

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

Condensed Interim Financial Statements
For the half year ended 31 December 2022

Condensed interim consolidated statement of comprehensive income
For the half year ended 31 December 2022

		Group	
	Note	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Operating revenue			
Fixed Income, Currencies and Commodities	5	154,294	113,965
Equities	5	344,654	334,504
Data, Connectivity and Indices	5	72,496	73,138
		571,444	521,607
Operating expenses			
Staff	6	127,335	119,055
Technology	6	42,885	36,530
Processing and royalties	6	36,062	32,082
Premises	6	5,068	5,080
Professional fees	6	8,470	7,917
Others	6	17,552	14,950
		237,372	215,614
Earnings before interest, tax, depreciation and amortisation			
Depreciation and amortisation	7	334,072	305,993
		50,014	46,490
Operating profit			
		284,058	259,503
Non-operating gains			
Other income including interest income	8	65,166	8,712
Finance charges		(3,754)	(3,415)
Net foreign exchange (losses)/gains		(173)	4,348
		61,239	9,645
Profit before tax and share of results of associated companies and joint ventures			
		345,297	269,148
Share of results of associated companies and joint ventures, net of tax		(10,283)	(5,997)
Profit before tax			
Tax	9	335,014	263,151
		(50,384)	(44,152)
Net profit after tax			
		284,630	218,999
Attributable to:			
Equity holders of the Company		284,558	218,707
Non-controlling interests		72	292
Earnings per share based on net profit attributable to the equity holders of the Company (in cents per share)			
- Basic	10	26.6	20.4
- Diluted	10	25.8	19.9

Condensed interim consolidated statement of comprehensive income (continued)
For the half year ended 31 December 2022

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Net profit after tax	284,630	218,999
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange translation		
- Exchange differences arising during the period	(18,924)	(1,866)
Cash flow hedges		
- Fair value gains/(losses) arising during the period	1,933	(293)
- Transferred to profit or loss	2,804	676
Financial assets, at FVOCI		
- Fair value gains/(losses) arising during the period	277	(78)
Items that will not be reclassified subsequently to profit or loss:		
Foreign exchange translation		
- Exchange differences arising during the period	43	(106)
Financial assets, at FVOCI		
- Fair value (losses)/gains arising during the period	(63,200)	78,141
Other comprehensive income for the financial period, net of tax	(77,067)	76,474
Total comprehensive income for the financial period	207,563	295,473
Total comprehensive income attributable to:		
Equity holders of the Company	207,448	295,287
Non-controlling interests	115	186

Condensed interim statement of financial position
As at 31 December 2022

	Note	Group		Company	
		31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$'000	30 June 2022 \$'000
Assets					
Current assets					
Cash and cash equivalents		920,351	997,747	163,472	85,520
Trade and other receivables		897,825	1,060,820	115,330	154,027
Derivative financial instruments		4,454	17	–	–
Financial assets, at FVOCI	11	114,294	94,155	–	–
		<u>1,936,924</u>	<u>2,152,739</u>	<u>278,802</u>	<u>239,547</u>
Non-current assets					
Financial assets, at FVOCI	11	160,962	239,064	–	–
Financial assets, at FVPL	12	311,330	293,545	–	–
Investment property		17,291	18,059	–	–
Property, plant and equipment		32,861	34,229	18,041	19,479
Software		153,236	166,304	40,671	42,915
Right-of-use assets		41,762	50,938	38,231	47,359
Intangible assets		106,120	117,796	–	–
Goodwill		687,961	708,290	–	–
Investments in subsidiaries		–	–	1,631,669	1,569,384
Investments in associated companies		48,770	47,549	4,389	4,389
Investments in joint ventures		12,585	10,542	–	–
Loan receivable		–	9,036	–	9,036
Other assets		109	109	109	109
		<u>1,572,987</u>	<u>1,695,461</u>	<u>1,733,110</u>	<u>1,692,671</u>
Total assets		<u><u>3,509,911</u></u>	<u><u>3,848,200</u></u>	<u><u>2,011,912</u></u>	<u><u>1,932,218</u></u>

Condensed interim statement of financial position (continued)
As at 31 December 2022

	Note	Group		Company	
		31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$'000	30 June 2022 \$'000
Liabilities					
Current liabilities					
Trade and other payables		1,022,008	1,262,354	156,766	149,363
Dividend payable	15	85,495	–	85,495	–
Derivative financial instruments		367	2,090	–	–
Loans and borrowings	13	–	41,858	–	41,858
Lease liabilities		22,753	22,140	20,715	20,201
Taxation		59,138	99,939	2,959	5,678
Provisions		14,342	13,801	9,107	8,711
		<u>1,204,103</u>	<u>1,442,182</u>	<u>275,042</u>	<u>225,811</u>
Non-current liabilities					
Loans and borrowings	13	677,445	693,935	337,739	350,912
Lease liabilities		20,807	30,938	19,604	29,537
Deferred tax liabilities		59,995	79,468	2,300	1,760
Other liabilities		50,969	52,212	62,558	63,474
		<u>809,216</u>	<u>856,553</u>	<u>422,201</u>	<u>445,683</u>
Total liabilities		<u>2,013,319</u>	<u>2,298,735</u>	<u>697,243</u>	<u>671,494</u>
Net assets		<u>1,496,592</u>	<u>1,549,465</u>	<u>1,314,669</u>	<u>1,260,724</u>
Equity					
Capital and reserves attributable to the Company's equity holders					
Share capital	14	423,056	427,365	423,056	427,365
Capital reserve		3,989	3,989	–	–
Treasury shares	14	(26,619)	(34,640)	(26,619)	(34,640)
Cash flow hedge reserve		2,988	(1,749)	–	–
Currency translation reserve		(13,261)	5,663	–	–
Fair value reserve		81,189	140,464	–	–
Securities clearing fund reserve		25,000	25,000	–	–
Derivatives clearing fund reserve		34,021	34,021	–	–
Share-based payment reserve		22,100	29,595	22,100	29,595
Other reserve		(40,506)	(40,506)	–	–
Retained profits		979,463	869,767	896,132	752,965
Proposed dividends		–	85,439	–	85,439
		<u>1,491,420</u>	<u>1,544,408</u>	<u>1,314,669</u>	<u>1,260,724</u>
Non-controlling interests		<u>5,172</u>	<u>5,057</u>	<u>–</u>	<u>–</u>
Total equity		<u>1,496,592</u>	<u>1,549,465</u>	<u>1,314,669</u>	<u>1,260,724</u>

Condensed interim consolidated statement of changes in equity For the half year ended 31 December 2022

Group	Note	Attributable to equity holders of the Company											Non-controlling interests \$'000	Total equity \$'000		
		Share capital \$'000	Capital reserve \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000	Securities clearing fund reserve* \$'000	Derivatives clearing fund reserve* \$'000	Share-based payment reserve* \$'000	Other reserve* \$'000	Retained profits \$'000			Proposed dividends \$'000	Total \$'000
Balance at 1 July 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
Transactions with equity holders, recognised directly in equity																
Dividends paid																
- FY2022 – Final dividends		–	–	–	–	–	–	–	–	–	–	–	(85,439)	(85,439)	–	(85,439)
- Under provision of FY2022 final dividends		–	–	–	–	–	–	–	–	–	–	(163)	–	(163)	–	(163)
- 1Q FY2023 – Interim dividend	15	–	–	–	–	–	–	–	–	–	–	(85,556)	–	(85,556)	–	(85,556)
Dividend payable																
- 2Q FY2023 – Interim dividend	15	–	–	–	–	–	–	–	–	–	–	(85,495)	–	(85,495)	–	(85,495)
Employees' share plans – Value of employees' services		–	–	–	–	–	–	–	–	8,999	–	–	–	8,999	–	8,999
Restricted share plan – Value of directors' services		–	–	–	–	–	–	–	–	94	–	–	–	94	–	94
Vesting of shares under share-based remuneration plans	14	(4,303)	–	20,797	–	–	–	–	–	(16,494)	–	–	–	–	–	–
Vesting of shares under restricted share plan	14	(6)	–	100	–	–	–	–	–	(94)	–	–	–	–	–	–
Purchase of treasury shares	14	–	–	(12,403)	–	–	–	–	–	–	–	–	–	(12,403)	–	(12,403)
Tax effect on treasury shares**	14	–	–	(473)	–	–	–	–	–	–	–	–	–	(473)	–	(473)
Transfer upon disposal of equity instruments		–	–	–	–	–	3,648	–	–	–	–	(3,648)	–	–	–	–
		(4,309)	–	8,021	–	–	3,648	–	–	(7,495)	–	(174,862)	(85,439)	(260,436)	–	(260,436)
Total comprehensive income for the financial period		–	–	–	4,737	(18,924)	(62,923)	–	–	–	–	284,558	–	207,448	115	207,563
Balance at 31 December 2022		423,056	3,989	(26,619)	2,988	(13,261)	81,189	25,000	34,021	22,100	(40,506)	979,463	–	1,491,420	5,172	1,496,592

Condensed interim consolidated statement of changes in equity (continued)
For the half year ended 31 December 2022

Group	Note	Attributable to equity holders of the Company											Non-controlling interests \$'000	Total equity \$'000		
		Share capital \$'000	Capital reserve \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000	Securities clearing fund reserve* \$'000	Derivatives clearing fund reserve* \$'000	Share-based payment reserve* \$'000	Other reserve* \$'000	Retained profits \$'000			Proposed dividends \$'000	Total \$'000
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																
Dividends paid																
- FY2021 – Final dividends		–	–	–	–	–	–	–	–	–	–	–	(85,511)	(85,511)	–	(85,511)
- Under provision of FY2021 final dividends		–	–	–	–	–	–	–	–	–	–	(142)	–	(142)	–	(142)
- 1Q FY2022 – Interim dividend	15	–	–	–	–	–	–	–	–	–	–	(85,634)	–	(85,634)	–	(85,634)
Dividend payable																
- 2Q FY2022 – Interim dividend	15	–	–	–	–	–	–	–	–	–	–	(85,500)	–	(85,500)	–	(85,500)
Employees' share plans – Value of employees' services		–	–	–	–	–	–	–	–	8,037	–	–	–	8,037	–	8,037
Restricted share plan – Value of directors' services		–	–	–	–	–	–	–	–	326	–	–	–	326	–	326
Vesting of shares under share-based remuneration plans	14	(2,991)	–	18,006	–	–	–	–	–	(15,015)	–	–	–	–	–	–
Vesting of shares under restricted share plan	14	(27)	–	353	–	–	–	–	–	(326)	–	–	–	–	–	–
Purchase of treasury shares	14	–	–	(20,382)	–	–	–	–	–	–	–	–	–	(20,382)	–	(20,382)
Tax effect on treasury shares**	14	–	–	(423)	–	–	–	–	–	–	–	–	–	(423)	–	(423)
		(3,018)	–	(2,446)	–	–	–	–	–	(6,978)	–	(171,276)	(85,511)	(269,229)	–	(269,229)
Total comprehensive income for the financial period		–	–	–	383	(1,866)	78,063	–	–	–	–	218,707	–	295,287	186	295,473
Balance at 31 December 2021		427,395	3,989	(27,635)	(218)	3,810	153,976	25,000	34,021	23,174	(40,506)	807,961	–	1,410,967	5,045	1,416,012

* 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.

Condensed interim statement of changes in equity (continued)
For the half year ended 31 December 2022

		Attributable to equity holders of the Company					
Note	Share capital \$'000	Treasury shares \$'000	Share-based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total equity \$'000	
Company							
Balance at 1 July 2022	427,365	(34,640)	29,595	752,965	85,439	1,260,724	
Dividends paid							
- FY2022 – Final dividends	–	–	–	–	(85,439)	(85,439)	
- Under provision of FY2022 final dividends	–	–	–	(163)	–	(163)	
- 1Q FY2023 – Interim dividend	–	–	–	(85,556)	–	(85,556)	
Dividend payable							
- 2Q FY2023 – Interim dividend	–	–	–	(85,495)	–	(85,495)	
Employees' share plans – Value of employees' services	–	–	8,999	–	–	8,999	
Restricted share plan – Value of directors' services	–	–	94	–	–	94	
Vesting of shares under share-based remuneration plans	(4,303)	20,797	(16,494)	–	–	–	
Vesting of shares under restricted share plan	(6)	100	(94)	–	–	–	
Purchase of treasury shares	–	(12,403)	–	–	–	(12,403)	
Tax effect on treasury shares**	–	(473)	–	–	–	(473)	
	(4,309)	8,021	(7,495)	(171,214)	(85,439)	(260,436)	
Total comprehensive income for the financial period	–	–	–	314,381	–	314,381	
Balance at 31 December 2022	423,056	(26,619)	22,100	896,132	–	1,314,669	

Condensed interim statement of changes in equity (continued)
For the half year ended 31 December 2022

	Note	Attributable to equity holders of the Company					Total equity \$'000
		Share capital \$'000	Treasury shares \$'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							
- FY2021 – Final dividends		–	–	–	–	(85,511)	(85,511)
- Under provision of FY2021 final dividends		–	–	–	(142)	–	(142)
- 1Q FY2022 – Interim dividend	15	–	–	–	(85,634)	–	(85,634)
Dividend payable							
- 2Q FY2022 – Interim dividend	15	–	–	–	(85,500)	–	(85,500)
Employees' share plans – Value of employees' services		–	–	8,037	–	–	8,037
Restricted share plan – Value of directors' services		–	–	326	–	–	326
Vesting of shares under share-based remuneration plans	14	(2,991)	18,006	(15,015)	–	–	–
Vesting of shares under restricted share plan	14	(27)	353	(326)	–	–	–
Purchase of treasury shares	14	–	(20,382)	–	–	–	(20,382)
Tax effect on treasury shares**	14	–	(423)	–	–	–	(423)
		(3,018)	(2,446)	(6,978)	(171,276)	(85,511)	(269,229)
Total comprehensive income for the financial period		–	–	–	277,144	–	277,144
Balance at 31 December 2021		427,395	(27,635)	23,174	796,284	–	1,219,218

* 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.

Condensed interim consolidated statement of cash flows
For the half year ended 31 December 2022

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Cash flows from operating activities		
Profit before tax and share of results of associated companies and joint ventures	345,297	269,148
Adjustments for:		
- Depreciation and amortisation	50,014	46,490
- Share-based payment expense	9,217	8,363
- Interest income	(10,188)	(1,281)
- Fair value gain on financial asset, at FVPL	(27,007)	–
- Fair value gain on contingent consideration	(14,880)	–
- Other non-cash income	(10,000)	–
- Net gains on dilution of interests of associated companies	(1,727)	(509)
- Finance charges	3,754	3,415
- Net (gain)/loss on disposal of property, plant and equipment and software	(1)	547
Operating cash flow before working capital change	344,479	326,173
Change in working capital:		
- Cash committed for National Electricity Market of Singapore	(1,210)	(86,735)
- Cash committed for Singapore Exchange Derivatives Clearing Limited – Derivatives Clearing Fund	(6,703)	–
- Trade and other receivables	162,883	156,181
- Trade and other payables	(224,641)	(44,471)
Cash generated from operations	274,808	351,148
Income tax paid	(92,822)	(95,672)
Net cash generated from operating activities	181,986	255,476
Cash flows from investing activities		
Purchase of financial assets, at FVOCI	(213,381)	(34,667)
Purchase of financial asset, at FVPL	(1,272)	(285,683)
Purchase of property, plant and equipment and software	(18,873)	(15,057)
Acquisition of additional interest in associated company	–	(6,763)
Acquisition of additional interest in joint venture	(2,358)	(1,365)
Loan to external party	–	(4,738)
Proceeds from loan repayment from external party	9,036	–
Proceeds from financial assets, at FVOCI upon maturity	193,876	–
Proceeds from sale of long lease of building	–	31,056
Interest received	4,729	1,663
Net cash used in investing activities	(28,243)	(315,554)

Condensed interim consolidated statement of cash flows (continued)
For the half year ended 31 December 2022

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Cash flows from financing activities		
Net proceeds from medium term notes issuance	–	334,649
Proceeds from borrowings	–	82,014
Dividends paid	(171,158)	(171,287)
Repayment of borrowings	(41,241)	(88,757)
Repayment of lease liabilities	(12,892)	(11,152)
Purchase of treasury shares	(12,403)	(20,382)
Interest paid	(2,395)	(444)
Net cash (used in)/provided by financing activities	<u>(240,089)</u>	<u>124,641</u>
Net (decrease)/increase in cash and cash equivalents	(86,346)	64,563
Cash and cash equivalents at beginning of financial period	752,153	833,365
Effects of currency translation on cash and cash equivalents	1,037	(2,625)
Cash and cash equivalents at end of financial period	<u>666,844</u>	<u>895,303</u>

Cash and cash equivalents comprised the following:

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Cash and cash equivalents per condensed interim consolidated statement of cash flows	666,844	895,303
Add: Cash committed for		
- Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund	131,724	150,021
- The Central Depository (Pte) Limited - Securities Clearing Fund	60,000	60,000
- National Electricity Market of Singapore	61,783	103,378
Cash and cash equivalents per condensed interim statement of financial position - Group	<u>920,351</u>	<u>1,208,702</u>

Notes to the condensed interim financial statements

1 Domicile and activities

These condensed interim financial statements as at and for the half year ended 31 December 2022 comprise the Company and its subsidiaries (the “Group”). 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 an electronic foreign exchange trading platform.

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. There has been no significant change in the principal activities of the Company and its subsidiaries during the financial period.

2 Basis of preparation

The condensed interim financial statements for the half year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) 34 *Interim Financial Reporting* (SFRS(I) 1-34) and should be read in conjunction with the Group’s audited financial statements as at and for the year ended 30 June 2022. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of the following standards and amendments to standards from 1 July 2022:

- *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) 1-37)*
- *Annual Improvements to SFRS(I)s 2018-2020*

The adoption of these SFRS(I)s and amendments to SFRS(I)s did not have significant impact on the financial statements.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

3 Use of judgments and estimates

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's financial statements as at and for the year ended 30 June 2022.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period pertain to impairment assessment of goodwill and intangible assets, and measurement of the fair value of financial instruments with significant unobservable inputs.

Impairment assessment of goodwill

Goodwill arising from the acquisition of Energy Market Company Pte Ltd ("EMC"), the Baltic Exchange Limited ("BEL"), BidFX Systems Ltd ("BidFX"), Scientific Beta Pte. Ltd. ("SB") and the MaxxTrader ("MT") trading platform business are allocated to the each of the Group's cash generating units ("CGU") or group of CGUs that are expected to benefit from synergies of the business combination.

Management has performed an assessment of the impairment indicators as of 31 December 2022 and determined that there is no objective evidence or indication that the goodwill is impaired. Accordingly, no impairment loss has been recognised as at 31 December 2022.

Impairment assessment of intangible assets

The intangible assets are the right to operate the Singapore electricity spot market arising from the acquisition of EMC, trade name arising from the acquisition of BEL and technical know-how and customer relationships, arising from the acquisitions of SB, BidFX and MT trading platform business.

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 31 December 2022.

Fair value of financial instruments

The Group holds certain financial instruments for which no quoted prices are available, and which may have little or no observable market inputs. For these financial instruments, the determination of fair value requires subjective assessment and management judgment which takes into consideration the liquidity, pricing assumptions, current economic and competitive environment and the risks affecting the specific financial instrument. In such circumstances, valuation is determined based on management's judgment related to the assumptions that market participants would use in pricing assets or liabilities.

4 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5 Operating revenue

Operating revenue comprised the following:

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Fixed Income, Currencies and Commodities		
<i>Fixed Income</i>		
Listing	2,570	4,923
Corporate actions and other	1,694	1,664
	4,264	6,587
<i>Currencies and Commodities - Derivatives</i>		
Trading and clearing	108,711	84,167
Treasury and other	41,319	23,211
	150,030	107,378
	154,294	113,965
Equities		
<i>Equities - Cash</i>		
Listing	15,059	17,246
Corporate actions and other	14,083	13,214
Trading and clearing	89,597	100,784
Securities settlement and depository management	48,920	55,808
Treasury and other	3,503	3,678
	171,162	190,730
<i>Equities - Derivatives</i>		
Trading and clearing	145,364	131,324
Treasury and other	28,128	12,450
	173,492	143,774
	344,654	334,504
Data, Connectivity and Indices		
Market data and indices	38,004	41,375
Connectivity	34,492	31,763
	72,496	73,138
Operating revenue	571,444	521,607

6 Operating expenses

Operating expenses comprised the following:

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Staff		
Fixed staff costs	90,825	81,576
Variable bonus	27,387	29,442
Variable share-based payment	9,123	8,037
	127,335	119,055
Technology		
System maintenance and rental	41,133	34,787
Communication charges	1,752	1,743
	42,885	36,530
Processing and royalties	36,062	32,082
Premises	5,068	5,080
Professional fees	8,470	7,917
Others		
Marketing	3,194	2,437
Travelling	2,353	515
Allowance for impairment of trade receivables (net)	717	786
Net (gain)/loss on disposal of property, plant and equipment and software	(1)	547
Directors' fees	1,571	1,558
Regulatory fees	3,510	3,251
Miscellaneous	6,208	5,856
	17,552	14,950
Operating expenses	237,372	215,614

7 Depreciation and amortisation

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Technology-related depreciation and amortisation	33,238	31,425
Premises-related depreciation	7,836	7,199
Amortisation of intangible assets	8,900	7,826
Depreciation of motor vehicle	40	40
	50,014	46,490

8 Other income including interest income

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Interest income from fixed deposits and current accounts with banks	9,113	1,281
Interest income from financial assets, at FVOCI	1,075	42
Dividend income from financial assets, at FVOCI	–	445
Fair value gain on financial asset, at FVPL	27,007	–
Fair value gain on contingent consideration	14,880	4,987
Net gains on dilution of interests of associated companies	1,727	509
Others	11,364	1,448
	<u>65,166</u>	<u>8,712</u>

9 Tax

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Tax expense attributable to profit is made up of:		
- Current income tax	53,985	46,894
- Deferred income tax	(2,698)	(2,679)
	<u>51,287</u>	<u>44,215</u>
Over provision in prior financial years		
- Current income tax	(903)	(63)
	<u>50,384</u>	<u>44,152</u>

10 Earnings per share

	Group	
	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Net profit attributable to the equity holders of the Company for basic earnings per share	284,558	218,707
Interest expense on convertible bonds	770	844
Net profit attributable to the equity holders of the Company for diluted earnings per share	<u>285,328</u>	<u>219,551</u>
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,068,972	1,069,662
Adjustments for:		
- Effect of conversion of convertible bonds ('000)	31,005	29,998
- Shares granted under SGX performance share plans and deferred long-term incentives schemes ('000)	4,986	5,089
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>1,104,963</u>	<u>1,104,749</u>
Earnings per share (in cents per share)		
- Basic	26.6	20.4
- Diluted	<u>25.8</u>	<u>19.9</u>

11 Financial assets, at FVOCI

	Group	
	31 December 2022 \$'000	30 June 2022 \$'000
Current		
Equity securities – Quoted	–	31,442
Bonds – Quoted	114,294	62,713
	<u>114,294</u>	<u>94,155</u>
Non-current		
Equity securities – Unquoted	<u>160,962</u>	<u>239,064</u>

12 Financial assets, at FVPL

	Group	
	31 December	30 June
	2022	2022
	\$'000	\$'000
Non-current		
Debt securities – Unquoted	311,330	293,545

13 Loans and borrowings

	Group		Company	
	31 December	30 June	31 December	30 June
	2022	2022	2022	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Unsecured bank borrowings	–	41,858	–	41,858
	–	41,858	–	41,858
Non-current				
Convertible bonds	341,568	345,721	–	–
Medium term notes	355,877	348,214	355,877	348,214
Intra-group financial guarantee	–	–	1,862	2,698
	677,445	693,935	337,739	350,912

13 Loans and borrowings (continued)

Terms and debt repayment schedule

The terms and conditions of outstanding borrowings are as follows:

Group	Currency	Weighted average interest rate	Year of maturity	31 December 2022		30 June 2022	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Convertible bonds	EUR	0.44% (30 June 2022: 0.44%)	2024	346,751	341,568	351,773	345,721
Medium term notes	USD	1.29% (30 June 2022: 1.29%)	2026	335,125	335,877	347,550	348,214
Unsecured bank borrowings	USD	NA (30 June 2022: 0.60% - 0.71%)	2022	–	–	41,858	41,858
				681,876	677,445	741,181	735,793
Company							
Medium term notes	USD	1.29% (30 June 2022: 1.29%)	2026	335,125	335,877	347,550	348,214
Unsecured bank borrowings	USD	NA (30 June 2022: 0.60% - 0.71%)	2022	–	–	41,858	41,858
				335,125	335,877	389,408	390,072

14 Share capital

Group and Company

	Number of shares		Amount	
	Issued shares '000	Treasury shares '000	Share Capital \$'000	Treasury shares \$'000
31 December 2022				
Balance at 1 July 2022	1,071,642	3,657	427,365	(34,640)
Purchase of treasury shares	–	1,410	–	(12,403)
Vesting of shares under share-based remuneration plans	–	(2,107)	(4,303)	20,797
Vesting of shares under restricted share plan	–	(11)	(6)	100
Tax effect on treasury shares	–	–	–	(473)
Balance at 31 December 2022	<u>1,071,642</u>	<u>2,949</u>	<u>423,056</u>	<u>(26,619)</u>
30 June 2022				
Balance at 1 July 2021	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 30 June 2022	<u>1,071,642</u>	<u>3,657</u>	<u>427,365</u>	<u>(34,640)</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company, except for shares held as treasury shares.

During the financial period, the Company purchased 1,410,000 of its shares in the open market for \$12.4 million. The Company holds the shares bought back as treasury shares.

2,107,289 shares vested on 1 September 2022 relating to FY2019 SGX performance share plan, FY2020 (3rd tranche), FY2021 (2nd tranche) and FY2022 (1st tranche) SGX deferred long-term incentives scheme.

10,735 shares vested on 7 November 2022 relating to FY2023 SGX restricted share plan.

15 Dividends

	Group and Company	
	1st half ended	1st half ended
	31 December	31 December
	2022	2021
	\$'000	\$'000
Ordinary dividends paid:		
- Interim tax-exempt dividend of 8.0 cents per share for 1Q FY2023 (1Q FY2022: 8.0 cents)	85,556	85,634
Ordinary dividends payable:		
- Interim tax-exempt dividends of 8.0 cents per share for 2Q FY2023 (2Q FY2022: 8.0 cents) (Note (a))	85,495	85,500
	171,051	171,134
	171,051	171,134

- (a) For the second quarter ended 31 December 2022, an interim tax-exempt dividend of 8.0 cents per share will be paid on 24 February 2023 (2Q FY2022: 8.0 cents per share paid on 21 February 2022).

16 Segment information

Management determines the operating segments based on the reports reviewed and used by the Executive Management Committee for performance assessment and resource 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.

16 Segment information (continued)

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.

	Fixed Income, Currencies and Commodities \$'000	Equities \$'000	Data, Connectivity and Indices \$'000	Corporate \$'000	The Group \$'000
1st half ended 31 December 2022					
Operating Revenue	154,294	344,654	72,496	–	571,444
Earnings before interest, tax, depreciation and amortisation	63,923	222,934	47,215	–	334,072
Depreciation and amortisation	20,966	21,264	7,784	–	50,014
Operating profit	42,957	201,670	39,431	–	284,058
Non-operating gains	–	–	–	61,239	61,239
Share of results of associated companies and joint ventures, net of tax	–	–	–	(10,283)	(10,283)
Tax	–	–	–	(50,384)	(50,384)
Net profit after tax					<u>284,630</u>
1st half ended 31 December 2021					
Operating Revenue	113,965	334,504	73,138	–	521,607
Earnings before interest, tax, depreciation and amortisation	42,349	215,549	48,095	–	305,993
Depreciation and amortisation	16,978	21,378	8,134	–	46,490
Operating profit	25,371	194,171	39,961	–	259,503
Non-operating gains	–	–	–	9,645	9,645
Share of results of associated companies and joint venture, net of tax	–	–	–	(5,997)	(5,997)
Tax	–	–	–	(44,152)	(44,152)
Net profit after tax					<u>218,999</u>

17 Related party transactions - Group

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:

	1st half ended 31 December 2022 \$'000	1st half ended 31 December 2021 \$'000
Salaries and other short-term employee benefits	4,278	5,458
Employer's contribution to Central Provident Fund	44	54
Share-based payment to key management	3,328	2,751
	<u>7,650</u>	<u>8,263</u>

During the financial period, 419,600 shares (1H FY2022: 321,800 shares) under SGX performance share plan and 419,600 shares (1H FY2022: 321,800 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.

18 Fair value measurements - Group

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).

18 Fair value measurements - Group (continued)

Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2022				
Assets				
Derivative financial instruments	–	4,454	–	4,454
Financial assets, at FVOCI	114,294	7,985	152,977	275,256
Financial assets, at FVPL	–	–	311,330	311,330
Liabilities				
Derivative financial instruments	–	367	–	367
Financial liability	–	–	37,046	37,046
Contingent consideration	–	–	6,703	6,703
30 June 2022				
Assets				
Derivative financial instruments	–	17	–	17
Financial assets, at FVOCI	94,155	8,282	230,782	333,219
Financial assets, 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

No transfers were made between Level 1, 2 and 3 for the Group during the half year ended 31 December 2022.

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 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 uses 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 of derivatives financial instruments and unquoted equity securities.

18 Fair value measurements - Group (continued)

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	37,046 (30 June 2022: 37,583)	Multiples of forecast on Earnings before interest, tax and amortisation (“EBITA”)	Forecast of EBITA	Not applicable
Contingent consideration	6,703 (30 June 2022: 36,284)	Probability of forecast revenue	Forecast of revenue	Not applicable
Financial assets, at FVPL	311,330 (30 June 2022: 293,545)	Net Asset Value	Net Asset Value	Not applicable
Financial assets, at FVOCI (unquoted equity securities)	152,977 (30 June 2022: 230,782)	Implied market multiple of public comparables on revenue forecast	Forecast of revenue	Not applicable

For financial assets, at FVOCI and at FVPL, increases (decreases) in the above unobservable inputs, in isolation, would result in a higher (lower) fair value measurement. In respect of the other financial instruments, management considers that any reasonably possible changes to the unobservable inputs will not result in a significant financial impact.

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

18 Fair value measurements - Group (continued)

Group	Financial liability \$'000	Contingent consideration \$'000	Financial assets, at FVPL \$'000	Financial asset, at FVOCI \$'000
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	<u>37,583</u>	<u>36,284</u>	<u>293,545</u>	<u>230,782</u>
At 1 July 2022	37,583	36,284	293,545	230,782
Additions	–	–	1,272	–
Disposals	–	(13,905)	–	–
Fair value gains recognised in profit or loss	–	(14,880)	27,007	–
Fair value losses recognised in other comprehensive income	–	–	–	(69,555)
Effects of changes in foreign exchange rates	(537)	(796)	(10,494)	(8,250)
As at 31 December 2022	<u>37,046</u>	<u>6,703</u>	<u>311,330</u>	<u>152,977</u>

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

DIRECTORS' STATEMENT


For the half year ended 31 December 2022

In the opinion of the directors, the accompanying condensed statement of financial position of the Company as at 31 December 2022 and changes in equity of the Company for the half year then ended, the consolidated condensed statement of financial position of the Group as at 31 December 2022, the consolidated condensed income statement and comprehensive income statement, changes in equity and cash flows of the Group for the half year then ended and other explanatory notes, are prepared, in all material respects, in accordance with Singapore Financial Reporting Standards (International) 1-34, Interim Financial Reporting.

On behalf of the Board of Directors



Koh Boon Hwee
Director



Loh Boon Chye
Director

8 February 2023



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Independent auditors' report on review of Interim Financial Statements

The Board of Directors
Singapore Exchange Limited

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Singapore Exchange Limited (the Company) and its subsidiaries (the Group), which comprises:

- the condensed consolidated statement of financial position of the Group and the condensed statement of financial position of the Company as at 31 December 2022;
- the condensed consolidated statement of comprehensive income of the Group for the six-month period ended 31 December 2022;
- the condensed consolidated statement of changes in equity of the Group for the six-month period ended 31 December 2022;
- the condensed consolidated statement of cash flows of the Group for the six-month period ended 31 December 2022;
- the condensed statement of changes in equity of the Company for the six-month period ended 31 December 2022; and
- notes to the interim financial statements

(the Interim Financial Statements).

Management is responsible for the preparation and presentation of this Interim Financial Statements in accordance with Singapore Financial Reporting Standard (International) (SFRS(I)) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Statements based on our review.

Scope of review

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



Conclusion

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

Restriction on use

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

A handwritten signature in blue ink, appearing to read 'W. P. Lee'.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
8 February 2023