55
No. of shares issued (million)	1,072	1,072	1,072	1,072	1,072
No. of shares held as treasury shares (million)	2	2	3	3	4
Financial Indicators					
Revenue growth (%)	5.5	7.7	15.7	0.3	4.1
Operating profit margin (%)	50.3	50.7	53.7	50.3	48.9
Cost-to-income ratio (%)	49.7	49.3	46.3	49.7	51.1
Gearing ratio	NIL	NIL	0.2	0.3	0.5
Operating cash flow per share (cents)	39.9	39.0	58.3	51.7	54.6
Net asset value per ordinary share as at 30 June (dollars)	1.02	1.02	1.16	1.30	1.45
Based on net profit attributable to equity holders					
Net profit margin (%)	43.0	43.0	44.8	42.2	41.1
Return on equity (%)	34.1	35.8	40.4	33.9	30.8
Dividend payout ratio (%)	88.4	82.1	69.2	76.9	75.8
Basic earnings per share (cents)	33.9	36.5	44.1	41.6	42.2

Business at a Glance

Operating Profit

\$537m

↑ 1% from \$531m

Net Profit

\$451m

↑ 1% from \$445m

Earnings per Share

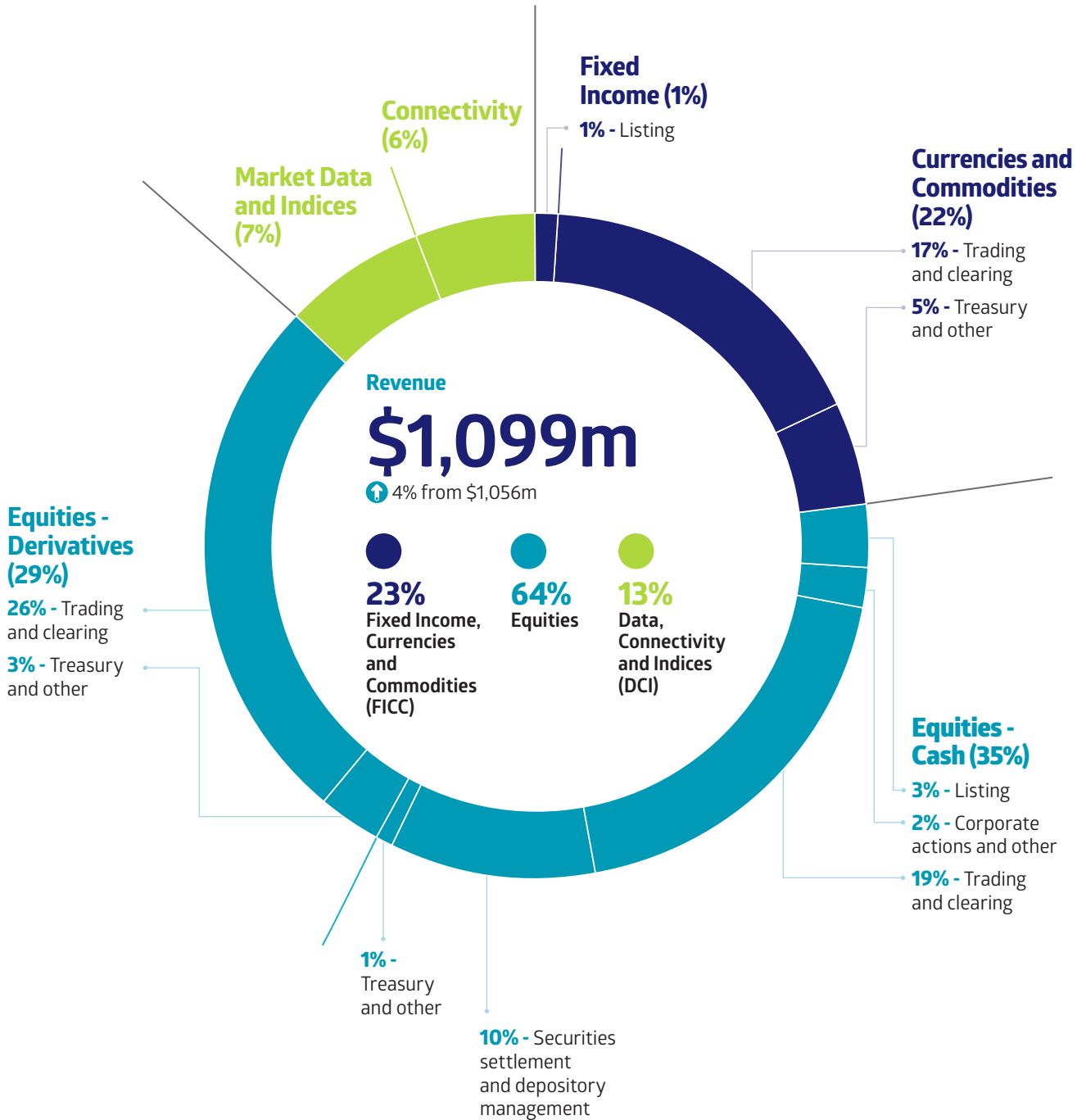
42.2¢

↑ 1% from 41.6¢

Dividend per Share

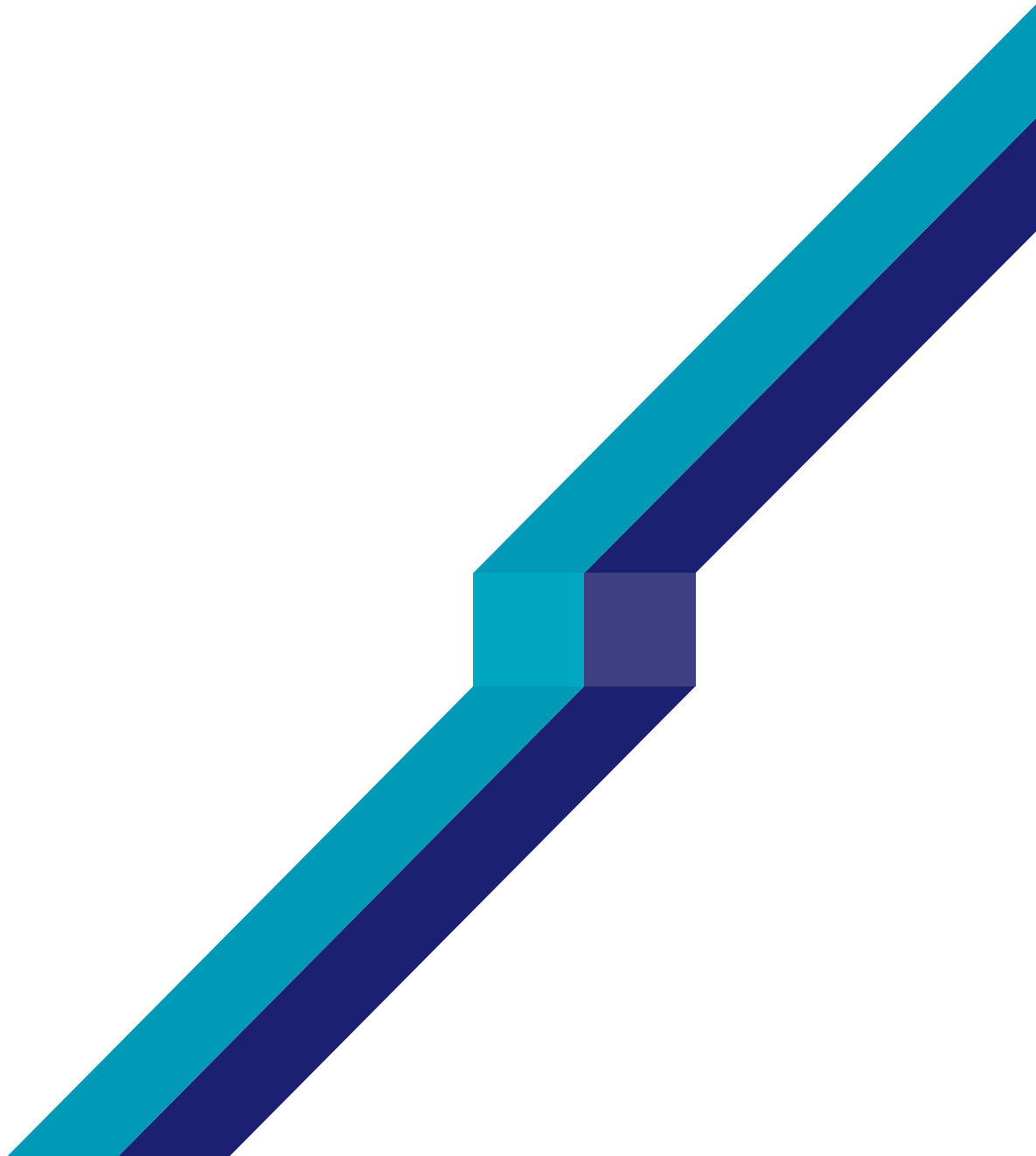
32.0¢

Unchanged





Group Overview



Letter from the Chairman and the CEO





From left:

Mr Kwa Chong Seng
Chairman

Mr Loh Boon Chye
Chief Executive Officer

Dear Shareholders

Resilient performance

FY2022 has been a challenging year for financial assets. Our multi-asset strategy has paid off and we were able to deliver our highest revenue of S\$1.1 billion since listing. This was supported by broad-based growth in derivatives volume across equities, currencies and commodities asset classes. Persistent uncertainties, which have become a feature of the world's financial markets, continue to drive risk-management and investment activity on our robust and secure platforms.

Global economies are being challenged on many fronts: geopolitical uncertainties, the highest inflation in a generation as well as rising interest rates, which have raised concerns of a recession. Meantime, COVID-19 continues to cast long shadows on the markets, with international supply chains still facing difficulties.

It is in the context of these global headwinds that through FY2022, SGX Group has rapidly moved to sharpen our service offering across all businesses to deliver multiple avenues of growth for customers. The long-term strategic priorities we set out several years ago have led to positive outcomes.

Our S\$1 billion in acquisitions and investments over the past three years are now bearing fruit. By building, partnering and acquiring, we have

Revenue

S\$1.1 billion

↑ 4% from FY2021

FY2022 Dividend

32.0¢

per share

clearly advanced our multi-asset exchange, grown our international presence and expanded our network significantly. With established foothold and connectivity in Asia, we have widened our international network to 27 cities worldwide, with more than 200 colleagues based elsewhere in Asia, and across Europe and the U.S.

During the year, we received long-term Aa2 rating, the highest assigned to any exchange group by Moody's, affirming our position as a key central counterparty clearinghouse and the robustness of our business model through economic cycles. The strong investment-grade rating also reflects the financially disciplined approach we have taken and will continue to take as we scale up our multi-asset business.

We remain committed to investing in opportunities to drive long-term growth and total shareholder return. This would also allow us to reward shareholders with a sustainable and growing dividend over time, consistent with the company's long-term growth prospects. The Board of Directors has proposed a final quarterly dividend of 8.0 cents per share, payable on 21 October 2022. If approved, this will bring the total dividend in FY2022 to 32.0 cents per share.

Multiple avenues of growth in Asia

At a time when portfolio risk-management activity is expected to rise in tandem with increasing risks in the global economy, all of us at SGX Group are focused on how we can simplify access to Asia with trust and efficiency – through our platforms, products and partnerships.

With rising demand for portfolio-management solutions, our total derivatives daily average volume (DAV) reached an all-time high in April this year. We remain the benchmark for Asian equities, enabling institutional investors around the world to navigate the region's idiosyncratic risks with confidence. A strong second-half performance lifted

Letter from the Chairman and the CEO

the full-year FY2022 revenue of SGX Equity Derivatives by 8%.

Our flagship SGX FTSE China A50 Equity Index futures contract has stood out as the go-to access and hedging instrument, providing hyper-liquidity of US\$6.4 billion in DAV and open interest of US\$12 billion. Investors also benefitted from the liquidity and transparency of our index futures covering the India, Japan, Taiwan and ASEAN equity markets. Together, our FTSE and MSCI offering is unmatched, enabling market participants to access close to 100% of Asia's GDP.

Complementing our equity derivatives offering, our foreign exchange (FX) and Commodities product suite remains a highly relevant toolkit for market participants, with FY2022 Currencies and Commodities revenue gaining 22% on the back of increased risk-management activity. SGX FX recorded more than US\$78 billion of average daily volume (ADV) for our over-the-counter (OTC) and listed futures.

We continue to position ourselves for every opportunity to grow our businesses and better support our customers with cutting-edge trading solutions in the US\$6.6 trillion global FX market. We are further expanding our leadership by bridging the listed and OTC worlds to serve the needs of global participants in all major currencies across a variety of instruments.

Total New Equity Listing

S\$1.9 billion

↑ 86% from FY2021

Average Daily Volume

>US\$78 billion

recorded by SGX FX

The acquisition of MaxxTrader in January 2022, together with BidFX, have led to significant growth in our OTC FX activity, which is on track to achieve an ADV of US\$100 billion in the medium term. Our primary OTC FX Electronic Communication Network (ECN) has also gone live at the end of last year, paving the way for us to build Asia's largest one-stop venue for international FX OTC and futures participants. The ECN recently obtained its Regulated Market Operator (RMO) licence from the Monetary Authority of Singapore (MAS), and plans are underway to roll out products such as non-deliverable forwards (NDF), FX swaps and NDF spreads.

Record year for commodities

Consolidating our role as a trusted marketplace for price discovery in the commodities powering Asia's growth – from iron ore and steel, dry-bulk freight, rubber to petrochemicals – SGX Commodities achieved another record year as we broadened our product footprint and reach. In FY2022, the volume of our bellwether iron ore derivatives grew 23%, while forward freight agreement (FFA) volume increased 32%. We are also charting new paths, with the launch of a series of dairy derivatives in November under a partnership with New Zealand's Exchange (NZX).

The pandemic is still fuelling disruption on international supply chains, a development that has spurred market participants to seek relevant hedging tools. Significantly, our commodity derivatives are demonstrating close alignment with the macro environment, enabling physical and financial participants to express their views through iron ore as Asia's strategic raw material and freight as a global barometer.

We have expanded our clearing services for seaborne freight by adding three new FFA and futures contracts for liquified natural gas (LNG) vessels, leveraging our Baltic Exchange subsidiary's independent freight price

assessments. Today, with the largest market share globally for iron ore and dry-bulk freight derivatives, participants rely on our unique offering to manage bulk cargo and freight risks on a single liquid and capital-efficient platform.

A decarbonisation drive is sweeping the commodities industry, fuelling the growth of sustainable transportation including electric vehicles (EV). With this, we are developing energy battery metals derivative contracts that will complement our existing rubber derivatives contracts – a unique risk-management service offering to the automobile industry. We see our metals derivatives franchise playing an increasingly important role in the world's EV value chain. In this past year, we have already launched an EV exchange-traded fund (ETF) and hosted our first EV company listing, demonstrating how our diversified platforms enable us to capitalise on global trends in more ways than one.

Sustaining momentum in securities

This year saw 17 new equity listings in total that raised S\$1.9 billion – almost double from a year ago – while secondary equity fundraising reached S\$5.7 billion. SGX Securities continues to take steps to bring together issuers and investors to enable success at every stage of their growth. A significant milestone in FY2022 was the listing of three Special Purpose Acquisition Companies (SPACs) offering new fundraising avenues for fast-growing companies.

While current market uncertainty has slowed the momentum we saw with SPACs and key secondary listings of companies such as NIO Inc. and Emperador Inc., we remain positive on opportunities in the equity capital markets. We continue to have active and positive discussions with a diverse range of companies that are seeking either a primary or secondary listing in Singapore, as part of their growth ambitions in Asia.



We remain committed to investing in opportunities to drive long-term growth and total shareholder return. This would also allow us to reward shareholders with a sustainable and growing dividend over time, consistent with the company's long-term growth prospects.

Mr Kwa Chong Seng
Chairman

Just as SPACs offer choice to investors, we are fine-tuning our securities product shelf with more investment tools that capture opportunities across geographies and themes. Besides increasing the number of Singapore and U.S. single stock futures (SSF), we launched a unique SSF on an Asian high yield ETF that allows investors to manage China bond risk. Expanding our daily leverage certificate (DLC) suite, we welcomed a new issuer and listed the first DLCs on U.S. equity market indices.

Institutional and retail investors continue to demand passive-investing solutions across asset classes, leading to double-digit growth in assets under management (AUM) in our ETF market for three consecutive years. In FY2022, our ETF AUM grew 27% to surpass S\$12 billion, with over S\$350 million in AUM raised from new listings.

The value proposition we bring in passive investing extends to purpose-built indices backed by research to deliver a competitive edge for product

issuers. During the year, SGX Indices expanded indexing capabilities in sectors such as environment, social and governance (ESG), low carbon and climate risk, collaborating with strategic partners to construct indices that are tradable, liquid and replicable. Scientific Beta, which has received accolades for its climate-index offering on the market, has also launched solutions for investors to hedge against rising interest rates or risk events such as trade tension and pandemic impact.

Digitalising fixed income

As we look further out, digitalisation and sustainability are two major trends that are shaping and shaking the future of capital markets. As a Group, we are harnessing next-generation technology to catalyse the efficiency of capital markets and advance Asia's capital markets infrastructure, starting with fixed income. Marketnode, SGX Fixed Income's digital-asset joint venture with Temasek, is using technologies such as smart contracts and distributed ledger technology (DLT) to build an issuance-to-depository fixed income infrastructure together with global partner institutions.

In FY2022, working with SGX Central Depository (CDP), Marketnode launched a "direct-to-depository" service for commercial paper, providing a one-stop documentation and security creation capability. This joint service led to a shortening of the settlement cycle from five to two days. In May 2022, Marketnode also announced its participation in Project Guardian, an initiative with J.P. Morgan and DBS led by the MAS, focused on fixed income tokenisation and decentralised finance (DeFi) for wholesale funding markets.

Towards a more sustainable future

As we look across our businesses and asset classes through the lens of sustainability, we are acutely aware of both the opportunities and challenges. Sustainability efforts in Asia-Pacific have come a long way in recent years, with stakeholders across the

Letter from the Chairman and the CEO



As we begin FY2023, we are focused more than ever on our mission to become the global exchange partner of choice – one ecosystem combining the synergies of SGX Group and its subsidiaries to deliver an unrivalled service offering and stakeholder value, in ways that sustain.

Mr Loh Boon Chye
Chief Executive Officer

ecosystem responding to the call for action. While there has been progress, the region still needs to work a lot harder and faster with net-zero goals related to climate-change mitigation emerging as a key priority, whilst pursuing and balancing other environmental and social objectives.

SGX Group is committed to working with the ecosystem to facilitate Asia-Pacific's transition, taking into consideration the diverse and complex needs of the region. With the support

of the MAS, Temasek and Bain & Company, we are host to the Glasgow Financial Alliance for Net Zero (GFANZ) APAC Network Central Office at our premises and look forward to deepening our support for GFANZ's efforts in this part of the world, as well as channelling Asia-Pacific's contributions to the global transition.

Asia-Pacific's transition to net-zero should be fair, ensuring that companies, communities and individuals are not left behind for worse or for poorer. It should

also be transparent, with disclosure on how all of us intend to work towards our collective target, even if it is at varying levels and time horizons. And it should also be orderly, bearing in mind that many industries, business models and supply chains cannot be changed overnight. The ecosystem working together to build trust and credibility is essential to enable countries to collaborate in faith, public and private sectors to partner for good, and investors to invest in green and sustainable products supporting this transition with confidence.

Growth by partnerships

Indeed, whether in sustainability or digitalisation, alliances and partnerships have been a hallmark of the SGX Group way, from a pioneering clearing link with Chicago in the 1980s to our long-term commitment to connect global institutional investors to India through Gujarat International Finance Tec-City (GIFT City), India's first international financial services centre (IFSC). The NSE IFSC-SGX Connect, which we have recently launched, is a milestone project with the National Stock Exchange of India (NSE) that is bringing Singapore and India closer together through the financial markets.

During the year, we signed a Memorandum of Understanding (MOU) with Shenzhen Stock Exchange (SZSE) to establish an ETF link that allows Chinese domestic ETF issuers to tap on cross-border capital flows, while enabling investors to access overseas-listed ETFs via domestic exchanges. In collaboration with a subsidiary of Shanghai Stock Exchange (SSE), we also enhanced our data-distribution network in China to distribute SGX securities data, strengthening the connectivity between our capital markets. Significantly, these come as Singapore and China mark more than three decades of diplomatic ties, further demonstrating our close cooperation on different levels.

Closer to home, we have also worked to promote mutual efforts across

More than

S\$350 million

in Assets Under Management raised from new ETF listings

More than

US\$12 billion

in ETF Assets Under Management in FY2022

ASEAN's securities markets with the introduction of the Thailand-Singapore DR Linkage alongside the Stock Exchange of Thailand (SET). With Depository Receipts (DR) at its core and playing to our own sectoral strengths, this collaboration can bring investors unparalleled access and efficiency to growth markets in ASEAN, where the 10 Southeast Asian countries collectively form the world's fifth-largest economy.

Our growing international network also includes the aforementioned partnership with NZX enabling dairy derivatives to trade exclusively on SGX Commodities, a world-first project combining their market-development expertise in dairy derivatives with our global distribution capability. In July this year, we established a wide-ranging collaboration with New York Stock Exchange (NYSE) and renewed our listings agreement with Nasdaq, reinforcing our East-West corridor to provide companies with seamless and wider access to global capital.

As we begin FY2023, we are focused more than ever on our mission to become the global exchange partner of choice – one ecosystem combining the synergies of SGX Group and its subsidiaries to deliver an unrivalled service offering and stakeholder value, in ways that sustain. To this end, we will continue to invest in our people and technology.

Words of appreciation

The SGX Board will continue to add appropriate resources and diversity to its bench. We welcomed Mr Koh Boon Hwee and Mr Samuel Tsien as new Directors in March 2022 and May 2022, respectively. Mr Koh is the Chairman of the Securities Industry Council of the MAS and brings to us valuable expertise and experience in supporting early and growth-stage businesses, with a focus on Southeast Asia. Mr Tsien spent nine years as Group CEO of Singapore's second-largest bank and has served in various leadership roles for key industry associations.

At our upcoming Annual General Meeting (AGM), we will be bidding farewell to Mr Kevin Kwok, who is retiring under Article 97 of the Constitution of the Company and will not be standing for re-election. Mr Kwok was elected to the Board in September 2012 and has brought considerable accounting stewardship and guidance over the years, serving

at various times as a member of several committees and notably as Chairman of the Audit Committee for more than seven years. On behalf of the Board and management, we extend our heartfelt appreciation to Mr Kwok for his service and contribution.

We want to recognise the over 1,100 employees across SGX Group for their dedication and commitment to our collective performance. Their talent, agility and hard work have allowed us to build on a strong foundation and deliver success together.

And to our shareholders: we thank you for your support and belief in our mission. We hope you will continue to journey alongside us as we grow your company.

Kwa Chong Seng
Chairman

Loh Boon Chye
Chief Executive Officer

Message from the Chairman

As part of the SGX Board renewal process, I will be stepping down as Chairman on 31 December 2022. Mr Koh Boon Hwee will succeed me as Chairman with effect from 1 January 2023.

I have been on the SGX Board for almost 10 years, serving on various committees and taking the helm as Chairman in September 2016. It has been my privilege to work with a diverse and committed Board, and with the strong Executive Management team led by the CEO Mr Loh Boon Chye.

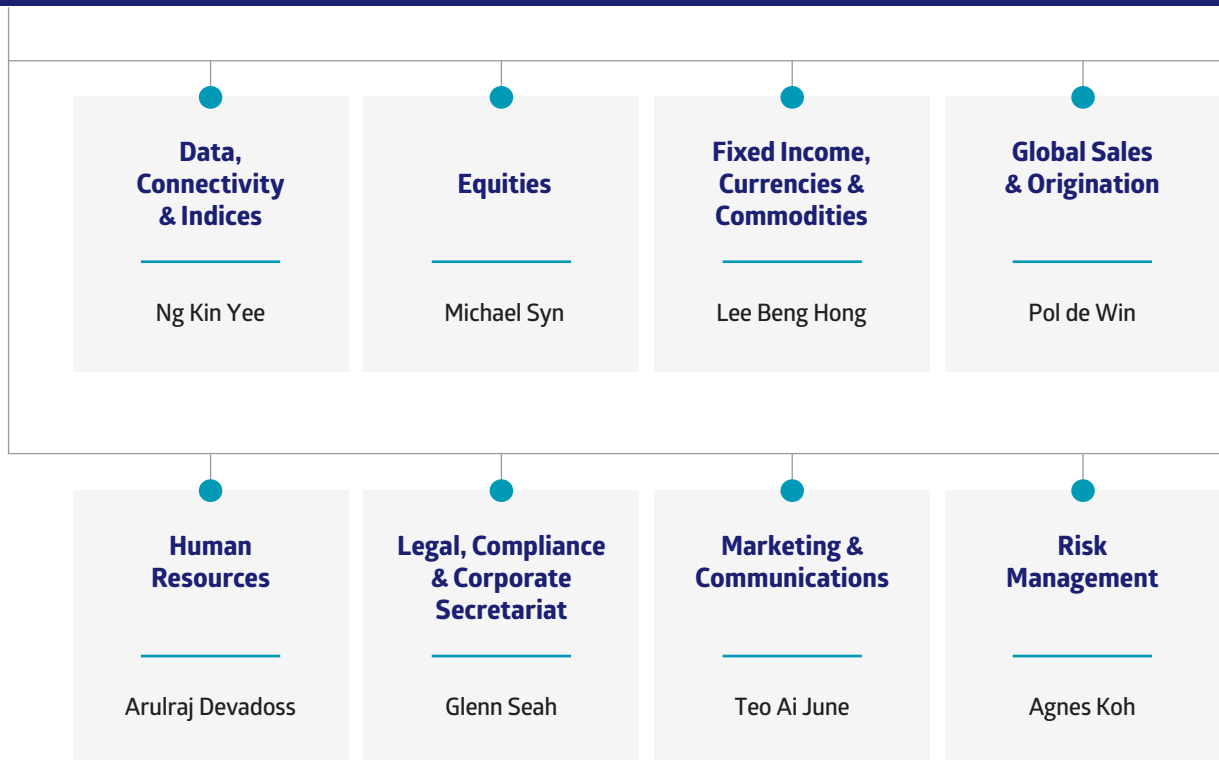
SGX Group has grown from strength to strength and is well-positioned to take on the opportunities and challenges of tomorrow. It functions as a vital part of Singapore's position as an international financial hub – a role that I am confident will grow and accelerate in the coming years. I look forward to handing over the reins next year to Boon Hwee, whom I am confident will lead the SGX Group to even greater heights with his vast experience and extensive network.

Kwa Chong Seng

Organisation

CEO

Loh Boon Chye



Number of Employees¹



1,126

¹ Includes all subsidiaries across SGX Group, excluding joint ventures.

Average Length of Service



7 years

Employee Retention²



81%

² Includes Permanent employees only in all subsidiaries across SGX Group, excluding joint ventures.

Average Training Hours per Employee³



45 hours

³ Includes Permanent employees in SGX only, excluding subsidiaries and joint ventures.

Chairman

SGX RegCo Board
Prof. Tan Cheng Han

Sustainability & Sustainable Finance

Herry Cho

CFO Unit

Ng Yao Loong

Operations & Market Services

Nico Torchetti

SGX RegCo

Tan Boon Gin

Technology

Tinku Gupta

Internal Audit

Geraldine Tan

Gender Diversity

55%



45%



Age Diversity

Below 30

14%

Between 30 and 50

71%

Over 50

15%

Geographical Diversity

Singapore

79%

Asia Ex Singapore

6%

Rest of the world

15%

Board of Directors





- 01 Mr Kwa Chong Seng
- 02 Mr Loh Boon Chye
- 03 Dr Beh Swan Gin
- 04 Ms Chew Gek Khim
- 05 Mr Koh Boon Hwee
- 06 Mr Kevin Kwok

- 07 Ms Lim Sok Hui (Mrs Chng Sok Hui)
- 08 Mr Lim Chin Hu
- 09 Mr Mark Makepeace
- 10 Prof Subra Suresh
- 11 Mr Tsien Samuel Nag
- 12 Mr Yeoh Oon Jin

Board of Directors

Mr Kwa Chong Seng

Chairman
Non-Executive and Non-Independent Director

Date of first appointment as a director
20 September 2012

Date of appointment as Chairman
22 September 2016

Date of last re-election as a director
24 September 2020

Length of service as a director (as at 30 June 2022)
9 years 9 months

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

Academic & Professional Qualification
▪ Bachelor of Engineering (Mechanical), National University of Singapore

Present Directorship other than SGX (as at 30 June 2022)

Listed company

- Singapore Technologies Engineering Ltd (Chairman)

Others (non-listed company)

- Defence Science and Technology Agency (Director)

Major Appointment (other than Directorship)

- Judicial Service Commission (Member)
- Public Service Commission (Member and Deputy Chairman)

Past Directorship other than SGX held over the preceding three years (from 30 June 2019 to 29 June 2022)

- Seatown Holdings Pte Ltd

Mr Loh Boon Chye

Chief Executive Officer
Executive and Non-Independent Director

Date of first appointment as a director
20 July 2015

Date of last re-election as a director
7 October 2021

Length of service as a director (as at 30 June 2022)
6 years 11 months

SGX Board Committee Membership
Nil

Academic & Professional Qualification
▪ Bachelor of Engineering (Mechanical), National University of Singapore

Present Directorship other than SGX (as at 30 June 2022)

Listed company

Nil

Others (non-listed company)

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

Major Appointment (other than Directorship)

- Climate Governance Singapore Limited (Advisory Board Member)
- Council of Board Diversity (Co-Chairman)
- Economic Development Board (Board Member)
- Economic Development Board Finance Committee (Chairman)
- Glasgow Financial Alliance for Net Zero APAC Network Advisory Board
- Glasgow Financial Alliance for Net Zero Principals Group
- MAS Financial Centre Advisory Panel (Member)
- NUS Medicine International Council (Council Member)
- Sim Kee Boon Institute for Financial Economics Advisory Board at Singapore Management University (Chairman)
- The Institute of Banking and Finance (Council Member)
- United Nations Sustainable Stock Exchanges Initiative (Independent Advisory Committee Member)
- World Federation of Exchanges (Board Member and Vice Chairman)

Past Directorship other than SGX held over the preceding three years (from 30 June 2019 to 29 June 2022)

- BidFX Systems Limited (in UK)
- SBF Holdings Pte. Ltd.

Dr Beh Swan Gin

Non-Executive and Lead Independent Director

Date of first appointment as a director
1 February 2020

Date of last re-election as a director
24 September 2020

Date of next re-election as a director
6 October 2022

Length of service as a director (as at 30 June 2022)
2 years 5 months

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

Academic & Professional Qualification

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

Present Directorship other than SGX (as at 30 June 2022)

Listed company

Nil

Others (non-listed company)

- Ascendas Funds Management (S) Pte Ltd (Chairman)
- Blaine Investments Pte Ltd
- Clyde Investments Pte Ltd
- Economic Development Board (Chairman)
- EDB Investments Pte Ltd (Chairman)
- EDBI Pte. Ltd. (Chairman)
- Enterprise Singapore
- Human Capital Leadership Institute Pte. Ltd.
- Lucasfilm Animation Singapore Pte. Ltd.
- National Research Foundation (Member)

Major Appointment (other than Directorship)

- Young Presidents' Organisation (Member)

Past Directorship other than SGX held over the preceding three years (from 30 June 2019 to 29 June 2022)

- CLA Real Estate Holdings Pte. Ltd.
- DesignSingapore Council Pte. Ltd.
- Singapore Innovate Pte. Ltd.
- Singapore Technologies Engineering Ltd
- Temasek Foundation Connects CLG Limited

Committee Membership Key

● Audit ● Nominating & Governance ● Remuneration & Staff Development ● Risk Management

Ms Chew Gek Khim

Non-Executive and Independent Director

Date of first appointment as a director

1 December 2013

Date of last re-election as a director

3 October 2019

Date of next re-election as a director

6 October 2022

Length of service as a director**(as at 30 June 2022)**

8 years 7 months

SGX Board Committee Membership

● (Member) ● (Member)

Academic & Professional Qualification

- LL.B (Honours), National University of Singapore

Present Directorship other than SGX**(as at 30 June 2022)***Listed company*

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

Others (non-listed company)

- ARA Asset Management Holdings Pte. Ltd.
- Bushey Park Private Limited
- Rahman Hydraulic Tin Sdn Bhd
- SME Help Fund Pte. Ltd
- Straits Real Estate Pte. Ltd.
- Straits Equities Holdings (One) Pte. Ltd.
- Tan Chin Tuan Pte. Ltd¹ (Deputy Executive Chairman)
- Tecity Pte Ltd² (Executive Chairman)
- Tecity Asset Management Pte. Ltd.

Major Appointment (other than Directorship)

- Honour (Singapore) Ltd (Member)
- Governing Board of Lee Kuan Yew School of Public Policy (Ex-officio Member)
- RSIS Board of Governors (Member)
- MAS Securities Industry Council (Member)
- National University of Singapore Board of Trustees (Member)
- The Tan Chin Tuan Foundation (Deputy Executive Chairman)

Past Directorship other than SGX**held over the preceding three years (from 30 June 2019 to 29 June 2022)**

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

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

² Including its subsidiaries & associates, namely Selected Holdings Private Limited, Melifford Pte. Ltd. and The Cairns Pte. Ltd.

Mr Koh Boon Hwee

Non-Executive and Independent Director

Date of first appointment as a director

15 March 2022

Date of next re-election as a director

6 October 2022

Length of service as a director**(as at 30 June 2022)**

6 months

SGX Board Committee Membership

● (Member)

Academic & Professional Qualification

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

Present Directorship other than SGX**(as at 30 June 2022)***Listed company*

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

Others (non-listed company)

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

Non-listed Overseas Company

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

Major Appointment (other than Directorship)

- Academy of Engineering Singapore (Fellow)
- Carnegie Endowment for International Peace (Board Member)
- Climate Governance Singapore Limited (Board Member)
- General Atlantic Singapore Fund Management Pte Ltd (Senior Advisor)
- Research, Innovation & Enterprise Council (Member)
- Security Industry Council (Chairman)

Past Directorship other than SGX**held over the preceding three years (from 30 June 2019 to 29 June 2022)**

- Far East Orchard Limited (Chairman)

Mr Kevin Kwok

Non-Executive and Non-Independent Director

Date of first appointment as a director

20 September 2012

Date of last re-election as a director

24 September 2020

Length of service as a director**(as at 30 June 2022)**

9 years 9 months

SGX Board Committee Membership

● (Member) ● (Member) ● (Member)

Academic & Professional Qualification

- Bachelor of Arts (Honours), University of Sheffield
- FCA – Fellow, Institute of Chartered Accountants in England & Wales
- FCA – Fellow, Institute of Singapore Chartered Accountants
- FSID – Fellow, Singapore Institute of Directors

Present Directorship other than SGX**(as at 30 June 2022)***Listed company*

- Mapletree North Asia Commercial Trust Management Ltd
- Singapore Technologies Engineering Ltd

Others (non-listed company)

- Sentosa Development Corporation
- Standard Chartered Bank (Singapore) Limited

Major Appointment (other than Directorship)

Nil

Past Directorship other than SGX**held over the preceding three years (from 30 June 2019 to 29 June 2022)**

Nil

Board of Directors

Ms Lim Sok Hui (Mrs Chng)

Non-Executive and Non-Independent Director

Date of first appointment as a director
1 December 2015

Date of last re-election as a director
3 October 2019

Date of next re-election as a director:
6 October 2022

Length of service as a director (as at 30 June 2022)
6 years 7 months

SGX Board Committee Membership
● (Chairman)

Academic & Professional Qualification

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

Present Directorship other than SGX (as at 30 June 2022)

Listed company
Nil

Others (non-listed company)

- Changi Airport Group (Audit Committee Chairman)

Major Appointment (other than Directorship)

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

Past Directorship other than SGX held over the preceding three years (from 30 June 2019 to 29 June 2022)

- Inland Revenue Authority of Singapore

Mr Lim Chin Hu

Non-Executive and Independent Director

Date of appointment as a director
21 September 2017

Date of last re-election as a director
24 September 2020

Length of service as a director (as at 30 June 2022)
5 years

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

Academic & Professional Qualification

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

Present Directorship other than SGX (as at 30 June 2022)

Listed company

- Kulicke & Soffa Incorporated (Listed on Nasdaq)
- Singapore Technologies Engineering Ltd ("STEngg")

Others (non-listed company)

- Certis Cisco Security Pte Ltd
- G-Able Thailand Ltd
- Heliconia Capital Management Pte Ltd ("Heliconia")
 - Vanda 1 Investments Pte. Ltd. (*Subsidiary of Heliconia*)
- Singapore Health Services Pte. Ltd. ("SingHealth")
 - Aescapulus Holdings Pte Ltd (*Subsidiary of SingHealth*)
 - Alps Pte. Ltd. (*Subsidiary of SingHealth*)
 - Integrated Health Information Systems Pte. Ltd. (*Subsidiary of Ministry of Health Holdings*)
- SPTEL Pte Ltd (*Subsidiary of STEngg*)

Major Appointment (other than Directorship)

- Stream Global Pte Ltd (Partner)

Past Directorship other than SGX held over the preceding three years (from 30 June 2019 to 29 June 2022)

- Citibank Singapore Limited

Mr Mark Makepeace

Non-Executive and Independent Director

Date of first appointment as a director
24 September 2020

Length of service as a director (as at 30 June 2022)
1 year 9 months

SGX Board Committee Membership
● (Member)

Academic & Professional Qualification

- The Institute of Chartered Secretaries and Administrators, United Kingdom

Present Directorship other than SGX (as at 30 June 2022)

Listed company
Nil

Others (non-listed company)

- M8R Limited
- Monica Holdco (UK) Limited
- Monica Holdco (US), Inc.
- Monica Intermediate Holdings GP, LLC
- Monica Top GP (Cayman), LLC
- St Giles Global (SGG) GP LLC
- St Giles Global (SGG) LP
- St Giles Global LCC
- Suzhou Wilshire Investment Services Co., Ltd.
- The Stock Exchange of Saudi Arabia (Tawadul)
- Wilshire Asia Private Markets VIII (Offshore), Inc.
- Wilshire Australia Pty Limited
- Wilshire European Private Markets VIII (Offshore), Inc.
- Wilshire Global Advisors, LLC
- Wilshire Hong Kong Limited
- Wilshire Opco UK Limited
- Wilshire U.S. Private Markets Fund VI (Offshore), Inc.
- Wilshire U.S. Private Markets Fund VIII (Offshore), Inc.

Major Appointment (other than Directorship)

- Wilshire Advisors LLC (Chief Executive Officer)

Past Directorship other than SGX held over the preceding three years (from 30 June 2019 to 29 June 2022)

- FTSE Russell
- London Stock Exchange
- Westwood Grange (Cobham) Management Company Limited

Committee Membership Key

● Audit

● Nominating & Governance

● Remuneration & Staff Development

● Risk Management

Prof Subra Suresh

Non-Executive and Independent Director

Date of first appointment as a director

20 September 2018

Date of last re-election as a director

7 October 2021

Length of service as a director**(as at 30 June 2022)**

3 years 9 months

SGX Board Committee Membership

● (Member)

Academic & Professional Qualification

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

Present Directorship other than SGX (as at 30 June 2022)Listed company

- HP Inc., Palo Alto, CA, USA

Others (non-listed company)

Nil

Major Appointment (other than Directorship)

- A*STAR (Member)
- Advisory Council on Community Relations in Defence (Educational Institutions) (Member)
- Applied Materials Inc. (Santa Clara, CA) USA (Member, Growth Technology Advisory Board)
- Future Economy Council (Member)
- Human Potential Steering Committee, RIE 2025 (Member)
- Nanyang Technological University, Singapore (President and Member of the Board)
- National Research Foundation (Member)
- Reliance Industries Ltd. (Mumbai) (Senior Advisor to the Chairman for Reliance Industries Ltd. and Jio Institute)

Past Directorship other than SGX held over the preceding three years (from 30 June 2019 to 29 June 2022)

- ANailYTICA, DE/CA, USA
- MatchMove Pay Pte Ltd

Mr Tsien Samuel Nag

Non-Executive and Non-Independent Director

Date of first appointment as a director

1 May 2022

Date of next re-election as a director

6 October 2022

Length of service as a director**(as at 30 June 2022)**

2 months

SGX Board Committee Membership

● (Member)

Academic & Professional Qualification

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

Present Directorship other than SGX (as at 30 June 2022)Listed company

- Jardine Cycle & Carriage Ltd (Director)

Others (non-listed company)

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

Major Appointment (other than Directorship)

Nil

Past Directorship other than SGX held over the preceding three years (from 30 June 2019 to 29 June 2022)

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

Mr Yeoh Oon Jin

Non-Executive and Independent Director

Date of first appointment as a director

1 July 2021

Date of last re-election as a director

7 October 2021

Length of service as a director**(as at 30 June 2022)**

1 year

Academic & Professional Qualification

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

SGX Board Committee Membership

● (Chairman) ● (Member)

Present Directorship other than SGX (as at 30 June 2022)Listed company

- Singapore Airlines Limited (Chairman of Audit Committee)

Others (non-listed company)

- Singapore Health Services Pte Ltd (Chairman of Population Health Committee)
- Singapore Land Authority (Chairman)
- Trust Bank Singapore Limited (fka SC Bank Solutions (Singapore) Limited) (Chairman of Audit Committee)

Major Appointment (other than Directorship)

- Kidney Dialysis Foundation Limited (Director & Chairman of Audit Committee)
- Lien Foundation (Independent Governor)
- Monetary Authority of Singapore (Corporate Governance Advisory Committee Member)
- Singapore Business Federation (Vice Chairman)
- Singapore Institute of International Affairs Endowment Fund (Trustee)

Past Directorship other than SGX held over the preceding three years (from 30 June 2019 to 29 June 2022)

- CPA Australia, Singapore Division
- PricewaterhouseCoopers CM Services Pte Ltd
- PricewaterhouseCoopers ASEANZ Pty Limited
- PricewaterhouseCoopers Business Advisory Services Pte. Ltd.
- PricewaterhouseCoopers Consulting (Myanmar) Pte Ltd
- PricewaterhouseCoopers Consulting (Singapore) Pte Ltd
- PricewaterhouseCoopers Consulting (Thailand) Ltd
- PricewaterhouseCoopers Consulting (Vietnam) Ltd
- PricewaterhouseCoopers Consulting Holdings (S) Pte Ltd
- PricewaterhouseCoopers Consulting LLP
- PricewaterhouseCoopers GHRS Pte Ltd
- PricewaterhouseCoopers Holdings Singapore No. 1
- PricewaterhouseCoopers Holdings Singapore No. 2
- PricewaterhouseCoopers LLP
- PricewaterhouseCoopers Nominees Pte Ltd
- PricewaterhouseCoopers Services LLP
- PricewaterhouseCoopers Singapore Pte Ltd
- PricewaterhouseCoopers WMS Holdings Pte Ltd
- PricewaterhouseCoopers WMS Pte Ltd
- PT PricewaterhouseCoopers Consulting Indonesia
- PwC Consulting Associates (M) Sdn Bhd
- PwC Consulting Myanmar Co. Limited
- PwC Consulting Services (M) Sdn Bhd
- PwC International Assignment Services Holdings Pte. Ltd.
- Shared Services For Charities
- Singapore Institute of International Affairs
- Singapore Press Holdings Limited

Executive Management Committee





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

Executive Management Committee

Mr Loh Boon Chye

Chief Executive Officer
SGX Group

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

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

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

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

Southeast Asia and a member of its Asia Pacific Executive Committee. From 1995 to 2012, Mr Loh was with Deutsche Bank AG, where he held various leadership roles including Head of Corporate & Investment Banking for Asia Pacific and Head of Global Markets for Asia.

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

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

Mr Ng Yao Loong

Chief Financial Officer
SGX Group

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

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

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

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

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

Ms Agnes Koh

Chief Risk Officer
SGX Group

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

She is also appointed as Chairman of Energy Market Company (EMC), a wholly owned subsidiary of SGX Group which operates Singapore's wholesale electricity market from 1 October 2018. She is the Vice Chairman of CCP12, a global association for central counterparties that work together on issues of mutual interest and benefit to minimise global systemic risk and enhance the efficiency and effectiveness of international markets.

Ms Koh joined SGX Group on 1 December 2005 as Vice President in Risk Management and has worked through various roles within risk management. Prior to joining SGX

Group, she had more than 11 years of experience in managing the foreign reserves of the Monetary Authority of Singapore and was also an auditor with a public accountancy firm.

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

Mr Arulraj Devadoss

Senior Managing Director
Head of Human Resources
SGX Group

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

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

Mr Devadoss graduated with a Bachelor of Arts Degree in Economics from University of

Madras, India in 1982. He also holds a Honours Diploma in Personnel Management and Industrial Relations from Xavier Labour Relations Institute, Jamshedpur.

Mr Lee Beng Hong

Senior Managing Director
Head of Fixed Income,
Currencies and Commodities
SGX Group

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

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

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

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

an electronic bond trading platform and Freightos, a digital freight platform and data firm.

With over 19 years of experience in global markets, Mr Lee has held various senior roles in Deutsche Bank, specialising in Asian FICC trading, structuring, sales and coverage. He most recently led Deutsche Bank's financing and solutions group for North Asia, in addition to his responsibilities as Executive Vice-President of Deutsche Bank China and Head of Global Markets, China.

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

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

Mr Michael Syn

Senior Managing Director
Head of Equities
SGX Group

Mr Michael Syn is Head of Equities at Singapore Exchange (SGX Group). Mr Syn has management responsibility for SGX equity businesses, serving as CEO of the stock market (ST), depository (CDP) and futures market (DT/DC).

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

Mr Syn serves on the council of Economic Society of Singapore and

Executive Management Committee

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

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

Mr Pol de Win

Senior Managing Director
Head of Global Sales and Origination
SGX Group

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

As Head of GSO, Mr de Win drives the growth of SGX Group's international presence, including strengthening client engagements globally and overseeing SGX Group's specialised sales teams in 10 cities. He leads the strategy and delivery of the equity and debt capital market businesses, as well as the development of distribution channels for SGX Group's products and services across all asset classes.

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

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

Ms Tinku Gupta

Chief Technology Officer
SGX Group

Ms Tinku Gupta is the Chief Technology Officer of Singapore Exchange (SGX Group) where she is responsible for the overall planning, development and implementation of the company's technology-related strategies and initiatives, as well as operations of SGX Group's Technology environment. Appointed to the Executive Management Committee on 1 May 2017, Ms Gupta joined SGX Group in October 1996, in what was then known as SIMEX, as a software developer in the Technology team. Over the past 25 years, she has worked in a variety of roles, gaining exposure in many aspects of SGX Group's business and Technology functions. Amongst her various job rotations, she successfully led the Business Integration and Programme Management function in SGX Group through a period of significant change and worked on implementing the current Securities and Derivatives platforms on NASDAQ applications. She also headed the Market Data and Connectivity business, successfully establishing the co-location services business and launching the index business, before returning to head the Technology unit in November 2015.

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

Ms Gupta holds a Master degree in Electronics and Telecommunications Engineering.

Mr Tan Boon Gin

Chief Executive Officer
Singapore Exchange Regulation
SGX Group

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

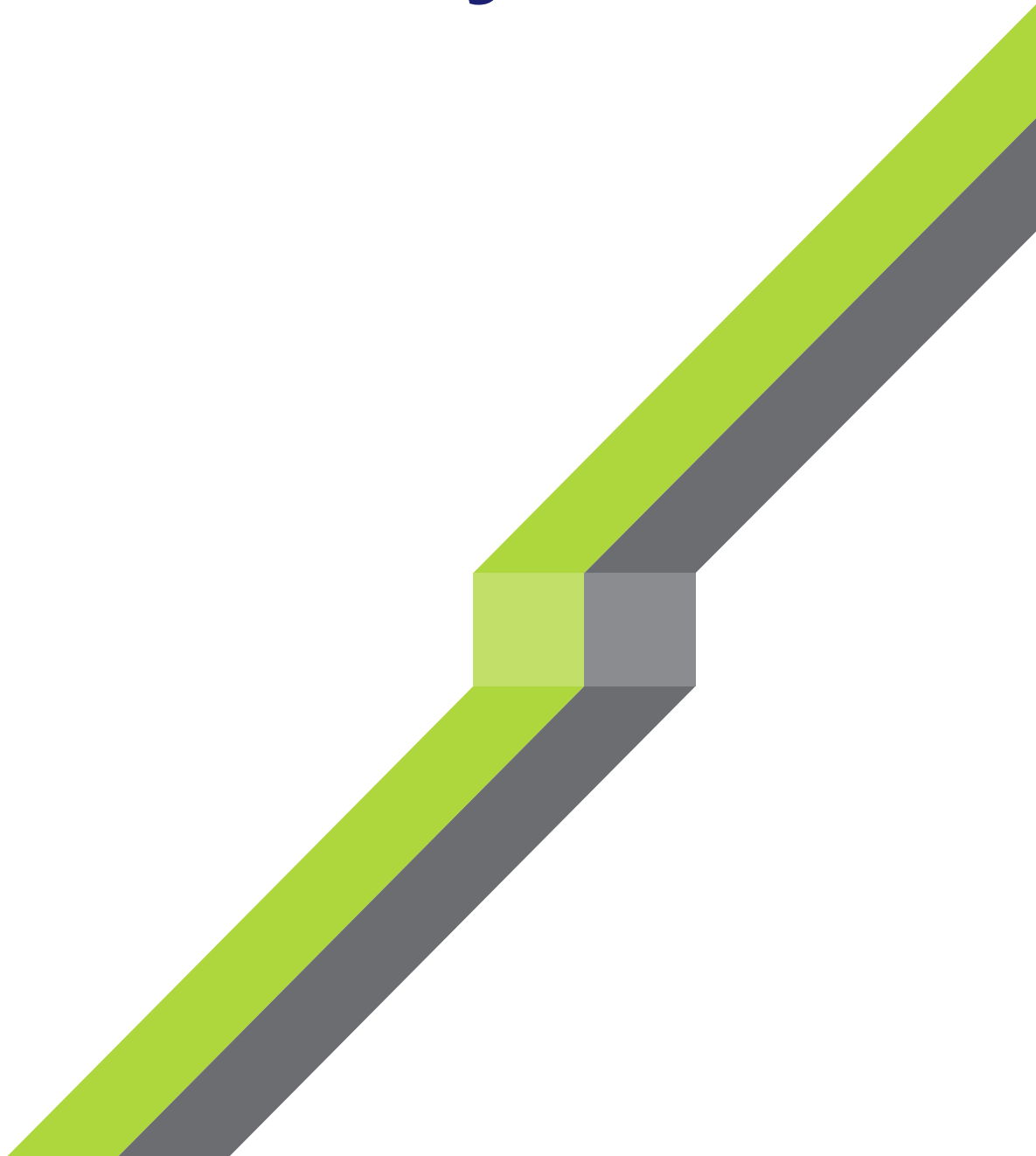
Before joining SGX Group, Mr Tan was the Director of the Commercial Affairs Department of the Singapore Police Force. Prior to this, Mr Tan held several appointments at the Monetary Authority of Singapore (MAS) including Director of the Enforcement Division, Director of the Corporate Finance Division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

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

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



Value Creation & Sustainability



How We Create Value

SGX is committed to generating long-term value for our stakeholders. This report describes how our strategy is determined from market trends, risks and opportunities. It also describes how we have executed our strategy to become a leading international exchange group for capital raising, risk management and price discovery.



Derivatives Exchange of the Year 2021
by Asia Risk Awards

Commodities Exchange of the Year 2021
by Energy Risk Asia

Asia-Pacific Derivatives Exchange of the Year 2021
by GlobalCapital

Best Specialist ESG Index Provider 2022
by ESG Awards

Our Capital

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

01 Financial Capital

Our financial capital is used to invest in talent, develop best-in-class technology and infrastructure for resilience, capitalise our clearing houses and acquire assets in support of our multi-asset growth strategy.

02 Human Capital

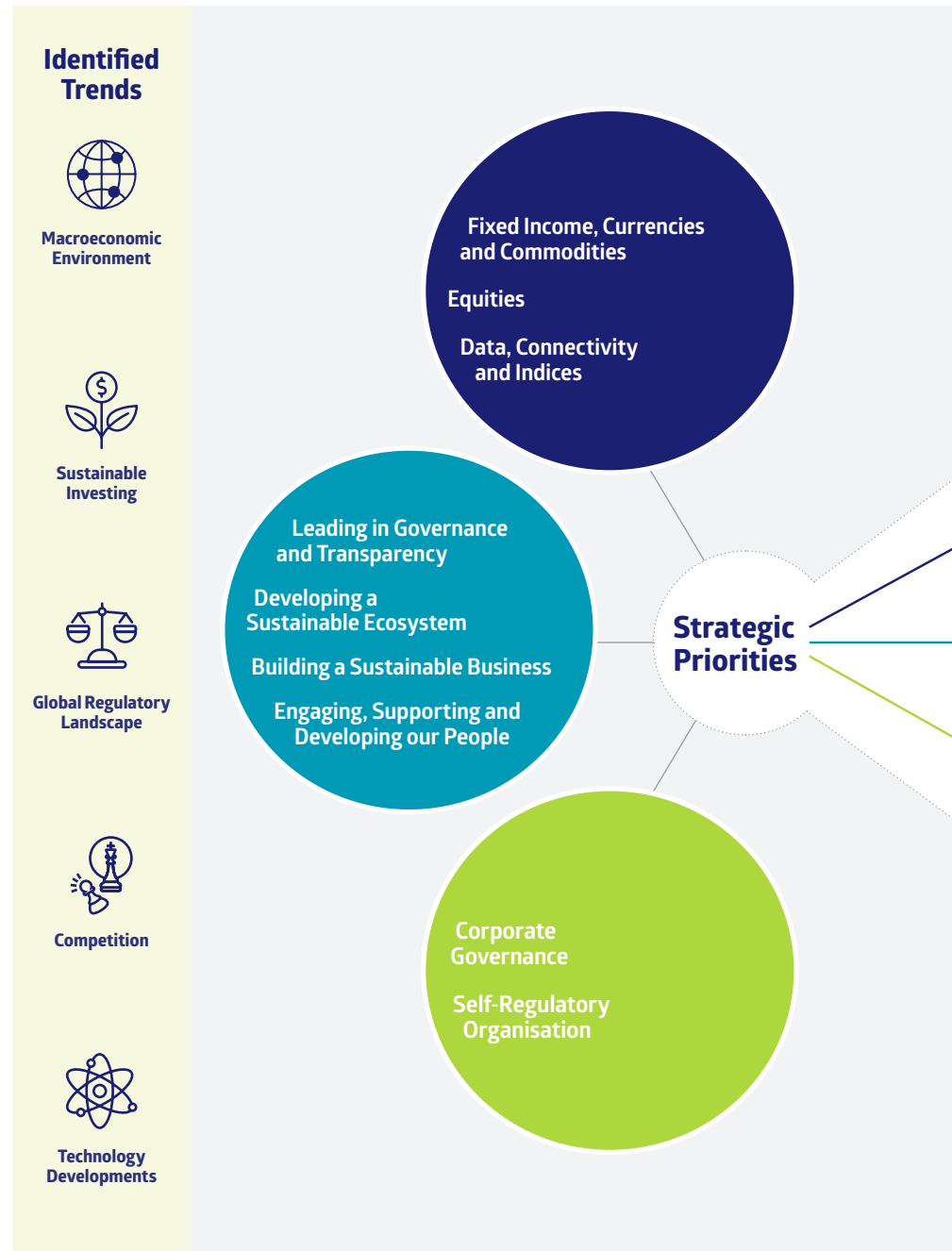
Our highly skilled employees enable operational resilience, deliver innovative products and services, distribute our products and services to customers globally, and ensure our marketplace is fair, orderly, and transparent.

03 Intellectual Capital

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

04 Social Capital

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



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

b For further details on our Strategic Priorities
> Go to pages 36 to 37

b For further details on Creating Sustainable Value
> Go to pages 44 to 82

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

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

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



D For further details on our Corporate Governance practices
> Go to pages 86 to 121

D For further details on our role as a Self-Regulatory Organisation
> Go to pages 122 to 127

Outcomes for Stakeholders

01 We are a venue for raising capital

We operate the largest stock market in Southeast Asia. With a market capitalisation of about \$900 billion, we are an international listing venue where more than 40% of our equity market capitalisation is from non-Singapore domiciled companies. We are also the largest exchange in Asia-Pacific for the listing of international bonds, with over 8,600 debt securities listed by more than 1,800 issuers from over 56 countries in 26 currencies.

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

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

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

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

03 We deliver value to our shareholders

In the last 10 years, we have returned more than \$3 billion to our shareholders through annual dividend payouts of between 27 cents and 32 cents per share. Since our listing in 2000, SGX shareholders have been rewarded with increasing base dividends. This is in line with our dividend policy of paying a sustainable and growing dividend, consistent with the long-term growth of the group.

04 We are important to the broader Singapore financial ecosystem

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

Identified Trends



Macroeconomic Environment

Asia continues to drive global growth; concerns on higher interest rates and inflation

Our business performance is primarily determined by the level of activity in the markets that we operate. With many of our listed companies domiciled outside Singapore, developments in global macroeconomic policies and geopolitical climate will influence investors' actions and the level of activity in our market.

Asia is expected to continue to lead global economic growth. Emerging and Developing Asia is expected to grow 4.4% in 2023, ahead of US and Europe of 2.3% (World Economic Outlook April 2022, IMF). Interest rates have also been low in the last year, prompting investors to explore alternative investment opportunities in search for higher returns. As a multi-asset exchange, SGX offers investors a wide range of investment opportunities for investors to participate in Asia's growth and seek higher returns. Investors are able to access Asia through our equities market, OTC FX and futures market, and commodities in the steel production value chain.

As economies recover from the COVID-19 pandemic and geopolitical tensions between Russia and Ukraine led to increased commodity prices, concerns on inflationary pressures grow as the cost of goods and services begin to escalate. With investors rebalancing their portfolios to adjust to the constantly evolving environment, the flow of capital between asset classes led to heightened volatility in underlying equities, currencies and commodities markets.

SGX's continued success in creating long-term stakeholder value is largely influenced by our flexibility to respond quickly to developing market trends. We have identified trends in the macroeconomic environment, global regulatory landscape, competitive environment, and technology developments. Each identified trend brings unique risks and opportunities to the organisation and is a major consideration in the way we formulate our growth strategy.

As the world's most liquid pan-Asian derivatives market spanning major asset classes, SGX offers investors the ability to hedge their portfolio volatility and risks using SGX's suite of Asian risk management solutions.



Sustainable Investing Facilitating transition to sustainability

Demand for sustainable investing products is projected to rise rapidly as investors continue to integrate Environment, Social and Governance (ESG) and climate considerations into their investment decision making processes. Bloomberg is estimating ESG assets to exceed \$53 trillion by 2025, representing one-third of \$141 trillion projected total assets under management. Due to the continued integration of ESG factors into investment processes, the demand for high quality ESG data will also continue to increase.

SGX offers investors a growing range of options to fulfill their sustainable investing objectives. Sustainability related products include our iEdge-OCBC Singapore Low Carbon Select 50 Capped Index Exchange Traded Fund (ETF), UOB APAC Green REIT ETF and Global Climate Impact Consistent Indices from our subsidiary, Scientific Beta. Investors seeking to integrate ESG factors into their portfolios while maintaining risk and return characteristics similar to benchmark equity indices could look to our suite of ESG index futures contracts. These include our FTSE Emerging ESG, FTSE Emerging Asia ESG, FTSE Asia ex Japan ESG and FTSE Blossom Japan index futures contracts.

SGX also offers alternatives to facilitate the transition to a low carbon economy and capture the

opportunities brought by changes in commodity consumption over the short and medium term. These include our low sulphur fuel oil, methanol and the 65% Fe Fines iron ore and lump derivatives contracts.

To meet investors' demands for high quality ESG data, SGX will be launching an ESG disclosure portal to facilitate the disclosure of consistent and comparable data among listed companies. The portal also aims to improve the usability of quantitative ESG data, including climate-related data.



Global Regulatory Landscape Navigating a transforming regulatory environment

Against a challenging macroeconomic backdrop with disruptions to supply chains, increasing geopolitical instability and increasing risks of stagflation looming large, regulators and other statutory bodies are expected to ramp up their scrutiny of risk management practices of financial institutions. While the expectation that financial markets should play a role in addressing climate change and related sustainability issues, global regulators are increasingly turning their attention towards greenwashing and related disclosure issues. SGX is attuned to these developments and works closely with both regulators and market participants to thrive in this dynamic environment.

The increased appetite for new investment structures, such as SPACs and digital assets such as crypto currencies, has drawn a corresponding increase in regulatory attention to such instruments. With de-SPAC mergers facing rising challenges, financial regulators have intensified

scrutiny on proposed transactions. Cryptocurrency instruments and platforms continue to increase in number, while the adoption of distributed ledger technologies (DLT) in the capital markets continue apace. SGX is examining the developments closely and continues to engage stakeholders in our market on the appropriate regulatory refinements and safeguards needed in the face of global regulatory developments.

Amidst increase in retail participation relying on social and alternative media, de-risking by asset managers is also expected to affect market performance, and lead to enhanced attention on investor protection. At the same time, the threat of global stagflation means financial markets need to be better prepared for stakeholder needs for capital and return. SGX has made and will continue to make the necessary adjustments so that regulation and engagement with the market remain robust.



Competition Competition from global exchanges

As global investors continue to expand their investments in Asia, exchanges globally have been increasingly focused on enabling Asian access and risk management opportunities to participants. SGX remains confident that we can compete favourably with existing and new competitors.

Our strengths lie in our diversified multi-asset exchange model, our reliable platform for capital raising, our robust regulatory system, and our unique value proposition as the leading exchange offering single-point access into key Asian markets. We also operate two well-capitalised clearing houses that meet the highest global regulatory standards, earning trust and confidence from our participants.

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

Our derivatives business remains uniquely pan-Asian, offering Asian access and risk management solutions to investors in asset classes such as equities, currencies, and commodities. Potential competitive threats could come from other exchanges developing similar platforms. The network and portfolio effects that SGX has developed over years remain our competitive advantage. We offer a broad range of multi-asset Asian access and risk management solutions, possess the intellectual capital to develop new platform solutions that meet the needs of our stakeholders, offer single-point access to multiple asset classes, and extend our clients cross-margining benefits that result in lower cost of capital.

To further strengthen our offering, we will continue to explore opportunities that offer synergies and growth potential and expand our partnerships and networks to develop mutual commercial benefit. During the year, we acquired MaxxTrader, an OTC FX multi-dealer platform that complements BidFX, which was acquired in FY2021. The combined BidFX, MaxxTrader, development of an OTC FX Electronic Communication Network and SGX's FX futures offering has paved the way for SGX to become the leading Asian FX venue.



Technology Developments Technology continues to be both a key enabler as well as a potential source of significant disruption to our business model in the long run

SGX's platforms and services remained resilient in FY2022, despite a persistent and evolving cyber risk landscape. We continue to prioritise operational excellence while delivering customer-focused solutions to grow our business and engineering innovations to envisage future business models.

The chances of cyber attacks to our infrastructure have increased as we embraced further digitalisation and hybrid working practices. To mitigate

security risks, we improved the efficacy of our security controls and deployed additional security capabilities that are aligned with the principles of 'Defense in Depth', 'Assumed Breach' and 'Zero Trust'. We remain proactive in securing our IT assets and are constantly monitoring the cyber threat landscape for emerging threats and their related countermeasures.

We continue to anticipate disruptions and conceptualise future applications of emerging technologies. To explore diversified payment structures with Distributed Ledger Technology (DLT), we have partnered with ASEAN Financial Innovation Network (AFIN) to innovate on Central Bank Digital Currency (CBDC) solutions. A successful CBDC implementation will enable instant cross-border payments and settlements and provide ease of trading, access, and margin offsets to SGX's members.

Cloud computing has the potential to generate unparalleled network effect and significantly improve customers' access to markets. We continue to progress in our cloud adoption journey and have assimilated cloud into our core technology stack. All new services are on a 'Cloud First' deployment model. We are also exploring next-generation connectivity models on the cloud and a Proof-of-Concept (POC) was completed with Microsoft Azure and Amazon Web Services for low latency distribution of market data.

The competition for technology talent has intensified as demand for technology expertise soared across all industries amidst accelerated digitalisation catalysed by the pandemic. Critical technology roles in SGX remain well-staffed through effective succession planning, accelerated hiring and internal rotations. We continue to develop our pipeline of technology talent through various upskilling initiatives, our Management Associate (Technology) Programme and the Institute of Banking and Finance Singapore's Technology in Finance Immersion Programme (IBF-TFIP).

Strategic Priorities

Having successfully established ourselves as an international multi-asset exchange, our next step is to expedite growth and expand our client coverage. We strive to offer our customers deeper, broader and more integrated access to Asian Equity, Fixed Income, Currency and Commodity asset classes, and provide them with advanced smart-factor index solutions. Our platform offers global participants access and portfolio risk management capabilities that addresses almost 100% of Asia's GDP. With a strong international presence, we are able to distribute our services globally and personally work with our customers in their respective time-zones. Well-positioned to bring SGX to new heights, we will continue to drive growth through partnerships.



Advance our Multi-Asset Exchange

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



Grow our International Presence

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



Expand our Network and Partnerships

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

Business Priorities in FY2023

Fixed Income, Currencies and Commodities

Fixed Income

We are building Asia's leading integrated end-to-end ("E2E") Fixed Income offering through partnerships and establishing Asia's digital fixed income market infrastructure for capital markets. Riding on the increasing trend of electronification, we will develop a primary issuance platform that seamlessly connects to a post-trade digital asset depository. We are also driving our fixed income listing business through our bond digitalisation initiatives and facilitating international participants access into China's capital market. We will also be driving sustainable finance and reporting through offering market data on Asia and China sustainability bonds.

Currencies

With our acquisition of BidFX in July 2020 and MaxxTrader in January 2022, SGX is able to offer our buy-side and sell-side clients access to OTC FX liquidity pools on an advanced integrated digital FX workflow, pricing and risk management platform. Leveraging on our combined multi-dealer platforms and recently-established FX Electronic Communication Network (ECN), we have also enabled all-to-all low-latency OTC FX trading capabilities anchored in Singapore. Coupled with our position as Asia's largest and most liquid FX derivatives exchange, we will continue our efforts in building a fully-integrated and scalable FX platform that will become Asia's largest one-stop venue for international FX futures and OTC participants.

Commodities

Iron ore financialisation remains a key focus in FY2023, as we build on our growing screen liquidity to establish iron ore as an important macroeconomic indicator to Asia's growth.

We will intensify the pace of new product development as we expand our leadership in global trade and transport. Another important growth pillar is the sustainability-centricity of our product suite – coupled with development of carbon credits by Carbon Impact Exchange (CIX), we will continue to support price risk management related to energy transition and decarbonisation efforts of our clients.

Equities

Our priorities are about broadening platform reach and product offering.

We will continue to expand and reinforce our existing cash and derivatives product shelf, which will include introducing Asian thematic

products, expanding our geographical ETF offering, and launching Listed Certificates.

We will further increase the attractiveness of our capital raising offering, by enhancing our post

listing support eco-system (e.g. facilitating initial liquidity creation from expanded Securities Borrowing and Lending lending pool, greater Market Maker and Active Trader participation), and leverage the momentum from our recent Nio

Inc secondary listing to pursue similar cornerstone listings. Together, these are expected to be accretive to the average daily traded value for our cash equities market.

We will further expand our platform capabilities and market reach via overseas collaborations, which include the National Stock Exchange of India International Financial Service Centre

(NSE IFSC)-SGX Connect, Shenzhen Stock-Exchange-SGX ETF Product Link and continued acquisition of retail investors across the region via regional distribution partnerships.

Data, Connectivity and Indices

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

Our index business has been expanding its offerings to address investors' top concerns today. Scientific Beta's Smart Beta indices help investors balance their diversification across growth, value and other academically validated factors. Its more recent Climate Index series based on robust research help investors achieve their Net Zero ambition without risking greenwashing inconsistencies. Macro factor indices is gaining interest as investors seek to manage their risks against inflation surprises. In June, Scientific Beta announced new satellite index offerings on Trade Tension and Pandemic indices that enables investors

to take tactical bets on specific risk events. To better serve clients, Scientific Beta is expanding its team of sales and investment specialists in US, Europe and in new office locations such as Australia.

At the same time, SGX Index Edge has successfully partnered leading banks and asset managers to launch 3 ETFs in FY2022 and aims to build on this momentum in FY2023. There is growing interest in Thematic and ESG indices in Asia and we expect to announce more collaborations in FY2023. In Europe, we expect our iEdge indices in partnership with leading structured product issuers to continue to gain adoption, especially for ESG related products.

For our data business, we have launched our digital data licensing and

administration platform that empowers clients to manage their data subscriptions more readily. Recently, we jointly announced three China securities brokers redistributing our Securities market real-time data to Mainland China investors under the partnership with Shanghai Stock Exchange-owned China Investment Information Services (CIIS). We expect more partners to come on board and grow our data usage footprint. For our connectivity business, we have added end-to-end connectivity solutions for our participants to access Gujarat International Finance Tech City (GIFT) Connect, and Independent Service Vendors (ISVs) getting conformed for trading. In preparation for more colocation requirements, we have equipped and activated more hosting space in our primary data centre.

Global Sales and Origination

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

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

SGX's variety of capital-raising platforms provides a fluidity of choice to businesses in varying stages of growth. As Asia continues to grow and with more companies emerging from the region, SGX has the ambition and

confidence to be the listing and fundraising platform of choice for a wide variety of issuers seeking more prominence in Asia and access to an ever-growing Asia-focused investor base. To achieve this, we will continue to anchor our foothold in the real estate, financial, healthcare, consumer and technology sectors. At the same time, we will intensify our efforts in growing new priority sectors such as sustainability and bringing more new economy companies to our market. In addition to focusing on primary listings, we will also pursue global issuers seeking secondary or dual listing in Singapore and work in close cooperation with overseas exchanges and regulators to optimise dual listing processes.

As the most international fixed income listing venue in Asia, we will continue to grow through an expanded network of global intermediaries and diversified fixed income listed products while enhancing our ESG sector focus across sectors. In addition, we provide issuers a

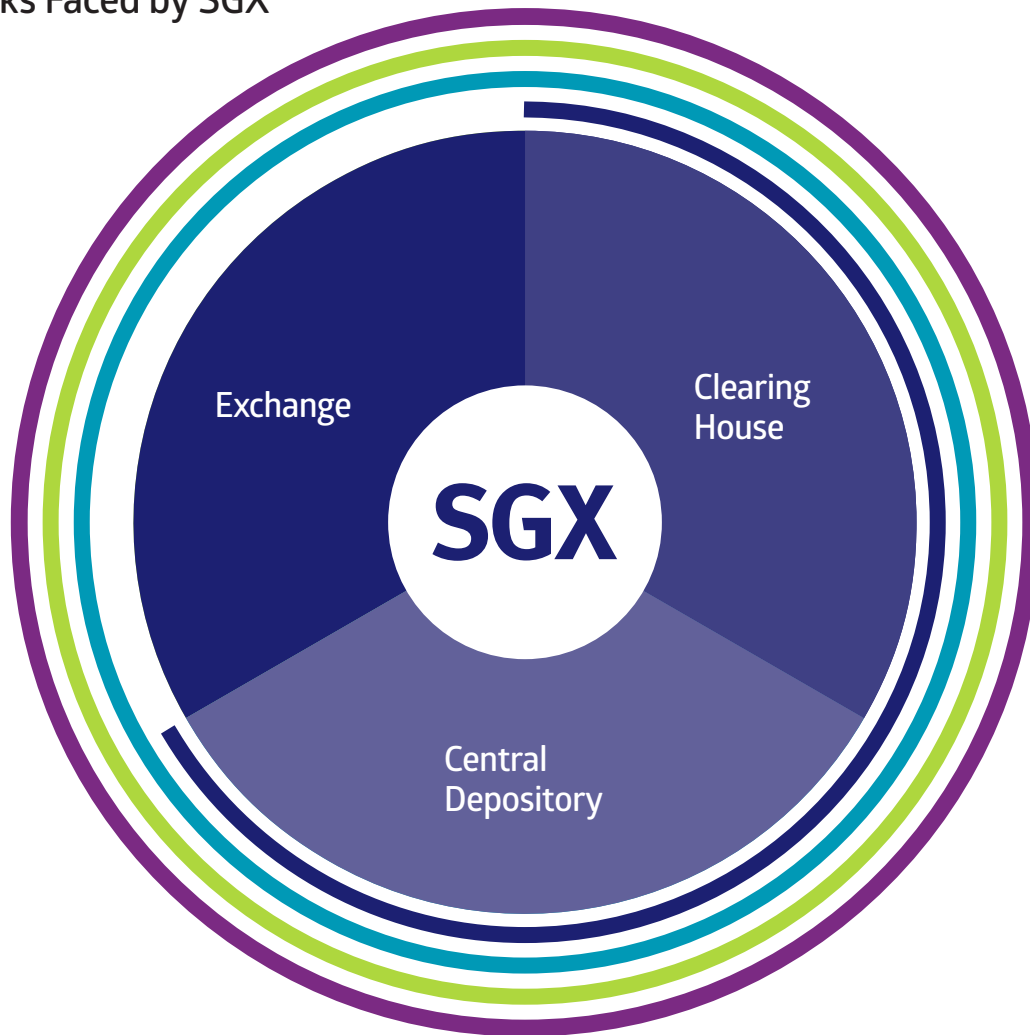
highly efficient digitised fixed income listing process, and a one stop holistic corporate capital structure solution.

With our China strategy well in execution, we will further penetrate the China market by deepening mutual market connectivity across asset classes and expanding capital flows through strong Memorandum of Understanding (MOU) partnerships with top Chinese intermediaries, exchanges and key financial infrastructures. In FY2022, we signed several MOU and collaboration agreements with key partners to provide investors in China and Singapore with diversified and cross-border investment opportunities. Notable one includes MOU with Shenzhen Stock Exchange to establish an ETF connect, and Guangzhou Development District Administrative Committee on capital raising. We also secured collaboration agreements with China Investment Information Services to promote SGX securities data in China, China Central Depository & Clearing (CCDC) for ETF In-kind collaboration agreement.

Risk Management

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

Key Risks Faced by SGX



Credit & Liquidity Risks

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



Operational Risks

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



Regulatory and Reputation Risks

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



Climate-related Risks (emerging risks)

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

Risk Description for SGX

What Are We Doing About It?

01 Credit Risks

Risks arising from potential default of a participant

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

Investors access SGX through our members, who are required to meet payment obligations in a timely manner. SGX collects margin from its members multiple times daily to reduce credit risk.

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

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

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

The past year has seen global financial and commodities markets roiled by geo-political tensions, supply chain shocks and growth slow-down concerns stemming from interest rate hikes and high inflation. Amidst this, SGX heightened its vigilance on impact of cross-border market contagion on our participants. Tighter supervisory reviews, combined with enhancements to our risk management practices and models enabled us to prepare for and manage evolving risks.

SGX and its members contribute resources to a default fund that is strong enough to withstand a multiple-member default. The resources to manage a potential credit event have been stress-tested to cover extreme and plausible scenarios. SGX contributes at least 25% of the default fund using its own capital, which ranks as one of the highest "skin in the game" amongst global clearing houses. In the event of a member default, we also have in place a robust default management process to liquidate a defaulter's portfolio in a swift and effective manner. We have enhanced our liquidity stress test and margin frameworks to bolster adequacy of resources in event of a member default.

In an increasingly unpredictable environment, new stress scenarios are constantly added to capture a broader range of tail-risks and bolster our preparedness to deal with crisis events. These include forward-looking hypothetical stress scenarios developed in consultation with market participants represented on our Risk Advisory Committee. We have also conducted regular default management exercises with clearing members to familiarise and enable a speedy resolution and reduce contagion risks within the ecosystem.

Risk Management

Risk Description for SGX

What Are We Doing About It?

02 Liquidity Risks

Risks arising from potential default of a participant

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

In addition, in facilitating day-to-day settlement of payments and safekeeping of customer monies, the clearing house uses commercial banks. A counterparty default of such a commercial bank, though highly unlikely, will expose SGX to liquidity risks.

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

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

03 Operational Risks

Operational resilience and business continuity

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

SGX regularly reviews the state of our business operational resiliency to be prepared for any contingencies which could impact the operation of a fair, orderly, transparent and efficient marketplace.

SGX continued to build on our business continuity efforts through hybrid work arrangements. We conducted disaster recovery exercises with members, strengthened our remote crisis management capabilities, maintained our physical security posture and continually engaged our staff on our pandemic management measures. Our resilience is demonstrated through our ability to respond agilely to the dynamic COVID-19 pandemic. In addition, our responses to the pandemic are compliant with the requirements for ISO 45001: Occupational health and safety management systems.

With an expanding footprint through our acquisitions, we have introduced new risk governance processes to ensure a consistent risk management approach across the Group and oversight by SGX Group management. Across the Group, management has been reviewing and enhancing business continuity management, especially for newer subsidiaries.

More details on our efforts to business continuity management, specifically for technology disruptions, can be found in our Sustainability Report (pages 65 to 67).

Risk Description for SGX

What Are We Doing About It?

03 Operational Risks

Technology

SGX is heavily reliant on technology. We are committed to ensuring that our trading, clearing and depository systems adhere to high standards of latency, volume capacity, and service availability. Any service interruption could lead to reputational risk and potential loss of revenue.

SGX has maintained high standards in service availability by embedding a culture of disciplined readiness. Besides traditional layered defence, we have advanced machine-learning capabilities to predict and pre-empt system failures, and ensure all systems and processes are resilient by design.

Throughout the COVID-19 outbreak, working remotely in the virtual workplace had become the new normal. With a high percentage of SGX employees working from home, the Technology teams maintained operational and cyber resiliency, with no degradation of business-as-usual service levels and staying on course for their overall work plans. Lessons learnt from COVID-19 enable us to come out stronger in terms of way of working remotely in a secure and efficient manner, which we can leverage on going forward.

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

Increasing threat of cyber-attacks

Singapore is a target for cyber criminals, with increasing cyber-attacks experienced by various organisations. Similar to other financial institutions, SGX has experienced a rise in such activities compared to previous years.

SGX is vigilant in monitoring the cyber threat environment to ensure that cyber risks are managed and the regulatory requirements are met. We continually strengthen our defences and have also focused our efforts on recovery and response.

Protection of our server and endpoints have been strengthened with Endpoint Detection and Response (EDR) security software, with threat hunting capability.

We continue to enhance our cyber defence across our people, process and technology, increasing cyber risk awareness across the organisation which in turn strengthens our defences to cyber threats.

Data protection

As a financial market infrastructure, SGX collects and holds market, client and customer data. We view protecting the confidentiality and integrity of this data seriously.

SGX has a data protection regime to help safeguard market, client and customer data. These include policies and processes around data protection and treatment, in areas such as data encryption, segregation of duties and roles for data management.

Outsourcing risks

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

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

Risk Management

Risk Description for SGX

What Are We Doing About It?

04 Regulatory Risks and Reputation Risks

Risk of not maintaining robust regulatory standards

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

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

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

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

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

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

SGX RegCo recently mandated climate reporting disclosures on board diversity through new listing rules, and introduced 27 core ESG metrics to promote comparability of data. SGX RegCo also regularly provides practice guidance, including on disclosures in summary valuation letters; business valuations and emerging trends; the conduct of general meetings amid the extension of temporary legislative relief for physical meetings; and disclosures of sanctions-related risks, arising from the Russia-Ukraine conflict.

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

Risk Description for SGX

What Are We Doing About It?

05 Climate-related Risks (emerging risks)

Climate-related risks include transition and physical risks.

Transition risks

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

Low physical risks

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

A comprehensive identification of our climate-related risks is the first step towards strengthening our climate resilience. We have reviewed our risk taxonomy and embedded climate risk considerations in our Enterprise Risk Management framework.

This year, key units were engaged in a series of workshops to identify and assess climate-related risks that are unique to the respective business lines as well as those that impact the organisation as a whole. For detailed description of our transition and physical risks, please refer to Sustainability Report (TCFD Climate Risk – pages 55 to 59).

Looking ahead, we will continue to monitor and review our climate risks and opportunities and will work towards conducting climate scenario analysis and quantifying the financial impacts of climate risks, with the help of independent subject matter experts.

06 Market Risks

Low market risk

As a financial market infrastructure, SGX follows strict regulatory requirements in managing its resources and maintaining capital adequacy. The company maintains a strong balance sheet. Our assets are primarily cash resources with investments in marketable securities.

Under our investment framework, our monies are predominantly in deposits placement with a panel of highly rated banks that are either licensed and/or regulated by MAS. This ensures diversification of counterparty risk and that SGX's resources remain liquid. A small amount of the monies (less than 5%) is invested in high-quality fixed income securities and ETFs.

Creating Sustainable Value

Introduction

A Message from the Board

Amidst the backdrop of unprecedented change and uncertainty roiling in global markets, including climate change, the need to grow a sustainable business at SGX Group, that is resilient and which ensures the longevity of our ecosystem, has never been more important. Incorporating environmental, social and governance considerations in our decision-making, the Board is committed to sharing the language of growth with our stakeholders through creating long-term value to support sustainable transition for Singapore and in the global capital and trading ecosystem. We strengthened our commitment in December 2020 to invest \$20 million over the next few years to expand our sustainability capabilities and initiatives executed through our four core pillars – SGX Group as a company, a business, a regulator and in the ecosystem.

As a listed company, we strive towards demonstrating leadership in sustainability practices. On climate action, we are developing SGX Group's strategy and risk management framework utilising the Task Force on Climate-Related Financial Disclosures (TCFD) framework. This marks our second year where we provide disclosures aligned with the TCFD. We demonstrated our climate ambitions by joining the Net Zero Financial Service Providers Alliance (NZFSPA), as one of 18 founding members, playing a pivotal role in shaping the 'net zero' definition for exchanges. To lead the way, we have set ambitious targets which have been validated by the Science Based Targets initiative (SBTi). We continue to prioritise social factors through internal capacity building and training, which equips our people with the essential knowledge and skills required in the rapidly evolving sustainability field.

As a business, we are committed to futureproofing our business and building

revenues as we continue to build sustainability-focused investment and risk management products to meet the ecosystem's needs. We continue to expand our product shelf to address investors' growing interest in sustainable investing and trading. We partnered with UOB Asset Management and OCBC Securities, respectively, to develop and launch the UOB APAC Green REIT ETF and Lion-OCBC Securities Singapore Low Carbon ETF. SGX Group is amongst the top five listing venues for international G3 currency Environmental, Social and Governance (ESG) bonds, and we intend to enhance our offering with Greennode, our comprehensive and structured Asian ESG bond information hub. To mobilise public capital markets to support sustainable environmental, social and economic development in Asia, our partnership with the UK Government's MOBILIST programme aims to provide funding and technical support to new issuers of securities that are aligned with the United Nations Sustainable Development Goals (UN SDGs) across emerging and frontier markets. The programme also identifies and supports new, additional, scalable and commercially viable investment products that are seeking a public listing on major global exchanges. Our joint venture, Climate Impact X (CIX), completed a first-of-its-kind portfolio auction of voluntary nature-based

carbon credits, and has launched a global carbon marketplace offering high-quality carbon credits.

As a front-line regulator, we have made significant progress to enhance sustainability disclosures. In December 2021, Singapore Exchange Regulation (SGX RegCo) amended the listing rules to require issuers to provide climate-related reporting on a "comply or explain" basis in their sustainability reports from their financial year commencing in 2022, based on recommendations of the TCFD. Climate reporting will subsequently be mandatory for issuers in the (i) financial, (ii) agriculture, food and forest products, and (iii) energy industries from FY2023. The (iv) materials and buildings, and (v) transportation industries must do the same from FY2024. To equip directors with sustainability knowledge, eight sustainability training courses for directors of listed companies were announced. It is anticipated that members of the SGX Board will complete their mandatory sustainability training by end CY2022. In FY2023, we will continue to monitor progress on the finalisation of the International Sustainability Standards Board (ISSB) standards, which are expected to be the next evolution for a comprehensive global baseline of sustainability-related

As a business, we are committed to futureproofing our business and building revenues as we continue to build sustainability-focused investment and risk management products to meet the ecosystem's needs. We continue to expand our product shelf to address investors' growing interest in sustainable investing and trading.

disclosure standards. We shall continue to provide capacity building training to our listed companies to meet our new reporting requirements.

Given sustainable standards and frameworks are global in nature, proper Asian representation is necessary to positively affect Asia's real economy and financial systems, including in Singapore. Therefore, we take a lead in global steering groups, such as the Glasgow Financial Alliance for Net Zero (GFANZ) Principals Group and the Steering Committee, to ensure that such global developments as net zero pathways have utility in the regional and local context. We also launched SGListCos, an association to represent the interests of all SGX listed companies, of which one of the objectives is building the sustainability ecosystem.

A peer-to-peer CSOs (and equivalent) sharing network was launched for sustainability leaders, including for listed companies.

SGX RegCo and the Accounting and Corporate Regulatory Authority (ACRA) have also set up a Sustainability Reporting Advisory Committee (SRAC) to advise on a sustainability reporting roadmap for Singapore-incorporated companies.

Our efforts collectively underscore our vision to serve the market as a leading sustainable and credible transition finance and trade hub. SGX Group will continue to advocate transparency and accountability in delivering our sustainability targets, which is fundamental to building trust with our stakeholders.

In FY2023, the Board will continue to work closely with SGX Group management in order to continue building on our efforts to date.

As a listed company, we strive towards demonstrating leadership in sustainability practices.

About the Report

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

Scope

The report covers the performance of our consolidated entities from 1 July 2021 to 30 June 2022 (FY2022). We have included the historical data for FY2020 and FY2021 for comparison where available.

Approach to Sustainability Reporting

This Sustainability Report is approved by the SGX Board of Directors and is prepared in accordance with:

- SGX-ST Listing Rules 711A and 711B (as amended on 1 January 2022)
- Global Reporting Initiative (GRI) Standards (2016) – “Core”
- GRI 207 Standards (2019) – “Tax”
- Sustainability Accounting Standards Board (SASB) for Security & Commodity Exchanges issued by the Value Reporting Foundation
- Recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD)
- Relevant UN Sustainability Development Goals (UN SDGs)

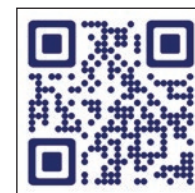
More information on our alignment with the GRI and SASB Standards, TCFD recommendations as well as details on our performance metrics, may also be found on our website.

We welcome feedback on this report and any aspect of our sustainability performance. Comments or feedback can be sent to sustainability@sgx.com.

Review and Assurance

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

SGX Group is rated by ESG rating agencies. Our available ratings as well as a list of available ratings for our listed companies may be found on our “ESG stock ratings” page on our SGX FIRST platform.



Content Index & Performance Metrics
Scan the code, or visit sgxgroup.com/sustainability/our-sustainability-reports



ESG Stock Ratings
Scan the code, or visit sgx.com/sustainable-finance/stock-ratings

Creating Sustainable Value

Introduction

FY2022 Highlights

July

- Introduced SGX Group's Sustainability Vision guided by our four core pillars – as a company, a business, a regulator and, in the ecosystem

August

- Launched public consultations on mandating climate reporting and the introduction of board diversity disclosures
- Baltic Exchange published indicative CO₂ emissions figures and Energy Efficiency Operating Indicator (EEOI) reference values to provide the shipping industry with a point of reference for carbon emissions for Baltic dry bulk routes

September

- Joined Net Zero Financial Service Providers Alliance (NZFSPA) as a founding member
- CEO of SGX Group invited as a member of the Glasgow Financial Alliance for Net Zero (GFANZ) CEO's Principal Group and Head of Sustainability & Sustainable Finance (SSF) joined the GFANZ Steering Committee
- Joined Taskforce on Nature-related Financial Disclosures (TNFD) as Forum member and Head of SSF as Taskforce member
- CEO of SGX Group appointed as Vice Chairman of the World Federation of Exchanges

October



- Launched Climate Disclosure Training Programmes for Listed Companies in partnership with the Sustainable Stock Exchanges initiative (SSE), International Finance Corporation (IFC) and Climate Disclosure Standards Board (CDSB)
- CEO of SGX Group joined the independent advisory committee of the Sustainable Stock Exchanges (SSE) and Climate Governance Singapore (CGS) as an advisory board member

November



- Partnered with UOB Asset Management to launch UOB APAC Green REIT ETF, the world's first yield-focused green REIT ETF which tracks the iEdge-UOB APAC Green REIT index
- Organised annual flagship Bull Charge Charity Run

December



- SGX RegCo mandated TCFD-aligned climate and board diversity disclosures from FY2022

January



- Launch of GreenNode, an ESG bond information hub, via Marketnode

February



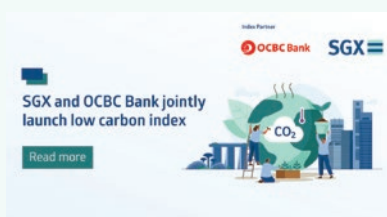
- Scientific Beta wins 'Best Specialist ESG Index Provider' at the ESG Investing Awards 2022
- The Central Depository (CDP) goes paperless adopting e-statements and e-notifications

March



- Participated in 8th Annual 'Ring the Bell for Gender Equality'
- Launched sectoral workshops to aid companies in TCFD-aligned climate reporting
- Announced list of courses for company directors on mandatory sustainability training
- Commercial launch of CIX's global carbon marketplace
- Announced MOBILIST partnership with UK government for capital markets

April



- Partnered with OCBC Securities to launch Lion-OCBC Securities Singapore Low Carbon ETF, Singapore's first low carbon ETF which tracks the iEdge-OCBC Singapore Low Carbon Select 50 Capped Index
- ASEAN Exchanges published table comparing sustainability reporting regimes

May



- Launched SGListCos, the association for all SGX listed companies with an objective to promote sustainability
- Launched online, on-demand sustainability courses for Listed Companies on Asia Sustainable Finance Initiative (ASFI) Academy

June



- Launched GFANZ APAC Regional Network and Network Central Office hosted by SGX Group with support from Monetary Authority of Singapore (MAS) and Temasek
- CEO of SGX Group joined the GFANZ APAC Network Advisory Board
- Head of SSF joined the Management Advisory Board of NUS Sustainable and Green Finance Institute (NUS SGFIN)
- SGX RegCo and The Accounting and Corporate Regulatory Authority (ACRA) have set up a Sustainability Reporting Advisory Committee (SRAC) to advise on a sustainability reporting roadmap for Singapore-incorporated companies

Creating Sustainable Value

Introduction

Our Sustainability Approach

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

Our Sustainability Vision

To be a leading sustainable and credible transition finance and trade hub. We will be guided by our four core pillars – as a company, a business, a regulator, and in the ecosystem – in how we approach sustainability.



As a company

Demonstrate leadership in sustainability



As a business

Offer sustainability-related products and services, and support capitalising on our assets, expertise and capabilities



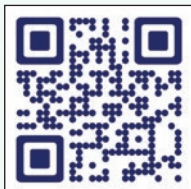
As a regulator

Guide the market on sustainability-related disclosures and practices



In the ecosystem

Be a positive influence and foster collaboration and partnerships to provide data, tools, resources and connecting stakeholders to drive industry discussions



Sustainability Vision
Scan the code, or visit
sgxgroup.com/sustainability

Sustainability Governance at SGX Group

Driving Sustainability Strategy

<p>Board of Directors</p>	<ul style="list-style-type: none"> ▪ Oversees SGX Group's approach to sustainability and the integration of sustainability-related matters, including climate-related issues, in the formulation of our long-term strategy ▪ Monitors and oversees progress on sustainability and climate-related risks and opportunities that meet shareholders expectations, and reviews significant issues raised 	<p>As a Company</p>
<p>Executive Management Committee (EMCO)</p>	<ul style="list-style-type: none"> ▪ Chaired by the CEO and comprises senior leadership across the organisation ▪ Reviews, evaluates and approves key sustainability approach, risk management policies and practices, sets targets and measures performance against the targets 	<p>As a Business</p>
<p>Sustainability Steering Committee (SSC)</p>	<ul style="list-style-type: none"> ▪ Headed by Head of SSF ▪ The SSC is sponsored by the CEO and comprises EMCO members ▪ Drives the implementation of SGX Group's sustainability strategy, including our climate agenda and climate risk management, and advises EMCO on material sustainability-related matters through regular SSC Meetings 	<p>As a Regulator</p>

Sustainability-Focused Team

<p>Sustainability & Sustainable Finance (SSF)</p>	<ul style="list-style-type: none"> ▪ Drives the strategic direction of SGX Group's sustainability ambitions, further broadening and deepening the sustainable finance pillars ▪ Actively champions sustainability practices within SGX Group ▪ Provides technical expertise and specialised knowledge to relevant units across SGX Group on sustainability efforts, including: <ul style="list-style-type: none"> • Working with the Business Units for sustainable product development and launches • SGX Group's internal TCFD steering group comprises of the Chief Financial Officer (CFO), Chief Risk Officer (CRO) and Head of SSF, with implementation efforts being led by the three units • Engages with SGX RegCo on the evolution of sustainability disclosure regimes 	<p>In the Ecosystem</p>
--	--	-------------------------

Creating Sustainable Value

Introduction

Sustainability Risk Management

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

SGX Group already began the journey to adopt the recommendations of the TCFD in FY2021 and we have a roadmap for adoption of the recommendations. Recognising that sustainability risks, including climate-related risks, are inherently linked to other strategic, financial and operational risks, they are embedded in our

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

Stakeholder Engagement

SGX Group recognises the importance of engaging with stakeholders throughout the year. Transparent engagement with stakeholders enhances their trust in SGX Group and helps us to gauge their expectations on the direction of our business. Therefore, we continue to proactively reach out to our stakeholders through various platforms and channels to take their feedback into careful consideration and ensure that our decisions benefit our stakeholders as a whole.

The table below sets out how SGX Group has engaged with and sought to understand the views of our key stakeholders in FY2022:

Key Stakeholders	Engagement Methods	Interests and Concerns
Employees	<ul style="list-style-type: none"> Town halls, huddles, focus group discussions, employee surveys, workshops, training sessions and seminars, corporate events, CEO Blog and the Connects intranet platform 	<ul style="list-style-type: none"> Platforms to engage staff across SGX Group and to keep them updated on all the latest developments across the business
Regulators and Government	<ul style="list-style-type: none"> Dialogues, feedback sessions, podcasts, videos and jointly organised events Collaboration with industry bodies to build up technical knowledge and best practices Guidance through regulatory announcements and regulator's columns Dedicated feedback channel through our SGX RegCo Whistleblowing Office 	<ul style="list-style-type: none"> Market structure developments Corporate governance Regulatory policies and practices Regulatory response to COVID-19 and sanction risks arising from the Russia-Ukraine conflict
Issuers	<ul style="list-style-type: none"> Direct engagements to provide updates, invitations to provide feedback on initiatives, offers to participate in training sessions, networking and related events 	<ul style="list-style-type: none"> Listing policies and practices Growing liquidity and market capitalisation Access to investors
Intermediaries	<ul style="list-style-type: none"> Direct engagements to provide updates, invitations to provide feedback on initiatives, offers to participate in training sessions, networking and related events 	<ul style="list-style-type: none"> Infrastructure developments and business continuity planning Regulatory policies and practices Distribution of products and services

Key Stakeholders	Engagement Methods	Interests and Concerns
Shareholders, Bond Holders and Research Analysts	<ul style="list-style-type: none"> Management briefings, non-deal investor roadshows, investor conferences, and Annual General Meetings 	<ul style="list-style-type: none"> Organisational financial performance Corporate strategy and growth initiatives Dividend policy
Investment Community	<ul style="list-style-type: none"> SGX Group Integrated Stakeholder Study ESG Investing study conducted Retail investor education and advocacy programmes Regional hybrid conference Social media and investment forum/platform 	<ul style="list-style-type: none"> Retail investor financial literacy and investment education Retail investing preferences Increasing investment returns Market development and investment strategies
Public and Communities	<ul style="list-style-type: none"> FIRST in Action, Sustainability Digest SGX Future in Reshaping Sustainability Together (FIRST) platform Sustainability Leaders Network Publicly available conferences and speaking engagements 	<ul style="list-style-type: none"> Market structure developments and corporate governance policies Academic learning opportunities Corporate social responsibility activities

Internal Capacity Building

SGX Group recognises the need to equip our people with the knowledge and skills required to share the language of sustainable growth with our stakeholders. In FY2022, over 890 cumulative hours of sustainability-related training was recorded with over 370 employees attending at least one sustainability-related programme. These include courses dedicated to TCFD, GSSS (green, social, sustainability and sustainability-linked) bonds, as well as general responsible investment practices, in addition to engagements such as sustainability townhalls which recorded over 310 attendances. These training sessions provided our employees with, among others, TCFD training to enhance understanding of the risks and opportunities presented by climate change, as well as asset class specific training for our various units.

Further information on our external capacity building efforts may be

found in the “In the Ecosystem” section of the Sustainability Report.

FIRST in Action, Sustainability Digest

As part of our continuing efforts in capacity building, we launched a Sustainability Digest to broadly provide ecosystem stakeholders with a consolidated and easily accessible resource to take stock of the various sustainability-related efforts across SGX Group. The inaugural issue features key updates on SGX Group’s recent efforts in sustainability and sustainable finance, and market updates.

Regulatory Response to COVID-19

Since June 2020, Singapore Exchange Regulation (SGX RegCo) provisionally suspended its half-yearly Watch-List reviews in June and December, to enable issuers whose operations were impacted by COVID-19 to focus on meeting their immediate business and economic

needs (“Watch-List Suspension”). In May 2022, the Watch-List Suspension was extended until 1 June 2023 to give issuers a full financial year to operate under normal business conditions and recover from the liquidity crunch, as Singapore relaxed its COVID-19 restrictions.

In response to the extension of temporary legislative relief for physical meetings, SGX RegCo issued three pieces of guidance in December 2021, February 2022, and most recently in a Regulator’s Column in May 2022 (“May 2022 Reg Column”) to guide the market on key requirements of general meetings. The May 2022 Reg Column set out our expectation that regardless of the format of the Annual General Meetings (AGMs) (i.e. virtual, hybrid or physical), shareholders must be able to vote and engage with the board and management in real-time.

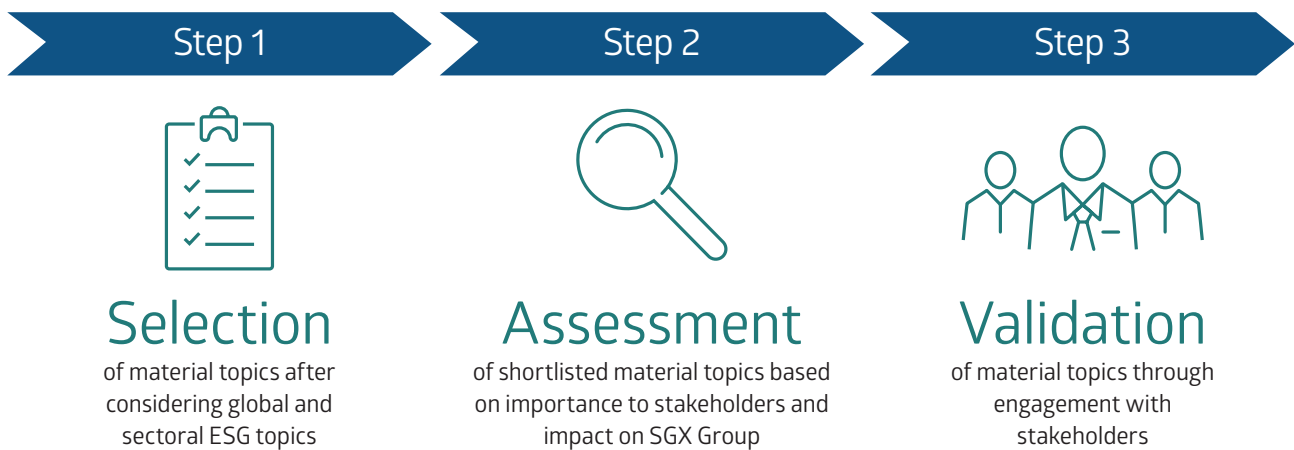
Creating Sustainable Value

Introduction

Materiality Assessment

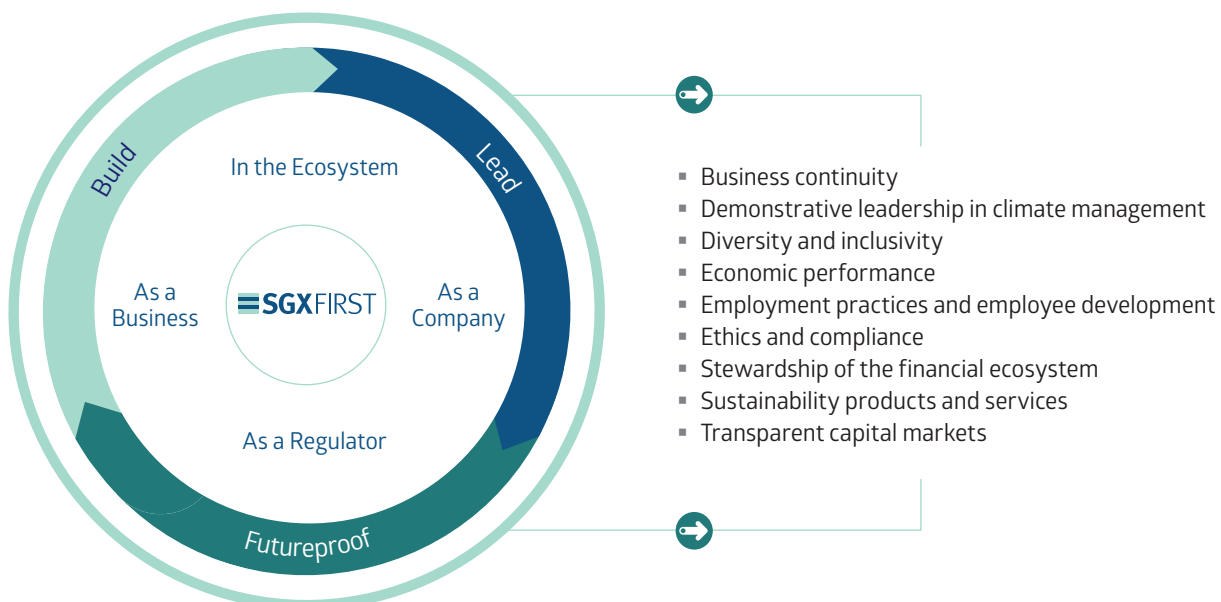
In FY2021, we undertook a materiality review exercise with a global knowledge partner to build and expand our material factors. We deem that the material factors derived remain applicable to us in FY2022. As an exchange and regulator, we recognise that our impact extends beyond our organisational boundary. Our materiality factors thus reflect our priorities and initiatives for both our organisation and the wider ecosystem. Some of our identified material factors have impacts that span across both boundaries. In future years, we plan to undertake further reviews to refresh and enhance our material factors as needed, including potential external validation.

We undertook the double materiality approach when reviewing our material factors, which helps to identify both material sustainability-related impacts on SGX Group as well as impacts of SGX Group's operations and business performance on the wider society, economy and environment that require disclosure.




Integrating Sustainability into Strategy

Our materiality assessment revealed nine priority factors which encapsulate our roles as a company, a business, a regulator and in the ecosystem, as well as our strategic pillars of lead, futureproof and build. Collectively, these material factors cover the following themes: (1) leading in governance and transparency, (2) developing a sustainable ecosystem, (3) engaging, supporting and developing people, and (4) building a sustainable business.

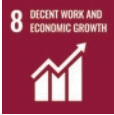





Our Material Factors

Pillars	Material factors	Definitions and examples	SDGs
As a Company	Demonstrative leadership in climate management	<p>Commitment to science-based targets to reduce our carbon emissions to limit global temperature rise to 1.5°C and in line with the Paris Agreement.</p> <p>Efforts to minimise and conserve resources, in line with responsible consumption and production, and in compliance with environmental regulations and guidelines for sustainable cities and communities.</p>	  
	Employment practices and employee development	Employment practices that ensure the health, safety and well-being of our staff, and employee development.	
	Diversity and inclusivity	Embracing diversity amongst our staff, regardless of gender, age and other socio-cultural factors, and maintenance of an inclusive work environment.	  
	Ethics and compliance	Efforts to combat corruption, comply with tax and other regulations, manage conflicts and maintain SGX Group and the broader capital market infrastructure as peaceful and just with a strong institutional foundation.	 
As a Business	Economic performance	Revenue and other indicators of business growth.	
	Sustainability products and services	Revenue-generating products that are green or sustainability-focused, which contribute to SGX Group's business resilience while advancing international climate-related goals.	 

Creating Sustainable Value

Introduction

Pillars	Material factors	Definitions and examples	SDGs
As a Business	Business continuity	Number of significant market disruptions and downtime, data breaches, efforts to prevent technology errors, security breaches and market disruptions, and other initiatives enhancing the economic resilience of financial markets.	
As a Regulator	Transparent capital markets	Efforts to disclose trading halts and pauses, involvement in automated trading, alert policy regarding the timing and nature of public release of information by listed companies that may affect a stock price, policies for sustainability disclosures of listed companies, and collaborations for more transparent capital markets.	  
In the Ecosystem	Stewardship of the financial ecosystem	Efforts to advance the adoption of globally recognised sustainability and climate-related guidelines and frameworks, through partnerships and implementation of disclosure policies.	 

As a Company

Demonstrative Leadership in Climate Management

Climate change is a pressing issue globally. As a listed company, SGX Group is committed to doing our part to spur efforts and lead in climate action efforts.

Founding Member of NZFSPA

SGX Group is one of 18 founding members of the Net Zero Financial Service Providers Alliance (NZFSPA), a sub-sector alliance of Glasgow Financial Alliance for Net Zero (GFANZ). As a member of NZFSPA, we have committed to interim targets in line with the global ambition to limit global temperature increase to 1.5°C above pre-industrial levels. We have also been reporting our progress annually in our sustainability report, including disclosures aligned with the Taskforce on Climate-related Disclosures (TCFD) recommendations and climate action plans. The group also plays a pivotal role in shaping the 'net zero' definition for exchanges globally beyond operational carbon, and the NZFSPA members are working together to publish an aligned set of targets and metrics to drive action on net zero.

Overview of SGX Group's TCFD Disclosures

SGX Group understands the importance of developing a strong strategy and risk management framework that sets the foundation for SGX Group's climate resilience and has been a supporter of the TCFD since 2017. The recommendations of the TCFD have four overarching elements – Governance, Strategy,

Risk Management and Metrics and Targets. These elements are disclosed across various sections of this report. For details on SGX Group's approach to the TCFD recommended disclosures across these four elements, please refer to our TCFD Content Index.

This year, we have strengthened our understanding of how climate-related risks and opportunities could potentially affect our respective business lines. We will continue to review and quantify the identified climate-related risks and opportunities, with the help of independent subject matter experts, as appropriate to understand the financial impact.

TCFD has defined categories for climate-related risks and climate-related opportunities, creating a standardised common framework for consistent assessment, analysis and reporting of climate-related risks and opportunities. The risks and opportunities are divided into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change. While the risks and opportunities will continually evolve, TCFD has recommended that organisations consider

reporting on the climate-related risks and opportunities highlighted in their recommendations.

Understanding our climate risks

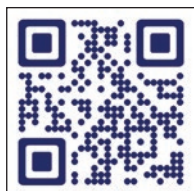
Business and support units were individually engaged in a series of workshops to identify climate-related risks that are unique to the respective business lines as well as those that impact the organisation as a whole. In alignment with the TCFD framework, we explored climate-related risks and opportunities across three timeframes: short-term (1 to 3 years), medium-term (3 to 10 years) and long-term (10 years and beyond).

To better understand the potential effects of climate change, we explored multiple climate scenarios, including an uneven or limited climate action scenario which could lead to maximised physical impacts, an orderly low-carbon transition scenario, and a disorderly low-carbon transition scenario based on delayed climate action and subsequent disruptive policy responses to meet our global climate goals.

Highlights of the climate risk assessment

Decarbonisation has been rapidly emerging as a central theme as investors continue to integrate ESG factors into their investment

This year, we have strengthened our understanding of how climate-related risks and opportunities could potentially affect our respective business lines. We will continue to review and quantify the identified climate-related risks and opportunities, with the help of independent subject matter experts, as appropriate to understand the financial impact.



Content Index & Performance Metrics
Scan the code, or visit sgxgroup.com/sustainability/our-sustainability-reports

Creating Sustainable Value

As a Company

processes. In light of increasing climate-related legislation and wider climate action, transition risks were assessed to be of greatest impact to SGX Group. Additionally, SGX Group's exposure to climate-related risks are primarily indirect, with these risks primarily having the potential to affect future revenues and expenses, as opposed to assets and liabilities. This is because SGX Group serves as a marketplace for participants to raise capital and trade, and does not directly finance nor invest in the companies or assets.

Market Operations and Workplace Facilities

SGX Group recognises that while our offices globally could be impacted by adverse physical climate events, the direct financial impact to SGX Group is limited, as all facilities are leased and sites are evaluated for physical risks during the selection process.

Nonetheless, SGX Group recognises that acute weather events may present geographically specific risks that may potentially disrupt our operations, and we have implemented various procedures to mitigate these risks. For example, intense rains leading to flash floods tend to be highly localised acute weather events. These may disrupt time-sensitive operational activities such as the processing of share issuances for IPOs, settlement, etc. The potential impact of operational disruption stemming from such acute weather events occurring at SGX Group's offices is low as these risks have been mitigated through digitalisation of these processes and have been tested by COVID-19 restrictions.

Equities

As more investors integrate sustainability, ESG and climate considerations into their investment decision making, companies listed on SGX run the risk of losing relevance to

In response to opportunities over the short, medium, and long term, SGX Group has also been growing our suite of sustainable investing products. Climate change-related products include our iEdge-OCBC Singapore Low Carbon Select 50 Capped Index and the Global Climate Impact Consistent indices from our subsidiary, Scientific Beta.

a fast-growing segment of ESG-focused assets under management, which may result in an outflow of liquidity, if they do not provide decision relevant ESG data and disclosures. SGX Group has mitigated this risk by making climate-related reporting mandatory, in line with developments in other jurisdictions, and will be launching an ESG disclosure portal to address data consistency and comparability issues. The portal also aims to improve the usability of quantitative ESG data, including climate-related data.

In response to opportunities over the short, medium, and long term, SGX Group has been growing our suite of sustainable investing products. Climate change-related products include our iEdge-OCBC Singapore Low Carbon Select 50 Capped Index and the Global Climate Impact Consistent indices from our subsidiary, Scientific Beta.

Commodities

Our commodity derivatives contracts are designed to enable physical market hedging. A transition to a low carbon economy will alter the commodity consumption mix which will be reflected in the shift of activity of the corresponding derivatives.

Transition risks faced by our commodity derivative contracts are limited as these contracts are used for the managing of price risk and, with the exception of our rubber contracts, do not involve physical delivery.

SGX Group has launched several alternatives to facilitate the transition to a low carbon economy and capture the opportunities brought by changes in commodity consumption over the short and medium term. These include our low sulphur fuel oil, methanol and the 65% Fe Fines iron ore and lump contracts. Additionally, SGX Group is launching a suite of commodity contracts that will include four battery raw materials – cobalt metal, cobalt hydroxide, lithium carbonate and lithium hydroxide – in response to the rising demand for electric vehicles as part of efforts to decarbonise the transport sector.



Sustainability Products and Services
Scan the code, or visit sgx.com/sustainable-finance

Climate Risk Assessment	Low-Carbon Future Scenario	Current Policies Scenario
Scenario description	Strong and sustained decarbonisation efforts driven by stringent climate policies, regulation and innovation. Governments internationally actively align on science-based legislation and achieve net zero greenhouse gas (GHG) emissions by 2050. Climate-driven investment processes are mainstream.	Governments take divergent approaches towards climate action legislation. Disjointed regulations across jurisdictions leading to multi-speed integration of climate factors into investment processes and portfolios. There is still some demand for climate-driven products, however, demand is dispersed or sporadic. Extreme weather events continue to worsen.
	Time horizon Potential result	Time horizon Potential result
Physical Risks		
Acute & Chronic	● ● No climate-related physical risks beyond what is presently experienced.	● ● Flash floods and other acute weather events may disrupt operational activities such as the processing of share issuances for IPOs, settlement, etc. However, we view the risk of such disruptions as having minimal impact to our operations.
Transition Risks		
Policy & Legal	● ● SGX's listing rules will need to keep pace with leading climate-related regulatory developments globally to ensure that our products remain relevant.	● Issuers and investors may seek to list/invest in jurisdictions with less strict climate laws in the short-term to avoid unfavourable laws and regulations.
Market & Economy	● ● Demand for sustainable investing products and data will increase rapidly. SGX Group risks losing market share if product launches are mis-timed or product development misreads market dynamics.	● ● Risk of low adoption of climate-related products launched due to the market failing to adopt dominant or clear approaches of integrating climate factors into portfolios. Current product suite aimed at capturing low carbon or transition-driven demand may not realise expected potential.

● Short-term (1 to 3 years) ● Medium-term (3 to 10 years) ● Long-term (beyond 10 years)

Creating Sustainable Value As a Company

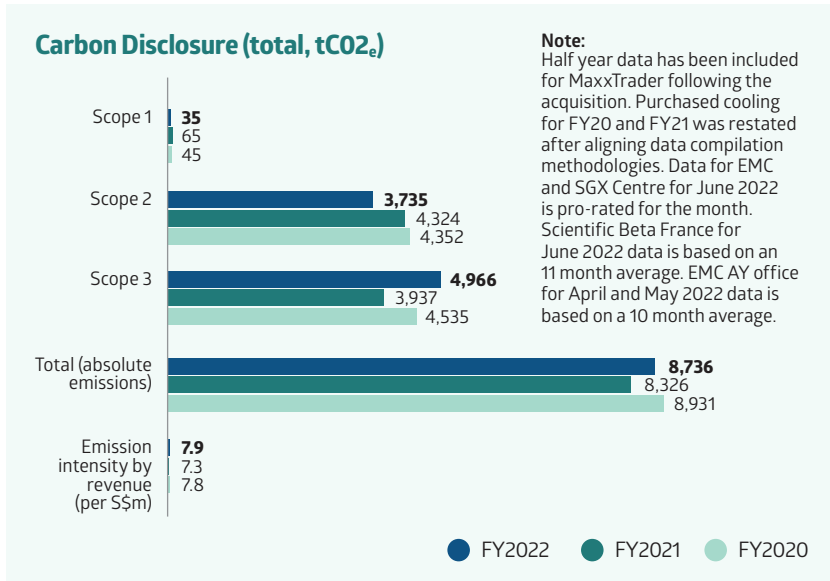
Climate Risk Assessment	Low-Carbon Future Scenario		Current Policies Scenario	
	Time horizon	Potential result	Time horizon	Potential result
Technology	–	Direct impact on SGX Group's operations is anticipated to be minimal.	–	Direct impact on SGX Group's operations is anticipated to be minimal.
Reputation	–	SGX Group has been strongly promoting climate action and is actively involved in various climate action alliances. As SGX Group continues with climate action, we do not anticipate additional reputational risks under this scenario beyond what is presently experienced.	–	Climate action is a core part of SGX Group's sustainability strategy. We do not anticipate reputational risk even in the absence of policies to promote a low-carbon economy.

Carbon and Resource Management

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

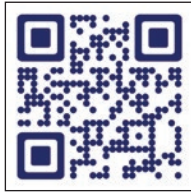
Our Scope 1 emissions declined as we no longer use natural gas due to the sale of the Baltic Exchange building.

Our Scope 2 emissions saw a notable reduction in emissions due to the decommissioning of storage racks at the end of their service life in our data centres, as well as the migration of services from our servers to cloud computing. In line with our Environmental Policy, these measures have led to a 13.6% reduction in our Scope 2 emissions for this FY, exceeding our science-based targets of average 4.2% p.a. Scope 2 absolute emissions reduction.



Scope 3 for FY2022 included Category 1: Purchased goods and services, Category 5: Waste generated in operations, Category 6: Business Travel, Category 7: Employee commuting and Category 13: Downstream leased assets. Scope 3 emissions saw an increase in emissions due to business travel resuming post COVID-19 restrictions progressively lifting through the financial year. In addition, the scope was widened to include Category 1: Purchased goods and services as well as Category 7: Employee commuting. We will be compensating our Scope 3 emissions

from purchased goods and services, business travel and waste incineration with carbon credits obtained from Climate Impact X (CIX) and other sources as part of our efforts to finance climate action within our value chain. These are additional climate mitigation actions beyond our science-based emission reduction targets.



Sustainability Policies
Scan the code, or visit sgxgroup.com/sustainability/policy

Our Performance in FY2022

- Disclosed absolute emissions and emission intensity for Scope 1, 2 and 3 in line with Greenhouse Gas Protocol Standards
- Reduced Scope 2 emissions by 13.6%
- The Central Depository (CDP) adopted e-statements and e-notifications in their drive to go paperless
- Primary data centre awarded the Standard 564 (SS564) certification for Green Data Centre – Energy & Environmental Management Systems
- Secondary data centre awarded the Building and Construction Authority’s Green Mark Platinum certification
- Continued encouragement for staff to reduce the use of electricity and paper in offices, in line with our internal Environmental Policy
- Implemented measures to reduce electricity consumption, including office temperature management, replacement of high-consumption lighting and migration of selected services to cloud

Our Target for FY2023

- Reduce Scope 2 absolute carbon emissions by 42% by FY2031, in line with the SBTi 1.5°C emissions scenario with a base year of FY2021
- Disclose Scope 1, 2 and 3 carbon emissions for the year
- Demonstrate efforts to reduce environmental footprint

Employment Practices and Employee Development

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

Talent Management and Retention

SGX Group is cognisant that given the nature of our business, the talent and expertise we seek are not easily transferrable from the broader financial services industry. As such, we continually invest in a holistic talent strategy to build our internal capabilities and talent pool.

We actively offer our staff training and development opportunities to

We won several HR awards in FY2022 by the Singapore Human Resources Institute (SHRI).

The categories are:

 <p>Business Continuity Plan <i>(Silver Standard)</i></p>	 <p>Learning & Development <i>(Silver Standard)</i></p>
 <p>Employee Well-Being <i>(Bronze Standard)</i></p>	 <p>Talent Management <i>(Bronze Standard)</i></p>

further their skillsets and prepare them for their potential positions in the company.

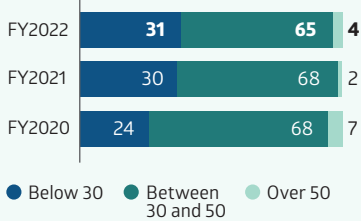
Learning and Development

SGX Group continues to offer training programmes that develop and enhance the capabilities of our staff. Leadership development is an area of focus where we develop and enhance the capabilities of those in supervisory and management roles from first-level line managers to senior leaders, in partnership with reputable and established best-in-class training programme providers.

SGX Group strives to maintain a positive work environment that values integrity, diversity, collaboration and communication, while ensuring the well-being of our employees.

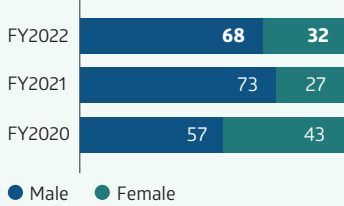
Creating Sustainable Value As a Company

New Hires by Age (%)



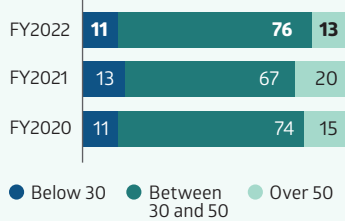
Note:
New hires by Age for FY20 and FY21 were restated after aligning data compilation methodologies.

New Hires by Gender (%)

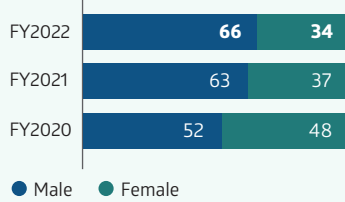


Recognising the importance of investing in learning and development, we promote a culture of lifelong learning and implemented programmes to upgrade the skills of employees. To support our employees' learning and development holistically, we offer a wide range of structured training for both technical and soft skills, and on the job learning opportunities. In FY2022, over 890 cumulative hours of sustainability-related training was recorded with over 370 employees attending at least one sustainability-related programme. These include courses dedicated to TCFD, GSSS (green, social, sustainability and sustainability-linked) bonds, as well as general responsible investment practices. We have also empowered our employees to take charge of their own learning by offering them leading digital-learning platforms that are accessible 24/7, at their convenience. Through these initiatives, we aim for our staff to develop into highly skilled and

Attrition by Age (%)



Attrition by Gender (%)



Note for all graphics:
Due to rounding, percentages presented may not add up precisely to the absolute totals indicated.

well-rounded employees, with transferrable experiences and expertise that would make them an asset to any organisation.

In addition, our employees are provided with annual refresher training on general compliance, staff dealing, regulatory conflicts, information security, procurement policies and anti-discrimination and harassment related topics.

In the next few years, our strategic intent is to continue to upskill our employees' skillsets and raise awareness in the area of sustainability for the purpose of incorporating sustainability into their scope of work, as the financial

services industry places increasing emphasis on the topic.

Employment Practices

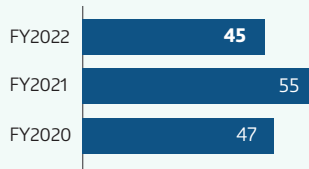
SGX Group has in place employment practices that ensure the health, safety and well-being of our staff. We have successfully received the ISO 45001 (occupational health and safety management systems) certification for a second consecutive year since first obtained in June 2021, which demonstrates that our workplace health and safety standards are aligned to globally recognised standards with no cases of work-related injuries to date.

SGX Group conducts regular staff engagement surveys and results are shared with all employees at SGX Townhalls. The recent survey launched in October 2021 provided valuable insights on our employees' wellbeing, and how the workforce has adapted and transitioned into the new way of working. The units work with their teams on the follow-up engagement action plans. SGX launched the 'SGX Wellbeing Charter' that provides guidance to our staff in managing the flexible work arrangement, and to promote a healthy workplace interaction. Beyond work, SGX conducts classes and talks related to mental, emotional and physical wellbeing, as well as recreational workshops.

In FY2022, with the gradual relaxation of COVID-19 workplace regulations, SGX Group has demonstrated resolve to minimise any impact to market operations and has taken additional steps to

SGX Group has in place employment practices that ensure the health, safety and well-being of our staff.

Average Training Per Employee (hours per year)



Note: Includes Permanent employees in SGX only, excluding subsidiaries and joint ventures. Average training per employee figure for FY21 was restated after aligning data compilation methodologies.

safeguard the safety and health of our staff and protect our work environment. These included emergency preparedness exercises and educational awareness campaigns aimed at enabling our staff to better manage and cope with similar situations in future. We continuously monitor and scan the external environment and media reports for new information and updates that would allow us to efficiently mobilise appropriate resources to ensure our employees' wellbeing and safety.

As applicable to each geography's easing of safe management measures, staff were able to return to the office whilst retaining a flexible working arrangement based on operational requirements.



Sustainability Policies
Scan the code, or visit sgxgroup.com/sustainability/policy

Our Performance in FY2022

- Attained the ISO 45001 (occupational health and safety management systems) certification for second year
- Over 890 cumulative hours of sustainability-related training was recorded with over 370 employees attending at least one sustainability-related programme
- Achieved 45 average training hours per employee, exceeding our target of 40 average training hours per employee
- Enhanced our people managers' capabilities to better support and coach their staff through the inclusion of situational leadership and coaching certification programmes under the leadership development curriculum
- Introduced anti-discrimination and harassment e-learning as part of broader awareness campaign to inculcate a more cohesive and positive workplace culture
- Curated a comprehensive suite of digitalisation and financial market e-learning topics on our digital learning platforms to enhance our employees' financial and digital literacy
- Implemented career development workshops in conjunction with the rollout of our career optimiser tool to facilitate career planning and conversations for our employees

Our Target for FY2023

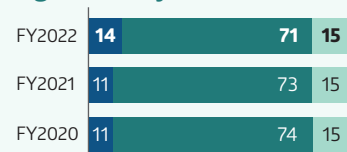
- Achieve 40 average training hours per employee or more, as set out in our yearly target
- Implement programmes for upgrading employee skills and transition assistance programmes, including in the area of sustainability for the purpose of incorporating sustainability into their scope of work

Diversity and Inclusivity

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

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

Age Diversity (%)



Note:
 ▪ Age diversity for FY20 and FY21 were restated after aligning data compilation methodologies.
 ▪ Due to rounding, percentages presented may not add up precisely to the absolute totals indicated.

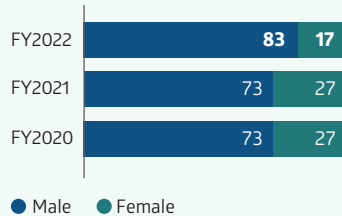
Creating Sustainable Value

As a Company

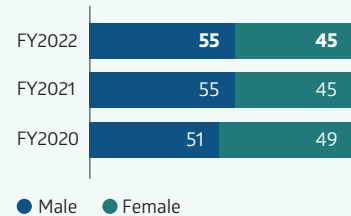
Our gender pay ratio is generally within a 10% range across all ranks within our organisation. 17% of our Board is represented by female directors and 26% of senior management is represented by female senior management, which contributes to the diversity of views and perspectives at our most senior levels. Since 2012, SGX Group has been leading in the advocacy for Women on Boards in Singapore.

For further details in regard to Board Diversity, please refer to the Corporate Governance Report on pages 91 to 93 of this Annual Report.

Board Gender Diversity (%)



Gender Diversity (%)



Total number of employees	1,126
SGX	782
EMC	73
Baltic	39
BidFx	107
Scientific Beta	34
MaxxTrader	91

Our Performance in FY2022

- Mr Koh Boon Hwee and Mr Tsien Samuel Nag were appointed onto the SGX Board in FY2022. Their appointments will contribute significantly to the diversity of skillsets, geographical experience and in-depth understanding of different industries of the SGX Board
- In the search of candidates for Board appointments, the Nominating & Governance Committee ("NGC") instructed the external search consultants to focus on identifying female candidates. Out of the candidates surfaced for NGC's consideration, approximately 77% were female. SGX's CEO, Mr Loh Boon Chye, who is also the co-chair of the Council of Diversity in Singapore, attends all NGC meetings and provides insights to the identification process of candidates
- In ensuring gender diversity on the Board, several female candidates were identified and approached as part of SGX's Board succession planning process but for various reasons, were unable to take up an appointment on the SGX Board in FY2022. The NGC will continue in its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the SGX Board

Our Target for FY2023

- Continue to ensure diversity to achieve the strategic and business objectives of the Company
- Where external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to present female candidates
- In ensuring gender diversity on the Board, SGX actively strives to have a 25% to 30% representation of female directors on the Board over the next 3-5 years

Ethics and Compliance

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

Internal Ethical Standards

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

- Code of Conduct and Ethics Policy
- Anti-Corruption, Gifts and Entertainment Policy
- Anti-Money Laundering, Terrorism Financing and Sanctions Policy
- Regulatory Conflicts Governance Framework
- Staff Dealing Policy
- Whistleblowing Policy

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

SGX Group had no monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations in FY2022.

There were no cases of bribery, corruption, anti-competitive behaviour, or other material non-compliance with the law at SGX Group in FY2022. We continue to strive to uphold the highest standard of

corporate governance with respect to our stringent governance framework.

Tax Policy

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



Sustainability Policies
Scan the code, or visit sgxgroup.com/sustainability/policy

Our Performance in FY2022

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

Our Target for FY2023

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

Creating Sustainable Value

As a Business

Economic Performance

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

Our Target for FY2023

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

Sustainability Products and Services

To further advance sustainability in the financial market, SGX Group is developing and providing a wide range of revenue-generating sustainability products and services under our SGX Future in Reshaping Sustainability Together (FIRST) platform.

SGX FIRST is Asia's pioneer multi-asset, exchange-led sustainability platform. Through SGX FIRST for our business and for the ecosystem, SGX Group aims to drive sustainability through partnerships and increase access to sustainability-related information and solutions for investment decisions. Capitalising on SGX Group's network, assets and expertise, SGX FIRST's initiatives span across asset classes, including securities, fixed income, equity derivatives, commodities and indices.

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

Our Products and Services

- Securities
- Fixed Income
- Equity Derivatives
- Commodities
- Indices



Sustainability Products and Services

Scan the code, or visit sgx.com/sustainable-finance

Our Performance in FY2022

- Partnered with UOB Asset Management to launch UOB APAC Green REIT ETF, the world's first yield-focused green REIT ETF which tracks the iEdge-UOB APAC Green REIT index
- Partnered with OCBC Securities to launch Lion-OCBC Securities Singapore Low Carbon ETF, Singapore's first low carbon ETF which tracks the iEdge-OCBC Singapore Low Carbon Select 50 Capped Index
- Expansion of sustainability-focused indices from iEdge which now cover Singapore, Asia-Pacific, Eurozone, and Transatlantic regions
- Expanded our GSSS bonds new listings to over 100, representing over 13% YoY increase
- Launch of Greennode, an informational portal aggregating Asian ESG bond data, as part of Marketnode's broader efforts to build a digital markets infrastructure for fixed income
- Partnered with MOBILIST to provide funding and technical support to new issuers aligned with the SDGs across emerging and frontier markets
- Expanded the number of IPO listings which are sustainability and green aligned
- Scientific Beta updated its Climate Impact Consistent indices to account for corporate net zero commitments, Scope 3 emissions disclosure, and alignment of revenues with the EU taxonomy
- Scientific Beta rolled out EU Benchmark Regulation reporting and further enhanced its suite of ESG and Climate Change analytics
- Climate Impact X (i) completed a first-of-its-kind portfolio auction of voluntary-nature based carbon credits with leading global companies; and (ii) launched Project Marketplace, a global carbon marketplace offering quality carbon credits
- Baltic Exchange published indicative CO₂ emissions figures and Energy Efficiency Operating Indicator (EEOI) reference values to provide the shipping industry with a point of reference for carbon emissions for Baltic dry bulk routes
- EMC expanded RECs brokering to corporate customers to include overseas RECs, including from Malaysia, Vietnam, Philippines and China
- EMC introduced carbon credits brokering to corporate customers, including carbon credits from Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+) and Japan J-Credits

Our Target for FY2023

- Continue gathering adoption and momentum on the existing suite of sustainable investing products and launch new products based on engagement with institutional and retail investors, corporates and other stakeholders e.g. for ETFs and bond solutions
- Launch of energy metal derivative contracts to allow market participants to undertake price risk management of key raw materials used in the electric vehicle production process
- Market launch of SGX Group's ESG disclosure portal for listed companies

Business Continuity

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

In FY2022, our markets achieved 100% uptime. We did not have any significant data breaches, defined as unauthorised movements or disclosures of sensitive information to parties that are not authorised to consume the information. Fundamental to prevention of errors, breaches and disruptions are our various technologies and data-related policies and controls.

Creating Sustainable Value

As a Business

Policies/efforts taken to prevent errors, breaches, and disruptions	Description
Technology Resilience Framework	A framework that spans across Technology to ensure long-term sustainability of the technology environment. To achieve sustainable Operational Resilience, the framework encompasses: Strategic Planning, Design & Build, Target Operating Model, Capacity Management, Change, Event Management, Incident Management, Problem Management and Knowledge Management.
Cyber Security Risk Management Framework	A framework that provides a comprehensive identification and management of cybersecurity risks and ensures continuous adherence to the Cyber Security Act as designated Critical Information Infrastructure Operator.
Common Vulnerabilities and Exposures (CVE) Handling Framework	A comprehensive framework that identifies, prioritises, manages and remediates threats and vulnerabilities from CVEs, government and vendor advisories.
Integrated Enterprise Command Centre and Security Operations Centre	An integrated Enterprise Command and Control centres consisting of Enterprise Command Centre (ECC) and Security Operations Centre (SOC) that provides monitoring, detection, analysis, processing, and recovery of all technical and cyber incidents within SGX Group. This ensures rapid response to maintain the highest level of availability of our IT Services. Authorised staff are able to securely access the integrated Enterprise Command and Control centre remotely.
Annual Industry-wide Business Continuity Plan (BCP) Exercise	Annual test at industry-wide level is conducted to ensure SGX Group's ability to failover to our Secondary Data Centre and market participants' ability to connect when the failover is triggered.
Member Disaster Recovery Exercise	Annual test for market participants to ensure its backup systems are able to connect to SGX Group's primary data centre, as part of the participant's business continuity plans.
Industry-wide Data Recovery Test	Regular tests with market participants to ensure their ability to reconcile data between their platforms and SGX Group platforms using SGX Group's data as the "golden source". This will help market participants to resume trading, clearing and settlement services expeditiously in a data corruption scenario.
Stringent Data Centre Physical Access Procedures	Strict physical access controls are in place to ensure only authorised personnel are allowed access to the Data Centre on an as-needed basis.
Robust Change Management Process	An established change management process is in place. Augmenting the process is the use of a visualisation tool to provide a multi-dimensional view that shows interdependencies, thus improving risk assessment and enabling SGX Group to effectively manage risk.

Policies/efforts taken to prevent errors, breaches, and disruptions	Description
Digital Tools	A suite of secure digital tools has been implemented to drive digital transformation within the organisation and to encourage staff to leverage data and digital tools to deliver customer value, innovate with agility and sustain business growth.
Intelligent Operations	Use of AIOps (Artificial Intelligence for IT Operations) for event correlation, anomaly detection which leads to faster resolution of incidents. Robots are also used to further improve our efficiency and effectiveness in our IT Operations.
Capacity Management to Proactively Manage Demand During Spikes	Capacity management processes are established to proactively manage our capacity. Capability such as 'What if' is used to project future processing needs.
Monitoring of Energy Consumption in Data Centres	Use of state-of-the-art power monitor equipment to ensure SGX Group's Data Centre environment is operating at optimal power utilisation and cooling consumption levels, to minimise any wastage while meeting operational requirements.

Our Performance in FY2022

- Zero significant market disruptions or downtime
- Zero material data breaches
- Disclosed efforts to prevent technology errors, security breaches and market disruptions. Efforts included conducting 14 business continuity and IT disaster recovery exercises, of which two exercises involved industry participants

Our Target for FY2023

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

Creating Sustainable Value

As a Regulator

Transparent Capital Markets

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

Public Consultation on Climate and Diversity

In FY2022, SGX RegCo published six response papers to the public consultations to obtain feedback on possible amendments to our rules. Of the six, two were responses to 'Climate and Diversity: The Way Forward' and 'Starting with a Common Set of Core ESG Metrics'. The former unveiled a roadmap for all issuers to provide climate-related disclosures based on recommendations of the TCFD from FY2022 on a 'comply or explain' basis in their sustainability reports. Climate reporting will subsequently be mandatory for issuers in the (i) financial, (ii) agriculture, food and forest products, and (iii) energy industries from FY2023. The (iv) materials and buildings, and (v) transportation industries must do the same from FY2024.

The latter published a list of 27 core ESG metrics to assist issuers in providing, and investors in accessing, an aligned set of sustainability data. Though not mandated, the metrics will be a starting point for what companies can disclose in their sustainability reports. Issuers should continue to conduct a materiality assessment to ensure the relevance and completeness of their reported metrics.

Other key changes effective 1 January 2022 include requiring:

- issuers to subject sustainability reporting processes to internal review;
- all directors to undergo a one-time training on sustainability;

- sustainability reports to be issued together with annual reports unless issuers have conducted external assurance; and
- issuers to set a board diversity policy that addresses gender, skill and experience, and other relevant aspects of diversity. Issuers must also describe the board diversity policy and details such as diversity targets, plans, timelines and progress in their annual reports.

More details on our responses to the feedback received on the two public consultations can be found on our website.

Advancing Ethics and Compliance

To further strengthen the trust and confidence of investors in the market's integrity, SGX RegCo introduced changes to the Listing

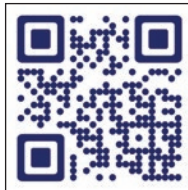
Rules governing enforcement actions for greater and swifter accountability and clarity in the securities market. SGX RegCo also established a RegCo Whistleblowing Office for members of the public and investors to report any issues concerning listed companies (except SGX Group), to bolster confidence that reports received are properly managed and given due attention.

Alert Policy

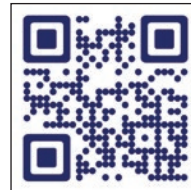
We also have an alert policy regarding the timing and nature of public release of information by listed companies that may affect a stock price. Details can be found in Appendix 7A Corporate Disclosure Policy of SGX's Listing Manual.

Trading Halts and Pauses

The policies related to trading halts and pauses can be found in Appendix 7.1 of SGX's Listing Manual.



Public Consultation on Climate and Diversity
Scan the code, or visit sgx.com/regulation/public-consultations/20210826-consultation-paper-climate-and-diversity



SGX-ST Listing Manual
Scan the code, or visit rulebook.sgx.com

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

Our Performance in FY2022

- During the year, there were 770 trading halts relating to the public release of information and two occurrences of trading pauses related to trading volatility. Average duration of trading halts was 221 minutes
- Disclosed number of trading suspensions. During the year, there were 22,821 trading suspensions. Average duration of trading suspensions per counter was 17,253 minutes
- Disclosed percentage of screen trades
- Disclosed alert policy
- Disclosed policies for sustainability disclosures of listed companies
- Published quarterly Public Quantitative disclosures in line with Committee on Payments and Market Infrastructures-International Organization of Securities Commissions (CPMI-IOSCO) guidelines, providing transparency on how SGX Group's post trade, clearing, settlement and depository activities are governed and operated, and risks managed
- Advanced ethics and compliance through implementing changes to listing rules regarding enforcement

Note:

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

Our Target for FY2023

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

Creating Sustainable Value

In the Ecosystem

Stewardship of the Financial Ecosystem

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

External Capacity Building

At SGX Group, we believe that we play a critical role in helping our partners and companies meet market expectations and demands. As a thought leader in sustainability and sustainable finance, SGX Group emphasises capacity building and invests resources to foster an ecosystem that is educated on evolving megatrends and open to knowledge sharing. In FY2022, more than 250 educational events were conducted, and 50,000 participants of different age groups and investment aptitudes participated in the online programmes.

Issuers and corporates

TCFD 101 and 102

Workshop Training

From October to November 2021, to provide our market with foundational training on climate disclosure and provide an overview of the TCFD recommendations, the SSE, IFC and CDSB, in collaboration with SGX Group, provided a multifaceted, complimentary CPD-certified course for issuers and other key stakeholders of our network. These workshops attracted over 2,000 participants.

SGX-GCNS TCFD Sectoral Workshops

To meet new climate disclosure rules as announced in December 2021, SGX RegCo organised a series of TCFD workshops, in partnership with Global Compact Network Singapore (GCNS), to

guide listed companies and preparers of sustainability reports to identify climate-related risks, opportunities and processes. From April to June 2022, we held 14 workshops which ranged from foundations to sector-specific programmes and saw more than 330 participants. To help ease costs, SGX RegCo subsidised workshop fees for the first two representatives for every listed company.

Director Sustainability Training

In March 2022, SGX RegCo announced eight sustainability training courses that directors of listed companies can attend to equip themselves with basic knowledge on sustainability matters. Directors must attend one of the courses to meet the enhanced SGX listing rules that mandated sustainability training for all board directors of equity issuers listed on SGX.

Asia Sustainable Finance Initiative (ASFI) Courses

In collaboration with the Asia Sustainable Finance Initiative (ASFI), a multi-stakeholder forum developed by WWF-Singapore, SGX Group rolled out a suite of online, on-demand sustainability-related courses designed specifically for Asia-based professionals in May 2022. The courses aim to provide SGX-listed companies with a contextualised understanding of sustainability and what drives corporate bankers and asset managers investment and lending decisions. The courses cover a range of topics, from introductory courses including regional regulatory developments to in-depth sector-specific topics on strategy, metrics and target setting.

Investors

Every year, SGX Group conducts a number of investors' education events for both institutional and retail investors. SGX Group partnered with Macquarie to hold two successful runs of the SGX-Macquarie ESG Insights

seminar, which saw more than 70 institutional investors in attendance. Five SGX-listed Chief Sustainability Officers, namely: City Developments, DBS Group, SATS, SGX Group, and ST Engineering, presented sustainability frameworks and roadmaps to institutional investors. Under the banner of SGX Academy, programmes were specifically designed to educate, engage and enable our retail investors to make informed and responsible investment decisions. SGX Group partnered with Wealth Management Institute (WMI), UOB Asset Management, Global Real Estate Sustainability Benchmark (GRESB), OCBC Securities and Lion Global Investors, to name a few, to bring insight into the sustainable investing landscape both globally and within the ASEAN.

Analysts

We are engaging sell-side analysts to familiarise them with the 27 core ESG metrics and integrate these metrics into their investment reports through the adoption of our upcoming ESG disclosure portal under Project Greenprint as announced by MAS at the Singapore FinTech Festival 2021, and anticipated to launch in FY2023. With a consistent and comparable dataset, investment analysts will be able to enrich their investment reports with better analytics.

Community

SGX RegCo organised a sustainability-themed case competition together with the NUS Business School's students' club (the BizAd Club) in March 2022, to increase awareness of sustainability-related issues. This was the third case competition SGX RegCo had organised with the BizAd Club. A total of 27 student-led teams from various NUS faculties competed to present a business case for the establishment of a "Green Badge" accreditation for companies.

Ecosystem Engagement Sustainability related networks

SGListCos Association, a dedicated association for companies listed on the Mainboard and Catalist of SGX Group, was established with 20 founding members. These include a wide spectrum of STI component stocks, large/mid caps, SMEs and capital market intermediaries. Set up by listed companies for listed companies, the association aims to support the community in three areas which are critical to long-term growth and success: (1) thought leadership and advocacy, (2) ESG ecosystem, and (3) corporate access and investor relations. Advisory panels have been set up to focus on the development of these three areas.

SGX RegCo partnered with ACRA to set up a Sustainability Reporting Advisory Committee (SRAC) to advise on a sustainability reporting roadmap for wider implementation of sustainability reporting for Singapore-incorporated companies, beyond SGX-listed companies. As part of its work, the SRAC will provide inputs on the suitability of international sustainability reporting standards for implementation in Singapore. The SRAC brings together industry leaders and champions of sustainability with diverse experience including chief sustainability officers, representatives of financial institutions, institutional and retail investors, sustainability reporting professionals and academia.

We also held a gathering of Chief Sustainability Officers (CSOs), and equivalent, entrusted with the task of navigating their organisations through the evolving and complex sustainability landscape, to share views, knowledge, and experience.

ASEAN Exchanges

The ASEAN Exchanges is a collaboration between seven exchanges in ASEAN to promote greater market integration and bring investment opportunities to the region. In March 2022, the group published a table comparing their sustainability reporting regimes to streamline ESG data for investors. Highlights of the comparison include information on the regulatory authority overseeing sustainability reporting rules, sustainability reporting rules coverage and standards/frameworks required, and sustainability reporting resources from member exchanges. The group performed a comparative preliminary analysis of ESG metrics recommended for disclosure by listed companies and aligned on the foundational “environmental” metrics, as follows:

ASEAN Exchanges’ Foundational Environmental Metrics

Topic	Common metric	Unit
GHG Emissions	Absolute emissions: Scope 1 & 2	tCO ₂ e
Energy Consumption	Total energy consumption	kWh or J
Water Consumption	Total water consumption	m ³
Waste Generation	Total waste generated	t

Moving forward, the exchanges will align their foundational “social” and “governance” metrics to devise the first set of ASEAN ESG metrics.

Glasgow Financial Alliance for Net Zero (GFANZ)

GFANZ was established in April 2021 by uniting United Nations Framework Convention on Climate Change (UNFCCC) and Race to Zero subsector alliances, including the NZFSPA, in the financial sector into one global

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



ASEAN Exchanges Comparison Table
Scan the code, or visit api2.sgx.com/sites/default/files/2022-05/AEx%20SR%20table%20final_0.pdf

coalition to accelerate the global transition to a net zero economy and limit global warming to 1.5°C. SGX Group’s CEO is a member of the GFANZ CEO Principals Group, which sets the coalition’s strategic direction and priorities. SGX Group is also a founding signatory of the NZFSPA.

To achieve a truly global green and sustainable transition, the transition of Asia Pacific (APAC) is paramount.

Creating Sustainable Value

In the Ecosystem

The APAC region is diverse and in various stages of green and sustainable development pathways. In order to accelerate the net zero transition of APAC, GFANZ launched its APAC Networks with the Network Central Office based out of Singapore and hosted by SGX Group in June 2022. The APAC Network will ensure inclusivity and support engagement with financial institutions and policymakers across the APAC region, and promote knowledge-sharing and open dialogue on the opportunities and challenges of net zero. The Network will also help ensure the perspectives and expertise of APAC are reflected in the global GFANZ work and output.

Taskforce on Nature-related Financial Disclosures (TNFD)



Taskforce on Nature-related Financial Disclosures

Nature loss poses both risks and opportunities for business, now and in the future, yet investors and

corporates presently lack the necessary means to make informed decisions. TNFD, modelling the widely adopted Taskforce on Climate-related Financial Disclosures (TCFD), is a market-led, science-based, government-endorsed organisation which aims to develop a disclosure framework for reporting on nature-related risks and opportunities. SGX Group's Head of SSF is one of 34 Taskforce members responsible for framework development and actively contributes to the workstreams. SGX Group is also a Forum member and provides sector expertise as a company.

In March 2022, TNFD released its first beta framework, which marked the beginning of an iterative 18-month market consultation to inform subsequent beta releases before the final launch in late 2023. In April 2022, we hosted Tony Goldner, Executive Director of TNFD, in Singapore and held a series of events including a fireside chat

which saw over 160 attendees and collaborated with MAS to speak at the Green Shoots series event 'The FinTech Imperative: Building Nature Positive Outcomes'.

Research and Collaboration

We partnered with GRESB and UOB Asset Management to publish a whitepaper titled 'Greener Yields from REITs' in November 2021 in connection with the launch of the iEdge-UOB APAC Yield Focus Green REIT Index. The whitepaper provided details on the index construction and how it delivers improved risk adjusted performance by rewarding REITs with a higher weight based on the environmental performance of the REIT.



Sustainability Knowledge Hub
Scan the code, or visit sgx.com/sustainable-finance/sustainability-knowledge-hub#SGX%20resources

Our Performance in FY2022

- Over 2,000 participants attending the TCFD 101 and 102 Workshop Trainings
- Over 330 participants attending the SGX-GCNS TCFD sectoral workshops
- Establishment of SGListCos with 20 founding members
- Joint publication with ASEAN exchanges on a comparison of sustainability reporting regimes on foundational "environmental" metrics
- Over 160 participants attending the TNFD fireside chat (March 2022), while engaging over 30 organisations
- Continued facilitating our listed companies' navigation of the sustainability reporting requirements by offering relevant capacity building workshops and resources for them at subsidised rates or free-of-charge
- Conducted research with partners to improve sustainability disclosures
- Conducted over 250 investor education seminars and courses
- SGX RegCo partnered with ACRA to set up a Sustainability Reporting Advisory Committee (SRAC)

Our Target for FY2023

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

Independent Limited Assurance Statement

Singapore Exchange Limited ("SGX")

22 August 2022

Independent Limited Assurance Statement in connection with the Subject Matter included in the SGX 2022 Sustainability Report

To the Management of SGX

Scope

We have been engaged by SGX to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on SGX's 2022 Sustainability Report GRI and SASB Standards disclosures (the "Subject Matter") as set out in the Subject Matter and Criteria section below as of 22 April 2022 and associated addendum dated 12 August 2022 (the "Addendum") for the year ended 30 June 2022 for the period from 1 July 2021 to 30 June 2022 ("FY2022") ("the Report").

Subject Matter and Criteria

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

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

The Subject Matter is set out in the table below:

GRI Standards Disclosures

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

¹ "SGX Group (Singapore)" under the audit scope comprises SGX Singapore offices (Centre, Vista, Primary and Secondary data centres) and excludes (i) Energy Market Company Pte Ltd; and acquired Group and subsidiaries under (ii) The Baltic Exchange Limited; (iii) BidFX Systems Ltd.; (iv) MaxxTrader Systems Pte. Ltd.; and (v) Scientific Beta Pte. Ltd.

Creating Sustainable Value

Independent Limited Assurance Statement

GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
302-1	Energy consumption within the organisation	SGX Group (Singapore) ¹
	2.1.2 Report fuel consumption separately for non-renewable and renewable fuel sources;	
	2.1.3 Only report energy consumed by entities owned or controlled by the organisation;	
	2.1.4 Calculate the total energy consumption within the organisation in joules or multiples using the following formula:	
	Total energy consumption within the organisation = Non-renewable fuel consumed + Renewable fuel consumed + Electricity, heating, cooling, and steam purchased for consumption + Self-generated electricity, heating, cooling, and steam which are not consumed - Electricity, heating, cooling, and steam sold.	
302-3	Energy intensity	SGX Group (Singapore)
	a) Energy intensity ratio for the organisation.	
	b) Organisation-specific metric (the denominator) chosen to calculate the ratio.	
	c) Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.	
	d) Whether the ratio uses energy consumption within the organisation, outside of it, or both.	
	2.5 When compiling the information specified in Disclosure 302-3, the reporting organisation shall:	
	2.5.1 Calculate the ratio by dividing the absolute energy consumption (the numerator) by the organisation-specific metric (the denominator);	
	2.5.2 If reporting an intensity ratio both for the energy consumed within the organisation and outside of it, report these intensity ratios separately.	
305-1	Direct (Scope 1) GHG emissions	SGX Group ²
	a) Gross direct (Scope 1) GHG emissions in metric tons of CO ₂ equivalent.	
	b) Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	
	c) Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent	
	d) Base year for the calculation, if applicable, including: <ol style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. 	
	e) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	
	f) Consolidation approach for emissions; whether equity share, financial control, or operational control.	
	g) Standards, methodologies, assumptions, and/or calculation tools used.	

GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
<p>305-1</p> <p>Direct (Scope 1) GHG emissions</p>	<p>2.1 When compiling the information specified in Disclosure 305-1, the reporting organisation shall:</p> <hr/> <p>2.1.1 Exclude any GHG trades from the calculation of gross direct (Scope 1) GHG emissions;</p> <hr/> <p>2.1.2 Report biogenic emissions of CO2 from the combustion or biodegradation of biomass separately from the gross direct (Scope 1) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH4 and N2O), and biogenic emissions of CO2 that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).</p>	<p>SGX Group²</p>
<p>305-2</p> <p>Energy indirect (Scope 2) GHG emissions</p>	<p>a) Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</p> <hr/> <p>b) If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</p> <hr/> <p>c) If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</p> <hr/> <p>d) Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <hr/> <p>e) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <hr/> <p>f) Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <hr/> <p>g) Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>SGX Group</p>
	<p>2.3 When compiling the information specified in Disclosure 305-2, the reporting organisation shall:</p> <hr/> <p>2.3.1 Exclude any GHG trades from the calculation of gross energy indirect (Scope 2) GHG emissions;</p> <hr/> <p>2.3.2 Exclude other indirect (Scope 3) GHG emissions that are disclosed as specified in Disclosure 305-3;</p> <hr/> <p>2.3.3 Account and report energy indirect (Scope 2) GHG emissions based on the location-based method, if it has operations in markets without product or supplier-specific data;</p> <hr/> <p>2.3.4 Account and report energy indirect (Scope 2) GHG emissions based on both the location-based and market-based methods, if it has any operations in markets providing product or supplier-specific data in the form of contractual instruments.</p>	

² “SGX Group” under the audit scope comprises all SGX Group entities, including overseas offices and acquired subsidiaries.

Creating Sustainable Value

Independent Limited Assurance Statement

GRI Standards Disclosures	Sub-indicators under “Shall” requirements (referenced as per GRI Standards)	Scope
<p>305-3</p> <p>Other indirect emissions (Scope 3) emissions</p>	<p>a) Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b) If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c) Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d) Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e) Base year for the calculation, if applicable, including:</p> <ol style="list-style-type: none"> the rationale for choosing it; emissions in the base year; the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>f) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g) Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>2.5 When compiling the information specified in Disclosure 305-3, the reporting organisation shall:</p> <p>2.5.1 Exclude any GHG trades from the calculation of gross other indirect (Scope 3) GHG emissions;</p> <p>2.5.2 Exclude energy indirect (Scope 2) GHG emissions from this disclosure. Energy indirect (Scope 2) GHG emissions are disclosed as specified in Disclosure 305-2;</p> <p>2.5.3 Report biogenic emissions of CO₂ from the combustion or biodegradation of biomass that occur in its value chain separately from the gross other indirect (Scope 3) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH₄ and N₂O), and biogenic emissions of CO₂ that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).</p>	<p>SGX Group</p>
<p>401-1</p> <p>New employee hires and employee turnover</p>	<p>a) Total number and rate of new employee hires during the reporting period, by age group, gender and region.</p> <p>b) Total number and rate of employee turnover during the reporting period, by age group, gender and region.</p>	<p>SGX Group</p>
<p>404-1</p> <p>Average hours of training per year per employee</p>	<p>a) Average hours of training that the organisation’s employees have undertaken during the reporting period, by:</p> <ol style="list-style-type: none"> gender; employee category. 	<p>SGX Group (Singapore and Overseas)³</p>

³ “SGX Group (Singapore and Overseas)” under the audit scope comprises SGX employees from (i) SGX (Singapore); and (ii) Overseas offices in Beijing, Chicago, Gujarat, Hong Kong, London, Mumbai, New York, San Francisco, Shanghai and Tokyo but excludes employees in (i) Energy Market Company Pte Ltd; and acquired Group and subsidiaries under (ii) The Baltic Exchange Limited; (iii) BidFX Systems Ltd.; (iv) MaxxTrader Systems Pte. Ltd.; and (v) Scientific Beta Pte. Ltd.

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

SASB Standards Disclosures

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

SGX Management's responsibilities

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

EY's responsibilities

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

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

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

Creating Sustainable Value

Independent Limited Assurance Statement

Our independence and quality control

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

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

Description of procedures performed

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

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

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

Our procedures included:

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

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

Other matters

The sustainability report of SGX for the year ended 30 June 2021 was not audited and our assurance statement does not relate to the sustainability report for that year.

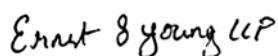
Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 22 August 2022 for the year ended 30 June 2022, in order for it to be in accordance with the Criteria.

Restricted use

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

Ernst & Young LLP



Signed for Ernst & Young LLP by
Praveen Tekchandani
Partner, Climate Change and Sustainability Services
Singapore
22 August 2022

Creating Sustainable Value

Independent Limited Assurance Report

Singapore Exchange Limited ("SGX")

22 August 2022

Independent Limited Assurance Report on SGX's 2022 Greenhouse Gas ("GHG") Emissions Report

To the Management of SGX

Scope

We have undertaken a 'limited assurance engagement' of the accompanying GHG Emissions Report of SGX's 2022 Sustainability Report as set out in the Subject Matter and Criteria section below as of 24 June 2022 for the year ended 30 June 2022 for the period from 1 July 2021 to 30 June 2022 ("FY2022") ("the Report").

Subject Matter and Criteria

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

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

The Subject Matter is set out in the table below:

Greenhouse Gas Emissions Disclosures

Greenhouse Gas Emissions	Coverage	Scope
Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> ▪ Direct emissions from sources owned or controlled by SGX (e.g. stationary combustion emissions, fugitive emissions, mobile combustion emissions). ▪ Generation of Scope 1 emissions: 34.95 tCO₂e¹. 	SGX Group ²
Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> ▪ Indirect emissions from electricity consumption and purchased cooling³. ▪ Generation of Scope 2 emissions (location-based): 3,735.35 tCO₂e. 	
Other indirect (Scope 3) emissions⁴	<ul style="list-style-type: none"> ▪ Indirect emissions from waste generated in operations, domestic and international air travel (business travel) for business purposes and downstream leased assets (electricity consumption from space leased out at data centre). ▪ Generation of Scope 3 emissions: 4,277.51 tCO₂e. 	SGX Group
Total GHG emissions	<ul style="list-style-type: none"> ▪ Total Scope 1, Scope 2 (location-based), Scope 3 emissions: 8,047.81 tCO₂e. 	

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

SGX Management's responsibilities

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

EY's responsibilities

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

¹ tCO₂e refers to the tonnes of carbon dioxide equivalent. Carbon dioxide equivalent is a standard unit for calculating GHGs such as carbon dioxide, methane in a common unit.

² "SGX Group" under the audit scope comprises all SGX Group entities, including overseas offices and acquired subsidiaries. SGX Group uses an 'Operational Control' boundary for the GHG reporting.

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

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

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

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

Our independence and quality control

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

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

Description of procedures performed

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

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

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

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

Our procedures included:

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

Creating Sustainable Value

Independent Limited Assurance Report

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

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

Other matters

The GHG emission report of SGX for the year ended 30 June 2021 was not audited by EY and our assurance statement does not relate to the GHG emission report for that year.

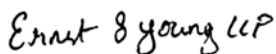
Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 22 August 2022 for the year ended 30 June 2022, in order for it to be in accordance with the Criteria.

Restricted use

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

Ernst & Young LLP



Signed for Ernst & Young LLP by
Praveen Tekchandani
Partner, Climate Change and Sustainability Services
Singapore
22 August 2022

Corporate Social Responsibility



#BetterHappensTogether

SGX Group is committed to making a positive impact on the communities we serve through SGX Cares, our corporate social responsibility programme. SGX Cares offers a platform that harnesses the enthusiasm of our employees and rallies the international financial community to support the needs of underprivileged children and families, persons with disabilities, as well as the elderly.

Through initiatives that foster financial literacy and sustainability, promote employee volunteerism and outreach, as well as raising funds for our beneficiaries, we seek to create positive change and drive opportunities for a brighter and more sustainable future.

When we rally with a shared purpose, *Better Happens Together.*

SGX Cares Bull Charge

Since 2004, SGX Cares has raised over S\$44 million through fundraising events such as Charity Golf, Charity Futsal and Charity Run to support various charities and causes.

In 2021, we held our flagship Charity Run virtually for a second year, organised a quiz challenge and several fundraising activities contributed by various SGX units. Together, we raised more than S\$2 million for SGX Cares Bull Charge beneficiaries: Autism Association (Singapore), AWWA Limited, Fei Yue

Community Services, HCSA Community Services, and Shared Services for Charities. Thanks to the generous support of our corporate sponsors and partners, we were able to continue supporting our beneficiaries to not only see them through challenging times, but also enable them to thrive.



SGX Cares Bull Charge Virtual Charity Run 2021 flagged off by Mr Chan Chun Sing, Minister for Education, at the Marina Bay Event Square.



Cheque presentation of S\$2,060,888 to our beneficiaries.

SGX Cares Financial Literacy

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

society, equipping individuals with practical skills and knowledge to manage their finances sustainably.

SGX Academy conducts a wide range of seminars, courses and e-training sessions so that retail investors can find the right programme to match their level of investing and trading knowledge.

In the last two years, SGX Academy conducted more than 500 investor education events including a collaboration with Singapore Sport

Institute on a Financial Literacy Webinar Series to equip Team Singapore athletes with the fundamental knowledge to better manage their personal finances and investments through their sporting careers and beyond. SGX Academy also supported the NUS Stock Pitch Challenge to help students across tertiary institutions gain knowledge and exposure to the equity analyst profession, and partnered SoGal Singapore to grow financial literacy among women.

Corporate Social Responsibility

SGXCares Outreach

Beyond philanthropy, SGX Cares believes in making an impact through community partnerships and employee volunteerism. Every SGX employee is entitled to two days of annual paid volunteer leave to contribute their time and talent through meaningful outreach activities.

The past year was challenging for community outreach and volunteerism as we remained vigilant with COVID-19 safe management measures. Despite this, SGX Cares Outreach clocked 704

volunteering hours over nine different activities – both in-person as well as virtual workshops, to bring joy and fun to our beneficiaries.

Our outreach activities included mural wall painting at Fei Yue Early Intervention Programme for Infants and Children Centre, terrarium workshop with Autism Association (Singapore), virtual tote bag painting with HCSA Community Services, virtual chair exercise workshop with seniors from AWWA and a series of acrylic painting workshops with seniors from Fei Yue Senior Activity Centres. Additionally, our employees prepared 1,000 care packs from home

for underprivileged and low-income families as part of our Seasons of Giving series.

SGX Cares also started a series of sustainability-related activities, where we organised a cleanup at the East Coast Park beach, collecting almost 120 kg of trash. We also held a charity tree-planting event with our business partners in support of Singapore's Garden City Fund and the OneMillionTrees movement.

In all, a total of 158 volunteers participated, touching the lives of more than 1,300 individual beneficiaries.



➊ Packing and distribution of care packs with Team Singapore athletes at various Fei Yue Family and Service Centres during our annual Seasons of Giving.



➋ Community Chest Fu Dai 2022 – SGX staff packing 福袋 for needy families and seniors.



➌ Engaging seniors at Fei Yue Senior Activity Centres through art – acrylic painting workshop series.

The SGX Cares spirit of giving goes beyond Singapore. For a second year, our Hong Kong office collaborated with Dignity Kitchen Hong Kong to pack and distribute hot meals for underprivileged elderly who remain displaced due to the COVID-19 situation in the city.

We are also grateful to be recognised by Community Chest and the Agency for Integrated Care (AIC) with accolades recognising our contributions through fundraising and community outreach, such as the Pinnacle Award, Charity Platinum Award, Volunteer Partner Award and the Friends of Community Award.



Touching lives of more than **1,300** individual beneficiaries



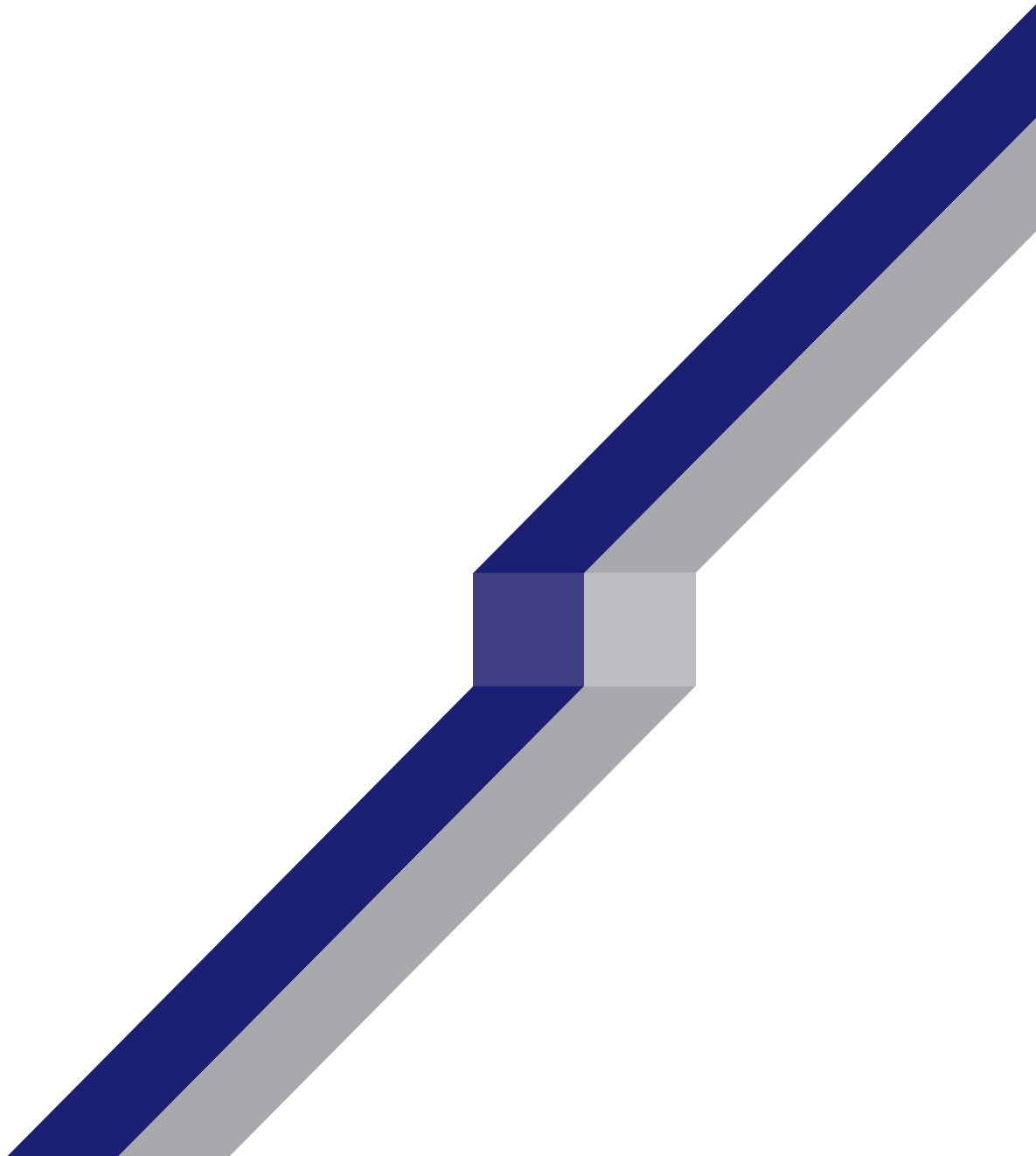
SGX staff clocked over **704** volunteering hours



➍ Playing our part for a cleaner, greener Singapore – beach cleanup at East Coast Park by SGX staff volunteers.



Governance



Corporate Governance Report

Compliance with the Code of Corporate Governance 2018

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

Throughout the financial year ended 30 June 2022 (FY2022), SGX has complied with the principles and substantially with the provisions of the Code of Corporate Governance 2018 (CCG 2018), as well as the Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses and

Approved Holding Companies) Regulations 2005 (SFR 2005). This Corporate Governance Report sets out SGX’s corporate governance practices with reference to the CCG 2018. Where there are any deviations from the provisions of the CCG 2018, appropriate explanations have been provided. We also provide a summary disclosure on our compliance with the CCG 2018 on page 121.

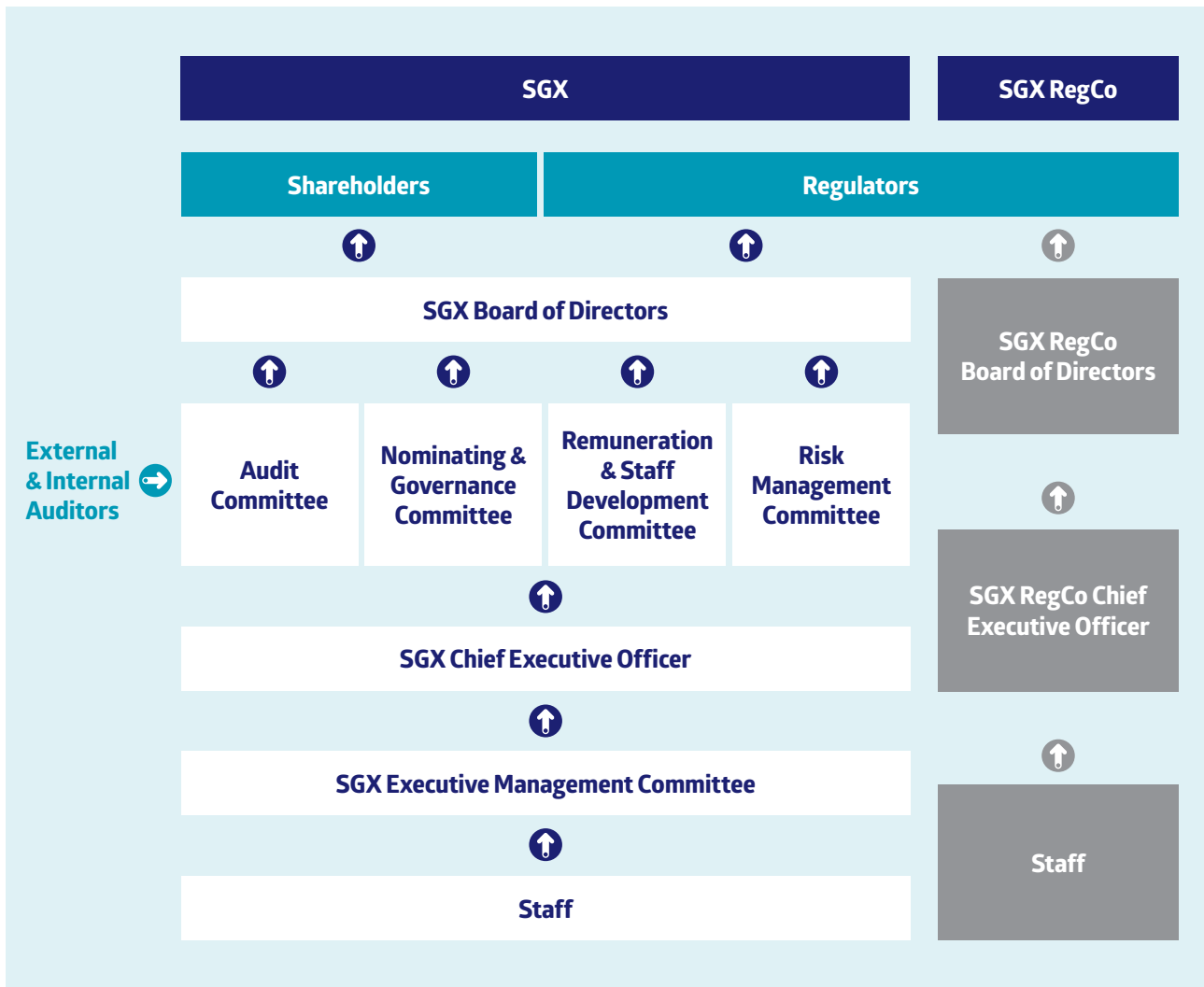
Self-Regulatory Organisation Governance

Singapore Exchange Regulation (SGX RegCo) was established as an independently governed subsidiary

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

This Corporate Governance Report is to be read in conjunction with the SRO Governance Report, which sets out SGX’s corporate governance practices as a self-regulatory organisation. The SRO Governance Report is set out on pages 122 to 127.

Corporate Governance Framework



Highlights



Awards & Accolades

- Asia Risk Awards, “Derivatives Exchange of the Year”
- The Asset Triple A Digital Awards 2021, Best Digital Collaboration
- Energy Risk Awards, “Commodity Exchange of the Year”
- FX Markets Asia Awards, Best FX Exchange in Asia
- FX Markets e-FX Awards, Best FX Clearing House in Asia
- GlobalCapital Global Derivatives Awards, Asia Pacific Derivatives Exchange of the Year



Transparency

- Daily updates on SGX’s website of volumes and values of key securities and derivatives products traded or cleared by SGX
- Monthly publications of market statistics such as volume, value and open interest of key products traded on SGX
- Quarterly disclosure of average clearing fee per contract for our securities and derivatives markets
- Half yearly financial reports
- Half yearly briefings to analysts and media webcasts
- Ad hoc analyst and investor briefings, such as the Analysts’ Day event in June 2022



Strong Risk Management

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



Board Succession Planning

- Mr Kwa Chong Seng will step down as Chairman of the SGX Board on 31 December 2022. The Directors have elected Mr Koh Boon Hwee to be the new Chairman of the SGX Board with effect from 1 January 2023;
- Appointment of Mr Koh Boon Hwee as an independent and non-executive Director, as member of the Audit Committee with effect from 15 March 2022 and as member of the Nominating & Governance Committee and Remuneration & Staff Development Committee with effect following the conclusion of the Twenty-Third Annual General Meeting to be held on 6 October 2022 (“AGM 2022”) and as Chairman of the Board with effect from 1 January 2023;
- Appointment of Mr Tsien Samuel Nag as a non-independent and non-executive Director, and as member of the Risk Management Committee with effect from 1 May 2022;
- Appointment of Dr Beh Swan Gin as member of the Remuneration & Staff Development Committee with effect following the conclusion of the AGM 2022. Dr Beh will step down from the Risk Management Committee concurrently. He also relinquishes his appointment as Lead Independent Director with effect from 1 January 2023;
- Appointment of Mr Mark Makepeace to the Risk Management Committee with effect following the conclusion of the AGM 2022; and
- Retirement of Mr Kevin Kwok at the AGM 2022.

Board Matters

The Board’s Conduct of Affairs Principle 1

Principal Duties of the Board

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

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

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

Corporate Governance Report

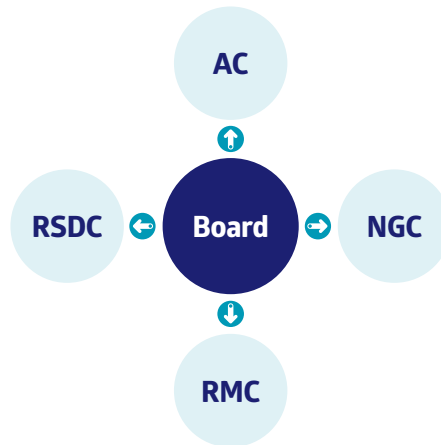
- expenditures exceeding S\$15 million in total;
- (e) the adequacy of internal controls, risk management, financial reporting and compliance;
 - (f) the assessment of Management performance;
 - (g) the assumption of corporate governance responsibilities;
 - (h) matters involving a conflict of interest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

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

Independent Judgement

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

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



Delegation by the Board

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

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

Key Features of Board Processes

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

senior executives and/or external advisers/consultants/experts on strategic issues, the developing business and regulatory landscape or risk management issues (including cyber security risk).

The schedule of all Board and Board committee meetings and the Annual General Meetings (AGM) of the Company for the next three calendar years is planned in advance, in consultation with the Board. The Board meets at least four times a year at regular intervals. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances. Participation by telephone and video conference at Board and Board committee meetings is allowed under the SGX's Constitution. The Board and Board committees may also make decisions by way of circulating resolutions. There were six Board meetings in FY2022. Key matters discussed at these meetings included financial performance, annual budget, corporate and risk strategy, business plans, regulation, significant operational matters, capital-related matters and organic and inorganic strategic opportunities. In the interest of allocating more time for the Board to deliberate on issues of a strategic nature, and to focus on particular themes for each Board meeting, submissions which are straightforward in content as well as those that are for information only, were compiled and circulated in between Board meetings. The Board held one strategy meetings, two ad-hoc Board meetings and also dedicated time at each quarterly Board meeting, to interact with senior management executives and have in-depth discussions on SGX Group's strategic direction. These strategy meetings in FY2022 were held in October 2021 and February 2022. Periodic information papers and Board briefings on the latest market developments and trends, and key business initiatives are also provided to the Board.

A record of the Directors' attendance at Board and Board committee meetings during FY2022 is set out in the table under Principle 2.

Board Approval

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

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

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

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

Directors’ Orientation and Training

Each new Director will, upon his appointment, receive a manual containing information on his directorship duties (including his role as an executive, non-executive and/or independent Director) and Board and SGX policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions

involving SGX, restrictions on dealings in SGX’s securities and the disclosure of price-sensitive and trade-sensitive information. The NGC has overall oversight to ensure that new Directors are aware of their duties and obligations.

SGX conducts a comprehensive orientation programme to familiarise new Directors with its business and governance practices. The orientation programmes are conducted by the CEO and senior Management executives and provide Directors an understanding of SGX Group’s businesses, operations and regulatory environment, to enable them to assimilate into their new roles. The programmes also allow the new Director to get acquainted with senior Management executives, thereby facilitating board interaction and independent access to senior Management executives.

Any new Director appointed to the Board who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training on his or her roles and responsibilities as prescribed by the SGX-ST, unless the NGC is of the view that such training is not required because the Director has other relevant experience. Mr Koh Boon Hwee and Mr Tsien Samuel Nag were the Directors appointed onto the SGX Board during the year under review and they have undergone the relevant mandatory training on their roles and responsibilities as a director of an issuer listed on the SGX-ST.

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

During the financial year:

- The external auditor, KPMG LLP, regularly briefed AC members on developments in accounting and governance standards.
- The CEO updated the Board at each Board meeting on business and strategic developments in the global exchange and clearing house industry.
- Management circulated regular informational papers and created the knowledge management repository for Directors on Boardvantage.
- SGX induction E-learning was launched to provide new Directors and staff an overview of SGX’s history, strategic intent, corporate values and key business units.
- Management team members presented key topics to the Board. These included updates on business strategies and key industry developments and trends.
- The Board and senior Management executives had in-depth discussions on the strategic issues and direction of the SGX Group at the Board meetings and Strategy meetings.
- The Board and senior Management executives received updates on SGX Group’s approach to Sustainability and Sustainable Finance which incorporated ESG topics, its opportunities and risks.

In addition, the Board is undergoing the sustainability training course organised by SID.

Access to Information *Complete, Adequate and Timely Information*

Management recognises that the flow of complete, adequate and timely information on an ongoing basis to the Board is essential to the Board’s effective and efficient discharge of its duties. To allow Directors sufficient time to prepare for the meetings, all scheduled Board and Board committee papers are distributed to Directors not less than a week in advance of the meeting. This allows Directors to focus on questions or raise issues which they may have at the meetings. Any additional material or information requested by the Directors is

Corporate Governance Report

promptly furnished. As part of its sustainability efforts, SGX has abolished the provision of hard copy Board and Board committee papers to Directors and, instead, Directors are provided with tablet devices to enable them to access and read Board and Board committee papers.

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

Directors have direct and independent access to key management personnel and senior management, and have various opportunities to interact with them (for instance, during regular briefings for Board Committee Chairmen, quarterly Board-hosted dinners and/or lunches, and other informal events with senior management). Due to the COVID-19 pandemic, most of these interactions in FY2022 were conducted virtually. Draft agendas for Board and Board committee meetings are circulated to the EMCO (including key management personnel) and the respective Chairmen of the Board and Board committees, in advance, for them to suggest items for the agenda and/or review the usefulness of the items in the proposed agenda.

For the AC and the RMC to liaise closely and have a clear understanding of each other's work and plan their work on the same risk framework, the finalised minutes in relation to meetings of each committee are promptly circulated to the other committee. Arrangements are also in place for the AC and the RMC to share information on a regular basis, which includes having common Directors on the AC and the RMC, and the Head of

Internal Audit, Chief Risk Officer and the Head of Legal, Compliance and Corporate Secretariat attending both AC and the RMC meetings. These measures are in line with the recommendations of the Guidebook for Audit Committees in Singapore.

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

During every quarterly Board meeting, the Chief Executive Officer provides an update on key aspects of SGX Group's business and operations, and/or a macro perspective on industry trends and developments; the Board holds a private session for Directors where required; and the Lead Independent Director holds a private session with the other independent directors on matters where the SGX Board Chairman is not present or has to recuse himself.

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

Role of the Company Secretaries

Directors have separate and independent access to the Company Secretaries at all times. The Company Secretaries are responsible for, among other things, ensuring that Board procedures are observed and that SGX's Constitution, relevant legislation, rules and

regulations, including the requirements of the Securities and Futures Act, Chapter 289 of Singapore (SFA), the Companies Act and the Listing Manual, are complied with. The Company Secretaries also assist the Chairman and the Board to implement and strengthen corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretaries assist the Chairman to ensure good information flows within the Board and its Board committees and between Management and non-executive Directors, as well as facilitating orientation and assisting with professional development as required. The Company Secretaries are responsible for designing and implementing a framework for Management's compliance with the Listing Manual, including training and advising Management to ensure that material information is disclosed on a prompt basis. The Company Secretaries attend all Board meetings and assist to ensure coordination and liaison between the Board, the Board committees and Management. The Company Secretaries assist the Chairman, the Chairman of each Board committee and Management in the development of the agendas for the various Board and Board committee meetings.

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

Independent Professional Advice

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

Board Matters Board Composition and Guidance Principle 2

Board Independence

In FY2022, 7 out of 12 SGX Directors were considered independent, based on the criteria for independence under the

Listing Manual, the CCG 2018 and the SFR 2005. The proportion of independent Directors on SGX's Board well exceeded the minimum requirements under the CCG 2018 and the SFR 2005. In FY2022, 11 out of 12 SGX Directors were non-executive Directors (NEDs), which also far exceeded the requirement under the CCG 2018 for at least a majority of the Board to comprise of NEDs.

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

Over the course of the year, the NGC assessed the independence of Board members in compliance with the requirements of the SFR 2005 and the Listing Manual and took into consideration the relevant provisions of the CCG 2018 and its accompanying Practice Guidance (collectively the "Code and Regulations"). Under the Code and Regulations, an "independent director" is defined to mean a Director who is: (a) independent from any management and business relationship with SGX; and (b) independent from any substantial shareholder of SGX.

With regard to Rule 210(5)(d)(iii) of the Listing Manual which requires that the independence of any Director who has served on the Board beyond nine years from the date of first appointment be approved by a two-tier shareholders' vote if such Director is to continue to serve as an independent Director, the NGC has determined that an independent Director will, upon completing nine years of service, be thereafter deemed as non-independent, notwithstanding demonstrable independence of management, or business relationships with SGX or any substantial shareholder, and that no two-tier vote with respect to Rule 210(5)(d)(iii) of the Listing Manual will be sought for any such Director. The Board is in accord with the NGC's decision.

The Board, through the NGC, assessed the independence of each of the Directors in FY2022. Based on the declarations of independence provided by the Directors and taking into account the requirements and/or guidance set out in the SFR 2005, the Listing Manual and the CCG 2018 and its accompanying Practice Guidance, Mr Kwa Chong Seng, Mr Kevin Kwok, Ms Lim Sok Hui (Mrs Chng), Mr Loh Boon Chye and Mr Tsien Samuel Nag were determined to be non-independent Directors during FY2022. Mr Kwa and Mr Kwok are each considered non-independent with effect from 20 September 2021, solely on account of each of them having completed nine consecutive years of service on the Board. Ms Lim is considered non-independent by virtue of her employment as chief financial officer of DBS Bank Limited (DBS Ltd) and on account that DBS Vickers Securities (Singapore) Pte. Ltd. is a trading and clearing member of SGX-ST, CDP, SGX-DT and SGX-DC. As the SGX CEO, Mr Loh is considered non-independent by virtue of his employment by SGX. Mr Tsien is considered non-independent by virtue of (a) his service on the board of OCBC Wing Hang Bank Limited, which is a related corporation of OCBC Securities Private Limited ("OCBC Securities"), a trading and clearing member of SGX-ST, CDP, SGX-DT and SGX-DC; and (b) his previous employment as the chief executive officer of Oversea-Chinese Banking Corporation Limited ("OCBC") and subsequently advisor to OCBC. Dr Beh Swan Gin, Ms Chew Gek Khim, Mr Koh Boon Hwee, Mr Lim Chin Hu, Mr Mark Makepeace, Prof Subra Suresh and Mr Yeoh Oon Jin were considered independent Directors during FY2022. In line with the Directors' Conflicts of Interest Policy, each member of the NGC and the Board recused himself or herself from the NGC's and the Board's deliberations respectively on his or her own independence. Following from the decision to deem an independent Director as non-independent upon completing nine years of service as described above, Ms Chew will be

considered non-independent with effect from 1 December 2022, solely on account of having completed nine consecutive years of service on the Board. To avoid an abrupt loss of members with experience and institutional memory of SGX Group, the Board will pace the retirement of its directors as needed.

Board Diversity

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

In determining the optimum composition and size of the Board and each Board committee, the Board Diversity Policy provides for the NGC to consider a combination of factors such as skills, knowledge, professional experience, educational background, gender, age, and length of service. The skills, knowledge and experience to be considered include banking, finance, accounting, business acumen, management experience, exchange industry knowledge, technology expertise, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls. A skills matrix is used to help identify the gaps. The skills matrix classifies the skills, knowledge and professional experience of existing Directors into several broad categories such as industry knowledge; financial markets; regulation, compliance and/or government relations; leadership; cybersecurity and technology; environmental, social and governance (ESG), and also where such skills, knowledge and professional experience were acquired or utilised geographically.

Corporate Governance Report

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

Following its assessment of the candidates, the NGC will then interview the short-listed candidates. The NGC will thereafter make its recommendations to the Board including appointments to the appropriate Board committee(s) after matching the candidates' skills-set to the needs

of each Board committee. The Board, taking into account the views of the NGC, will consider if its Directors meet the criteria under its Board Diversity Policy and possess the necessary competencies to govern SGX effectively. Details of the Board composition are as follows.



- **Financial Markets Expertise**
7 directors
- **Executive Leadership**
6 directors
- **Environmental, Social and Governance**
7 directors
- **Risk and Compliance**
5 directors
- **FinTech and Digital Technology**
4 directors

Diversity Targets and Progress in FY2022

Ensuring diversity to achieve the strategic and business objectives of SGX.

Mr Koh Boon Hwee and Mr Tsien Samuel Nag were appointed onto SGX's Board during FY2022. Mr Koh has extensive experience serving and chairing various listed companies globally and in Singapore. As announced on 18 August 2022, he will succeed Mr Kwa Chong Seng as the Chairman of the SGX Board with effect from 1 January 2023. Mr Tsien has extensive experience holding senior appointments and board appointments on financial institutions in corporate banking, retail banking and risk management in the United States and Asia. The two appointments will contribute significantly to the diversity of skillsets, geographical experience, and in-depth understanding of different industries of the SGX Board.

With the help of external search firms, the NGC also identified several candidates with capital markets and/or emerging technologies experience. Candidates who were considered suitable but not currently available, will continue to be tracked for future consideration. They included several female candidates, who for various reasons, were unable to take up an appointment to the SGX Board in 2022. The NGC will continue in its identification and evaluation of suitable candidates.

Details of the current SGX Board's mix of expertise, background and age are set out above.

Diversity Targets and Progress in FY2022

Where external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to present female candidates.

Aside from capital markets and/or emerging technologies experience, the NGC instructed the external search firms to focus on identifying female candidates. Out of the candidates surfaced for the NGC's consideration, approximately 77% were female.

Ensuring gender diversity on the Board with not less than two female representatives on the Board.

SGX actively strives to have a 25% to 30% representation of female directors on the Board over the next 3 – 5 years. Several female candidates were identified and approached as part of SGX's Board succession planning process but for various reasons, were unable to take up an appointment on the SGX Board in FY2022. The NGC will continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the SGX Board.

SGX remains committed to implementing the Board Diversity Policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

Board Guidance

An effective and robust Board, whose members engage in open and constructive debate and challenge Management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives.

For this to happen, the Board, in particular its NEDs, must be kept well informed of SGX Group's businesses and be knowledgeable about the exchange industry. To ensure that NEDs are well supported by accurate, complete, and timely information, NEDs have unrestricted access to Management. NEDs also receive periodic information papers and Board briefings on the latest market developments and trends, and key business initiatives. Regular formal and/or informal meetings are held for Management to brief Directors on prospective deals and potential developments in the early stages, before formal Board approval is sought. Board papers are provided to Directors not less than a week in advance of the meeting to afford the Directors sufficient time to review the Board papers prior to the

meeting. If a Director is unable to attend a Board or Board committee meeting, the Director may nevertheless provide his/her comments to the Chairman or relevant Board committee Chairman separately.

Meeting of Directors without Management

The NEDs and/or independent Directors, led by the Chairman or the

Lead Independent Director where the Chairman is not present or has to recuse himself, or Board Committee Chairman (as the case may be), set aside time at each scheduled Board or Board Committee meeting to meet without the presence of Management. The chairman of such meetings provided feedback to the rest of the Board after such meetings, as appropriate.



Corporate Governance Report

Composition of Board and Board committees as at 30 June 2022

Chairman		
Mr Kwa Chong Seng		
Key Objectives Provides leadership to the Board and CEO, and ensures the effectiveness of the Board, Board committees and individual Directors		
Board		
12 Members 7 ● and 5 ●		
Mr Loh Boon Chye (CEO) Dr Beh Swan Gin Ms Chew Gek Khim Mr Koh Boon Hwee	Mr Kevin Kwok Mr Lim Chin Hu Ms Lim Sok Hui (Mrs Chng) Mr Mark Makepeace	Mr Tsien Samuel Nag Prof Subra Suresh Mr Yeoh Oon Jin
Key Objectives Oversees the conduct of the SGX Group and accountable to shareholders for the long-term performance and financial soundness of the Group		

Audit Committee (AC)	Nominating & Governance Committee (NGC)	Risk Management Committee (RMC)	Remuneration & Staff Development Committee (RSDC)
4 Members: 3 ● 1 ●	6 Members: 4 ● 2 ●	6 Members: 3 ● 3 ●	3 Members: 2 ● 1 ●
Mr Yeoh Oon Jin (Chairman) Ms Kevin Kwok Mr Koh Boon Hwee Mr Mark Makepeace	Dr Beh Swan Gin (Chairman) Mr Kwa Chong Seng Ms Chew Gek Khim Mr Kevin Kwok Mr Lim Chin Hu Prof Subra Suresh	Ms Lim Sok Hui (Chairman) Dr Beh Swan Gin Mr Kevin Kwok Mr Lim Chin Hu Mr Yeoh Oon Jin Mr Tsien Samuel Nag	Mr Lim Chin Hu (Chairman) Ms Chew Gek Khim Mr Kwa Chong Seng
Key Objectives Assist the Board in discharging its statutory and other responsibilities relating to the integrity of the financial statements, monitoring of the system of internal controls and independence of the external auditor	Key Objectives Responsible for the corporate governance framework, Board's succession plan and reviewing relevant local and international developments in the area of corporate governance (including changes in applicable laws, regulations and listing rules)	Key Objectives Reviewing and recommending to the Board the type and level of risk that SGX undertakes on an integrated basis to achieve its business strategy, and the appropriate framework and policies for managing risks that are consistent with SGX Group's risk appetite	Key Objectives Oversee the remuneration of the Board and EMCO members including reviewing the remuneration of the CEO, set appropriate remuneration frameworks and policies, including long-term incentive schemes, to deliver annual and long-term performance of the SGX Group and to review the development and succession plan for EMCO members

Directors' Details as at 30 June 2022	Directors' Independence Status as at 30 June 2022						Directors' Meeting Attendance Report					
	Assessment of Independence of Individual Directors											
	▪ All references to Regulations are a reference to regulations of the SFR 2005, which can be obtained from www.agc.gov.sg ▪ All references to Provisions are references to provisions of the CCG 2018, which can be obtained from www.mas.gov.sg											
Names	Independence status under the Listing Manual	Independence status under the CCG 2018	Independence status under the SFR 2005	Reg 3(1)(a) Independent from management relationship	Reg 3(1)(b) Independent from business relationship	Reg 4 Independent from substantial shareholder ¹	AGM	Board	AC	NGC	RSDC	RMC
							No. of meetings held in FY2022					
	1	6	4	4	3	4						
Mr Kwa Chong Seng	No	No	Yes	Yes	Yes	Yes						
Mr Loh Boon Chye ²	No	No	No	No	Yes	Yes						
Dr Beh Swan Gin	Yes	Yes	Yes	Yes	Yes	Yes			-		-	
Ms Chew Gek Khim	Yes	Yes	Yes	Yes	Yes	Yes			-			-
Ms Jane Diplock AO ³	No	No	Yes	Yes	Yes	Yes				-	-	
Mr Koh Boon Hwee ⁴	Yes	Yes	Yes	Yes	Yes	Yes	-			-	-	-
Mr Kevin Kwok	No	No	Yes	Yes	Yes	Yes					-	
Mr Lim Chin Hu	Yes	Yes	Yes	Yes	Yes	Yes						
Ms Lim Sok Hui (Mrs Chng) ⁵	Yes	Yes	No	Yes	No	Yes			-	-	-	
Mr Mark Makepeace	Yes	Yes	Yes	Yes	Yes	Yes				-	-	-
Mr Ng Wai King ⁷	Yes	Yes	Yes	Yes	Yes	Yes			-	-		-
Mr Tsien Samuel Nag ⁸	Yes	Yes	No	Yes	No	Yes	-	-	-	-	-	-
Prof Subra Suresh	Yes	Yes	Yes	Yes	Yes	Yes			-		-	-
Mr Yeoh Oon Jin ⁹	Yes	Yes	Yes	Yes	Yes	Yes				-	-	

¹ As at 30 June 2022, SGX does not have a substantial shareholder.

² Mr Loh Boon Chye is employed as CEO by SGX and deemed non-independent by virtue of Rule 210(5)(d)(i) of the Listing Manual, Provision 2.1 and Regulation 3(1)(a).

³ Ms Jane Diplock AO retired from the SGX Board at the conclusion of the Twenty Second AGM on 7 October 2021.

⁴ Mr Koh Boon Hwee was appointed to the Board and AC on 15 March 2022.

⁵ Mr Lim attended the AC meeting by invitation on 26 October 2021.

⁶ As chief financial officer of DBS Bank Limited (DBS Ltd) and on account that DBS Vickers Securities (Singapore) Pte Ltd is a trading and clearing member of SGX-ST, CDP, SGX-DT and SGX-DC, Ms Lim Sok Hui (Mrs Chng) is deemed non-independent by virtue of Regulation 3(3)(d).

⁷ Mr Ng Wai King retired from the SGX Board at the conclusion of the Twenty Second AGM on 7 October 2021.

⁸ Mr Tsien Samuel Nag was appointed as a board member and member of the RMC on 1 May 2022.

⁹ Mr Yeoh Oon Jin was appointed to the Board, AC and RMC on 1 May 2022.

Corporate Governance Report

Board Matters Chairman and Chief Executive Officer Principle 3

Separation of the Roles of Chairman and CEO

The roles of Chairman of the Board and CEO are separate to ensure a clear division of responsibilities and an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making. The Chairman and the CEO are not related. The division of responsibilities and functions between the two has been demarcated in writing, with the concurrence of the Board.

The Chairman provides leadership to the Board and CEO. He manages the business of the Board and monitors the translation of the Board's decisions and directions into executive action. He approves the agendas for Board meetings and ensures sufficient allocation of time for thorough discussion of each agenda item. He promotes an open environment for debate and ensures that NEDs are able to speak freely and contribute effectively. He exercises control over the quality and quantity of the information as well as the timeliness of the flow of information between the Board and Management. In addition, he provides close oversight, guidance, advice and leadership to the CEO and Management.

At AGMs and other shareholders' meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

The CEO manages and develops the businesses of SGX and implements the Board's decisions. He chairs the EMCO, which comprises senior management executives. The EMCO meets regularly to oversee the management of the SGX Group

and implement the Board's strategic policies.

Board interaction with, and independent access to, Management is encouraged. EMCO members and key Management personnel are invited to attend all Board meetings and relevant Board committee meetings.

Lead Independent Director

As the Chairman, Mr Kwa Chong Seng, was considered non-independent with effect from 20 September 2021 solely on account of having completed nine consecutive years of service on the Board (see section on "Board Independence" above), Dr Beh Swan Gin was appointed as Lead Independent Director (LID) with effect from 20 September 2021 to lead and co-ordinate the activities of the NEDs. The charter of the LID is available on SGX's website.

The LID has the authority to call and lead meetings of the Board when the Chairman has to recuse himself or is not present. The LID has the authority to call for and preside at meetings with the independent directors and/or the non-executive directors when necessary and appropriate, and to provide feedback to the Chairman as appropriate thereafter. He represents the independent directors as a key contact point for shareholders and other stakeholders, especially where the concerns from shareholders and stakeholders are such that the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Board Matters Board Membership Principle 4

Continuous Board Renewal

The Board, in conjunction with the NGC, reviews the composition of the Board and Board committees

annually, taking into account the performance and contribution of each individual Director. Board composition is also evaluated to ensure that diversity of skills, core competencies, knowledge, professional experience, educational background, gender, age and length of service as prescribed under the Board Diversity Policy is maintained within the Board and Board committees.

Based on the NGC's assessment of the independence of each individual Director and his/her relevant expertise, and with the aim of ensuring compliance with the requirements of the CCG 2018 and SFR 2005, the Board reviews, and reconstitutes as appropriate, the membership of the Board committees.

Where Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on SGXNet in compliance with the requirements of the Listing Manual.

The Constitution, in compliance with the Listing Manual, provides that at each AGM, one-third of the Directors, including the CEO who also serves on the Board (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Effectively, this results in all Directors having to retire at least once every three years or even earlier. Directors appointed by the Board during the financial year, to fill a casual vacancy or as an additional Director, may only hold office until the next AGM, but will be eligible for re-election by shareholders at that AGM. Shareholders will be provided with relevant information on the candidates for election or re-election so that they may exercise their voting rights on an informed basis.

Directors retiring at 2022 AGM

Messrs Chew Gek Khim, Lim Sok Hui (Mrs Chng), Kevin Kwok and Dr Beh Swan Gin will be retiring by rotation at the Twenty-Third AGM to be held on 6 October 2022 (2022 AGM) under Article 97 of the SGX Constitution. Messrs Chew, Lim and Dr Beh have given their consents to stand for re-election. Ms Chew will, upon re-election, continue to serve as a member of the Nominating & Governance Committee and the Remuneration & Staff Development Committee. Ms Lim will, upon re-election, continue to serve as the Chairman of the Risk Management Committee. Dr Beh will, upon re-election, continue to serve as the Lead Independent Director and the Chairman of the Nominating & Governance Committee. Upon conclusion of the 2022 AGM, he will

be appointed as a member of the Remuneration & Staff Development Committee and step down as a member of the Risk Management Committee. Mr Kevin Kwok has decided not to offer himself for re-election.

Messrs Koh Boon Hwee and Tsien Samuel Nag who were appointed to the Board on 15 March 2022 and 1 May 2022 respectively, will each be retiring at the 2022 AGM under Article 103 of the SGX Constitution, and have given their consents to stand for re-election. Mr Koh will, upon re-election, continue to serve as a member of the Audit Committee. Upon conclusion of the 2022 AGM, he will be appointed as a member of the Nominating & Governance Committee and the Remuneration & Staff

Development Committee. With effect from 1 January 2023, Mr Koh will succeed Mr Kwa Chong Seng as the Chairman of the SGX Board. Mr Tsien will, upon re-election, continue to serve as a member of the Risk Management Committee.

The profiles of the Directors who are retiring and standing for re-election at the 2022 AGM are set out under the “Board of Directors” section of this Annual Report. In addition, the Notice of the 2022 AGM sets out information on the Directors proposed for re-election at the 2022 AGM. Detailed information on these Directors can be found in the “Supplemental Information on Directors Seeking Re-election” section of this Annual Report.

NGC Composition

As at 30 June 2022, the NGC comprised six Directors namely:



The NGC is responsible for SGX’s corporate governance framework, the Board’s succession plan and reviewing relevant local and international developments in the area of corporate governance (including changes in applicable laws, regulations and listing rules).

Nomination and Selection of Directors

SGX adopts a comprehensive and detailed process in the selection of new Directors. The NGC is responsible for identifying candidates and reviewing all nominations and recommendations to the Board for the appointment, re-appointment or termination of Directors and Board committee members, taking into account the Monetary Authority of Singapore’s (MAS) fit and proper criteria for such appointments, the Director’s independence status, his/her participation and contributions during and outside Board meetings, the factors prescribed under the

Board Diversity Policy and other relevant factors as may be determined by the NGC. Where the need to appoint a new Director arises, the NGC will review the composition and range of knowledge, expertise, skills and attributes of the Board and Board committees. The NGC identifies SGX’s needs and prepares a shortlist of candidates with the appropriate profile for nomination before sourcing for candidates through an extensive network of contacts. Candidates are identified based on the needs of SGX and the relevant expertise required. After the NGC Chairman, the Chairman of the Board and the other NGC members have interviewed the candidates, the candidates are shortlisted for the NGC’s formal consideration for appointment to the Board.

When reviewing a nomination for a proposed Board appointment, the NGC complies with SFR 2005 criteria as follows:

Corporate Governance Report

- (a) a determination of the candidate's independence;
- (b) whether his/her appointment will result in non-compliance with any of the SFR 2005 composition requirements for the Board and its Board committees; and
- (c) whether the candidate fulfils the fit and proper criteria under the MAS' fit and proper guidelines which include honesty, integrity, reputation, competence and capability, and financial soundness.

All Directors of SGX are approved by the MAS, based on its fit and proper criteria, before they are appointed by the Board or by shareholders at the AGM (as the case may be).

Continuous Review of Directors' Independence

The NGC conducts an annual review of each Director's independence, and as and when circumstances require, in accordance with the requirements under the SFR 2005 and the Listing Manual, while also taking into consideration the relevant provisions in the CCG 2018 and its accompanying Practice Guidance. SGX has procedures in place to ensure continuous monitoring of SGX Directors' independence, and Directors are required to disclose any relationships they have with the Company, its related corporations, substantial shareholders or its officers, if any, which may affect their independence, to the Board.

The NGC has ascertained that save for Messrs Kwa Chong Seng, Kevin Kwok, Lim Sok Hui, Tsien Samuel Nag and Loh Boon Chye, all Directors were considered independent as at 30 June 2022 according to these criteria (see section on "Board Independence" above). If at any time the MAS is not satisfied that a Director is independent, notwithstanding any determination by the NGC, the MAS may direct SGX to rectify the composition of the Board or Board committees (as the case may be).

SGX has in place a policy whereby Directors must consult both the Chairman of the Board and the NGC Chairman prior to accepting new director appointments. Directors must also immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence. This ensures Directors continually meet the stringent requirements of independence under the SFR 2005 and the Listing Manual.

Directors' Time Commitments

The NGC assesses the effectiveness of the Board as a whole and takes into account each Director's contribution and devotion of time and attention to SGX. The NGC also assesses nominees identified for recommendation to the Board, their individual credentials and their ability to devote appropriate time and attention to SGX.

The NGC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions as well as by taking into account each Director's listed company board directorships, and any other relevant time commitments. While having a numerical limit on the number of directorships may be considered by some other companies to be suitable for their circumstances, at present SGX considers the assessment as described above to be more effective for its purposes. SGX also does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board.

For now, the NGC believes that SGX's qualitative assessment and the existing practice, which requires each Director to confirm annually to the NGC his/her ability to devote sufficient time and attention to SGX's affairs, having regard to his/her other commitments, are effective.

SGX will continue to disclose each Director's listed company board directorships and principal commitments, which may be found in the 'Board of Directors' section in the Annual Report.

A majority of the Directors attended all Board and Board committee meetings held in FY2022. Based on the contributions by the Directors and their performance and level of preparedness at Board and Board committee meetings, the NGC and the Board are satisfied that all Directors (including those who hold significant number of other directorships and principal commitments) have been able to and have adequately discharged their duties as Directors in FY2022. The NGC and the Board also expect that the Directors (including any Directors who are newly appointed) will continue to (or will) discharge their duties adequately in the financial year ending 30 June 2023.

Alternate Directors

SGX has no alternate Directors on its Board.

Succession Planning for the Board

Succession planning is an important part of the governance process. The NGC makes recommendations to the Board on matters relating to the review of succession plans for Directors (in particular, the appointment and/or replacement of the Chairman and the CEO) and will seek to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.

With regard to the succession planning for the Board, the NGC aims to maintain an optimal Board composition by considering the Company's strategic priorities and the factors and trends affecting the long-term success of the Company, reviewing the skills needed on the Board, and identifying the gaps (which include considering whether there is an appropriate level of diversity of thought) on the then-existing Board.

Key Information on Directors

The profiles of, and other key information on, the Directors are set out under the “Board of Directors” section in this Annual Report. Key information on the Directors is also available on SGX’s website. The Notice of AGM sets out the agenda items in relation to the Directors who are standing for re-election at the AGM.

Board Matters Board Performance Principle 5

Board Performance Evaluation

The NGC makes recommendations to the Board on the process and objective criteria for evaluation of the performance of the Board, the Board committees and the individual Directors. Following from this, the Board has implemented a process carried out by the NGC, for assessing the effectiveness of the Board as a whole and its Board committees, and for assessing the contribution by each individual Director to the effectiveness of the Board. The Board Evaluation Policy is available on SGX’s website.

Annually, the NGC undertakes a process to assess the effectiveness of the Board as a whole and its Board committees. The NGC will ascertain the key areas for improvement and requisite follow-up actions. Once every two years, independent consultants will be appointed to assist in the evaluation process of the Board and Board committees. The Board believes that this regular use of an external independent consultant greatly enhances the quality and objectivity of the evaluation.

This process includes a questionnaire designed to assess the performance of the Board and its Board committees and enhance the overall effectiveness of Directors. The Board and Board committees’ performance will be evaluated by each Director and EMCO member.

During FY2022, Aon Singapore (“Aon”) was appointed to facilitate the evaluation of the effectiveness of the Board as a whole, and of each Board committee, as well as the performance of the Chairman. Aon has no connection with SGX or any of the Directors. The process involved Directors and EMCO members first completing a comprehensive online questionnaire sent by Aon to the Directors and the EMCO members respectively. Factors which were evaluated by the Directors included board composition, information management, board processes, environment, social and governance (ESG), managing the SGX Group’s performance, strategy review, board committee evaluation, CEO performance and succession planning, director development and management, risk management and overall perception of the Board. Factors which were evaluated by the EMCO on the Board’s performance included developing strategy, monitoring strategy, working with management, managing risks, ESG and overall perception of the Board. In addition to questionnaires, one-on-one interviews were conducted with each Director as part of the Board evaluation process. The findings from the evaluations were presented to the NGC and the Board to facilitate continuous improvements to the Board’s practices. Aon concluded that the Board had maintained a neutral to positive trajectory for its performance and effectiveness against rising standards and expectations.

Board Performance Criteria

The Board reviews its performance annually.

The Board oversees the affairs of the SGX Group and is accountable to shareholders for the long-term performance and

financial soundness of the SGX Group. In this regard, the Board supervises the achievement of Management’s performance targets namely (a) strategic and non-financial priorities; (b) earnings per share; and (c) a comparison of SGX’s total shareholder return against selected peer exchanges and Straits Times Index companies.

The Board is required to ensure that a proper balance is maintained between its commercial objectives and its regulatory responsibilities. Therefore, the Board performance criteria include a measure to capture the performance of SGX’s regulatory responsibilities as an SRO.

Individual Director Evaluation

There is an individual assessment of each NED’s contribution by the Chairman of the Board, and the results of the assessment are discussed with the NED. The factors considered in the individual assessment include the NED’s attendance record, intensity of participation at Board and Board committee meetings, quality of interventions and special contributions made by the NED. The performance of individual NEDs are taken into account in their re-appointment or re-election.

The assessment of the CEO’s performance is undertaken by the Chairman of the Board together with the Chairmen of the NGC and the RSDC, and the results are reviewed by the Board.

The NEDs assess the performance of the Chairman of the Board. The NEDs will choose one of their number to lead the assessment, who provides the feedback to the Chairman of the Board.

The Board oversees the affairs of the SGX Group and is accountable to shareholders for the long-term performance and financial soundness of the SGX Group.

Corporate Governance Report

Remuneration Matters Procedures for Developing Remuneration Policies Principle 6

Remuneration & Staff Development Committee

As at 30 June 2022, the RSDC comprised three Directors namely:



Mr Lim Chin Hu was appointed Chairman of the RSDC in FY2022. The Board considers that Mr Lim Chin Hu, who has many years of experience in senior management positions and on various boards dealing with remuneration issues, was well qualified to chair the RSDC and that the members of the RSDC collectively have strong management experience and expertise on remuneration issues.

The key responsibilities of the RSDC, as delegated by the Board, are to:

- Oversee the governance of the SGX Group's overall remuneration policy;
- Review and make recommendations to the Board on the framework and policy of remuneration for the Board and key Management personnel to ensure alignment with shareholders' interest and long-term value creation of the SGX Group;
- Oversee the remuneration of the Board and key Management personnel including reviewing the remuneration of the CEO upon recruitment or renewal (where applicable);
- Review and recommend to the Board, the specific remuneration packages

for the CEO and each executive director, if any, against the achievement of their prescribed goals and targets;

- Review and consider all aspects of remuneration, including the Company's obligations arising in the event of termination of the CEO's and key Management personnel's contracts of service, to ensure that all aspects of remuneration (including termination terms) are fair;
- Approve the remuneration of the EMCO members, and approve and/or implement (as the case may be) the framework of remuneration for the entire organisation including the structure of short-term and long-term incentive schemes and policies. Each year, the RSDC also approves the salary increment pool and total incentive pool for distribution to staff of all grades; and
- Review the development and succession plan for EMCO members, including the consideration of how key talent is managed within the organisation, the mechanisms for identifying strong candidates and developing them to take on senior positions in the future and the various time horizons for succession planning (e.g., long-term, medium-term and contingency planning for preparedness against sudden and unforeseen changes.

The RSDC has access to the Head of Human Resources, who attends all RSDC meetings. The RSDC may also seek external professional advice on remuneration of Directors and staff. SGX benchmarks the total compensation for employees against other local and regional institutions using market data provided by McLagan (Singapore), a business unit of Aon. McLagan (Singapore) and its consultants are independent of, and not related to, any of the Directors of members of SGX's key Management team. See the 'Remuneration Report' section of this Annual Report for more information.

Whilst the RSDC reviews the fees payable to NEDs to be recommended for shareholders' approval at the AGM, no member of the RSDC may by himself or herself decide on his or her own remuneration.

Remuneration Matters Level And Mix of Remuneration Principle 7

The RSDC administers all the performance-related elements of remuneration for senior Management. A significant proportion of senior Management's remuneration is in the form of variable or "at risk" compensation, awarded in a combination of short-term and long-term incentives. The incentive schemes are designed to promote the long-term success of SGX, align the interests of the CEO, key Management personnel and staff with those of shareholders and other stakeholders, as well as to link rewards to corporate and individual performance. As a policy, up to half of the senior Management's variable compensation may be deferred in the form of long-term incentives, which will vest over a period of time.

Details of SGX's compensation philosophy and the compensation framework including the long-term incentive awards made thereunder, and the performance conditions for the vesting of the awards, are found under the 'Remuneration Report' section of this Annual Report.

Non-Executive Directors' Remuneration

SGX's CEO is an executive Director, and is therefore remunerated as part of senior Management and in accordance with the terms of his contract. He does not receive directors' fees.

The framework for determining the fees for NEDs (including the fees payable to the Chairman) with respect to FY2022, as set out below, was last revised in the financial year ended 30 June 2018. The framework reflects an

equitable and adequate remuneration to motivate the NEDs to provide good stewardship of the Company, taking into account the scope and extent of a Director's responsibilities and obligations, benchmarking against Singapore-listed companies of similar size and to a lesser extent, global bourses, the need for market competitive compensation levels

to attract and retain talent, market trends on a national level and best practices for corporate governance.

The framework for determining the fees for NEDs (including the fees payable to the Chairman) with respect to the financial year ending 30 June 2023 is the same as for FY2022. As

earlier disclosed in the section on "Lead Independent Director", Dr Beh Swan Gin was appointed as LID with effect from 20 September 2021 to lead and co-ordinate the activities of the NEDs, following the determination that the Chairman, Mr Kwa Chong Seng, was considered non-independent with effect from 20 September 2021.

Directors' Fees for FY2022

	For Board	For Audit Committee & Risk Management Committee	For Other Board Committees
Chairman	S\$930,000 per annum	S\$55,000 per annum	S\$40,000 per annum
Member	S\$75,000 per annum	S\$40,000 per annum	S\$25,000 per annum
Lead Independent	S\$40,000 per annum		

The gross remuneration paid to the NEDs (including the SGX Chairman) for FY2022 was S\$2,292,270.47 (details as set out in the table below):

FY2022 Fees	Share-Based Remuneration	Directors' Fees	Total
1 Mr Kwa Chong Seng	S\$232,497.90	S\$747,502.10	S\$980,000.00
2 Dr Beh Swan Gin		S\$186,195.65	S\$186,195.65
3 Ms Chew Gek Khim	S\$18,741.93	S\$106,258.07	S\$125,000.00
4 Ms Jane Diplock AO ¹		S\$41,698.37	S\$41,698.37
5 Mr Koh Boon Hwee ²		S\$34,180.56	S\$34,180.56
6 Mr Kevin Kwok	S\$18,741.93	S\$163,785.24	S\$182,527.17
7 Mr Lim Chin Hu	S\$18,741.93	S\$172,018.94	S\$190,760.87
8 Ms Lim Sok Hui (Mrs Chng)		S\$130,000.00	S\$130,000.00
9 Mr Mark Makepeace	S\$18,741.93	S\$96,258.07	S\$115,000.00
10 Mr Ng Wai King ¹		S\$26,902.17	S\$26,902.17
11 Prof Subra Suresh	S\$18,741.93	S\$81,258.07	S\$100,000.00
12 Mr Tsien Samuel Nag ³		S\$19,271.98	S\$19,271.98
13 Mr Yeoh Oon Jin		S\$160,733.70	S\$160,733.70

Note:

¹ Ms Jane Diplock AO & Mr Ng Wai King stepped down from the Board on 7 October 2021.

² Mr Koh Boon Hwee was appointed to the Board & AC on 15 March 2022.

³ Mr Tsien Samuel Nag was appointed to the Board & RMC on 1 May 2022.

Subsidiary

Name of Director	Fees
Ms Jane Diplock AO ⁴	S\$100,000.00

Note:

⁴ Ms Jane Diplock AO has stepped down as a director at SGX. She remains as a director of SGX Regulation Pte. Ltd., and the directors' fees payable to Ms Diplock for serving in that capacity are paid by SGX Regulation Pte Ltd.

Corporate Governance Report

SGX seeks shareholders' approval at its AGMs for the NED fees to be paid for the current financial year so that the NED fees can be paid on a quarterly basis in arrears. No Director decides his/her own fees. The NED fees which are paid on a current year basis, will be payable to the Director if he/she is in service at the end of the current quarter, or if the term of appointment ends within the quarter. Overseas Directors are reimbursed for out-of-pocket travelling and accommodation expenses in Singapore.

To encourage NEDs to hold shares in the Company to better align their interests with those of shareholders, one-quarter of the Chairman's fee of S\$930,000 and the NED base retainer fee is paid in the form of share awards, provided that certain eligibility requirements are met, with the remaining three-quarters paid in cash. The awards consist of the grant of fully paid shares, with no performance conditions attached. The share awards are not subject to a vesting period, but are subject to a selling moratorium whereby each NED is required to hold the equivalent of one (1) year's basic retainer fees for his or her tenure as a Director and for one (1) year after the date he or she steps down. The fair value of share grants to the NEDs are based on the volume-weighted average price of the ordinary shares of SGX over the fourteen (14) trading days immediately after (and excluding) the date of the AGM at which approval for the NED fees for that current financial year is obtained from shareholders. The actual number of ordinary shares to be awarded to each NED is rounded down to the nearest share, and any residual balance is paid in cash. Other than these share awards, the NEDs do not receive any other share incentives or securities pursuant to any of SGX's share plans. Save as disclosed above, the NEDs also do not receive any salary, performance-related income or bonuses, benefits-in-kind and any other long-term incentives.

Remuneration Matters Disclosure of Remuneration Principle 8

Remuneration of the CEO and the five top-earning Executives

For disclosure of the remuneration of the CEO and the five top-earning executives (excluding the CEO), please refer to the 'Remuneration Report' section in the Annual Report. The 'Remuneration Report' further sets out the performance conditions used to determine the EMCO's short-term and long-term incentives. SGX has also disclosed in the Remuneration Report, the remuneration of the CEO and the five top-earning executives (excluding the CEO) in actual figures, in line with best practices, with a breakdown in terms of fixed pay, variable bonus, ex-gratia payment (if any), long-term incentives and benefits-in-kind. The Remuneration Report also discloses the aggregate remuneration paid to the five top-earning executives (excluding the CEO), the employee share schemes that SGX has in place and how remuneration paid is varied according to SGX's and the individual's performance.

None of the current employees of the SGX Group are related to the Directors.

Remuneration of employees who are immediate family members of a Director or the Group CEO

No employee of the SGX Group is a substantial shareholder of SGX or is an immediate family member of a Director, the CEO or a substantial shareholder of SGX and whose remuneration exceeded S\$100,000 during FY2022.

Accountability & Audit Risk Management and Internal Controls Principle 9

The Board is responsible for overseeing risk management in SGX, amongst other matters. SGX recognises the importance of balancing risks and rewards to achieve the optimal level of risk that SGX can tolerate in its pursuit

of its strategic priorities, value creation and business opportunities. In this regard, the Board, together with Management, has established a Risk Appetite Statement to identify the return objectives that are imperative to the organisation and the corresponding risk boundaries that are acceptable to support these objectives. The risk appetite boundaries help bring discipline and reinforces SGX's risk culture through a "tone-from-the-top" direction demonstrating leadership and the extent of risks that SGX is willing to accept.

To assist the Board, the Board has established the RMC which functions as a dedicated board risk management committee. Its responsibilities include reviewing and recommending to the Board the type and level of risk that SGX undertakes to achieve its business strategy, and the appropriate framework and policies for managing risks consistent with SGX's risk appetite.

The key risk areas that the RMC oversees include credit & liquidity risks, cybersecurity risks and other technology & operational risks. For SGX Group's key risks, please refer to pages 38 to 43.

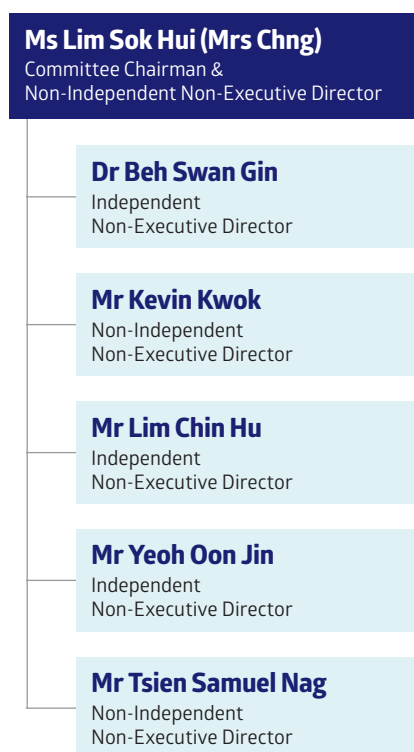
RMC meeting with Risk Advisory Committee ("RAC")

SGX facilitated the inaugural joint meeting between RMC and RAC representatives held on 24 January 2022. The RAC, comprising representatives from SGX's clearing members, was set-up to provide advice and feedback on risk management policy matters. The purpose for this RMC-RAC joint meeting is to further governance over risk matters via providing the RAC direct access to the RMC, to raise and discuss risk management matters and industry developments. The joint meeting will be held on an annual basis going forward.

At the Management level, the EMCO has also established a dedicated Enterprise Risk Committee (ERC), chaired by the Chief Risk Officer. This committee oversees and ensures that risks are being managed by appropriate units holistically across the organisation.

SGX adopts a “three lines of defence” model for risk management. The operating units are the first line who, as risk takers and owners, establish processes and controls to mitigate risks. The second line comprises the independent Compliance and Enterprise Risk functions. Compliance focuses on compliance risks; whilst Enterprise Risk maintains an independent oversight on the operating units’ risk management processes, risk mitigating measures, as well as operational resiliency management. Internal Audit, as the third line, provides objective assurance to the AC. Together, these three lines provide a level of assurance that there are adequate internal controls relating to processes, risk and control governance.

As at 30 June 2022, the RMC comprised six Directors namely:



Mr Tsien Samuel Nag, who was appointed to the RMC in FY2022, has over 30 years of banking experience and risk management expert. His detailed CV may be found on <https://www.sgxgroup.com/leadership/board-directors>.

SGX has implemented an enterprise-wide risk management framework to facilitate the management of risks across the organisation. There are three programmes in place to identify, assess and manage risks faced by SGX. The first program adopts a top-down approach, where key risks including strategic, financial, operational, compliance and regulatory, sustainability and reputational risks, are identified by senior management. Mitigating actions are put in place to manage these risks, and key risk indicators (KRI) are established to monitor them. KRIs are approved by the RMC and the Board. The second programme, the unit-level “Risk Self Assessments” (RSA), adopts a bottom-up approach and allows individual units to continuously identify risks faced by their units. Similar to the top-down exercise, mitigating actions are formulated to manage the risks. The third program is a “Control Self-Assessment” program which provides objective assurance to the EMCO that key controls are operating effectively. The units perform self-testing to verify that key controls operated effectively throughout the year. Together, the programmes and tools provide greater assurance that identified risks are adequately managed. Where deficiencies in controls are identified, the operating units are able to address and rectify such deficiencies in a timely manner.

SGX has an active Business Continuity Management (BCM) programme to minimise the impact of a disruption on SGX’s operations. As a major financial industry infrastructure provider, SGX has an obligation to ensure the continuity of its business as any operational disruption may cause

adverse impact on the financial industry. SGX’s BCM policy and guidelines ensure business continuity planning and staff readiness by way of regular rehearsals, exercising and testing. SGX recognises that operational resilience is required across the entire ecosystem and actively engages industry participants to improve their preparedness and readiness to deal with potential business disruptions. During the year under review, SGX successfully tested the organisation’s and participants’ recovery process to market disruptions. Additionally, our operational resilience through the COVID-19 pandemic has given us assurance that SGX’s BCM program is effective.

The Board has received assurance from the CEO and Chief Financial Officer (CFO) that, as at 30 June 2022, the SGX Group’s financial records have been properly maintained, and the financial statements give a true and fair view of the SGX Group’s operations and finances.

The Board has also received assurance from the CEO, the EMCO and its permanent invitees, and the Head of Internal Audit that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 30 June 2022 to address the risks that the SGX Group considers relevant and material to its operations.

Based on the internal controls established and maintained by the SGX Group, work performed by the internal and external auditors, and reviews performed by Management, various Board committees and the Board, as well as the said assurances set out above, the Board, with the concurrence of the AC, is of the opinion that the SGX Group’s internal controls (including financial, operational, compliance and information technology controls) and

Corporate Governance Report

risk management systems were adequate and effective as at 30 June 2022 to address the risks that the SGX Group considers relevant and material to its operations.

SGX's internal controls and risk management systems provide reasonable assurance against foreseeable events that may adversely affect SGX's business objectives. The Board notes that no internal controls and risk management systems can provide absolute assurance in this regard, or against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Accountability

The Board provides shareholders with half-yearly and annual financial statements. The half year results are released to shareholders no later than 45 days from the end of the half year. Annual results are released within 60 days from the financial year-end. In presenting the financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of SGX's financial results, position and prospects.

For the financial year under review, the CEO and CFO provided assurance to the Board on the integrity of the financial statements of SGX and its subsidiaries. For interim financial statements, the Board provides a statement of negative assurance to shareholders, in line with the requirements under the Listing Manual. For the full year financial statements, the Board with the concurrence of the AC provides an opinion that the financial statements give a true and fair view of the results of the SGX Group and that SGX will be able to pay its debts as and when they fall due. This, in turn, is supported by a negative assurance statement from the CEO and CFO. Management provides Directors with a monthly financial performance report either (a) within 10 business days from month-

end close; or (b) on the day when the annual or quarterly financial results are provided to the Directors.

SGX is accountable to MAS on how it discharges its responsibilities as a market operator, depository and clearing house, and as a regulator. In this respect, an annual self-assessment report and an annual report on SGX RegCo activities in relation to SGX's regulatory conflicts management are typically prepared and submitted to MAS. MAS ordinarily also conducts an annual on-site inspection of SGX as part of its oversight of SGX.

In compliance with Rule 720(1) of the Listing Manual, SGX has procured undertakings from all its Directors and executive officers to use their best endeavours to (a) comply with the relevant provisions of the Listing Manual; and (b) procure that SGX complies with the relevant provisions of the Listing Manual.

Accountability & Audit Audit Committee Principle 10

As at 30 June 2022, the AC comprised four Directors namely:

Mr Yeoh Oon Jin
Committee Chairman &
Independent Non-Executive Director

Mr Kevin Kwok
Non-Independent
Non-Executive Director

Mr Koh Boon Hwee
Independent
Non-Executive Director

Mr Mark Makepeace
Independent
Non-Executive Director

In compliance with the requirements of the SFR 2005, a majority of the members of the AC are independent

non-executive Directors who do not have any management and/or business relationships with SGX or any connection to any substantial shareholder of SGX. None of the AC members were previous partners or directors of the Company's external auditor, KPMG LLP (KPMG), within the last 24 months or hold any financial interest in KPMG. Mr Yeoh Oon Jin was appointed Chairman of the Audit Committee in FY2022. The Board considers Mr Yeoh Oon Jin, who has recent, extensive and practical accounting and financial management knowledge and experience, is well qualified to chair the AC. Mr Yeoh was the Executive Chairman of PricewaterhouseCoopers Singapore and retired after more than 30 years with the firm. He had been a key member of the firm's Leadership Team for more than 15 years, and had led the firm through key growth milestones. Mr Yeoh is a member of the Institute of Chartered Accountants in England and Wales and a member of the Corporate Governance Advisory Committee, set up by the MAS. He was the past President of CPA Australia (Singapore Division).

The members of the AC collectively have strong accounting and related financial management expertise and experience. They keep abreast of relevant changes to accounting standards and issues which have a direct impact on the financial statements.

Mr Koh Boon Hwee, who was appointed to the AC in FY2022, has extensive and practical accounting and related financial management knowledge and experience. His detailed CV may be found on <https://www.sgxgroup.com/leadership/board-directors>.

Key Objectives

The key objectives of the AC are to assist the Board in discharging its statutory and other responsibilities relating to the integrity of the financial

statements, monitoring the system of internal controls and the independence of the external auditor.



Financial Reporting

Following the risk-based approach to quarterly reporting adopted by SGX RegCo from 7 February 2020, the Company transitioned to a half-yearly reporting regime. The AC continues to meet on a quarterly basis to review the financial results, including the relevance and consistency of the accounting principles adopted and the significant financial reporting issues and accounting judgements, so as to obtain reasonable assurance as to the integrity and fairness of the financial statements and any announcements relating to SGX’s financial performance. The AC also reviews the assurance from the CEO and CFO on the integrity of the financial records and financial statements.

The AC recommends the half-yearly financial statements and corresponding SGXNet announcements to the Board for approval.

Internal Controls and Regulatory Compliance

The AC reviews and assesses at least annually the adequacy and effectiveness of SGX’s systems of internal controls and risk management as well as SGX’s regulatory compliance measures. In order to do this, the AC considers the reports, the processes and controls in place and carries out discussions with Management, the Head of Internal Audit, the Head of Legal, Compliance & Corporate Secretariat, the Chief Risk Officer and the external auditor, at its quarterly AC meetings.

Taking into consideration the three lines of defence that SGX has for risk management (as described under Principle 9 above), the AC also considers the results of the Controls Self-Assessment Framework administered by the Enterprise Risk Management function in its assessment of SGX’s internal controls.

Based on its reviews, the AC makes recommendations to the Board with regard to the adequacy and effectiveness of SGX’s internal controls.

Internal Audit

The AC reviews and approves the scope and plans undertaken by the Internal Audit function, and considers the results, significant findings and recommendations together with Management’s responses. The AC assesses the independence, adequacy and effectiveness of the Internal Audit function and ensures that Internal Audit has direct and unrestricted access to the Chairman of the Board and the AC. The appointment, remuneration and termination of the Head of Internal Audit are reviewed and decided by the AC.

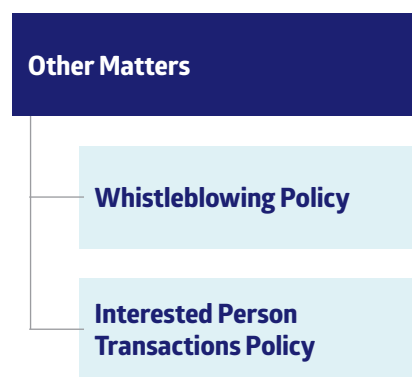
Compliance

The AC reviews the compliance framework and workplan. The AC also reviews compliance matters that may have a material impact on SGX’s financials, internal controls or reputation.

External Auditor

The AC oversees SGX’s relationship with its external auditor. It reviews the selection of the external auditor and recommends to the Board the appointment, re-appointment and removal of the external auditor, as well as the remuneration and terms of engagement of the external auditor. The annual re-appointment of the external auditor is subject to shareholders’ approval at SGX’s AGM.

On an annual basis, the AC evaluates the performance, adequacy and effectiveness of the external auditor and recommends the re-appointment of the external auditor to the Board. The AC reviews the scope and the audit plans as well as the results of audits undertaken by the external auditor and considers all significant findings, recommendations and Management’s responses. It also reviews the independence and objectivity of the external auditor, and assesses the nature, extent and costs of non-audit services provided by the external auditor, seeking to balance the independence and objectivity of the external auditor with the business and operational needs of SGX.



Whistleblowing Policy

SGX has a whistleblowing policy which encourages employees and vendors to report malpractices, wrongdoing and/or misconduct in the workplace and sets out the procedures for a whistleblower to make a report to SGX on such malpractices, wrongdoing and/or misconduct relating to SGX and its officers. The policy establishes a confidential line of communication to

Corporate Governance Report

report concerns about possible improprieties to the Head of Internal Audit, and ensures the independent investigation, and follow-up, of reports made in good faith. SGX will treat all information received confidentially and protect the identity of all whistle-blowers. Anonymous disclosures will be accepted and anonymity honoured. SGX is committed to ensuring protection of whistleblowers who have acted in good faith against reprisal and detrimental or unfair treatment. Reports can be lodged by calling the hotline at +65 6236 8585 or via email at whistleblowing@sgx.com. The AC is responsible for the overall oversight and monitoring of the whistleblowing policy and its implementation. In particular, the AC reviews the whistleblowing policy from time to time and also reviews and considers all whistleblowing complaints at its quarterly meetings to ensure independent, thorough investigation and appropriate follow-up actions. The outcome of each investigation is reported to the AC.

All SGX employees are educated on the whistleblowing policy as part of their mandatory annual e-learning. SGX also publicly discloses the purpose, scope, reporting and communication channels of the whistleblowing policy on its website.

Interested Person Transactions Policy

SGX has procedures in place to comply with the Listing Manual requirements relating to interested person transactions. All new Directors are briefed on the relevant provisions that they need to comply with. All interested person transactions, if any, are reported to and monitored by the Finance department, and reviewed by the AC.

Authority of the AC

The Board has delegated to the AC the authority to investigate any matter within its terms of reference. The AC has full access to the internal and external auditors as well as to Management. It also has full discretion to invite any director or officer, including any director from any

subsidiary board within the SGX Group, to attend its meetings and has access to various resources, including external consultants, to enable it to discharge its responsibilities properly.

Activities in FY2022

The AC met four (4) times during FY2022. The Chairman, CEO, CFO, Chief Risk Officer, Chief Technology Officer, Head of Internal Audit, Head of Legal, Compliance & Corporate Secretariat and the external auditor were invited to attend these meetings. The following matters were reviewed during the meetings:

Financial Matters

In the review of the financial results and financial statements, the AC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the AC:

Significant matters	How the AC reviewed these matters
Acquisition of MaxxTrader – Purchase price allocation	<p>The AC reviewed the following:</p> <ul style="list-style-type: none"> (i) Approach on purchase price allocation; (ii) Key assumptions applied in arriving at the fair value of tangible assets acquired and liabilities assumed; (iii) The methodology applied to determine fair value and useful life assigned to the identified intangible assets; and (iv) Fair value of the contingent consideration payable. <p>The AC is satisfied with the appropriateness of the methodology and key assumptions used in the purchase price allocation.</p>
Impairment assessment of goodwill and intangible assets	<p>The AC has considered the approach and methodology applied to the valuation model in goodwill impairment assessment as well as the assessment for indicators of impairment of intangible assets of Energy Market Company Pte Ltd, Baltic Exchange Limited, Scientific Beta Pte. Ltd., BidFX Systems Ltd and MaxxTrader. It has reviewed the reasonableness of business projections and cash flow forecasts, the long-term growth rate and the discount rate. The AC is satisfied with the appropriateness of the methodology used and the reasonableness of the rates applied.</p>

Following the review and discussions, the AC recommended to the Board to approve the full year financial statements.

Oversight of the External Auditor

KPMG LLP was re-appointed as the external auditor following shareholders' approval at the last AGM.

The AC approved the scope and plans for the audit undertaken by the external auditor, reviewed the results of the audits, significant findings and recommendations as well as Management's responses.

The AC considered the independence and quality of the external auditor throughout the year and also met with the external auditor without the presence of Management. The external auditor provided regular updates to the AC on relevant changes to the accounting standards

and the implications on the financial statements.

The AC received a report from Management on their evaluation of the performance and effectiveness of the external auditor. This report assessed the quality of the external auditor across a number of evaluation criteria, including measures of relevance and quality of its work as well as its level of independence. Management has referred to the Checklist for Evaluation of External Auditors in the Guidebook for Audit Committees in Singapore issued jointly by the Accounting, Corporate and Regulatory Authority (ACRA), MAS and SGX, the Guidance to Audit Committees on ACRA's Audit Quality Indicators Disclosure Framework issued by ACRA and the Audit Committee Guide issued by the Singapore Institute of Directors to set the evaluation criteria.

On the basis of their own interactions with KPMG and with the report from

Management, the AC assessed and concluded that KPMG has fulfilled its responsibilities as external auditor. The Board concurred with the AC's endorsement. Accordingly, the Board recommends the re-appointment of KPMG at the coming 2022 AGM.

SGX has complied with Rules 712 and 715 of the Listing Manual in relation to its external auditor.

Non-Audit Services

The AC reviewed the fees and nature of non-audit services provided by the external auditor during FY2022. Based on this and other information, the AC is satisfied that the financial, professional and business relationships between SGX and the external auditor did not prejudice their independence and objectivity.

The total fees paid to SGX's external auditor, KPMG, are disclosed in the table below:

External Auditor Fees	Total Audit Fees	Total Non-Audit Fees	Total Fees Paid
S\$'000	1,547	199	1,746
% of total audit fees		13%	

Limited Assurance of Sustainability Report

Ernst & Young LLP (EY) was engaged to perform limited assurance procedures for SGX's FY2022 Sustainability Report. The AC reviewed the limited assurance report from EY and approved publication of the report together with the FY2022 Sustainability Report.

Internal Controls and Regulatory Compliance

The AC reviewed and assessed the effectiveness of SGX's systems of internal controls and risk management as well as SGX's regulatory compliance measures. The AC took into account the system of internal controls established and maintained by SGX, the work

performed by the internal and external auditors as well as the Compliance function, and reviews performed by Management, including the results of the Controls Self-Assessments, and various Board committees, in reviewing and assessing the adequacy and effectiveness of SGX Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems for FY2022.

In light of the COVID-19 situation, emphasis was placed on ensuring that the SGX Group's internal controls continue to be robust and cater for

unique risks in a virtual operating environment. Among other things, SGX has controls to ensure due diligence on SGX's vendors and customers for sanctions exposure and to ensure that the identities of vendors and customers are appropriately verified. SGX also engaged with various domestic and overseas regulators on the SGX Group regulated entities' compliance with relevant laws and regulations.

Oversight of Internal Audit

The AC exercised its oversight over the Internal Audit function throughout the financial year. The AC performed the following:

Corporate Governance Report

- (a) reviewed and approved the scope of the annual internal audit plans to ensure that those plans provided a sufficiently robust review of the system of internal controls of SGX;
- (b) reviewed significant audit observations and Management's responses thereto;
- (c) approved the Internal Audit Charter;
- (d) ensured the independence, adequacy and effectiveness of the Internal Audit function; and
- (e) approved the budget and staffing for the Internal Audit function.

The AC Chairman met regularly with the Head of Internal Audit without the presence of Management, several times during the financial year under review. The Head of Internal Audit provided regular updates to the AC on the ongoing operations of and various initiatives undertaken by the Internal Audit function.

Oversight of Compliance

The AC exercised its oversight over the Compliance function throughout the year. The AC reviewed the following:

- (a) scope of annual compliance plans;
- (b) compliance activities, key compliance risks identified and compliance response thereto;
- (c) regulatory breaches and compliance responses thereto;
- (d) approval of Compliance Charter; and
- (e) budget and staffing for the Compliance function.

The Compliance function is independent of the business functions and reports directly to the CEO. The role of the Compliance function and its accountability to the CEO and the AC is described in the Compliance Charter, which is reviewed annually and approved by

the AC. The Compliance function executes an annual risk-based compliance programme, focusing on regulatory risks arising from SGX's obligations to comply with applicable laws and regulations. The programme comprises a combination of regulatory risk assessments and responses, compliance training (including mandatory annual e-learning for staff), independent compliance reviews, and regular reporting to senior management, the AC and regulators on breaches, significant compliance issues and relevant action plans. The AC receives regular quarterly reports and other relevant reports from the Head of Compliance.

Material Contracts

No material contracts involving interests of any Director, CEO or controlling shareholder were entered into by SGX or any of its subsidiaries during, or were subsisting at the end of, FY2022.

Interested Person Transactions

No Interested Person Transactions were entered into by SGX or any of its subsidiaries or associated companies involving interests of any Director, CEO or controlling shareholder or an associate of any Director, CEO or controlling shareholder during FY2022.

Internal Audit

Annually, Internal Audit prepares and executes a robust risk-based audit plan, which complements that of the external auditor, so as to review the adequacy and effectiveness of SGX's system of

internal controls. These include financial, operational, compliance and information technology controls, and risk management systems. In addition, the external auditor will highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations made by the internal and external auditors are reported to the AC. Significant issues are discussed at AC meetings. Internal Audit follows up on all recommendations by the internal and external auditors and reports the implementation status to the AC every quarter.

Line of Reporting and Activities

Internal Audit is an independent function within SGX. The primary reporting line of the internal audit function is to the AC. The Head of Internal Audit reports directly to the AC and administratively to the CEO. The AC approves matters relating to the Internal Audit Charter, risk assessment and related audit plans, as well as results from internal audit activities. The AC approves the hiring, removal, performance evaluation and compensation of the Head of Internal Audit. Internal Audit has unfettered access to all of SGX's documents, records, properties and personnel and has appropriate standing within SGX to perform its functions effectively.

Internal Audit operates within the framework stated in its Internal Audit Charter, which is approved by the AC. The primary role is to assist the Board and senior management to meet the strategic and operational objectives of SGX, by providing an independent and

The professional competence of the internal auditors is maintained or upgraded through relevant audit training programmes, conferences and seminars.

objective evaluation of the adequacy and effectiveness of governance process, risk management, and internal control systems.

All audit reports are circulated to the AC, the Chairman, the CEO, the external auditor, the MAS, and relevant senior Management representatives. The progress of corrective actions on outstanding audit issues is monitored through a group-wide issue management system. Information on outstanding issues is categorised according to severity and quarterly reports are sent to senior Management and the AC.

Adequacy and Independence of the Internal Audit Function

Internal Audit’s annual risk based plan is established in consultation with, but independent of, Management and is aligned with the risk management framework of SGX. The plan is submitted to, and approved by, the AC. The AC is satisfied that the Internal Audit function is independent, effective, has adequate resources to perform its functions and has appropriate stature within SGX. The AC also reviews annually the adequacy and effectiveness of the Internal Audit function. As at 30 June 2022, there are 10 staff within the Internal Audit function.

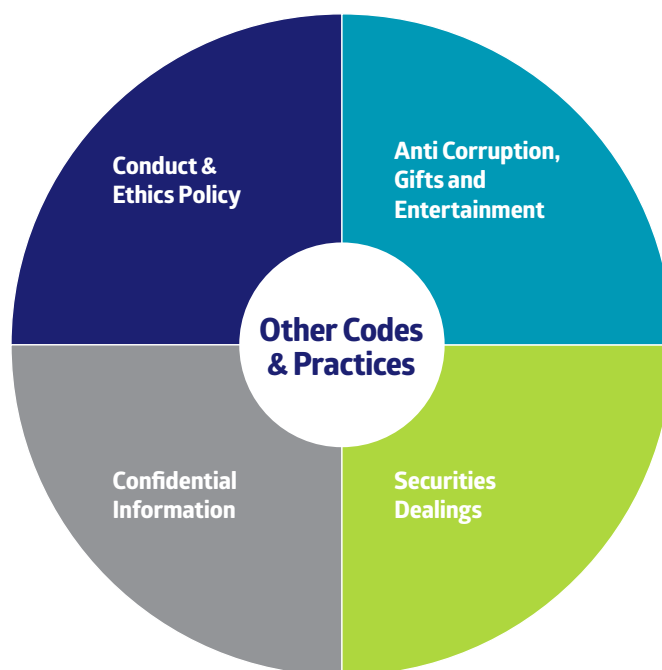
Professional Standards and Competency

Internal Audit is a member of The Institute of Internal Auditors (IIA) and has adopted the International Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. Quality assessment reviews are carried out at least once in five years by external qualified professionals. The last review was completed in FY2021 and the next review will be conducted in FY2026. The quality assessment review concluded that the Internal Audit function is adequate and conforms with the IIA Standards.

Besides the IIA, the technology auditors in the Internal Audit function are members of the ISACA, an international professional association focused on information technology (IT) governance.

The professional competence of the internal auditors is maintained or

upgraded through relevant audit training programmes, conferences and seminars. Internal Audit is staffed with suitably qualified and experienced professionals with a range of 6 to 22 years of diverse financial, operational, compliance and technology audit experience.



Other Codes and Practices

Conduct & Ethics Policy
All employees are required to observe and maintain high standards of integrity, as well as comply with laws, regulations and company policies. SGX sets standards of ethical conduct for employees, which covers all aspects of the business operations of SGX such as work ethics, personal conflicts of interest, confidentiality of information, related party transactions, gifts and dealings in securities.

Confidential Information

SGX deals with confidential information on a daily basis. Protecting confidential information is of paramount importance to establishing and maintaining a trusted marketplace. SGX provides clear guidance to its staff on the proper management, use and

disclosure of confidential information. SGX’s Confidentiality Policy and SGX’s Personal Data Protection Policy set out SGX’s framework and procedures for compliance with, among other things, the user confidentiality obligations under the SFA, and the personal data protection obligations under the Personal Data Protection Act.

Anti-Corruption, Gifts and Entertainment

SGX has zero tolerance for bribery and corruption. SGX requires its employees to comply with the relevant anti-corruption legislation in Singapore and overseas, and to follow SGX’s internal procedures when giving or receiving gifts, entertainment, sponsorships and charitable contributions. This requirement extends to all of SGX’s business dealings in all countries in

Corporate Governance Report

SGX recognises that the release of timely, regular and relevant information regarding the SGX Group's performance, progress and prospects aids shareholders in their investment decisions.

which it operates. SGX will always choose to forgo business rather than pay bribes and fully supports its employees in adopting the same stance.

Securities Dealings

To guard against insider trading, SGX adopts a "black-out" policy that is consistent with what is prescribed under the Listing Manual. All Directors and staff and their "related persons" (e.g. spouses and financial dependents) are prohibited from dealing in SGX's securities for a period of one month before the release of the half yearly financial results and before the release of the full year results.

SGX issues a half yearly notice to its Directors and staff informing them not to deal in SGX's securities during a black-out period and that they are prohibited at all times from trading in SGX securities if they are in possession of unpublished price-sensitive or trade-sensitive information. Directors and staff are also discouraged from dealing in SGX's securities on short term considerations.

In addition to the black-out policy on SGX's securities, staff and their "related persons" who want to trade securities of any company listed on the SGX-ST must, subject to certain prescribed exceptions, seek prior approval from their managers. Staff are prohibited at all times from trading in the securities of any company if they are in possession of

material non-public information concerning that company.

All SGX staff are required to complete an annual online refresher module on SGX's staff dealing requirements as part of SGX's mandatory compliance training.

All Directors are required to report their dealings in SGX's securities within two business days of any such dealings.

Shareholder Rights and Engagement

Shareholder Rights and Conduct of General Meetings Principle 11

Shareholder Rights

SGX is fully committed to treat all shareholders fairly and equitably. All shareholders enjoy specific rights under the Constitution and under relevant laws and regulations. SGX ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, and where appropriate, such information is also posted on the SGX Investor Relations (IR) Website (<https://investorrelations.sgx.com>). SGX recognises that the release of timely, regular and relevant information regarding the SGX Group's performance, progress and prospects aids shareholders in their investment decisions.

Shareholders are entitled to attend general meetings and are accorded

the opportunity to participate effectively in and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate shareholder, through its appointed representative). Shareholders are also informed of the rules, including the voting procedures that govern general meetings by the scrutineers at the beginning of the general meetings. Indirect investors who hold SGX shares through a nominee company or custodian bank or through a CPF agent bank or SRS operator may also attend and vote at the AGM. See, however, the sections below on "2021 AGM" and "Forthcoming 2022 AGM" on the alternative arrangements for the 2021 AGM which was held, by electronic means due to the COVID-19 situation in Singapore and the forthcoming 2022 AGM which will be held, in a wholly physical format, in Singapore.

Conduct of General Meetings

Shareholders are informed of general meetings through notices sent to shareholders or at the shareholder's election, made available electronically. The Annual Report, Notice of AGM, accompanying proxy form and other related AGM documents are also made available on the SGX IR Website. The general meeting procedures provide shareholders the opportunity to raise questions relating to each resolution tabled for approval at the relevant general meeting. Opportunities are given to shareholders to participate, engage, and openly communicate their views on matters relating to SGX to the Directors. As such, general meetings are one of the key avenues for SGX to solicit and understand the views of shareholders, especially retail shareholders.

Shareholders or their appointed proxies are given the opportunity to vote at the general meetings of

shareholders. Apart from the AGMs held or to be held by electronic means due to the COVID-19 situation in Singapore, SGX has been conducting electronic poll voting for all the resolutions tabled for approval at the general meetings of shareholders for greater transparency in the voting process. An independent external consultant would also be appointed as scrutineer for the electronic poll voting process. Prior to the commencement of the general meeting of shareholders, the scrutineer would review the proxies and the proxy process. A proxy verification process agreed upon with the scrutineer is also in place. Votes cast for, or against, each resolution would be tallied and displayed live-on-screen immediately after each poll conducted at the meeting. SGX maintains an audit trail of all votes cast at the general meeting of shareholders. The outcome of the general meeting of shareholders (including total numbers and percentage of votes cast for or against the resolutions) are also promptly disclosed on SGXNet on the same day after the general meeting. Each share is entitled to one vote.

Provision 11.4 of the CCG 2018 provides for a company's constitution to allow for absentia voting at general meetings of shareholders. SGX's Constitution currently does not, however, provide for voting in absentia (such as voting via mail, email or fax). As the authentication of shareholder identity and other related security and integrity issues still remain a concern, SGX has decided for the time being, not to implement voting in absentia. SGX will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after the

Company has evaluated and put in place the necessary security processes to facilitate in absentia voting, and prevention measures against errors, fraud and other irregularities. In line with Principle 11 of the CCG 2018, shareholders nevertheless have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings as shareholders may appoint proxy(ies) to attend, speak and vote on their behalf, at general meetings.

All Directors, including the Chairman of each of the AC, NGC, RSDC and RMC, SGX's external auditor, senior management and legal advisors (where necessary), are present at general meetings to address queries from the meeting attendees. Questions relating to the conduct of the audit and the preparation and content of the external auditor's report may be addressed by the external auditor.

At each AGM, the CEO delivers a presentation to update shareholders on SGX's progress over the past year. The CFO will also deliver a presentation to shareholders on the financial performance for the year.

SGX provides for separate resolutions at general meetings of shareholders on each distinct issue. All the resolutions at the general meetings are single item resolutions. In the event that resolutions are to be bundled, SGX will explain the reasons and material implications in the notice of general meeting. Detailed information on each resolution in the AGM agenda is in the explanatory notes to the AGM Notice in the Annual Report.

The Company Secretaries prepare minutes of the general meetings, which capture the substantial and

relevant comments or queries from meeting attendees relating to the agenda of the general meeting and responses from the Board and Management. These minutes are made available on the SGX IR Website and where required, on SGXNet, as soon as practicable after the meeting.

2021 AGM

The Twenty-Second AGM of SGX (2021 AGM) was convened and held by way of electronic means on 7 October 2021, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (COVID-19 Temporary Measures Order) and the checklist jointly issued by ACRA, MAS and SGX RegCo (Checklist), which gave guidance to listed and non-listed entities on the conduct of general meetings in the midst of the COVID-19 pandemic. The alternative arrangements put in place for the conduct of the 2021 AGM included attendance at the AGM via electronic means where shareholders could observe and/or listen to the AGM proceedings via live audio-visual webcast or live audio-only stream, submission of questions to the Chairman of the Meeting in advance of the AGM and "live" at the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the Meeting as proxy. All the Directors attended the 2021 AGM either in-person or via electronic means.

Forthcoming 2022 AGM

The forthcoming 2022 AGM will be held, in a wholly physical format, at Raffles City Convention Centre, Level 4, Fairmont Ballroom, 80 Bras Basah Road, Singapore 189560 on 6 October 2022, pursuant to the COVID-19 Temporary Measures Order and the Checklist. There will

Corporate Governance Report

be no option for shareholders to participate virtually. Arrangements relating to attendance at the 2022 AGM, submission of questions to the Chairman of the Meeting in advance of, or at, the 2022 AGM, and voting at the 2022 AGM by shareholders or their duly appointed proxy(ies), are set out in a separate announcement released on SGXNet on 12 September 2022.

Disclosure of Information on a Timely Basis

SGX is committed to disclosing to its shareholders as much relevant information as is possible, in a timely, accurate, fair and transparent manner.

In addition to comprehensive, accurate and timely disclosure of information that is material or that may influence the price of SGX shares or that may influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, SGX shares, on SGXNet in compliance with the requirements of the Listing Manual, SGX adopts the practice of regularly communicating major developments in its businesses and operations through the appropriate media. Such channels include news releases, annual reports, shareholder circulars, shareholders' meetings, and direct announcements.

SGX's Annual Report is provided to shareholders within 120 days from the end of the Company's financial year. SGX provides more than the legal required notice period for general meetings. The rationale and explanation for each agenda item requiring shareholders' approval are provided in the Notice of AGM to enable shareholders to exercise their voting rights on an informed basis.

SGX notifies investors of the date of release of its financial results in advance. This is done through an SGXNet announcement and a media

release. In FY2021, SGX provided shareholders with half year and full year financial statements ("the financial results") within the relevant periods. The financial results were reviewed and approved by the Board prior to the release to shareholders by announcement on SGXNet. In addition to the financial results, SGX also provided shareholders with monthly market statistics and STI reviews.

Briefings to present the half-year and full-year financial results are held for the media and analysts. "Live" video webcasts of briefings, accessible by the public, are made available on the SGX IR Website.

Dividend Policy

SGX aims to pay a sustainable and growing dividend over time, consistent with the company's long-term growth prospects. Dividends will be paid on a quarterly basis at the discretion of the Board.

Corporate Website

SGX adopts transparent, accountable and effective communication practices as a key means to enhance standards of corporate governance. We aim to provide clear and continuous disclosure of our corporate governance practices through efficient use of technology. The following information is made available on the SGX IR Website:

- Board of Directors and EMCO profiles;
- Notice of AGM and Proxy Form;
- Minutes of general meetings of shareholders;
- Annual Reports;
- Letter/Circular to Shareholders;
- Company announcements;
- Press releases;
- Financial Results; and
- Calendar of Events.

The latest Annual Report, financial results (including webcasts of the financial results briefings for media

and analysts and press releases) and company announcements are posted on SGX's corporate website following their release to the market. SGX also makes available speeches and presentations given by the Chairman, CEO, and senior Management executives, and a range of other information considered to be of interest to investors.

SGX's corporate website (<https://investorrelations.sgx.com/>) has a dedicated 'Investor Relations' link to the SGX IR Website, which features the latest and past financial results and related information. The contact details of the Investor Relations team are available on the dedicated link, as well as in the Annual Report, to enable shareholders and other stakeholders to contact SGX easily. The Investor Relations team has procedures in place for addressing investors' and other stakeholders' queries or complaints as soon as possible.

Shareholder Rights and Engagement Engagement with Shareholders Principle 12

Managing Stakeholder Relationships Engagement with Stakeholders Principle 13

SGX has in place an Investor Relations Policy, which sets out the process and mechanism to engage its shareholders, including the channel of communication (as described above) for questions to be posed by shareholders and through which SGX may respond accordingly.

Through the Investor Relations team, SGX engages its shareholders, investors and analysts through investor roadshows, social media, participation in major investor conferences locally and abroad and regular briefings on SGX's financial results. SGX is committed to actively engaging the investment community

SGX is committed to serving the market as a leading sustainable and credible transition finance and trade hub. The Board's role includes overseeing the SGX Group's approach to sustainability and the integration of sustainability-related matters, including climate-related issues, in the formulation of the SGX Group's long-term strategy.

to convey its investment proposition, as well as obtain feedback on its expectations.

Apart from engaging with its shareholders, SGX also actively engages with its other stakeholders which include persons and entities that have an influence on the value of the Company. Examples of the key stakeholders engaged by SGX during FY2022 include employees, regulators and the government, issuers, intermediaries, the investment community at-large and the general public. SGX places great value on stakeholder engagement as a means to guide SGX's commercial and policy decisions and its long-term commitment to nurture and build a robust Asian capital markets scene. Engagements with key stakeholders during FY2022 were largely conducted through town halls, focus group discussions, roadshows, seminars, investor perception studies and public consultations. Please refer to the section on "Stakeholder Engagement" on page 32 for more information on how SGX manages its stakeholder relationships.

During FY2022, SGX conducted its annual investor perception study to understand the investment community's sentiments on SGX's strategy, management team, investment case, capital allocation, investor communications and

corporate governance. Business and support units were also individually engaged in a series of workshops to identify climate-related risks that are unique to the respective business lines as well as those that impact the organisation as a whole. Please refer to the section on "Stakeholder Engagement" on page 32 for more information.

SGX is committed to serving the market as a leading sustainable and credible transition finance and trade hub. The Board's role includes overseeing the SGX Group's approach to sustainability and the integration of sustainability-related matters, including climate-related issues, in the formulation of the SGX Group's long-term strategy. SGX has taken proactive steps to engage with its stakeholders in light of the disruptions caused by the COVID-19 pandemic. Some of the regulatory initiatives undertaken by SGX RegCo to support its listed issuers and members include working with statutory regulators to facilitate virtual general meetings until further notice, the provision of guidance on the preparation of financial statements and sustainability reports amid COVID-19 as well as the stepping up of surveillance and review mechanisms in relation to issuers with signs of financial difficulties. With safe management measures and the return to normalcy, general meetings in the physical face-to-face format are encouraged at all AGMs for financial

years ending 30 June 2022 or after as updated in SGX RegCo Guidance on 23 May 2022. More details of SGX's stakeholder engagement efforts amid the COVID-19 pandemic can be found in the section on "Stakeholder Engagement" on page 32.

More broadly on the topic of sustainability, SGX FIRST (Future in Reshaping Sustainability Together) was announced in 2020. The platform was launched in FY2022 to house SGX's sustainability initiatives. It is Asia's only multi-partner, multi-asset exchange-led sustainability platform. These initiatives span across asset classes including fixed income, securities, derivatives and indices. The launch of SGX FIRST reinforces SGX's commitment towards co-creating a sustainable future with and for its partners with a goal to drive initiatives and develop products that have a measurable impact on the broader ecosystem in which SGX operates. For more information on SGX FIRST, please refer to the Company's website at the URL <https://www.sgx.com/sustainable-finance>.

For further information on SGX's sustainability efforts, please refer to SGX's Sustainability Reports, which are available on the Company's website at the URL <https://corp.sgx.com/sustainability/our-sustainability-reports>.

Remuneration Report

The Remuneration & Staff Development Committee (RSDC) reviews and recommends to the Board for approval, and, where authority is delegated by the Board, approves matters concerning management development, succession planning and remuneration of senior management and employees and the remuneration of the Board.

As at 30 June 2022, the RSDC comprised the following directors:

Mr Lim Chin Hu

Committee Chairman & Independent Non-Executive Director

Ms Chew Gek Khim

Independent Non-Executive Director

Mr Kwa Chong Seng

Non-Independent Non-Executive Director

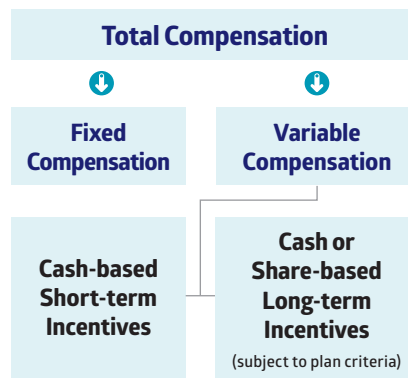
Compensation Philosophy

SGX adopts a compensation philosophy that is directed towards the attraction, retention and motivation of talent to achieve its business vision and strategic priorities and create sustainable value for its shareholders. Pay-for-performance is emphasised by linking total compensation to the achievement of organisational and individual performance goals and objectives, taking into consideration relevant regulatory standards and comparative compensation in the market to maintain competitiveness.

SGX benchmarks the total compensation for employees against other local and regional financial institutions using the market data provided by McLagan, a product of Aon Solutions Singapore Pte Ltd. Aon Solutions and its consultants are independent and not related to any of our Directors.

Compensation Components and Mix

An employee's total compensation is made up of the following components:



The mix of fixed and variable compensation for employees is aligned with the remuneration mix in the financial services industry. The proportion of variable or “at risk” compensation to the total compensation increases with job grade seniority. In line with the principles and standards set out by the Financial Stability Board (FSB), up to 50% of variable compensation at the senior management level is deferred over a time period of three to four years in the form of long-term incentives.

Furthermore, in alignment with current regulatory standards, the mix of fixed and variable compensation for functions in SGX RegCo, Risk Management, CFO Unit, Human Resources, Internal Audit and Legal, Compliance and Corporate Secretariat, collectively known as “control functions”, is weighted towards fixed compensation.

Fixed Compensation

Fixed compensation comprises base salary, fixed allowances and an annual wage supplement. Base salary is pegged to the 50th percentile of market pay data in the Singapore banking and financial services industry.

The annual salary review is in July. The RSDC approves the salary increment budget, taking into account market trends, compensation positioning, business outlook and the profitability of SGX as a whole.

Variable Compensation

Variable compensation comprises cash-based short-term incentives and cash or share-based long-term incentives. The award of variable compensation is approved by the RSDC and the Management through a process where due consideration is given to corporate and individual performance as well as relevant comparative remuneration in the market.

SGX adopts a performance management framework that is designed to drive organisational success through the achievement of goals that are aligned to its corporate mission and strategic priorities.

In measuring performance, achievement of goals in five categories namely, financial, products and services, stakeholders’ trust, operational excellence, people and culture, are assessed. Employees’ demonstration of SGX values – *Trust, Passion, Service* – is also assessed as a measure of “how” performance is delivered and used to determine an overall performance rating based on a blended, qualitative assessment. In addition, under the consequence management framework, feedback from the control functions on an individual’s regulatory and controls performance as well as any policy breaches will be considered in the individual’s performance and compensation decisions.

In line with the current regulatory standards, the control functions’ performance is assessed principally on the achievement of goals and objectives for the functions, not directly linked to the company’s financial performance.

Each year, the RSDC evaluates the extent to which each of the senior management has delivered on the corporate and individual goals and objectives (details are not disclosed for strategic and confidentiality reasons), to approve the compensation for senior management and propose the compensation for the CEO to the Board for approval.

Total Incentives Funding

The Total Incentives (TI) pool funds the annual variable bonus for all employees (excluding those in control functions and those on sales incentive plan) and the long-term incentive plans. It is computed using the following formula:

TI Pool =

A percentage of Profit before Variable Bonus less Corporate Tax less Cost of Equity

The TI pool is determined by the RSDC and takes into account SGX's overall performance.

Short-term Incentives

Short-term incentives take the form of a sales incentive or an annual variable bonus. The sales incentive pool for participants of the Sales Incentive Plan is determined by the achievement of sales and corporate goals while the variable bonus pool for the rest of the functions is determined by organisational and functional performance. Each year, the RSDC reviews and approves the short-term incentive pools for distribution, and the Management reviews and allocates incentive/variable bonus based on the employee's individual performance and contribution towards SGX's performance.

Long-term Incentives

Long-term incentives (LTIs) create value for the company by aligning

employees' long-term incentives to the achievement of SGX's long-term results. Furthermore, due to its time-based vesting characteristic over a period of three to four years, it carries a retention element that strengthens SGX's ability to reward and retain key employees. The costs of LTIs are funded by the TI pool, which is approved by the RSDC.

In alignment with current regulatory standards, LTIs may be clawed back in the event of exceptional circumstances, such as misstatement of financial results or of misconduct resulting in financial or other losses to the company.

There are three types of LTIs awarded as part of employees' total compensation – the SGX Performance Share Plan (SGX PSP), the SGX Deferred Long-Term Incentives Scheme (DLTIS) and a non equity-based deferral plan – SGX Deferred Cash Incentive Scheme (DCIS). All LTI awards are made at the discretion of the RSDC. For the senior management, half of their deferred variable compensation is granted in performance shares under the SGX PSP and the remaining half in deferred shares under the DLTIS. The number of shares awarded is determined using the valuation of the shares based on one-month volume-weighted average prices of SGX shares before the approval of awards.

The SGX Performance Share Plan

The SGX PSP is a share-based incentive scheme established with the objective of rewarding, motivating, and retaining key senior executives to optimise their performance standards. Through the SGX PSP, SGX will be able to recognise and reward past contributions and services, and motivate the plan participants to continue to strive for SGX's long-term success. In relation to SGX's business, the effective execution of strategic and non-financial priorities and growing scale and relevance

amongst peer exchanges and companies, are key success factors and these are reflected in the SGX PSP performance targets.

Under the current SGX Performance Share Plan ("SGX PSP 2015") that was adopted at the annual general meeting of the Company held on 23 September 2015, performance targets have been revised and the vesting period has been extended to four years. With that, any shares that have been released to the participants under SGX PSP 2015 are no longer subject to a retention period.

The RSDC may decide to vest an award, wholly or partly, in SGX shares or in cash, based on the aggregate market value of shares on vesting date.

Limitation on the size of SGX PSP 2015

The total number of new SGX shares which may be issued pursuant to awards granted under the SGX PSP 2015 on any date, when added to the total number of new shares issued and issuable in respect of all awards granted under the SGX PSP 2015 (and/or any share schemes then in force), shall not exceed 10% of the total number of SGX's issued shares (excluding shares held by the company as treasury shares) on the day preceding the relevant date of award.

Restriction

Unless otherwise decided by the RSDC, the entitlement to the award shall lapse immediately as of the date the notice of termination of employment is tendered by or given to a plan participant.

Eligibility

Selected members of senior management who have attained the rank of Senior Vice President, and above are eligible to be considered for the award under the plan.

Remuneration Report

Summary of Grants (FY2019 to FY2022)

The performance targets chosen are key success factors of SGX's business that also drive alignment with shareholders' interests.

Starting from the FY2018 grant, strategic and non-financial priorities have been introduced as a performance measure. For SGX to stay competitive in the fast-changing business environment, it has to drive growth through the delivery of various strategic priorities, including non-financial ones. This performance measure is adopted to reward Management for driving the development of product and services, managing stakeholders' trust, achieving greater operational efficiency and cultivating the desired people and corporate culture.

Grant	Performance Period	Grant Date	Vesting Date	Performance Targets
FY2019	1 July 2018 to 30 June 2021	15 August 2018	1 September 2022	(1) Strategic and Non-financial Priorities (2) EPS (3) Relative TSR against selected peer exchanges (4) Relative TSR against Straits Times Index peer companies (Details in Table A)
FY2020	1 July 2019 to 30 June 2022	15 August 2019	1 September 2023	(1) Strategic and Non-financial Priorities (2) EPS (3) Relative TSR against selected peer exchanges (4) Relative TSR against Straits Times Index peer companies (Details in Table B)
FY2021	1 July 2020 to 30 June 2023	17 August 2020	1 September 2024	(1) Strategic and Non-financial Priorities (2) EPS (3) Relative TSR against selected peer exchanges (4) Relative TSR against Straits Times Index peer companies (Details in Table C)
FY2022	1 July 2021 to 30 June 2024	16 August 2021	1 September 2025	(1) Strategic and Non-financial Priorities (2) EPS (3) Relative TSR against selected peer exchanges (4) Relative TSR against Straits Times Index peer companies (Details in Table D)

¹ Selected peer exchanges comprises 14 international listed exchanges.

² Straits Times Index peer companies comprises 29 component-stocks of the FTSE STI Index, excluding SGX.

Table A – FY2019 Grant

Strategic and Non-financial Priorities (Weight = 40%)		EPS (Weight = 30%)			Relative TSR against selected peer exchanges (Weight = 15%)		Relative TSR against Straits Times Index peer companies (Weight = 15%)	
Performance Level	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)
Exceeded	150%	Above Target	≥38 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers	150%
Met	100%	At Target	35 cents	100%	50th percentile of peers	100%	50th percentile of peers	100%
Partially Met	50%	Threshold	33 cents	50%	25th percentile of peers	50%	25th percentile of peers	50%
Not Met	Nil	Below Threshold	<33 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers	Nil

Table B – FY2020 Grant

Strategic and Non-financial Priorities (Weight = 40%)		EPS (Weight = 30%)			Relative TSR against selected peer exchanges (Weight = 15%)		Relative TSR against Straits Times Index peer companies (Weight = 15%)	
Performance Level	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)
Exceeded	150%	Above Target	≥42 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers	150%
Met	100%	At Target	39 cents	100%	50th percentile of peers	100%	50th percentile of peers	100%
Partially Met	50%	Threshold	34 cents	50%	25th percentile of peers	50%	25th percentile of peers	50%
Not Met	Nil	Below Threshold	<34 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers	Nil

Remuneration Report

Table C – FY2021 Grant

Strategic and Non-financial Priorities (Weight = 40%)		EPS (Weight = 30%)			Relative TSR against selected peer exchanges (Weight = 15%)		Relative TSR against Straits Times Index peer companies (Weight = 15%)	
Performance Level	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)
Exceeded	150%	Above Target	≥47 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers	150%
Met	100%	At Target	42.5 cents	100%	50th percentile of peers	100%	50th percentile of peers	100%
Partially Met	50%	Threshold	38 cents	50%	25th percentile of peers	50%	25th percentile of peers	50%
Not Met	Nil	Below Threshold	<38 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers	Nil

Table D – FY2022 Grant

Strategic and Non-financial Priorities (Weight = 40%)		EPS (Weight = 30%)			Relative TSR against selected peer exchanges (Weight = 15%)		Relative TSR against Straits Times Index peer companies (Weight = 15%)	
Performance Level	Payout (% of base allocation)	Performance Level	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)	Average over 3FYs	Payout (% of base allocation)
Exceeded	150%	Above Target	≥50 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers	150%
Met	100%	At Target	45 cents	100%	50th percentile of peers	100%	50th percentile of peers	100%
Partially Met	50%	Threshold	40 cents	50%	25th percentile of peers	50%	25th percentile of peers	50%
Not Met	Nil	Below Threshold	<40 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers	Nil

The extent to which the performance share awards will vest could range from 0% to 150%, depending on the achievement of performance targets in the respective performance periods. There shall be no award if the achievement falls below the threshold performance level. For an achievement between the “Threshold/Partially Met” and “Above Target/Exceeded” performance levels, the payout percentage will be pro-rated on a straight-line basis.

The SGX Deferred Long-term Incentives Scheme

The SGX DLTIS was approved by the RSDC in July 2006.

It recognises past contributions and services and strengthens the Company’s ability to reward and retain high-performing recipients whose contributions are essential to the long-term growth of SGX.

The RSDC may decide to vest an award, wholly or partly, in SGX shares or in cash, based on the aggregate market value of shares on vesting date.

The shares are vested in three equal instalments over a period of three years with the first instalment vesting one year after grant date.

Restrictions

Unless otherwise decided by the RSDC, the entitlement to the award is conditional on the recipient remaining in service up to the specified vesting date.

Eligibility

Selected executives who have attained the rank of Assistant Vice President and above are eligible to be considered for the award under the scheme.

The SGX Deferred Cash Incentive Scheme

The SGX DCIS was approved by the RSDC in January 2021. Complementing the DLTIS and PSP as another long-term incentive scheme, this cash-based incentive scheme can be awarded to eligible employees of SGX Group who are not eligible for share-based awards.

DCIS was established with the objective of rewarding and retain high-performing recipients whose contributions are essential to the long-term growth and profitability of SGX Group and to align their interests to the long-term direction of SGX Group.

The award will be vested over three equal instalments over a period of three years with the first instalment vesting one year after grant date. The RSDC may decide to vest an award wholly or partly.

Restrictions

Unless otherwise decided by the RSDC, the entitlement to the award is conditional on the recipient remaining in service up to the specified vesting date.

Eligibility

Selected executives who have attained the rank of Assistant Vice President and above or equivalent are eligible to be considered for the award under the scheme.

The SGX Restricted Share Plan

The SGX Restricted Share Plan (SGX RSP) was adopted at the annual general meeting of the Company held on 20 September 2018.

Through the SGX RSP, SGX will grant shares to the Group’s Non-Executive Directors (NEDs) as part of their

remuneration in respect of their office as such in lieu of cash, or where, the RSDC deems appropriate, to give recognition to the contributions made or to be made by such Group NEDs to the success of the Group, in order to improve the alignment of the interests of Group NEDs with the interests of shareholders. The SGX RSP can also serve as an additional tool to recruit and retain Group employees whose contributions are essential to the long-term growth and profitability of the Group and to give recognition to outstanding Group employees who have contributed to the growth of the Group. The SGX RSP will act as an enhancement to the Group’s overall ability to attract and retain high performing talent.

Restrictions

Group NEDs who are granted SGX RSP are required to have served on the Board of Directors for at least 12 months on the date of grant of the share awards. The grant will consist of fully paid shares with no performance conditions attached and no vesting period imposed. A moratorium on sale of such shares for a period up to one year after the grant of the award is imposed. The moratorium will be lifted if the NED steps down from the Board before the end of the moratorium period.

Eligibility

NEDs meeting the criteria set out under “Restrictions” are eligible to participate in the SGX RSP. Selected employees of the Group are eligible to be considered for the award under the SGX RSP.

Please refer to the Directors’ Statement on page 135 for the details of the share plans and grants to NEDs, senior management and employees.

Remuneration Report

Disclosure on Directors' Remuneration

The table below shows the gross remuneration of the Executive Director of SGX for the financial year ended 30 June 2022.

Executive Director	Fixed pay ¹	Bonus for FY2022 ^{1,2} \$	Long-term incentives ³ \$	Benefits-in-kind \$	Total gross Remuneration \$
Mr Loh Boon Chye	1,209,785	3,004,136	2,229,910	52,615	6,496,446

¹ Includes Employer CPF Contribution.

² The bonus was determined by the Board after taking into account the achievement of specific quantitative and qualitative targets and objectives set for FY2022.

³ Vesting of FY2018 PSP and DLTIS awards based on the fair value on grant date. The shares vested on 1 September 2021.

Please refer to the Corporate Governance Report on page 100 for the details of the Non-Executive Directors' remuneration.

Disclosure on Five Top-Earning Executives' Remuneration

The table below shows the gross remuneration of the five top-earning executives for the financial year ended 30 June 2022.

Executives	Fixed pay ¹	Bonus for FY2022 ^{1,2} \$	Long-term incentives ³ \$	Benefits-in-kind \$	Total gross Remuneration \$
Mr Syn Hsien-Min Michael	512,244	955,100	605,276	3,488	2,076,108
Mr Tan Boon Gin	586,248	755,100	565,167	18,710	1,925,225
Mr Lee Beng Hong	512,244	855,100	115,872	4,434	1,487,650
Ms Tinku Gupta	512,244	545,100	365,993	10,070	1,433,407
Ms Koh Puay Eng Agnes	509,724	516,700	361,247	6,024	1,393,695

¹ Includes Employer CPF Contribution.

² The bonuses for SGX senior management were determined by the RSDC after taking into account the achievement of the specific individual and organisational targets and objectives set for FY2022.

³ Vesting of FY2018 PSP and DLTIS awards based on the fair value on the respective grant dates. The shares vested on 1 September 2021.

There were no retirement plans, severance/termination and post-employment benefits granted to Directors, the CEO and the five top-earning executives, save for the shares vested to Mr Lawrence Wong, Mr Muthukrishnan Ramaswami, Mr Chng Lay Chew and Mr Chew Sutat who retired from SGX on 31 March 2018, 30 September 2019, 30 September 2020 and 31 July 2021 respectively, as approved by the RSDC.

Disclosure on Guaranteed Bonuses, Sign-On Payments and Severance Payments

	Senior Managers*	Material Risk Personnel*
No. of guaranteed bonuses	-	-
No. of sign-on payments	-	1
No. of severance payments	-	-
Total amount of payments in FY2022	-	20,000

* In line with the definitions set out under MAS Individual Accountability and Conduct (IAC).

Benefits

Benefits provided for employees are comparable with local market practices. These include medical, dental, and group insurances.

Summary of Disclosures

Summary of Disclosures of Code of Corporate Governance 2018 (CCG 2018)

This summary of disclosures describes our corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the CCG 2018.

Board Matters	Remuneration Matters	Shareholder Rights and Engagement
The Board's Conduct of Affairs	Procedures for Developing Remuneration Policies	Shareholder Rights and Conduct of General Meetings
Principle 1	Principle 6	Principle 11
Provision 1.1 Page 87	Provision 6.1 Page 100	Provision 11.1 Page 110
Provision 1.2 Page 89	Provision 6.2 Page 100	Provision 11.2 Page 110
Provision 1.3 Page 87	Provision 6.3 Page 100	Provision 11.3 Page 111
Provision 1.4 Page 88	Provision 6.4 Page 100	Provision 11.4 Page 111
Provision 1.5 Page 88		Provision 11.5 Page 111
Provision 1.6 Page 89		Provision 11.6 Page 112
Provision 1.7 Page 90		
Board Composition and Guidance	Level and Mix of Remuneration	Engagement with Shareholders
Principle 2	Principle 7	Principle 12
Provision 2.1 Page 90	Provision 7.1 Page 100	Provision 12.1 Page 112
Provision 2.2 Page 91	Provision 7.2 Page 101	Provision 12.2 Page 112
Provision 2.3 Page 91	Provision 7.3 Page 101	Provision 12.3 Page 113
Provision 2.4 Page 91		
Provision 2.5 Page 93		
Chairman and Chief Executive Officer	Disclosure on Remuneration	Managing Stakeholders Relationships
Principle 3	Principle 8	Engagement with Stakeholders
Provision 3.1 Page 96	Provision 8.1 Page 102	Principle 13
Provision 3.2 Page 96	Provision 8.2 Page 102	Provision 13.1 Page 113
Provision 3.3 Page 96	Provision 8.3 Pages 101 and 102	Provision 13.2 Page 113
		Provision 13.3 Page 112
Board Membership	Accountability and Audit	
Principle 4	Risk Management and Internal Controls	
Provision 4.1 Page 96	Principle 9	
Provision 4.2 Page 97	Provision 9.1 Page 102	
Provision 4.3 Page 97	Provision 9.2 Page 103	
Provision 4.4 Page 98	Audit Committee	
Provision 4.5 Page 98	Principle 10	
	Provision 10.1 Page 105	
Board Performance	Provision 10.2 Page 104	
Principle 5	Provision 10.3 Page 104	
Provision 5.1 Page 99	Provision 10.4 Page 108	
Provision 5.2 Page 99	Provision 10.5 Pages 107	

Self-Regulatory Organisation Governance Report

Obligations

SGX is a front-line regulator, regulating market participants including listed companies, and trading and clearing members. At the same time, SGX is also a listed, for-profit entity with a widely distributed ownership and shareholder base. In balancing potential conflicts between these two roles, SGX is operating as a Self-Regulatory Organisation (SRO). We have rigorous regulatory standards in place, to ensure that any potential regulatory conflicts between our responsibilities as a regulator and as a listed company are adequately addressed.

Our regulatory activities are focused on:



Operating a fair, orderly and transparent market



Admitting high quality issuers and market intermediaries



Providing safe and efficient clearing and settlement facilities



Supporting the continuous development of SGX's markets and clearing houses

We achieve our objectives through stringent listing, trading and clearing rules. We apply strict admission criteria to our members, sponsors and their registered professionals and issuers to assure their quality and safeguard the integrity of the markets and clearing houses. Issuers must ensure the timely, accurate and adequate disclosure of material information. We also impose prudential requirements on our members and check that they have robust risk management measures in place. To ensure compliance with our rules, we conduct comprehensive ongoing supervision and surveillance and take enforcement action when necessary. We continually benchmark ourselves against developed jurisdictions and established international standards to improve our systems and processes.

The Role of Singapore Exchange Regulation (SGX RegCo) in Managing Regulatory Conflicts

The Monetary Authority of Singapore (MAS) directly regulates SGX in the

discharge of our regulatory functions and our management of regulatory conflicts. We have a strong governance framework in place to manage any potential, perceived or actual regulatory conflicts. In addition, SGX RegCo was established as an independently governed subsidiary of SGX in 2017. This further enhances SGX's regulatory conflicts governance framework, as SGX RegCo is responsible for all regulatory functions on behalf of SGX and its regulated subsidiaries. The SGX RegCo Board is responsible for ensuring that SGX RegCo, in the performance of its regulatory duties, exercises its judgment independently of SGX's business functions. The SGX RegCo Board is independent of the SGX Board and a majority of the SGX RegCo Board, including its chairperson, are independent of management and business relationships with SGX. All members of the SGX RegCo Board are also independent of companies listed on SGX-ST and member firms of the SGX Group. Appointments to the SGX RegCo Board are subject to MAS' approval.

The SGX RegCo Chief Executive Officer reports exclusively to the SGX RegCo Board in relation to the performance of SGX RegCo's different functions. This direct line of reporting further strengthens the independence of SGX RegCo. The formation of SGX RegCo and the nature of its independent board structure demonstrably segregates SGX's regulatory functions from SGX's commercial and operating activities. One of SGX RegCo's functions is to formulate and maintain arrangements and processes within the SGX Group for managing potential, perceived or actual regulatory conflicts. The SGX RegCo Board is directly responsible for reviewing the adequacy of such arrangements, and is accountable to the MAS and the SGX Board in this regard. The SGX RegCo Board decides on conflict cases as needed, reviews the regulatory implications of our strategic initiatives, and ensures that the plans, budget and resources of SGX RegCo remain adequate. The SGX RegCo Board reports to MAS and the SGX Board on its activities annually.

Developing a More Mature Marketplace

In FY2022, SGX RegCo sped up the administration of disciplinary and enforcement actions on errant market participants, to send a clear message that we will not hesitate to act to restore market discipline. We reacted quickly to global shocks and market manipulation activity which spiked during periods of extreme volatility. During periods of market volatility, SGX RegCo also took pre-emptive measures to manage potential member risks with a holistic lens. We enhanced our member exposure and liquidity monitoring framework to be even more sensitive to global market movements and enable escalation of potential market stresses and systemic risks in a timely manner.

1. Providing Clarity to the Market

• Russia-Ukraine War

In March 2022, SGX RegCo acted swiftly to ensure compliance with the Ministry of Foreign Affairs Singapore's sanctions on Russia, suspending admission and prohibiting fundraising for issuers with significant exposure to Russia and which may have been materially affected by the sanctions. SGX RegCo also issued a Regulator's Column on our expectations of issuers in respect of sanctions-related risks, subject or activity. We required issuers exposed to sanctions risks of a material nature, to confirm that their control measures were adequate and effective to address all risks including sanctions-related risks.

• Conduct of General Meetings

SGX RegCo issued a Regulator's Column on our expectations on the conduct of general meetings amid the ongoing COVID-19 situation in December 2021, amidst the extension

of the temporary legislative relief abating the requirement for physical meetings. To ensure that shareholders are provided with sufficient information on important matters prior to casting their vote, SGX RegCo required companies to organise virtual information sessions for certain important corporate actions and allow for sufficient time to address shareholder questions prior to the lodgment of proxy forms. In May 2022, with the further easing of COVID-19 restrictions, SGX RegCo issued a Regulator's Column to set out our expectation that regardless of the format of the AGMs (i.e. virtual, hybrid or physical), shareholders must be able to vote and engage with the board and management in real-time.

• Disclosures on Investigations on Directors

SGX RegCo issued a Regulator's Column to emphasise that the Nominating Committees should act in the best interests of the company and shareholders, and give due consideration in assessing the track record of the director, as well as the concerns surrounding the investigations to determine if he should continue to remain on the board.

• Business Valuation

SGX RegCo collaborated with the Institute of Valuers and Appraisers Singapore ("IVAS") to issue a practice guide in February 2022 on what valuers should disclose in their summary valuation letters. In March 2022, RegCo published a Regulator's Column which provided additional guidance on how issuers should address emerging trends such as intangible assets and environmental, social and governance issues that may impact their business valuations.

• Internal Audit

In collaboration with the Institute of Internal Auditors ("IIA"), RegCo published a Regulator's Column on our expectations of issuers' internal audit function in FY2022, which amongst others, elaborated on certain core principles advocated by IA professional standard bodies, which are echoed in our rules.

2. Strengthening Enforcement

SGX RegCo has continued to take prompt and swift enforcement actions in FY2022. A total of 50 private disciplinary actions (comprising advisories, reminders, private warnings and composition sums) and six public reprimands were meted out in FY2022, as compared to 84 private disciplinary actions and 10 public reprimands issued in FY2021.

• Enforcement

In FY2022, SGX RegCo conducted three cases before the Listings Disciplinary Committee ("LDC"), in which various public sanctions were imposed on the eight relevant persons charged. The proceedings in these cases each took place by way of a resolution agreement drafted by SGX RegCo, which negated the need for a physical or virtual hearing of the cases. This process allowed for a swifter resolution of the matters, on the basis that the relevant parties pleaded guilty to the charges alleged by RegCo.

• Regulatory & Enforcement Statistics

In response to stakeholders' demand for increased transparency on our regulatory and enforcement actions, SGX RegCo has set up a dedicated webpage providing details on regulatory and enforcement statistics. As part of our continued

Self-Regulatory Organisation Governance Report

efforts to raise standards, SGX RegCo also published six case studies of varied breaches that resulted in private disciplinary actions being taken on the SGX website in FY2022.

- **Market Manipulation**

Following observations that individuals were exploiting Telegram chats to perpetuate pump and dump activities last year, SGX RegCo investigated the perpetrators and connected the individuals' telegram chat messages to their trading activities, assisting MAS to bring proceedings against an individual in February 2022. SGX RegCo also initiated the issuing of Letters of Advice directly to individuals involved in wash trades, with the concurrence of MAS, which will allow for more expeditious management of such cases going forward.

3. Engaging Stakeholders

SGX RegCo has continued to maintain high standards among our issuers, sponsors, issue managers and members through regular engagements, inspections and supervisory reviews. To engage key stakeholders, SGX RegCo experimented with the use of novel channels such as videos and podcasts in FY2022 to reach out to new audiences. We also continued to speak at international and local industry engagement events.

- **Audit Committee**

In FY2022, SGX RegCo has continued to step up engagement with the audit committees ("ACs") of listed issuers with financial concerns. The objective is to highlight risk areas that auditors should pay attention to when performing their audit and prod ACs to closely monitor

and engage the auditors on the issues. ACs should ensure that such matters have been duly considered and disclosed under Key Audit Matters in the issuers' annual reports.

- **Product Issuers, Sponsors and Issue Managers**

To support SGX's growing structured product offerings, coupled with an increasingly diverse profile of issuer prospects, SGX RegCo developed a new product issuer framework to enhance our admission and monitoring requirements for issuers of structured products. SGX RegCo also completed inspections of Full and Continuing Sponsors, and published a report which sought to provide transparency on our inspection findings of continuing sponsors, raise the standards of their work, and highlight best practices that can be adapted where appropriate. We also continued to hold our issue managers' dialogue sessions to engage market professionals on key listing matters.

- **Members**

SGX RegCo completed 22 member supervisory reviews in FY2022, covering members' credit risk management, customer margins and system resiliency. We also published (i) a Credit Risk Guide to detail best practices observed in some of our members and emphasised the need for members to build a strong risk culture, (ii) an Advisory Note on OTC Derivatives Clearing to clarify our expectations on meaningful reviews of OTC trades prior to acceptance for clearing and (iii) introduced a digital portal for admission of new members. We also continue to proactively engage Members

and their affiliates to understand and share good practices in light of market developments. In FY2022, SGX RegCo worked with SGX Risk Management to develop and launch a SGX-DC Default Management Portal to facilitate better communication between SGX-DC and Members. Members broadly provided positive feedback on its ease of use and contribution towards a more efficient auction process.

Sustainability

As detailed in our Sustainability Report, one of the four pillars of SGX's sustainability approach is as a regulator. Our role as a regulator is to guide the market on sustainability-related disclosures and practices, and we did so in FY2022 through the publication of public consultations and responses and effecting several rule changes to enhance climate reporting and board diversity. Details can be found in the Sustainability Report on pages 44 to 82.

1. Capacity Building for Sustainability

In FY2022, SGX RegCo pushed for greater capacity building in sustainability-related skills and knowledge and led three separate tracks to increase technical knowledge across the industry:

- (i) SGX RegCo is co-leading the disclosure workstream on the Green Finance Industry Taskforce (GFIT). Following the launch of the Financial Institutions Climate-Related Disclosure Document (FCDD) in May 2021, SGX RegCo, together with the Institute of Singapore Chartered Accountants (ISCA), launched a climate disclosure guide for corporates in April 2022.
- (ii) SGX RegCo, in collaboration with Global Compact Network Singapore (GCNS), also organised a series of sectoral workshops focused on the TCFD recommendations for companies listed on SGX. To help ease costs,

SGX RegCo subsidised workshop fees for two representatives for every listed company.

- (iii) SGX RegCo organised a sustainability-themed case competition together with the NUS Business School's students' club in March 2022 to increase awareness of sustainability-related issues. A total of 27 student-led teams from various NUS faculties competed to present a business case for the establishment of a "Green Badge" accreditation for companies.

2. Climate Impact Exchange ("CIX")

SGX RegCo worked closely with Energy Market Company ("EMC") to evaluate and design the auction mechanism suitable for standardised carbon contracts auction. SGX RegCo also provided inputs on establishing the governance framework and rules that members of the carbon exchange need to observe to participate in the platform. The carbon trading platform, CIX, was launched in March 2022.

Deepening Our Markets

Amidst structural changes in global financial markets in 2021 propelled by tailwinds of geopolitical insecurity and pandemic recovery, SGX RegCo stood firm in our quest to deepen our markets, offering novel products in both the securities and derivatives markets, as well as proposing market infrastructure necessary to launch first-of-its-kind ESG-related products.

1. Special Purpose Acquisition Companies (SPACs)

To make Singapore's equity markets more vibrant and offer alternative capital fundraising routes for fast growing regional companies, SGX RegCo implemented its listing framework for SPACs in September 2021, after extensive consultation of the market. We carefully balanced

stakeholders' needs, regulatory safeguards for investors, and operational impact of certain features of the framework.

2. Depository Receipts

SGX and the Stock Exchange of Thailand (SET) announced in September 2021 a partnership to advance a Thailand-Singapore Depository Receipt ("DR") linkage. SGX RegCo developed a framework setting out how DRs representing shares in an SGX-listed security will be issued for trading on SET and vice versa.

3. Enhancement of ETF microstructure

SGX RegCo sought industry feedback on new price ranges for the ETFs and assessed that the changes would, among others, make the trading of ETFs more efficient and enhance liquidity in the ETF market. We hence reduced the board lot size of ETFs to one unit and revised the Forced Order Range for ETFs from +/- 30 bids to +/- 10% since January 2022.

4. SGX's FX Suite

To anchor Singapore as the go-to destination for high quality FX liquidity, SGX FX launched a spot electronic trading platform ("ECN") in November 2021. SGX RegCo submitted an application to the MAS in Q1 FY2022 for ECN to be a recognised market operator ("RMO"), which will allow SGX-FX to launch FX non-deliverable forward products. SGX RegCo also supported the expansion of the foreign exchange ("FX") product suite, including the USD/INR (USD) Month-end Futures in January 2022 and screen-trading of the SGX FX FlexC futures in November 2021.

5. Expanding SGX-DT's Product Suite

SGX RegCo implemented the necessary regulatory changes to

support SGX's launch of a suite of eight dairy futures and options contracts in November 2021 – the first such dairy derivatives contracts on SGX-DT.

6. Collaborations with Other Exchanges

RegCo pursued opportunities for partnerships with foreign exchanges to expand SGX's global footprint in FY2022.

- **NSE-SGX GIFT Connect**

In FY2022, SGX RegCo has received regulatory approval from MAS on the proposed rule amendments and related requests for the operation of the GIFT Connect in NSE IFSC, which will give global investors access to Nifty products in GIFT City through SGX, thereby generating a bigger liquidity pool for Nifty products.

- **SGX-SZSE Product Link**

SGX RegCo has signed an MOU between SGX and the Shenzhen Stock Exchange (SZSE) in December 2021 to establish an ETF link.

- **Admission of SGX in Johannesburg Stock Exchange's ("JSE") Fast Track Listing Process**

SGX RegCo secured SGX's admission in JSE's fast track listing process, which would allow companies with a primary listing on SGX to seek a secondary listing on JSE within a reduced timeframe and associated costs.

7. Expanded SGX Membership and broadened global reach

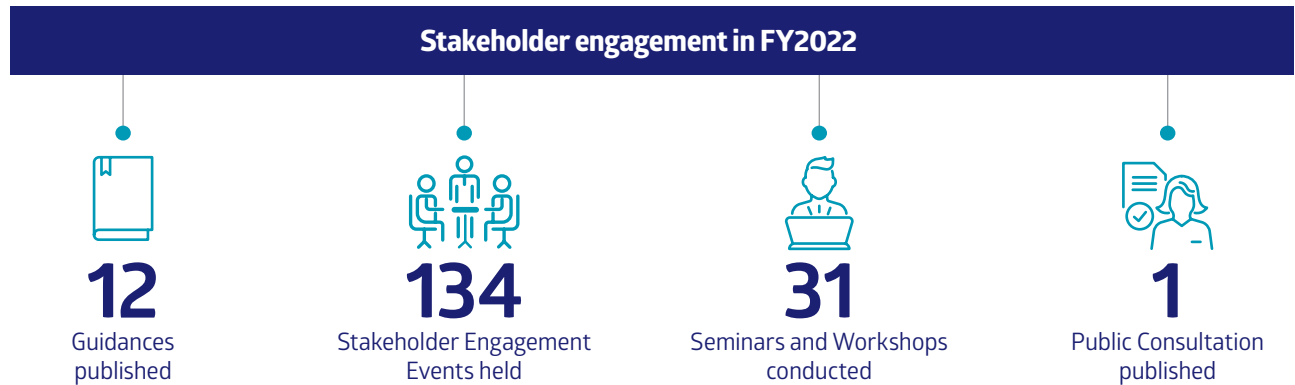
As part of SGX's wider goal to grow through international partners and networks, SGX RegCo supported the onboarding of new members, including four new Chinese participants. SGX RegCo also launched SGX-DC remote clearing membership in July 2021.

Self-Regulatory Organisation Governance Report

Statistics Overview

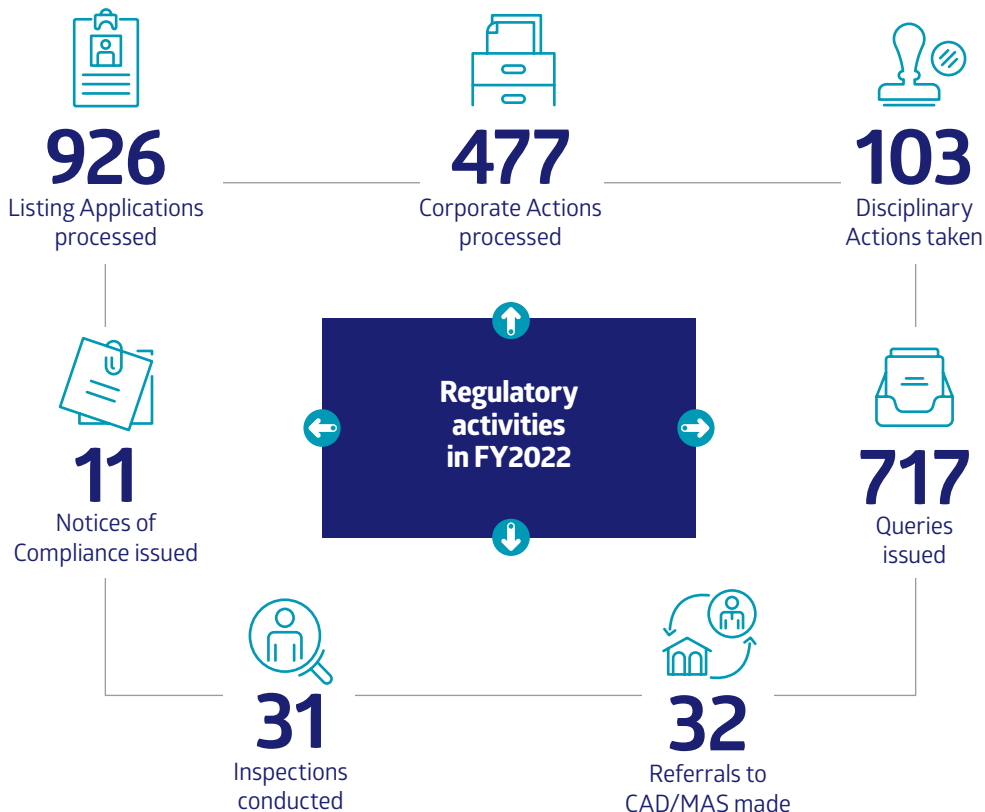
Stakeholder Engagement

We set and enforce regulation that assures a fair, orderly and transparent marketplace, as well as supports the overall advancement of our markets. To achieve this, we regularly assess existing requirements including those deemed as fundamental pillars of the market with a view of either adopting new frameworks and structures, or refining existing requirements.



Regulatory Activities

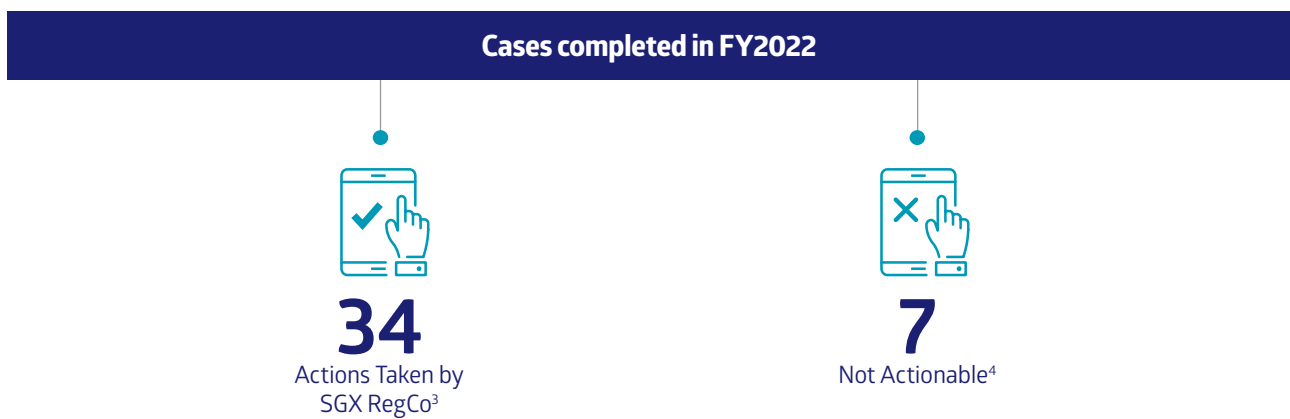
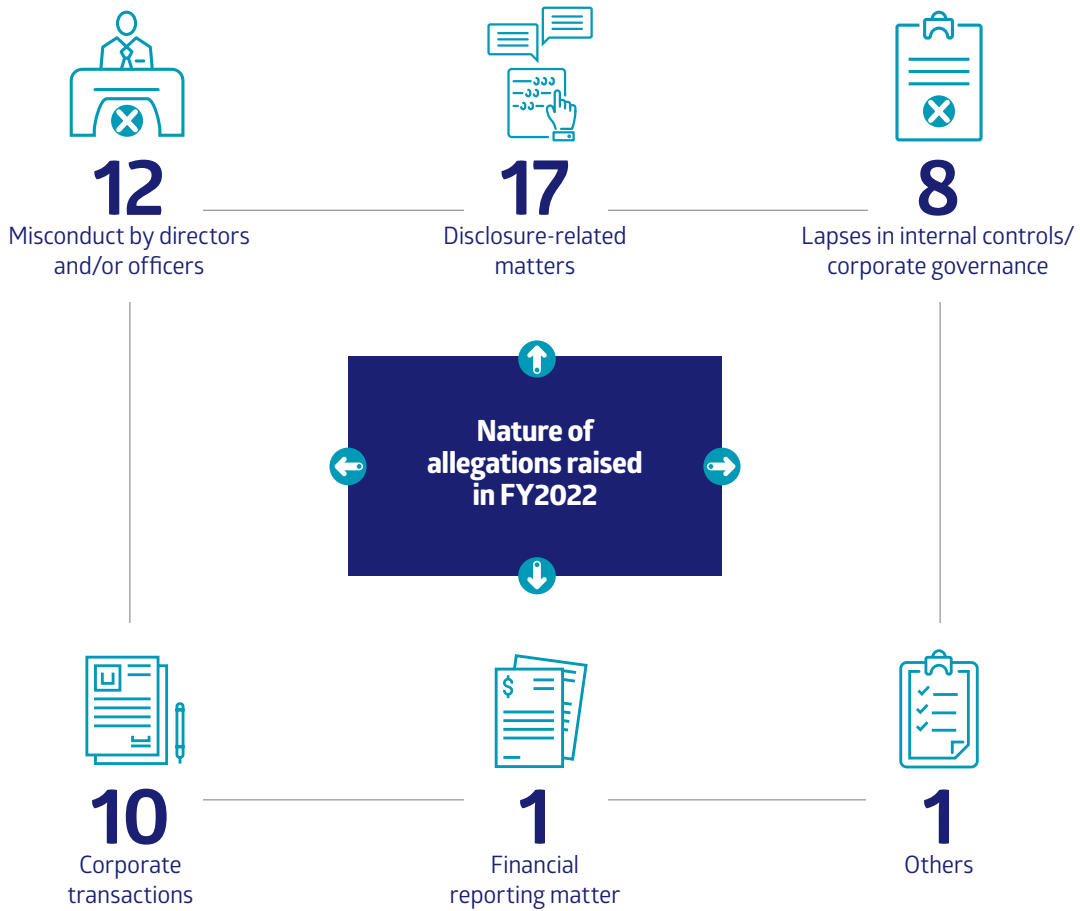
SGX RegCo closely monitors the disclosures of our listed companies and product issuers, and issues queries when further clarity is required. We diligently apply our administrative powers on listed companies and product issuers for all major disclosure failings, and closely monitor issuers with suspected financial irregularities. Where necessary and appropriate, we exercised our administrative powers during the year through the issuance of Notices of Compliance¹.



¹ SGX RegCo may exercise its administrative powers by issuing a Notice of Compliance. The Notice contains requirements imposed on Relevant Persons that must be complied with. The requirements are definitive and calibrated to address the circumstances of each case. For more information, please refer to the Regulator's Column on "What SGX RegCo does when it detects irregularities in a company" issued on 13 April 2018.

Whistleblowing

SGX RegCo's Whistleblowing Office was established in January 2020 to provide a formal and confidential channel for whistleblowers to report any issues or areas of concern relating to listed companies on SGX².



² SGX's Whistleblowing Office receives reports on listed companies excluding Singapore Exchange Limited.

³ Actions taken by SGX RegCo can be public or private, including (i) issuance of continuous disclosure query(s) and/or oversight by audit committee and/or independent reviews; (ii) referral to relevant statutory authorities and industry bodies; and/or (iii) review for potential breaches of the Listing Rules.

⁴ Cases that are not actionable includes where (i) allegations are not substantiated; or (ii) the matter is already under investigation by other regulatory authorities.

Report of Independent Committees

Overview

SGX's framework to deal with potential conflicts of interests arising from its dual role as a front-line regulator of the market and a listed for-profit entity includes the establishment of independent committees comprising the Listings Advisory Committee, Disciplinary Committee and Appeals Committee. To ensure the impartial and independent administration of their powers and duties, the members of the independent committees are not directors, officers or employees of SGX or its related corporations.

The Listings Advisory Committee provides advice on SGX's listing policies and Mainboard listing applications which involve novel or unprecedented issues, or where specialist expertise is required, or which involve matters of public interest, or when SGX is of the view that a referral is appropriate. The Listings Advisory Committee comprises members with legal, accounting and corporate finance experience, as well as representatives of the investment community.

The Disciplinary Committee and Appeals Committee provide independent and transparent adjudication of rule breaches. The Disciplinary and Appeals Committees

comprise members with legal, accounting, corporate finance and directorship experience in SGX-listed issuers.

The Disciplinary Committee hears charges brought by SGX against relevant persons for breaches of SGX's rules. Under the SGX trading rules and clearing rules, the Disciplinary Committee is able to impose a wide range of sanctions against trading or clearing members, their approved executive directors, trading representatives, approved traders and registered representatives including reprimands, fines, restrictions or conditions on activities, suspensions, expulsions, requiring directors to step down from day-to-day conduct of the business affairs of a member and appointing a manager to manage a member's business. Under the SGX listing rules, the Listings Disciplinary Committee (which members are drawn from the Disciplinary Committee) can impose sanctions including reprimands, fines against issuers, sponsors and registered professionals, prohibiting issuers from raising funds through SGX, requiring the resignation of directors or executive officers, prohibiting issue managers from participating in any specific listing application on SGX, revocation or cancellation of an issue

manager's accreditation, sponsor's authorisation or registered professional's registration, suspending the trading of an issuer's securities and removal of an issuer from the Official List of the SGX-ST.

The Appeals Committee hears appeals by relevant persons or SGX, against the decisions of the Disciplinary Committee. The Listings Appeals Committee, apart from hearing appeals against decisions of the Listings Disciplinary Committee, additionally hears appeals against certain decisions of SGX made under the SGX listing rules. The decision of the Appeals Committee or Listings Appeals Committee is final.

The independent committees are supported by the Office of the Secretariat which manages the procedures for the independent committees' meetings and hearings.

The operations of the independent committees and the Office of the Secretariat are funded separately by a Compliance Fund which is segregated from the rest of SGX's monies. In FY2022, the operating costs of the independent committees and the Office of the Secretariat amounted to S\$712,411.

Listings Advisory Committee Report

In FY2022, no listing applications or listing policies were referred to the LAC for review.

Listings Advisory Committee Members

The members of the LAC in FY2022 were as follows:

No.	Name	Position	Title
1	Mr Tham Sai Choy	Chairman	▪ Chartered Accountant
2	Professor Hans Tjio	Deputy Chairman	▪ Director, EW Barker Centre for Law and Business, National University of Singapore ▪ Member, Securities Industry Council
3	Mrs Fang Ai Lian	Member	▪ Former Adviser, Far East Organization ▪ Former Managing Partner, Ernst & Young LLP

No.	Name	Position	Title
4	Mr David Gerald	Member	<ul style="list-style-type: none"> ▪ Founder, President and Chief Executive Officer, Securities Investors Association (Singapore)
5	Mr Goh Kian Hwee	Member	<ul style="list-style-type: none"> ▪ Joint Group Managing Director, QAF Limited ▪ Former Senior Partner, Rajah & Tann Singapore LLP
6	Mr Subramaniam Iyer	Member	<ul style="list-style-type: none"> ▪ Founder and Director, S2K2 Advisory (operating as SmartKapital)
7	Mr Derek Lau	Member	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Heliconia Capital Management Pte. Ltd.
8	Mr Daryl Liew	Member	<ul style="list-style-type: none"> ▪ Co-Chairman, Advocacy Committee, CFA Society Singapore ▪ Chief Investment Officer, REYL Singapore Pte Ltd
9	Mrs Margaret Lui	Member	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Azalea Investment Management Pte Ltd
10	Mr Mak Lye Mun	Member	<ul style="list-style-type: none"> ▪ Executive Director, Intraco Limited
11	Mr Ronald Ong	Member	<ul style="list-style-type: none"> ▪ Chairman and Chief Executive Officer, Southeast Asia, Morgan Stanley Asia (Singapore) Pte.
12	Mr Soon Tit Koon	Member	<ul style="list-style-type: none"> ▪ Independent Director, Great Eastern Holdings Limited and SPH REIT Management Pte. Ltd.
13	Mr Toh Teng Peow David	Member	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Nanyang Technological University-NTUitive Pte. Ltd. ▪ Independent Director, iFAST Corporation Ltd.
14	Ms Tracey Woon	Member	<ul style="list-style-type: none"> ▪ Non-executive Director, Singapore Press Holdings Limited and National University Health System Pte Ltd. ▪ Member, Securities Industry Council

Disciplinary and Appeals Committee Report Cases Heard in FY2022

The Listings Disciplinary Committee dealt with three cases in FY2022.

In the first case, the Listings Disciplinary Committee publicly reprimanded (i) a company for breaching Catalist Rule 703(1)(a), and (ii) the company's former executive officers for causing the company to breach Catalist Rule 703(1)(a).

In the second case, the Listings Disciplinary Committee publicly reprimanded (i) a company and its former group chief financial officer for breaching Mainboard Rules 907 and 719(1), and (ii) the company's former executive director and group chief executive officer for breaching Mainboard Rules 719(1) and 720(1).

In the third case, the Listings Disciplinary Committee publicly reprimanded the former executive director of a company for causing the company to breach Catalist Rule 703(1)(a).

The Listings Disciplinary Committee's Grounds of Decision in relation to these cases are published on the SGX Website.

Disciplinary Committee Members

During FY2022, Mr Eric Ang Teik Lim stepped down from his role as Co-Chairman, and Mr Tan Chong Huat stepped down from his role as Deputy Chairman of the Disciplinary Committee. Three new members were recruited into the Disciplinary Committee, namely, Mr Peter Koy, Mr Tan Ken Hwee and Mr Teo Guan Siew.

Report of Independent Committees

The members of the Disciplinary Committee in FY2022 were:

No.	Name	Position	Title
1	Mr Eric Ang Teik Lim	Co-Chairman (until 6 October 2021)	<ul style="list-style-type: none"> ▪ Former Senior Executive Advisor, DBS Bank Ltd ▪ Former Head of Capital Markets, DBS Bank Ltd
2	Mr Cavinder Bull, Senior Counsel	Co-Chairman	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Drew & Napier LLC
3	Mr Tan Chong Huat	Deputy Chairman (until 14 April 2022)	<ul style="list-style-type: none"> ▪ Senior Partner, RHTLaw TaylorWessing LLP ▪ Non-Executive Chairman, RHT Group of Companies
4	Mr Ang Hao Yao	Member	<ul style="list-style-type: none"> ▪ Honorary Secretary, Securities Investors Association (Singapore)
5	Ms Cheng Ai Phing	Member	<ul style="list-style-type: none"> ▪ Independent Director, Citibank Singapore Limited, ARA Asset Management (Fortune) Limited and KBS US Prime Property Management Pte. Ltd. ▪ Former Senior Partner, Deloitte & Touche LLP
6	Mr David Gerald	Member	<ul style="list-style-type: none"> ▪ Founder, President and Chief Executive Officer, Securities Investors Association (Singapore)
7	Mr Kan Yut Keong, Benjamin	Member	<ul style="list-style-type: none"> ▪ Managing Director, Cornerstone Advisors Pte. Ltd. ▪ Commissioner and Audit Committee Chairman, Competition Commission of Singapore ▪ Independent Director, Nam Cheong Limited ▪ Independent Director and Chairman of Audit Committee, PropNex Limited ▪ Former Managing Director, PricewaterhouseCoopers Corporate Finance Pte Ltd ▪ Former Partner, PricewaterhouseCoopers Singapore
8	Mr Peter Koy	Member (from 19 July 2021)	<ul style="list-style-type: none"> ▪ Deputy Chief Prosecutor, Attorney-General's Chambers
9	Mr George Lee	Member	<ul style="list-style-type: none"> ▪ Independent Director, Bumitama Agri Ltd. and RE&S Holdings Limited ▪ Independent Director and Former Adviser, OCBC Bank (Malaysia) Berhad ▪ Former Head of Global Corporate Banking and former Head of Global Investment Banking, OCBC Bank Ltd
10	Mr Lok Vi Ming, Senior Counsel	Member	<ul style="list-style-type: none"> ▪ Managing Director, LVM Chambers
11	Mr Sushil Nair	Member	<ul style="list-style-type: none"> ▪ Deputy CEO, Drew & Napier LLC
12	Mr Quek Suan Kiat	Member	<ul style="list-style-type: none"> ▪ Director, National Environment Agency ▪ Former Country Manager and COO, Barclays Bank Plc Singapore Branch
13	Mr Harpreet Singh Nehal, Senior Counsel	Member	<ul style="list-style-type: none"> ▪ Managing Partner, Audent Chambers LLC
14	Dr David Smith	Member	<ul style="list-style-type: none"> ▪ Senior Investment Director, Abrdn
15	Mr Michael Smith	Member	<ul style="list-style-type: none"> ▪ Regional Chief Executive Officer, Europe and USA, Mapletree Investments Pte Ltd

No.	Name	Position	Title
16	Mr Soh Gim Teik	Member	▪ Partner, Finix Corporate Advisory LLP
17	Mr Tan Ken Hwee	Member (from 19 July 2021)	▪ Chief Transformation and Innovation Officer, Judiciary, Supreme Court
18	Dr Tommy Tan	Member	▪ Chief Executive Officer, Co-Founder, TC Capital Pte Ltd
19	Mr Teo Guan Siew	Member (from 19 July 2021)	▪ Deputy Chief Prosecutor, Attorney-General's Chambers
20	Mr Teyu Che Chern	Member	▪ Chief Executive Officer, Phillip Futures Pte Ltd ▪ Executive Director, Phillip Securities Pte Ltd
21	Ms Karen Tiah	Member	▪ Partner, Allen & Gledhill LLP
22	Mr Lucas Tran	Member	▪ Partner, WLT Assurance LLP ▪ Former Partner, KPMG LLP ▪ Former Partner, RSM
23	Ms Yeoh Choo Guan	Member	▪ Managing Director, UBS AG and Chief Executive Officer, UBS Securities Pte. Ltd.

Appeals Committee Members

During FY2022, Mr Tan Chong Huat stepped down from his role as member of the Appeals Committee. Three new members were recruited into the Appeals Committee, namely, Mr Peter Koy, Mr Tan Ken Hwee and Mr Teo Guan Siew. The members of the Appeals Committee in FY2022 were:

No.	Name	Position	Title
1	Mr Francis Xavier, Senior Counsel, PBM	Chairman	▪ Regional Head, Dispute Resolution, Rajah & Tann Singapore LLP
2	Mr Chan Leng Sun, Senior Counsel	Deputy Chairman	▪ Senior Counsel and Arbitrator, Duxton Hill Chambers (Singapore Group Practice)
3	Mr Ang Hao Yao	Member	▪ Honorary Secretary, Securities Investors Association (Singapore)
4	Ms Cheng Ai Phing	Member	▪ Independent Director, Citibank Singapore Limited, ARA Asset Management (Fortune) Limited and KBS US Prime Property Management Pte. Ltd. ▪ Former Senior Partner, Deloitte & Touche LLP
5	Mr David Gerald	Member	▪ Founder, President and Chief Executive Officer, Securities Investors Association (Singapore)
6	Mr Kan Yut Keong, Benjamin	Member	▪ Managing Director, Cornerstone Advisors Pte. Ltd. ▪ Commissioner and Audit Committee Chairman, Competition Commission of Singapore ▪ Independent Director, Nam Cheong Limited ▪ Independent Director and Chairman of Audit Committee, PropNex Limited ▪ Former Managing Director, PricewaterhouseCoopers Corporate Finance Pte Ltd ▪ Former Partner, PricewaterhouseCoopers Singapore

Report of Independent Committees

No.	Name	Position	Title
7	Mr Peter Koy	Member (from 19 July 2021)	▪ Deputy Chief Prosecutor, Attorney-General's Chambers
8	Mr Lok Vi Ming, Senior Counsel	Member	▪ Managing Director, LVM Chambers
9	Mr Sushil Nair	Member	▪ Deputy CEO, Drew & Napier LLC
10	Mr Quek Suan Kiat	Member	▪ Director, National Environment Agency ▪ Former Country Manager and COO, Barclays Bank Plc Singapore Branch
11	Mr Harpreet Singh Nehal, Senior Counsel	Member	▪ Managing Partner, Audent Chambers LLC
12	Dr David Smith	Member	▪ Senior Investment Director, Abrdn
13	Mr Michael Smith	Member	▪ Regional Chief Executive Officer, Europe and USA, Mapletree Investments Pte Ltd
14	Mr Soh Gim Teik	Member	▪ Partner, Finix Corporate Advisory LLP
15	Mr Tan Chong Huat	Member (until 14 April 2022)	▪ Senior Partner, RHTLaw TaylorWessing LLP ▪ Non-Executive Chairman, RHT Group of Companies
16	Mr Tan Ken Hwee	Member (from 19 July 2021)	▪ Chief Transformation and Innovation Officer, Judiciary, Supreme Court
17	Dr Tommy Tan	Member	▪ Chief Executive Officer, Co-Founder, TC Capital Pte Ltd
18	Mr Teo Guan Siew	Member (from 19 July 2021)	▪ Deputy Chief Prosecutor, Attorney-General's Chambers
19	Mr Teyu Che Chern	Member	▪ Chief Executive Officer, Phillip Futures Pte Ltd ▪ Executive Director, Phillip Securities Pte Ltd
20	Ms Karen Tiah	Member	▪ Partner, Allen & Gledhill LLP
21	Mr Lucas Tran	Member	▪ Partner, WLT Assurance LLP ▪ Former Partner, KPMG LLP ▪ Former Partner, RSM
22	Ms Yeoh Choo Guan	Member	▪ Managing Director, UBS AG and Chief Executive Officer, UBS Securities Pte. Ltd.



Financials

Contents

Financials

- 134 Directors' Statement
- 151 Independent Auditors' Report
- 156 Statement of Comprehensive Income
- 158 Statement of Financial Position
- 160 Consolidated Statement of Changes in Equity
- 164 Statement of Changes in Equity
- 166 Consolidated Statement of Cash Flows
- 167 Notes to the Financial Statements

Others

- 261 Statistics of Shareholdings
- 263 Notice of Annual General Meeting
- 271 Supplemental Information on Directors Seeking Re-election

Directors' Statement

For the financial year ended 30 June 2022

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 156 to 260 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 director or nominee		Number of ordinary shares in which director is deemed to have an interest	
	At 30.06.2022	At 01.07.2021	At 30.06.2022	At 01.07.2021
Singapore Exchange Limited				
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,
- i. 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
 - ii. 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"):

- (a) SGX Performance Share Plan;
- (b) SGX Deferred Long-Term Incentives Scheme; and
- (c) SGX Restricted Share Plan.

Directors' Statement

For the financial year ended 30 June 2022

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 one 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:

Participants (as defined under SGX Performance Share Plan)	Shares granted at grant date	Balance as at 01.07.2021	Additional shares from higher achievement level ⁽¹⁾	Shares vested during the financial year ⁽¹⁾	Balance as at 30.06.2022
EMCO members					
Mr Loh Boon Chye ⁽²⁾	135,900	135,900	12,000	(147,900)	—
Mr Syn Hsien-Min Michael ⁽²⁾	36,700	36,700	3,200	(39,900)	—
Mr Tan Boon Gin ⁽²⁾	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)	—
Other staff	264,700	208,700	18,200	(226,900)	—
Other participants					
Mr Muthukrishnan Ramaswami ⁽²⁾⁽³⁾	57,800	57,800	5,100	(62,900)	—
Mr Chng Lay Chew ⁽⁴⁾	26,300	26,300	2,300	(28,600)	—
Mr Chew Sutat ⁽²⁾⁽⁵⁾	42,500	42,500	3,700	(46,200)	—
	658,200	602,200	52,700	(654,900)	—

⁽¹⁾ 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.

⁽²⁾ Received more than 5% of the shares granted.

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ Mr Chew Sutat retired as SGX's Head of Global Sales & Origination and his last day of service was 31 July 2021. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

Directors' Statement

For the financial year ended 30 June 2022

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:

Participants (as defined under SGX Performance Share Plan)	Shares granted at grant date ⁽¹⁾	Balance as at 01.07.2021	Shares lapsed during the financial year	Additional shares from higher achievement level [^]	Shares vested during the financial year [^]	Balance as at 30.06.2022
EMCO members						
Mr Loh Boon Chye ⁽²⁾	152,900	152,900	–	–	–	152,900
Mr Tan Boon Gin ⁽²⁾	42,600	42,600	–	–	–	42,600
Mr Syn Hsien-Min Michael ⁽²⁾	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 Devadoss	17,400	17,400	–	–	–	17,400
Other staff	252,900	230,000	(15,800)	1,300	(4,900)	210,600
Other participants						
Mr Muthukrishnan Ramaswami ⁽²⁾⁽³⁾	62,500	62,500	–	–	–	62,500
Mr Chng Lay Chew ⁽⁴⁾	29,400	29,400	–	–	–	29,400
Mr Chew Sutat ⁽²⁾⁽⁵⁾	48,000	48,000	–	–	–	48,000
	696,500	673,600	(15,800)	1,300	(4,900)	654,200

⁽¹⁾ 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.

⁽²⁾ Received more than 5% of the shares granted.

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ 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.

[^] 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 ⁽¹⁾	Balance as at 01.07.2021	Shares lapsed during the financial year	Additional shares from higher achievement level [^]	Shares vested during the financial year [^]	Balance as at 30.06.2022
EMCO members						
Mr Loh Boon Chye ⁽²⁾	155,800	155,800	–	–	–	155,800
Mr Syn Hsien-Min Michael ⁽²⁾	46,200	46,200	–	–	–	46,200
Mr Tan Boon Gin ⁽²⁾	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
Other staff	274,500	251,100	(16,200)	900	(3,500)	232,300
Other participants						
Mr Muthukrishnan Ramaswami ⁽²⁾⁽³⁾	58,400	58,400	–	–	–	58,400
Mr Chng Lay Chew ⁽⁴⁾	29,200	29,200	–	–	–	29,200
Mr Chew Sutat ⁽²⁾⁽⁵⁾	40,300	40,300	–	–	–	40,300
	711,000	687,600	(16,200)	900	(3,500)	668,800

⁽¹⁾ 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.

⁽²⁾ Received more than 5% of the shares granted.

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ 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.

[^] Shares vested to the estate of a deceased employee on 1 June 2022 in accordance with RSDC's approval.

Directors' Statement

For the financial year ended 30 June 2022

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:

Participants (as defined under SGX Performance Share Plan)	Shares granted during financial year ⁽¹⁾	Balance as at 01.07.2021	Shares lapsed during the financial year	Additional shares from higher achievement level [^]	Shares vested during the financial year [^]	Balance as at 30.06.2022
EMCO members						
Mr Loh Boon Chye ⁽²⁾	161,200	161,200	—	—	—	161,200
Mr Lee Beng Hong ⁽²⁾	42,600	42,600	—	—	—	42,600
Mr Syn Hsien-Min Michael ⁽²⁾	41,100	41,100	—	—	—	41,100
Mr Tan Boon Gin ⁽²⁾	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
Other staff	305,600	280,800	(28,800)	900	(3,500)	249,400
Other participant						
Mr Chng Lay Chew ⁽³⁾	31,500	31,500	—	—	—	31,500
Mr Chew Sutat ⁽²⁾⁽⁴⁾	39,500	39,500	—	—	—	39,500
	732,200	707,400	(28,800)	900	(3,500)	676,000

⁽¹⁾ 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.

⁽²⁾ Received more than 5% of the shares granted.

⁽³⁾ 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.

⁽⁴⁾ 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.

[^] 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:

Participants (as defined under SGX Performance Share Plan)	Shares granted during financial year	Shares lapsed during the financial year	Balance as at 30.06.2022 ⁽¹⁾
EMCO members			
Mr Loh Boon Chye ⁽²⁾	135,700	—	135,700
Mr Syn Hsien-Min Michael ⁽²⁾	40,100	—	40,100
Mr Lee Beng Hong ⁽²⁾	34,400	—	34,400
Mr Tan Boon Gin ⁽²⁾	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
Other staff	243,100	(29,600)	213,500
	564,900	(29,600)	535,300

⁽¹⁾ 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.

⁽²⁾ Received more than 5% of the shares granted.

Directors' Statement

For the financial year ended 30 June 2022

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	Aggregated shares granted since commencement of SGX Performance Share Plan to 30.06.2022	Aggregated shares lapsed since commencement of SGX Performance Share Plan to 30.06.2022	Aggregated shares vested since commencement of SGX Performance Share Plan to 30.06.2022	Aggregate shares outstanding as at 30.06.2022
Participants who received more than 5% of the total grants available						
Mr Loh Boon Chye	135,700	12,000	886,600	(97,700)	(183,300)	605,600
Mr Muthukrishnan Ramaswami ⁽¹⁾	–	5,100	297,300	(97,600)	(78,800)	120,900
Mr Chew Sutat ⁽²⁾	–	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
Participants who received less than 5% of the total grants available						
Other staff	389,100	31,800	2,844,500	(875,300)	(457,800)	1,511,400
	564,900	55,800	4,564,900	(1,202,900)	(827,700)	2,534,300

⁽¹⁾ 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.

⁽²⁾ 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.

(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.

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

Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)	Shares awarded at grant date	Balance as at 01.07.2021	Shares vested during financial year	Balance as at 30.06.2022
EMCO members				
Mr Loh Boon Chye ⁽¹⁾	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)	—
Other staff	936,200	268,760	(268,760)	—
Other recipients				
Mr Muthukrishnan Ramaswami ⁽²⁾	62,500	20,834	(20,834)	—
Mr Chng Lay Chew ⁽³⁾	29,400	9,800	(9,800)	—
Mr Chew Sutat ⁽⁴⁾	48,000	16,000	(16,000)	—
	1,379,800	416,632	(416,632)	—

⁽¹⁾ Received more than 5% of the shares awarded.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ 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.

Directors' Statement

For the financial year ended 30 June 2022

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:

	Shares awarded at grant date	Balance as at 01.07.2021	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2022
Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)					
EMCO members					
Mr Loh Boon Chye ⁽¹⁾	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
Other staff	1,009,700	607,982	(28,038)	(304,786)	275,158
Other recipients					
Mr Muthukrishnan Ramaswami ⁽²⁾	58,400	38,934	–	(19,466)	19,468
Mr Chng Lay Chew ⁽³⁾	29,200	19,467	–	(9,733)	9,734
Mr Chew Sutat ⁽⁴⁾	40,300	26,867	–	(13,433)	13,434
	1,446,200	898,985	(28,038)	(450,283)	420,664

⁽¹⁾ Received more than 5% of the shares awarded.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ 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:

	Shares awarded at grant date	Balance as at 01.07.2021	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2022
Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)					
EMCO members					
Mr Loh Boon Chye ⁽¹⁾	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
Other staff	1,050,200	992,800	(69,738)	(331,935)	591,127
Other recipient					
Mr Chng Lay Chew ⁽²⁾	31,500	31,500	–	(10,500)	21,000
Mr Chew Sutat ⁽³⁾	39,500	39,500	–	(13,166)	26,334
	1,476,800	1,419,400	(69,738)	(474,132)	875,530

⁽¹⁾ Received more than 5% of the shares awarded.

⁽²⁾ 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.

⁽³⁾ 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.

Directors' Statement

For the financial year ended 30 June 2022

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:

	Shares awarded at grant date	Shares lapsed during financial year	Balance as at 30.06.2022
Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)			
EMCO members			
Mr Loh Boon Chye ⁽¹⁾	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
Other staff	847,100	(76,400)	770,700
	1,168,900	(76,400)	1,092,500

⁽¹⁾ 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:

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

(c) SGX Restricted Share Plan

The SGX Restricted Share Plan ("SGX RSP") was adopted at the annual general meeting of the Company held on 20 September 2018 to:

- (i) Grant shares to the Group non-executive directors as part of their remuneration in respect of their office as such in lieu of cash, or where, the RSDC deems appropriate, to give recognition to the contributions made or to be made by such Group non-executive directors to the success of the Group, in order to improve the alignment of the interests of Group non-executive directors with the interests of shareholders; and
- (ii) Serve as an additional motivational tool to recruit and retain Group employees whose contributions are essential to the long-term growth and profitability of the Group and to give recognition to outstanding Group employees who have contributed to the growth of the Group. The SGX RSP will act as an enhancement to the Group's overall ability to attract and retain high performing talent.

Directors' Statement

For the financial year ended 30 June 2022

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:

	Shares awarded at grant date	Shares vested during financial year	Balance as at 30.06.2022
Recipients (as defined under SGX Restricted Share Plan)			
Non-Executive Directors⁽¹⁾			
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)	–
	33,975	(33,975)	–

⁽¹⁾ 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 are as follows:

	Shares awarded during financial year	Aggregate shares awarded since commencement of SGX restricted share plan to 30.06.2022	Aggregate shares vested since commencement of SGX restricted share plan to 30.06.2022	Aggregate shares outstanding as at 30.06.2022
Recipients who received more than 5% of the total grants available				
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)	—
Recipients who received less than 5% of the total grants available				
Other non-executive directors	3,904	8,210	(8,210)	—
Other recipients	—	13,766	(13,766)	—
	33,975	158,065	(158,065)	—

Directors' Statement

For the financial year ended 30 June 2022

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

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 156 to 260.

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.

Independent Auditors' Report

Members of the Company Singapore Exchange Limited

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"> ▪ forecasting the future cash flows; ▪ estimating the long-term growth rates; and ▪ determining the applicable discount rates. 	<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"> ▪ 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; ▪ 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 ▪ independently deriving the discount rates based on external observable market data for risk-free rate, beta, market risk premium and any size premium. <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"> 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 evaluating the reasonableness of the fair value of the contingent consideration recognised by the Group. <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.

Independent Auditors' Report

Members of the Company Singapore Exchange Limited

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Leong Kok Keong.

**KPMG LLP**

*Public Accountants and
Chartered Accountants*

Singapore

17 August 2022

Statement of Comprehensive Income

For the financial year ended 30 June 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Operating revenue					
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
		1,099,041	1,055,953	656,607	736,457
Operating expenses					
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
		464,935	430,716	221,197	221,657
Earnings before interest, tax, depreciation and amortisation					
		634,106	625,237	435,410	514,800
Depreciation and amortisation	9	96,658	94,523	35,681	35,427
Operating profit					
	10	537,448	530,714	399,729	479,373
Non-operating gains					
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)	–	–
		17,674	10,048	8,484	13,308
Profit before tax and share of results of associated companies and joint ventures					
		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)	–	–
Profit before tax					
		544,588	536,476	408,213	492,681
Tax	33	(92,687)	(90,699)	(3,503)	(3,345)
Net profit after tax					
		451,901	445,777	404,710	489,336
Attributable to:					
Equity holders of the Company		451,398	445,406	404,710	489,336
Non-controlling interests		503	371	–	–
Earnings per share based on net profit after tax attributable to the equity holders of the Company (in cents)					
Basic	12	42.2	41.6		
Diluted	12	41.0	41.1		

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Net profit after tax	451,901	445,777	404,710	489,336
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
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)
Items that will not be reclassified subsequently to profit or loss:				
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
Total comprehensive income for the financial year	514,986	476,909	404,710	490,970
Total comprehensive income attributable to:				
Equity holders of the Company	514,788	476,485	404,710	490,970
Non-controlling interests	198	424	–	–

Statement of Financial Position

As at 30 June 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Current assets					
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	–	–
		2,152,739	1,850,028	239,547	372,785
Non-current assets					
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
		1,695,461	1,172,522	1,692,671	1,203,206
Total assets		3,848,200	3,022,550	1,932,218	1,575,991

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Liabilities					
Current liabilities					
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
		1,442,182	1,006,119	225,811	148,840
Non-current liabilities					
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	–	–
		856,553	626,663	445,683	215,848
Total liabilities		2,298,735	1,632,782	671,494	364,688
Net assets		1,549,465	1,389,768	1,260,724	1,211,303
Equity					
Capital and reserves attributable to the Company's equity holders					
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
		1,544,408	1,384,909	1,260,724	1,211,303
Non-controlling interests		5,057	4,859	–	–
Total equity		1,549,465	1,389,768	1,260,724	1,211,303

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	Share capital \$'000	Capital reserve \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000	Attributable to equity holders of the Company					Total \$'000	Non-controlling interests \$'000	Total equity \$'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
Balance at 1 July 2021		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
Transactions with equity holders, recognised directly in equity																
<u>Contributions by and distributions to equity holders</u>																
Dividends paid																
		-	-	-	-	-	-	-	-	-	-	-	(85,511)	(85,511)	-	(85,511)
		-	-	-	-	-	-	-	-	-	-	(142)	-	(142)	-	(142)
	39	-	-	-	-	-	-	-	-	-	-	(256,580)	-	(256,580)	-	(256,580)
Proposed dividends																
	39	-	-	-	-	-	-	-	-	-	-	-	(85,439)	85,439	-	-
	5	-	-	-	-	-	-	-	-	14,579	-	-	-	14,579	-	14,579
		-	-	-	-	-	-	-	-	326	-	-	-	326	-	326
	36(a)	(3,021)	-	18,157	-	-	-	-	-	(15,136)	-	-	-	-	-	-
	36(a)	(27)	-	353	-	-	-	-	-	(326)	-	-	-	-	-	-
	36(a)	-	-	(27,719)	-	-	-	-	-	-	-	-	-	(27,719)	-	(27,719)
	36(a)	-	-	(242)	-	-	-	-	-	-	-	-	-	(242)	-	(242)
		(3,048)	-	(9,451)	-	-	-	-	-	(557)	-	(342,161)	(72)	(355,289)	-	(355,289)
		-	-	-	(1,148)	(13)	64,551	-	-	-	-	451,398	-	514,788	198	514,986
Balance at 30 June 2022		427,365	3,989	(34,640)	(1,749)	5,663	140,464	25,000	34,021	29,595	(40,506)	869,767	85,439	1,544,408	5,057	1,549,465

Consolidated Statement of Changes in Equity

(continued)

For the financial year ended 30 June 2021

Group	Note	Attributable to equity holders of the Company														
		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	Non-controlling interests \$'000	Total equity \$'000
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
Transactions with equity holders, recognised directly in equity																
<u>Contributions by and distributions to equity holders</u>																
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	–	–	–	–
Total contributions by and distributions to equity holders		675	3,989	(4,193)	–	–	(1,518)	–	–	5,598	–	(340,968)	(7)	(336,424)	–	(336,424)
Total comprehensive income for the financial year		–	–	–	(946)	9,503	22,522	–	–	–	–	445,406	–	476,485	424	476,909
Balance at 30 June 2021		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

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							Total equity \$'000
		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	
Company									
Balance at 1 July 2021		430,413	(25,189)	–	–	30,152	690,416	85,511	1,211,303
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)
Total comprehensive income for the financial year		–	–	–	–	–	404,710	–	404,710
Balance at 30 June 2022		427,365	(34,640)	–	–	29,595	752,965	85,439	1,260,724

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	
Company									
Balance at 1 July 2020	429,738	(20,996)	(52)	(64)	24,554	542,048	85,518	1,060,746	
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)	
Total comprehensive income for the financial year		–	–	52	1,582	–	489,336	–	490,970
Balance at 30 June 2021	430,413	(25,189)	–	–	30,152	690,416	85,511	1,211,303	

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

** The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and share-based payment expense relating to employees' and directors' services.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2022

	Note	Group	
		2022 \$'000	2021 \$'000
Cash flows from operating activities			
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
Cash generated from operations		682,621	662,328
Income tax paid	33	(99,094)	(109,390)
Net cash generated from operating activities		583,527	552,938
Cash flows from investing activities			
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
Net cash used in investing activities		(549,719)	(197,963)
Cash flows from financing activities			
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)
Net cash used in financing activities		(108,699)	(209,921)
Net (decrease)/increase in cash and cash equivalents		(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
Cash and cash equivalents at end of financial year	13	752,153	833,365

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

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.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.2 Group accounting (continued)

(1) Subsidiaries (continued)

(i) Consolidation (continued)

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific SFRS(I).

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(iv) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

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

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Where the voting rights are less than 20%, the presumption that the entity is not an associated company is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and the rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distribution received from associated companies or joint ventures are adjusted against the carrying amounts of the investments. Dividends received or recoverable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint ventures, 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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.2 Group accounting (continued)

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

When the Group enters into a put and call option agreement with the non-controlling shareholder in an existing subsidiary on their equity interests in that subsidiary and provides for settlement in cash or in another financial asset by the Group, the Group recognises a financial liability for the present value of the exercise price of the option and a corresponding entry under equity – other reserve. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised in profit or loss. Amount initially recognised under equity is not subsequently re-measured.

When the non-controlling shareholder continues to have present access to the returns associated with the underlying ownership interest, the Group has elected the present-access method to account for the underlying non-controlling interests. Under this method, non-controlling interests continue to be recognised because the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests.

On exercise of the put or call option, the financial liability will be derecognised on settlement in cash or in another financial asset by the Group. Changes in the Group's ownership interest in a subsidiary is accounted for according to transaction with non-controlling interests. Refer to Note 2.2(1)(iv).

If the put and call options expire unexercised, the financial liability is reversed against equity – other reserve.

2.3 Currency translation

(1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD"), which is the functional currency of the Company.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss.

Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange at the balance sheet date. Currency translation differences are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When the foreign operation is a non-wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the currency translation reserve in equity.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(3) Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Revenue and expenses are translated at average exchange rates; and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.4 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue as service is performed and as it satisfied its obligations to provide a product or service to a customer. Revenue is presented net of goods and services tax and after eliminating revenue within the Group on the following basis:

(1) Fixed Income, Currencies and Commodities*Fixed Income*Listing, corporate actions and other revenue of fixed income

Revenue is recognised on a per transaction basis when service is provided.

*Currencies and Commodities*Trading and clearing

Trading and clearing revenue, net of rebates, generated from contracts traded, cleared and settled is recognised when service is provided and on a per transaction basis.

Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.

(2) Equities*Equities – Cash*Listing

Initial and additional listing fees represent one performance obligation. Revenue is recognised over a period of time that the Group provides listing services.

Annual listing fee is recognised on a straight-line basis over the period which the fee relates. It represents the extent of the Group's completion of the performance obligation under the contract.

Corporate actions and other revenue

Revenue is recognised on a per transaction basis when service is provided.

Trading and clearing

Trading revenue generated from contracts is recognised when service is rendered and on a per transaction basis. Clearing revenue, net of rebates, generated from contracts cleared and settled is recognised when service is provided and on a per transaction basis.

Securities settlement and depository management

Revenue is recognised on a per transaction basis when service is provided.

Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Membership revenue is recognised on a straight-line basis over the period which the fee relates. It represents the extent of the Group's completion of the performance obligation under the contract. Other revenue is recognised when service is rendered.

*Equities – Derivatives*Trading and clearing

Trading and clearing revenue, net of rebates, generated from contracts traded, cleared and settled is recognised when service is provided and on a per transaction basis.

Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.4 Revenue recognition (continued)

(3) Data, Connectivity and Indices

Data subscription, connectivity and indices revenue is recognised to the extent of the Group's completion of the performance obligation under the contract. Other market data services are recognised when service is rendered.

(4) Rental income

Revenue from rental is recognised on a straight-line basis over the period which the rental income relates.

(5) Interest income

Revenue is recognised on a time proportion basis using the effective interest method.

(6) Dividend income

Revenue is recognised when the right to receive payment is established.

2.5 Income taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured at:

- (i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax jurisdiction.

2.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise of 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.

2.7 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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.7 Employee benefits (continued)

(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.

2.9 Financial assets

(1) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented in "non-operating gains/(losses)". Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVPL: Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values, including any interest income, are recognised in profit and loss in the period in which it arises and presented in "non-operating gains/(losses)".

(ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments or for liquidity funds and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/(losses)" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(2) **Impairment**

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(3) **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and the sale proceeds is recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.10 Property, plant and equipment

(1) **Property, plant and equipment**

Property, plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and accumulated impairment losses.

(2) **Components of costs**

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition and bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management. Cost also includes any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is required to be incurred for the purpose of acquiring and using the asset.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.10 Property, plant and equipment (continued)

(3) Depreciation of property, plant and equipment

No depreciation is provided on freehold land and work-in-progress.

Depreciation is calculated on a straight-line basis to allocate the cost of property, plant and equipment over their expected useful lives as follows:

	Useful lives
Leasehold improvements	1 to 7 years or lease term, whichever is shorter
Building and plant	25 to 50 years
Furniture, fittings and office equipment	3 to 10 years
Computer hardware	1 to 7 years
Motor vehicles	5 years

Fully depreciated assets still in use are retained in the financial statements.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in profit or loss when the changes arise.

(4) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and the cost can be reliably measured. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(5) Disposal

On disposal or retirement of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

2.11 Software

Costs recognised are directly associated with identifiable software controlled by the Group that generate economic benefits exceeding costs beyond one year. Cost also includes any fair value gains or losses on qualifying cash flow hedges of software that are transferred from the hedging reserve. Costs associated with maintaining computer software are expensed off when incurred.

Acquired software licences are capitalised on the basis of the cost incurred to acquire and other directly attributable costs of preparing the software for its intended use. Direct expenditures, including employee costs, which enhance or extend the performance of software programmes beyond their original specifications, and which can be reliably measured, are recognised as a capital improvement and added to the original cost of the software.

Software costs and acquired software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives, a period not exceeding seven years. Where an indication of impairment exists, the carrying amount is assessed and written down immediately to its recoverable amount.

The period and method of amortisation of the software are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise.

2.12 Intangible assets

Intangible assets arising from business combinations are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the estimated useful life of the underlying asset as follows:

	Useful lives
Right to operate Singapore electricity spot market	30 years
Trade name	30 years
Technical know-how	7 to 10 years
Customer relationships	5 to 7 years

The period and method of amortisation of intangible assets are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise.

2.13 Investment property

Investment property is held to earn rental and for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land of the investment property is not depreciated. Building is depreciated on a straight-line basis to allocate the cost over the estimated useful life of 50 years. The residual value and useful life are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in profit or loss when the changes arise.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

2.14 Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies and joint ventures represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

2.15 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are stated at cost less accumulated impairment losses in the statement of financial position of the Company. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. Impairment losses are recognised in the profit or loss in the year in which it is determined.

On disposal of an investment, the difference between the net proceeds and its carrying amount is recognised in profit or loss.

2.16 Impairment of non-financial assets

(1) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company or joint venture is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to the Group's cash-generating-units ("CGU") or group of CGUs expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

Property, plant and equipment, software, intangible assets, investment property and investments in subsidiaries, associated companies and joint ventures are reviewed for impairment whenever there is any objective evidence or indication that the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's net selling value and its value-in-use. The impairment loss is recognised in profit or loss.

The recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.17 Trade and other payables

Trade and other payables 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.

2.20 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.

2.22 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”.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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
Fixed Income, Currencies and Commodities				
Fixed Income				
Listing	8,722	11,510	–	–
Corporate actions and other	3,453	3,371	–	–
	12,175	14,881	–	–
Currencies and Commodities				
Trading and clearing	183,905	152,577	–	–
Treasury and other	56,665	44,296	–	–
	240,570	196,873	–	–
	252,745	211,754	–	–
Equities				
Equities – Cash				
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	–	–
	388,448	412,717	–	–
Equities – Derivatives				
Trading and clearing	281,860	230,886	–	–
Treasury and other	28,559	57,486	–	–
	310,419	288,372	–	–
	698,867	701,089	–	–
Data, Connectivity and Indices				
Market data and indices	82,908	80,641	–	–
Connectivity	64,521	62,469	30,136	28,438
	147,429	143,110	30,136	28,438

Notes to the Financial Statements

For the financial year ended 30 June 2022

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 ^(a)	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	–	–

^(a) 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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

11 Non-operating gains

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Other income (net)				
- 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
Finance charges				
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)	-
	(7,384)	(4,782)	(5,681)	(4,090)
Net foreign exchange gains/(losses)	8,602	(830)	16	2,316
Impairment loss on investment in associated companies (Note (a))	-	(2,056)	-	-
	17,674	10,048	8,484	13,308

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
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:

	Group	
	2022 \$'000	2021 \$'000
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

Notes to the Financial Statements

For the financial year ended 30 June 2022

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
Current				
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
	1,060,820	748,749	154,027	143,773

(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
	999,989	691,842	7,714	4,090
Less: Allowance for impairment of trade receivables (Note 49)	(5,175)	(1,930)	(55)	(35)
	994,814	689,912	7,659	4,055

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:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
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
	66,006	58,837	146,368	139,718

(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:

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

16 Derivative financial instruments

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

17 Financial assets, at FVOCI

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

18 Financial asset, at FVPL

	Group	
	2022 \$'000	2021 \$'000
Non-Current		
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

	Investment property \$'000	Owner occupied property		Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in-progress \$'000	Total \$'000
		Freehold land \$'000	Building and plant \$'000						
Group									
2022									
Cost									
At 1 July 2021	27,305	6,111	6,080	44,296	10,082	74,631	401	5,505	147,106
Reclassification	5,544 ^(a)	(5,544) ^(a)	–	–	–	2,658	–	(2,658)	(5,544)
Additions	–	–	–	929	511	2,482	–	5,248	9,170
Write-off/ Disposals	(12,259) ^(a)	–	(5,516) ^(a)	(26)	(504)	(7,001)	–	–	(13,047)
Currency translation	(2,531)	(567)	(564)	–	(66)	(76)	–	(54)	(1,327)
At 30 June 2022	18,059	–	–	45,199	10,023	72,694	401	8,041	136,358
Accumulated depreciation									
At 1 July 2021	1,144	–	1,811	39,664	8,529	46,449	253	–	96,706
Depreciation charge	89	–	50	1,653	510	11,274	80	–	13,567
Write-off/ Disposals	(1,119)	–	(1,689)	(12)	(248)	(5,953)	–	–	(7,902)
Currency translation	(114)	–	(172)	–	(44)	(26)	–	–	(242)
At 30 June 2022	–	–	–	41,305	8,747	51,744	333	–	102,129
Net book value									
At 30 June 2022	18,059	–	–	3,894	1,276	20,950	68	8,041	34,229
Market value									
At 30 June 2022	18,144								

^(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)

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

	Group	
	2022 \$'000	2021 \$'000
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:

Location	Description	Tenure
38 St Mary Axe, London EC3, United Kingdom	Land	Freehold

The fair value of the investment property was independently appraised by an external valuer and is determined using the income method. The property is classified under Level 3 of the fair value hierarchy and the significant unobservable input used for valuation is market rental. The estimated fair value would increase (decrease) if the market rental was higher (lower).

	Leasehold improve- ments \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	Total \$'000
Company						
2022						
Cost						
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
Accumulated depreciation						
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
Net book value						
At 30 June 2022	3,545	1,036	8,994	68	5,836	19,479

Notes to the Financial Statements

For the financial year ended 30 June 2022

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

	Leasehold improve- ments \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	Total \$'000
Company						
2021						
Cost						
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	<u>43,786</u>	<u>8,931</u>	<u>35,950</u>	<u>401</u>	<u>1,893</u>	<u>90,961</u>
Accumulated depreciation						
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	<u>39,354</u>	<u>7,782</u>	<u>23,503</u>	<u>253</u>	<u>–</u>	<u>70,892</u>
Net book value						
At 30 June 2021	<u>4,432</u>	<u>1,149</u>	<u>12,447</u>	<u>148</u>	<u>1,893</u>	<u>20,069</u>

20 Software

	Software \$'000	Work-in- progress \$'000	Total \$'000
Group			
2022			
Cost			
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
Accumulated amortisation			
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
Net book value			
At 30 June 2022	131,900	34,404	166,304
2021			
Cost			
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	333,870	38,445	372,315
Accumulated amortisation			
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	206,472	–	206,472
Net book value			
At 30 June 2021	127,398	38,445	165,843

Notes to the Financial Statements

For the financial year ended 30 June 2022

20 Software (continued)

	Software \$'000	Work-in- progress \$'000	Total \$'000
Company			
2022			
Cost			
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>
Accumulated amortisation			
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>
Net book value			
At 30 June 2022	<u>32,759</u>	<u>10,156</u>	<u>42,915</u>
2021			
Cost			
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>
Accumulated amortisation			
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>
Net book value			
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.

	Premises \$'000	Other equipment \$'000	Total \$'000
Group			
2022			
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 ^(a)	33	–	33
Currency translation	(53)	1	(52)
At 30 June 2022	48,646	2,292	50,938
2021			
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 ^(a)	753	–	753
Currency translation	19	–	19
At 30 June 2021	65,607	3,551	69,158
Company			
2022			
At 1 July 2021	63,622	3,547	67,169
Depreciation charge	(18,585)	(1,258)	(19,843)
Reassessment and modifications ^(a)	33	–	33
At 30 June 2022	45,070	2,289	47,359
2021			
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 ^(a)	119	–	119
At 30 June 2021	63,622	3,547	67,169

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

21 Right-of-use assets (continued)

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

(1) Other amounts recognised in profit or loss

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Leases under SFRS(I) 16				
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
	4,916	4,559	2,684	3,386

(2) Amounts recognised in statement of cash flows

	Group	
	2022 \$'000	2021 \$'000
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.

	2021 \$'000
Operating leases under SFRS(I) 16	
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	–
Total	1,965

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).

Notes to the Financial Statements

For the financial year ended 30 June 2022

23 Intangible assets

	Right to operate Singapore electricity spot market \$'000	Trade name \$'000	Technical know-how \$'000	Customer relationships \$'000	Total \$'000
Group					
2022					
Cost					
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	27,140	37,501	50,816	46,835	162,292
Accumulated amortisation					
At 1 July 2021	6,107	6,431	7,954	8,986	29,478
Amortisation charge (Note 9)	905	1,335	7,062	7,603	16,905
Currency translation	–	(682)	(415)	(790)	(1,887)
At 30 June 2022	7,012	7,084	14,601	15,799	44,496
Net book value					
At 30 June 2022	20,128	30,417	36,215	31,036	117,796
2021					
Cost					
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	27,140	41,334	45,428	37,969	151,871
Accumulated amortisation					
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	6,107	6,431	7,954	8,986	29,478
Net book value					
At 30 June 2021	21,033	34,903	37,474	28,983	122,393

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

	Group	
	2022 \$'000	2021 \$'000
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:

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

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:

CGU – EMC	Key Inputs	Basis
Free cash flows	Management's forecasts of earnings and capital expenditure over a 10-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

CGU – Currencies and commodities	Key Inputs	Basis
Free cash flows	Management's forecasts of earnings and capital expenditure over a 10-year period.	Past performance, expectations of growth in currencies and commodities contract volumes and market developments
Long term growth rate	3% (2021: 3%)	Long term growth rate of developed economies
Discount rate	11% (2021: 10%)	Cost of capital to operate the currencies and commodities market

CGU – Data and indices	Key Inputs	Basis
Free cash flows	Management's forecasts of earnings and capital expenditure over a 10-year period.	Past performance, expectations of growth in data and indices volumes and market developments
Long term growth rate	3% (2021: 3%)	Long term growth rate of developed economies
Discount rate	11% (2021: 10%)	Cost of capital to operate the data and indices market

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 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 foreign exchange (“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

	\$’000
Cash paid	169,458
Contingent consideration	35,467
Total consideration	204,925

(2) Effect on cash flows of the Group

	\$’000
Cash paid	169,458
Less: Cash and cash equivalents in business acquired	(2,949)
Cash outflow on acquisition	166,509

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

	\$’000
Cash and cash equivalents	2,949
Trade and other receivables	1,328
Property, plant and equipment	70
Intangible assets	18,291
Total assets	22,638
Trade and other payables	1,281
Deferred tax liabilities	3,109
Total liabilities	4,390
Total identifiable net assets	18,248

Notes to the Financial Statements

For the financial year ended 30 June 2022

25 Acquisition of business/subsidiary (continued)

(a) MaxxTrader trading platform business (continued)

(4) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	\$'000
Total consideration	204,925
Fair value of identifiable net assets	(18,248)
Goodwill	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.

(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.

25 Acquisition of business/subsidiary (continued)

(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.

(1) Consideration

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

(2) Effect on cash flows of the Group

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

(3) Identifiable assets acquired and liabilities assumed

	\$'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

Notes to the Financial Statements

For the financial year ended 30 June 2022

25 Acquisition of business/subsidiary (continued)

(b) BidFX Systems Ltd. (continued)

(4) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	\$'000
Total consideration	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 \$202,363,000 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.

(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 seven 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

	Company	
	2022 \$'000	2021 \$'000
<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:

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2022 %	2021 %	2022 %	2021 %
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	–	–
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	–	–

Notes to the Financial Statements

For the financial year ended 30 June 2022

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 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
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

26 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2022 %	2021 %	2022 %	2021 %
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
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

Notes to the Financial Statements

For the financial year ended 30 June 2022

26 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2022 %	2021 %	2022 %	2021 %
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.

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

27 Investments in associated companies

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Investments in associated companies	47,549	40,964	4,389	4,389

27 Investments in associated companies (continued)

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^(a)	8.2 ^(a)
1x Exchange Pte. Ltd.	Operating private market platform	Singapore	10.9^(a)	11.8 ^(a)
Commodities Intelligence Centre Pte. Ltd.	Operating e-commerce platform	Singapore	10.0^(a)	10.0 ^(a)
ICHX Tech Pte. Ltd.	Operating capital markets platform	Singapore	9.7^(a)	9.8 ^(a)
Freightos Limited	Operating online freight marketplace	Cayman Islands	13.3^(a)	14.1 ^(a)
Heveaconnect Pte. Ltd.	Commodities trading platform	Singapore	9.1^(a)	9.1 ^(a)
<i>Held by the Company</i>				
Philippines Dealing System Holdings Corp	Investment holding	Philippines	20.0	20.0

^(a) 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
Carrying amount of interests		
Loss from continuing operations	(4,144)	(2,157)
Total comprehensive income	(4,144)	(2,157)

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

28 Investments in joint ventures

	Group	
	2022 \$'000	2021 \$'000
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^(a)	65 ^(a)
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^(a)	–

^(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:

	Group	
	2022 \$'000	2021 \$'000
Carrying amount of interests		
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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Non-current				
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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current				
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	–	–
	1,262,354	867,770	149,363	113,664
Non-current				
Other payables				
– Amount due to a subsidiary (non-trade) (Note (d))	–	–	63,474	69,972
	–	–	63,474	69,972

(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
	999,178	655,389	5,014	3,822

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
	226,892	193,023	77,873	62,742

(c) The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(d) The amount due to a subsidiary is unsecured, non-interest bearing with no fixed terms of repayment.

Notes to the Financial Statements

For the financial year ended 30 June 2022

31 Loans and borrowings

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current				
Unsecured bank borrowings	41,858	–	41,858	–
	41,858	–	41,858	–
Non-current				
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
	693,935	467,761	350,912	93,467

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
Group							
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
				741,181	735,793	476,164	467,761
Company							
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
				389,408	390,072	88,758	88,758

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.

	Group \$'000
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 EUR 242,400,000 were to be allocated as to approximately 80% for refinancing of existing debt and as to approximately 20% for general corporate purposes. Pursuant to Rule 704(30) of the Listing Manual, the Company subsequently announced on 2 March 2021 that there had been a change in the use of the proceeds from the issuance of the Convertible Bonds in that the portion of the proceeds from the issuance which the Company had originally allocated for general corporate purposes had been used to repay part of an existing loan and that accordingly, 100% of the net proceeds of the issuance of the Convertible Bonds had been used for the refinancing of existing debt. The Company stated that it was of the view that this reallocation was in the best interests of the Company and its shareholders as there was no immediate or near-term need to utilise such proceeds for general corporate purposes. The Company also announced at the same time that all of the net proceeds from the issuance of the Convertible Bonds had been fully utilised.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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.

	Group 2021 \$'000
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**

	Convertible bonds \$'000	Medium term notes \$'000	Unsecured bank borrowings \$'000	Total \$'000
As at 1 July 2021	379,003	–	88,758	467,761
Financing cash flows				
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
Non-cash changes				
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)
As at 30 June 2022	345,721	348,214	41,858	735,793
As at 1 July 2020	–	–	302,036	302,036
Financing cash flows				
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
Non-cash changes				
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)
As at 30 June 2021	379,003	–	88,758	467,761

Notes to the Financial Statements

For the financial year ended 30 June 2022

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
Group			
2022			
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
2021			
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
Company			
2022			
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
2021			
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
Balance at beginning of financial year	71,422	89,030
Financing cash flows		
Repayment of lease liabilities	(23,142)	(22,509)
	(23,142)	(22,509)
Non-cash changes		
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
	4,798	4,901
Balance at end of financial year	53,078	71,422

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)
	93,402	91,186	3,503	3,336
(Over)/under provision in prior financial years:				
– current income tax	(1,110)^(a)	(391)	–	9
– deferred income tax	395	(96)	–	–
	92,687	90,699	3,503	3,345

^(a) Includes \$1,377,000 of tax receivables under Trade and other receivables.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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
	92,687	90,699	3,503	3,345

(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 ^(a)	(578)	10	–	–
Currency translation	79	(14)	–	–
Balance at end of financial year	99,939	99,634	5,678	4,946

^(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:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
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
	7,285	6,947	5,724	5,384
- Effect of offsetting	(7,285)	(6,947)	(5,724)	(5,384)
	-	-	-	-
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
	86,753	73,403	7,484	7,885
- Effect of offsetting	(7,285)	(6,947)	(5,724)	(5,384)
	79,468	66,456	1,760	2,501

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 ^(a)	(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

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

Notes to the Financial Statements

For the financial year ended 30 June 2022

33 Income taxes (continued)

(d) Deferred income tax (continued)

The Group – deferred tax liabilities

	Cash flow hedge reserve		Accelerated tax depreciation		Intangible assets arising from business combinations		Financial assets, at FVOCI		Others		Total	
	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

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:

	Group	
	2022 \$'000	2021 \$'000
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

	Group			Company		
	Before tax \$'000	Tax benefit/ (liability) \$'000	Net of tax \$'000	Before tax \$'000	Tax benefit/ (liability) \$'000	Net of tax \$'000
2022						
Other comprehensive income						
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	–	–	–
2021						
Other comprehensive income						
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

Notes to the Financial Statements

For the financial year ended 30 June 2022

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	190	–	–	–
(Utilisation)/provision made during the financial year, net	(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
2022				
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)
2021				
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	1,071,642	2,752	430,413	(25,189)

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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**	
2022							
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
2021							
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:

	FY2022 grant	FY2021 grant	FY2020 grant	FY2019 grant	FY2018 grant
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
Assumptions under Monte-Carlo Model					
Expected volatility					
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
Risk-free interest rate					
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
Expected dividend yield based on management's forecast					
	2.96%	3.70%	3.64%	4.04%	3.77%
Share price reference	\$10.82	\$8.64	\$8.25	\$7.43	\$7.42

Notes to the Financial Statements

For the financial year ended 30 June 2022

36 Share capital (continued)

(c) Deferred long-term incentives scheme

(i) Outstanding deferred long-term incentives shares

Details of deferred long-term incentives shares awarded to recipients at the balance sheet date are as follows:

Number of shares	Group and Company				Total
	FY2019 award	FY2020 award	FY2021 award	FY2022 award	
2022					
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

Number of shares	Group and Company				Total
	FY2018 award	FY2019 award	FY2020 award	FY2021 award	
2021					
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".

36 Share capital (continued)

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

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

The fair value of deferred long-term incentives shares was estimated by the present value of the share price adjusted for future expected dividends. The fair value of shares at award date and the key assumptions of the fair value model for the awards were as follows:

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			
Risk-free interest rate	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
Expected dividend yield based on management's forecast	2.96%	2.96%	2.96%
Share price reference	\$10.82	\$10.82	\$10.82

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
Assumptions used in fair value model			
Risk-free interest rate	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
Expected dividend yield based on management's forecast	3.70%	3.70%	3.70%
Share price reference	\$8.64	\$8.64	\$8.64

Notes to the Financial Statements

For the financial year ended 30 June 2022

36 Share capital (continued)

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

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

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
Assumptions used in fair value model			
Risk-free interest rate	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
Expected dividend yield based on management's forecast	3.64%	3.64%	3.64%
Share price reference	\$8.25	\$8.25	\$8.25

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
Assumptions used in fair value model			
Risk-free interest rate	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
Expected dividend yield based on management's forecast	4.04%	4.04%	4.04%
Share price reference	\$7.43	\$7.43	\$7.43

36 Share capital (continued)**(c) Deferred long-term incentives scheme** (continued)(ii) *Fair value of deferred long-term incentives shares* (continued)**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
Assumptions used in fair value model				
Risk-free interest rate		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
Expected dividend yield based on management's forecast		3.77%	3.77%	3.77%
Share price reference		\$7.57	\$7.57	\$7.57

(d) Restricted Share Plan

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

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

The terms of the RSP are set out in the Directors' Statement under the caption "SGX Restricted Share Plan".

The RSP award relates to approximately one-quarter of the Group's Chairman fees and approximately one-quarter of selected non-executive directors basic fees (collectively known as "Fees") which were paid in shares in lieu of cash.

The 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).

Notes to the Financial Statements

For the financial year ended 30 June 2022

37 Capital reserve

	Group	
	2022 \$'000	2021 \$'000
Equity component of convertible bonds, net of tax	3,989	3,989

38 Other reserve

	Group	
	2022 \$'000	2021 \$'000
Forward liability to acquire non-controlling interests	40,506	40,506

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

39 Dividends

	Group and Company	
	2022 \$'000	2021 \$'000
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
2022					
Operating Revenue	252,745	698,867	147,429	–	1,099,041
Earnings before interest, tax, depreciation and amortisation	90,815	448,109	95,182	–	634,106
Depreciation and amortisation	37,731	42,915	16,012	–	96,658
Operating profit	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)
Net profit after tax					451,901
2021					
Operating Revenue	211,754	701,089	143,110	–	1,055,953
Earnings before interest, tax, depreciation and amortisation	72,990	461,723	90,524	–	625,237
Depreciation and amortisation	32,092	45,725	16,706	–	94,523
Operating profit	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)
Net profit after tax					445,777

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

41 Securities Clearing Fund (continued)

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

(a) Contribution by CDP

	Group	
	2022 \$'000	2021 \$'000
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.

	Group	
	2022 \$'000	2021 \$'000
Contributions by CDP clearing members – 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:

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

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;
- (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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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:

	2022 \$'000	2021 \$'000
Margin deposits		
Cash	198,180	187,109
Other collateral		
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:

	2022 \$'000	2021 \$'000
Margin deposits		
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:

	2022 \$'000	2021 \$'000
Performance deposits and deposits received for contract value		
Cash	5	96

Notes to the Financial Statements

For the financial year ended 30 June 2022

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:

	2022 \$'000	2021 \$'000
Clearing fund and other deposits		
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:

	2022 \$'000	2021 \$'000
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:

	2022 \$'000	2021 \$'000
Securities Exchange Fidelity Fund	37,745	37,664
Derivatives Exchange Fidelity Fund	25,629	25,580
	63,374	63,244

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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
Assets		
Fixed deposits with banks	63,260	63,100
Bank balance	144	387
Interest receivable	17	4
	63,421	63,491
Liabilities		
Other payables and accruals	3	3
Taxation	41	243
Deferred tax liabilities	3	1
	47	247
Net assets	63,374	63,244

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.	389,257	360,409	-	-

47 Capital commitments

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Property, plant and equipment	179	450	-	-
Software	5,660	5,015	1,052	603
	5,839	5,465	1,052	603

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:

	2022 \$'000	2021 \$'000
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
	22,945	22,335

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

The main financial risks that the Group is exposed to and how they are managed are set out below.

Market risk – Currency risk

The Group manages its main currency exposure as follows:

(a) Revenue 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.

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.

	2022	2021
	Impact to other comprehensive income \$'000	Impact to other comprehensive income \$'000
Group		
- 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)

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
2022				
Foreign exchange- denominated loan (USD)	41,858	Loans and borrowings	(782)	(782)
Medium term notes (USD)	54,005	Loans and borrowings	(5,521)	(5,521)
	95,863		(6,303)	(6,303)
2021				
Foreign exchange- denominated loan (USD)	88,758	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
2022		
USD net investment	8,315	8,315
2021		
USD net investment	(9,477)	(9,477)

Notes to the Financial Statements

For the financial year ended 30 June 2022

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 \$'000	Impact to other comprehensive income \$'000
Group		
– 5% strengthening	11,102	7,383
– 5% weakening	(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)

(d) Cash and cash equivalents (continued)

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

	Group						Total \$'000
	SGD ^(a) \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	
2022							
Financial assets							
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
Financial liabilities							
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
Net non-financial assets of foreign subsidiaries	–	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)

^(a) The SGD balances have been included for completeness.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Market risk – Currency risk (continued)

(d) Cash and cash equivalents (continued)

	Group						Total \$'000
	SGD ^(a) \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	
2021							
Financial assets							
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
Financial liabilities							
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
Net non-financial assets of foreign subsidiaries	8	19,185	15,578	12,328	–	–	47,099
Currency exposure	<u>797,195</u>	<u>132,423</u>	<u>18,902</u>	<u>(342,746)</u>	<u>(15)</u>	<u>1,270</u>	<u>607,029</u>
Currency forward contracts	–	(99,768)	–	–	(3,104)	(144)	(103,016)

^(a) The SGD balances have been included for completeness.

49 Financial risk management (continued)**Market risk – Currency risk** (continued)

(d) Cash and cash equivalents (continued)

	Company						
	SGD ^(a) \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
2022							
Financial assets							
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
Financial liabilities							
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)

^(a) The SGD balances have been included for completeness.

	Company						
	SGD ^(a) \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
2021							
Financial assets							
Cash and cash equivalents	227,723	438	2	3	20	826	229,012
Trade and other receivables	127,197	13	–	–	5	47	127,262
Financial liabilities							
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	105,388	(91,324)	(106)	(4,707)	24	364	9,639

^(a) 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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Market risk – Price risk

The Group and the Company are exposed to price risk arising from its 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
Group				
– Price increase	14,677	14,238	–	7,527
– Price decrease	(14,677)	(14,238)	–	(7,527)

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)

	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		
Group						
2022						
Financial assets						
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
Financial liabilities						
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
2021						
Financial assets						
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
Financial liabilities						
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

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Market risk – Interest rate risk (continued)

	Variable rates	Fixed rates			Non-interest bearing \$'000	Total \$'000
	Less than 6 months \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000		
Company						
2022						
Financial assets						
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
Financial liabilities						
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)
2021						
Financial assets						
Cash and cash equivalents	70,348	103,100	55,000	–	564	229,012
Trade and other receivables	–	1	–	–	127,261	127,262
Financial liabilities						
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.

	2022	2021
	Impact to other comprehensive income \$'000	Impact to other comprehensive income \$'000
Group		
– Interest rate increase	(312)	(175)
– Interest rate decrease	315	175

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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:

	Trade receivables Group	
	2022 \$'000	2021 \$'000
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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

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.

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
Group				
2022				
Financial liabilities				
Trade and other payables ^(a)	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
2021				
Financial liabilities				
Trade and other payables ^(b)	864,133	3,637	–	867,770
Lease liabilities	5,557	16,463	53,070	75,090
Loans and borrowings	–	–	467,761	467,761

^(a) 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.

^(b) 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.

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
Company				
2022				
Financial liabilities				
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
2021				
Financial liabilities				
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:

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

(b) Contingent liabilities related risk

At the balance sheet date, the following guarantees may impact the liquidity positions in the earliest period in which the guarantees are called upon:

	Group		Company	
	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 (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.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Liquidity risk (continued)

(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).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
2022				
Assets				
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
Liabilities				
Derivative financial instruments	–	2,090	–	2,090
Financial liability	–	–	37,583	37,583
Contingent consideration	–	–	36,284	36,284
2021				
Assets				
Derivative financial instruments	–	314	–	314
Financial assets, at FVOCI	40,936	146,467	–	187,403
Liabilities				
Derivative financial instruments	–	1,150	–	1,150
Financial liability	–	–	41,390	41,390
Contingent consideration	–	–	19,358	19,358

49 Financial risk management (continued)

Fair value measurements (continued)

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.

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

Management considers that any reasonably possible changes to the unobservable inputs will not result in a significant financial impact.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Fair value measurements (continued)

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	Derivative financial instruments \$'000	Financial liability \$'000	Contingent consideration \$'000	Financial asset, at FVPL \$'000	Financial assets, at FVOCI \$'000
Group					
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

	Gross amounts of recognised financial assets \$'000	Less: Gross amounts of recognised financial liabilities set off in the statement of financial position \$'000	Net amounts of financial assets presented in the statement of financial position ⁽¹⁾ \$'000
2022			
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,391,134	(1,817,267)	573,867
2021			
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

	Gross amounts of recognised financial liabilities \$'000	Less: Gross amounts of recognised financial assets set off in the statement of financial position \$'000	Net amounts of financial liabilities presented in the statement of financial position ⁽¹⁾ \$'000
2022			
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,391,134	(1,817,267)	573,867
2021			
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,890,674	(2,443,762)	446,912

⁽¹⁾ 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).

Notes to the Financial Statements

For the financial year ended 30 June 2022

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)*

Statistics of Shareholdings

as at 16 August 2022

Share Capital	: S\$ 410,553,725.94
Number of Issued and Paid-up Shares	: 1,071,642,400
Class of Shares	: Ordinary shares
Voting Rights	: One vote per share
	The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Subject to the Companies Act 1967, subsidiaries cannot exercise any voting rights in respect of shares held by them as subsidiary holdings¹.

Distribution of Shareholdings

Size of shareholdings	No. of shareholders	%	No. of shares (excluding treasury shares)	% ²
1 – 99	111	0.30	3,679	0.00
100 – 1,000	13,878	37.83	11,306,047	1.06
1,001 – 10,000	19,429	52.96	73,924,338	6.92
10,001 – 1,000,000	3,243	8.84	124,717,675	11.68
1,000,001 and above	24	0.07	858,032,796	80.34
Total	36,685	100.00	1,067,984,535	100.00

Based on information available to the Company as at 16 August 2022 approximately 99.77% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Twenty Largest Shareholders

No.	Name	No. of shares	% ²
1	SEL HOLDINGS PTE LTD ³	249,991,184	23.41
2	CITIBANK NOMINEES SINGAPORE PTE LTD	171,868,640	16.09
3	DBSN SERVICES PTE. LTD.	116,191,366	10.88
4	RAFFLES NOMINEES (PTE.) LIMITED	103,103,570	9.65
5	HSBC (SINGAPORE) NOMINEES PTE LTD	89,947,048	8.42
6	DBS NOMINEES (PRIVATE) LIMITED	57,911,737	5.42
7	PHILLIP SECURITIES PTE LTD	15,064,688	1.41
8	BPSS NOMINEES SINGAPORE (PTE.) LTD.	10,980,739	1.03
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,396,235	0.69
10	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,011,257	0.38
11	MERRILL LYNCH (SINGAPORE) PTE. LTD.	3,876,934	0.36
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,857,418	0.36
13	OCBC SECURITIES PRIVATE LIMITED	3,126,448	0.29
14	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	2,767,804	0.26
15	UOB KAY HIAN PRIVATE LIMITED	2,753,700	0.26
16	SOCIETE GENERALE SINGAPORE BRANCH	2,467,288	0.23
17	IFAST FINANCIAL PTE. LTD.	2,349,269	0.22
18	DB NOMINEES (SINGAPORE) PTE LTD	2,249,319	0.21
19	WAN FOOK WENG	2,100,000	0.20
20	PHANG TAI TIM @ HENRY PHANG	1,343,949	0.13
	Total	853,358,593	79.90

Statistics of Shareholdings

as at 16 August 2022

Treasury Shares and Subsidiary Holdings

Number of treasury shares: 3,657,865

Number of subsidiary holdings: Nil

Percentage of treasury shares against the total number of issued ordinary shares: 0.34%²

Percentage of subsidiary holdings against the total number of issued ordinary shares: 0%

Substantial Shareholders

According to the Register of Substantial Shareholders maintained by the Company, the Company had no substantial shareholders as at 16 August 2022.

¹ "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

² Percentage is calculated based on the total number of issued shares, excluding treasury shares.

³ Pursuant to section 11(2)(b) of the Exchanges (Demutualisation & Merger) Act 1999 (the "Merger Act"), SEL Holdings Pte Ltd ("SEL"), being the special purpose company set up under the Merger Act to hold the SGX shares for the benefit of the Financial Sector Development Fund, shall not exercise or control the exercise of votes attached to the SGX shares. Owing to the restriction in the exercise of votes attached to the shares, SEL is not regarded as a substantial shareholder of SGX.

Notice of Annual General Meeting

Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of Singapore Exchange Limited (the “Company”) will be held at Raffles City Convention Centre, Level 4, Fairmont Ballroom, 80 Bras Basah Road, Singapore 189560 on Thursday, 6 October 2022 at 10.30 a.m. (Singapore time) to transact the following business:

ROUTINE BUSINESS

Ordinary Resolution 1 To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 30 June 2022 and the Auditor’s Report thereon.

Ordinary Resolution 2 To declare a final tax exempt dividend of 8 cents per share for the financial year ended 30 June 2022 (“Final Dividend”). (FY2021: 8 cents per share)

To re-elect the following Directors who will be retiring by rotation under Article 97 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

Ordinary Resolution 3(a) ▪ Dr Beh Swan Gin;

Ordinary Resolution 3(b) ▪ Ms Chew Gek Khim; and

Ordinary Resolution 3(c) ▪ Ms Lim Sok Hui.

To re-elect the following Directors who will cease to hold office in accordance with Article 103 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

Ordinary Resolution 4(a) ▪ Mr Koh Boon Hwee; and

Ordinary Resolution 4b) ▪ Mr Tsien Samuel Nag.

Ordinary Resolution 5 To approve the sum of S\$930,000 to be paid to the Chairman as director’s fees for the financial year ending 30 June 2023. (Same as for FY2022: S\$930,000 for Chairman)

Ordinary Resolution 6 To approve the sum of up to S\$1,600,000 to be paid to all Directors (other than the Chief Executive Officer) as directors’ fees for the financial year ending 30 June 2023. (Same as for FY2022: up to S\$1,600,000 for all Directors other than the Chief Executive Officer)

Ordinary Resolution 7 To re-appoint KPMG LLP as Auditor of the Company and to authorise the Directors to fix its remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

Ordinary Resolution 8 That authority be and is hereby given to the Directors to allot and issue from time to time such number of new ordinary shares of the Company as may be required to be allotted and issued pursuant to the Singapore Exchange Limited Scrip Dividend Scheme.

Ordinary Resolution 9 That authority be and is hereby given to the Directors to:

- (a) (i) issue shares of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

Notice of Annual General Meeting

Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue or consolidation or subdivision of shares,
 and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the Monetary Authority of Singapore) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Ordinary Resolution 10

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the “Companies Act”), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“Shares”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and/or any other securities exchange on which the Shares may for the time being be listed and quoted (“Other Exchange”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Purchase Mandate”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) in this Resolution:
- “Average Closing Price” means the average of the closing market prices of a Share over the five consecutive trading days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;
- “date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;
- “Maximum Percentage” means that number of issued Shares representing 10 per cent. of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and
- “Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105 per cent. of the Average Closing Price of the Shares; and
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Ding Hui Yun (Ms)
Seah Kim Ming Glenn (Mr)
 Company Secretaries
 Singapore Exchange Limited
12 September 2022

Notice of Annual General Meeting

Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

EXPLANATORY NOTES

Routine Business

Ordinary Resolutions 3(a), 3(b) and 3(c) are to re-elect Dr Beh Swan Gin, Ms Chew Gek Khim and Ms Lim Sok Hui who will be retiring by rotation under Article 97 of the Constitution of the Company.

Ordinary Resolutions 4(a) and 4(b) are to re-elect Mr Koh Boon Hwee and Mr Tsien Samuel Nag who will cease to hold office under Article 103 of the Constitution of the Company.

Dr Beh Swan Gin will, upon re-election, continue to serve as Lead Independent Director and Chairman of the Nominating & Governance Committee. Upon the conclusion of the Twenty-Third Annual General Meeting, Dr Beh will step down as a member of the Risk Management Committee and will be appointed as a member of the Remuneration & Staff Development Committee. Ms Chew Gek Khim will, upon re-election, continue to serve as a member of the Nominating & Governance Committee and a member of the Remuneration & Staff Development Committee. Ms Lim Sok Hui will, upon re-election, continue to serve as the Chairman of the Risk Management Committee. Mr Koh Boon Hwee will, upon re-election, continue to serve as a member of the Audit Committee. Upon the conclusion of the Twenty-Third Annual General Meeting, Mr Koh will be appointed as a member of the Nominating & Governance Committee and a member of the Remuneration & Staff Development Committee. Mr Tsien Samuel Nag will, upon re-election, continue to serve as a member of the Risk Management Committee. Detailed information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited) can be found under "Board of Directors" and "Supplemental Information on Directors Seeking Re-election at the 2022 AGM" in the Company's Annual Report 2022.

Dr Beh, Ms Chew and Mr Koh are each considered an independent Director. Ms Lim and Mr Tsien are each considered a non-executive non-independent Director.

Mr Kevin Kwok is also retiring from office by rotation but has decided not to offer himself for re-election.

Ordinary Resolution 5 is to seek approval for the payment of S\$930,000 to the Chairman as director's fees for undertaking duties and responsibilities as Chairman of the Board for the financial year ending 30 June 2023 ("FY2023") (which is the same as that approved for the preceding financial year ended 30 June 2022).

The sum of S\$930,000 does not include any director's fees payable for serving as Chairman or member of any Board committee(s). However, there will be no other emoluments or separate attendance fees payable to the Chairman. In arriving at the proposed Chairman's fee of S\$930,000, the Company took into account:

- (a) the significant leadership role played by the Chairman on the Board, and in providing clear oversight and guidance to management;
- (b) the amount of time the Chairman spends on Company matters, including providing input and guidance on strategy and supporting management in engaging with a wide range of other stakeholders such as partners, governments and regulators, as well as travelling to visit with industry global peers; and
- (c) comparable benchmarks from other large listed companies and peers in the financial industry in Singapore that have chairmen with similar roles and responsibilities, as well as benchmarks from global bourses.

Additional information on the role of the Chairman can be found under "Corporate Governance" in the Company's Annual Report 2022.

The Company's current policy is to pay approximately three-quarters of the Chairman's fee of S\$930,000 in cash and approximately one-quarter in SGX shares in the form of a share award granted under the SGX Restricted Share Plan for the Chairman who, on the date of grant of the share award, has served for at least 12 months. All fees payable for serving as Chairman or member of any Board committee(s) will be paid entirely in cash. The actual number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the Singapore Exchange Securities Trading Limited over the 14 trading days immediately following the date of the Annual General Meeting at which the Chairman's fee is approved, rounded down to the nearest share. The award will consist of fully paid shares, with no performance conditions attached and no vesting period imposed, but there will be a moratorium on the sale of such shares for a period of up to one year after the grant of the award (this will be lifted if the Chairman steps down from the Board before the end of the moratorium period).

The Company announced on 18 August 2022 that as part of the Board renewal process, Mr Kwa Chong Seng will step down as Chairman on 31 December 2022, with Mr Koh Boon Hwee succeeding him as Chairman with effect from 1 January 2023. As Mr Kwa will step down before the end of FY2023 and Mr Koh will not have served for at least 12 months prior to the date of grant of the share award, Mr Kwa and Mr Koh will each receive their respective Chairman's fee for FY2023 entirely in cash (calculated on a pro-rated basis). For more information on the change in Chairman, please see the news release released by the Company on 18 August 2022 titled "Appointment of New Chairman in 2023", which is available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Ordinary Resolution 6 is to seek approval for the payment of up to S\$1,600,000 to all Directors (other than the Chief Executive Officer) as directors' fees for the financial year ending 30 June 2023 ("FY2023") (which is the same as that approved for the preceding financial year ended 30 June 2022 ("FY2022")). The fee structure for the non-executive Directors (including the Chairman) remains unchanged from the fee structure for FY2022.

The directors' fees are calculated based on, among other things, the number of Directors expected to hold office during the course of that year.

Approximately three-quarters of the basic fee for the non-executive Directors for FY2023 will be paid in cash and approximately one-quarter will be delivered in SGX shares in the form of a share award to be granted under the SGX Restricted Share Plan for the non-executive Directors (other than Dr Beh Swan Gin and Ms Lim Sok Hui) who, on the date of grant of the share awards, have served for at least 12 months. All fees payable for serving as Lead Independent Director and/or as Chairman or member of any Board committee(s) will be paid entirely in cash. The actual number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the Singapore Exchange Securities Trading Limited over the 14 trading days immediately following the date of the Twenty-Third Annual General Meeting, rounded down to the nearest share. The award will consist of fully paid shares, with no performance conditions attached and no vesting period imposed, but it is subject to a selling moratorium whereby each non-executive Director is required to hold the equivalent of one year's basic retainer fees for his or her tenure as a Director and this will be lifted if the non-executive Director steps down from the Board before the end of the moratorium period.

The following persons will receive all of their directors' fees for FY2023 in cash (calculated on a pro-rated basis): (i) Mr Kevin Kwok, who is retiring from office by rotation at the Twenty-Third Annual General Meeting but has decided not to offer himself for re-election, (ii) Mr Koh Boon Hwee and Mr Tsien Samuel Nag, who were appointed to the Board on 15 March 2022 and 1 May 2022 respectively and will not have served for at least 12 months prior to the date of grant of the share awards, (iii) Mr Kwa Chong Seng, who steps down as Chairman and Director on 31 December 2022, (iv) any other non-executive Director who is appointed as an additional Director during the course of FY2023 in accordance with Article 103 of the Constitution of the Company, and (v) any non-executive Director who steps down before the date of grant of the share awards. The directors' fees for FY2023 for Dr Beh Swan Gin and Ms Lim Sok Hui will be paid in cash to their respective employers, Public Service Division, Prime Minister's Office and DBS Bank Ltd.

The exact amount of director's fees received by each non-executive Director for FY2022 is disclosed in full in the Company's Annual Report 2022.

Special Business

Ordinary Resolution 8 is to empower the Directors, should they choose to apply the Singapore Exchange Limited Scrip Dividend Scheme (the "Scrip Dividend Scheme") to a qualifying dividend, to issue such number of new ordinary shares of the Company as may be required to be issued pursuant to the Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

The Company announced the adoption of the Scrip Dividend Scheme on 13 September 2021. The terms and conditions of the Scrip Dividend Scheme are set out in the Scrip Dividend Scheme Statement appended to the Company's announcement, which is available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

The Company will, in compliance with Rule 863 of the Listing Manual of the Singapore Exchange Securities Trading Limited, announce whether the Scrip Dividend Scheme is to apply to a particular dividend promptly after the decision is taken and in any event, no later than the market day following the record date for that particular dividend.

Ordinary Resolution 9 is to empower the Directors to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 10 per cent. for issues other than on a *pro rata* basis to shareholders. The sub-limit of 10 per cent. for non *pro rata* issues is lower than the 20 per cent. sub-limit allowed under the Listing Manual of the SGX-ST. The Company believes that the lower limit sought for the issue of shares made on a non *pro rata* basis to shareholders is adequate for the time being and will review this limit annually. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution 9 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. As at 16 August 2022, the Company had 3,657,865 treasury shares and no subsidiary holdings.

Ordinary Resolution 10 is to renew the mandate to allow the Company to purchase or otherwise acquire Shares, on the terms and subject to the conditions set out in the Resolution.

Notice of Annual General Meeting

Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

The Company may use internal or external sources of funds or a combination of both to finance its purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on whether the Shares are purchased or acquired out of capital and/or retained profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

Based on the existing issued Shares (excluding treasury shares) as at 16 August 2022 (the "Latest Practicable Date"), and assuming that on or prior to the Twenty-Third Annual General Meeting (i) no further Shares are issued or repurchased, or held by the Company as treasury shares, and (ii) no Shares are held as subsidiary holdings, the purchase by the Company of up to the maximum limit of 10 per cent. of its issued Shares (excluding treasury shares) will result in the purchase or acquisition of 106,798,453 Shares.

In the case of both market purchases and off-market purchases by the Company, assuming that the Maximum Price is S\$10.34 for one Share (being the price equivalent to 5 per cent. above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), having regard to the Company's share capital and cash and cash equivalents of approximately S\$427,365,000 and S\$85,520,000 respectively, the maximum number of Shares the Company is able to purchase or acquire out of capital to be held as treasury shares or to be cancelled for the duration of the proposed Share Purchase Mandate is 8,270,793 Shares representing 0.77 per cent. of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.

In the case of both market purchases and off-market purchases by the Company, assuming that the Maximum Price is S\$10.34 for one Share (being the price equivalent to 5 per cent. above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), having regard to the Company's retained profits and cash and cash equivalents of approximately S\$752,965,000 and S\$85,520,000 respectively, the maximum number of Shares the Company is able to purchase or acquire out of retained profits to be held as treasury shares or to be cancelled for the duration of the proposed Share Purchase Mandate is 8,270,793 Shares representing 0.77 per cent. of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 30 June 2022 based on the assumptions set out above are set out in paragraph 2.7 of the Letter to Shareholders dated 12 September 2022.

NOTES

- (1) The Twenty-Third Annual General Meeting will be held, in a wholly physical format, at Raffles City Convention Centre, Level 4, Fairmont Ballroom, 80 Bras Basah Road, Singapore 189560 on Thursday, 6 October 2022 at 10.30 a.m. (Singapore time), pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually.** Printed copies of this Notice will be sent by post to members (other than those who have signed up for the electronic service provided by the Company to its members to receive notices of meetings, annual reports and other shareholder communications electronically, for online proxy appointment and for the access and use of an SGX-designated website (collectively, "Electronic Service") and where such service has been made available). This Notice will also be published on the Company's website at the URL <https://investorrelations.sgx.com/financial-information/annual-reports> and SGXNet at the URL <https://sgx.com/securities/company-announcements>.
- (2) The Company will be implementing COVID-19 vaccination-differentiated safe management measures at the Twenty-Third Annual General Meeting (i.e., all attendees must be fully vaccinated, recovered from COVID-19 in the past 180 days, or medically ineligible for vaccination) and/or any other safe management measures as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in light of the COVID-19 situation in Singapore. Members should check the Company's website at the URL <https://investorrelations.sgx.com/financial-information/annual-reports> or SGXNet at the URL <https://sgx.com/securities/company-announcements> for the latest updates.
- (3) Arrangements relating to attendance at the Twenty-Third Annual General Meeting, submission of questions to the Chairman of the Meeting in advance of, or at, the Twenty-Third Annual General Meeting, addressing of substantial and relevant questions in advance of, or at, the Twenty-Third Annual General Meeting, and voting at the Twenty-Third Annual General Meeting by the member or his/her/its duly appointed proxy(ies), are set out in the accompanying Company's announcement dated 12 September 2022. This announcement may be accessed at the Company's website at the URL <https://investorrelations.sgx.com/financial-information/annual-reports> and SGXNet at the URL <https://sgx.com/securities/company-announcements>. For convenience, printed copies of the announcement will also be sent by post to members (other than those who have signed up for the Electronic Service and where such service has been made available).

- (4) Each of the resolutions to be put to the vote of members at the Twenty-Third Annual General Meeting (and at any adjournment thereof) will be voted on by way of a poll.
- (5) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Twenty-Third Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Twenty-Third Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

Printed copies of the accompanying proxy form for the Twenty-Third Annual General Meeting will be sent by post to members (other than those who have signed up for the Electronic Service and where such service has been made available). The proxy form may also be accessed at the Company's website at the URL <https://investorrelations.sgx.com/financial-information/annual-reports> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

- (6) A proxy need not be a member of the Company.
- (7) Completion and return of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the Twenty-Third Annual General Meeting if he/she so wishes. The appointment of the proxy(ies) for the Twenty-Third Annual General Meeting will be deemed to be revoked if the member attends the Twenty-Third Annual General Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Twenty-Third Annual General Meeting.
- (8) The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632;
- (b) if submitted electronically via email, be submitted to the Company's Share Registrar at sgxagm2022@boardroomlimited.com; or
- (c) if submitted electronically via the SGX-designated website for online proxy appointments (for members who have signed up for the Electronic Service and where such service has been made available), be submitted via the online proxy appointment process through the Electronic Service,

in each case not less than 72 hours before the time appointed for holding the Twenty-Third Annual General Meeting.

A member who has not signed up for the Electronic Service and who wishes to submit an instrument appointing a proxy(ies) can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website at the URL <https://investorrelations.sgx.com/financial-information/annual-reports> or SGXNet at the URL <https://www.sgx.com/securities/company-announcements>, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

- (9) CPFIS/SRS investors who hold SGX shares through CPF Agent Banks/SRS Operators:
- (a) may vote at the Twenty-Third Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Twenty-Third Annual General Meeting, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 26 September 2022.

Notice of Annual General Meeting

Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

- (10) The Company's Annual Report 2022 and the Letter to Shareholders dated 12 September 2022 (in relation to the proposed renewal of the share purchase mandate) have been published and may be accessed at the Company's website as follows:
- (a) the Company's Annual Report 2022 may be accessed at the URL <https://investorrelations.sgx.com/financial-information/annual-reports>; and
 - (b) the Letter to Shareholders dated 12 September 2022 may be accessed at the URL <https://investorrelations.sgx.com/financial-information/annual-reports>.

The above documents will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

A member who has not signed up for the Electronic Service and who wishes to request for a printed copy of the Company's Annual Report 2022 and the Letter to Shareholders dated 12 September 2022 may do so by completing and returning the Request Form which is sent to him/her/it by post, by 21 September 2022.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Twenty-Third Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Twenty-Third Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Twenty-Third Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOKS CLOSURE

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval of shareholders for the Final Dividend being obtained at the Twenty-Third Annual General Meeting, the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on Friday, 14 October 2022 up to (and including) Monday, 17 October 2022 for the preparation of dividend warrants. Duly completed registrable transfers of ordinary shares of the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to 5.00 p.m. on Friday, 14 October 2022 will be registered to determine shareholders' entitlements to the proposed Final Dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company at 5.00 p.m. on Friday, 14 October 2022 will be entitled to the proposed Final Dividend. Payment of the Final Dividend, if approved by shareholders at the Twenty-Third Annual General Meeting, will be made on Friday, 21 October 2022.

Supplemental Information on Directors Seeking Re-election at the 2022 AGM

Information in the table below is as at 16 August 2022 (Latest Practicable Date)

Name of Director	Dr Beh Swan Gin	Ms Chew Gek Khim	Ms Lim Sok Hui (Mrs Chng)	Mr Koh Boon Hwee	Mr Tsien Samuel Nag
Date of Appointment	1 February 2020	1 December 2013	1 December 2015	15 March 2022	1 May 2022
Date of last re-appointment (if applicable)	24 September 2020	3 October 2019	3 October 2019	Not applicable	Not applicable
Age	55	60	61	71	68
Country of principal residence	Singapore	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>The Board has considered the Nominating & Governance Committee's recommendation and assessment of Dr Beh's qualifications and experience, as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that Dr Beh will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of SGX.</p>	<p>The Board has considered the Nominating & Governance Committee's recommendation and assessment of Ms Chew's qualifications and experience, as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that Ms Chew will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of SGX.</p> <p>Although Ms Chew serves as an Executive Chairman of The Straits Trading Company Limited, Non-Executive Chairman of ARA Trust Management (Suntec) Limited and Non-Independent and Non-Executive Chairman of Malaysia Smelting Corporation Berhad, Ms Chew has continuously demonstrated her ability to discharge her duties adequately. She has, without exception, attended and participated effectively in all Board and Board committee meetings. She has unstintingly shared valuable insights and constructively challenged Management on strategy. The NGC recommends Ms Chew's re-election on account of her wealth of business knowledge and commercial experience, as well as her significant contributions to the SGX Board and Board committees. The Board concurs with the NGC.</p>	<p>The Board has considered the Nominating & Governance Committee's recommendation and assessment of Mrs Chng's qualifications and experience, as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that Mrs Chng will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of SGX.</p>	<p>The Board has considered the Nominating & Governance Committee's recommendation and assessment of Mr Koh's qualifications and experience, as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that Mr Koh will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of SGX.</p>	<p>The Board has considered the Nominating & Governance Committee's recommendation and assessment of Mr Tsien's qualifications and experience, as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that Mr Tsien will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of SGX.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Non-Executive

Supplemental Information on Directors Seeking Re-election at the 2022 AGM

Information in the table below is as at 16 August 2022 (Latest Practicable Date)

Name of Director	Dr Beh Swan Gin	Ms Chew Gek Khim	Ms Lim Sok Hui (Mrs Chng)	Mr Koh Boon Hwee	Mr Tsien Samuel Nag
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Lead Independent Director Chairperson of the Nominating & Governance Committee Member of the Risk Management Committee 	<ul style="list-style-type: none"> Independent Director Member of the Nominating & Governance Committee Member of the Remuneration & Staff Development Committee 	<ul style="list-style-type: none"> Non-Independent Director Chairperson of the Risk Management Committee 	<ul style="list-style-type: none"> Independent Director Member of the Audit Committee 	<ul style="list-style-type: none"> Non-Independent Director Member of the Risk Management Committee
Professional qualifications	<ul style="list-style-type: none"> Advanced Management Programme, Business Administration and Management, Harvard Business School Sloan Fellow, Master of Science Management, Stanford Graduate School of Business M.B., B.S., Medicine, National University of Singapore 	<ul style="list-style-type: none"> LL. B (Honours), National University of Singapore 	<ul style="list-style-type: none"> Bachelor of Accountancy (Honours), National University of Singapore Chartered Financial Analyst (CFA) Certified Financial Risk Manager (FRM) Fellow Chartered Accountant of Singapore IBF Distinguished Fellow 	<ul style="list-style-type: none"> Doctor of Letters (Honorary), Nanyang Technological University Doctor of Science (Honorary), Imperial College London Master in Business Administration (Distinction), Harvard Business School Bachelor's Degree (First Class Honours) in Mechanical Engineering, Imperial College of Science and Technology, University of London 	<ul style="list-style-type: none"> Bachelor's Degree, Economics, University of California, Los Angeles
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> 2014 to present Chairman, Singapore Economic Development Board July 2012 to November 2014 Permanent Secretary, Ministry of Law August 2008 to August 2012 Managing Director, Singapore Economic Development Board 	<ul style="list-style-type: none"> 2009 to present Executive Chairman, The Straits Trading Company Limited 2004 to present Executive Chairman, Tecity Group 2003 to present Deputy Chairman, The Tan Chin Tuan Foundation 	<ul style="list-style-type: none"> 2008 to present Chief Financial Officer, DBS Bank Ltd 	<ul style="list-style-type: none"> 2012 to Present Chairman & General Partner, Altara Ventures Pte. Ltd. 	<ul style="list-style-type: none"> Oversea-Chinese Banking Corporation Limited April 2021 to April 2022 Adviser to the Board 2012 to April 2021 Group Chief Executive Officer & Executive Director 2008 to 2012 Global Head of Global Corporate Bank
Shareholding interest in the listed issuer and its subsidiaries	Nil	8,835 SGX shares	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Nil	Nil

Name of Director	Dr Beh Swan Gin	Ms Chew Gek Khim	Ms Lim Sok Hui (Mrs Chng)	Mr Koh Boon Hwee	Mr Tsien Samuel Nag
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes

Other Principal Commitments* Including Directorships

Past (for the last 5 years)	Dr Beh Swan Gin	Ms Chew Gek Khim	Ms Lim Sok Hui (Mrs Chng)	Mr Koh Boon Hwee	Mr Tsien Samuel Nag
<ul style="list-style-type: none"> ▪ CLA Real Estate Holdings Pte. Ltd. ▪ DesignSingapore Council Pte. Ltd. ▪ Singapore Technologies Engineering Ltd ▪ ST Engineering Electronics Ltd. 	<ul style="list-style-type: none"> ▪ Amberlight Limited ▪ Ho Peng Holdings Pte Ltd ▪ Nexford Holdings Pte Ltd ▪ Raffles (1993) Pte Ltd ▪ SDAX Financial Pte Ltd ▪ Sigford Pte Ltd ▪ Tiong Cheng Pte Ltd 	<ul style="list-style-type: none"> ▪ Inland Revenue Authority of Singapore 	<ul style="list-style-type: none"> ▪ AAC Technologies Holding Inc in Cayman Islands, listed on the Hong Kong Stock Exchange (Chairman) ▪ EDB International Advisory Council (Deputy Chairman) ▪ Far East Orchard Limited (Chairman) ▪ FEO Hospitality Trust Management Pte. Ltd. (Chairman) ▪ Fontaine Investment Pte Ltd ▪ GE-NO-ME Pte. Ltd. (Chairman) ▪ GlobalOre Pte. Ltd. (Chairman) ▪ Luxon Data Holdings Pte. Ltd. ▪ Nanyang Technological University, Board of Trustees (Chairman) ▪ PCMA Holdings Pte. Ltd. (Chairman) ▪ Razer Inc. ▪ Rippledote Capital Management Pte. Ltd. ▪ The Genomic Trust Pte Ltd ▪ Yeo Hiap Seng Limited (Chairman) 	<ul style="list-style-type: none"> ▪ ASEAN Bankers Association ▪ Asean Finance Corporation Ltd ▪ Bank of Singapore Limited ▪ Dr Goh Keng Swee Scholarship Fund ▪ Great Eastern Holdings Ltd ▪ International Monetary Conference ▪ OCBC Al-Amin Bank Berhad ▪ OCBC Bank (Malaysia) Berhad ▪ OCBC Overseas Investments Pte Ltd ▪ OCBC Wing Hang Bank (China) Ltd ▪ Oversea-Chinese Banking Corporation Limited ▪ PT Bank OCBC NISP Tbk 	

* "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.

Supplemental Information on Directors Seeking Re-election at the 2022 AGM

Information in the table below is as at 16 August 2022 (Latest Practicable Date)

Name of Director	Dr Beh Swan Gin	Ms Chew Gek Khim	Ms Lim Sok Hui (Mrs Chng)	Mr Koh Boon Hwee	Mr Tsien Samuel Nag
Present	<p>Listed Company Directorships Nil</p> <p>Unlisted Company Directorships</p> <ul style="list-style-type: none"> ▪ Ascendas Funds Management (S) Ltd (Chairman of the Board and Member of the Investment Committee) ▪ Blaine Investments Pte Ltd ▪ Clyde Investments Pte Ltd ▪ EDB Investments Pte Ltd (Chairman) ▪ EDBI Pte. Ltd. (Chairman) ▪ Human Capital Leadership Institute Pte. Ltd. ▪ LucasFilm Animation Singapore Pte. Ltd. <p>Other Major Appointments</p> <ul style="list-style-type: none"> ▪ Economic Development Board (Chairman) ▪ Enterprise Singapore (Director) ▪ National Research Foundation (Member) ▪ Young Presidents' Organisation (Member) 	<p>Listed Company Directorships</p> <ul style="list-style-type: none"> ▪ ARA Trust Management (Suntec) Limited (Non-Executive Chairman) ▪ Malaysia Smelting Corporation Berhad (Non-Independent and Non-Executive Chairman) ▪ The Straits Trading Company Limited (Executive Chairman) <p>Unlisted Company Directorships</p> <ul style="list-style-type: none"> ▪ ARA Asset Management Holdings Pte. Ltd. ▪ Bushey Park Private Limited ▪ Rahman Hydraulic Tin Sdn Bhd ▪ SME Help Fund Pte. Ltd ▪ Straits Real Estate Pte. Ltd. ▪ Straits Equities Holdings (One) Pte. Ltd. ▪ Tan Chin Tuan Pte. Ltd¹ (Deputy Executive Chairman) ▪ Tecity Pte Ltd² (Executive Chairman) ▪ Tecity Asset Management Pte. Ltd <p>Other Major Appointments</p> <ul style="list-style-type: none"> ▪ Honour (Singapore) Ltd (Member) ▪ Governing Board of Lee Kuan Yew School of Public Policy (Ex-officio Member) ▪ RSIS Board of Governors (Member) ▪ MAS Securities Industry Council (Member) ▪ National University of Singapore Board of Trustees (Member) ▪ The Tan Chin Tuan Foundation (Deputy Executive Chairman) 	<p>Listed Company Directorships Nil</p> <p>Unlisted Company Directorships Nil</p> <p>Other Major Appointments</p> <ul style="list-style-type: none"> ▪ CareShield Life Council (Member) ▪ Changi Airport Group Singapore Pte Ltd (Audit Committee Chairman) ▪ DBS Bank Ltd (Chief Financial Officer) ▪ DBS Bank India Ltd (Member) ▪ International Women's Forum (Singapore) (Member) 	<p>Listed Company Directorships</p> <ul style="list-style-type: none"> ▪ Agilent Technologies, Inc in USA, listed on the New York Stock Exchange (Chairman) <p>Unlisted Company Directorships</p> <ul style="list-style-type: none"> ▪ Altara Ventures GP Limited ▪ Altara Ventures Pte. Ltd. ▪ Bank Pictet & Cie (Asia) Ltd. ▪ Black Kite Capital Private Limited ▪ Black Kite Investments Private Limited ▪ Credence Capital Fund II (Cayman) Limited ▪ Ficofi Partners Holding Pte. Ltd. ▪ First Spring Ltd ▪ GIC Private Limited ▪ Innovalues Holdings Pte. Ltd. ▪ Rippledote Capital Advisers Pte. Ltd. (Chairman) ▪ Sunningdale Tech Ltd. (Chairman) ▪ Sunrise Technology Investment Holding (Cayman) Pte Ltd ▪ Sunrise Technology Investment Holding II Pte. Ltd. ▪ Weybourne Holdings Pte. Ltd. <p>Other Major Appointments</p> <ul style="list-style-type: none"> ▪ Academy of Engineering Singapore (Fellow) ▪ Carnegie Endowment for International Peace (Board Member) ▪ Climate Governance Singapore Limited (Board Member) ▪ General Atlantic Singapore Fund Management Pte Ltd (Senior Advisor) ▪ Research, Innovation & Enterprise Council (Member) ▪ Securities Industry Council (Chairman) 	<p>Listed Company Directorships</p> <ul style="list-style-type: none"> ▪ Jardine Cycle & Carriage Ltd ▪ Mapletree Commercial Trust Management Ltd <p>Unlisted Company Directorships</p> <ul style="list-style-type: none"> ▪ Mapletree Investments Pte Ltd ▪ OCBC Wing Hang Bank Ltd <p>Other Major Appointments Nil</p>

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

² Including its subsidiaries & associates, namely Selected Holdings Private Limited, Mellford Pte. Ltd. and The Cairns Pte. Ltd.

Name of Director	Dr Beh Swan Gin	Ms Chew Gek Khim	Ms Lim Sok Hui (Mrs Chng)	Mr Koh Boon Hwee	Mr Tsien Samuel Nag
<p>Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual</p>	<p>There is no change to the responses previously disclosed by Dr Beh under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".</p> <p>The Appendix 7.4.1 information in respect of Dr Beh's appointment as Director was announced on 28 January 2020.</p>	<p>There is no change to the responses previously disclosed by Ms Chew under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".</p> <p>The Appendix 7.4.1 information in respect of Ms Chew's appointment as Director was announced on 29 November 2013.</p>	<p>There is no change to the responses previously disclosed by Mrs Chng under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".</p> <p>The Appendix 7.4.1 information in respect of Mrs Chng's appointment as Director was announced on 26 November 2015.</p>	<p>There is no change to the responses previously disclosed by Mr Koh under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".</p> <p>The Appendix 7.4.1 information in respect of Mr Koh's appointment as Director was announced 3 March 2022.</p>	<p>There is no change to the responses previously disclosed by Mr Tsien under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".</p> <p>The Appendix 7.4.1 information in respect of Mr Tsien's appointment as Director was announced on 3 March 2022.</p>

This page has been intentionally left blank.

Singapore Exchange Limited
Company Reg. No. 199904940D

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

tel: +65 6236 8888
fax: +65 6535 6994
sgx.com

Commodities | Equity Derivatives | Fixed Income | FX | Indices | Securities

 Printed on 100% Recycled Paper