



Reshaping Sustainability Together

 Singapore Exchange Annual Report
July 2020 – June 2021

Corporate Information

Board of Directors

Chairman

Mr Kwa Chong Seng

Chief Executive Officer

Mr Loh Boon Chye

Lead Independent Director

Dr Beh Swan Gin

To be appointed on 20 September 2021

Members

Ms Chew Gek Khim

Ms Jane Diplock AO

Mr Kevin Kwok

Mr Lim Chin Hu

Ms Lim Sok Hui (Mrs Chng Sok Hui)

Mr Mark Makepeace

Appointed on 24 September 2020

Mr Ng Wai King

Mr Subra Suresh

Mr Yeoh Oon Jin

Appointed on 1 July 2021

Company Secretaries

Ms Ding Hui Yun

Mr Seah Kim Ming Glenn

Share Registrar

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Partner-in-Charge

Mr Leong Kok Keong

Appointed on 3 October 2019

Board Committees

Audit Committee

Chairman

Mr Yeoh Oon Jin

To be appointed on 1 September 2021

Members

Ms Jane Diplock AO

Mr Kevin Kwok

Mr Lim Chin Hu

Mr Mark Makepeace

Appointed on 24 September 2020

Nominating & Governance Committee

Chairman

Dr Beh Swan Gin

Appointed on 15 June 2021

Members

Ms Chew Gek Khim

Mr Kevin Kwok

Mr Kwa Chong Seng

Mr Lim Chin Hu

Mr Subra Suresh

Remuneration & Staff Development Committee

Chairman

Mr Lim Chin Hu

Appointed on 1 July 2021

Members

Ms Chew Gek Khim

Mr Kwa Chong Seng

Mr Ng Wai King

Risk Management Committee

Chairman

Ms Lim Sok Hui

(Mrs Chng Sok Hui)

Members

Dr Beh Swan Gin

Ms Jane Diplock AO

Mr Kevin Kwok

Mr Lim Chin Hu

Mr Yeoh Oon Jin

To be appointed on 1 September 2021

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Singapore Exchange Limited

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Place of Incorporation

Singapore

Company Registration No.

199904940D

Date of Incorporation

21 August 1999

Investor Relations

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Sustainability

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Letter from the Chairman and the CEO

In FY2021, we continued to build, partner and acquire strategically to remain a global exchange partner of choice. Total revenues of \$1.06 billion are comparable with the record revenues set in FY2020.

*Excerpts from the letter,
read more at page 10*

Business at a Glance

20%
Fixed Income, Currencies and Commodities (FICC)

66%
Equities

14%
Data, Connectivity and Indices (DCI)

\$1,056m
FY2021 Revenue

*Business at a Glance,
read more at page 5*

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Online Annual Report

<http://investorrelations.sgx.com/>
[financial-information/annual-reports](#)



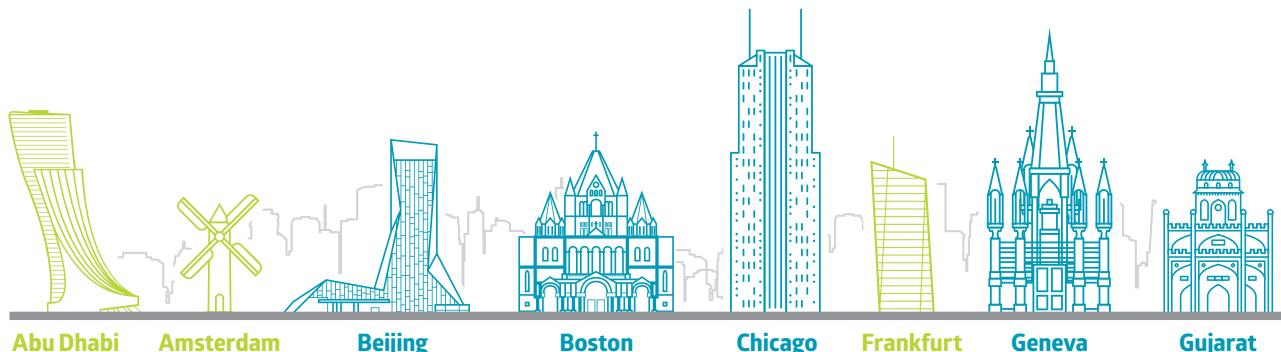
Performance Overview

Our International Network

Offices in
16 Cities
 International Network across
24 Cities

Singapore Exchange (SGX) is Asia's most international multi-asset exchange, with a growing global network of subsidiaries and partners. We connect the world to Asia by delivering innovative investment and risk-management solutions through a trusted single point of access.

SGX Offices* and Members **SGX Offices*** **SGX Members**



*SGX Offices include Subsidiaries' Offices

Business at a Glance

Operating Profit

\$531m

▼ 6% from \$566m

Net Profit

\$445m

▼ 6% from \$472m

Earnings per Share

41.6¢

▼ 6% from 44.1¢

Dividend per Share

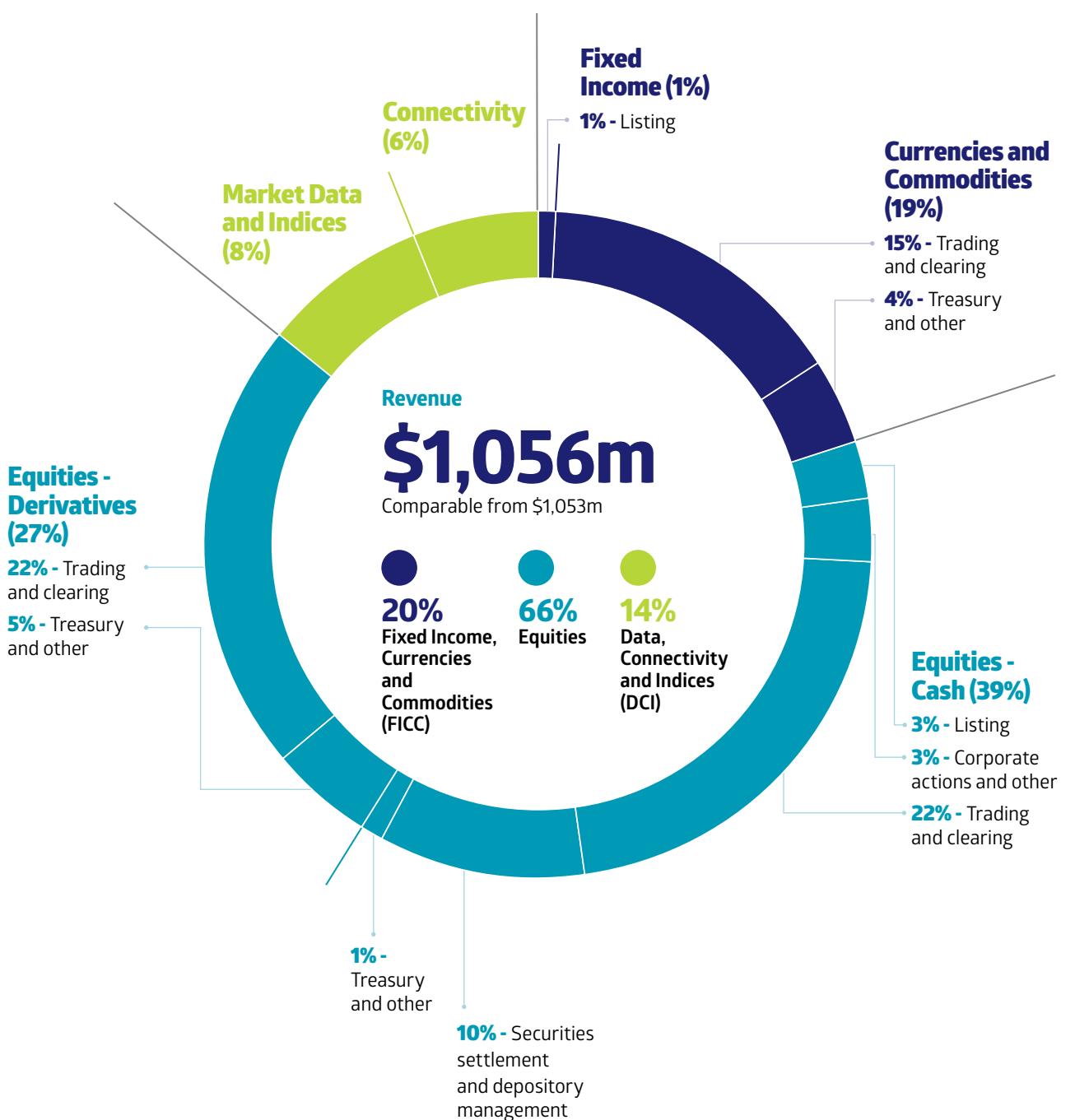
32.0¢

▲ 5% from 30.5¢

Return on Equity

34%

▼ 6 pts from 40%



Financial Highlights & Performance Review

SGX recorded EBITDA of \$625.2 million (\$655.7 million) and a net profit of \$445.4 million (\$471.8 million) in FY2021.

Earnings per share was 41.6 cents (44.1 cents). Adjusted EBITDA was \$623.9 million (\$659.7 million) and adjusted net profit was \$446.9 million (\$482.1 million). Adjusted earnings per share was 41.8 cents (45.0 cents). The Board of Directors has proposed a final quarterly dividend of 8.0 cents per share for approval at the forthcoming annual general meeting.

If approved, the annualised quarterly dividend will be 32.0 cents per share, an increase of 5% from 30.5 cents per share. This is in line with our policy to pay a sustainable and growing dividend over time, consistent with our long-term growth prospects.

Fixed Income, Currencies and Commodities (FICC)

FICC revenue increased \$40.3 million or 24% to \$211.8 million (\$171.4 million), accounting for 20% (16%) of total revenue.



Fixed Income

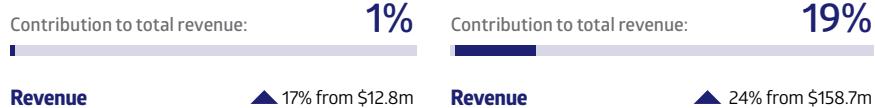
Revenue increased \$2.1 million or 17% to \$14.9 million (\$12.8 million).



Currencies and Commodities – Derivatives

Revenue increased \$38.2 million or 24% to \$196.9 million (\$158.7 million), accounting for 19% (15%) of total revenue.

Total Revenue Contribution



\$14.9m

\$196.9m

Sub-Segment



● Listing	77%
● Corporate actions and other	23%



● Trading and clearing	78%
● Treasury and other	22%

Performance Highlights

Type of Revenue	\$m	% change
Listing	11.5	+22%
Corporate actions and other	3.4 Comparable	

Type of Revenue	\$m	% change
Trading and clearing	152.6	+41%
Treasury and other	44.3	-13%

There were 795 bond listings raising \$389.1 billion, compared to 1,032 bond listings raising \$452.1 billion a year earlier.

Trading and clearing revenue grew mainly from the consolidation of BidFX. Excluding BidFX, Trading and clearing revenue would have increased by 6% or \$6.8 million. Commodity volumes increased 3% to 25.1 million contracts (24.3 million contracts), while currency volumes was lower by 2% to 26.2 million contracts (26.9 million contracts).

All comparatives and figures in brackets are for the year earlier, unless otherwise stated.

¹ Cash Equities include ordinary shares, real-estate investment trusts and business trusts.

² Other Products include structured warrants, exchange-traded funds, daily leverage certificates, debt securities and American depository receipts.

³ Licence revenue, previously under Treasury, licence and other revenue, has been reclassified into Trading and clearing revenue. The reclassification was due to the bundling of clearing and license fees into a single clearing fee.

⁴ The average fee per contract includes licence fees, which has been bundled with clearing fees.

⁵ Consolidation of 12 months in FY2021 as compared to 5 months in FY2020 for Scientific Beta.

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

Equities

Equities revenue decreased \$58.6 million or 8% to \$701.1 million (\$759.7 million) and accounted for 66% (72%) of total revenue.



Equities – Cash

Revenue increased \$13.4 million or 3% to \$412.7 million (\$399.3 million), accounting for 39% (38%) of total revenue.

Total Revenue Contribution



\$412.7m



Equities – Derivatives

Revenue decreased \$72.0 million or 20% to \$288.4 million (\$360.4 million), accounting for 27% (34%) of total revenue.



\$288.4m

Data, Connectivity and Indices (DCI)



DCI

Revenue increased \$21.5 million or 18% to \$143.1 million (\$121.6 million), accounting for 14% (12%) of total revenue.

Total Revenue Contribution



\$143.1m

Sub-Segment



Sub-Segment



Performance Highlights

Type of Revenue	\$m	% change
Listing	34.5	-2%
Corporate actions and other	32.5	+12%
Trading and clearing	230.2	+3%
Securities, settlement and depository management	106.6	+6%
Treasury and other	8.8	-10%

Total funds raised decreased \$0.9 billion or 5% to \$17.9 billion (\$18.8 billion). There were 11 (10) new equity listings recorded in the year.

Daily average traded value (DAV) increased 2% to \$1.4 billion (\$1.3 billion). Total traded value increased by 2% to \$340.1 billion (\$332.1 billion). This was made up of Cash Equities¹, where total traded value increased by 3% to \$329.1 billion (\$319.6 billion), and Other Products², where traded value decreased 13% to \$11.0 billion (\$12.6 billion). There were 252 (252) trading days in the year.

Average clearing fees for Cash Equities¹ was comparable at 2.73 basis points (2.75 basis points). Average clearing fee for Other Products² increased to 1.06 basis points (0.98 basis points) due to increased activity from higher yielding Exchange Traded Funds. Overall turnover velocity increased 3% points to 48% (45%).

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

Equity Derivatives volume declined 6% to 181.2 million contracts (192.5 million contracts). Trading and clearing revenue declined mainly due to introductory fees for the new FTSE Asia expansion suite.

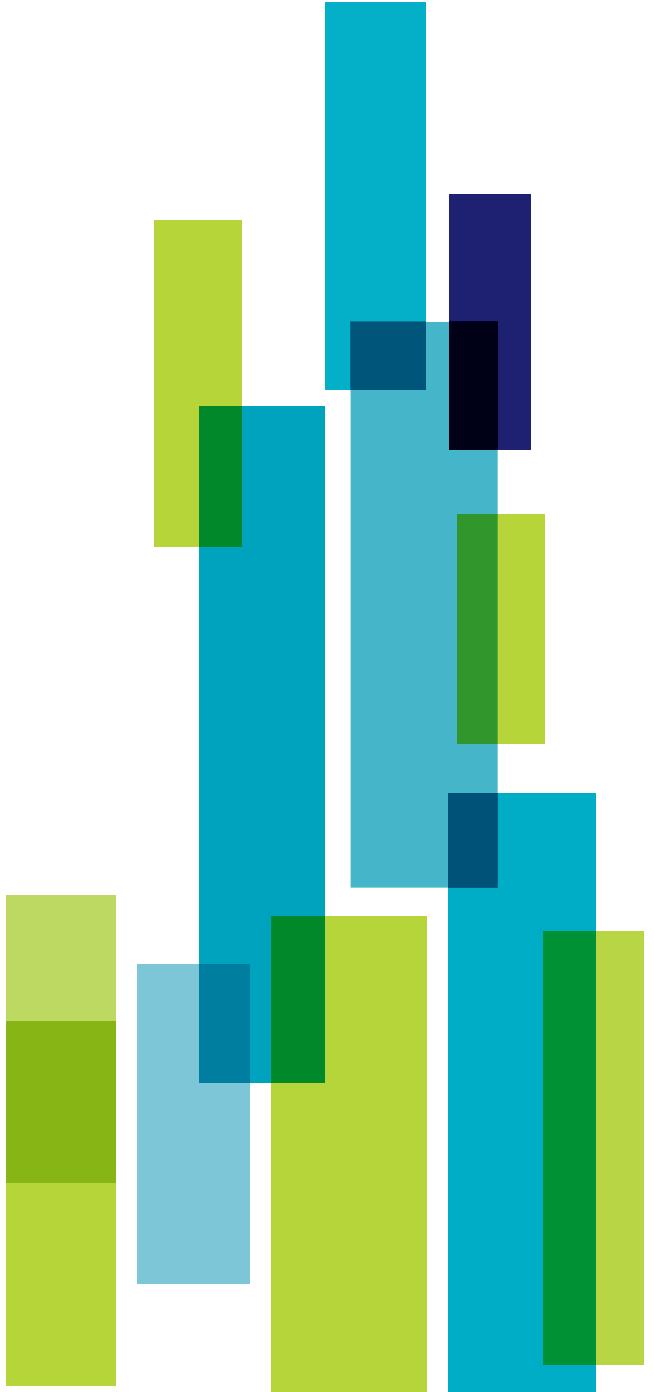
Treasury and other revenue³ decreased mainly from lower treasury income. Treasury income decreased mainly due to lower yield.

Average fee per contract for Equity, Currency and Commodity derivatives was comparable at \$1.34 (\$1.33)⁴. The average fee per contract for the second half of FY2021 was \$1.40⁴, 11% higher half-on-half. In the first-half, we saw lower fees for our China A50 contracts and implemented introductory fees for the FTSE Asia expansion suite.

Market data and indices revenue increased 36% mainly due to the consolidation of revenues from Scientific Beta⁵, excluding which, Market data and indices revenue would have increased by \$0.7 million.

Financial Performance Summary

({\$million})	FY2017	FY2018	FY2019	FY2020	FY2021
Statement of Income					
Operating Revenue	801	845	910	1,053	1,056
Operating Expenses	341	359	386	397	431
Earnings before interest, tax, depreciation and amortisation	460	486	524	656	625
Depreciation and amortisation	58	61	63	90	95
Operating profit	402	425	461	566	531
Profit before tax and share of results of associated companies and joint ventures	409	436	474	573	541
Net profit attributable to equity holders	340	363	391	472	445
Statement of Cash Flows					
Cash flows from operating activities	378	427	417	624	553
Statement of Financial Position					
Total assets	2,041	2,115	2,132	2,679	3,023
– Unrestricted cash and cash equivalents	520	550	446	686	833
– Committed for derivatives clearing fund	200	200	150	150	150
– Committed for securities clearing fund	60	60	60	60	60
– Committed for National Electricity Market of Singapore	16	22	11	9	17
Total liabilities	1,009	1,019	1,041	1,430	1,633
Total equity	1,032	1,096	1,091	1,249	1,390
– Includes proposed final dividend of	139	161	80	86	86
Capital expenditure	67	65	58	41	51
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	2	3	3
Financial Indicators					
Revenue growth (%)	(2.1)	5.5	7.7	15.7	0.3
Operating profit margin (%)	50.2	50.3	50.7	53.7	50.3
Cost-to-income ratio (%)	49.8	49.7	49.3	46.3	49.7
Gearing ratio	NIL	NIL	NIL	0.2	0.3
Operating cash flow per share (cents)	35.3	39.9	39.0	58.3	51.7
Net asset value per ordinary share as at 30 June (dollars)	0.96	1.02	1.02	1.16	1.30
Based on net profit attributable to equity holders					
Net profit margin (%)	41.9	42.4	42.4	44.8	42.2
Return on equity (%)	33.6	34.1	35.8	40.4	33.9
Dividend payout ratio (%)	88.2	88.4	82.1	69.2	76.9
Basic earnings per share (cents)	31.7	33.9	36.5	44.1	41.6



Group Overview

Letter from the Chairman and the CEO



Dear Shareholders

Strength in diversity

FY2021 is a testament to our robust position as an international multi-asset exchange, as we continue to offer global investors unrivalled access to Asia – a region that remains dominant in the eyes of investors around the world.

Even though the world still faces significant disruption as a result of the pandemic, we remain sanguine and have doubled our efforts in advancing our business to serve the needs of market participants. Having seized the opportunities we had identified earlier, we have made significant headway in executing our growth strategies. Including our new subsidiaries and members, our international reach and network has now expanded to 24 cities globally.

Our well-diversified multi-asset business across three core pillars – Equities; Fixed Income, Currencies & Commodities (FICC); and Data, Connectivity and Indices (DCI) – enables us to deliver consistent financial returns through the ups and downs of economic cycles. This gives us the confidence to pursue investments that will bring SGX to new levels of growth in the long run. We now have solid core businesses, paired with exciting growth engines and emerging opportunities in areas such as digitalisation and sustainability.

Strong financial performance

In FY2021, we continued to build, partner and acquire strategically to remain a global exchange partner of choice. Total revenues of \$1.06 billion are comparable with the record revenues set in FY2020. Reflecting the strength of our core underlying

business, if we exclude treasury income, revenue would have increased 7% year-on-year.

We have bolstered our FICC and DCI pillars with recent acquisitions. BidFX and Scientific Beta, which are fast-growing companies in their respective fields, contributed 7% to total group revenues in FY2021. As these subsidiaries came on board, total consolidated expenses increased in tandem. Nonetheless, our cost discipline helped to reduce core underlying expenses by 4%, excluding that of the two subsidiaries. This has helped to create capacity for us to invest for growth.

Since the start of FY2021, we have been disclosing additional financial measures, namely adjusted EBITDA¹ and adjusted net profit after tax²,

¹ Earnings before interest, tax, depreciation and amortisation, adjusted for non-recurring items such as non-recurring staff-related costs/credits, acquisition-related expenses and other one-off adjustments.

² Net profit after tax, adjusted for items under footnote 1, net gains/losses from long-term investments, amortisation of purchased intangible assets, non-controlling interests and income tax adjustment relating to the adjusted items.

Revenue**\$1,056m**

Comparable to FY2020

Operating Profit**\$531m**

▼ 6% from FY2020

which exclude items that have less bearing on our operating performance. This is to better reflect the strengths of our core underlying business, as we have expanded rapidly in recent years with new investments. The added transparency also helps investors form better views on our financial performance.

Adjusted EBITDA in FY2021 stood at \$623.9 million and adjusted earnings per share was 41.8 cents. With lower treasury income amid the low interest rate environment and higher consolidated expenses, adjusted net profit dipped 7% to \$446.9 million. While a continuing low interest rate environment will impact our treasury income, we believe it will also spur demand for our multi-asset offerings as investors seek enhanced returns.

Our strong market position in the securities and derivatives markets, as well as our ability to generate solid and growing profits, was reaffirmed when Moody's assigned to SGX Aa2 long-term local and foreign currency issuer ratings with a stable outlook. This is the highest credit rating assigned by Moody's to any exchange group in the world. Coupled with Singapore's AAA-rating, the strong credit fundamentals of our central counterparty clearinghouses further testify to SGX's competitive strengths and value proposition as a risk management hub.

Our strong market position in the securities and derivatives markets, as well as our ability to generate solid and growing profits, was reaffirmed when Moody's assigned to SGX Aa2 long-term local and foreign currency issuer ratings with a stable outlook.

Consistent with the company's long-term growth prospects, we remain committed to pay a sustainable and growing dividend over time. The Board of Directors has proposed a final quarterly dividend of 8.0 cents per share, payable on 22 October 2021. If approved, this brings the total dividend in FY2021 to 32.0 cents per share – 5% higher than in FY2020.

New platforms to capture emerging opportunities

Building upon our strengths, we are replicating our success in building resilient, trusted and institutional-grade market infrastructures in FICC markets, which remain largely over-the-counter (OTC).

Our FICC strategy is rooted in our firm conviction that the following trends will drive capital markets: the digitalisation of workflows, the electronification of OTC markets creating greater adoption of platforms by industry, as well as the global regulatory changes fueling the shift from OTC transactions to exchange-listed futures.

As the world's largest and fastest-growing venue for Asian FX futures, SGX is well on its way to serve customers with an integrated ecosystem combining FX futures and OTC FX

offerings in an innovative digital marketplace that can help participants manage risks with ease, efficiency and greater liquidity.

Our early investment in BidFX is paying off as it continues on a strong growth path, with its average daily volumes (ADV) in FY2021 increasing more than 60% year-on-year to US\$43 billion.

In July this year, we announced our US\$125 million acquisition of MaxxTrader, a leading provider of FX pricing and risk solutions for sell-side institutions including banks and broker-dealers, and a multi-dealer platform for hedge funds. The transaction is expected to close by December 2021 and will lift the combined ADV of SGX's FX franchise to more than US\$75 billion³. Excluding transaction costs, the acquisition of MaxxTrader is expected to be accretive to SGX's adjusted earnings from FY2022.

Together, BidFX and MaxxTrader will accelerate SGX's plan to build an integrated and scalable FX platform, starting with a primary OTC FX electronic communications network (ECN) anchored in Singapore, which will go live by end-2021.

³ Based on ADV for SGX FX Futures, BidFX and MaxxTrader for the period January to June 2021.

Letter from the Chairman and the CEO



With the creation of the ECN and our capability in FX futures and multi-dealer platforms, we will be able to offer global access to a full suite of OTC and on-exchange currency derivatives, positioning SGX as the largest one-stop venue for international FX OTC and futures participants in Asia. SGX's leading position in FX will further cement Singapore's status as Asia's largest FX trading centre.

With the creation of the ECN and our capability in FX futures and multi-dealer platforms, we will be able to offer global access to a full suite of OTC and on-exchange currency derivatives, positioning SGX as the largest one-stop venue for international FX OTC and futures participants in Asia. SGX's leading position in FX will further cement Singapore's status as Asia's largest FX trading centre.

We see similar exciting opportunities in the fixed income market, particularly in the Asian G3 corporate bond market, which has an addressable market of about US\$2.8 trillion.

In what was Asia-Pacific's first exchange-led digital asset venture, SGX and Temasek partnered to establish Marketnode, with a vision to provide digital solutions across the fixed income lifecycle – from pre-mandate, issuance, post-issuance to asset servicing – through the use of smart contracts, ledger and tokenisation technologies. As at end-June 2021, eight digital bonds

with a total amount issued of over \$3.2 billion were successfully completed on Marketnode – the largest volume of digital bonds issued on an exchange-operated network in Asia.

Moving through the bond lifecycle, SGX has partnered with international central securities depository Euroclear Bank to enhance global distribution and access to bonds issued by Singapore-based issuers.

Finally, in the secondary bond market, we believe Asia will close the gap with the US bond market where there has been a significant shift from voice to electronic trading. To this end, we have formed a joint venture with one of the fastest-growing US bond trading platforms, Trumid, and global investment firm Hillhouse Capital, to launch and operate a new Asian bond-trading platform. Called Trumid XT, this platform will enhance international access to Asian bond markets, while facilitating Asian investor participation in US and global emerging market credit.

Mr Kwa Chong Seng
Chairman

Net Profit

\$445m
▼ 6% from FY2020

Dividend per Share

32.0¢
▲ 5% from FY2020

In the commodities space, we are enhancing all aspects of our market infrastructure – in pricing, platform resilience and product innovation. Building upon SGX's dominant position in seaborne iron ore derivatives and with China's position as the largest producer and consumer of steel, SGX launched a new China rebar derivative referencing Shanghai rebar prices, making us the only international exchange to list a steel swap contract based on China's domestic price references. Our ferrous offering is complemented by our leadership in freight derivatives, where our newly-launched handysize and capesize FFA and futures contracts further enable market participants to trade across the steel value chain on a single integrated platform with capital efficiencies.

Backed by our track record as a major price-discovery venue for global commodities, we will become the first Asian exchange to develop a global carbon exchange. Climate Impact X (CIX), our upcoming joint venture with DBS, Standard Chartered and Temasek, will offer high-quality carbon credits to address hard-to-abate emissions. This will supplement other decarbonisation solutions, such as renewable-energy certificates available on our subsidiary EMC's PowerSelect platform.

Harnessing network and portfolio effects

By harnessing the network and portfolio effects of our deep ecosystems, vertically and horizontally integrated platforms, partnerships, products and distribution channels, we continued to grow liquidity in both our cash equities and equity derivatives markets.

Our cash equities business performed well, achieving a daily average trading value of \$1.35 billion, the highest since FY2013. We saw a more diverse mix of participants, with participation from retail investors increasing almost 40% during the year and successful cross-sell

from our equity derivatives business. There was robust trading in companies beyond the large-cap stocks, reflecting broader interest in our market.

To enhance customer experience, we continued to ramp up the development of our digital CDP, and close to 95% of CDP account holders are now able to access their accounts using Singpass. They can also enjoy more online services, including the use of PayNow for the payment of rights issues and online election for scrip dividends and takeovers.

We also provided more investment options for investors by expanding our ETF product shelf with several firsts, including the world's largest pure Chinese government bond ETF at a fund size of \$2 billion, as well as our maiden SGD money market ETF in Southeast Asia, dual-fund class ETF and the China tech-focused ETF. We have now positioned ourselves as one of Asia's largest international trading venues for Chinese fixed income ETFs. Turnover in ETFs rose over 20% y-o-y on the back of a record 65% y-o-y growth in ETF assets under management (AUM). Retail investors and digital investing platforms were key drivers and accounted for a third of the \$10 billion AUM.

During the year, we were thrilled to welcome the listing of our first deep-tech unicorn. We continue to see promising signs of increasing deal flow and institutional interest, both from Singapore and internationally. To better meet the capital needs of growth companies, we are pursuing a holistic strategy from equities to bonds, across private and public markets.

As part of our efforts to provide new pathways to fundraising, SGX has consulted on a much-anticipated Special Purpose Acquisition Companies (SPACs) listing framework. The SPACs proposal has drawn one of the highest response rates ever for an SGX public consultation, and we expect the

framework to generate much interest from prospective sponsors and the investor community.

Meanwhile, our equity derivatives business delivered a strong performance in a year of transition. We worked closely with market participants to successfully execute the world's first "liquidity switch" for our Taiwan and Indonesian index futures, demonstrating our leadership in the Asian derivatives franchise. Our SiMSCI futures also remain the largest and most liquid MSCI contract in Asia, with 22.5 hours of trading liquidity.

Notably, we refreshed our product shelf with the launch of 35 new regional and thematic futures contracts. Expanding our China waterfront, we introduced the FTSE China H50 derivatives, becoming the world's first exchange to offer both our flagship FTSE China A50 futures and H-share derivatives on a single platform. This reinforces our global recognition as the one-stop, multi-asset platform to trade Chinese assets and manage risk comprehensively across equities, bonds, currencies and commodities.

Solidifying Singapore's position as the most international REIT hub in the world, we launched Asia's first international REIT futures together with FTSE. In addition, we pioneered the world's first ESG REIT derivatives with Nikkei, offering the most comprehensive and innovative shelf for managing Japan equity portfolio risk.

Enlarging our impact globally through partnerships

Widening our international partnerships, membership and distribution is a key strategy to drive SGX's multi-asset growth. We are actively bringing our products and services to overseas market participants, as we broaden our membership, partners and client base to expand our reach.

Letter from the Chairman and the CEO

More importantly, our reputation as a collaborative exchange partner of choice has enabled us to strengthen connectivity across platforms and geographies. This is essential as customers are increasingly looking for seamless and frictionless access to markets.

Our present successes would not have been possible without our long-term partners, customers and market participants, who form the bedrock of our ecosystem. This year, we deepened a decades-long partnership with CME Group when we added new contracts to our unique Mutual Offset System clearing link, which is one of the world's longest-running derivatives collaborations between global exchanges. We also extended our collaboration with New Zealand's Exchange with a strategic agreement to scale up market distribution and liquidity in the global dairy derivatives markets.

In the same spirit of partnerships, we look forward to creating a bigger liquidity pool for Nifty index derivative products in Gujarat International Finance Tec-City (GIFT City) in India. SGX and the National Stock Exchange of India (NSE) entered into an agreement last September to cement the key terms for operationalising the NSE IFSC-SGX Connect. Both exchanges have made steady progress, including working with key stakeholders and regulators to develop the infrastructure for the GIFT Connect and ensuring member readiness. In June 2021, we launched a public consultation to seek market feedback on proposed amendments to our derivatives trading and clearing rules to facilitate the operation of the GIFT Connect.

China remains a critical partner for SGX as the country opens up its financial markets. In the year ahead, we will continue to promote greater connectivity between Singapore and China's capital markets, forge new collaborations and enhance mutual capital flows.

Growth in indexing

With the rise in passive investing and indexing, we are investing in our growing index pillar, bringing Scientific Beta's strong research pedigree and reach in Europe together with SGX iEdge's strengths in Asia. Scientific Beta's asset under replication (AUR) exceeded US\$60 billion at the end of FY2021. At the same time, SGX's iEdge custom index business continues to draw interest from fund managers in the region who are looking to launch ETFs based on SGX's proprietary indices. Our combined index business is now in a strong position to meet the changing needs of global clients.

Innovating beyond smart factor strategies, Scientific Beta has launched a flagship climate-index solution, Climate Impact Consistent Index (CICI), which unlike traditional indices, weighs stocks purely on their climate performance. As the only pure climate-index offering on the market, CICI will cater to growing demand from asset owners to meet their net-zero emission commitments.

As the usage of our data evolves, we are leveraging technology to enhance our customers' data access and connectivity through new digital and sustainable solutions. In line with SGX's aspirations to reduce our carbon footprint, we plan to engage our co-location data centre supplier to set science-based targets to reduce emissions.

Future in Reshaping Sustainability Together (FIRST)

You would have read throughout this letter our efforts to develop ESG products and solutions. These initiatives are part of FIRST, a multi-asset sustainability platform that reflects our commitment towards co-creating a sustainable future with and for our partners.

The need to tackle climate change has never been greater. Even as we ensure our company is future-ready, what is more critical is protecting the future of next generations. It is with this in mind that we are building a leading sustainable and credible transition finance and trade hub with end-to-end products, solutions and a thriving ecosystem.

We recognise that in our position as a leading international multi-asset exchange and a front-line regulator, SGX can drive meaningful change and we are acting on it. To set an example for the market, SGX has become the first Asian exchange to commit to science-based emission reduction targets in line with a 1.5°C future. We have also released a guide on credible decarbonisation and transition that provides corporates with a set of actionable carbon-mitigation steps, which we are using to encourage the market to adopt best practices when reducing GHG emissions.

As climate-alignment and sustainability issues become more material, we plan to guide market participants in their sustainability journey by equipping the ecosystem with the necessary tools and knowledge, including richer and more relevant sustainability data to support investment decisions.

Concurrently, SGX RegCo will work with issuers to improve the quality of data disclosed. This will begin with a view to mandate disclosure on climate-related factors as well as providing guidance on a common set of core ESG metrics.

Data and disclosure are important elements in SGX's sustainability strategy. As the leading green bond listing venue in Asia, we are encouraging more green, social, sustainability and sustainability-linked bonds. To improve access to and enhance the transparency of these bonds, SGX is the exclusive partner in

Asia for the Nasdaq Sustainable Bond Network initiative. On top of this, we are developing solutions for listed companies to improve their disclosure of sustainability data and for investors to better utilise this data for investments.

Investing for the future

Just as how we are investing in a more sustainable net-zero future, we are resolute in investing in scaling SGX's business to generate long-term total returns for stakeholders. Opportunities abound; we have to continually invest in a disciplined approach to build our capabilities and drive sustainable growth and prosperity for decades to come. As a financial market infrastructure, we must take a long-term view in investing in new capabilities and strengthening our resilience.

We are in a solid position to advance our leadership as a multi-asset exchange, expand our network as a best-in-class partner, and enhance our support for customers globally with our refreshed pan-Asia product shelf and stronger international presence. You can be sure we will be laser-focused in executing our plans in the coming year.

Thank you for your support

With the right experience and skills to take SGX into the next lap of growth, our Board and leadership team will continue to add appropriate resources and diversity to the leadership bench.

We welcome our newest Non-Executive and Independent Director, Mr Yeoh Oon Jin, who joined us on 1 July 2021. Mr Yeoh brings not only his expertise in accounting and capital markets, but also his experience as a leader in an international multi-disciplinary professional services firm.

Ms Jane Diplock and Mr Ng Wai King will retire from the Board at our upcoming Annual General Meeting.

On behalf of the Board and management, we extend our heartfelt appreciation to them for their dedicated service.

We want to recognise our 1,000 strong employees for their efforts behind our performance. Their talent and hard work have allowed us to successfully navigate a challenging environment and achieve success. We are proud of the work our staff have done to bring us to this point and have full confidence of our ability to deliver in the future.

Thanks also to each of our shareholders for your support. We appreciate your trust and confidence in us as we work each day to grow the value of your company.

Kwa Chong Seng

Chairman

Loh Boon Chye

Chief Executive Officer

We are in a solid position to advance our leadership as a multi-asset exchange, expand our network as a best-in-class partner, and enhance our support for customers globally with our refreshed pan-Asia product shelf and stronger international presence.

Mr Loh Boon Chye

Chief Executive Officer



Organisation

CEO

Loh Boon Chye

Corporate Strategy

Nicholas Gardiner

Data, Connectivity & Indices

Ng Kin Yee

Equities

Michael Syn

Fixed Income, Currencies & Commodities

Lee Beng Hong

Human Resources

Arulraj Devadoss

Legal, Compliance & Corporate Secretariat

Glenn Seah

Marketing & Communications

Teo Ai June

Risk Management

Agnes Koh

Number of Employees¹



981

¹ Permanent headcount including EMC, Baltic Exchange, BidFX and Scientific Beta but excluding employees on no pay leave.

Average Length of Service



8 years

Employees Retention

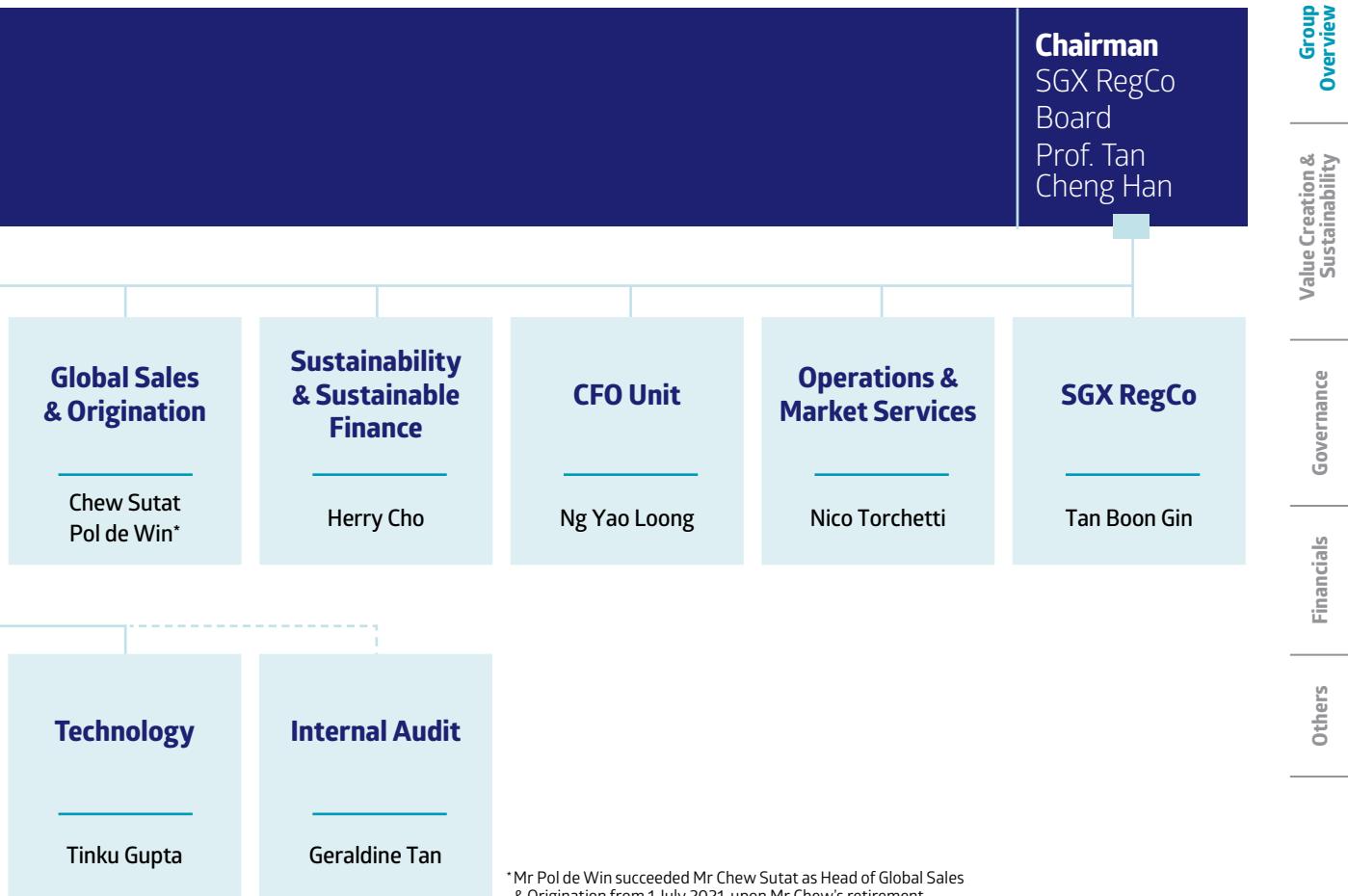


91%

Average Training Hours per Employee



60 hours



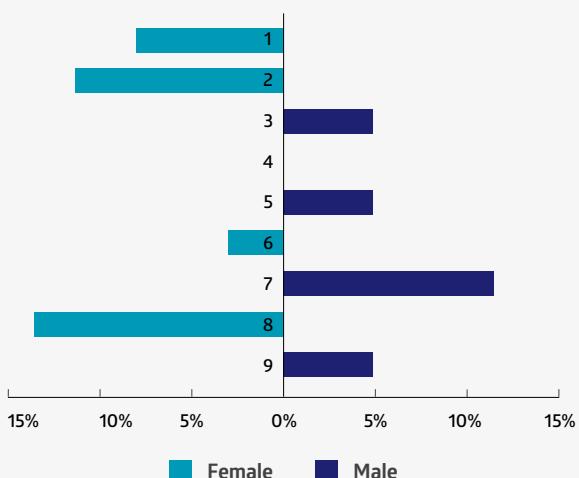
Gender Diversity



Age Diversity



Gender Pay Gap (across employment categories)



Note: 1 to 9 are job grades (where 1 is most senior): a band on the right indicates males are paid higher, while a band on the left indicates females are paid higher. An empty band indicates that both males and females are equally paid.

Board of Directors





02



03



05

06

Value Creation & Sustainability	Group Overview	Performance Overview
Governance		
Financials		
Others		



08



09



11

12

- | | | | |
|----|--------------------|----|-----------------------------------|
| 01 | Mr Kwa Chong Seng | 07 | Mr Lim Chin Hu |
| 02 | Mr Loh Boon Chye | 08 | Ms Lim Sok Hui (Mrs Chng Sok Hui) |
| 03 | Dr Beh Swan Gin | 09 | Mr Mark Makepeace |
| 04 | Ms Chew Gek Khim | 10 | Mr Ng Wai King |
| 05 | Ms Jane Diplock AO | 11 | Mr Subra Suresh |
| 06 | Mr Kevin Kwok | 12 | Mr Yeoh Oon Jin |

Board of Directors

Mr Kwa Chong Seng

Chairman

Non-Executive and 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 2021)**
8 years 9 months

SGX Board Committee Membership
RSDC (Member) **NGC** (Member)

Academic & Professional Qualification

- Bachelor of Engineering (Mechanical), National University of Singapore

**Present Directorship other than SGX
(as at 30 June 2021)**

Listed company

- Singapore Technologies Engineering Ltd (Chairman)

Others (non-listed company)

- Defence Science and Technology Agency

Major Appointment (other than Directorship)

- Public Service Commission (Deputy Chairman)

**Past Directorship other than SGX held over the preceding three years
(from 30 June 2018 to 29 June 2021)**

- 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 next re-election as a director
7 October 2021

**Length of service as a director
(as at 30 June 2021)**
5 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 2021)**

Listed company

Nil

Others (non-listed company)

- BC Capital Ltd
- BC Capital Properties, LLC
- BC Capital Properties Holdings LLC
- GIC Private Limited
- Gym & Sports Pte. Ltd. (Chairman)
- SBF Holdings Pte. Ltd.
- 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

Major Appointment (other than Directorship)

- Council for Board Diversity (Co-Chairman)
- Economic Development Board (Board Member)
- Economic Development Board Finance Committee (Chairman)
- 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)
- Singapore Business Federation Council (Member & Honorary Secretary)
- Singapore Business Federation Appointments and Remuneration Committee (Member)
- Singapore Business Federation Nominations Committee (Member)
- The Institute of Banking and Finance (Council Member)
- World Federation of Exchanges (Board Member)

**Past Directorship other than SGX held over the preceding three years
(from 30 June 2018 to 29 June 2021)**

- BidFX Systems Limited (in UK)

Dr Beh Swan Gin

Non-Executive and Independent Director

Date of first appointment as a director
1 February 2020

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

**Length of service as a director
(as at 30 June 2021)**
1 year 5 months

SGX Board Committee Membership
NGC (Chairman) **RMC** (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 2021)**

Listed company

Nil

Others (non-listed company)

- Ascendas Funds Management (S) Ltd (Chairman)
- DesignSingapore Council 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)

- University of St Gallen (Member of Advisory Board)
- Young Presidents' Organisation (Member)

**Past Directorship other than SGX held over the preceding three years
(from 30 June 2018 to 29 June 2021)**

- CLA Real Estate Holdings Pte. Ltd. (previously known as "Ascendas Singbridge Pte Ltd")
- Singapore Innovate Pte Ltd
- Singapore Technologies Electronics Ltd.
- Singapore Technologies Engineering Ltd
- Temasek Foundation Connects CLG Limited

Committee Membership Key

AC Audit

NGC Nominating & Governance

RSDC Remuneration & Staff Development

RMC 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**Length of service as a director
(as at 30 June 2021)**
7 years 7 months**SGX Board Committee Membership**
NGC (Member) RSDC (Member)**Academic & Professional Qualification**
■ LL.B (Honours), National University of Singapore**Present Directorship other than SGX
(as at 30 June 2021)**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)
- The Tan Sri Tan Foundation (undergoing liquidation) (Chairman)

**Past Directorship other than SGX held over the preceding three years
(from 30 June 2018 to 29 June 2021)**

- Amalgamated Holdings Private Limited
- ARA Asset Management Limited (Non-Executive Deputy Chairman)
- Cairnhill Rock Pte. Ltd.
- Morriston Pte. Ltd.
- Selected Properties Pte. Ltd.

¹ Including its subsidiaries & associates, namely Consultants Services (Private) Limited (Executive Chairman), Tecity Management Pte. Ltd. (Executive Chairman), Grange Investments Holdings Private Limited, Kambau Pte. Ltd. (Executive Chairman), Tiong Cheng Pte Ltd (Deputy Executive Chairman), Amberlight Limited, Siong Lim Private Limited (Executive Chairman), Choice Equities Pte Ltd., Integrated Holdings Private Limited (Executive Chairman), Nefxford Holdings Pte Ltd, Aequitas Pte. Ltd., Raffles Investments Private Limited, Raffles Investments (1993) Pte Ltd, Sigford Pte. Ltd.

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

Ms Jane Diplock AO

Non-Executive and Non-Independent Director

Date of first appointment as a director
25 July 2011**Date of last re-election as a director**
3 October 2019**Length of service as a director
(as at 30 June 2021)**
9 years 11 months**SGX Board Committee Membership**
AC (Member) RMC (Member)**Academic & Professional Qualification**

- Bachelor of Arts (Honours), LL.B, Dip Ed., Sydney University
- Dip. Int. Law, Australian National University
- Chartered Fellow of the New Zealand Institute of Directors
- Fellow of the Australian Institute of Company Directors

**Present Directorship other than SGX
(as at 30 June 2021)**Listed company

Nil

Others (non-listed company)

- Australian Financial Services Group Pty Limited
- Singapore Exchange Regulation Pte. Ltd.
- Value Reporting Foundation (Co-Chair Nominations Committee, Member Strategy Committee)

Major Appointment (other than Directorship)

- Abu Dhabi Global Market Regulatory Committee (Chairman)
- Public Interest Oversight Board (Member)

**Past Directorship other than SGX held over the preceding three years
(from 30 June 2018 to 29 June 2021)**

- International Integrated Reporting Council Board (Chairman Governance & Nominations Committee)

Mr Kevin Kwok

Non-Executive and 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 2021)**
8 years 9 months**SGX Board Committee Membership**
AC (Chairman) NGC (Member)
RMC (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 2021)**Listed company

- Mapletree North Asia Commercial Trust Management Ltd

Others (non-listed company)

- Sentosa Development Corporation

Major Appointment (other than Directorship)

Nil

**Past Directorship other than SGX held over the preceding three years
(from 30 June 2018 to 29 June 2021)**

- Keppel Offshore & Marine Ltd
- Wheellock Properties (Singapore) Limited

Board of Directors

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 2021)**
4 years

SGX Board Committee Membership
RSDC (Chairman)¹ **AC** (Member)
RMC (Member) **NGC** (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 2021)

Listed company

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

Others (non-listed company)

- Citibank Singapore Limited
- G-Able Thailand Ltd
- Heliconia Capital Management Pte Ltd ("Heliconia")
- Vanda 1 Investments Pte. Ltd. (*Subsidiary of Heliconia*)
- Singapore Health Services Pte. Ltd. ("SingHealth")
- Aescaplus Holdings Pte Ltd (*Subsidiary of SingHealth*)
- Alps Pte. Ltd. (*Subsidiary of SingHealth*)
- Integrated Health Information Systems Pte. Ltd. (*Subsidiary of Ministry of Health Holdings*)
- SP Telecommunications 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 2018 to 29 June 2021)

- Changi General Hospital Pte Ltd
- Eastern Health Alliance Pte. Ltd.
- Keppel DC REIT Management Pte. Ltd.
- Personal Data Protection Commission (IMDA)

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

**Length of service as a director
(as at 30 June 2021)**
5 years 7 months

SGX Board Committee Membership
RMC (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 2021)

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 (Non-Executive Chairman)
- International Women's Forum (Singapore) (Member)

Past Directorship other than SGX held over the preceding three years (from 30 June 2018 to 29 June 2021)

- Inland Revenue Authority of Singapore

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 2021)**
9 months

SGX Board Committee Membership
AC (Member)

Academic & Professional Qualification

- The Institute of Chartered Secretaries and Administrators, United Kingdom

Present Directorship other than SGX (as at 30 June 2021)

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 LLC
- Suzhou Wilshire Investment Services Co., Ltd.
- The Stock Exchange of Saudi Arabia (Tawadul)
- Wilshire Advisors LLC
- 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)

Nil

Past Directorship other than SGX held over the preceding three years (from 30 June 2018 to 29 June 2021)

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

¹ Appointed as Chairman of Remuneration & Staff Development Committee on 1 July 2021.

Mr Ng Wai King

Non-Executive and Independent Director

Date of first appointment as a director
20 September 2018**Length of service as a director
(as at 30 June 2021)**
2 years 9 months**SGX Board Committee Membership**
RSDC (Member)**Academic & Professional Qualification**

- LL.M., Columbia University School of Law, New York
- LL.B. (Honours), National University of Singapore

**Present Directorship other than SGX
(as at 30 June 2021)**Listed company

- CapitalLand Commercial Trust Management Limited

Others (non-listed company)

- National University of Singapore Board of Trustees (Member)
- Singapore Institute of Directors
- Tricor WP Corporate Services Pte Ltd
- Wah Hin and Company Private Limited
- WongPartnership Myanmar Limited
- WPGrowth Ventures Pte Ltd

Major Appointment (other than Directorship)

- Lakeside Family Centre (Vice-Chairman)
- WongPartnership LLP (Managing Partner)

**Past Directorship other than SGX held over the preceding three years
(from 30 June 2018 to 29 June 2021)**

- CapitalLand Commercial Trust Management Limited
- Home Nursing Foundation

Mr Subra Suresh

Non-Executive and Independent Director

Date of first appointment as a director
20 September 2018**Date of next re-election as a director**
7 October 2021**Length of service as a director
(as at 30 June 2021)**
2 years 9 months**SGX Board Committee Membership**
NGC (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 2021)**Listed company

Nil

Others (non-listed company)

- ANAiLYTICA, DE/CA, USA
- HP Inc., Palo Alto, CA, USA
- MatchMove Pay Pte Ltd

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)
- Health and Biomedical Sciences Executive Committee (Member)
- Nanyang Technological University, Singapore (President and Member of the Board)
- National Research Foundation (Member)
- NEOM, Saudi Arabia (Member, International Board)
- Reliance Industries Ltd. (Mumbai) (Senior Advisor to the Chairman for Reliance Industries Ltd. and Jio Institute)
- Temasek International Pte Ltd. (Senior Advisor)

**Past Directorship other than SGX held over the preceding three years
(from 30 June 2018 to 29 June 2021)**

- Battelle Memorial Institute, Columbus, OH, USA
- The Dietrich Foundation, Pittsburgh, PA, USA

Mr Yeoh Oon Jin

Non-Executive and Independent Director

Date of first appointment as a director
1 July 2021**Date of next re-election as a director**
7 October 2021**Academic & Professional Qualification**

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

SGX Board Committee Membership
AC (Member)¹ **RMC** (Member)¹**Present Directorship other than SGX
(as at 30 June 2021)**Nil¹Listed company

Nil

Others (non-listed company)

- Singapore Land Authority

Major Appointment (other than Directorship)

- Kidney Dialysis Foundation Limited
- Lien Foundation (Independent Governor)
- Singapore Business Federation Council (Member)

**Past Directorship other than SGX held over the preceding three years
(from 30 June 2018 to 29 June 2021)²**

- 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 (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

¹ Appointed as (1) Chairman of Audit Committee and (2) Member of Risk Management Committee on 1 September 2021.² Stepped down on 30 June 2021.

Executive Management Committee





- | | |
|-------------------------------|----------------------------|
| 01 Mr Loh Boon Chye | 06 Mr Lee Beng Hong |
| 02 Mr Ng Yao Loong | 07 Mr Michael Syn |
| 03 Ms Agnes Koh | 08 Ms Tinku Gupta |
| 04 Mr Arulraj Devadoss | 09 Mr Tan Boon Gin |
| 05 Mr Chew Sutat | 10 Mr Pol de Win |

Executive Management Committee

Mr Loh Boon Chye

Chief Executive Officer

Mr Loh Boon Chye joined SGX as CEO on 14 July 2015. He is also an Executive and Non-Independent Director on the SGX Board. As CEO, he drives SGX's growth strategy, with the aim of transforming SGX 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 has been on the Boards of GIC Pte Ltd since November 2012, Economic Development Board Singapore since February 2017 and the World Federation of Exchanges since September 2017. He is also Chairman of the Sim Kee Boon Institute for Financial Economics Advisory Board and Co-Chair of the Council for Board Diversity.

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 and a council member at the Singapore Business Federation. 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

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

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

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

Ms Agnes Koh is the Chief Risk Officer of SGX. 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's

securities and derivatives clearing houses and driving operational resilience and business continuity in SGX.

She is also appointed as Chairman of Energy Market Company (EMC), a wholly owned subsidiary of SGX which operates Singapore's wholesale electricity market from 1st 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 is also a representative member of the U.S. Commodity Futures Trading Commission's ("Commission" or "CFTC") Global Advisory Committee ("GMAC"). The GMAC fosters open, transparent competitive and financially sound markets while overseeing regulatory and operational risks.

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

Mr Arulraj Devadoss joined SGX 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 Chew Sutat

Senior Managing Director
Head of Global Sales and Origination

Mr Chew Sutat, Head of Global Sales and Origination (GSO), leads SGX's equity and debt capital market teams in developing private-to-public capital raising solutions for companies globally. He is responsible for SGX's international offices and oversees specialist sales teams in 10 cities, serving all client segments with the full spectrum of SGX products and services across asset classes.

Mr Chew joined SGX in June 2007 and was appointed to the Executive Management Committee in May 2008.

Prior to SGX, Mr Chew had senior roles at Standard Chartered Bank, OCBC Securities and DBS Bank, where he held varying portfolios in strategic planning and business development for institutional banking and private clients.

Mr Chew sits on the boards of CapBridge, a private capital platform, and iSTOX, both of which are supported by SGX. Outside of SGX, he is a Fellow of Singapore Institute of Directors and the Institute of Banking and Finance Singapore (IBF). He serves as Chairman of the IBF's Sub-Committee for Corporate Finance, Securities & Futures. In the social arena, he serves in various National Council of Social Service (NCSS) Committees including Community Chest as Vice-Chair and is a Member of NCSS Member Services Committee and Leadership Selection Panel. Mr Chew also chairs Caregivers Alliance Limited (Charity) and is Immediate Past Chair of Kaki Bukit Citizens' Consultative Committee.

Mr Chew graduated with a Bachelor of Arts (First Class Honours) degree in Philosophy Politics & Economics (PPE) from Oxford University and also holds a Master of Arts degree from Oxford.

Mr Pol de Win

Senior Managing Director
Head of Global Sales and Origination

Mr Pol de Win joined SGX as Head of GSO on 1 July 2021. He succeeded Mr Chew Sutat as Head of GSO from 1 July 2021, upon Mr Chew's retirement.

As Head of GSO, Mr de Win drives the growth of SGX's international presence, including strengthening client engagements globally and overseeing SGX'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'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, 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.

Mr Lee Beng Hong

Senior Managing Director
Head of Fixed Income, Currencies and Commodities

Mr Lee Beng Hong is Head of Fixed Income, Currencies and Commodities (FICC) at SGX. He joined SGX on 1 August 2019 to spearhead the newly-formed FICC business unit, as part of SGX'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 will also build upon SGX's strategic investments in Trumid, a US corporate bond e-trading platform; and Freightos, a digital freight platform and data firm. Additionally, he oversees the Energy Market Company which operates Singapore's wholesale electricity market; the Baltic Exchange based in London; BidFX, a specialised trading platform for global FX markets; and Marketnode, a digital asset platform joint venture with Temasek.

With over 16 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.

Executive Management Committee

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

Mr Michael Syn, Head of Equities, has management responsibility for SGX equity businesses, serving as CEO of the stock market (SGX Securities Trading Limited), depository (The Central Depository (Pte) Limited) and futures market (SGX Derivatives Clearing Limited/SGX Derivatives Trading Limited).

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

Mr Syn serves on the council of Economic Society of Singapore and the board of Sentosa Development Corporation. He chairs One Faber 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. He graduated with MA and PhD degrees from Cambridge University and attended the Harvard Advanced Management Program.

Ms Tinku Gupta
Chief Technology Officer

Ms Tinku Gupta is the Chief Technology Officer, 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 Technology environment. She was appointed as a member of the SGX Executive Management Committee on 1 May 2017.

Ms Gupta joined SGX in October 1996, in what was then known as SIMEX, as a software developer in the Technology team. Over the past 20 years, she has worked in a variety of roles, gaining exposure in many aspects of SGX's business and Technology functions. Amongst her various job rotations, she successfully led the Business Integration and Programme Management function in SGX 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 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's degree in Electronics and Telecommunications Engineering.

Mr Tan Boon Gin
Chief Executive Officer
Singapore Exchange Regulation

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

Before joining SGX, 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 the Inland Revenue Authority of Singapore and 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 delivering growth and generating long-term value for our stakeholders. This integrated report describes how we developed our multi-asset strategy from market trends, risks and opportunities that are material to growing our business. It also describes how we have progressed in executing our strategy to become a leading international exchange group for capital raising, risk management and price discovery.

Our Capital

With the aim of creating value for our stakeholders, we deploy our financial, human, intellectual, and social capital towards achieving our strategic priorities

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.

Identified Trends



Macroeconomic Environment



Developments in Financial Markets



Global Regulatory Landscape



Identified Risks



Business Risks



Credit & Liquidity Risks



Operational Risks

For further details on our Risk Management
Go to pages 36 to 40

For further details on our Strategic Priorities
Go to pages 34 to 35

For further details on Economic Performance, Socioeconomic Impacts, Governance and People
Go to pages 52 to 72

Our Awards

Best Exchange for FX 2020 at FX Markets e-FX Awards

Exchange of the Year 2020 by FOW Asia Capital Market Awards

Asia-Pacific Derivatives Exchange of the Year 2020 by GlobalCapital

Exchange of the Year 2020 at Regulation Asia Awards for Excellence

SGX is 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.



Competition



Technology Developments

01



Advance our Multi-Asset Exchange

02



Grow our International Presence

03



Expand our Network and Partnerships



Regulatory & Reputation Risks



Climate-related Risks



Market Risks

D For further details on our Corporate Governance practices
Go to pages 76 to 101

D For further details on our role as a Self-Regulatory Organisation
Go to pages 110 to 115

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 are from non-Singapore domiciled companies. We are also the largest exchange in Asia-Pacific for the listing of international bonds, with over 6,600 debt securities listed by more than 1,600 issuers from over 66 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, our shareholders were able to participate in our growth. 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. Designated as a systemically important financial infrastructure (SIFI), we remain a key contributor to the Singapore financial ecosystem.

Identified Trends

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, financial markets, 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 strategic priorities.



Macroeconomic Environment

Interest rate environment, inflation concerns, and volatility in underlying markets

Our business performance is largely influenced by the level of activity in our securities and derivatives markets. 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.

Interest rates have been on a decline 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 to seek returns in cash equities, access to Asian country-specific markets, Asian FX futures and commodities in the steel production value chain.

There was also renewed optimism as vaccines for COVID-19 were rolled out during the year. While several economies began to recover from the pandemic, there were concerns on inflationary pressures as the cost of goods and services begin to accelerate. However, several other economies experienced the emergence of variants of the COVID-19 virus, which led to further government-led measures to stem its spread and stimulate economic growth. 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.

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.

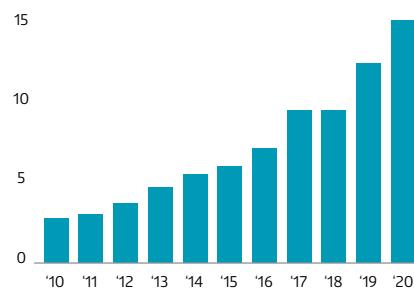


Developments in Financial Markets

Asia will lead global growth; passive investing continues its prominence; and economic performance and sustainability are interdependent

Asia is expected to continue to lead global economic growth as regional economies begin to recover with the roll-out of COVID-19 vaccines. Emerging and Developing Asia is expected to grow 6.0% in 2022, ahead of the US and Europe by 3.5% and 3.8% respectively (World Economic Outlook April 2021, IMF). In enabling our customers to participate in Asia's growth as well as manage the portfolio risks of their Asian investments, SGX offers our customers a suite of multi-asset Asian products that addresses almost 100% of Asia's GDP.

Assets under Management (US\$ trillion)



Source: Global passive assets hit \$15tn as ETF boom heats up, Financial Times.

Passive assets have reached US\$15 trillion globally in 2020 (Financial Times, 10 May 2021). As passive investing continues to grow, demand for index products for trading and benchmarking will rise. SGX's Scientific Beta continues to play a large role in the index business, particularly in the development of factor indices that form the base for many passive funds.

Alongside the growth of passive investing, investors in Asia have been leading in considering climate change-related factors in their investment decisions. According to a MSCI 2021 Global Institutional Investor survey, 50% of Asia (ex-Japan) investors considered climate change metrics compared with the global average of 42%. To capture this growth, Scientific Beta introduced a series of pure climate indices that translates companies' climate performance and alignment engagement into portfolio decisions. The Climate Impact Consistent Indices (CICI) is the only pure climate benchmark offering in the market. It adjusts the weights of stocks solely on companies' climate performance.

As a group that advocates sustainability practices, our vision is to be a leading sustainable and credible transition finance and trade hub, with end-to-end products, solutions and ecosystem. SGX has committed to science-based climate targets, put in place plans to enhance our sustainability disclosures, and launched the multi-asset sustainability platform SGX FIRST to catalyse change and deliver sustainable growth. More details can be found in our Sustainability Report on page 41.



Global Regulatory Landscape

Adapting to evolving market challenges

Financial market regulators worldwide have been focusing on the challenges presented by technological innovation and evolving business models. The disruptions from COVID-19, and longer-term structural changes in the global economy will be major influences in the coming years. Increased global attention to the twin challenges of sustainability and climate change also has implications for financial markets, which are increasingly expected to play a role. SGX is attuned to these developments and works closely with both regulators and market participants to thrive in this dynamic environment.

Financial institutions worldwide have accelerated the adoption of new tools such as artificial intelligence and distributed ledger technology (DLT). Novel products such as crypto-assets and ESG-related offerings are increasingly prevalent. Tokenisation, and digitalisation of traditional asset classes have started to gain traction. Cyber-attacks also continue to loom, largely as a significant risk. Regulatory responses are therefore to be expected. SGX and its participants may be affected by foreign regulation through extra-territorial application or the influence of such rules on domestic laws. The flow of political events, especially fractious trade and political relations among the large economies, may also shape the application and scope of certain regulations. SGX will continue to keep abreast of these developments and adapt accordingly to enable continuity of service to our stakeholders, even as we harness these new technologies to improve our service offerings.

The continuing COVID-19 pandemic has also given rise to new challenges as new processes and systems become necessary for all in protecting public health and safety. SGX has made and will continue to make the necessary adjustments so that regulation and engagement with the market remains 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. SGX's competitive advantage remains the network and portfolio effects that we have developed over years. 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. During the year, our successful implementation of the world's first liquidity switch from one index licence provider to another demonstrates the strengths of our exchange franchise, and the resilience of the ecosystem that we have cultivated over the years.

To further strengthen our offering, we will continue to explore inorganic opportunities that offer synergies and growth potential, and expand our partnerships and networks to develop mutual commercial benefit. During the year, we acquired BidFX, an OTC FX multi-dealer platform. The deal complemented SGX's FX futures offering and expanded our FX addressable market by more than five-fold.



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

In an environment of pervasive digitalisation, one of the key themes driving SGX's technology initiatives is "absolute customer focus". The objective is to address the tailored needs of disparate customer segments ranging from issuers, latency sensitive trading customers to retail investors. This requires a three-pronged focus on sustaining operational excellence, delivering fit-for-purpose solutions and engineering innovation to futureproof business models.

Against a challenging backdrop of FY2021 that witnessed an entire fiscal year of COVID-19 impact and, despite

the extreme volatility in the markets and ecosystem, SGX's platform and infrastructure performed seamlessly, without any disruptions to or restrictions on market participants. Our ability to swiftly operate our markets in split sites with minimal staff on-premises is a testament to the digitalisation initiatives we put in place early on.

To support accelerated digitalisation, maturity of cyber security controls is the cornerstone of technology risk management. We continue to buttress our security defences following the principles of Defense in Depth, Assumed Breach and Zero Trust. This year's focus was on improving threat intelligence capabilities and securing our cloud assets.

The next lap of our cloud adoption journey encompasses a strategic programme to institutionalise governance and agility into our technology platform and delivery blueprint, thereby delivering growth and exceptional experiences to our customers and employees alike.

We continue to maintain an elevated focus on innovation by achieving our first-ever technology patent on blockchain inter-ledger operability, enabling SGX to be the first organisation in Singapore to integrate with Singpass for transaction signing, and completing the first digital bond issuance on SGX's HASH platform in collaboration with HSBC Singapore and Temasek Holdings. Notably, SGX and HSBC have jointly emerged as the winner in the Financial Services category for the inaugural Digital Transformation Award (DX Award) at last year's SwissCham Business Excellence Awards.

Technology roles continue to be highly sought-after in the rapidly digitalising financial services industry. Our talent pipeline is healthy, onboarding personnel from the Institute of Banking and Finance Singapore's Technology in Finance Immersion Programme (IBF-TFIP), and the SGUnited Traineeship Programme.

Strategic Priorities

Having established ourselves as an international multi-asset exchange, we are poised to expand our value proposition across all our businesses. 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 and climate 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 personally serve our customers in their respective time-zones and distribute our services globally. Well-positioned to bring SGX into a new phase, we will further Acquire, Partner and Build to drive growth.



Advance our Multi-Asset Exchange

Widen our product and platform offerings, digitalisation of end-to-end trade workflow to enhance our customers' investment experience, and bridging 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



Independent index provider specialising in Smart Beta strategies and with a highly regarded research pedigree



Leading cloud-based Multi Dealer liquidity platform in G10 and non-G10 currencies



Pan-Asian electronic bond trading platform powered by advanced technology and rich analytics



Global carbon exchange and marketplace that aims to scale the voluntary carbon market



OTC FX Electronic Communications Network (ECN) anchored in Singapore, a key step towards an Integrated FX Offering combining FX Futures and OTC FX offering



Asia Pacific's first exchange-led digital asset venture focused on capital markets workflows through smart contracts, ledger and tokenisation technologies



Business Priorities in FY2022

Fixed Income, Currencies and Commodities

Fixed Income

XinTru, a joint venture (JV) with Trumid and Hillhouse was established to enhance liquidity and execution in the Asian bond market for global clients. This will be achieved by enhancing our platform's capabilities and tapping on our partners' wider network to build our access into China's capital market. We are building Asia-Pacific's first end-to-end digital infrastructure in the fixed income space through MarketNode, another newly launched JV with Temasek. We will also be driving sustainable finance and reporting through the launch of Nasdaq's Sustainable Bond Network, a bond reporting platform that will provide Sustainability Finance & Reporting in Asia.

Currencies

We will continue to entrench our market leadership for core Asian FX futures and grow new waves of currency contracts. We aim to capture a larger share of the vast opportunity in the Asian OTC FX Market by building a fully integrated OTC and Futures FX platform for a seamless client experience, propelled by our full acquisition of BidFX in July 2020. We will subsequently create a primary FX liquidity pool anchored in Singapore, leveraging on the combined infrastructure and distribution of an upcoming Electronic Communication Network (ECN).

Commodities

We will continue to intensify the pace of financialisation in iron ore, having laid the foundation in FY2021 with market structure changes around a larger tick size and the introduction of trade-at-reference prices in iron ore.

A key focus is to leverage on our bulks leadership to expand our steel offering and complete our steel value chain (e.g. recent launch of Steel Rebar), and build new product and growth pillars in ESG-centric products.

Equities

Our priorities are about making reinforcing choices in platform strategy. Following our successful implementation of the world's first liquidity switch, our all-Asian product shelf is stronger than before. Furthermore, we are reinforcing our product shelf with sustainability themes, designed to improve the ESG profile of our equity index futures while mirroring risk-return characteristics of the underlying equity markets.

Meanwhile, the imminent index inclusion of globally-listed Singaporean companies will have major index weighting in Straits Times Industrial / MSCI Singapore indices (STI/SIMSCI), and Singapore will have a higher index weighting in Asia ex-Japan going forward.

Average daily traded value on our cash equities market reached an eight-year high in FY2021 as participation from retail and institutional investors drove turnover. Interest in Exchange Traded Funds (ETF) grew almost 20%, and continues to look promising in the year ahead with a strong pipeline of new products and issuers, offering ease of access to participate in the Asian growth story.

Retail participation in cash equities increased 40% during the year. Leveraging on the tailwind of a larger retail base, we will drive more activity from this segment and build channels of distribution to regional markets.

New participants we acquire will further increase turnover velocity, and continue to harness synergies across our cash equities and equity derivatives focused on Singapore-underlying.

Having accelerated the development of digital Central Depository (CDP) amidst COVID-19, about 95% of CDP account holders are now online enabled. Online election for scrip dividends and takeovers were successfully launched, supporting Singtel's scrip election in December 2020 for over 1 million investors. We will continue to deliver the best user experience for issuers and investors using CDP as their processing agent of choice.

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 expanded its suite of index products and widened its range of international clients. Scientific Beta expanded its solutions beyond Smart Factor strategies and added a new flagship climate index solution, Climate Impact Consistent Index (CICI). Designed for asset owners to meet Net-Zero commitments, the research-driven CICI is the first investible index that ensures decarbonisation consistency at the stock and sector level. In June 2021,

Scientific Beta also launched its first Macro factor index to protect investors' equity portfolio against inflation. At the same time, SGX Index Edge developed and licensed its proprietary indices across a variety of index themes, including ESG, to various asset management and banking partners.

Growth in our data business was fuelled by the increased visibility and simpler access of SGX market data. To broaden our data distribution, we entered into an agreement with Shanghai Stock Exchange-owned China Investment Information Services (CIIS), to distribute our securities market data within

Mainland China. For institutional subscribers, we will be launching a digital data licensing and administration service to directly engage and address their data demands.

For our connectivity business, we expanded our cloud-based solutions to offer Colocation-as-a-Service with a partner. This allows for flexible and rapid connectivity solutions for participants to connect to our trading infrastructure. We expect to establish more partnerships in FY2022 to enhance our offering and make onboarding easier for new participants.

Global Sales and Origination

We will continue to grow our international presence and increase participation in our markets from existing and new customers. Our networks and partnership outreach will expand as we continue to establish strong alliances and collaboration with key partners and build up our value proposition of our Nifty futures via the Gujarat International Finance Tec (GIFT) City Trading Link.

SGX's variety of capital-raising platforms provides the fluidity of choice and all-weather support to businesses in varying stages of growth.

Through our global presence, we will continue to build on our successful real estate sector and broaden our regional corporate issuers in healthcare,

consumer and technology sectors. We also aim to deepen our reach to issuers and prospective listed issuers to consider a secondary listing in our market. In anticipation of the Special Purpose Acquisition Company (SPAC) framework launch, we will also gear up our engagement with a new group stakeholder.

As the most international fixed income listing venue in Asia, we will continue to grow through an expanded network of international listing agents and enhancing the ESG sector focus across infrastructure, real estate, and financial institutions.

SGX's multi-asset platform, which is available 22.5 hours a day, enables customers across all time zones to

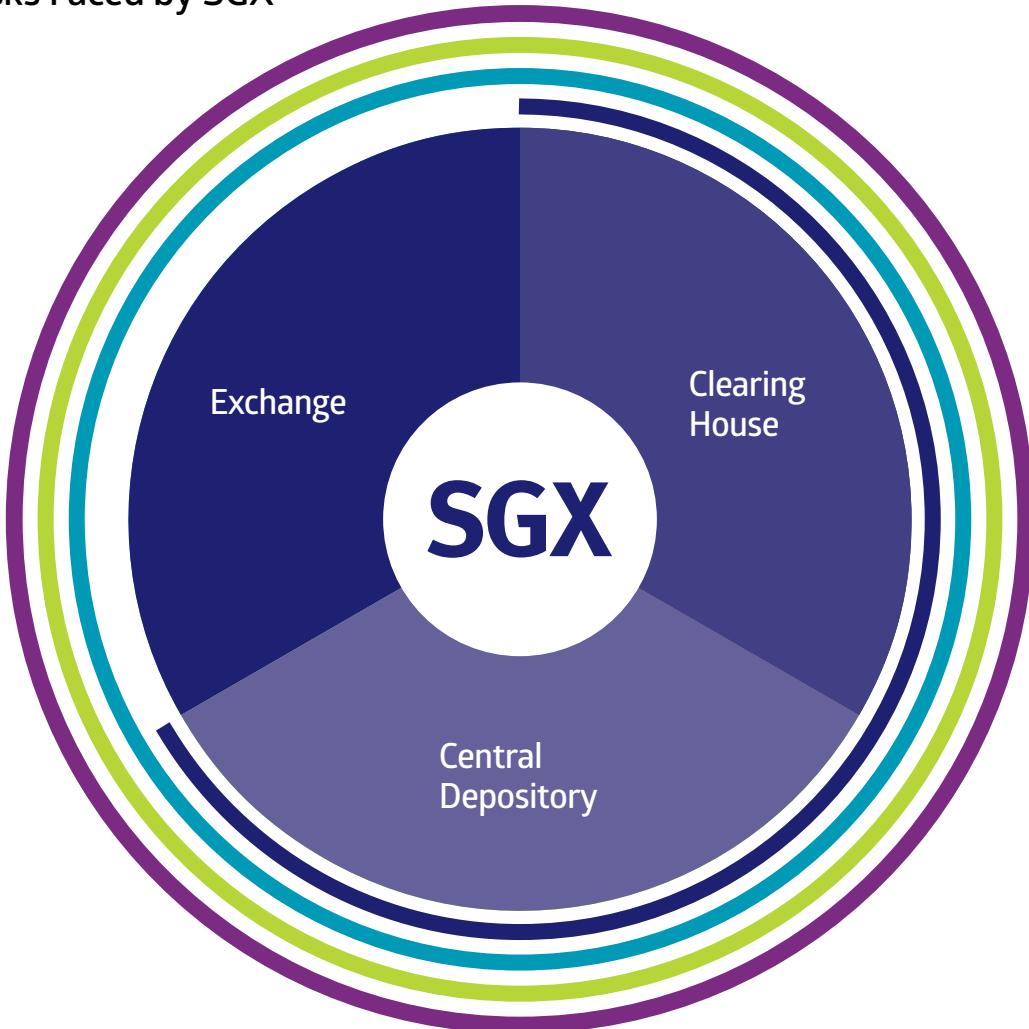
participate in our market. Through our global presence and intermediaries, we will broaden our customer coverage to increase participation across our equities, currencies and commodities suite, and expand our global distribution network through new international members.

With our China strategy well in execution, we will penetrate further in the China market by deepening mutual market connectivity across asset classes and expand capital flows through strong existing and new MOU partnerships with top Chinese intermediaries, exchanges and key financial infrastructures.

Risk Management

Effective risk management is integral to SGX's business strategy. As a key financial market infrastructure that operates Trading, Clearing, Settlement and Depository activities, 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, 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 defense to safeguard its clearing house against members' credit risk.

Good quality members are screened at admission. Their credit standing and internal risk management capability 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. This ensures that the risk does not concentrate on any particular member and remains manageable. Margin requirements for trade exposures are regularly reviewed for adequacy and margins are collected promptly. The increased use of data analytics and process automation have also improved our agility and responsiveness to changing market conditions. SGX maintained vigilance in monitoring market developments and took pre-emptive actions through initiatives implemented during the year to allow for multiple settlement runs, reducing risk exposures to CDP and its participants, as well as to reduce accumulation of losses for T+1 trading of active contracts in the derivatives market.

Throughout the COVID-19 pandemic, SGX remained vigilant and continued to be pre-emptive in managing members' risk exposures with more frequent margin reviews and simulation of their portfolio changes to assess the potential impact to SGX. Where significant margin increases were deemed necessary in response to extreme market volatility, SGX would moderate the pace of such increases so as to help alleviate potential liquidity pressures on participants. SGX's margin model also has stabilisers, such as dynamic margin floors, resulting in a more graduated response and dampening the effects of extreme market volatility. In addition, SGX runs multiple scheduled intraday margin cycles every day, which provides predictability for clearing members and helps to smoothen liquidity management for members.

Additionally, SGX and its members contribute resources to a default fund that is strong enough to withstand multiple member defaults. The resources to manage a potential credit event have been stress tested to cover multiple extreme and plausible scenarios. SGX contributes at least 25% of the default fund using its own capital, one of the highest "skin-in-the-game" among global clearing houses. In the rare event of a member default, we have in place a robust default management protocol to effectively respond and manage from such a fallout, and preserve market continuity. Furthermore, to protect investors, customer monies are segregated and held in trust. SGX has strengthened its default management capabilities, by replacing CDP's existing re-novation process with net liquidation. Under net liquidation, CDP is able to execute quicker close-out of a defaulter's positions and complete the default management process with no dependency on the defaulter. This change will align CDP with global default management practices. With improved efficiency and speed in resolving defaults, the financial system is better protected from contagion risks due to the default of a clearing member.

Risk Management

Risk Description for SGX	What Are We Doing About It?
02 Liquidity Risks	
Risks arising from potential default of a participant	<p>In the rare event of a member default, SGX may need liquidity to honour payment obligations to other members. This is because we will no longer receive payments from the defaulted member.</p> <p>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, although highly unlikely, will expose SGX to liquidity risks.</p>
03 Operational Risks	<p>Operational resilience and business continuity</p>
<p>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, facilities, physical security and pandemic disruptions.</p>	<p>SGX regularly reviews the state of our business operational resilience to be prepared for any contingencies that could impact the operation of a fair, orderly, transparent and efficient marketplace.</p> <p>Amidst the operational challenges posed by the COVID-19 pandemic, SGX continued with our business continuity efforts, such as conducting disaster recovery exercises with members, strengthening our remote crisis management capabilities, maintaining our physical security posture and continually engaging 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.</p>
Technology	<p>More details regarding our efforts to prevent technology errors, security breaches and market disruptions can be found in our Sustainability Report (pages 60 to 62).</p>
<p>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.</p>	<p>SGX has maintained high standards in service availability by embedding a culture of disciplined readiness. We leverage on advanced machine-learning capabilities to predict and pre-empt system failures, and ensure all systems and processes are resilient by design.</p> <p>Since the COVID-19 outbreak, working remotely in the virtual workplace has already become the new normal. With a high percentage of SGX employees working from home, the Technology teams maintained operational and cyber resilience, with no degradation of business-as-usual service levels and staying on course with their overall work plans.</p>

Risk Description for SGX	What Are We Doing About It?
03 Operational Risks	
Increasing threat of cyber-attacks	
<p>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.</p>	<p>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 defenses and have also focused our efforts on recovery and response.</p>
	<p>Our Privileged User Access Management capabilities have been enhanced using the least privileged approach to minimise the possibility of excessive access rights granted for change activities as well as improve upon our incident response time through process automation. Our cyber resiliency framework has also been reviewed to capture the importance of people, processes and communication. This increases cyber risk awareness across the organisation and in turn strengthens our defenses to cyber threats.</p>
Data protection	
<p>As a financial market infrastructure, SGX holds market, client and customer data. We view protecting the confidentiality and integrity of this data seriously.</p>	<p>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.</p>
Outsourcing risks	
<p>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.</p>	<p>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.</p>

04 Regulatory Risks and Reputation Risks
Risk of not maintaining robust regulatory standards
<p>As a frontline regulator of SGX's markets, SGX RegCo has to maintain high standards of supervision and ensure adherence to regulation.</p>
<p>A loss in confidence in the quality of our markets could have a serious impact on SGX's competitiveness.</p>
<p>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.</p>
<p>SGX RegCo 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.</p>

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 providing transparency on the Exchange's expectations on timely and accurate disclosures to market participants, as it is key to maintaining trust in our markets. As such, SGX RegCo regularly provided guidance on disclosures during COVID-19, including financial and sustainability reporting.

Risk Management

Risk Description for SGX	What Are We Doing About It?
04 Regulatory Risks and Reputation Risks	<p>In addition, we regularly publish our regulatory philosophy, listing decisions, waivers, regulatory expectations on corporate governance and compliance with listing rules, as well as enforcement actions. SGX RegCo's communication is made through various means including Regulators' 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 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, as this promotes a well-educated and informed market.</p>
05 Climate-related Risks (emerging risks)	<p>Climate-related risks include transition and physical risks.</p> <p>Transition risks</p> <p>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 stakeholders in the transition to a low-carbon economy.</p> <p>Low physical risks</p> <p>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.</p> <p>A comprehensive identification of our climate-related risks is the first step towards strengthening our climate resilience. This year, the Sustainability Steering Committee (SSC) (refer to page 43 for more details) was set up to drive the implementation of SGX's sustainability strategy. One of the key thematic priorities is in relation to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, which was designed to help companies identify, measure and respond to climate risks and aligning their disclosures to meet investors' expectations. We have commenced our journey on TCFD reporting through reviewing our risk taxonomy, embedding climate-related risks in our Enterprise Risk Management framework and incorporating climate-related scenario analysis in assessing resilience. For more information on our initiatives with respect to climate-related risks and opportunities, please refer to our Sustainability Report (pages 63 to 64).</p> <p>In the short term, we will continue to monitor, manage and offset our carbon emissions and electricity usage, and take guidance from domestic and international policies to keep abreast of developments in climate change and environmental issues. We will also continue to invest in capacity-building initiatives for our listed companies by guiding them on their sustainability reporting efforts, in line with industry best practices and leading international standards and guidelines. In addition, we will participate in research that will further the knowledge of climate effects in our ecosystem.</p> <p>In the long term, SGX will continue to incorporate climate-related risks and opportunities into our business model, operations and engagements with various stakeholders. We will continue to develop and improve upon a range of sustainability-related products and services.</p>
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 pre-dominantly placed as term deposits across multiple commercial banks in Singapore. This ensures SGX's resources are liquid and of the highest quality. A small amount (less than 5%) is invested in high-quality fixed income securities and ETFs.

Creating Sustainable Value

A Message from the Board

The Board is committed to building a resilient business at SGX by placing sustainability at the core of what we do. We are committed to ensuring the longevity of our ecosystem, through creating long-term value to support Singapore's sustainable transition and for all our stakeholders. Incorporating environmental, social and governance in our decision-making is consistent with our commitments as a listed company, our businesses' interest, and our role as a regulator.

About the report

This sustainability report communicates our approach to build a sustainable business while providing a balanced view on our progress across our material sustainability factors.

Scope

The report covers the performance of our consolidated entities from 1 July 2020 to 30 June 2021 (FY2021). We have included the historical data for FY2019 and FY2020 for comparison where available. There has not been any restatement of figures for data disclosed in previous years.

Approach to Sustainability Reporting

In the last four financial years, we have elected to produce our report in accordance with Global Reporting Initiative (GRI) Standards (2016) – "Core". This year, we have started reporting on

our tax in accordance with the latest GRI 207 standards (revised in 2019), as part of our effort to enhance the transparency of disclosures.

Beyond the GRI and relevant UN Sustainability Development Goals (SDGs), we have adopted the standards set by Sustainability Accounting Standards Board (SASB) for Security & Commodity Exchanges issued by the Value Reporting Foundation¹. We have also started gradual adoption of the recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD), including disclosing our climate-related risks, which have been identified as an emerging risk to SGX.

We have chosen both the GRI and SASB Standards due to their longstanding universal application and robust guidance, which allows for comparability

of our performance against peers and ensures we apply a dual materiality perspective to sustainability. SGX has been a supporter of the TCFD since its launch in 2017 and aims to progress further each year in embedding the recommendations into our report (pages 63 and 64).

This report is also prepared in accordance with SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting.

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

¹ The Value Reporting Foundation consists of International Integrated Reporting Council (IIRC) and SASB.

FY2021 Highlights



SGX FIRST (Future in Reshaping Sustainability Together)

We launched our new multi-asset sustainability platform SGX FIRST in December 2020 to facilitate collaboration, to catalyse change and deliver sustainable growth. As a part of this:

- We announced that we were going to invest \$20 million in expanding sustainability initiatives through SGX FIRST, including ESG-focused products, capacity building for the financial ecosystem, as well as strengthening internal and community commitments.



SGX FIRST to invest

\$20m

in expanding sustainability initiatives

Creating Sustainable Value

FY2021 Highlights

Within our organisation:



Enhanced our Sustainability Vision

We have enhanced and streamlined our sustainability approaches and strategies to reflect our vision to be a leading sustainable and credible transition finance and trade hub, with end-to-end products, solutions and ecosystems.

Committed to Science-based Climate Targets

We committed to science-based climate targets to reduce our carbon emissions to limit global temperature rise to 1.5-degree and in line with the Paris Agreement. This is going through a validation process with the Science Based Targets initiative (SBTi).

We have also joined 1) Business Ambition for 1.5°C, a campaign led by the SBTi in partnership with the United Nations Global Compact (UNG) and the We Mean Business coalition, and 2) the Race to Zero, a global campaign convened by the United Nations Framework Convention on Climate Change (UNFCCC) to rally leadership and support from businesses, cities, regions and investors to build momentum around the shift to a decarbonised economy ahead of COP26, to develop a healthy, resilient, and zero-carbon future.

More Comprehensive Sustainability Disclosures

We refreshed our materiality assessment in FY2021 and expanded on our sustainability disclosures in line with GRI, SASB and the SDGs, with reference to TCFD recommendations in this FY's Sustainability Report.

Our impact on the ecosystem:



We introduced five equity futures including SGX FTSE Asia ex Japan ESG Index Futures, SGX FTSE Blossom Japan Index Futures and SGX Nikkei ESG-REIT Japan Index Futures.

We were recognised as the #1 Green Bond Listing Venue in Asia with over 50% market share of Asian issuances and top 5 marketplace globally with 7% share².

We launched Climate Impact Consistent Indices (CICI) through Scientific Beta – the only pure climate index offering on the market that helps make investment decisions and engagement practices consistent to maximise impact.

We announced plans to launch Climate Impact X (CIX) by end-2021 with DBS, Standard Chartered and Temasek. CIX will be a global carbon exchange and marketplace that provides organisations with high-quality carbon credits.

² As of May 2021, data from Bloomberg.

A Message from the Board



The Board is committed to building a resilient business at SGX by placing sustainability at the core of what we do.

We are committed to ensuring the longevity of our ecosystem, through creating long-term value to support Singapore's sustainable transition and for all our stakeholders. Incorporating environmental, social and governance considerations in our decision-making is consistent with our commitments as a listed company, our businesses' interest, and our role as a front-line regulator.

As a listed company, we strive towards leading sustainability practices and look to create a positive impact in our community. We aim to provide our stakeholders with a clear, comprehensive and coherent description of our sustainability strategies, targets and performance, especially the impacts of our business on the wider ecosystem through our sustainability reporting. In light of this, we have strengthened our sustainability disclosures to align with key international standards (see Approach to Sustainability Reporting for more information) and taken a comprehensive review of our material topics (see Materiality Assessment for more information).

As a business, we offer sustainable finance products and services to users of the market. An important part of our vision is to serve the market as a leading sustainable and credible transition finance and trade hub, with end-to-end products, solutions and ecosystems. We want to be known for trusted, quality products and solutions across asset classes that support evolving capital and trading needs in a thriving ecosystem. In December 2020, we announced that we are committing \$20 million over the next few years into expanding our sustainability capabilities and initiatives. We have launched new ESG derivatives with FTSE Russell, produced a guidance paper titled, "Credible decarbonisation and transition guidance for corporates in Asia", and announced the development of CIX with DBS, Standard Chartered and Temasek for a global carbon exchange and marketplace. These are among a strong

suite of ESG-focused investments that will strengthen the foundation for SGX as a leading sustainable and credible transition finance and trade hub, with end-to-end products, solutions and ecosystems.

We have also made significant progress to enhance sustainability disclosures over the years as a front-line regulator. In 2011, we issued a policy statement highlighting the importance of sustainability reporting to the market amidst early interest in ESG disclosures, and encouraged companies to do so on a voluntary basis. In 2016, as the demand for sustainability information from investors and other stakeholders rose, we introduced sustainability reporting as a listing requirement and also provided guidance on the content of the report for companies to adopt on a "comply or explain" basis. In FY2022, SGX will hold a public consultation on making climate-related reporting aligned with the internationally recognised recommendations of the TCFD.

SGX will continue to advocate transparency and accountability in delivering our sustainability targets – as we have done so this year. These continue to be the fundamental aspects required to build trust with our stakeholders.

In FY2022, the Board will continue to work closely with SGX management in order to continue building on our efforts to date.

Sustainability Governance at SGX

The Board oversees SGX's approach to sustainability and the integration of ESG matters in the formulation of SGX's long-term strategy. The Executive Management Committee (EMCO) is responsible for and reports to the Board on sustainability matters, including climate-related matters. The EMCO is chaired by the CEO and comprises senior leadership across the organisation. It is therefore well-placed to guide the development and execution of an integrated business and sustainability strategy. The EMCO approves sustainability strategies and reviews sustainability performance. It also reviews and evaluates SGX's sustainability approach, risk management policies and practices, sets targets and measures performance against the targets.

In FY2021, sustainable finance veteran, Herry Cho, joined SGX as the Head of Sustainability and Sustainable Finance (SSF), a newly created position to bolster and expand SGX's sustainability efforts. She helped set up and heads the Sustainability Steering Committee (SSC). The SSC is a CEO-sponsored committee and comprises EMCO members who lead different sustainability priorities to drive the implementation of SGX's sustainability strategy as a regulator, business and ecosystem. The SSF function, together with the committee, will also regularly update and advise EMCO on material sustainability matters.

SGX will continue to advocate transparency and accountability in delivering our sustainability targets.

Sustainability Risk Management

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

Similarly, we recognise the magnitude of climate change impact on our ecosystem and business. SGX targets to fully adopt the TCFD recommendations within the next few years. Recognising that sustainability risks, including climate-related risks, are inherently linked to other strategic, financial and operational risks, we will be refining our risk taxonomy to include sustainability risks and work towards embedding sustainability risks in our Enterprise Risk Management framework (refer to Corporate Governance Report – Risk Management, pages 91 to 93).

Creating Sustainable Value

Interview with Head of Sustainability & Sustainable Finance

A conversation with Herry Cho



What is your motivation to take up the sustainability mantle at SGX?

Today and in the coming decades, sustainable development will require a seismic systemic change in our economic and financial systems. Everyone has to play their part. My passion for enabling systemic changes, bringing to light best practices, at the same time empowering via practical solutions led me to this important post. SGX has multitude of roles and responsibilities, as a company, as a market operator, as a market regulator, and to facilitate the ecosystem's change. Facilitative leadership will play a critical role in realising SGX's vision to be a leading sustainable and credible transition finance and trade hub, with end-to-end products, solutions and ecosystems. It is an honour to work with all stakeholders to make SGX, and in turn Asia's financial ecosystem, a thought and action leader, protecting our planet for future generations.

How will SGX sustainability strategies stand out compared to other exchanges?

Singapore is a leading international finance, trade and legal hub in Asia with a favourable business climate and an innovative streak, at the same time exercising strong governance. Furthermore, it is gearing up to become a sustainable, green and carbon services and finance hub, and SGX plays a critical role in enabling this. We aim to provide end-to-end products, solutions and ecosystem across all stages of the sustainability journey for companies, investors, traders and other intermediaries. As a front-line regulator, SGX RegCo works closely with our stakeholders to promote

sound sustainability practices to create long-term value, including for companies.

Can you give examples of how SGX's sustainability initiatives can potentially open new business opportunities while contributing to a more sustainable ecosystem?

CIX will offer a global exchange and marketplace for companies to access high-quality carbon credits. CIX aims to leverage on satellite monitoring, machine learning and blockchain technology to enhance transparency, integrity and quality of carbon credits that deliver tangible and lasting environmental and social impact. SGX is providing guidance on carbon mitigation hierarchies so that buyers of carbon credits know when and how to utilise them. More broadly, we plan on capacity building for credible sustainability-linked and transition financing solutions such as sustainability-linked bonds and transition bonds.

Investors are increasingly focusing on achieving real-world emissions reductions. Scientific Beta, an SGX subsidiary, is catering to this increasing appetite for climate impact, and has launched a unique series of CICI.

We must also address other material ESG factors, including social and governance pillars, to attain a better outcome for investors, communities and future generations. While minimum social safeguarding is critical, we will also focus on the opportunities and business growth, such as social and sustainability bonds.

How have SGX's sustainability strategies supported the way companies, investors and intermediaries operate?

SGX has always put our ecosystem as the North Star. Our ethos is to be a positive influence, foster collaboration and partnerships to provide data, tools, resources. We aim to connect stakeholders to drive industry discussions. This has been demonstrated over the past decade of sustainability action set out in the next page, and we are ramping up by leveraging on our existing assets and expertise.

Looking forward, we will have to lead, futureproof and build.

- Lead by example, thought and action leadership (e.g. joining Race to Zero and setting up GHG science-based targets), building on global, regional and local ESG networks;
- Futureproof for increasingly complex and mandatory disclosure/data requirements (e.g. SGX RegCo will build on its mandatory sustainability reporting standards for SGX-listed companies by strengthening climate-related disclosures in the regulations after public consultation this year); and
- Build new products, solutions and culture that truly add value to the sustainable development journey of our ecosystem.

I look forward to regularly sharing with our community on SGX's progress in our contributions towards a leading sustainable financial system.

**2009-
2017**



2009: Published SGX's first own Sustainability Report

2010: Issued Policy Statement on Sustainability Reporting



2013: Listed first Green Bond Listing

2016: Joined UN Sustainable Stock Exchanges (SSE) initiative

2016: TCFD Vice Chair appointment

2016: Launched iEdge ESG indices



2016: Introduced Sustainability Reporting requirements

2018



- Hosted ASEAN Conference on TCFD Recommendations
- Launched world's first high-grade Iron Ore Derivatives

- Published Investor Guide to Reading Sustainability Reports
- SGX-NUS Case Competition: Sustainable Investments

2019



- GRI ASEAN Hub partner
- Knowledge Partner to Asia Sustainable Finance Initiative (ASF)
- Co-developed Maritime Sustainability Reporting Guide

- Inaugural sustainability reporting review with CGIO and NUS-CGS
- Launched Low-Sulphur Fuel Oil (LSFO) Derivative Contract

2020



Launched SGX's FIRST platform



Renewable Energy Certificates (RECs) market offerings launch by EMC

- Nasdaq Sustainable Bond Network (NSBN) initiative
- Baltic Exchange issued "non-scrubber fitted" benchmark vessel alongside IMO2020 implementation
- Launched e-learning modules on Sustainability Reporting

- Awarded Asia's Best Sustainability Report award at the 5th Asia Sustainability Reporting Awards 2020
- Became a signatory of the UN Global Compact
- Recognised on Bloomberg's Gender-Equality Index

2021



Announced launch of Climate Impact X

- Launched decarbonisation and transition white paper guide



Scientific Beta launched Climate Impact Consistent Indices



Launched ESG Derivatives

- Second sustainability reporting review with NUS-CGS
- Joint study with KPMG & NUS-CGS: "Perspectives of Financial Institutions on Sustainability Disclosures"
- SGX-NUS Case Competition: Carbon Credits

Creating Sustainable Value

Our Sustainability Vision

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

We will be guided by our four core pillars – Ecosystem, Company, Business, Regulator – in how we approach sustainability.

Ecosystem: Be a positive influence and foster collaboration and partnerships by providing data, tools, resources and connecting stakeholders to drive industry discussions

SGX actively collaborates with partners to drive long-term value creation for our stakeholders. We have been a partner exchange with the UN Sustainable Stock Exchange (SSE) initiative since 2016 and involved in the World Federation of Exchanges' sustainability workstreams since 2015. SGX also works with multiple industry partners on capacity-building initiatives to support our stakeholders on their sustainability journey.

Business: Offer ESG solutions, capitalising on our assets, expertise and capabilities

SGX encourages the growth of green, social, sustainability bonds and sustainability-linked bonds in Asia. We are the exclusive partner in Asia for the NSBN initiative, which aims to enhance data access and transparency of sustainable bonds.

Our Vision

To be a leading sustainable and credible transition finance and trade hub, with end-to-end products, solutions and ecosystems



In the ecosystem

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



As a company

Demonstrate leadership in sustainability.



As a business

Offer ESG solutions and support capitalising on our assets, expertise and capabilities:

- Equity
- GSSS Bonds
- Indices
(incl. Scientific Beta)
- Commodities (incl. Baltic Exchange, HeveaConnect, Energy Market Company offering RECs)
- New horizon projects (CIX, new products)



As a regulator

Guide the market on sustainability-related disclosures and practices.

As the world's most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN, SGX is capitalising on its expertise and capabilities to design and develop ESG-centric products and services for our customers' investment and risk management needs.

Moving forward, we intend to support and curate more green, climate-aligned or ESG products and services that will interest investors and simultaneously futureproof our business.

SGX is further fortifying our support for our subsidiaries' sustainability journey and leadership, such as for Baltic Exchange, Scientific Beta and EMC. We also recently acquired a minority stake in HeveaConnect, a digital rubber platform which provides sustainability-related information.

Regulator: Guide market on sustainability disclosures that are decision-useful for investors

As a regulator, SGX strives to be a leader in the sustainable finance ecosystem. We are committed to guiding prospective and listed companies in their sustainability journey through multi-stakeholder discussions, consultations with investors and informal engagement with listed companies.

To support our listed companies, we have organised capacity-building workshops, online training and seminars on sustainability topics to help enhance sustainability disclosures. Taking this a step further, SGX aims to help our listed companies align their climate reporting with recommendations from the TCFD.

Company: We strive to be a demonstrative leader and adopt sustainable practices, operating at the highest international standards

SGX strives to adopt sustainable business practices in line with high international standards and reduce our carbon footprint in line with science-based targets and carbon mitigation hierarchy. Through our own disclosures, we aim to lead by example in the ecosystem in which we operate.

We are an active supporter of community services. SGX is also a component of several global ESG indices including FTSE4Good Index, Bloomberg ESG Data Index and MSCI World ESG Leaders Index.

Executing our Vision

As demonstrated above, we recognise the multifaceted nature of our business and the impact that SGX has on the wider ecosystem through our roles as regulator, business and company. As such, we intend to support sustainable transitions in the market through three main strategies – to lead, futureproof and build with current and new initiatives.

Lead

We are continually working closely with partners in our ecosystem to define and establish meaningful sustainability leadership in the global, regional and local arena.

Futureproof

Solidify our position in leading segments, such as fixed income, derivatives and equity.

Increase our capacity to respond to ESG risks and opportunities and foster knowledge sharing in the ecosystem.

Promote sustainability data centricity to encourage better decision making and accurate and comparable data in the market.

Build

Explore new business opportunities as demand for sustainable investments grow.

Enhance regulatory frameworks and a culture that facilitates the sustainable transition.

Creating Sustainable Value

Demonstrating our Vision and Execution Through our Approach to Climate Action

One of the key priorities in our Sustainability Vision is climate action and we aim to be a holistic partner during every stage of the transition.

We are mindful that the decarbonisation journey towards a low-carbon economy can be complex. As such, our guidance paper "Credible decarbonisation and transition for corporates in Asia" produced with expert partners CDP, Climate Bonds Initiative (CBI) and HFW lays down six key steps:



Six key steps:

01



Measure your carbon footprint, and understand the key risks and opportunities

02



Set emission reduction targets according to the carbon mitigation hierarchy per these key steps, and align to science whenever possible. Consider the level of ambition e.g. mid-term at well-below 2°C, 1.5°C and a longer-term net-zero target, with consistent interim milestones

03



Reduce your absolute emissions footprints first within your operations, and within the company's supply chain

04



Neutralise unavoidable residual emissions in the company's own supply chain by permanently removing carbon from the atmosphere or by using quality, permanent carbon-removal credits

05



Compensate year-on-year (YoY) to prevent, reduce or eliminate GHG emissions inside the supply chain, and finance climate action through direct investments and quality carbon credits outside the supply chain

06

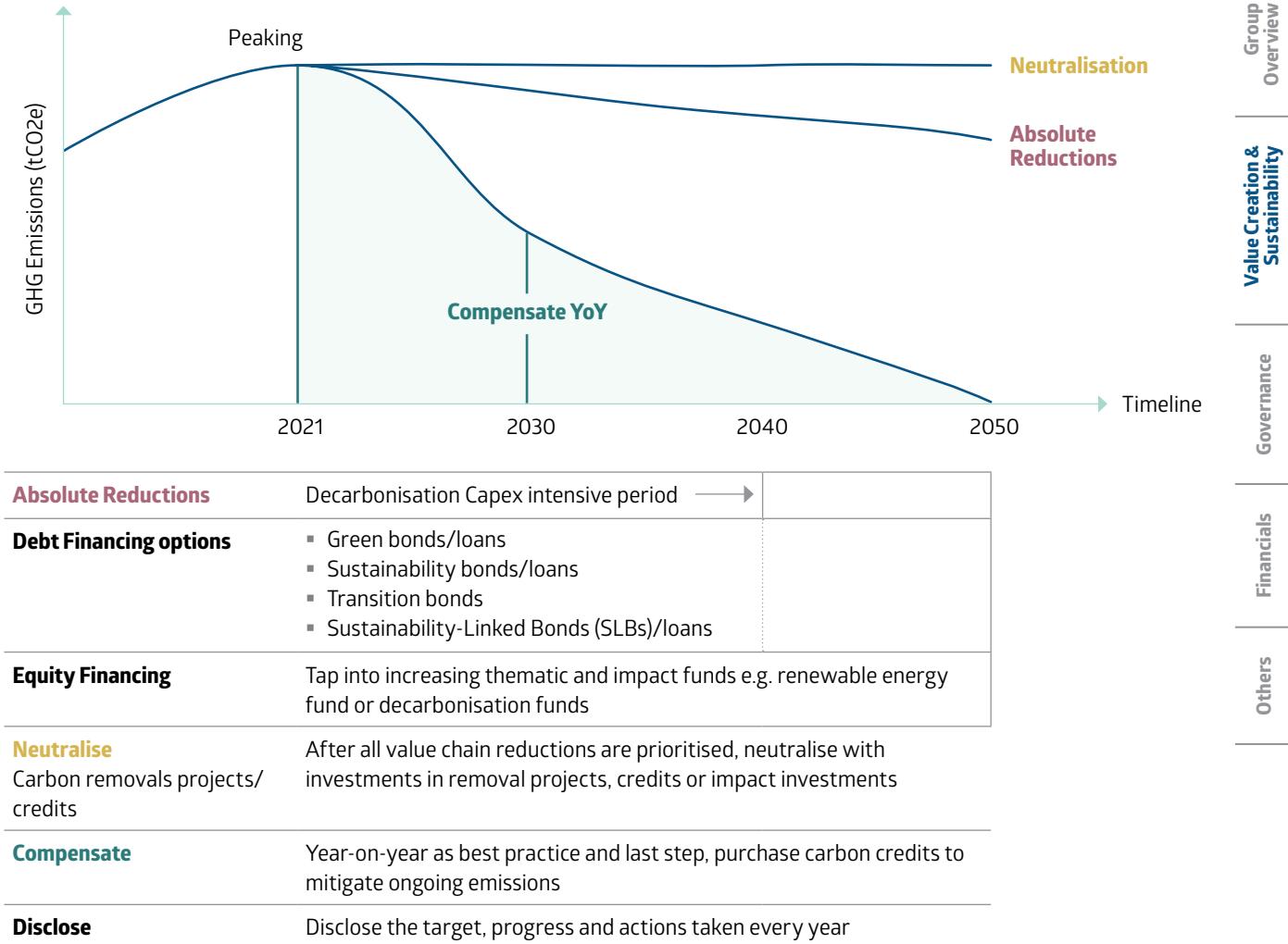


Disclose the progress of your journey YoY for steps 1 to 5



This transition necessitates Capex and Opex changes, which may only happen over a period of time in some sectors due to constraints related to policies, commercial viability and technological development. Companies should go on a rapid emissions reduction journey wherever they can, which will require financing. Our offerings on green, sustainability, transition and sustainability-linked bonds can help finance Capex such as for more energy-efficient facilities and renewable energy. Companies and investors can further hedge via ESG equity derivatives and environmentally enhanced versions of commodity derivatives.

For neutralising and compensating for the remaining unabated emissions en route to net-zero, we plan to offer high-quality carbon credits through our CX platform.



Disclosure and transparency are going to be focal points globally, which we will support via enhanced disclosure standards for the listed companies with a particular focus on climate. Our indices such as Scientific Beta's CICI provide transparency for investors, and our FIRST platform houses ESG ratings of listed companies. We have further work in progress ESG data portals for both equity and fixed income. We will continue to develop our FIRST platform to provide content and support for companies and investors who are embarking on their sustainability journey.

SGX is continuously raising disclosure and transparency standards to provide investors with timely access to decision relevant climate-related information. In addition, we seek to strengthen the climate resilience of our ecosystem through providing market guidance, research and developing climate-related products.

Creating Sustainable Value

Stakeholder Engagement

At SGX, we define stakeholders as persons and entities which we engage with that have an influence on the value of the company. Stakeholder engagement is important to guide SGX's commercial and policy decisions. Stakeholder perspectives can provide an "outside-in" view on the impacts of our policy decisions. These views are important to help SGX's long-term commitment to nurture and build a robust Asian capital market.

We engage our key stakeholders through various platforms and channels and take their feedback into careful consideration, to ensure that our decisions benefit our stakeholders as a whole. Due to COVID-19 restrictions, engagements in FY2021 were largely conducted virtually.

The table below summarises our approach to stakeholder engagement in FY2021:

Key Stakeholders	Engagement Methods	Interests and Concerns
Employees	<ul style="list-style-type: none"> ▪ Town halls, focus group discussions, employee surveys, workshops, trainings and seminars, corporate events and the Connects intranet platform. 	<ul style="list-style-type: none"> ▪ Opportunities for career growth and development ▪ Employee engagement, wellness, safety and work environment ▪ Updates on organisational strategy, plans and performance
Regulators and Government	<ul style="list-style-type: none"> ▪ Dialogue, feedback sessions and jointly organised events. 	<ul style="list-style-type: none"> ▪ Market structure developments ▪ Corporate governance ▪ Regulatory policies and practices
Issuers	<ul style="list-style-type: none"> ▪ Dialogue, workshops, promotional roadshows and seminars. 	<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"> ▪ Dialogue, feedback sessions, training and jointly organised exercises and events. 	<ul style="list-style-type: none"> ▪ Infrastructure developments and business continuity planning ▪ Regulatory policies and practices ▪ Distribution of products and services
Shareholders and Research Analysts	<ul style="list-style-type: none"> ▪ Management briefings, non-deal investor roadshows, investor conferences, and annual general meeting. 	<ul style="list-style-type: none"> ▪ Organisational financial performance ▪ Corporate strategy and growth initiatives ▪ Dividend policy
Investment Community	<ul style="list-style-type: none"> ▪ Investor perception study, retail investor education and advocacy programmes via the SGX Academy and non-deal investor roadshows. 	<ul style="list-style-type: none"> ▪ Retail investor financial literacy and investment education ▪ Organisational financial performance and execution of strategy ▪ Increasing investment returns
Public and Communities	<ul style="list-style-type: none"> ▪ Public consultations, seminars and programmes, scholarship and internship programmes, fundraising and corporate activities. 	<ul style="list-style-type: none"> ▪ Market structure developments and corporate governance policies ▪ Academic learning opportunities ▪ Corporate social responsibility activities

Annual Institutional Investor Perception Study

Through the engagement of an independent third party, SGX has been conducting an annual investor perception study since FY2015. The purpose of the study is to understand the investment community's sentiments on our strategy, management team, investment case, capital allocation, investor communications and corporate governance. In-depth interviews were conducted with past, current and potential shareholders, followed by a comprehensive analysis of the results.

Key findings from the FY2021 investor perception survey were as follows:

- SGX continues to be viewed positively as an exchange focused on innovation with very strong corporate governance practices. Investors praised management for its consistency of strategy and execution, including the way it has successfully navigated the transition from MSCI to FTSE.
- The investment community appreciates SGX's efforts to develop its multi-asset capabilities and believes that the firm is well positioned for future long-term growth. The range of products SGX offers and its track record of creating new ones to respond to changing market needs continues to be viewed as a key differentiator.
- Investors would like to see further evidence of the contribution from new growth drivers including the acquisitions that have been made. The need to develop new growth engines is seen as particularly acute because many maintain there are still significant structural challenges facing the domestic Singaporean equity market. They believe it is vitally important for SGX to attract new high-growth companies to its exchange, despite the intense competition from regional peers, to bolster the market's liquidity and volumes.
- Respondents wish to see SGX focus on growth investments with organic growth continuing to be the highest priority, followed by inorganic opportunities.
- The quality of SGX's management team is now the most commonly cited reason to invest.

Stakeholder Survey on ESG

In a separate engagement, SGX also surveyed stakeholders to determine the level of importance we should accord to sustainability in its strategic planning, products and solutions. These include institutions such as SGX-listed companies, members and investors. In embedding sustainability in SGX's strategic planning, 75% of respondents agreed to its importance; 68% of respondents felt that it was

important that SGX continues to introduce ESG products; and 69% agreed that SGX should develop ESG information solutions to facilitate investment decisions. For retail investors, the survey found that 2 out of 3 (66%) retail investors consider ESG factors when investing. The most important factor in ESG is governance, where there is high demand for transparency. Retail investors also felt that it is important for SGX to offer ESG products (69%) and provide ESG information and solutions to help in making investment decisions (70%). However, 57% of respondents felt that ESG information is not easily accessible.

In response to the growing demand for ESG considerations among stakeholders, we have enhanced our sustainability approaches and refreshed our material assessment to cater to the sustainability development of the investing ecosystem.

Studies on Topics of Shareholders' Interest

Besides our annual investor perception survey, we also conducted two studies with our partners on sustainability disclosures.

The study 'Perspectives of Financial Institutions on Sustainability Disclosures' was published in collaboration with the National University of Singapore (NUS) Business School's Centre for Governance and Sustainability (CGS) and KPMG in Singapore. The study found that financial institutions (FIs) in Singapore highly value ESG performance, with a clear emphasis on climate risk. Majority of them expressed that they evaluate companies' sustainability disclosures as part of their decision-making process, particularly in relations to energy, water, waste and effluents.

SGX and NUS CGS also published a review of our listed companies FY2021 sustainability reports. The study found that the new reports demonstrated an overall improvement in quality compared to FY2019. This improvement was against a backdrop of greater challenges brought about by COVID-19 and climate change.

More details about these studies can be found under Section 8 (Strengthening Sustainable Resilience and Stewardship): 'Research and Collaborations'.

Public Consultations

In FY2021, SGX held four public consultations to obtain feedback on possible amendments to our rules. The consultations covered enhancements to the default management process for managing clearing member defaults, enhancements to the scope of direct enforcement actions available to SGX RegCo, a new framework to enable the listing of Special Purpose Acquisition Companies (SPACs) on the SGX Mainboard, and rule changes in connection with the GIFT Connect.

More details about the results of the public consultations can be found at: <https://www.sgx.com/regulation/public-consultations>.

Regulatory Response to COVID-19

COVID-19 has caused disruption to many businesses, including SGX and our stakeholders. We proactively engaged our stakeholders, responded to their needs to maintain market confidence and helped the market deal with safe distancing and sudden and unexpected financial constraints.

SGX RegCo supported our listed issuers and members through the following regulatory initiatives to enable them to focus on dealing with the challenges posed by COVID-19:

- As COVID-19 safe management measures were extended beyond earlier deadlines, SGX RegCo worked with statutory regulators to facilitate virtual general meetings until further notice, under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings) Orders (the "Meeting Orders").
- We published two Regulator's Columns in July 2020 to set out our expectations on the preparation of financial statements and sustainability reports amid COVID-19. We also issued guidance in May 2021 on the application of accounting standards for interim and full-year financial statements.

Creating Sustainable Value

- SGX RegCo stepped up our outreach to brokers and members, to ensure market orderliness and operational resilience. We published an Algorithmic Trading Regulatory Guide to alert members to potential operational risk areas and provide guidance on risk monitoring. We increased our monitoring of member firms to ensure that they were financially sound, and stress-tested their financial positions. In addition, we assessed retail members' responsiveness to threats and cyberattacks in a Cyber Tabletop exercise in March 2021 and communicated our expectations of members' containment, response and recovery plans based on pre-defined cyberattack scenarios and exercise injects.
- We also applied artificial intelligence enhancements to our real-time monitoring surveillance system which enabled us to reduce the number of false positives in alerts and identify more complex types of market misconduct during extreme market volatility.
- To facilitate fundraising by listed issuers during this period, SGX RegCo extended the availability of the enhanced share issue mandate thresholds for Mainboard companies, allowing issuers up to 31 December 2021 to seek or renew their general mandate to issue shares of up to 100% of their total issued share capital, compared with a share issue limit of 50% of their issued share capital before COVID-19. This supported companies that needed to recapitalise urgently.
- We also extended the suspension of the Financial Watch-list beyond June 2021 to enable companies to focus on meeting their current business and economic challenges.
- Given the challenging economic conditions and concerns on financial viability, SGX RegCo stepped up financial statements reviews and actively queried companies with signs of financial difficulties. SGX RegCo leveraged on technology and implemented Phase 1 where alerts are generated to prod disclosures when certain internally developed financial indicators are triggered. This project will continue to be enhanced in the next phases to improve predictive capability and enable early detection of fraud in companies under financial duress or those that exhibited signs of potential financial irregularities.
- SGX RegCo also stepped up engagements with companies' Audit Committees ("ACs") and external auditors to highlight areas of concerns identified by SGX RegCo based on our own internal review. The objective was to draw ACs' and external auditors' attention to areas when undertaking the audit as well as to consider if matters highlighted by SGX RegCo had been dealt with or would be considered for discussion in the key audit matters of the company's Annual Report.
- In line with Singapore's efforts to be a debt restructuring hub, we engaged market practitioners to obtain feedback on issues they faced in the application of the Listing Rules in a debt restructuring scenario. SGX RegCo is reviewing the listing rules to ensure that they are able to facilitate restructuring and potential bond defaults.

Materiality Assessment

In FY2021, we undertook a materiality review exercise with a global knowledge partner to build and expand our material factors. This was done taking into consideration the rapidly evolving sustainability landscape. As part of this exercise, we adopted the dual materiality approach when reviewing our material topics, to emphasise both the matters that are important to our value creation and the wellbeing of our stakeholders. This dual perspective helps us to understand how our material ESG topics impact the wider society, the economy, and the environment, as well as our own operations and business performance.

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 topics have impacts that span across both boundaries.

Our materiality assessment process involved three steps: selection, assessment and validation of material topics. Firstly, we selected our material topics after considering global and sectoral ESG topics, sustainability topics identified by peers, and SGX's risks and opportunities at an organisational level. Secondly, we assessed our shortlisted material topics based on their importance to stakeholders in the decision-making process and their impact on SGX. Finally, we validated our material topics through engagement with internal stakeholders.

We believe our newly curated material sustainability topics reflect our role as a leading sustainable and credible transition finance and trade hub, with end-to-end products, solutions and ecosystems, as well as our position as a trusted and reputable regulator in Asian capital markets. Our material factors cover the following themes:

1. Leading in governance and transparency
2. Developing a sustainable ecosystem
3. Engaging, supporting and developing people
4. Building a sustainable business

SGX's Material Topics

The prioritisation of the following material factors was based on the importance to stakeholders in the decision-making process and their impact on SGX. They are not listed in any order of importance.

Section	Material factor	Definitions and examples	Alignment with international sustainability frameworks	
1. Leading in governance and transparency	Ethics and compliance	Efforts to combat corruption, comply with tax and other regulations, manage conflicts and maintain SGX and the broader capital market infrastructure as peaceful, just and strong institutions.	<ul style="list-style-type: none"> ▪ SASB's Managing Conflict of Interest requirements ▪ GRI 205 (anti-corruption) ▪ GRI 207 (tax compliance) ▪ GRI 419 (socioeconomic compliance) ▪ SDG16 (peace, justice and strong institutions) ▪ SDG17 (partnership for the goals) 	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	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 ESG disclosures of listed companies, and collaborations for more transparent capital markets.	<ul style="list-style-type: none"> ▪ SASB FN0203-02 / FN-EX-410a.1, FN0203-03 / FN-EX-410a.2, FN0203-01 / FN-EX-410a.3, FN0203-04 / FN-EX-410a.4 ▪ GRI 203 (indirect economic impacts) ▪ SDG8 (decent work and economic growth) ▪ SDG9 (industry, innovation and infrastructure) ▪ SDG16 (peace, justice and strong institutions) 	 8 DECENT WORK AND ECONOMIC GROWTH
	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.	<ul style="list-style-type: none"> ▪ SASB FN0203-08 / SASB FN-EX-550a.1 ▪ SASB FN0203-09 / FN-EX-550a.2 ▪ SASB FN0203-07 / FN-EX-550a.3 ▪ GRI 102-15 (general strategy – key impacts risks & opportunities) ▪ SDG8 (decent work and economic growth) 	 8 DECENT WORK AND ECONOMIC GROWTH
2. Developing a sustainable ecosystem	Demonstrative leadership in carbon emission management	Commitment to science-based targets to reduce our carbon emissions to limit global temperature rise to 1.5-degree and in line with the Paris Agreement.	<ul style="list-style-type: none"> ▪ GRI 302 (energy) ▪ GRI 305 (emissions) ▪ GRI 307 (environmental compliance) ▪ SDG7 (affordable and clean energy) 	 7 AFFORDABLE AND CLEAN ENERGY
		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.	<ul style="list-style-type: none"> ▪ SDG11 (sustainable cities and communities) ▪ SDG13 (climate action) ▪ TCFD recommendations 	 11 SUSTAINABLE CITIES AND COMMUNITIES

Creating Sustainable Value

Section	Material factor	Definitions and examples	Alignment with international sustainability frameworks
2. Developing a sustainable ecosystem	Stewardship of the financial ecosystem	Efforts to advance the adoption of globally-recognised ESG and climate-related guidelines and frameworks, through partnerships and implementation of disclosure policies.	<ul style="list-style-type: none"> ▪ SASB FN-EX-410a.4 (ESG disclosures of member companies) ▪ GRI 102 (general disclosures) ▪ SDG13 (climate action) ▪ SDG17 (partnership for the goals) ▪ TCFD recommendations 
3. Engaging, supporting and developing our people	Employment practices and employee development	Employment practices that ensure the health, safety and well-being of our staff, and employee development.	<ul style="list-style-type: none"> ▪ GRI 401 (employment) ▪ GRI 402 (labour management and relations) ▪ GRI 403 (occupational health and safety) ▪ GRI 404 (training and education) ▪ SDG8 (decent work and economic growth) 
	Diversity and inclusivity	Embrace of diversity amongst our staff, regardless of gender, age and other socio-cultural factors, and maintenance of an inclusive work environment.	<ul style="list-style-type: none"> ▪ GRI 202 (market presence) ▪ GRI 405 (diversity and equal opportunity) ▪ GRI 406 (non-discrimination) ▪ GRI 407 (freedom of association and collective bargaining) ▪ SDG5 (gender equality) ▪ SDG8 (decent work and economic growth) ▪ SDG10 (reduced inequality) 
4. Building a sustainable business	Economic performance	Revenue and other indicators of business growth.	<ul style="list-style-type: none"> ▪ SASB FN-EX-000.A & FN-EX-000.B ▪ GRI 201 (economic performance) ▪ SDG8 (decent work and economic growth) 
	Sustainability products and services	Revenue-generating products that are green or ESG-focused, which contribute to SGX's business resilience while advancing international climate-related goals.	<ul style="list-style-type: none"> ▪ GRI 102 (general disclosures) ▪ GRI 201 (economic performance) ▪ SDG8 (decent work and economic growth) ▪ SDG9 (industry, innovation and infrastructure) ▪ TCFD recommendations 

Summary of FY2021 Performance & FY2022 Targets for Material Themes

SGX discloses yearly performance and targets in line with its key material topics. In FY2021, our sustainability reporting practices were mostly deemed to be 'above average' among listed companies in Singapore, according to a joint review in 2021 by SGX RegCo and the Centre for CGS at the NUS Business School. In FY2021, we underwent a materiality review exercise to expand our material factors in a more holistic manner to reflect our priorities and initiatives as a company, business and a regulator.

The below highlights will be further expounded upon on pages 58 to 72.

Performance and Initiatives in FY2021

Leading in governance and transparency

Ethics and compliance

- 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 (SASB FN-EX-510a.1)
- Disclosed processes for identifying and assessing conflicts of interest, including Conduct and Ethics Policy and Regulatory Conflicts Handbook (SASB FN-EX-510a.2)
- Working on advancing ethics and compliance through a public consultation on changes to listing rules regarding enforcement

Transparent capital markets

- During the year, there were 959 voluntary trading halts relating to the public release of information and 28 occurrences of trading pauses related to trading volatility (SASB FN-EX-410a.1)
- Disclosed involvement in automated trading and associated risks and opportunities (SASB FN-EX-410a.2)
- Disclosed alert policy (SASB FN-EX-410a.3)
- Disclosed policies for ESG disclosures of listed companies (FN-EX-410a.4)
- Collaborated with partners towards more transparent capital markets via regulatory cooperation with Nasdaq
- Published quarterly Public Quantitative disclosures in line with CPMI-IOSCO guidelines, providing transparency on how SGX's post trade, clearing, settlement and depository activities are governed and operated, and risks managed

Business continuity

- Zero significant market disruptions or downtime (SASB FN-EX-550a.1)
- Zero material data breaches (SASB FN-EX-550a.2)
- Disclosed efforts to prevent technology errors, security breaches and market disruptions (SASB FN-EX-550a.3)
 - Efforts included conducting 19 business continuity and IT disaster recovery exercises, of which 3 exercises involved industry participants

Developing a sustainable ecosystem

Demonstrative leadership via carbon and resource management

- Our first disclosure of absolute emission and intensity for Scope 1, 2 and 3 in line with Greenhouse Gas Protocol Standards
- SGX's Central Depository (CDP) moved online to reduce our environmental footprint
- 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 and replacement of high-consumption lighting

Stewardship of the financial ecosystem

- 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
- Commissioned a review and offered feedback to our listed companies on their progress in sustainability reporting
- Conducted research with partners to improve sustainability disclosures
- Conducted three large scale public investor education events
- Conducted over 250 investor education seminars and courses virtually

Creating Sustainable Value

Performance and Initiatives in FY2021

Engaging, supporting and developing our people

Employment practices and employee development

- Achieved 60 average training hours per employee, exceeding our target of 35 average training hours per employee
 - 13 hours more than the 47 average training hours per employee in FY2020
- Attained the ISO 45001 (occupational health and safety management systems) certification
- With the extended work-from-home situation due to COVID-19, we helped teams and individuals to better connect with each other via team-based interventions such as the Emergenetics Profiling Report and workshops, to establish better rapport and collaboration among team members
- We continued to transition our traditional classroom instructor-led programmes to a virtual format to support our employees' efforts at continuous learning. We curated a series of learning offerings through our digital learning platforms to provide more opportunities for our employees to continue learning while working from home
- We worked on building in-house technical capabilities through the design and development of digital-learning courses
- We implemented innovation-benchmarking workshops for employees to create awareness of disruptive socioeconomic trends
- We ran leadership-development programmes for senior managers to build on our leadership capabilities

Building a sustainable business

Sustainability products and services

- Launched SGX FIRST, which is Asia's only multi-stakeholder, exchange-led sustainability platform with a suite of products across asset classes

SGX FIRST (Future In Reshaping Sustainability Together)

Fixed Income	Equities	Equity Derivatives	Indices	Commodities
<ul style="list-style-type: none"> ▪ #1 Green Bond Listing Venue in Asia with more than 50% market share of Asian Issuances in the last 12 months² ▪ Top 5 Green Bonds marketplace globally with 7% market share <p>Work in progress</p> <ul style="list-style-type: none"> ▪ Bond database and digitalisation ▪ Further support for sustainability-linked and transition bonds 	<ul style="list-style-type: none"> ▪ Provision of ESG Ratings of Listcos ▪ Vice-Chair of TCFD & future guidance <p>Work in progress</p> <ul style="list-style-type: none"> ▪ ESG data portal ▪ Further productisation on climate, green and ESG themes 	<ul style="list-style-type: none"> ▪ Complete ESG Futures shelf in regional derivatives ▪ SGX FTSE Emerging ESG Index Futures ▪ SGX FTSE Emerging Asia ESG Index Futures ▪ SGX FTSE Asia ex Japan ESG Index Futures ▪ SGX FTSE Blossom Japan Index Futures ▪ SGX Nikkei ESG-REIT Index Futures 	<ul style="list-style-type: none"> ▪ Strong thematic and proprietary capabilities ▪ ESG screening and low carbon/ESG/climate risk filters ▪ Scientific Beta ESG & CICI ▪ iEdge SG ESG Leaders Index ▪ iEdge SG ESG Transparency Index 	<ul style="list-style-type: none"> ▪ CIX: carbon exchange and market place ▪ Environmentally enhanced commodities contracts – e.g. 65% Fe Iron Ore futures ▪ RECs market offerings as part of the PowerSelect platform ▪ Baltic Exchange: Low Sulphur route pricing supporting IMO 2020 agenda ▪ HeveaConnect

- SGX is the exclusive partner in Asia for the NSBN. This network aims to be the leading source of information on green, social and sustainability bonds, to help global investors conduct due diligence, selection and monitoring of these bonds. The addition of SGX data – which supports the financing of projects such as renewable energy, sustainable land use, clean transportation as well as social and humanitarian causes – expands the network to 650 issuers and approximately 6,500 bonds
- SGX launched five equity futures including SGX Nikkei ESG-REIT Japan Index Futures – the world's first ESG REIT derivatives. The new derivatives are designed to enable seamless adoption of ESG factors into investment portfolios

² As of May 2021, data from Bloomberg.

Performance and Initiatives in FY2021

Building a sustainable business

- SGX aims to launch CIX by end-2021 with DBS, Standard Chartered and Temasek. CIX will be a Singapore-based global carbon exchange and marketplace that aims to scale the voluntary carbon market by connecting an ecosystem of partners to empower corporations to take effective action and complement carbon reduction efforts
- Scientific Beta's CICI is the only pure climate index offering on the market that translates companies' climate performance and alignment engagement into portfolio decisions, thus helping investors to achieve real-world emissions reductions
- As part of our support to develop a sustainable supply of natural rubber, SGX invested US\$1.5 million for a stake in HeveaConnect – a digital rubber trading platform which provides sustainability-related information

Targets for FY2022

Leading in governance and transparency

Ethics and compliance

- 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

Transparent capital markets

- Disclose number of voluntary trading halts, and number of halts due to market volatility
- Disclose percentage of trades generated from automated trading systems
- Disclose policies relating to alerts and disclosure of material information of listed companies
- Disclose policies relating to the disclosure of ESG information by listed companies

Business continuity

- Disclose the number of significant market disruptions and downtime
- Disclose the number of material data breaches
- Demonstrate efforts in preventing technology errors, security breaches and market disruptions

Developing a sustainable ecosystem

Demonstrate leadership in carbon emission management

- 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 FY2021³
- Disclose Scope 1, 2 and 3 carbon emissions for the year
- Demonstrate efforts to reduce environment footprint

Stewardship of the financial ecosystem

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

Engaging, supporting and developing our people

Employee development, talent management and retention, employment practices and employee well-being

- 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
- Achieve 70% favourable learning evaluation survey results for all programmes delivered
- Achieve 90% of employees developing an individual development plan (IDP) for their personal development
- Achieve 100% performance appraisal discussions conducted for all employees

Building a sustainable business

Economic performance

- Disclose the group's financial statement in accordance to accepted financial reporting standards

Sustainability products and services

- Introduce new ESG-focused investment and risk management products and services

³ In line with SBTi, SGX has excluded Scope 1 from our targets as Scope 1 emissions are immaterial (<5% of combined Scope 1 & 2 emissions.) We will also seek to reduce Scope 3 emissions by engaging with suppliers to set GHG targets. More information can be found in carbon and resource management section.

Creating Sustainable Value

The following sections further elaborate on SGX's initiatives for each of our identified material factors.

1. Leading in Governance and Transparency

Ethics and Compliance (SASB: Managing Conflict of Interest)

- SASB's *Managing Conflict of Interest* requirements
- GRI 205 (*anti-corruption*)
- GRI 207 (*tax compliance*)
- GRI 419 (*socioeconomic compliance*)
- SDG16 (*peace, justice and strong institutions*)
- SDG17 (*partnership for the goals*)

Code of Conduct and Ethics Policy

At SGX, we advocate the highest level of conduct and ethical standards to maintain high standards of governance. The SGX Conduct and Ethics Policy, the Staff Dealing Policy, the Regulatory Conflicts Handbook and the Regulatory Conflicts Code and Information Barrier Policy are essential in guiding the behaviour of our employees.

All employees are required to undergo rigorous training, including annual compliance training, to familiarise themselves with these policies. These policies provide guidance on appropriate conduct for common ethical issues, such as conflicts of interest, bribery and corruption, confidential information, insider trading, among others.

We also educate all our employees on our Whistleblowing Policy, to facilitate the reporting of suspected and actual cases of improper, unethical or fraudulent conduct. The Whistleblowing Policy, including related reporting and communication channels, is publicly available on our website. The Board and EMCO take a firm stance on the ethics and integrity of SGX employees and a serious view on non-compliance.

There were no cases of bribery, corruption, anti-competitive behaviour, or other material non-compliance with the law during the year. We continue to strive to uphold the highest standards of corporate governance with respect to our stringent governance framework.

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. We also mandated all issuers to establish and maintain a whistleblowing policy. Issuers will be required to state in their annual reports that such a policy is in place for financial years commencing from 1 January 2021.

SGX RegCo's current range of direct enforcement powers is mainly confined to private actions. These actions have been regularly meted out but always away from the public eye. While public sanctions are also available, only the independent Listings Disciplinary Committee (LDC) can wield the powers for these sanctions. Challenges have also arisen from conflicts of interests when members try to form a hearing committee that satisfies quorum and independence requirements.

With effect from 1 August 2021, SGX will have the powers to deal with cases that call for public sanctions which the LDC can hear, excluding those where fines may be imposed. A fine is the most severe of disciplinary actions and the committee will continue to be the sole party to wield this power.

We have also acquired additional powers where an issuer under investigation must seek our approval

before directors can be appointed or re-appointed to its board. In addition, SGX RegCo has the power to object to the appointment or re-appointment of directors and/or executive officers who are under investigation.

SGX RegCo has been working closely with different segments of the market community to raise standards, and to detect and deal with misconduct or wrongdoing. To include listed companies too can contribute to these efforts. Hence, we require companies to put in place and disclose arrangements to receive and investigate whistleblowing allegations as well as proper provisions for protection of the whistleblower within the company.

Tax Policy (in line with GRI 207)

Approach to tax (GRI 207-1)

SGX is committed to regulatory compliance as part of our tax strategy, which involves:

1. Complying with the relevant tax laws and regulations across countries and territories in which we operate and have a taxable presence
2. Filing tax returns accurately and in a timely manner, and ensuring all applicable tax obligations are fulfilled appropriately
3. Paying our fair share of taxes and considering tax planning activities that are in accordance and in full compliance with tax laws before implementing business plans
4. Consulting independent third-party advisors and tax authorities on transactions with significant tax uncertainty

The CFO is responsible for oversight of SGX's tax strategy and overall function, with support from the Head of Tax.

SGX is committed to tax compliance and engage regularly with authorities.

	Performance Overview
<u>Tax governance, control and risk management (GRI 207-2)</u>	
The tax function is part of our finance team and within the responsibility of CFO. Both CFO and Head of Tax will update tax developments and tax risk assessment of our business to the Board of Directors, as necessary. Our tax function oversees our day to day responsibility for tax and ensures tax compliance. Our appetite for tax risks is low.	<p>controls are reviewed periodically. We have been awarded "ACAP Premium" status, the highest awarded status Checks, where required, will also be conducted by third-party advisors to ensure procedures submitted are adhered to and address gaps, if any.</p> <p>2. Tax returns are also prepared by third party advisors for the assurance of quality, as required. Our in-house tax professionals will review the tax returns before approving the submission to relevant tax authorities</p>
SGX adopts the SASB's definition of tax risks, which are risks associated with the organisation's tax practices that might lead to a negative effect on the goals of the organisation, or to financial or reputational damage.	<p><u>Stakeholder engagement and management of concerns related to tax (GRI 207-3)</u></p> <p>SGX seeks to build relationships with tax authorities and to be transparent and forthcoming about our business with relevant tax authorities. Invited SGX companies have onboarded the Enhanced Taxpayer Relationship programme with IRAS since 2015. We also ensure that any tax queries by tax authorities are responded to in a timely and transparent manner. Where there are contentious tax issues, we will seek clarifications from relevant tax authorities or seek advanced rulings to confirm tax positions.</p> <p>We also constantly engage our members, the industry and relevant authorities on tax initiatives and feedback to update existing or implement new tax regulations.</p>
Our tax framework consists of the following:	<p><u>Country-by-country reporting (GRI 207-3)</u></p> <p>SGX looks forward to disclosing comprehensive country-by-country tax statistics once it is obligated to do so.</p>
1. We ensure that the transactions we enter are for genuine commercial reasons that are disclosed transparently	<p>Managing Conflicts of Interest</p> <ul style="list-style-type: none"> ▪ <i>SASB FN0203-06 / FN-EX-510a.1</i> ▪ <i>SASB N0203-05 / FN-EX-510a.2</i> ▪ <i>GRI 102-16 (general disclosures – ethics and integrity)</i> ▪ <i>GRI 102-40 to 44 (general – stakeholder engagement)</i>
2. We ensure that tax risks and tax implications are carefully thought through and communicated effectively to all stakeholders	
3. We seek professional advice from third-party advisors and consult with tax authorities on transactions with significant tax uncertainty	
4. We are committed to tax compliance and ensure all tax returns are duly filed both accurately and in a timely manner	
To ensure compliance with framework, internal assessments are done periodically.	<p>SGX's Conduct and Ethics Policy sets out expectations for staff, including that they must not place themselves in a situation where a conflict of interest exists, is perceived to exist, or may potentially arise. There are prohibitions on staff engaging in concurrent employment with customers, members, vendors or competitors of SGX, or on making investments in such entities without prior approval. Approval is also required for outside directorships.</p> <p>Compliance maintains and manages the Policy, and reports to both senior management and the Board on any infringements. HR manages the process of receiving, retaining and updating records relating to declarations of conflicts.</p>
SGX has a whistleblowing policy in place to report any concerns.	<p><u>Regulatory Conflicts Handbook</u></p> <p><i>SASB FN-EX-510a.2: Discussion of processes for identifying and assessing conflicts of interest</i></p>
Our assurance process includes the following, as part of our governance control framework:	<p>The Regulatory Conflicts Handbook sets out measures for managing regulatory conflicts, which are the conflicts between regulatory decision-making by SGX and its commercial or financial objectives.</p>
1. SGX has participated in the IRAS' Assisted Compliance Assurance (ACAP) programme to ensure that its GST	

Creating Sustainable Value

This is primarily managed by SGX RegCo, being an independently governed subsidiary that undertakes all regulatory functions on behalf of SGX and its regulatory subsidiaries. SGX also has a regulatory conflicts governance framework in place, consisting of both legislative obligations and rigorous internal standards.

Transparent Capital Markets

- *SASB FN0203-02 / FN-EX-410a.1, FN0203-03 / FN-EX-410a.2, FN0203-01 / FN-EX-410a.3, FN0203-04 / FN-EX-410a.4*
- *GRI 203 (indirect economic impacts)*
- *SDG8 (decent work and economic growth)*
- *SDG9 (industry, innovation and infrastructure)*
- *SDG16 (peace, justice and strong institutions)*

Trading halts and pauses (SASB FN-EX-410a.1)

In the past financial year, SGX has had 959 voluntary trading halts related to the public release of information and 28 trading pauses related to volatility or erratic trading.

Automated trading (SASB FN-EX-410a.2)

SGX aims to disclose the percentage of our trades generated from automated trading systems.

A key risk associated with automated trading include the potential for over-trading, should automated systems fail. This may lead to heightened financial risks to the trading entity, its associated clearing participant, and potentially to the trading community. Without adequate controls and trading policies, such failures will cause reputational damage to the exchange.

SGX RegCo performs audits on clearing participants to ensure that adequate client trading limits are specified electronically in the trading system. Clearing participants are expected to perform KYC ("Know Your Client")

analysis and assign trading limits to all clients accordingly. Since further trading is halted once limits are reached, the requirement to set system trading limits mitigates the risk of over-trading should clients' automated trading systems fail.

On the other hand, opportunities of automated trading include increased trading velocity, potential revenues from offering co-location hosting, risk control services, and connectivity services.

Alert policy (SASB FN-EX-410a.3)

SGX has 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 at : <http://rulebook.sgx.com/rulebook/appendix-7a-corporate-disclosure-policy>.

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

Policies for ESG disclosures of member companies SASB FN-EX-410a.4

In June 2016, SGX has made it mandatory for listed issuers to produce a sustainability report from FY ending 31 December 2017 onwards. The sustainability report must contain the content as required in the Listing Rules on a "comply or explain" basis, where listed issuers must issue a sustainability report that addresses five primary components, namely (a) material ESG factors; (b) policies, practices and performance; (c) targets; (d) sustainability reporting framework; and (e) Board Statement. The report must be issued no later than five months after the end of each FY.

Upon the implementation of mandatory sustainability reporting, SGX offered subsidised capacity-building workshops for listed issuers to guide them on the new reporting requirements. We also organised other sustainability

workshops and conferences to help listed issuers to attain a better understanding of ESG reporting. A sustainability reporting guide as well as online training modules are available free-of-charge for all listed issuers, to guide their reporting process.

In order to keep track of the progress, SGX commissions reviews of sustainability reports regarding the progress of reporting by issuers over the years and offers feedback to issuers on their progress.

Based on a survey of sustainability reports, SGX is working to identify material factors for our listed companies to report on and will be publishing guidance in the near future.

Collaborations towards more transparent capital markets

Regulatory cooperation with Nasdaq and Tel-Aviv Stock Exchange ('TASE'):

SGX RegCo entered into regulatory cooperation memorandum of understanding ("MOUs") with Nasdaq and TASE respectively to help companies access capital in both jurisdictions. This cooperation aimed to facilitate the regulatory exchange of information on issuers which are dual listed on (i) SGX and Nasdaq; and (ii) SGX and TASE.

The regulatory cooperation with Nasdaq and TASE respectively strived to further enable the monitoring and assessment of issuers, and the enforcement of regulatory actions, including referrals of cases to the authorities of the respective jurisdictions.

Business Continuity

- *SASB FN0203-08 / SASB FN-EX-550a.1*
- *SASB FN0203-09 / FN-EX-550a.2*
- *SASB FN0203-07 / FN-EX-550a.3*
- *GRI 102-15 (general strategy - key impacts risks & opportunities)*
- *SDG8 (decent work and economic growth)*

SGX 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 and its diverse participants, our investment in well-orchestrated and designed recovery plans has provided fully functioning and well-regulated markets.

In the past FY, our markets achieved 100% uptime (SASB FN-EX-550a.1). We did not have any significant data breaches, defined as unauthorized movements or disclosures of sensitive information to parties that are not authorized to consume the information (SASB FN-EX-550a.2). Fundamental to this are our Technology and Cyber Security Resilience Frameworks, that

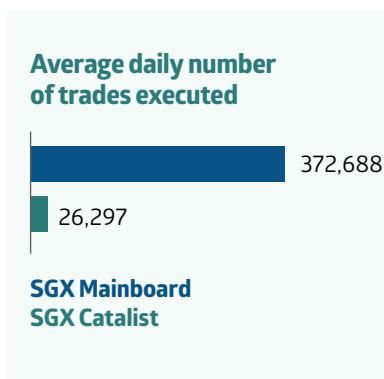
comprises policies, processes and tools to prevent technology errors, security breaches and market disruptions. A few of these key enablers are described in the following table (SASB FN-EX-550a.3).

Policies or efforts taken to prevent errors, breaches and disruptions	Description
Technology Resilience Framework	A framework that spans across all aspects of Technology to ensure long-term sustainability of the technology environment. The framework encompasses: Strategic Planning, Design & Build, Target Operating Model, Capacity Management, Change Management, Operational Resilience, Knowledge Management, Problem Management, Incident Management and Event Management.
Cyber Security Resilience Framework	A framework aligned to the global NIST Framework using five core functions namely Identify, Protect, Detect, Respond and Recover promoting an operational culture to addresses the dynamic cybersecurity risk.
Integrated Enterprise Command Centre and Security Operations Centre	Integrated command and control centres (Enterprise Command Centre and Security Operations Centre – ECC/SOC) that provide monitoring, detection, analysis, processing, and recovery of all technical and cyber incidents within SGX. This ensures rapid response to maintain the highest level of IT Services availability. All capabilities in ECC/SOC are remotely accessible by Work From Home Command Centre Analysts.
Annual Industry-wide Business Continuity Plan (BCP) Exercise*	Regular tests to ensure SGX's ability to failover to our Secondary Data Centre and participants' ability to connect when SGX conducts failovers.
Member Disaster Recovery (DR) Exercise*	Regular tests with market participants to ensure their ability to connect from their backup systems to SGX production systems, as part of their 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 platforms using data provided by SGX as the "golden source". This capability helps market participants to resume trading, clearing and settlement services expeditiously in a data corruption scenario.
Stringent Data Centre (DC) Physical Access Procedures	Strict physical access procedures to ensure only authorised personnel are allowed access to the Data Centre on an as-needed basis.
Robust Change Management process	Visualisation and analytical tools to provide a multi-dimensional view of potential impacts, thus mitigating the risk of incidents from failed changes.
Digital Tools	A suite of secured digital tools for both seamless collaboration and access to production systems in this new normal.
Intelligent Operations	Use of Artificial Intelligence (AI) and Machine Learning tools for automated correlation of technology alerts across the technology stack for faster resolution of incidents. Use bots to increase the efficiency and effectiveness of communications and reduce repetitive manual work around technology operations.

Creating Sustainable Value

Policies or efforts taken to prevent errors, breaches and disruptions	Description
Capacity Management to proactively manage demand during spikes	Use data modelling to perform proactive management of system capacity.
Monitoring of energy consumption in Data Centres	Use of state-of-the-art power monitor equipment to ensure SGX's Data Centre environment is operating at optimal power utilisation and cooling consumption levels, to minimise any wastage while meeting operational requirements.

The average daily number of trades executed by SGX, by product or asset class, is as follows:



2. Developing a Sustainable Ecosystem

The success of SGX depends on the ecosystem in which it operates. The more the financial ecosystem and its respective communities thrive, the more SGX thrives.

As such, we recognise the need to build capacity to respond to the dynamic changes brought on by climate change. To do so, we will lead and strengthen the ecosystem, supporting and providing the tools necessary for companies to transition.

On the international scale, SGX has been a partner exchange with the UN SSE initiative since 2016. SGX is involved in the SSE's workgroups, including its Advisory Group on Climate Disclosure.

We support the SSE's market guidance to strengthen the sustainability of stock exchanges around the world.

On the regional scale, to help build expertise for sustainability reporting and sustainable finance for the ASEAN region, SGX was part of the founding consortium for a new GRI Regional Hub in Singapore.

SGX strives to be a demonstrative leader and manage our resources and carbon emissions. FY2021 marks our first year for the disclosure of our GHG emission Scope 1, 2 and 3. These disclosures allow us to set science-based targets to reduce our carbon footprint over time.

We are the first Asian exchange to commit to 1.5°C science-based emissions reductions targets. The targets have been submitted to SBTi for validation. We will also be committing to the Business Ambition for 1.5°C as well as joining the Race to Zero.

Task Force on Climate-Related Financial Disclosures (TCFD) recommendations – SGX's Current Alignment and Plans

SGX understands the importance of developing a strong strategy and risk management frameworks that set the foundation for SGX's climate resilience. We recognise that the TCFD recommendations are designed to help companies understand what financial markets look out for regarding risk management disclosures and provide it. It has four overarching elements – Governance, Strategy, Risk Management and Metrics and Targets – leverages scenario-analysis to assess the future impact of key climate-related risks and opportunities. While we have made progress in certain areas, such as setting metrics and targets, we recognise that there are other areas we need to strengthen, over the next few years of adopting the recommendations.

Bringing together leading partners and stakeholders to build a thriving sustainable finance ecosystem

- ASEAN Exchanges
- ASIA Sustainable Finance Initiative
- Global Reporting Initiative
- Monetary Authority of Singapore
- Sustainable Stock Exchanges
- Task Force on Climate-Related Financial Disclosures

- The Baltic Exchange
- United Nations Global Compact
- Value Reporting Foundation
- World Federation of Exchanges

Examples of leading partners and stakeholders

TCFD recommended disclosures	SGX's approach	References
Governance		
a) Information on SGX's board oversight and governance around climate-related risks and opportunities.	<ul style="list-style-type: none"> SGX Board has oversight of SGX's sustainability and the integration of ESG matters in the formulation of SGX's strategy. SGX Board approves the Sustainability Report which provides comprehensive disclosures, including disclosures on SGX's climate action agenda. <p>Our Plans:</p> <ul style="list-style-type: none"> We plan to enhance information processes that will support the Board and Management to consider climate-related risks and opportunities in relevant strategic decisions and understand their development. 	<ul style="list-style-type: none"> Creating Sustainable Value – A Message from the Board (page 43)
b) Information on SGX Management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> The EMCO, together with Head of SSF, reports to the Board on sustainability matters, including climate-related matters, and are responsible for SGX's sustainability strategies, performance target-setting and risk policies. The SSC, formed in FY2021 and led by Head of SSF, drives the implementation of SGX's sustainability strategy and advises the EMCO on material ESG matters. <p>Our Plans:</p> <ul style="list-style-type: none"> Refer to plans for Governance (a) above. The SSF team will prioritise climate transition among the targets it has set for the coming year to keep pace with market demand. 	
Strategy		
a) Climate-related risks and opportunities identified over the short, medium, and long term.	<ul style="list-style-type: none"> SGX's approach to climate action is focused on the 4 pillars of our sustainability strategy – SGX in the ecosystem, as a company, business and regulator. In SGX, climate-related risks mainly arise from transition risks, the most significant being the increased global focus on integrating climate-related information into investment decision-making. Policy and Technology are potentially important as well, while physical risks is likely to be low. 	<ul style="list-style-type: none"> Creating Sustainable Value – Sustainability Vision (pages 46 to 47) Creating Sustainable Value – Developing a sustainable ecosystem (pages 62 to 68) Creating Sustainable Value – Building a sustainable business (pages 70 to 72) Risk Management – Climate-related Risks (page 40)
b) Impact of climate-related risks and opportunities on the SGX's businesses, strategy, and financial planning.	<p>Our Plans:</p> <ul style="list-style-type: none"> SGX will first strengthen our understanding of various transition risks affecting our business and potential interdependencies with other risks faced. We will then attempt to quantify the financial impacts and distinguish between the medium and longer term, with the help of independent subject matter experts. 	
c) Resilience of the organisation's strategy, based on scenario analysis.		

Creating Sustainable Value

TCFD recommended disclosures	SGX's approach	References
Risk Management		
a) Information on SGX's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> The SSC was formed to drive the implementation of SGX's sustainability strategy, including our climate agenda and climate risk management. Some climate-related risks have been categorised as emerging risks and SGX recognises that climate-related risks are inherently linked to other strategic, financial and operational risks. <p>Our Plans:</p> <ul style="list-style-type: none"> SGX will work towards developing a more robust framework to define and assess how climate-related risks, as well as other ESG risks, impact our businesses, with the aim to build SGX's resilience. We will deliver training for our Risk and Sustainability Leads from various units to enable effective identification and assessment of ESG risks, including climate-related risks. SGX will continue to review our climate-related risks and update our risk registers. 	<ul style="list-style-type: none"> Creating Sustainable Value – A Message from the Board (page 43) Risk Management – Climate-related Risks (page 40) Corporate Governance – Risk Management (pages 91 to 93) Creating Sustainable Value – Developing a sustainable ecosystem (pages 62 to 68)
b) Information on SGX's processes for managing climate-related risks.		
c) How SGX's processes for identifying, assessing, and managing climate-related risks are integrated into the SGX's overall risk management.	<p>Our Plans:</p> <ul style="list-style-type: none"> Recognising that climate-related risks, as well as other ESG risks, affect our businesses as do other risks monitored in our ERM framework, we will be refining our risk taxonomy to include ESG risks and embedding climate-related risks, and other ESG risks, in our ERM framework. 	
Metrics and Targets		
a) Metrics used by the SGX to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> SGX has reported on our GHG emissions in this report. <p>Our Plans:</p> <ul style="list-style-type: none"> SGX will be establishing further metrics to track our performance against our climate action strategy. 	<ul style="list-style-type: none"> Creating Sustainable Value – Developing a sustainable ecosystem (pages 62 to 68)
b) SGX's Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions.	<ul style="list-style-type: none"> SGX has measured and disclosed our Scope 1, Scope 2 and Scope 3 GHG emissions in this report. 	
c) Targets used by SGX to manage climate-related risks and opportunities and SGX's performance against targets.	<ul style="list-style-type: none"> We have committed to science-based reduction targets and have submitted the targets to the SBTi for validation to ensure our emissions reduction target meets with the changes needed to keep global warming below 1.5°C compared with preindustrial levels. <p>Our Plans:</p> <ul style="list-style-type: none"> We will explore ways to improve our transition and physical risk analyses e.g. potential use of the Network for Greening the Financial System's (NGFS) climate scenarios to assess the impact on our business and objectives. 	

Carbon and Resource Management

- GRI 302 (energy)
- GRI 305 (emissions)
- GRI 307 (environmental compliance)
- SDG7 (affordable and clean energy)
- SDG11 (sustainable cities and communities)
- SDG13 (climate action)

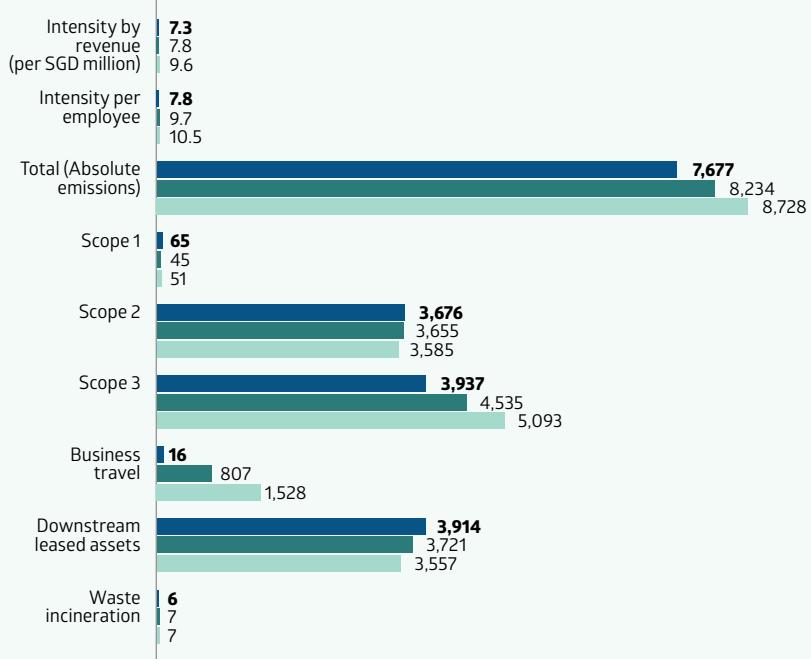
This financial year marks our first disclosure of absolute emissions across Scope 1, 2 and 3, after having conducted a comprehensive carbon footprint exercise covering all relevant indirect GHG emissions from business travel, downstream leased assets and waste generated in operations. Our business travel emissions are estimated based on flight-level carbon estimates provided by our travel partners or passenger kilometres travelled. Downstream leased assets include space in data centres leased by us to our co-location clients and are presently estimated based on power and cooling consumption figures. Emissions from waste generated in operations are presently estimated using the weight of materials disposed. The GHG emissions have been externally verified in accordance with ISO 14064-3:2019.

Our Scope 1 emissions have remained largely stable, with variances due primarily to the removal of fugitive emissions in refrigerants used and natural gas reporting error identified and fixed during FY2021.

Our Scope 2 emissions saw slight increases mainly due to a technology refresh in our data centres, where the equipment being replaced and the new equipment had to run concurrently for a period during the exercise. Further, there was a ramp up in processing requirements to support work-from-home initiatives.

Carbon disclosure

FY2021 FY2020 FY2019



Our Scope 3 emissions have seen significant reductions in emissions from business travel due to travel restrictions from COVID-19.

We have committed to reduce absolute Scope 2 GHG emissions by 42% by financial year 2031 from a financial year 2021 levels. SGX adheres to the Greenhouse Gas Protocol Standards to account for its carbon emissions.

We have excluded Scope 1 emissions from our targets as they are immaterial (i.e. under 5% of total combined Scope 1 and 2 emissions), and in accordance with SBTi companies can set science-based targets solely on the Scope (either Scope 1 or Scope 2) that covers more than 95% of the total Scope 1 and 2 emissions. For SGX, Scope 1 is significantly less than 5% of total combined Scope 1 and 2 emissions. SGX will continue to monitor and report both Scope 1 and 2 emissions,

and adjust the targets as required by the SBTi criteria.

As the primary source of emissions within our organisational boundaries is indirect emissions from electricity consumption, we will be implementing a range of initiatives to improve energy efficiency and reduce energy consumption in our offices and data centres. These include migrating selected data centre facilities to the cloud to reduce energy consumption intensity within our data centres, introducing energy-efficient equipment such as LED lights for our offices and incorporating carbon intensity considerations into relevant policies. We will also be progressively switching the power supply to renewable sources using Renewable Energy Certificates (RECs) sourced through our subsidiary the Energy Market Company (EMC). We will only procure RECs that meet the GHG Protocol Scope 2 quality criteria.

Creating Sustainable Value

In line with the SBTi requirements and subject the validation process, we will set targets to engage with our suppliers to establish science-based emission targets within five years of our target-setting year, and work with them as appropriate to help meet their GHG reduction targets. Our emissions from our co-location services alone account for over 70% of our total Scope 3 emissions. We are engaging with our data centre provider as any changes made by the data centre provider to the source of energy impacts the carbon footprint of all colocation clients.

In addition, when business travel is eventually eased post-pandemic, SGX will consider setting business travel targets. SGX will opt for more virtual meetings and where travel is necessary, aim to adopt less carbon-intensive options.

Managing our Energy Consumption

Internally, SGX strives to continue minimising our environmental footprint. Our Environmental Policy implemented in FY2016 continues to guide SGX in managing our direct and indirect impacts on energy consumption, paper and other natural resources.

SGX continues to engage with our staff to raise awareness about our shared responsibility in protecting the environment. To conserve energy, we remind our staff to turn off electrical appliances when not in use and observe the Earth Hour movement annually. To conserve paper resources, our staff are encouraged to go digital as far as possible and are discouraged from printing unless absolutely necessary. When we have to use paper, we use 100% recyclable paper products sourced from certified suppliers who are committed to zero deforestation.

We encourage our shareholders to transmit shareholder documents electronically, to conserve paper

resources while increasing operational efficiency. In FY2020, we terminated the option for physical copies of our annual integrated report. Digital copies of our annual reports are available on our website. In Q3 FY2021, SGX's Central Depository (CDP) also moved online to reduce our environmental footprint, whilst offering our retail customers an instantaneous response time and improving their access to information. On the CDP Internet investor portal, all CDP account holders are now able to use Singpass to view their securities portfolios and access account statements. In the same spirit, our bond processes are going paperless as well – we completed our first pilot digital bond for Olam International in collaboration with HSBC and Temasek on 1 September 2020.

Infrastructure

Our energy footprint mainly arises from our data centres. Our primary data centre was awarded the Standard 564 (SS564) certification for Green Data Centre – Energy & Environmental Management Systems. SS564 was developed to set a Singapore Standard for Green Data Centres. Our secondary data centre was awarded the Building and Construction Authority's Green Mark Platinum certification for excellence in energy efficiency and environmentally sustainable building design.

We are also conscious of the energy efficiency of our offices. SGX has implemented motion-activated light sensors in all meeting rooms, which reduces energy consumption within our offices.

Energy Consumption for FY2021

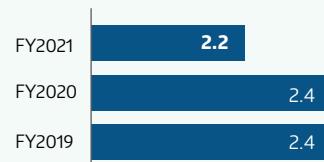
SGX consumed 1,820,362 kWh of energy for both our SGX offices and Energy Market Company (EMC) office in FY2021, which is an 8% decrease from our measured energy consumption in FY2020.

A breakdown of our energy consumption is as follows:

Energy Consumption in Offices (GWh)



Energy Intensity in Offices (MWh/employee)



Note: Energy consumption and intensity only reflect operations in Singapore (SGX and EMC).

Energy consumption and intensity will not be disclosed from FY2022 as the carbon emissions from electricity will be reflected in the absolute emission under Scope 2.

Stewardship of Financial Ecosystem

- SASB FN-EX-410a.4 (*ESG disclosures of member companies*)
- GRI 102 (*general disclosures*)
- SDG13 (*climate action*)
- SDG17 (*partnership for the goals*)

SGX is committed to advancing sustainability among our stakeholders. Through our initiatives and programmes, we strive to support and guide the financial market by providing standardised sustainability products and contracts, innovating new products for the market, leading in capacity building and providing market integrity support via regulations.

Furthermore, we acknowledge our responsibility in ensuring that reliable data is available for investors to make informed decisions.

Within SGX's own ecosystem, we encourage our listed companies to advance their sustainability journey in line with internationally accepted carbon mitigation hierarchies, including reducing absolute emissions in operations and within their supply chain. SGX also recommends listed companies to set climate targets that are aligned to international standards.

As a business, we support the commodity market's switch to environmentally enhanced versions of commodity derivatives by curating and developing equivalent "greener" products to the financial ecosystem. SGX recognises that in addition to climate mitigation and decarbonisation, broader social and environmental goals and safeguards must be upheld. We will continuously review our products and solutions to support and guide the market to facilitate a just transition.

To advance sustainability in the international financial ecosystem, SGX has pledged our support for international climate-related frameworks. SGX's special advisor, Yeo Lian Sim, is a vice-chair of the TCFD and SGX is the only exchange which still contributes to the drafting of the TCFD. SGX remains a strong supporter of TCFD. SGX also supports the SSE's market guidance to strengthen sustainability amongst stock exchanges around the world.

Research and Collaborations

'Sustainability Reporting Review 2021' with NUS CGS

In collaboration with the NUS CGS, SGX RegCo reviewed the quality of our listed companies' sustainability reporting and disclosures. Our joint report was released on 19 May 2021.

Listed companies demonstrated an overall improvement in their sustainability reporting and the level of disclosure, compared to their performance in our last review in 2019.

Based on our SGX-CGS Sustainability Reporting Scorecard, companies' average overall score increased from 60.6 in 2019 to 71.7 points in 2021, with broad-based gains across industries and market capitalisation. Small-capitalisation companies posted the largest increase in average scores (13 points), followed by mid-cap companies (10 points) and big-cap companies (6 points).

Reports are also more comprehensive compared to FY2019 reports, with 64% of companies which disclosed performance did so in the context of targets, a substantial jump from just 22% in the 2019 review. 66% of all companies disclosed unfavourable aspects of sustainability performance, up from 55% in 2019. 50% of companies disclosed both positive and negative performance trends, almost doubling the 26% in 2019.

More companies are also focusing on climate disclosures, with almost 50% discussing climate change as an economic, environmental, social and governance (EESG) factor, based on collated data up to mid-2020.

Our review indicated that listed companies are on track to attract more sustainability-conscious customers, obtain lower-cost financing and gain better access to capital. Their increased capabilities in sustainability reporting and management also reflect their strengthened business resilience against future market uncertainties and challenges.

'Perspectives of Financial Institutions on Sustainability Disclosures' Study with NUS CGS and KPMG

On 23 April 2021, SGX RegCo partnered with NUS CGS and KPMG to publish a study on the perspectives of financial institutions on sustainability disclosures. The study shows that ESG – particularly climate-related disclosures like energy, water, waste and effluents – is a major consideration for most key FIs, across the processes of asset allocation, lending and underwriting. The interviewed FIs were members of the Green Finance Industry Taskforce convened by the Monetary Authority of Singapore.

All interviewed FIs expressed plans to fully integrate sustainability into their investment strategy by 2030, which also involves incorporating sustainability into their Boards' scope of jurisdiction. Almost all interviewed FIs also assessed non-financial risks.

Participating FIs reflected that the current quality and quantity of ESG disclosures could be strengthened, in line with common disclosure standards across and within industries to facilitate comparison. They also emphasised the need for capacity building for climate-related disclosures – adding that governments and regulators could facilitate stronger disclosures.

SGX strives to highlight and address our collective challenges in ESG reporting – quantification, comparability and harmonisation. As an active participant of the Green Finance Industry Taskforce, SGX strives to continue similar efforts that complement governmental initiatives under the Green Economy pillar of the Singapore Green Plan 2030.

We also plan to further enhance our sustainability reporting rules – to guide our listed companies in responding to the evolving expectations of FIs and to strengthen their trustworthiness and credibility in the eyes of their respective stakeholders.

Creating Sustainable Value

Stakeholder Education

Every year, SGX conducts a number of investors' education events under the banner of the SGX Academy. Programmes have been specially designed to educate, engage and enable our stakeholders to make informed and responsible investment decisions.

In FY2021, more than 250 educational events were conducted, and 95,000 participants of different age groups and investment aptitudes participated in the online programmes.

SGX is a regular contributor to the World Investor Week Singapore (WIW), an initiative led by International Organisation of Securities Commissions (IOSCO) to raise public awareness about the importance of investor education. SGX Academy supported WIW forums in FY2021 and topics covered included "Investing in a Covid World" and "Investing for The Future – ESG and Sustainable Investing".

The inaugural Singapore Trading Festival was held from 27 February to 5 March 2021 to provide investors information and insights for investing during the new normal, involving 20 global prominent speakers and 15,000 participants. SGX also conducted two REITs Symposiums with REITAS) and ShareInvestor, covering a range of topics including ESG impact on the sector.

3. Engaging, Supporting and Developing our People

- *GRI 401 (employment)*
- *GRI 402 (labour management and relations)*
- *GRI 403 (occupational health and safety)*
- *GRI 404 (training and education)*
- *SDG8 (decent work and economic growth)*

Our employees come first. We are committed to advancing employees' growth and career development. SGX 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.

Our Head of Human Resources oversees our labour practices, talent strategy, human resource policies and processes, and takes care of the welfare and well-being of our 981 employees. Our employee retention rate reached its highest at 91% and the average length of service remained consistent at eight years over the past five years.

Employee Development and Practices

- *GRI 401 (employment)*
- *GRI 402 (labour management and relations)*
- *GRI 404 (training and education)*
- *SDG8 (decent work and economic growth)*

SGX places importance on nurturing our staff. Recognising the importance of investing in the training and development of our employees, we implemented programmes to upgrade the skills of employees. We achieved 60 hours of training per employee in FY2021, exceeding our target of 35 hours per employee. The following graph illustrates the growth in the average training hours for our employees in FY2021:



At SGX, we promote a culture of lifelong learning. To support our employees' learning and development, we offer a range of structured training for both technical and soft skills, professional memberships, continuing education schemes, as well as study leave, and internal job rotation opportunities. We have also empowered our employees to take charge of their own learning agenda, 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 well-rounded employees, with transferrable experiences and expertise that would make them an asset to any organisation.

In FY2021, we launched the Emergenetics Profiling tool to support teams and managers in their efforts to build a more cohesive and collaborative culture in the midst of the pandemic. This team-based intervention is aimed at enabling team members to conduct quality conversations and establish better connections, to ensure that teams remain resilient during this challenging time.

In the coming FY, we plan to organise more ESG-related training for our staff. These upcoming training sessions will strengthen their capabilities in incorporating sustainability into their scope of work, as the financial services industry places increasing emphasis on the topic.

Talent Management and Retention

- *GRI 401 (employment)*
- *GRI 402 (labour management and relations)*
- *GRI 404 (training and education)*
- *SDG8 (decent work and economic growth)*

In FY2021, there were 121 new hires and 92 resignations.

SGX 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. SGX strives to retain talent by running regular employee-engagement activities and improving employee benefits and overall welfare in the organisation.

Our HR team actively looks for potential new hires and internal candidates of high capabilities for specialised and leadership positions. We actively offer them training and development opportunities to further their skillsets and prepare them for their potential positions in the company.

SGX also continues to offer training programmes that develop and enhance their capabilities. Leadership development is an area of focus where we continue to 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.

Employment Practices

- *GRI 401 (employment)*
- *GRI 402 (labour management and relations)*
- *GRI 403 (occupational health and safety)*
- *SDG8 (decent work and economic growth)*

SGX has in place employment practices that ensure the health, safety and well-being of our staff. We have successfully obtained the ISO 45001 (occupational health and safety management systems) certification in June 2021, which demonstrates that our workplace health and safety standards are aligned to globally recognised standards.

In FY2021, despite the prolonged disruptions brought about by the COVID-19 pandemic, SGX has demonstrated resolve to minimise any impact to market operations and has taken additional steps to safeguard the safety and health of our staff and protect our work environment. These included initiatives such as:

1. Activating our business continuity plans for split operations and staff rotation. Implementing staggered and flexible working hours for staff required to work from office. All these were achieved with a variety of IT tools and workspace collaborations such as equipping meeting rooms with video conferencing kits and meeting pods, to enable staff to work safely and increase productivity while in office.
2. Implementing mandatory safe-management measures in SGX premises, such as implementing SafeEntry access using the TraceTogether mobile application, wearing masks, practicing safe physical distancing, stepping up cleaning and sanitising efforts in offices, installing acrylic sneeze guards, applying anti-microbial coating, deploying thermal scanners and issuing personal protective equipment such as masks, hand sanitisers and disinfectant wipes.
3. Encouraging staff who are medically eligible to be vaccinated when the vaccine is offered. Getting vaccinated against COVID-19 is one way to significantly reduce chances of infection and help prevent severe illness if infected.

SGX has maintained the frequency of our staff engagements through regular virtual town halls. These town halls have kept employees updated about corporate developments and serve as feedback platforms for us to improve

our employees' work-from-home experience. Beyond work, we support our employees in fulfilling their personal commitments through initiatives like flexible working schemes for female employees after childbirth.

Diversity and Inclusivity

- *GRI 202 & 405-7 (market presence, diversity and equal opportunity, non-discrimination and freedom of association and collective bargaining)*
- *SDG5 (gender equality)*
- *SDG8 (decent work and economic growth)*
- *SDG10 (reduced inequality)*

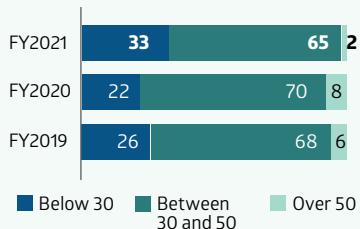
SGX embraces diversity among our staff, regardless of gender, age and other socio-cultural differences. We value how diversity broadens our collective skills and perspectives, driving innovation within our organisation. In line with our Non-Discrimination Policy, we hire on a meritocratic system and provide a competitive and fair compensation and benefits package. Our talent strategy offers equal opportunities to all deserving staff based on their performance and capabilities. There were zero reported incidents of discrimination at SGX.

In line with SDG5 (gender equality), our gender pay ratio is within a 15% range across all ranks within our organisation. In line with SDG5.5: ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making, 27% of our Board is represented by female directors, which contributes to the diversity of views and perspectives at senior levels. We have had zero reported incidents of discrimination at SGX. Since 2012, SGX has been leading in the advocacy for Women on Boards in Singapore.

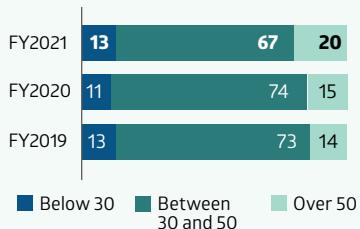
Creating Sustainable Value

The following graphs illustrate the diversity of our workforce:

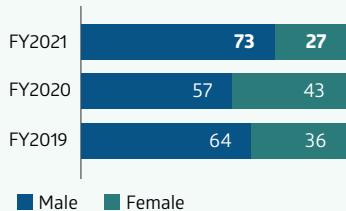
New Hires by Age (%) (% years old)



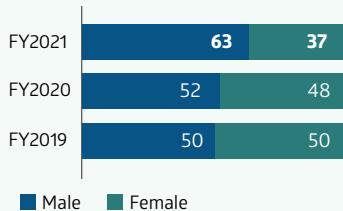
Attrition by Age (%) (% years old)



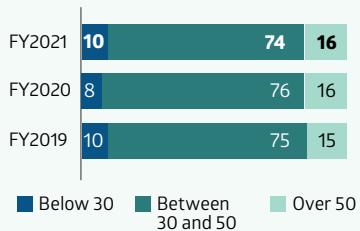
New Hires by Gender (%)



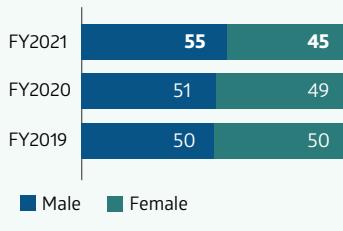
Attrition by Gender (%)



Age Diversity (%) (% years old)

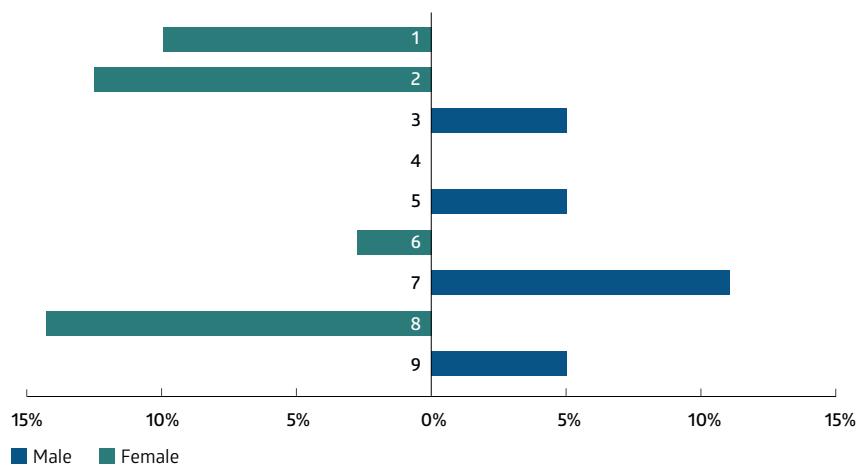


Gender Diversity (%)



Gender Pay Gap

(across employment categories)



Note: 1 to 9 are job grades (where 1 is most senior): a band on the right indicates males are paid higher, while a band on the left indicates females are paid higher. An empty band indicates that both males and females are equally paid.

4. Building a Sustainable Business

As a leading sustainable and credible transition finance and trade hub, with end-to-end products, solutions and ecosystems, we contribute to the sustainable business development of Singapore's financial market by providing a platform for issuers to raise capital, whilst enabling investors to participate in Asia's economic growth and manage their Asian portfolio risks. As a front-line regulator, we ensure that issuers meet their ongoing obligations to investors, and participation in our markets is carried out in a fair, orderly and transparent manner. SGX is also a provider of connectivity solutions and is a trusted and secure counterparty for trade settlement.

Economic Performance

- SASB FN-EX-000.A & FN-EX-000.B
- GRI 201 (economic performance)
- SDG8 (decent work and economic growth)

In line with SASB, GRI and SDG standards and guidelines, SGX discloses our economic performance every year.

Please refer to the Financials section of the Annual Report for more details.

Sustainability Products and Services

- GRI 102 & 201 (general disclosures and economic performance)
- SDG8 (decent work and economic growth)
- SDG9 (industry, innovation and infrastructure)

To further advance sustainability in the financial market, SGX is developing and providing a range of revenue-generating sustainability products and services. This includes an ESG platform with international partners, CIX, which is aimed to be launched by the end of 2021, and different asset classes under our newly launched SGX Future in Reshaping Sustainability Together (FIRST) platform.

SGX FIRST Platform

SGX FIRST (Future in Reshaping Sustainability Together), launched on 15 December 2020, is Asia's only multi-asset, exchange-led sustainability platform.

Through SGX FIRST for our business and for the ecosystem, SGX aims to drive sustainability through partnerships and increase access to ESG information and solutions for investment decisions. Capitalising on SGX's network, assets and expertise, SGX FIRST's initiatives span across asset classes, including fixed income, equities, commodities and indices. Below is a snapshot of our existing range of products and solutions, which we will continue to build on.

Fixed Income

As the listing venue of choice for more than half of the listed international green, social and sustainability bonds in Asia-Pacific, SGX is privileged to be able to play a leading role in the sustainable finance journey.

As a global bond platform, SGX helps bond issuers maximise investor outreach and effectively engage a broad and diversified base of global market participants and investors in Asia. SGX is part of the NSBN Initiative, which strives to be the leading green, social and sustainability bond database for both listed and unlisted bonds. The database will help global investors select, monitor and conduct due diligence for these bonds. The addition of SGX data expands the network to more than 6,500 bonds, mainly from the US and Europe.

Equities

To provide independent ESG ratings on our listed companies for investors' evaluation, SGX has expanded our indexing collaboration with FTSE Russell, Morningstar Sustainalytics and MSCI to cover more than 30 companies.

All SGX-listed companies have been required to publish sustainability reports since 2016 and have received feedback on their sustainability reporting progress. They have also been encouraged to adopt TCFD recommendations to account for and respond to their exposure to climate-related risks and opportunities.

ESG Platform with International Partners

SGX is exploring collaboration with external parties to build an ESG platform. This data and workflow platform aims to help SGX-listed companies align their disclosures with major sustainability standards, foster best practices via industry benchmarking, and ultimately meet investor needs for a consistent and reliable source of ESG data.

As the global market increasingly prioritises sustainability in their investment decisions, this initiative strives to support both investors and SGX-listed companies in navigating a more sustainable financial market.

Indices

Scientific Beta, which has a strong track record in ESG and climate index design, launched a unique series of CICI in April 2021. CICI is the only pure climate index offering on the market to help investors make engagement practices consistent in order to maximise their impact. It is designed to implement the recommendations of the net-zero investment coalitions like the Institutional Investors Group on Climate Change (IIGCC) and the UN-Convened Net-Zero Asset Owner Alliance at the portfolio construction level. More than 30% of assets tracking Scientific Beta's indices already have ESG options and all its indices have advanced ESG and Climate Risk reporting to facilitate responsible investing.

Equity Derivatives

In partnership with FTSE Russell, SGX FIRST launched our first four ESG derivatives on 25 January 2021 – the SGX FTSE Emerging ESG Index Futures, SGX FTSE Emerging Asia ESG Index Futures, SGX FTSE Asia ex Japan ESG Index Futures and SGX FTSE Blossom Japan Index Futures. All four contracts have been certified by the Commodity Futures Trading Commission (CFTC), enabling market participants to trade them directly from the US. We proceeded to launch SGX Nikkei ESG-REIT Japan Index Futures in June 2021.

Moving forward, SGX will roll out more ESG-focused investment and risk management products to meet investors' needs, simultaneously futureproofing our business and driving forth the development of sustainable finance in our ecosystem.

Commodities

The global commodities sector has come into focus as climate change and sustainability become important considerations for businesses and governments. 2020 saw the introduction of new IMO regulations for reduced sulphur content in marine fuels globally targeted at reducing air pollution created in the shipping industry. Another example is the increased usage of high-grade iron ore in steel production resulting in lower emissions.

SGX has since responded in tandem with these developments. The first ESG-related commodity derivative, 65% Fe Iron Ore futures was launched in 2018. This is followed by other ESG-related commodity product launches, namely IMO2020 compliant LSFO and Methanol. SGX strives to continuously work closely with the various commodity industries to identify new ESG-related derivatives for futures launches.

Creating Sustainable Value

Energy Market Company (EMC)

EMC launched a one-stop Marketplace for Businesses in October 2020. This platform enables companies to conveniently purchase electricity and claim the renewable source of their electricity consumption with Renewable Energy Certificates (RECs), thereby reducing their carbon footprint from energy consumption.

Baltic Exchange

As an active player in promoting sustainability efforts in the maritime sector, the Baltic Exchange has launched numerous sustainability projects, such as the Maritime Emissions Project in 2019.

The Baltic Exchange is looking into publishing carbon footprint measures tagged to its freight routes. This initiative forms part of the recommendations of the International Advisory Panel on Maritime Decarbonisation (IAP) which was issued in April 2021.

The Baltic Exchange is a member of the IAP, which comprises around 30 maritime industry leaders globally and was formed with the support of the Maritime and Port Authority of Singapore to define a strategy for maritime decarbonisation. The Baltic Exchange also sits on the Technical Committee of CIX.

Climate Impact X (CIX)

SGX announced our intention to launch a collaboration with DBS, Standard Chartered and Temasek to establish CIX as a global carbon exchange and marketplace for companies to access high-quality carbon credits on 20 May 2021. This will help catalyse the development of new carbon credit projects, required to match the growing demand for carbon credits, as global efforts gather apace to achieve net-zero GHG emissions. The platform is aiming to be officially launched by the end of 2021.

CIX will be in line with Singapore's ambition to become a global carbon services and trading hub. The venture will build on collective action by governments, corporates and individuals globally, towards a net-zero economy.

We will leverage satellite monitoring, machine learning and blockchain technology to enhance the transparency, integrity and quality of carbon credits traded on the platform. In so doing, we strive to ameliorate the climate emergency in a tangible and lasting way.

CIX will first focus on Natural Climate Solutions (NCS) – which supports both biodiversity and local communities. As Asia makes up one-third of the world's NCS supply, CIX will be in a strong position to capitalise on our network and expertise to provide a robust and transparent pipeline of carbon credits. This is particularly important amid growing demand for more transparency around carbon projects. In response, CIX will aim to provide strong impact and risk data,

enable efficient price discovery and catalyse the development of new carbon-reduction projects.

CIX's distinct carbon credit platforms and products will serve a wide range of investors and corporates. The exchange of large-scale high-quality carbon credits via CIX will be facilitated by standardised contracts.

To scale the platform to greater heights, CIX will be guided by the Carbon Coalition, an International Advisory Council, the Taskforce on Scaling Voluntary Carbon Markets (TSVCM) and the Natural Climate Solutions Alliance among others.

Together, these venues will flexibly serve different buyer needs, providing the liquidity of high-quality standardised credits alongside premium, project-specific credits with attributes that directly align with the missions and sustainability priorities of businesses. CIX's high threshold for quality, impact and credibility will underlie all the credits it will sell, regardless of the venue.

The CIX Ecosystem

Carbon Exchange

Catering primarily to companies and institutional investors, the Exchange will facilitate the buyers and suppliers to trade large volumes of high-quality credits through standardised contracts. The exchange will cater primarily to large-scale buyers, including multinational corporations and institutional investors. It will provide the market with clearer price transparency. These standardised contracts will be defined by a set of terms and quality definitions against which carbon credits can be delivered. Compared to the direct purchase of credits from a specific project, standardised contracts will enable the pooling of a high volume of credits across multiple projects that meet the quality requirements.

Project Marketplace

The Project Marketplace will enable the purchase of high-quality carbon credits directly from specific projects, which will be ideal for custom purchases. Every listing on the Project Marketplace will be supported by transparent impact, risk and pricing data.

Corporate Social Responsibility

SGX is committed to driving positive change and impact in the communities we operate in through SGX Cares, our corporate social responsibility programme. We offer a platform that harnesses the enthusiasm of our employees and rallies the international financial community to support beneficiaries through outreach activities, raising funds for those in need and strengthening financial literacy.

Together with our corporate sponsors and partners, we sought new avenues to continue providing support to our beneficiaries not only to see them through challenging times, but to also empower them for a better future.

SGX Cares Bull Charge: Raising Funds for Those in Need

Since 2004, SGX has rallied the financial community and its listed companies to a common cause: to support the needs of underprivileged children and families, people with disabilities, and the elderly through fundraising events such as our SGX Bull Charge Charity Run and other business-led events.



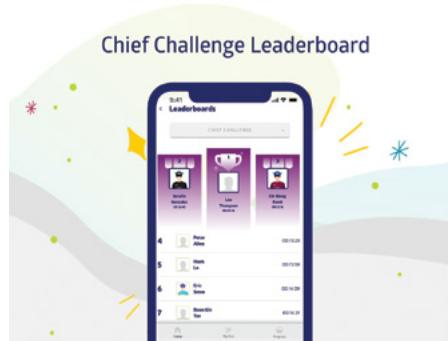
▲ SGX Bull Charge Virtual Charity Run 2020 flag off at the Marina Promontory along with Team Singapore athletes.

Virtual Charity Run

SGX Bull Charge transformed its Charity Run into a virtual event in 2020 to prioritise the well-being of participants as they go the extra mile for a good cause. We brought together a community of over 5,000, drawn from cities worldwide for the first time, and successfully raised S\$3.7 million for our SGX Bull Charge beneficiaries. SGX matched contributions dollar-for-dollar up to S\$1 million and donated a further S\$500,000 for the first 100,000 kilometers completed during the race. As the global community surpassed 150,000 km by the end of the two-week



▲ Cheque presentation ceremony to our SGX Bull Charge beneficiaries witnessed by President Halimah Yacob.



▲ Chief Challenge leader board on SGX Bull Charge Running App.



Over
5,000
participants across
cities worldwide



Raised more than
\$3.7m
through the first SGX Bull Charge Virtual Charity Run and other fundraising events



Pledged additional
1,000
volunteer hours
in support of our
beneficiaries

Corporate Social Responsibility

SGX Cares Outreach: Trusted Partner for our Beneficiaries

SGX continues to adapt its outreach programmes to engage with and support beneficiaries beyond financial contributions. SGX Cares Outreach clocked 1,385 volunteering hours over nine different activities during the year. As many as 204 unique SGX volunteers participated, touching the lives of more than 2,400 individual beneficiaries.



▲ Delivering Chinese New Year care packs to underprivileged and low-income families in February 2021.

For our Seasons of Giving series, our employees prepared over 2,000 care packs from home for underprivileged and low-income families. Small teams of volunteers delivered the care packs to the doorsteps of recipients, spreading much joy and cheer amid a challenging year.



▲ Sprucing up a transitional shelter.



▲ Donation of surgical masks to Migrant Workers' Centre.



SGX staff
clocked over

1,385
volunteer hours



Contributed
over

2,000
care packs
to underprivileged
and low-income
families



Reached out
to more than

2,400
individual
beneficiaries



▲ Over 1,000 care packs ready to be delivered for Seasons of Giving in July 2020.



▲ Christmas joy and art jamming session at Autism Association (Singapore) – Eden Centre for Adults (Clementi).

When Singapore's safe-management measures were eased, we took another step forward in our outreach. We spruced up transitional shelter homes, volunteered at storytelling sessions for children, took part in lantern-making as well as art-jamming sessions with Autism Association (Singapore), facilitated DISC profiling for adults from HCSA Community Services and organised outings that included Community Chest Heartstrings Walk 2021.

In support of Singapore's MaskForce initiative, SGX donated 200,000 pieces of surgical masks to the migrant workers' community in 2020. Going beyond our shores, SGX recently worked with the India High Commission to offer relief to India, through a donation via the Singapore Red Cross and India Red Cross.



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 2021 (FY2021), 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 109 of this Annual Report.

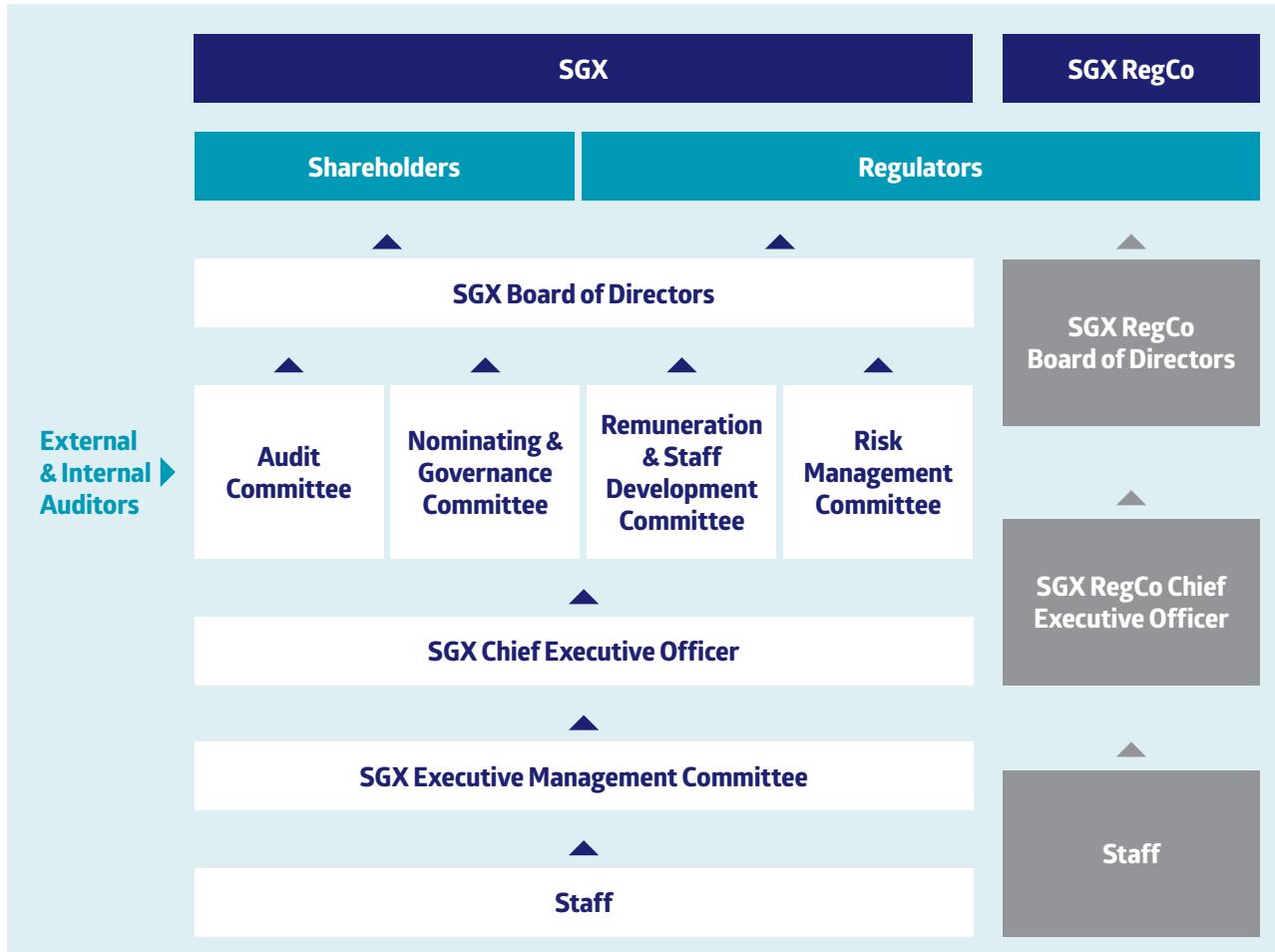
Self-Regulatory Organisation Governance

Singapore Exchange Regulation (SGX RegCo) was established by SGX 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 110 to 115 of this Annual Report.

Corporate Governance Framework



Highlights



Awards & Accolades

- Singapore Governance and Transparency Index, 2nd
- The Asset Triple A Digital Award 2021, Best Digital Collaboration together with Temasek & HSBC for Project Hash
- Fastmarkets Global Awards for Steel Excellence 2020, Exchange Company of the Year – Ferrous
- FOW & Global Investor Asia Capital Market Awards 2020, Exchange of the Year
- FX Markets Asia Awards 2021, Best FX Exchange in Asia and Best FX Clearing House in Asia
- FX Markets e-FX Awards 2020, Best Exchange for FX
- GlobalCapital Global Derivatives 2020, Asia Pacific Derivatives Exchange of the Year
- Regulation Asia Awards for Excellence 2020, 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 2021



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".



Board Succession Planning

- Re-designation of Mr Kwa Chong Seng and Mr Kevin Kwok as non-independent and non-executive Directors with effect from 20 September 2021 solely on account of each of them having completed nine consecutive years of service on the Board;
- Appointment of Dr Beh Swan Gin as Lead Independent Director with effect from 20 September 2021, and as member and Chairman¹ of the Nominating & Governance Committee with effect from 15 June 2021;
- Appointment of Mr Yeoh Oon Jin as an independent and non-executive Director, and as member of the Audit Committee with effect from 1 July 2021;
- Appointment of Mr Lim Chin Hu as member and Chairman² of the Remuneration & Staff Development Committee with effect from 1 July 2021;
- Appointment of Mr Yeoh Oon Jin as Chairman³ of the Audit Committee and member of the Risk Management Committee with effect from 1 September 2021; and
- Retirement of Ms Jane Diplock AO and Mr Ng Wai King at the Twenty-Second Annual General Meeting to be held on 7 October 2021.

Notes:

- ¹ With effect from 15 June 2021, Mr Kwa Chong Seng stepped down as Chairman of the Nominating & Governance Committee but remains a member of the committee.
- ² With effect from 1 July 2021, Mr Kwa Chong Seng stepped down as Chairman of the Remuneration & Staff Development Committee but remains a member of the committee.
- ³ With effect from 1 September 2021, Mr Kevin Kwok stepped down as Chairman of the Audit Committee but remains a member of the committee.

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, while 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:

- (a) 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;
- (b) the appointment of key Management personnel and succession planning as an on-going process;
- (c) 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;
- (d) approving annual budgets, major funding proposals, investment and divestment proposals, material acquisition and disposal of assets, corporate or financial restructuring, and any investments or expenditures exceeding S\$15 million in total;

Corporate Governance Report

- (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) share issuances, interim dividends and other returns to shareholders; and
- (j) 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.

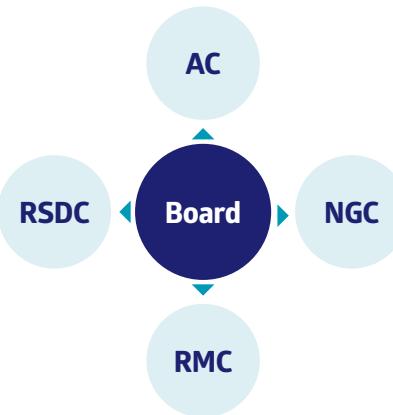
Independent Judgement

All Directors are fiduciaries who exercise due diligence and independent judgement and make decisions objectively in the best interests of SGX. 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://investorrelations.sgx.com/corporate-governance/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 (3) calendar years is planned in advance, in consultation with the Board. The Board meets at least four (4) 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 five (5) scheduled Board meetings in FY2021. 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 that are straightforward in content as well as those that are for information only, were compiled and circulated in between Board meetings. The Board held two strategy meetings, one ad-hoc Board meeting and also dedicated time at each quarterly Board meeting, to interact with senior management executives and have in-depth discussions on SGX's strategic direction. These strategy meetings in FY2021 were held in October and April 2021. Periodic information papers and Board briefings on the latest market developments and trends, while key business initiatives are also provided to the Board.

A record of the Directors' attendance at Board and Board committee meetings during FY2021 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 that 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'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 Mark Stephen Makepeace was the only new Director appointed onto the SGX Board during the year under review and he has undergone the relevant mandatory training on his 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.

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 that they may have at the meetings. Any additional material or information requested by the Directors is 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.

Corporate Governance Report

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.

To facilitate direct and independent access to key management personnel and senior management, Directors are also provided with their names and contact details. 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, Internal Audit and Chief Risk Officer and 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 that 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.

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, Chapter 50 of Singapore 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 FY2021, 8 out of 11 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 (read with the Code of Corporate Governance 2012 (CCG 2012)) and the SFR 2005. In FY2021, 10 out of 11 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.

With regard to Guideline 2.4 of the CCG 2012 (applicable until 1 January 2022) which requires that the independence of any Director who has served on the Board beyond nine years from the date of first appointment be subject to particularly rigorous review, and Rule 210(5)(d)(iii) of the Listing Manual (applicable from 1 January 2022) 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 on and after 1 January 2022, 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 FY2021. 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, Ms Jane Diplock AO, Ms Lim Sok Hui (Mrs Chng) and Mr Loh Boon Chye were determined to be non-independent Directors during FY2021. Ms Diplock is considered non-independent by virtue of having served beyond nine years on the SGX 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 Ltd is a trading member of SGX-DC (OTCF) and 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 Kwa Chong

Seng, Dr Beh Swan Gin, Ms Chew Gek Khim, Mr Lim Chin Hu, Mr Kevin Kwok, Mr Mark Makepeace, Mr Ng Wai King and Mr Subra Suresh were considered independent Directors during FY2021. 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, Mr Kwa Chong Seng and Mr Kevin Kwok will each be 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. For more information, please see the SGXNet announcement released by SGX on 1 July 2021 titled "Independence Status of Directors and New Composition of the Board and its Board Committees".

Board Diversity

SGX has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skill, knowledge, experience and diversity of perspectives appropriate to SGX's business to promote the inclusion of different perspectives and ideas, mitigate against group think, foster constructive debate and ensure that

SGX has the opportunity to benefit from all available talent.

Each year, the NGC reviews the composition and size of the Board and each Board committee to ensure that the Board and Board committees are of an appropriate size and composition bearing in mind the needs of the SGX Group. The NGC takes into careful consideration a combination of factors when reviewing appointments to the Board and the continuation of those appointments. These factors include skills, core competencies, knowledge, professional experience, educational background, gender, age, and length of service. Core competencies, which are taken into account in the selection and appointment of Directors, 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. The NGC also in its deliberations, takes into account gender and age diversity in relation to the composition of the Board. The Board, taking into account the views of the NGC, considers that its Directors meet the criteria under its Board Diversity Policy and possess the necessary competencies and knowledge to lead and govern SGX effectively. Details of the Board composition are as follows.

Directors' Area of Expertise



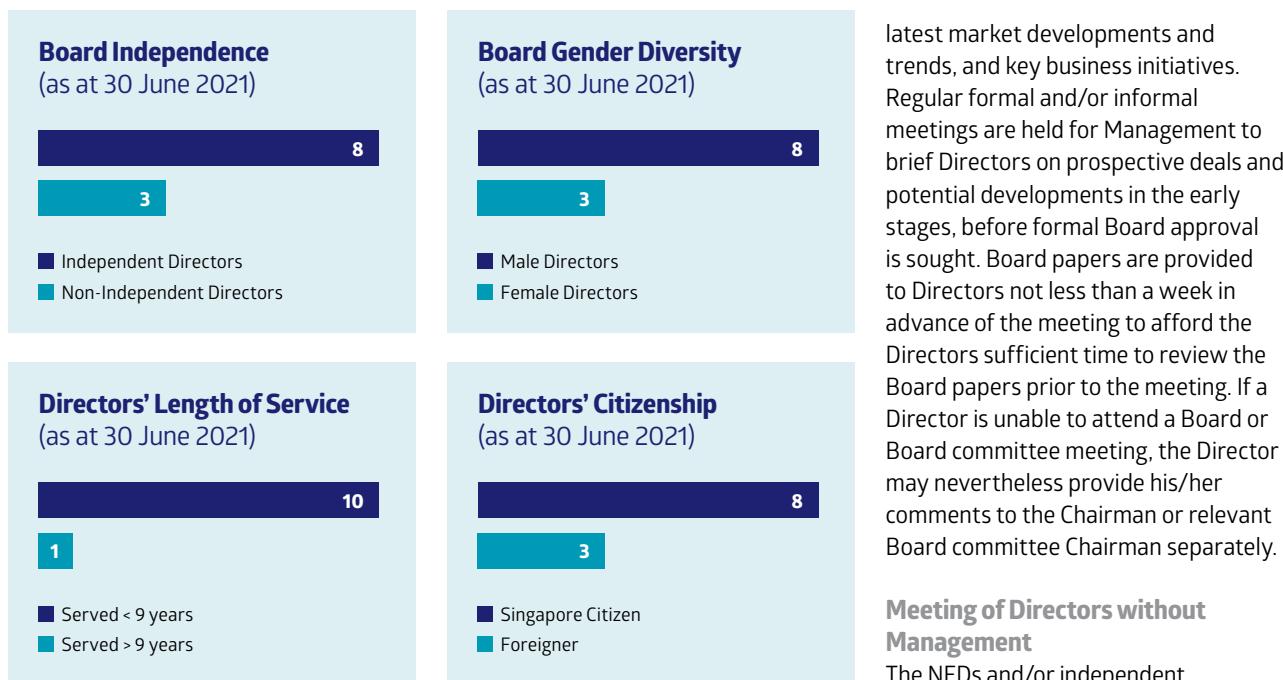
Business	6
Technology	2
Accountancy	2
Legal	1

Directors' Educational Background



Engineering	3
Science	2
Law	2
Arts	2
Applied Science	1
Accountancy	1

Corporate Governance Report



Mr Mark Makepeace was appointed onto SGX's Board during FY2021. Mr Makepeace has extensive experience holding senior appointments on overseas exchanges, developing and managing businesses and developing successful joint ventures. His appointment contributes significantly to the diversity of skillsets and geographical experience on SGX's 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

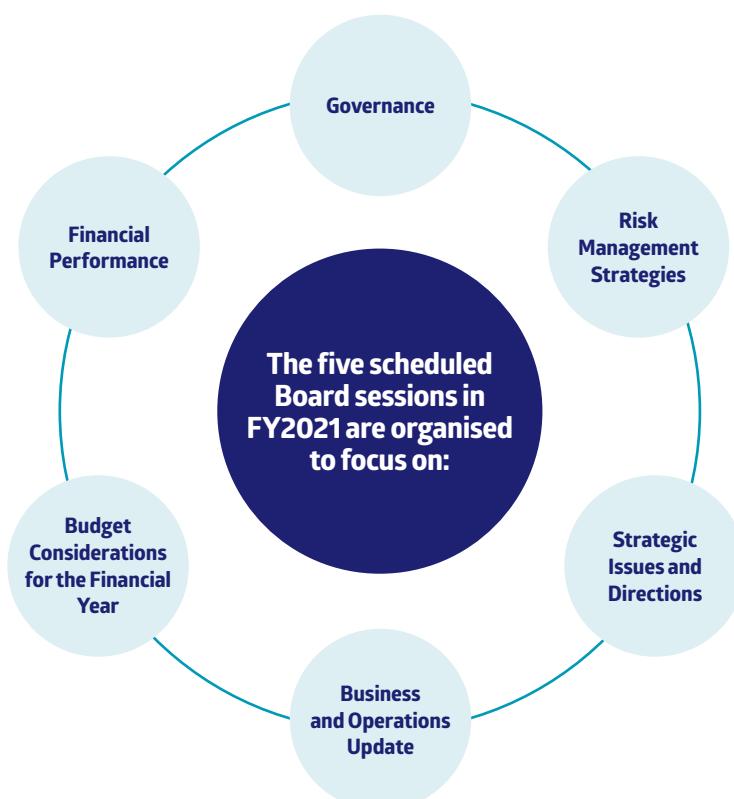
An effective and robust Board, whose members engage in open and constructive debate and challenge Management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by Management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

Meeting of Directors without Management

The NEDs and/or independent Directors, led by the Chairman as appropriate, set aside time at each scheduled Board 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.



Composition of Board and Board committees as at 30 June 2021

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			
11 Members: 8 I 3 NI			
Mr Loh Boon Chye (CEO) Dr Beh Swan Gin Ms Chew Gek Khim			
Ms Jane Diplock AO Mr Kevin Kwok Mr Lim Chin Hu Ms Lim Sok Hui (Mrs Chng)			
Mr Mark Makepeace Mr Ng Wai King Mr Subra Suresh			
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 I 1 NI	6 Members: 6 I	5 Members: 3 I 2 NI	3 Members: 3 I
Mr Kevin Kwok (Chairman) Ms Jane Diplock AO Mr Lim Chin Hu Mr Mark Makepeace	Dr Beh Swan Gin (Chairman) Mr Kwa Chong Seng Ms Chew Gek Khim Mr Kevin Kwok Mr Lim Chin Hu Mr Subra Suresh	Ms Lim Sok Hui (Chairman) Dr Beh Swan Gin Ms Jane Diplock AO Mr Kevin Kwok Mr Lim Chin Hu	Mr Kwa Chong Seng (Chairman) Ms Chew Gek Khim Mr Ng Wai King

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 SGX's 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's risk appetite

Key Objectives
Oversee the remuneration of the Board and key management personnel (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

Corporate Governance Report

Names	Directors' Independence Status as at 30 June 2021						Directors' Meeting Attendance Report					
	Independence status under the Listing Manual	Independence status under the CCG 2012 and/or 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 FY2021					
	1	5	4	3	2	4						
Mr Kwa Chong Seng	I NE	Yes	Yes	Yes	Yes	Yes	1/1	5/5	4/4	3/3	2/2	4/4
Mr Loh Boon Chye ²	NI E	No	No	No	No	Yes	1/1	5/5	4/4	3/3	2/2	4/4
Mr Thaddeus Beczak ³	NI NE	Yes	No	Yes	Yes	Yes	0/1	1/1	-	-	-	1/1
Dr Beh Swan Gin ⁴	I NE	Yes	Yes	Yes	Yes	Yes	1/1	5/5	-	-	-	4/4
Ms Chew Gek Khim	I NE	Yes	Yes	Yes	Yes	Yes	1/1	5/5	-	3/3	2/2	-
Ms Jane Diplock AO ⁵	NI NE	Yes	No	Yes	Yes	Yes	1/1	5/5	4/4	-	-	4/4
Mr Kevin Kwok	I NE	Yes	Yes	Yes	Yes	Yes	1/1	5/5	4/4	3/3	-	4/4
Mr Lim Chin Hu	I NE	Yes	Yes	Yes	Yes	Yes	1/1	5/5	4/4	3/3	-	4/4
Ms Lim Sok Hui (Mrs Chng) ⁶	NI NE	Yes	Yes	No	Yes	No	1/1	5/5	-	-	-	4/4
Mr Mark Makepeace ⁷	I NE	Yes	Yes	Yes	Yes	Yes	1/1	4/4	3/3	-	-	-
Mr Ng Wai King	I NE	Yes	Yes	Yes	Yes	Yes	1/1	5/5	-	-	2/2	-
Mr Subra Suresh	I NE	Yes	Yes	Yes	Yes	Yes	1/1	5/5	-	3/3	-	-

I Independent (I)
NI Non-Independent (NI)
E Executive (E)
NE Non-Executive (NE)

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 Guidelines are references to guidelines of the CCG 2012 and all references to Provisions are references to provisions of the CCG 2018, both of which can be obtained from www.mas.gov.sg

■ Chairman
■ Member
■ By Invitation

¹ As at 30 June 2021, 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 Mr Thaddeus Beczak retired from the SGX Board at the conclusion of the Twenty-First AGM on 24 September 2020.

⁴ Dr Beh Swan Gin was appointed as a member and Chairman of the NGC on 15 June 2021. Mr Kwa stepped down as Chairman of the NGC and remains as a member of the NGC.

⁵ Ms Jane Diplock AO is deemed non-independent, solely on account of having completed nine years of service as an SGX Director following the NGC's determination on Guideline 2.4 (read with Provision 2.1).

⁶ As chief financial officer of DBS Bank Limited (DBS Ltd) and on account that DBS Ltd is a trading member of SGX-DC (OTCF) and 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 Mark Makepeace was appointed to the Board and AC at the Twenty-First AGM on 24 September 2020.

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.

Given that the roles of the Chairman and CEO are separate, and that the Chairman was considered independent during FY2021, no Lead Independent Director was required to be appointed under the CCG 2018 during FY2021.

Lead Independent Director

As the Chairman, Mr Kwa Chong Seng, will be 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 will be 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 will have authority to call and lead meetings of the Board when the Chairman has to recuse himself or is not present. The LID will also have 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 will represent 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.

Corporate Governance Report

Directors retiring at 2021 AGM

Messrs Loh Boon Chye, Subra Suresh, Jane Diplock AO and Ng Wai King will be retiring by rotation at the Twenty-Second AGM to be held on 7 October 2021 (2021 AGM) under Article 97 of the SGX Constitution. Messrs Loh and Suresh have given their consents to stand for re-election. Mr Loh will, upon re-election, continue to serve as the Chief Executive Officer. Mr Suresh will, upon re-election, continue to serve as a member of the Nominating & Governance Committee. Ms Jane Diplock AO and Mr Ng Wai King have each decided not to offer themselves for re-election.

Mr Yeoh Oon Jin who was appointed to the Board on 1 July 2021, will be retiring at the 2021 AGM under Article 103 of the SGX Constitution, and has given his consent to stand for re-election. Mr Yeoh will, upon re-election, continue to serve as the Chairman of the Audit Committee and a member of the Risk Management Committee.

The profiles of the Directors who are retiring and standing for re-election at the 2021 AGM are set out under the "Board of Directors" section of this Annual Report. In addition, the Notice of the 2021 AGM sets out information on the Directors proposed for re-election at the 2021 AGM. Detailed information on these Directors can be found in the "Supplemental Information on Directors Seeking Election and Re-election at the 2021 AGM" section of this Annual Report.

NGC Composition

As at 30 June 2021, the NGC comprised six Directors namely:

Dr Beh Swan Gin	Committee Chairman & Independent Non-Executive Director
Ms Chew Gek Khim	Independent Non-Executive Director
Mr Kwa Chong Seng	Independent Non-Executive Director
Mr Kevin Kwok	Independent Non-Executive Director
Mr Lim Chin Hu	Independent Non-Executive Director
Mr Subra Suresh	Independent Non-Executive Director

Dr Beh Swan Gin was appointed as Chairman of the NGC, taking over from Mr Kwa Chong Seng, with effect from 15 June 2021. Mr Kwa remains a member of the NGC as at 30 June 2021.

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:

- (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 Jane Diplock AO, Lim Sok Hui and Loh Boon Chye, all Directors were considered independent as at 30 June 2021 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.

All Directors attended all Board and Board committee meetings held in FY2021. 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 FY2021. 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 2022.

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 includes 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.

Corporate Governance Report

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 the use of an external independent consultant greatly enhances the quality and objectivity of the evaluation. As an external independent consultant was engaged for the previous financial year, no independent consultant was appointed to evaluate the performance of the Board and Board committees with respect to FY2021.

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 FY2021, Corporate Secretariat assisted the NGC in the evaluation process. Questionnaires were sent by Corporate Secretariat to the Directors for the evaluation of the Board and its

Board committees. Factors that were evaluated included Board composition, information management, Board processes, corporate integrity and social responsibility, management of the Company's performance, Board committee effectiveness, CEO performance and succession planning, Director development and management, risk management, audit and internal controls and overall perception of the Board. A section on the Chairman of the Board and his interactions with the Board was also introduced. The findings from this evaluation were presented to the NGC and the Board to facilitate improvements to the Board's practices.

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 a 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.

Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 6

Remuneration & Staff Development Committee

As at 30 June 2021, the RSDC comprised three Directors namely:

Mr Kwa Chong Seng

Committee Chairman &
Independent Non-Executive Director

Ms Chew Gek Khim

Independent
Non-Executive Director

Mr Ng Wai King

Independent
Non-Executive Director

The Board considers that Mr Kwa Chong Seng, 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 during FY2021 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 each Director, the CEO and each key Management personnel 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 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 Solutions Singapore Pte Ltd. 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 FY2021, 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 2022 is the same as for FY2021, save for the introduction of a fee of S\$40,000 per annum for serving as LID. As earlier disclosed in the section on "Lead Independent Director", Dr Beh Swan Gin will be 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, will be considered non-independent with effect from 20 September 2021.

Corporate Governance Report

Directors' Fees for FY2021

	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

The gross remuneration paid to the NEDs (including the SGX Chairman) for FY2021 was S\$2,226,098.90 (details as set out in the table below):

FY2021 Fees	Share-Based Remuneration	Directors' Fees	Total
1 Mr Kwa Chong Seng	S\$232,496.32	S\$776,844.34	S\$1,009,340.66
2 Mr Thaddeus Beczak ¹		S\$26,562.50	S\$26,562.50
3 Dr Beh Swan Gin		S\$116,758.24	S\$116,758.24
4 Ms Chew Gek Khim	S\$18,742.33	S\$106,257.67	S\$125,000.00
5 Ms Jane Diplock AO	S\$18,742.33	S\$136,257.67	S\$155,000.00
6 Mr Kevin Kwok	S\$18,742.33	S\$176,257.67	S\$195,000.00
7 Mr Lim Chin Hu	S\$18,742.33	S\$161,257.67	S\$180,000.00
8 Ms Lim Sok Hui (Mrs Chng)		S\$130,000.00	S\$130,000.00
9 Mr Mark Makepeace ²		S\$88,437.50	S\$88,437.50
10 Mr Ng Wai King	S\$18,742.33	S\$81,257.67	S\$100,000.00
11 Mr Subra Suresh	S\$18,742.33	S\$81,257.67	S\$100,000.00

Note:

¹ Mr Thaddeus Beczak stepped down from the Board on 24 September 2020.

² Mr Mark Makepeace was appointed to the Board and AC on 24 September 2020.

Subsidiary

Name of Director	Fees
Ms Jane Diplock AO ³	S\$100,000.00

Note:

³ Ms Jane Diplock AO is 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.

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 year's basic retainer fees for his or her tenure as a Director and for one 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 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 FY2021.

Disclosure on guaranteed bonuses, sign-on payments and severance payments

For disclosure of the guaranteed bonuses, sign-on and severance payments for Senior Managers and Material Risk Personnel, please refer to the "Remuneration Report".

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.

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 of defence who, as risk takers and owners, establish processes and controls to mitigate risks. The second line of defence comprises the independent Compliance and Enterprise Risk functions. Compliance focuses on compliance risks; while Enterprise Risk maintains an independent oversight on the operating units' risk management processes, risk mitigating measures, as well as operational resilience management. Internal Audit, as the third line of defence, 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 2021, the RMC comprised five Directors namely:

Ms Lim Sok Hui (Mrs Chng)

Committee Chairman &
Non-Independent Non-Executive Director

Dr Beh Swan Gin

Independent
Non-Executive Director

Ms Jane Diplock AO

Non-Independent
Non-Executive Director

Mr Kevin Kwok

Independent
Non-Executive Director

Mr Lim Chin Hu

Independent
Non-Executive Director

Corporate Governance Report

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 programme is effective.

The Board required and has received assurance from the CEO and Chief Financial Officer (CFO) that, as at 30 June 2021, 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 required and 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 2021 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 risk management systems were adequate and effective as at 30 June 2021 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

From FY2021, 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 2021, the AC comprised four Directors namely:

Mr Kevin Kwok

Committee Chairman &
Independent Non-Executive Director

Ms Jane Diplock AO

Non-Independent
Non-Executive Director

Mr Lim Chin Hu

Independent
Non-Executive Director

Mr Mark Makepeace

Independent
Non-Executive Director

auditor, KPMG LLP (KPMG), within the last 24 months or hold any financial interest in KPMG. The Board considers Mr Kevin Kwok, who has recent, extensive and practical accounting and financial management knowledge and experience, is well qualified to chair the AC during FY2021. Mr Kwok was a Senior Partner of Ernst & Young LLP in Singapore and retired after 35 years with the firm. He was the Head of the firm's Assurance Services in Singapore and ASEAN. Mr Kwok is also a Fellow of the Institute of Singapore Chartered Accountants and a Fellow and former Council member of the Singapore Institute of Directors. He is the immediate past Chairman of the Accounting Standards Council of Singapore.

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 that have a direct impact on the financial statements.

Mr Mark Makepeace, who was appointed to the AC in FY2021, was until January 2019, the Group Director of Information Services of London Stock Exchange Group and Chief Executive of FTSE Russell, the global index provider. Mr Makepeace has over 20 years' experience of developing and managing businesses and developing successful joint ventures. In September 2019, Mr Makepeace was appointed a Distinguished Fellow at the Georgetown Centre for Financial Markets and Policy, Georgetown University, Washington DC. His detailed CV may be found on <https://www.sgx.com/about-us>.

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.

Roles and Responsibilities of AC

Financial Reporting

Internal Controls and Regulatory Compliance

Internal Audit

Compliance

External Auditor

Financial Reporting

Following to 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.

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

Corporate Governance Report

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 the 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 that 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 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.

Other Matters

Whistleblowing Policy

Interested Person Transactions Policy

The whistleblowing policy is communicated to all SGX employees 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 FY2021

The AC met four times during FY2021. The Chairman, CEO, CFO, Chief Risk Officer, Chief Technology Officer, Head of Internal Audit, Head of Legal, Compliance & Corporate Secretariat, Head of Compliance 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 BidFX Systems Ltd. – Purchase price allocation

The AC reviewed the following:

- (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 previously held interest in BidFX Systems Ltd. and contingent consideration payable.

The AC is satisfied with the appropriateness of the methodology and key assumptions used in the purchase price allocation.

Impairment assessment of goodwill and intangible assets

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. and BidFX Systems Ltd. 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.

Following the review and discussions, the AC recommended to the Board to approve the full year financial statements.

external auditor, reviewed the results of the audits, significant findings and recommendations as well as Management's responses.

updates to the AC on relevant changes to the accounting standards and the implications on the 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 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

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,

The AC approved the scope and plans for the audit undertaken by the

Corporate Governance Report

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 2021 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 FY2021. 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	1,277	382	1,659
% of total audit fees		30%	

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 FY2021.

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. Controls were introduced to ensure enhanced due diligence and screening of SGX's vendors for sanctions exposure and to ensure that identities of vendors are appropriately verified. SGX also engaged with various domestic and overseas regulators for inspections of 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:

- (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 FY2021.

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 FY2021.

Internal Audit

Annually, Internal Audit prepares and executes a robust risk-based audit plan, which complements that of the external auditor 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 that 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 function 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 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

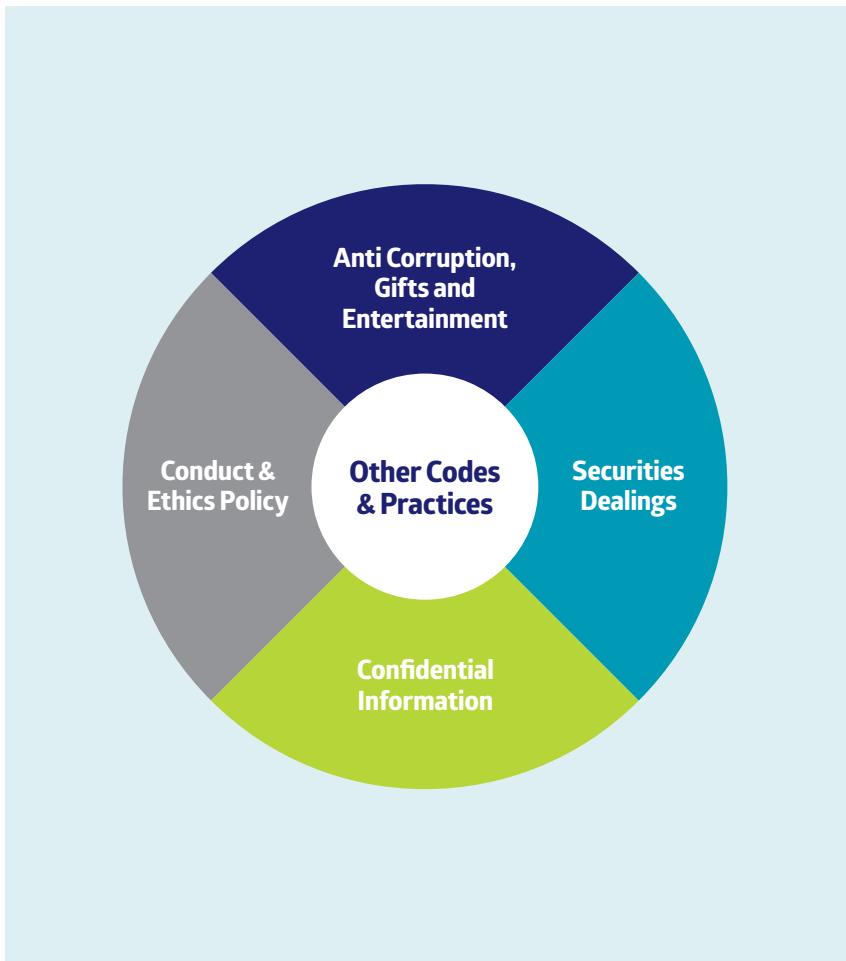
Internal Audit's annual risk based plan is established in consultation with, but independent of, Management and is aligned with the risk management framework of SGX. The plan is submitted to, and approved by, the AC. The AC is satisfied that the Internal Audit function is independent, effective, has 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 2021, there are 11 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 three 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 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 5 to 21 years of diverse financial, operational, compliance and technology audit experience.

Corporate Governance Report



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 Singapore's 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 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 half yearly financial results and before the release of 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 wish 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 (SGX IR) Website (<http://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. 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 "2020 AGM" and "Forthcoming 2021 AGM" on the alternative arrangements for the 2020 AGM which was held, and the forthcoming 2021 AGM which will be held, by electronic means due to the COVID-19 situation 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/proxies 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

Corporate Governance Report

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.

2020 AGM

The Twenty-First AGM of SGX (2020 AGM) was convened and held by way of electronic means on 24 September 2020, 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 provided 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 2020 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, 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 2020 AGM either in-person or via electronic means.

Forthcoming 2021 AGM

In view of the current COVID-19 situation, the forthcoming 2021 AGM will again be convened and held by way of electronic means pursuant to the COVID-19 Temporary Measures Order and the Checklist. The same alternative arrangements for the AGM will be put in place as last year except that this year, shareholders will be able to submit questions to the Chairman of the Meeting "live" at the AGM. Details of the steps for pre-registration, submission of questions and voting at the forthcoming 2021 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released on SGXNet on 13 September 2021.

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 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://www.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, and participation in major investor conferences locally and abroad. SGX is committed to actively engaging the investment community to convey its investment proposition, as well as obtaining 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 FY2021 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 FY2021 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 pages 50 to 51 of this Annual Report for more information on how SGX manages its stakeholder relationships.

During FY2021, 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. Separately, SGX also surveyed stakeholders to determine the level of importance it should accord to sustainability in its strategic planning, products and solutions. Studies on sustainability disclosures were also undertaken during the course of FY2021. Key findings from these studies and

surveys are set out in the section on "Stakeholder Engagement" on pages 50 to 51 of this Annual Report.

SGX has also 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. More details of SGX's stakeholder engagement efforts amid the COVID-19 pandemic can be found in the section on "Stakeholder Engagement" on pages 51 to 52 of this Annual Report.

More broadly on the topic of sustainability, SGX FIRST (Future in Reshaping Sustainability Together) was launched in 2020 to house SGX's sustainability initiatives. It is Asia's only multi-asset exchange-led sustainability platform. These initiatives span across asset classes including fixed income, equities and indices. The launch of SGX FIRST reinforces SGX's commitment towards co-creating a sustainable future with and for its partners and the goal is to drive initiatives and develop products that have a measurable impact on the economy and the environment. For more information on SGX FIRST, please refer to the Company's website at the URL <https://first.sgx.com/>.

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://investorrelations.sgx.com/sustainability#sustainability-reports>.

Remuneration Report

The Remuneration & Staff Development Committee (RSDC) reviews and recommends to the Board for approval matters concerning management development, succession planning and remuneration of senior management and employees and the remuneration of the Board.

As at 30 June 2021, the RSDC comprised the following directors:

Mr Kwa Chong Seng

Committee Chairman & Independent Non-Executive Director

Ms Chew Gek Khim

Independent Non-Executive Director

Mr Ng Wai King

Independent Non-Executive Director

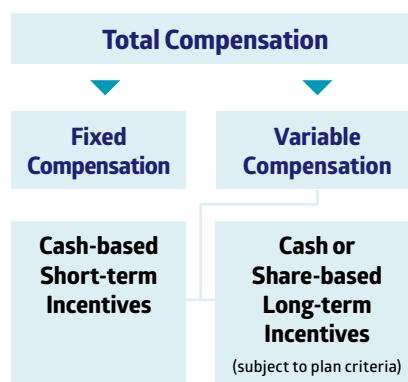
Compensation Philosophy

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 (Singapore), a business unit of Aon Solutions Singapore Pte Ltd. McLagan (Singapore) 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 share-based 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 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 percentage is determined by the RSDC and takes into account SGX's overall performance.

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 the newly implemented 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 this is 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 by 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 Vice President, job grade 2 and above are eligible to be considered for the award under the plan.

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 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

Remuneration Report

Summary of Grants (FY2018 to FY2021)

The performance targets chosen are key success factors of SGX's business that also drive alignment with shareholders' interests.

Starting from 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
FY2018	1 July 2017 to 30 June 2020	15 September 2017	1 September 2021	(1) Strategic and Non-financial Priorities (2) EPS (3) Relative TSR against selected peer exchanges (4) Relative TSR against Straits Times Index peer companies <i>(Details in Table A)</i>
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 <i>(Details in Table B)</i>
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 <i>(Details in Table C)</i>
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 <i>(Details in Table D)</i>

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 – FY2018 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
Exceeded	150%	Above Target	≥37 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers
Met	100%	At Target	34 cents	100%	50th percentile of peers	100%	50th percentile of peers
Partially Met	50%	Threshold	32 cents	50%	25th percentile of peers	50%	25th percentile of peers
Not Met	Nil	Below Threshold	<32 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers

Table B – 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
Exceeded	150%	Above Target	≥38 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers
Met	100%	At Target	35 cents	100%	50th percentile of peers	100%	50th percentile of peers
Partially Met	50%	Threshold	33 cents	50%	25th percentile of peers	50%	25th percentile of peers
Not Met	Nil	Below Threshold	<33 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers

Remuneration Report

Table C – 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
Exceeded	150%	Above Target	≥42 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers
Met	100%	At Target	39 cents	100%	50th percentile of peers	100%	50th percentile of peers
Partially Met	50%	Threshold	34 cents	50%	25th percentile of peers	50%	25th percentile of peers
Not Met	Nil	Below Threshold	<34 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers

Table D – 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
Exceeded	150%	Above Target	≥47 cents	150%	≥75th percentile of peers	150%	≥75th percentile of peers
Met	100%	At Target	42.5 cents	100%	50th percentile of peers	100%	50th percentile of peers
Partially Met	50%	Threshold	38 cents	50%	25th percentile of peers	50%	25th percentile of peers
Not Met	Nil	Below Threshold	<38 cents	Nil	<25th percentile of peers	Nil	<25th percentile of peers

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 123 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 2021.

Executive Director	Fixed pay ¹	Bonus for FY2021 ^{1,2} \$	Long-term incentives ³ \$	Benefits-in-kind \$	Total gross Remuneration \$
Mr Loh Boon Chye	1,089,360	2,963,900	1,289,446	59,408	5,402,114

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 FY2021.

³ Vesting of FY2017 PSP and DLTIS awards based on the fair value on the respective grant dates. The shares vested on 1 September 2020.

Please refer to the Corporate Governance Report on page 89 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 2021.

Executives	Fixed pay ¹	Bonus for FY2021 ^{1,2} \$	Ex-Gratia Payment \$	Long-term incentives ³ \$	Benefits-in-kind \$	Total gross Remuneration \$
Mr Chew Sutat ⁴	467,340	-	1,100,000	382,224	10,753	1,960,317
Mr Syn Hsien-Min Michael	462,240	880,100	-	365,566	4,194	1,712,100
Mr Tan Boon Gin	528,852	730,100	-	319,501	16,357	1,594,810
Mr Lee Beng Hong	462,240	755,100	-	-	4,613	1,221,953
Ms Koh Puay Eng Agnes	459,360	478,900	-	208,302	4,796	1,151,358

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 FY2021.

³ Vesting of FY2017 PSP and DLTIS awards based on the fair value on the respective grant dates. The shares vested on 1 September 2020.

⁴ Ex-gratia payment made in lieu of the discretionary variable compensation awards for FY2021.

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 and Mr Chng Lay Chew who retired from SGX on 31 March 2018, 30 September 2019 and 30 September 2020 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 FY2021 \$	-	250,000

* 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)

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the CCG 2018 in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the 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 77	Provision 6.1 Page 89	Provision 11.1 Page 99	
Provision 1.2 Page 79	Provision 6.2 Page 88	Provision 11.2 Page 99	
Provision 1.3 Page 77	Provision 6.3 Page 89	Provision 11.3 Page 99	
Provision 1.4 Page 78	Provision 6.4 Page 89	Provision 11.4 Page 99	
Provision 1.5 Page 78		Provision 11.5 Page 100	
Provision 1.6 Page 78		Provision 11.6 Page 100	
Provision 1.7 Page 79			
Board Composition and Guidance	Level and Mix of Remuneration	Engagement with Shareholders	
Principle 2	Principle 7	Principle 12	
Provision 2.1 Page 80	Provision 7.1 Page 89	Provision 12.1 Page 101	
Provision 2.2 Page 78	Provision 7.2 Page 89	Provision 12.2 Page 101	
Provision 2.3 Page 80	Provision 7.3 Page 89	Provision 12.3 Page 101	
Provision 2.4 Page 81			
Provision 2.5 Page 82			
Chairman and Chief Executive Officer	Disclosure on Remuneration	Managing Stakeholders Relationships	
Principle 3	Principle 8	Engagement with Stakeholders	
Provision 3.1 Page 85	Provision 8.1 Page 91	Principle 13	
Provision 3.2 Page 85	Provision 8.2 Page 91	Provision 13.1 Page 50	
Provision 3.3 Page 85	Provision 8.3 Pages 90 and 108	Provision 13.2 Page 50	
		Provision 13.3 Page 101	
Board Membership	Accountability and Audit		
Principle 4	Risk Management and Internal Controls		
Provision 4.1 Page 86	Principle 9		
Provision 4.2 Page 86	Provision 9.1 Page 91		
Provision 4.3 Page 86	Provision 9.2 Page 92		
Provision 4.4 Page 87			
Provision 4.5 Page 87			
Board Performance	Audit Committee		
Principle 5	Principle 10		
Provision 5.1 Page 88	Provision 10.1 Page 93		
Provision 5.2 Page 88	Provision 10.2 Page 93		
	Provision 10.3 Page 93		
	Provision 10.4 Page 94		
	Provision 10.5 Pages 95 and 96		

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 prudent financial requirements on our members and have robust default management processes. 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.

Key regulatory initiatives in FY2021

- **Increasing our Regulatory Presence**
- **Enhancements to enforcement and whistleblowing framework:** SGX RegCo launched a public consultation to enhance SGX RegCo's direct enforcement powers, to improve the speed and timeliness of enforcement actions. SGX RegCo also proposed to require all issuers to implement and disclose their whistleblowing policy, to enable potential whistle-blowers to report irregularities without fear of reprisal action.
- In June 2021, we published our response to the consultation paper to expand the scope of direct enforcement actions available to SGX RegCo and require all listed companies to have a whistleblowing policy in place. The new listing rules prescribing SGX RegCo with enhanced enforcement powers is effective from 1 August 2021. With effect from 1 January 2022, issuers will be required to disclose their whistleblowing policy in their annual reports.
- **Public regulatory statements:** SGX RegCo commenced issuing public regulatory statements in response to four special audit review findings, noting the potential listing rule breaches highlighted by independent reviewers and to articulate our expectations of listed issuers.
- **Early warnings of “Pump and Dump Schemes” to deal with the GameStop effect:** Even before the GameStop saga in January 2021, SGX RegCo identified social media forums, such as Telegram Chats, as potential breeding grounds for “Pump and Dump Schemes” in a regulatory announcement on

10 December 2020. SGX RegCo followed up with a joint announcement with MAS on 2 February 2021 referring to our earlier 10 December 2020 announcement and reiterated the risks of trading incited by online forums and social media groups.

- **Initiated first two disciplinary hearings:** SGX RegCo successfully pursued two disciplinary cases before the Listings Disciplinary Committee. One of the companies appealed but the Appeals Committee dismissed the appeal as the grounds under Mainboard Rule 1419(4) were not made out.

- **Trading misconduct disruption:** As at 30 June 2021, SGX RegCo issued 3 Trade-with-Caution (“TWC”) alerts, after observing unusual movements in the share prices of certain SGX listed companies. The TWCs resulted in a significant decline in suspects' trading in the respective securities.

- **Leveraged AI and RegTech for oversight of listed issuers:** SGX RegCo applied artificial intelligence enhancements to our real-time monitoring surveillance system which enabled us to reduce the number of false positives in alerts and identify more complex types of market misconduct during extreme market volatility.

We have also invested in RegTech to share indicative signs of possible financial distress or irregularities in listed companies and convey purpose of SGX RegCo's public queries. This project will continue to be enhanced in the next phases to enable early detection of fraud and improve predictive capability of companies under financial duress or those that exhibited signs of potential financial irregularities.

▪ Increasing Accountability of our Stakeholders

- **Updated ABS Listings Due Diligence Guidelines (“ABS Guidelines”):** SGX RegCo worked with the Association of Banks in Singapore (“ABS”) to update the ABS Guidelines. The revised guidelines emphasised due diligence in the following areas: adequacy and effectiveness of issuers' internal controls; sustainability and viability of issuers' businesses in the prevailing economic climate; and targeted due diligence for issuers operating in specialised, restricted or niche industries, and/or in higher risk jurisdictions. The ABS Guidelines were aimed at raising the standards of due diligence amongst issue managers and full sponsors.
- **Enhancements to the regulatory regime for auditors and property valuation:** SGX RegCo announced new rules requiring issuers to appoint property valuers that meet minimum qualification criteria and for their property valuation reports to adhere to prescribed standards. The new rules allow SGX RegCo to direct an issuer to appoint a second auditor to review a company's financial statements under exceptional circumstances.
- **Published listing decision on risks associated with sponsor material leases:** SGX RegCo alerted issue managers to prospectus disclosure requirements and the measures which SGX RegCo may require for Business Trust, REIT and Stapled Trust (collectively, the “Trust”) listing applicants with material exposure to lessee(s)/ tenant(s) who are related to the Trust's sponsor.

Self-Regulatory Organisation Governance Report

- **Penned two Regulator's columns on 'What SGX RegCo expects of issuers' internal audit function' and 'What SGX RegCo expects of Nominating Committees when directors join or resign':** In June 2021, SGX RegCo released two Regulator's columns respectively, to communicate the standards expected of issuers' internal audit functions under Listing Rule 719(3), and the level of due diligence Nominating Committees ("NCs") are required to perform on potential candidates to the Board.

In respect of internal audit, SGX RegCo reiterated that issuers' internal audit should be objective, free from any undue influence and conflicts of interests, and adequately resourced.

For the appointment of directors to the Board, NCs should consider the potential candidate's involvement in any current or past investigations, previous board appointments on issuers with an adverse track record, as well as potential risks of not being able to devote sufficient time to properly discharge his or her duties on the board due to 'overboarding' i.e. multiple directorships in listed entities.

- **Supporting Market Development**
- **New listing structures and platforms**

- (a) **New listing framework for Special Purpose Acquisition Companies ("SPACs") on the SGX Mainboard:** In tandem with the steady growth in US SPACs listings in recent years and market interest in SPACs, SGX RegCo formulated a detailed

framework for SPACs and launched a public consultation to seek feedback on the framework in March 2021. The new rules on SPACs listings are anticipated to be implemented in the latter half of 2021.

- (b) **Updated listing decision on Foreign Ownership Restrictions:** SGX RegCo updated the earlier Listing Decision on the Foreign Ownership Policy published on 31 December 2018 ("Listing Decision"), to reflect relevant safeguards applicable to listing applicants with PRC principal subsidiaries adopting a VIE structure. SGX RegCo would assess the suitability of such listing applicants on a case-by-case basis, which includes the fulfilment of the relevant safeguards set out in the Listing Decision. The publication of listing decisions provides greater transparency on SGX RegCo's decisions on listing applications.

- (c) **NSE-SGX GIFT Connect ("GIFT Connect"):** In June 2021, SGX RegCo issued a public consultation to introduce amendments to both the SGX-DC Clearing Rules and Futures Trading Rules for the GIFT Connect between SGX and the National Stock Exchange of India. The GIFT Connect intends to enable global investors to access Nifty products in GIFT City through SGX. Proposals put forth in the public consultation include the introduction of a new source of fund (the "Connect Layer") in addition to the existing SGX-DC Clearing Fund, which will be contributed by both SGX and Clearing Members to mitigate the additional risks arising from the GIFT Connect cross-border arrangements.

- Sustainability

- (a) **Leading a workstream on disclosures:** SGX RegCo supported MAS through the Green Finance Industry Taskforce to co-lead a workstream on disclosures which published a best practice guide on climate disclosures for financial institutions in May 2021.
- (b) **Introducing new sustainability reporting rules:** SGX RegCo has commenced formulation and publicly announced our intention to enhance the sustainability reporting guide by introducing climate reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and assurance on reporting ("Proposed Amendments"). In the coming year, we will launch a public consultation on the Proposed Amendments.
- (c) **Collaborating with stakeholders:** In anticipation of the new sustainability reporting rules, we conducted key case studies with stakeholders to assess the capacity building required to raise stakeholder awareness of sustainability. SGX RegCo gathered the views of investors to better understand what topics in sustainability reports mattered in their investment decisions and surveyed financial institutions on how they used sustainability disclosures in their business decisions. SGX RegCo published the findings from these studies and focus group discussions conducted with the Centre for Governance and Sustainability ("CGS") at the National University of Singapore ("NUS") Business School and KPMG Singapore ("KPMG") in April 2021.

		Performance Overview
		Group Overview
		Value Creation & Sustainability
		Governance
		Financials
		Others
(d)	If the revised listing rules on sustainability reporting are adopted, SGX RegCo will also collaborate with industry bodies and standard setting bodies to build up the industry's capability in sustainability reporting in line with revised requirements. This could be carried out through a variety of ways including organising capacity building workshops, participating in industry forums and publishing regulatory guidance as appropriate.	and recovery plans based on pre-defined cyberattack scenarios and exercise injects.
(e)	Review of issuers' sustainability reports: Together with CGS, SGX RegCo conducted a review on the sustainability reports of SGX-listed companies for a second year and organised a Webinar in May 2021 to share our findings with over 520 participants. The average overall score of the 566 listed companies assessed rose to 71.7 points (out of 100 points) in 2021, from 60.6 points in the last review in 2019, reflecting a greater conformance of regulatory standards by companies.	
COVID-19 Related Measures to Support Market Development during Volatile Times		
(a)	Regulators' columns to guide disclosures amid COVID-19: We published two Regulator's Columns in July 2020 to set out our expectations on the preparation of financial statements and sustainability report amid COVID-19. We also issued guidance in May 2021 on the application of accounting standards for interim and full-year financial statements.	
(b)	Extended virtual general meetings until further notice: As COVID-19 safe management measures were extended beyond earlier deadlines, SGX RegCo worked with statutory regulators to facilitate virtual general meetings until further notice, under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings) Orders (the "Meeting Orders"). SGX RegCo also issued guidance to issuers on the conduct of their general meetings amid the evolving COVID-19 situation.	
(c)	Extended suspension of the watch-list beyond June 2021 to enable companies to focus on meeting their current business and economic challenges.	
(d)	Extended availability of an enhanced general mandate for Mainboard issuers comprising up to 100% of its share capital (compared to 50% previously), to facilitate fundraising. This supported companies that needed to recapitalise urgently.	
(e)	Increased monitoring of members: We published an Algorithmic Trading Regulatory Guide to alert members to potential operational risk areas and our expectations regarding risk monitoring. We developed a new Risk Management and Controls Questionnaire ("RMCQ") to assess members' responses on management of financial, operational and credit risks. In March 2021, we conducted a Cyber Tabletop exercise to assess retail members' responsiveness to threats and cyberattacks and communicate our expectations of members' containment, response	
(f)	Public consultation on default management process: SGX RegCo launched a public consultation on changes to the process for managing clearing member defaults in the securities market, to align CDP's default management process with global practices and improve the efficiency and speed with which defaults may be resolved.	
(g)	1-on-1 engagement with Audit Committees and external auditors of listed issuers: SGX RegCo also stepped up engagements with companies' Audit Committees ("ACs") and external auditors to highlight areas of concerns identified by SGX RegCo. We drew the ACs' and external auditors' attention to key risks observed by SGX RegCo when undertaking the audit as well as to consider if matters highlighted by SGX RegCo had been dealt with or would be considered for discussion in the key audit matters of the company's Annual Report.	

Self-Regulatory Organisation Governance Report

Statistics Overview

Whistleblowing

Number of whistleblowing cases concerning listed companies[#] for FY2021[~]

Nature of allegation raised	FY2021
Misconduct by directors and/or officers	17
Disclosure-related matters	11
Lapses in internal controls/corporate governance	8
Corporate transactions	6
Financial reporting matters	3
Others	5
Total Cases Received	50

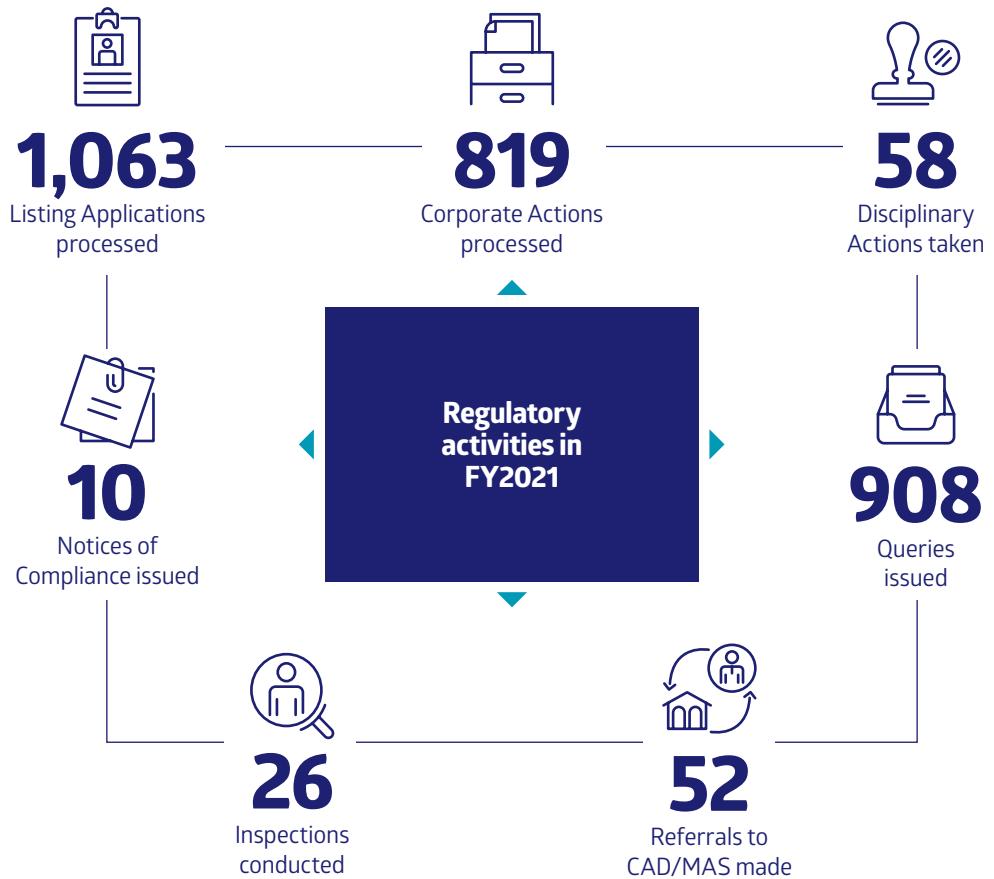
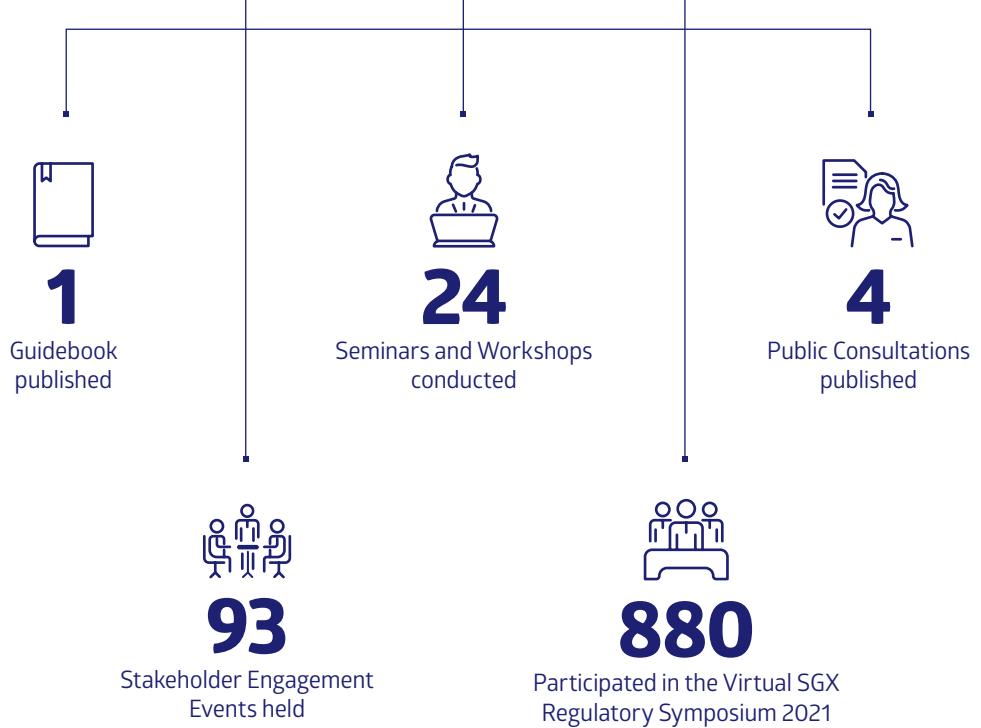
[#] Reports received on listed companies excluding Singapore Exchange Limited by SGX RegCo's Whistleblowing Office.

[~] SGX RegCo's Whistleblowing Office was inception in January 2020.

Cases completed	FY2021
Actions Taken by SGX RegCo*	31
Not Actionable [^]	7
Total	38

* 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.

[^] Cases that are not actionable includes where (i) allegations are not substantiated; or (ii) the matter is already under investigation by other regulatory authorities.

**Stakeholder engagement in FY2021**

Report of the Independent Committees

Overview

SGX's systems 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 include the setting up 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 that 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 SGX 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 FY2021, the operating costs of the independent committees and the Office of the Secretariat amounted to S\$706,359.

Listings Advisory Committee Report

In FY2021, the Listings Advisory Committee ("LAC") reviewed one listing application and one listing policy, both were referred to the LAC by SGX RegCo.

Listing Applicant Review

SGX RegCo sought the LAC's views in relation to a listing applicant pursuant to Listing Rule 110(4)(a), i.e. novel or unprecedented issues were involved. In this case, the issue concerned whether a listing applicant that adopted a variable-interest entity ("VIE") structure in a jurisdiction that had previously displayed signs of official disapproval towards the use of VIE structures was suitable to be listed.

In its review of the case, the LAC noted that due to recent regulatory developments in the jurisdiction in question, the risks of wholesale clampdown and prohibition of VIE structures in that jurisdiction were viewed to be lower. Furthermore, the use of such VIE structures by foreign-incorporated holding companies in the country were now not uncommon. In addition, the listing applicant had mitigated the risks associated with the use of VIE structures by applying the relevant safeguards recommended under SGX Listing Decision LD 2018-02. Accordingly, the LAC agreed that listing applicants with principal subsidiaries that adopted VIE structures in the jurisdiction in question could be considered for listing.

Listing Policy Review: Proposed Framework for the Listing of Special Purpose Acquisition Companies ("SPACs")

Before conducting the public consultation on its proposed framework on the listing of SPACs on the Mainboard of SGX-ST ("Framework"), SGX RegCo sought the LAC's advice on certain key requirements under the Framework.

Firstly, given the large sums of working capital that would be involved in SPAC investments and the time value of money, the LAC was asked to consider whether a SPAC should be required to complete a potential acquisition or merger with a target company ("Business Combination") in a shorter time frame. Secondly, to safeguard the interests of independent shareholders, the LAC was asked for views as to whether the financial advisor for the Business Combination transaction should be appointed by the independent shareholders. Lastly, the LAC also considered situations in other jurisdictions where significant dilutive impact to remaining shareholders had occurred upon completion of the Business Combination due to high rates of shareholders having voted in favour of the Business Combination

subsequently redeeming their shares whilst retaining their warrants.

After reviewing the Framework and considering the issues highlighted, the LAC provided their views. While there was some support for shortening the time frame for completing a Business Combination, the LAC was of the view that the proposed three-year time frame was appropriate as it would give SPACs more chances of negotiating and successfully completing a Business Combination. With respect to who should appoint the financial advisor for the Business Combination, the LAC advised that it would be impractical to subject such appointments to the scrutiny of individual SPAC shareholders, and suggested that this could be done by the SPAC's board of directors instead, as the

board has a fiduciary duty to the company, whose main constituent is the shareholders as a whole. Finally, in light of increasing attention to the risk of dilution, the LAC was supportive of measures being imposed to minimise potential significant dilution to shareholders remaining with the Business Combination.

The LAC emphasised to SGX that good quality sponsors are key. Members of the LAC provided further views on valuers, sponsor skin-in-the-game and minimum market capitalisation. These were inter-related factors relating to sponsor quality that SGX should balance and calibrate.

The LAC's Grounds of Decision on these two matters are available on the SGX Website.

Listings Advisory Committee Members

The members of the LAC are currently as follows:

No.	Name	Position	Title
1	Mr Tham Sai Choy	Chairman	<ul style="list-style-type: none"> ▪ Chartered Accountant
2	Professor Hans Tjio	Deputy Chairman	<ul style="list-style-type: none"> ▪ Director, EW Barker Centre for Law and Business, National University of Singapore ▪ Member, Securities Industry Council
3	Mrs Fang Ai Lian	Member	<ul style="list-style-type: none"> ▪ Adviser, Far East Organization Former Managing Partner, Ernst & Young LLP
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 SmartCapital)
7	Mr Derek Lau	Member	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Heliconia Capital Management Pte. Ltd.
8	Mr Lionel Lee	Member	<ul style="list-style-type: none"> ▪ Non-Executive Director, Ezra Holdings Limited
9	Mr Daryl Liew	Member	<ul style="list-style-type: none"> ▪ Co-Chairman, Advocacy Committee, CFA Society Singapore ▪ Chief Investment Officer, REYL Singapore Pte Ltd
10	Mrs Margaret Lui	Member	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Azalea Investment Management Pte Ltd
11	Mr Mak Lye Mun	Member	<ul style="list-style-type: none"> ▪ Chairman and Non-Executive Director, Hwa Hong Corporation Limited

Report of the Independent Committees

No.	Name	Position	Title
12	Mr Ronald Ong	Member	<ul style="list-style-type: none"> ▪ Chairman and Chief Executive Officer, Southeast Asia, Morgan Stanley Asia (Singapore) Pte. Ltd.
13	Mr Soon Tit Koon	Member	<ul style="list-style-type: none"> ▪ Independent Director, Great Eastern Holdings Limited ▪ Independent Director, SPH REIT Management Pte. Ltd.
14	Mr Toh Teng Peow David	Member	<ul style="list-style-type: none"> ▪ Director and Chief Technology Officer, Nanyang Technological University-NTUitive Pte. Ltd. ▪ Independent Director, iFAST Corporation Ltd.
15	Ms Tracey Woon	Member	<ul style="list-style-type: none"> ▪ Non-executive Director, Singapore Press Holdings Limited ▪ Non-executive Director, National University Health System Pte Ltd. ▪ Member, Securities Industry Council

Disciplinary Committee and Appeals Committee Report Cases Heard in FY2021

The Listings Disciplinary Committee heard two cases in FY2021.

The Listings Disciplinary Committee publicly reprimanded the former executive directors of a company for

breaching Mainboard Rule 1206(1). A Notice of Appeal had been filed by the former executive directors against the decision of the Listings Disciplinary Committee. However, an appeal was not heard as the Chairman of the Listings Appeals Committee was of the opinion that the grounds for appeal under Mainboard Rule 1419(4) were not met.

The Listings Disciplinary Committee's Grounds of Decision and the opinion of the Listings Appeals Committee Chairman are published on the SGX Website.

The second case is undergoing appeal.

Disciplinary Committee Members

During FY2021, three new members were recruited into the Disciplinary Committee, namely, Mr Ang Hao Yao, Mr David Gerald and Dr David Smith.

The members of the Disciplinary Committee in FY2021 were:

No.	Name	Position	Title
1	Mr Eric Ang Teik Lim	Co-Chairman	<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	<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"> ▪ Council Member, Accounting Standards Council ▪ Independent Director, Citibank Singapore Limited ▪ Independent Director, ARA Asset Management (Fortune) Limited ▪ Independent Director, KBS US Prime Property Management Pte. Ltd. ▪ External Member of Asian Infrastructure Investment Bank Audit & Risk Committee ▪ Former Senior Partner, Deloitte & Touche LLP
6	Mr David Gerald	Member	<ul style="list-style-type: none"> ▪ President and Founder, Securities Investors Association (Singapore)

No.	Name	Position	Title
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 ▪ Member, Securities Industry Council ▪ 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 George Lee	Member	<ul style="list-style-type: none"> ▪ Independent Director, Bumitama Agri Ltd. ▪ Independent Director, RE&S Holdings Limited ▪ Former Adviser, OCBC Bank (Malaysia) Berhad ▪ Former Head of Global Corporate Banking and former Head of Global Investment Banking, OCBC Bank Ltd
9	Mr Lok Vi Ming, Senior Counsel	Member	<ul style="list-style-type: none"> ▪ Managing Director, LVM Chambers
10	Mr Sushil Nair	Member	<ul style="list-style-type: none"> ▪ Deputy CEO, Drew & Napier LLC
11	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
12	Mr Harpreet Singh Nehal, Senior Counsel	Member	<ul style="list-style-type: none"> ▪ Managing Partner, Audent Chambers LLC
13	Dr David Smith	Member	<ul style="list-style-type: none"> ▪ Senior Investment Director, Aberdeen Standard Investments
14	Mr Michael Smith	Member	<ul style="list-style-type: none"> ▪ Regional Chief Executive Officer, Europe and USA, Mapletree Investments Pte Ltd
15	Mr Soh Gim Teik	Member	<ul style="list-style-type: none"> ▪ Partner, Finix Corporate Advisory LLP
16	Dr Tommy Tan	Member	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Co-Founder, TC Capital Pte Ltd
17	Mr Teyu Che Chern	Member	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Phillip Futures Pte Ltd ▪ Executive Director, Phillip Securities Pte Ltd
18	Ms Karen Tiah	Member	<ul style="list-style-type: none"> ▪ Partner, Allen & Gledhill LLP
19	Mr Lucas Tran	Member	<ul style="list-style-type: none"> ▪ Former Partner, KPMG LLP ▪ Former Partner, RSM
20	Ms Yeoh Choo Guan	Member	<ul style="list-style-type: none"> ▪ Managing Director, UBS AG and Chief Executive Officer, UBS Securities Pte. Ltd.

Appeals Committee Members

During FY2021, three new members were recruited into the Appeals Committee, namely, Mr Ang Hao Yao, Mr David Gerald and Dr David Smith. The members of the Appeals Committee in FY2021 were:

No.	Name	Position	Title
1	Mr Francis Xavier, Senior Counsel, PBM	Chairman	<ul style="list-style-type: none"> ▪ Regional Head, Dispute Resolution, Rajah & Tann Singapore LLP
2	Mr Chan Leng Sun, Senior Counsel	Deputy Chairman	<ul style="list-style-type: none"> ▪ Senior Counsel and Arbitrator, Duxton Hill Chambers (Singapore Group Practice)

Report of the Independent Committees

No.	Name	Position	Title
3	Mr Ang Hao Yao	Member	<ul style="list-style-type: none"> ▪ Honorary Secretary, Securities Investors Association (Singapore)
4	Ms Cheng Ai Phing	Member	<ul style="list-style-type: none"> ▪ Council Member, Accounting Standards Council ▪ Independent Director, Citibank Singapore Limited ▪ Independent Director, ARA Asset Management (Fortune) Limited ▪ Independent Director, KBS US Prime Property Management Pte. Ltd. ▪ External Member of Asian Infrastructure Investment Bank Audit & Risk Committee ▪ Former Senior Partner, Deloitte & Touche LLP
5	Mr David Gerald	Member	<ul style="list-style-type: none"> ▪ President and Founder, Securities Investors Association (Singapore)
6	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 ▪ Member, Securities Industry Council ▪ 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
7	Mr Lok Vi Ming, Senior Counsel	Member	<ul style="list-style-type: none"> ▪ Managing Director, LVM Chambers
8	Mr Sushil Nair	Member	<ul style="list-style-type: none"> ▪ Deputy CEO, Drew & Napier LLC
9	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
10	Mr Harpreet Singh Nehal, Senior Counsel	Member	<ul style="list-style-type: none"> ▪ Managing Partner, Audent Chambers LLC
11	Dr David Smith	Member	<ul style="list-style-type: none"> ▪ Senior Investment Director, Aberdeen Standard Investments
12	Mr Michael Smith	Member	<ul style="list-style-type: none"> ▪ Regional Chief Executive Officer, Europe and USA, Mapletree Investments Pte Ltd
13	Mr Soh Gim Teik	Member	<ul style="list-style-type: none"> ▪ Partner, Finix Corporate Advisory LLP
14	Mr Tan Chong Huat	Member	<ul style="list-style-type: none"> ▪ Senior Partner, RHTLaw TaylorWessing LLP ▪ Non-Executive Chairman, RHT Group of Companies
15	Dr Tommy Tan	Member	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Co-Founder, TC Capital Pte Ltd
16	Mr Teyu Che Chern	Member	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Phillip Futures Pte Ltd ▪ Executive Director, Phillip Securities Pte Ltd
17	Ms Karen Tiah	Member	<ul style="list-style-type: none"> ▪ Partner, Allen & Gledhill LLP
18	Mr Lucas Tran	Member	<ul style="list-style-type: none"> ▪ Former Partner, KPMG LLP ▪ Former Partner, RSM
19	Ms Yeoh Choo Guan	Member	<ul style="list-style-type: none"> ▪ Managing Director, UBS AG and Chief Executive Officer, UBS Securities Pte. Ltd.



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Directors' Statement

For the financial year ended 30 June 2021

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 2021.

In the opinion of the directors,

- (a) the financial statements set out on pages 144 to 248 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 2021 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	
Ms Jane Diplock AO	
Mr Kevin Kwok	
Mr Lim Chin Hu	
Ms Lim Sok Hui (Mrs Chng Sok Hui)	
Mr Mark Makepeace	(Appointed on 24 September 2020)
Mr Ng Wai King	
Mr Yeoh Oon Jin	(Appointed on 1 July 2021)
Professor Subra Suresh	

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 01.07.2020	At 01.07.2020
		At 30.06.2021	At 30.06.2021		
Singapore Exchange Limited					
Mr Kwa Chong Seng	105,369	79,939	—	—	—
Mr Loh Boon Chye	458,265	274,666	—	—	—
Ms Chew Gek Khim	6,883	4,833	—	—	—
Ms Jane Diplock AO	6,883	4,833	—	—	—
Mr Kevin Kwok	26,883	24,833	70,000	70,000	—
Mr Lim Chin Hu	41,883	39,833	—	—	—
Mr Ng Wai King	4,306	2,256	—	—	—
Professor Subra Suresh	4,306	2,256	—	—	—

- (b) According to the register of directors' shareholdings,

- i. seven non-executive directors holding office at the end of the financial year had interests in the shares of the Company granted pursuant to 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 SGX Performance Share Plan; and 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, 921,835 shares granted to Loh Boon Chye will vest between 1 September 2021 and 1 September 2024.

- (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 2021.

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 2021

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, and selected senior management having rank of Vice President, job grade 2, who have been in the full time employment of the SGX Group for a period of at least 12 months (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) FY2017 Grant under SGX PSP 2015

The number of SGX shares to be awarded to each participant is based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2016 to 30 June 2019. The performance shares vested on 1 September 2020 and were fulfilled by the delivery of 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 01.07.2020	Shares lapsed during the financial year	Shares vested during the financial year	Balance as at 30.06.2021
Executive Management Committee ("EMCO") members					
Mr Loh Boon Chye ⁽¹⁾	133,100	133,100	(97,700)	(35,400)	–
Mr Chew Sutat ⁽¹⁾	41,600	41,600	(30,500)	(11,100)	–
Mr Syn Hsien-Min Michael ⁽¹⁾	39,900	39,900	(29,300)	(10,600)	–
Mr Tan Boon Gin	25,800	25,800	(18,900)	(6,900)	–
Ms Agnes Koh	21,600	21,600	(15,900)	(5,700)	–
Ms Tinku Gupta	16,000	16,000	(11,700)	(4,300)	–
Mr Arulraj Maria Devadoss	15,000	15,000	(11,000)	(4,000)	–
Other staff	280,100	225,900	(165,800)	(60,100)	–
Other participants					
Mr Muthukrishnan Ramaswami ⁽¹⁾⁽²⁾	59,900	59,900	(44,000)	(15,900)	–
Mr Chng Lay Chew ⁽³⁾	25,800	25,800	(18,900)	(6,900)	–
	658,800	604,600	(443,700)	(160,900)	–

⁽¹⁾ Received more than 5% of the shares granted.

⁽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 received the grant at the vesting date, subjected to the level of achievement against the performance conditions.

⁽³⁾ Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020.

Directors' Statement

For the financial year ended 30 June 2021

Share plans (continued)

(a) SGX Performance Share Plan (continued)

Share grant and vesting (continued)

(ii) FY2018 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 2017 to 30 June 2020. An estimated 655,000 performance shares will vest on 1 September 2021.

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 01.07.2020	Shares lapsed during the financial year	Balance as at 30.06.2021 ⁽¹⁾
EMCO members				
Mr Loh Boon Chye ⁽²⁾	135,900	135,900	—	135,900
Mr Chew Sutat ⁽²⁾	42,500	42,500	—	42,500
Mr Syn Hsien-Min Michael ⁽²⁾	36,700	36,700	—	36,700
Mr Tan Boon Gin ⁽²⁾	34,000	34,000	—	34,000
Ms Agnes Koh	22,100	22,100	—	22,100
Ms Tinku Gupta	22,100	22,100	—	22,100
Mr Arulraj Maria Devadoss	16,100	16,100	—	16,100
Other staff	264,700	228,100	(19,400)	208,700
Other participants				
Mr Muthukrishnan Ramaswami ⁽²⁾⁽³⁾	57,800	57,800	—	57,800
Mr Chng Lay Chew ⁽⁴⁾	26,300	26,300	—	26,300
	658,200	621,600	(19,400)	602,200

⁽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.

Share plans (continued)

(a) SGX Performance Share Plan (continued)

Share grant and vesting (continued)

(iii) FY2019 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 2018 to 30 June 2021. The 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	Balance as at 01.07.2020	Shares lapsed during the financial year	Balance as at 30.06.2021 ⁽¹⁾
EMCO members				
Mr Loh Boon Chye ⁽²⁾	152,900	152,900	–	152,900
Mr Chew Sutat ⁽²⁾	48,000	48,000	–	48,000
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	252,900	(22,900)	230,000
Other participants				
Mr Muthukrishnan Ramaswami ⁽²⁾⁽³⁾	62,500	62,500	–	62,500
Mr Chng Lay Chew ⁽⁴⁾	29,400	29,400	–	29,400
	696,500	696,500	(22,900)	673,600

⁽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.

Directors' Statement

For the financial year ended 30 June 2021

Share plans (continued)

(a) SGX Performance Share Plan (continued)

Share grant and vesting (continued)

(iv) 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	Balance as at 01.07.2020	Shares lapsed during the financial year	Balance as at 30.06.2021 ⁽¹⁾
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 Chew Sutat ⁽²⁾	40,300	40,300	—	40,300
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	274,500	(23,400)	251,100
Other participants				
Mr Muthukrishnan Ramaswami ⁽²⁾⁽³⁾	58,400	58,400	—	58,400
Mr Chng Lay Chew ⁽⁴⁾	29,200	29,200	—	29,200
	711,000	711,000	(23,400)	687,600

⁽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.

Share plans (continued)

(a) SGX Performance Share Plan (continued)

Share grant and vesting (continued)

(v) 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	Shares lapsed during the financial year	Balance as at 30.06.2021 ⁽¹⁾
EMCO members			
Mr Loh Boon Chye ⁽²⁾	161,200	–	161,200
Mr Lee Beng Hong ⁽²⁾	42,600	–	42,600
Mr Syn Hsien-Min Michael ⁽²⁾	41,100	–	41,100
Mr Tan Boon Gin ⁽²⁾	39,500	–	39,500
Mr Chew Sutat ⁽²⁾	39,500	–	39,500
Ms Tinku Gupta	27,400	–	27,400
Ms Agnes Koh	26,200	–	26,200
Mr Arulraj Maria Devadoss	17,600	–	17,600
Other staff	305,600	(24,800)	280,800
Other participant			
Mr Chng Lay Chew ⁽³⁾	31,500	–	31,500
	732,200	(24,800)	707,400

⁽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.

Directors' Statement

For the financial year ended 30 June 2021

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 2021 is as follows:

	Shares granted during financial year	Aggregated shares granted since commencement of SGX Performance Share Plan to 30.06.2021	Aggregated shares lapsed since commencement of SGX Performance Share Plan to 30.06.2021	Aggregated shares vested since commencement of SGX Performance Share Plan to 30.06.2021	Aggregate shares outstanding as at 30.06.2021
Participants who received more than 5% of the total grants available					
Mr Loh Boon Chye	161,200	738,900	(97,700)	(35,400)	605,800
Mr Muthukrishnan Ramaswami	—	292,200	(97,600)	(15,900)	178,700
Mr Chew Sutat	39,500	249,700	(68,300)	(11,100)	170,300
Mr Syn Hsien-Min Michael	41,100	239,800	(64,000)	(10,600)	165,200
Participants who received less than 5% of the total grants available					
Other staff	490,400	2,423,600	(784,900)	(87,900)	1,550,800
	732,200	3,944,200	(1,112,500)	(160,900)	2,670,800

(b) SGX Deferred Long-Term Incentives Scheme

The SGX Deferred Long-Term Incentives Scheme ("SGX DLTIS") was approved by the RSDC in July 2006. The objectives of the SGX DLTIS is to retain key employees whose contributions are essential to the long-term growth and profitability of the SGX Group and attract potential employees with relevant skills to contribute to the SGX Group and to create value for its shareholders.

Eligibility

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

Fully paid SGX shares, their equivalent cash value or combinations thereof will be awarded to eligible employees and vest upon expiry of the prescribed vesting period(s). The amount released, if in the form of cash, is based on the market value of such shares on vesting date.

Unless otherwise decided by the RSDC, the entitlement to the award is conditional on the recipient remaining in service up to the specified vesting date.

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

Share grant and vesting

(i) *FY2018 Award*

The FY2018 Award is in the form of SGX shares and the award vested in three equal instalments over a period of three years with the first instalment vested on 3 September 2018 and the final instalment vested on 1 September 2020.

The details of shares awarded are as follows:

	Shares awarded at grant date	Balance as at 01.07.2020	Shares vested during financial year	Balance as at 30.06.2021
Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)				
EMCO members				
Mr Loh Boon Chye ⁽¹⁾	135,900	45,300	(45,300)	–
Mr Chew Sutat	42,500	14,168	(14,168)	–
Mr Syn Hsien-Min Michael	36,700	12,234	(12,234)	–
Mr Tan Boon Gin	34,000	11,334	(11,334)	–
Ms Agnes Koh	22,100	7,368	(7,368)	–
Ms Tinku Gupta	22,100	7,368	(7,368)	–
Mr Arulraj Maria Devadoss	16,100	5,368	(5,368)	–
Other staff	780,500	226,704	(226,704)	–
Other recipients				
Mr Muthukrishnan Ramaswami ⁽²⁾	57,800	19,268	(19,268)	–
Mr Chng Lay Chew ⁽³⁾	26,300	8,768	(8,768)	–
	1,174,000	357,880	(357,880)	–

⁽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 received 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.

Directors' Statement

For the financial year ended 30 June 2021

Share plans (continued)

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

Share grant and vesting (continued)

(ii) 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.

The details of shares awarded are as follows:

	Shares awarded at grant date	Balance as at 01.07.2020	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2021
Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)					
EMCO members					
Mr Loh Boon Chye ⁽¹⁾	152,900	101,934	–	(50,966)	50,968
Mr Chew Sutat	48,000	32,000	–	(16,000)	16,000
Mr Tan Boon Gin	42,600	28,400	–	(14,200)	14,200
Mr Syn Hsien-Min Michael	41,200	27,467	–	(13,733)	13,734
Ms Agnes Koh	24,800	16,534	–	(8,266)	8,268
Ms Tinku Gupta	24,800	16,534	–	(8,266)	8,268
Mr Arulraj Maria Devadoss	17,400	11,600	–	(5,800)	5,800
Other staff	936,200	572,165	(17,370)	(286,035)	268,760
Other recipients					
Mr Muthukrishnan Ramaswami ⁽²⁾	62,500	41,667	–	(20,833)	20,834
Mr Chng Lay Chew ⁽³⁾	29,400	19,600	–	(9,800)	9,800
	1,379,800	867,901	(17,370)	(433,899)	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.

Share plans (continued)

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

Share grant and vesting (continued)

(iii) 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 01.07.2020	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2021
Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)					
EMCO members					
Mr Loh Boon Chye ⁽¹⁾	155,800	155,800	–	(51,933)	103,867
Mr Syn Hsien-Min Michael	46,200	46,200	–	(15,400)	30,800
Mr Chew Sutat	40,300	40,300	–	(13,433)	26,867
Mr Tan Boon Gin	39,000	39,000	–	(13,000)	26,000
Ms Tinku Gupta	25,600	25,600	–	(8,533)	17,067
Ms Agnes Koh	25,000	25,000	–	(8,333)	16,667
Mr Arulraj Maria Devadoss	17,000	17,000	–	(5,666)	11,334
Other staff	1,009,700	986,700	(56,771)	(321,947)	607,982
Other recipients					
Mr Muthukrishnan Ramaswami ⁽²⁾	58,400	58,400	–	(19,466)	38,934
Mr Chng Lay Chew ⁽³⁾	29,200	29,200	–	(9,733)	19,467
	1,446,200	1,423,200	(56,771)	(467,444)	898,985

⁽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.

Directors' Statement

For the financial year ended 30 June 2021

Share plans (continued)

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

Share grant and vesting (continued)

(iv) 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 vesting on 1 September 2021.

The details of shares awarded are as follows:

	Shares awarded at grant date	Shares lapsed during financial year	Balance as at 30.06.2021
Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)			
EMCO members			
Mr Loh Boon Chye ⁽¹⁾	161,200	—	161,200
Mr Lee Beng Hong	42,600	—	42,600
Mr Syn Hsien-Min Michael	41,100	—	41,100
Mr Chew Sutat	39,500	—	39,500
Mr Tan Boon Gin	39,500	—	39,500
Ms Tinku Gupta	27,400	—	27,400
Ms Agnes Koh	26,200	—	26,200
Mr Arulraj Maria Devadoss	17,600	—	17,600
Other staff	1,050,200	(57,400)	992,800
Other recipient			
Mr Chng Lay Chew ⁽²⁾	31,500	—	31,500
	1,476,800	(57,400)	1,419,400

⁽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.

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 2021 is as follows:

	Shares awarded during financial year	Aggregate shares awarded since commencement of SGX Deferred Long-Term Incentives Scheme to 30.06.2021	Aggregate shares lapsed since commencement of SGX Deferred Long-Term Incentives Scheme to 30.06.2021	Aggregate shares vested since commencement of SGX Deferred Long-Term Incentives Scheme to 30.06.2021	Aggregate shares outstanding as at 30.06.2021
Recipient who received more than 5% of the total grants available					
Mr Loh Boon Chye	161,200	738,900	–	(422,865)	316,035
Recipients who received less than 5% of the total awards available					
Other staff	1,315,600 1,476,800	12,712,900 13,451,800	(1,141,847) (1,141,847)	(9,152,071) (9,574,936)	2,418,982 2,735,017

(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 2021

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 SGX RSP granted 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 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.

SGX RSP granted to employees has no performance conditions but subject to vesting period(s) determined on a case-by-case basis.

(i) FY2021 Award

In FY2021, 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 30.06.2021
Recipients (as defined under SGX Restricted Share Plan)			
Non-Executive Directors⁽¹⁾			
Mr Kwa Chong Seng	25,430	(25,430)	—
Ms Chew Gek Khim	2,050	(2,050)	—
Ms Jane Diplock AO	2,050	(2,050)	—
Mr Kevin Kwok	2,050	(2,050)	—
Mr Lim Chin Hu	2,050	(2,050)	—
Mr Ng Wai King	2,050	(2,050)	—
Professor Subra Suresh	2,050	(2,050)	—
	37,730	(37,730)	—

⁽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 2021 is as follows:

	Shares awarded during financial year	Aggregate shares awarded since commencement of SGX restricted share plan to 30.06.2021	Aggregate shares vested since commencement of SGX restricted share plan to 30.06.2021	Aggregate shares outstanding as at 30.06.2021
Recipients who received more than 5% of the total grants available				
Mr Kwa Chong Seng	25,430	85,369	(85,369)	–
Ms Chew Gek Khim	2,050	6,883	(6,883)	–
Ms Jane Diplock AO	2,050	6,883	(6,883)	–
Mr Kevin Kwok	2,050	6,883	(6,883)	–
Mr Lim Chin Hu	2,050	6,883	(6,883)	–
Recipients who received less than 5% of the total grants available				
Other non-executive directors	4,100	8,612	(8,612)	–
Other recipient	–	2,577	(2,577)	–
	37,730	124,090	(124,090)	–

Directors' Statement

For the financial year ended 30 June 2021

Audit Committee

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

Mr Kevin Kwok (Chairman)
Ms Jane Diplock AO
Mr Lim Chin Hu
Mr Mark Makepeace
Mr Yeoh Oon Jin

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 Ms Jane Diplock. Ms Jane Diplock 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 auditor's 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.

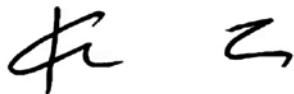
The AC has recommended to the Board that the independent auditor, KPMG LLP be nominated for re-appointment at the forthcoming Annual General Meeting.

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

4 August 2021

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 2021, 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 144 to 248.

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, Chapter 50 ("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 2021 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 23 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 2021 is goodwill arising from acquisitions of \$541 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 respective cash generating units ("CGUs"), including goodwill, is not supported by the recoverable amount.</p> <p>The recoverable amounts are determined based on the value-in-use method and involves significant management judgement and estimation in:</p> <ul style="list-style-type: none"> ▪ Determining the applicable discount rates; ▪ estimating the long-term growth rates; and ▪ forecasting the future cash flows. 	<p>We involved our valuation specialists in assessing the recoverable amounts of the respective CGUs, in particular:</p> <ul style="list-style-type: none"> ▪ independently deriving the discount rates based on external observable market data sources for risk free rate, beta, market risk premium and any capitalisation premium; and ▪ comparing management's expectation of long-term growth rates against market data and long-term inflation rates. <p>We evaluated the reasonableness of management's cash flow forecasts, considering historical results, Board approved forecasts and future business plans and developments.</p> <p>We also performed sensitivity analysis over the key assumptions – discount rates, long-term growth rates and cash flow forecasts – to assess the impact of reasonably possible changes to the assumptions on the outcome of the impairment assessment.</p> <p>Based on the procedures performed, we found management's assessment that there is no impairment of the Group's goodwill to be reasonable and is supported by the recoverable amounts.</p>

Acquisition of BidFX Systems Ltd

(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>During the financial year, the Group acquired the remaining equity interest in BidFX Systems Ltd ("BidFX"). As of 30 June 2020, BidFX was an associate of the Group. Consequently, BidFX became a wholly-owned subsidiary. 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 (the "PPA") in accordance with financial reporting standards. The PPA allocates the purchase consideration to the fair values of identifiable assets acquired, including intangible assets, and liabilities assumed, with the residual recognised as goodwill.</p> <p>Significant judgement is involved in identifying and determining the fair values of the assets acquired, including intangible assets, and the completeness of liabilities assumed.</p>	<p>We reviewed the sale and purchase and related agreements and evaluated the Group's accounting of the acquisition.</p> <p>Together with our valuation specialists, we assessed the results of the PPA. In particular, we focused on:</p> <ul style="list-style-type: none"> ▪ assessing the appropriateness of the methodology applied in the valuation of the intangible and other assets acquired and, challenging the reasonableness of management's assumptions by corroborating against market data and historical results; and ▪ evaluating the reasonableness of the fair values of the Group's previously held interest in BidFX and the contingent consideration payable recognised by the Group. <p>The valuation methodologies applied by the Group are in line with generally accepted market practices, the assumptions adopted in the valuations are within a reasonable range and the fair values derived are within an acceptable range of estimates. 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
4 August 2021

Statement of Comprehensive Income

For the financial year ended 30 June 2021

Note	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Operating revenue				
Fixed Income, Currencies and Commodities	4	211,754	171,414	—
Equities	4	701,089	759,680	—
Data, Connectivity and Indices	4	143,110	121,604	28,438
Management fees from subsidiaries		—	—	240,019
Dividends from subsidiaries		—	—	468,000
		1,055,953	1,052,698	736,457
Operating expenses				
Staff	5	236,194	215,172	139,084
Technology	6	74,397	68,937	46,218
Processing and royalties		62,937	53,739	903
Premises	7	9,656	9,879	5,510
Professional fees		16,971	13,394	9,715
Others	8	30,561	35,921	20,227
		430,716	397,042	221,657
Earnings before interest, tax, depreciation and amortisation		625,237	655,656	514,800
Depreciation and amortisation	9	94,523	89,862	35,427
Operating profit	10	530,714	565,794	479,373
Non-operating gains				
Other income including interest income	11	17,716	16,055	15,082
Finance charges	11	(4,782)	(2,888)	(4,090)
Net foreign exchange (losses)/gains	11	(830)	488	2,316
Impairment loss on investment in associated companies	11	(2,056)	(6,200)	—
		10,048	7,455	13,308
Profit before tax and share of results of associated companies and joint ventures		540,762	573,249	492,681
Share of results of associated companies and joint ventures, net of tax	26, 27	(4,286)	(2,301)	—
Profit before tax		536,476	570,948	492,681
Tax	31	(90,699)	(98,963)	(3,345)
Net profit after tax		445,777	471,985	489,336
Attributable to:				
Equity holders of the Company		445,406	471,815	489,336
Non-controlling interests		371	170	—
Earnings per share based on net profit attributable to the equity holders of the Company (in cents per share)				
– Basic	12	41.6	44.1	
– Diluted	12	41.1	43.9	

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

	Group		Company		Group Overview
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	
Net profit after tax	445,777	471,985	489,336	431,950	
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange translation					
– Exchange differences arising during the year	9,503	(530)	–	–	
Cash flow hedges					
– Fair value gains/(losses) arising during the year	2,227	(1,843)	104	(52)	
– Transferred to profit or loss	(3,173)	2,316	(52)	(154)	
Financial assets, at FVOCI					
– Fair value (losses)/gains arising during the year	(140)	152	–	152	
– Transferred to profit or loss	(411)	17	(411)	17	
Items that will not be reclassified subsequently to profit or loss:					
Financial assets, at FVOCI					
– Fair value gains/(losses) arising during the year	23,073	45,220	1,993	(1,083)	
Foreign exchange translation					
– Exchange differences arising during the year	53	87	–	–	
Other comprehensive income for the financial year, net of tax	31,132	45,419	1,634	(1,120)	
Total comprehensive income for the financial year	476,909	517,404	490,970	430,830	
Total comprehensive income attributable to:					
Equity holders of the Company	476,485	517,147	490,970	430,830	
Non-controlling interests	424	257	–	–	

Statement of Financial Position

As at 30 June 2021

Note	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets				
Current assets				
Cash and cash equivalents	13	1,060,029	907,378	229,012
Trade and other receivables	14	748,749	758,294	143,773
Derivative financial instruments	16	314	2,485	—
Financial assets, at FVOCI	17	40,936	48,136	—
		1,850,028	1,716,293	372,785
				552,452
Non-current assets				
Derivative financial instruments	16	—	3,096	—
Financial assets, at FVOCI	17	146,467	119,269	—
Investment property	18	26,161	24,348	—
Property, plant and equipment	18	50,400	50,777	20,069
Software	19	165,843	168,198	41,124
Right-of-use assets	20	69,158	87,124	67,169
Intangible assets	22	122,393	108,312	—
Goodwill	23	541,233	329,176	—
Investments in subsidiaries	25	—	—	1,070,122
Investments in associated companies	26	40,964	71,877	4,389
Investments in joint ventures	27	9,570	90	—
Other receivables	14	—	—	—
Other assets		333	928	333
		1,172,522	963,195	1,203,206
Total assets		3,022,550	2,679,488	1,575,991
				1,586,720

Note	Group		Company		Group Overview
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	
Liabilities					Performance Overview
Current liabilities					
Trade and other payables	28	867,770	808,664	113,664	115,760
Derivative financial instruments	16	1,150	2,084	—	70
Borrowings	29	—	304,071	—	302,036
Lease liabilities	30	20,366	19,483	19,624	19,132
Taxation	31	99,634	109,558	4,946	6,356
Provisions	32	17,199	13,935	10,606	9,245
		1,006,119	1,257,795	148,840	452,599
Non-current liabilities					Value Creation & Sustainability
Other payables	28	—	—	69,972	—
Financial liability	33	41,390	40,548	—	—
Borrowings	29	467,761	—	93,467	—
Lease liabilities	30	51,056	69,547	49,908	69,475
Deferred tax liabilities	31	66,456	62,315	2,501	3,900
		626,663	172,410	215,848	73,375
Total liabilities		1,632,782	1,430,205	364,688	525,974
Net assets		1,389,768	1,249,283	1,211,303	1,060,746
Equity					Others
Capital and reserves attributable to the Company's equity holders					Financials
Share capital	34	430,413	429,738	430,413	429,738
Capital reserve	35	3,989	—	—	—
Treasury shares	34	(25,189)	(20,996)	(25,189)	(20,996)
Cash flow hedge reserve		(601)	345	—	(52)
Currency translation reserve		5,676	(3,827)	—	—
Fair value reserve		75,913	54,909	—	(64)
Securities clearing fund reserve	39	25,000	25,000	—	—
Derivatives clearing fund reserve	40	34,021	34,021	—	—
Share-based payment reserve		30,152	24,554	30,152	24,554
Other reserve	36	(40,506)	(40,506)	—	—
Retained profits		760,530	656,092	690,416	542,048
Proposed dividends	37	85,511	85,518	85,511	85,518
		1,384,909	1,244,848	1,211,303	1,060,746
Non-controlling interests		4,859	4,435	—	—
Total equity		1,389,768	1,249,283	1,211,303	1,060,746

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2021

Group	Note	Share capital \$'000	Capital reserve \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000
Balance at 1 July 2020		429,738	–	(20,996)	345	(3,827)	54,909
Transactions with equity holders, recognised directly in equity							
<u>Contributions by and distributions to equity holders</u>							
Convertible bonds – Equity component	29	–	3,989	–	–	–	–
Dividends paid		–	–	–	–	–	–
– Financial year 2020 – Final dividends		–	–	–	–	–	–
– Financial year 2020 – Under provision of final dividends		–	–	–	–	–	–
– Financial year 2021 – Interim dividends	37	–	–	–	–	–	–
Proposed dividends		–	–	–	–	–	–
– Financial year 2021 – Final dividends	37	–	–	–	–	–	–
Employees' share plans – Value of employees' services	5	–	–	–	–	–	–
Restricted share plan – Value of directors' services		–	–	–	–	–	–
Vesting of shares under share-based remuneration plans	34(a)	644	–	11,296	–	–	–
Vesting of shares under restricted share plan	34(a)	31	–	314	–	–	–
Purchase of treasury shares	34(a)	–	–	(15,930)	–	–	–
Tax effect on treasury shares**	34(a)	–	–	127	–	–	–
Transfer upon disposal of equity investments		–	–	–	–	–	(1,518)
Total contributions by and distributions to equity holders		675	3,989	(4,193)	–	–	(1,518)
Total comprehensive income for the financial year		–	–	–	(946)	9,503	22,522
Balance at 30 June 2021		430,413	3,989	(25,189)	(601)	5,676	75,913

Attributable to equity holders of the Company

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
25,000	34,021	24,554	(40,506)	656,092	85,518	1,244,848	4,435	1,249,283
–	–	–	–	–	–	3,989	–	3,989
–	–	–	–	–	(85,518)	(85,518)	–	(85,518)
–	–	–	–	(114)	–	(114)	–	(114)
–	–	–	–	(256,861)	–	(256,861)	–	(256,861)
–	–	–	–	(85,511)	85,511	–	–	–
–	–	17,538	–	–	–	17,538	–	17,538
–	–	345	–	–	–	345	–	345
–	–	(11,940)	–	–	–	–	–	–
–	–	(345)	–	–	–	–	–	–
–	–	–	–	–	–	(15,930)	–	(15,930)
–	–	–	–	–	–	127	–	127
–	–	–	–	1,518	–	–	–	–
–	–	5,598	–	(340,968)	(7)	(336,424)	–	(336,424)
–	–	–	–	445,406	–	476,485	424	476,909
25,000	34,021	30,152	(40,506)	760,530	85,511	1,384,909	4,859	1,389,768

Consolidated Statement of Changes in Equity

(continued)

For the financial year ended 30 June 2021

Group	Note	Share capital \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000
Balance at 1 July 2019		429,113	(13,233)	(128)	(3,297)	8,931
Transactions with equity holders, recognised directly in equity						
<u>Contributions by and distributions to equity holders</u>						
Dividends paid		—	—	—	—	—
– Financial year 2019 – Final dividends		—	—	—	—	—
– Financial year 2019 – Under provision of final dividends		—	—	—	—	—
– Financial year 2020 – Interim dividends	37	—	—	—	—	—
Proposed dividends		—	—	—	—	—
– Financial year 2020 – Final dividends	37	—	—	—	—	—
Employees' share plans – Value of employees' services	5	—	—	—	—	—
Restricted share plan – Value of directors' services		—	—	—	—	—
Vesting of shares under share-based remuneration plans	34(a)	567	8,333	—	—	—
Vesting of shares under restricted share plan	34(a)	58	287	—	—	—
Purchase of treasury shares	34(a)	—	(17,002)	—	—	—
Tax effect on treasury shares**	34(a)	—	619	—	—	—
Transfer upon disposal of equity investments		—	—	—	—	589
Forward liability to acquire non-controlling interests	36	—	—	—	—	—
Total contributions by and distributions to equity holders		625	(7,763)	—	—	589
<u>Change in equity holders' interests in subsidiary</u>						
Non-controlling interests upon acquisition of a subsidiary		—	—	—	—	—
Total change in equity holders' interests in subsidiary		—	—	—	—	—
Total transactions with equity holders		625	(7,763)	—	—	589
Total comprehensive income for the financial year		—	—	473	(530)	45,389
Balance at 30 June 2020		429,738	(20,996)	345	(3,827)	54,909

Attributable to equity holders of the Company

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
25,000	34,021	18,865	–	511,342	80,235	1,090,849	–	1,090,849
–	–	–	–	–	(80,235)	(80,235)	–	(80,235)
–	–	–	–	(86)	–	(86)	–	(86)
–	–	–	–	(240,872)	–	(240,872)	–	(240,872)
–	–	–	–	(85,518)	85,518	–	–	–
–	–	14,589	–	–	–	14,589	–	14,589
–	–	345	–	–	–	345	–	345
–	–	(8,900)	–	–	–	–	–	–
–	–	(345)	–	–	–	–	–	–
–	–	–	–	–	–	(17,002)	–	(17,002)
–	–	–	–	–	–	619	–	619
–	–	–	–	(589)	–	–	–	–
–	–	–	(40,506)	–	–	(40,506)	–	(40,506)
–	–	5,689	(40,506)	(327,065)	5,283	(363,148)	–	(363,148)
–	–	–	–	–	–	–	4,178	4,178
–	–	–	–	–	–	–	4,178	4,178
–	–	5,689	(40,506)	(327,065)	5,283	(363,148)	4,178	(358,970)
–	–	–	–	471,815	–	517,147	257	517,404
25,000	34,021	24,554	(40,506)	656,092	85,518	1,244,848	4,435	1,249,283

Statement of Changes in Equity

For the financial year ended 30 June 2021

	Attributable to equity holders of the Company							
Note	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	37	—	—	—	—	(256,861)	—	(256,861)
Proposed dividends								
- Financial year 2021								
- Final dividends	37	—	—	—	—	(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	34(a)	644	11,296	—	—	(11,940)	—	—
Vesting of shares under restricted share plan	34(a)	31	314	—	—	(345)	—	—
Purchase of treasury shares	34(a)	—	(15,930)	—	—	—	—	(15,930)
Tax effect on treasury shares**	34(a)	—	127	—	—	—	—	127
Transfer upon disposal of equity investments		—	—	—	(1,518)	—	1,518	—
	675	(4,193)	—	(1,518)	5,598	(340,968)	(7)	(340,413)
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

Attributable to equity holders of the Company									
	Note	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 2019		429,113	(13,233)	154	261	18,865	437,163	80,235	952,558
Dividends paid									
- Financial year 2019									
- Final dividends									
- Financial year 2019									
- Under provision of final dividends									
- Financial year 2020									
- Interim dividends	37								
Proposed dividends									
- Financial year 2020									
- Final dividends	37								
Employees' share plans									
- Value of employees' services	5								
Restricted share plan									
- Value of directors' services									
Vesting of shares under share-based remuneration plans	34(a)								
Vesting of shares under restricted share plan	34(a)								
Purchase of treasury shares	34(a)								
Tax effect on treasury shares**	34(a)								
Transfer upon disposal of equity investments									
Total comprehensive income for the financial year		—	—	(206)	(914)	—	431,950	—	430,830
Balance at 30 June 2020		429,738	(20,996)	(52)	(64)	24,554	542,048	85,518	1,060,746

* 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 2021

	Note	2021 \$'000	2020 \$'000	Group
Cash flows from operating activities				
Profit before tax and share of results of associated companies and joint ventures		540,762	573,249	
Adjustments for:				
- Depreciation and amortisation	9	94,523	89,862	
- Share-based payment expense		17,883	14,934	
- Finance charges	11	4,782	2,888	
- Impairment loss on investment in associated companies	11	2,056	6,200	
- Write-off and net loss on disposal of property, plant and equipment and software	8	25	1,416	
- Net gains on previously held interest in an associated company	11	(16,663)	-	
- Interest income		(5,109)	(13,437)	
- Gains on dilution of interests in associated companies		(2,164)	(3,803)	
- Dividend income from financial assets, at FVOCI	11	(826)	(161)	
Operating cash flow before working capital change		635,269	671,148	
Changes in:				
- Cash committed for National Electricity Market of Singapore		(7,751)	2,245	
- Trade and other receivables		12,635	141,118	
- Trade and other payables		22,175	(117,955)	
Cash generated from operations		662,328	696,556	
Income tax paid	31	(109,390)	(72,385)	
Net cash generated from operating activities		552,938	624,171	
Cash flows from investing activities				
Acquisition of a subsidiary, net of cash acquired	24	(155,703)	(271,871)	
Purchase of property, plant and equipment and software		(45,283)	(34,626)	
Purchase of financial assets, at FVOCI		(42,997)	(23,452)	
Sale of financial assets, at FVOCI		52,289	-	
Investments in joint ventures		(7,022)	-	
Investments in associated companies		(5,311)	-	
Additional payment on completion adjustment for previously acquired subsidiary		(5,178)	-	
Interest received		6,972	13,342	
Dividend received from associated company		3,428	2,416	
Dividend received from financial assets, at FVOCI		842	138	
Net cash used in investing activities		(197,963)	(314,053)	
Cash flows from financing activities				
Dividends paid		(342,493)	(321,193)	
Purchase of treasury shares	34	(15,930)	(17,002)	
Repayment of lease liabilities	30	(22,509)	(20,860)	
Repayment of borrowings	29	(708,492)	(295,694)	
Proceeds from borrowings	29	495,197	585,124	
Net proceeds from issue of convertible bonds	29	386,440	-	
Interest paid	29	(2,134)	(113)	
Net cash used in financing activities		(209,921)	(69,738)	
Net increase in cash and cash equivalents		145,054	240,380	
Cash and cash equivalents at beginning of financial year	13	686,430	445,512	
Effects of currency translation on cash and cash equivalents		1,881	538	
Cash and cash equivalents at end of financial year	13	833,365	686,430	

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

Notes to the Financial Statements

For the financial year ended 30 June 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 4 August 2021.

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 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. The principal activities of the subsidiaries are set out in Note 25 to the financial statements. There has been no significant change in the principal activities of the Company and its subsidiaries during the financial year. On 7 July 2020, the Group acquired the remaining 80% equity interest in BidFX Systems Ltd. ("BidFX") and its subsidiaries (Note 24).

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 SFRS(I)s and amendments for the financial year beginning on 1 July 2020:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 3 *Business Combinations* – Definition of a Business
- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of Material
- Amendments to SFRS(I) 16 *Leases* – Covid-19-Related Rent Concessions

Other than the amendments relating to definition of a business, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group applied the amendments relating to definition of a business to business combinations whose acquisition dates are on or after 1 July 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in Note 2.2. See also Note 24 for details of the Group's acquisition of a subsidiary during the year.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2021

2 Significant accounting policies (continued)

2.2 Group accounting (continued)

(1) Subsidiaries (continued)

(i) Consolidation (continued)

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Unrealised losses are considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(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 account 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.

			Performance Overview
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	(iii) <i>Disposals</i>	(i) <i>Acquisitions</i>	
	<p>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(l).</p> <p>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.</p>	<p>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.</p>	
	(iv) <i>Transactions with non-controlling interests</i>	(ii) <i>Equity method of accounting</i>	
	<p>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.</p>	<p>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.</p>	
(2)	Associated companies and joint ventures		
	<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p>	

Notes to the Financial Statements

For the financial year ended 30 June 2021

2 Significant accounting policies (continued)

2.2 Group accounting (continued)

(2) Associated companies and joint ventures (continued)

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. Any retained interest in the entity, if classified as a financial asset, is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

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

When the Group enters into a put and call option agreement with the non-controlling shareholder in an existing subsidiary on their equity interests in that subsidiary and provides for settlement in cash or in another financial asset by the Group, the Group recognises a financial liability for the present value of the exercise price of the option and a corresponding entry under equity – other reserve. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised in profit or loss. Amount initially recognised under equity is not subsequently re-measured.

When the non-controlling shareholder continues to have present access to the returns associated with the underlying ownership interest, the Group has elected the present-access method to account for the underlying non-controlling interests. Under this method, non-controlling interests continue to be recognised because the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests.

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, then 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.

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		Financials	
		Others	
	<p>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.</p> <p>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.</p> <p>(3) Translation of Group entities' financial statements</p> <p>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:</p> <ul style="list-style-type: none"> (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. <p>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.</p>	<p>(1) Fixed Income, Currencies and Commodities</p> <p><i>Fixed Income</i></p> <p><u>Listing, corporate actions and other revenue of fixed income</u> Revenue is recognised on a per transaction basis when service is provided.</p> <p><i>Currencies and Commodities</i></p> <p><u>Trading and clearing</u> 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.</p> <p><u>Treasury and other revenue</u> Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.</p> <p>(2) Equities</p> <p><i>Equities – Cash</i></p> <p><u>Listing</u> Initial and additional listing fees represent one performance obligation. Revenue is recognised over a period of time that the Group provides listing services.</p> <p>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.</p> <p><u>Corporate actions and other revenue</u> Revenue is recognised on a per transaction basis when service is provided.</p> <p><u>Trading and clearing</u> Trading revenue generated from contracts is recognised when service is rendered. Clearing revenue, net of rebates, generated from contracts cleared and settled is recognised when service is provided and on a per transaction basis.</p> <p><u>Securities settlement and depository management</u> Revenue is recognised on a per transaction basis when service is provided.</p>	
2.4 Revenue recognition	<p>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:</p>		

Notes to the Financial Statements

For the financial year ended 30 June 2021

2 Significant accounting policies (continued)

2.4 Revenue recognition (continued)

(2) Equities (continued)

Equities – Cash (continued)

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

Equities – Derivatives' trading and clearing revenue, net of rebates, generated from contracts traded, cleared and settled is recognised when service is provided and on a per transaction basis.

Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.

(3) Data, Connectivity and Indices

Data subscription, connectivity and indices revenue is recognised to the extent of the Group's completion of the performance obligation under the contract. Other market data services are recognised when service is rendered.

(4) Rental income

Revenue from rental is recognised on a straight-line basis over the period which the rental income relates.

(5) Interest income

Revenue is recognised on a time proportion basis using the effective interest method.

(6) Dividend income

Revenue is recognised when the right to receive payment is established.

2.5 Income taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2021

2 Significant accounting policies (continued)

2.7 Employee benefits (continued)

(2) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(3) Share-based compensation

The fair value of employee services received in exchange for equity-settled share-based remuneration plans granted to employees is recognised as variable share-based payment to employees in profit or loss with a corresponding increase in the share-based payment reserve over the vesting period. The amount is determined by reference to the fair value of the shares on grant date and the expected number of shares to be vested on vesting date.

At the end of each financial reporting period, the Company revises its estimates of the expected number of shares that the participants are expected to receive. Any changes to the expected number of shares to be vested will entail a corresponding adjustment to the share-based payment to employees and share-based payment reserve.

Upon vesting of a share-based compensation plan, the portion of share-based payment previously recognised in the share-based payment reserve is reversed against treasury shares. Differences between share-based payment and cost of treasury shares are taken to the share capital of the Company.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks which are subject to an insignificant risk of change in value.

2.9 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 debt instruments 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 two 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.

		Performance Overview
		Group Overview
		Value Creation & Sustainability
		Governance
		Financials
		Others
	<ul style="list-style-type: none"> ▪ 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. 	
(ii)	<i>Equity investments</i>	
	<p>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".</p>	
(2)	Impairment	
	<p>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.</p> <p>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.</p>	
(3)	Recognition and derecognition	
	<p>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.</p> <p>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.</p> <p>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.</p> <p>On disposal of an equity investment, the difference between the carrying amount and 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.</p>	
	2.10 Property, plant and equipment	
(1)	Property, plant and equipment	
	<p>Property, plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and accumulated impairment losses.</p>	
(2)	Components of costs	
	<p>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.</p>	

Notes to the Financial Statements

For the financial year ended 30 June 2021

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 7 years. Where an indication of impairment exists, the carrying amount is assessed and written down immediately to its recoverable amount.

The period and method of amortisation of the software are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise.

2.12 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") expected to benefit from synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

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 2021

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 Borrowings

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.

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 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 "borrowings".

Notes to the Financial Statements

For the financial year ended 30 June 2021

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 judgments

Estimates and judgments 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 judgment 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 22). 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 23).

4 Operating revenue

Operating revenue comprised the following:

	Group		Company		Value Creation & Sustainability
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	
Fixed Income, Currencies and Commodities					
<i>Fixed Income</i>					
Listing	11,510	9,406	—	—	
Corporate actions and other	3,371	3,353	—	—	
	14,881	12,759	—	—	
<i>Currencies and Commodities – Derivatives</i>					
Trading and clearing	152,577	107,908	—	—	
Treasury and other	44,296	50,747	—	—	
	196,873	158,655	—	—	
	211,754	171,414	—	—	
Equities					
<i>Equities – Cash</i>					
Listing	34,463	35,266	—	—	
Corporate actions and other	32,547	29,068	—	—	
Trading and clearing	230,242	224,390	—	—	
Securities settlement and depository management	106,645	100,763	—	—	
Treasury and other	8,820	9,815	—	—	
	412,717	399,302	—	—	
<i>Equities – Derivatives</i>					
Trading and clearing (Note (a))	230,886	250,267	—	—	
Treasury and other	57,486	110,111	—	—	
	288,372	360,378	—	—	
	701,089	759,680	—	—	
Data, Connectivity and Indices					
Market data and indices	80,641	59,363	—	8	
Connectivity	62,469	62,241	28,438	27,245	
	143,110	121,604	28,438	27,253	

- (a) Refer to Note 49 for restatement to the presentation of operating revenue following implementation of changes to the fee structure of equity derivatives contracts.

Notes to the Financial Statements

For the financial year ended 30 June 2021

5 Staff

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Salaries	145,064	128,758	75,581	77,199
Employer's contribution to defined contribution plans on salaries	8,718	8,754	6,330	6,311
	153,782	137,512	81,911	83,510
Variable bonus	62,451	59,909	39,633	33,690
Employer's contribution to defined contribution plans on variable bonus	2,423	3,162	1,796	2,351
	64,874	63,071	41,429	36,041
Variable share-based payment	17,538	14,589	17,538	14,589
Variable share-based payment recharge to subsidiary	—	—	(1,794)	(1,531)
	236,194	215,172	139,084	132,609

During the financial year, the Group and the Company recognised credit of \$6,860,000 (2020: \$5,523,000) against salaries relating to the Jobs Support Scheme provided by the Government of Singapore.

6 Technology

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
System maintenance and rental	71,283	65,174	44,101	43,830
Communication charges	3,114	3,763	2,117	2,780
	74,397	68,937	46,218	46,610

7 Premises

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Premise maintenance and rental	9,656	9,879	5,510	5,860

8 Other operating expenses

	Group		Company		Value Creation & Sustainability
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	
Marketing	7,602	7,284	2,477	2,908	
Travelling	338	1,963	85	736	
Allowance/(reversal) for impairment of trade receivables, net	1,226	1,029	(18)	52	
Write-off and net loss on disposal of property, plant and equipment and software	25	1,416	44	1,321	
Directors' fees	3,020	2,735	2,226	1,813	
Regulatory fees	6,269	6,235	400	401	
Miscellaneous	12,081	15,259	15,013	19,916	
	30,561	35,921	20,227	27,147	

9 Depreciation and amortisation

	Group		Company		Others
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	
Technology-related depreciation and amortisation	64,269	63,234	21,828	21,665	
Premises-related depreciation	14,410	20,995	13,519	20,057	
Amortisation of intangible assets	15,764	5,553	—	—	
Depreciation of motor vehicle	80	80	80	80	
	94,523	89,862	35,427	41,802	

10 Operating profit

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

	Group		Company		Others
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	
<i>Charging:</i>					
Audit services by auditor of the Company ^(a)	1,189	841	372	297	
Other services by auditor of the Company	382	230	143	106	
Provision for unutilised leave (Note 32(b))	3,060	2,428	1,157	1,890	
<i>And crediting:</i>					
Treasury income on collateral balances held in trust (net)	72,110	134,758	—	—	

^(a) 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 2021

11 Non-operating gains

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Other income (net)				
- Interest income from fixed deposits and current accounts with banks	3,511	12,527	648	5,928
- Interest income from financial assets, at FVOCI	1,621	990	1,567	990
- Dividend income from associated company	-	-	3,428	2,415
- Dividend income from financial assets, at FVOCI	826	161	170	161
- Net gains on remeasurement of previously held interest in an associated company	16,663	-	-	-
- Changes in fair value of contingent consideration	(9,564)	-	-	-
- Others	4,659	2,377	9,269	7,752
	17,716	16,055	15,082	17,246
Finance charges				
Interest expense				
- Bank borrowings	(1,943)	(302)	(1,943)	(302)
- Lease liabilities	(2,280)	(2,586)	(2,147)	(2,569)
- Convertible bonds	(559)	-	-	-
	(4,782)	(2,888)	(4,090)	(2,871)
Net foreign exchange (losses)/gains	(830)	488	2,316	1,277
Impairment loss on investment in associated companies (Note (a))	(2,056)	(6,200)	-	-
	10,048	7,455	13,308	15,652

- (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.

During the financial year ended 30 June 2020, an impairment loss of \$6,200,000 was recognised on the Group's investment in Freightos Limited and the loss reflects the impact of Covid-19 on the freight industry. The investment was written down to the recoverable amount based on value-in-use calculation using the discounted cash flow model. The discount rate used in the estimate of the recoverable amount was 21%.

12 Earnings per share

	Group	2021 \$'000	2020 \$'000
Net profit attributable to the equity holders of the Company for basic earnings per share	445,406	471,815	
Interest expense on convertible bonds	559	–	
Net profit attributable to the equity holders of the Company for diluted earnings per share	445,965	471,815	
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,069,926	1,070,387	
Adjustments for:			
- Effect of conversion of convertible bonds ('000)	9,799	–	
- Shares granted under SGX performance share plans and deferred long-term incentives schemes ('000)	5,410	4,625	
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,085,135	1,075,012	
Earnings per share (in cents per share)			
- Basic	41.6	44.1	
- Diluted	41.1	43.9	

13 Cash and cash equivalents

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	341,409	211,301	70,912	20,891
Fixed deposits with banks	718,620	696,077	158,100	111,400
	1,060,029	907,378	229,012	132,291

For the purpose of presenting the consolidated statement of cash flows of the Group, the consolidated cash and cash equivalents comprise the following:

	Group	
	2021 \$'000	2020 \$'000
Cash and cash equivalents per consolidated statement of cash flows	833,365	686,430
Add:		
Cash committed for		
- Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund (Note 40)	150,021	150,021
- Securities Clearing Fund (Note 39)	60,000	60,000
- National Electricity Market of Singapore ("NEMS") (Note (a))	16,643	8,892
Bank overdrafts repayable on demand and used for cash management purposes (Note 29)	–	2,035
Cash and cash equivalents (as above)	1,060,029	907,378

Notes to the Financial Statements

For the financial year ended 30 June 2021

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Trade receivables (net) (Note (a))	689,912	665,865	4,055	6,014
Other receivables (Note (b))	58,837	92,429	139,718	365,963
	748,749	<u>758,294</u>	143,773	<u>371,977</u>
Non-current				
Other receivables				
- Amount due from a subsidiary (non-trade) (Note (c))	<u>—</u>	<u>—</u>	<u>—</u>	4,539
	<u>—</u>	<u>—</u>	<u>—</u>	4,539

(a) Trade receivables (net) comprise:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights (Note 28(a))				
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights (Note 28(a))	446,912	452,524	—	—
Receivables under NEMS (Note 15)	127,290	94,075	—	—
Other trade receivables	117,640	121,100	4,090	6,075
	691,842	<u>667,699</u>	4,090	<u>6,075</u>
Less: Allowance for impairment of trade receivables (Note 47)	(1,930)	<u>(1,834)</u>	(35)	<u>(61)</u>
	689,912	<u>665,865</u>	4,055	<u>6,014</u>

The receivables from clearing members and settlement banks represent the net settlement obligations to The Central Depository (Pte) Limited ("CDP"). The corresponding net settlement obligations from CDP to the clearing members and settlement banks are disclosed in Note 28(a).

14 Trade and other receivables (continued)

- (b) Other receivables comprise:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Prepayments	29,298	23,853	16,511	14,311
Interest receivable	24,405	61,537	81	856
Deposits	686	796	237	277
Staff advances	6	27	1	–
Grant receivables	–	3,247	–	3,247
Amounts due from subsidiaries (non-trade) (Note (d))	–	–	117,510	346,972
Others (non-trade)	4,442	2,969	5,378	300
	58,837	92,429	139,718	365,963

- (c) Amount due from a subsidiary (non-trade) relates to an unsecured loan with interest fixed at 3.5% per annum. The amount was repaid during the financial year.
- (d) 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	
	2021 \$'000	2020 \$'000
Cash committed for NEMS (Note 13)	16,643	8,892
Receivables under NEMS (Note 14(a))	127,290	94,075
Total settlement cash and receivables	143,933	102,967
Payables under NEMS (Note 28(a))	143,933	102,967
Total settlement payables	143,933	102,967

Notes to the Financial Statements

For the financial year ended 30 June 2021

16 Derivative financial instruments

	Group		Company	
	Fair value		Fair value	
	Currency forwards notional amount \$'000	Asset \$'000	Liability \$'000	Currency forwards notional amount \$'000
30 June 2021				
Cash-flow hedges				
- Currency forwards	103,016	314	(1,150)	-
		314	(1,150)	
Current		314	(1,150)	-
		314	(1,150)	
30 June 2020				
Cash-flow hedges				
- Currency forwards	186,907	2,485	(2,035)	14,753
				48
				(70)
Call option		3,096	-	-
Sale of call option		-	(49)	-
		5,581	(2,084)	
				48
				(70)
Current		2,485	(2,084)	48
Non-current		3,096	-	-
		5,581	(2,084)	
				48
				(70)

17 Financial assets, at FVOCI

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Equity securities – Quoted	31,094	8,023	-	8,023
Bonds – Quoted	9,842	-	-	-
Bonds – Unquoted	-	40,113	-	40,113
	40,936	48,136	-	48,136
Non-current				
Equity securities – Unquoted	146,467	119,269	-	-

Notes to the Financial Statements

For the financial year ended 30 June 2021

18 Investment property, and Property, plant and equipment (continued)

18 Investment property, and Property, plant and equipment (continued)

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

	Group	
	2021 \$'000	2020 \$'000
Rental income	2,421	2,174
Direct operating expenses arising from the investment property	(1,129)	(987)
	1,292	1,187

Details of the Group's investment property are as follows:

Location	Description	Tenure
The Baltic Exchange, 38 St Mary Axe, London EC3, United Kingdom	Office building	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 yield. The estimated fair value would increase (decrease) if the market yield was higher (lower). As at 30 June 2021, there were no transfers in and out of Level 3 of the fair value hierarchy in relation to the investment property (2020: No transfers in and out of Level 3 fair value hierarchy).

	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	43,786	8,931	35,950	401	1,893	90,961
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	39,354	7,782	23,503	253	–	70,892
Net book value						
At 30 June 2021	4,432	1,149	12,447	148	1,893	20,069

Notes to the Financial Statements

For the financial year ended 30 June 2021

18 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						
2020						
Cost						
At 1 July 2019	41,004	8,097	41,852	401	7,045	98,399
Reclassification	2,857	38	4,102	—	(6,997)	—
Additions	137	426	—	—	3,334	3,897
Write-off/Disposals	(4)	(90)	(9,970)	—	—	(10,064)
At 30 June 2020	<u>43,994</u>	<u>8,471</u>	<u>35,984</u>	<u>401</u>	<u>3,382</u>	<u>92,232</u>
Accumulated depreciation						
At 1 July 2019	31,114	6,242	25,632	93	—	63,081
Depreciation charge	7,379	1,282	5,423	80	—	14,164
Write-off/Disposals	(4)	(90)	(9,528)	—	—	(9,622)
At 30 June 2020	<u>38,489</u>	<u>7,434</u>	<u>21,527</u>	<u>173</u>	<u>—</u>	<u>67,623</u>
Net book value						
At 30 June 2020	5,505	1,037	14,457	228	3,382	24,609

19 Software

	Software \$'000	Work-in- progress \$'000	Total \$'000
Group			
2021			
Cost			
At 1 July 2020	364,271	21,995	386,266
Acquisition of subsidiary (Note 24)	6,230	–	6,230
Reclassification	15,936	(15,936)	–
Additions	6,830	32,386	39,216
Write-off/Disposals	(59,201)	–	(59,201)
Currency translation	(196)	–	(196)
At 30 June 2021	<u>333,870</u>	<u>38,445</u>	<u>372,315</u>
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	<u>206,472</u>	<u>–</u>	<u>206,472</u>
Net book value			
At 30 June 2021	<u>127,398</u>	<u>38,445</u>	<u>165,843</u>
2020			
Cost			
At 1 July 2019	374,759	21,501	396,260
Reclassification	30,330	(30,330)	–
Additions	545	30,947	31,492
Write-off/Disposals	(41,362)	(123)	(41,485)
Currency translation	(1)	–	(1)
At 30 June 2020	<u>364,271</u>	<u>21,995</u>	<u>386,266</u>
Accumulated amortisation			
At 1 July 2019	214,170	–	214,170
Amortisation charge	44,340	–	44,340
Write-off/Disposals	(40,428)	–	(40,428)
Currency translation	(14)	–	(14)
At 30 June 2020	<u>218,068</u>	<u>–</u>	<u>218,068</u>
Net book value			
At 30 June 2020	146,203	21,995	168,198

Notes to the Financial Statements

For the financial year ended 30 June 2021

19 Software (continued)

	Software \$'000	Work-in- progress \$'000	Total \$'000
Company			
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>
2020			
Cost			
At 1 July 2019	63,443	7,173	70,616
Reclassification	10,039	(10,039)	–
Additions	23	13,076	13,099
Write-off/Disposals	(9,630)	(123)	(9,753)
At 30 June 2020	<u>63,875</u>	<u>10,087</u>	<u>73,962</u>
Accumulated amortisation			
At 1 July 2019	34,077	–	34,077
Amortisation charge	7,700	–	7,700
Write-off/Disposals	(8,800)	–	(8,800)
At 30 June 2020	<u>32,977</u>	<u>–</u>	<u>32,977</u>
Net book value			
At 30 June 2020	30,898	10,087	40,985

20 Right-of-use assets

Leases – The Group and the Company as a lessee

The Group and the Company leases office premises, data centres and equipment with varying terms and renewal rights.

The Group and the Company leases 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 has elected not to recognise right-of-use assets and lease liabilities for these leases.

	Premises \$'000	Other equipment \$'000	Total \$'000
Group			
2021			
At 1 July 2020	82,541	4,583	87,124
Depreciation charge	(19,319)	(1,259)	(20,578)
Additions to right-of-use assets	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
2020			
At 1 July 2019	79,995	5,806	85,801
Depreciation charge	(18,957)	(1,223)	(20,180)
Additions to right-of-use assets	786	–	786
Reassessment and modifications ^(a)	20,717	–	20,717
At 30 June 2020	82,541	4,583	87,124
Company			
2021			
At 1 July 2020	82,100	4,583	86,683
Depreciation charge	(18,597)	(1,258)	(19,855)
Additions to right-of-use assets	–	237	237
Derecognition	–	(15)	(15)
Reassessment and modifications ^(a)	119	–	119
At 30 June 2021	63,622	3,547	67,169
2020			
At 1 July 2019	79,451	5,806	85,257
Depreciation charge	(18,715)	(1,223)	(19,938)
Additions to right-of-use assets	647	–	647
Reassessment and modifications ^(a)	20,717	–	20,717
At 30 June 2020	82,100	4,583	86,683

^(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 2021

20 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Leases under SFRS(I) 16				
Interest on lease liabilities (Note 11)	2,280	2,586	2,147	2,569
Expenses relating to short-term leases and low-value assets	2,279	2,714	1,239	1,879
	4,559	5,300	3,386	4,448

(2) Amounts recognised in statement of cash flows

	Group	
	2021 \$'000	2020 \$'000
Total cash outflow for leases	22,509	20,860

(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.

21 Leases – The Group as a lessor

The Group leases out its investment property consisting of an office building (Note 18) and has 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 18.

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

	2021 \$'000	2020 \$'000
Operating leases under SFRS(I) 16		
Less than one year	905	2,036
One to two years	396	487
Two to three years	352	487
Three to four years	286	447
Four to five years	26	432
More than five years	–	152
Total	1,965	4,041

22 Intangible assets

	Right to operate Singapore electricity spot market \$'000	Trade name \$'000	Technical know-how \$'000	Customer relationships \$'000	Total \$'000
Group					
2021					
Cost					
At 1 July 2020	27,140	38,057	31,502	24,850	121,549
Acquisition of subsidiary (Note 24)	—	—	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
2020					
Cost					
At 1 July 2019	27,140	38,111	—	—	65,251
Acquisition of subsidiary (Note 24)	—	—	30,218	23,837	54,055
Currency translation	—	(54)	1,284	1,013	2,243
At 30 June 2020	27,140	38,057	31,502	24,850	121,549
Accumulated amortisation					
At 1 July 2019	4,296	3,389	—	—	7,685
Amortisation charge (Note 9)	906	1,290	1,302	2,055	5,553
Currency translation	—	(27)	11	15	(1)
At 30 June 2020	5,202	4,652	1,313	2,070	13,237
Net book value					
At 30 June 2020	21,938	33,405	30,189	22,780	108,312

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") and BidFX Systems Ltd ("BidFX").

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 2021 (2020: Nil).

Notes to the Financial Statements

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23 Goodwill

	Group	2021 \$'000	2020 \$'000
Beginning of financial year	329,176	85,299	
Acquisition of subsidiary (Note 24)	202,363	234,036	
Additional payment on completion adjustment for previously acquired subsidiary	5,178	–	
Currency translation	4,516	9,841	
Balance at end of financial year	541,233	329,176	

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; and
- d) BidFX, a subsidiary providing electronic foreign exchange trading solutions and platform to the global financial marketplace.

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 and BidFX 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 are as follows:

	Group	2021 \$'000	2020 \$'000
EMC	9,614	9,614	
Currencies and commodities	277,394	75,585	
Data and indices	254,225	243,977	
	541,233	329,176	

23 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% (2020: 2% - 3%)	Long term inflation and growth rate of Singapore
Discount rate	10.5% (2020: 10%)	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% (2020: 3%)	Long term growth rate of developed economies
Discount rate	10% (2020: 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% (2020: 3%)	Long term growth rate of developed economies
Discount rate	10% (2020: 10%)	Cost of capital to operate the data and indices market

Based on the value-in-use calculations, there is no impairment on goodwill (2020: 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.

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24 Acquisition of subsidiary

(a) 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 transferred

	\$'000
Cash paid	191,493
Contingent consideration	10,144
Others	2,786
Total consideration transferred	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

24 Acquisition of subsidiary (continued)

(a) BidFX Systems Ltd. (continued)

(4) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	\$'000
Total consideration transferred	204,423
Fair value of pre-existing interest in the acquiree	47,847
Fair value of identifiable net assets	<u>(49,907)</u>
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 of 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 has agreed to pay the selling shareholders additional consideration of up to US\$25,000,000 in 2022 if BidFX reaches certain revenue targets in 2021. The Group has included \$10,144,000 as contingent consideration related to the additional consideration based on projections available at acquisition date. Projections for 2021 revenue targets were subsequently revised, reflecting current business volumes, and an additional \$9,564,000 was accrued. As the change in business volumes did not exist at the acquisition date, the additional \$9,564,000 contingent consideration does not form part of the original purchase price. As at 30 June 2021, the carrying amount of the contingent consideration is revalued at \$19,358,000 (Note 28).

(9) Revenue and profit contribution

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

(10) Step acquisition

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

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24 Acquisition of subsidiary (continued)

(b) Scientific Beta Pte. Ltd.

On 31 January 2020, SGX acquired 93% of the equity interest in Scientific Beta Pte. Ltd. ("SB") for a consideration of EUR 192,786,000. Consequently, SB became a subsidiary of SGX.

The principal activity of SB is that of an independent index provider specialising in smart beta strategies, with expertise in factor-based and risk-managed solutions. This acquisition strengthens SGX's research-based index design capabilities as well as broadens the range of index products and clientele for SB and SGX.

(1) Effect on cash flows of the Group

	\$'000
Cash paid	294,725
Less: Cash and cash equivalents in subsidiary acquired	(17,676)
Cash outflow on acquisition (Note (a))	277,049

(a) Comprised of \$271,871,000 paid in FY2020 and \$5,178,000 paid in FY2021.

(2) Identifiable assets acquired and liabilities assumed

	\$'000
Cash and cash equivalents	17,676
Trade and other receivables	13,812
Property, plant and equipment	4
Intangible assets	54,055
Total assets	85,547
Trade and other payables	11,828
Taxation	3,435
Deferred tax liabilities	10,595
Total liabilities	25,858
Total identifiable net assets	59,689
Less: Non-controlling interests based on proportionate interest	(4,178)
Add: Goodwill	234,036
Consideration transferred for the business	289,547

(3) Acquisition-related costs

Total acquisition-related costs amounted to \$1,582,000. The costs are included in FY2020 consolidated income statement under "Professional fees", "Travelling" and "Others" as well as the operating cash flows in the consolidated statement of cash flows.

(4) Acquired receivables

The fair value and gross contractual amount of Trade and other receivables is \$13,812,000.

24 Acquisition of subsidiary (continued)(b) **Scientific Beta Pte. Ltd.** (continued)

(5) Intangible assets

The fair values of the intangible assets (technical know-how and customer relationships) were estimated to amount to \$54,055,000 based on relief-from-royalty method for technical know-how and multi-period excess earnings method for customer relationships. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the technical know-how being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

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 resultant goodwill is attributable to the synergies expected to arise from growth in the index and data business as well as wider range of product offerings and clients for SB and SGX.

On 9 October 2020, following the finalisation of completion adjustments, SGX paid an additional consideration of \$5,178,000. Consequently, the carrying amount of goodwill of \$234,036,000 provisionally determined at acquisition date increased to \$239,214,000.

25 Investments in subsidiaries

	Company	
	2021 \$'000	2020 \$'000
<i>Equity investments at cost</i>		
Balance at beginning of financial year	831,741	826,741
Capital injection	19,980	5,000
	851,721	831,741
<i>Long-term receivables</i>		
Amount due from a subsidiary	218,401	40,989
Balance at end of financial year	1,070,122	872,730

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

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For the financial year ended 30 June 2021

25 Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company 2021 %	2020 %	Subsidiaries 2021 %	2020 %
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	—	—
Singapore Commodity Exchange Limited	Dormant	Singapore	100	100	—	—
SGX International Pte. Ltd.	Investment holding	Singapore	100	100	—	—

25 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by				Value Creation & Sustainability	
			Company		Subsidiaries			
			2021 %	2020 %	2021 %	2020 %		
Securities Clearing and Computer Services (Pte) Limited	Dormant	Singapore	100	100	—	—		
Asian Gateway Investments (China) Pte. Ltd.	Investment holding	Singapore	—	—	100	100	Governance	
SGX Baltic Investments Pte. Ltd.	Investment holding	Singapore	—	—	100	100	Governance	
The Baltic Exchange Limited	Investment holding, membership services and provision of management services to related corporations	United Kingdom	—	—	100	100	Financials	
Baltic Exchange Derivatives Trading Limited	Dormant	United Kingdom	—	—	100	100	Others	
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		

Notes to the Financial Statements

For the financial year ended 30 June 2021

25 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2021 %	2020 %	2021 %	2020 %
Scientific Beta North America, Inc. (Formerly known as EDHEC North America, Inc.)	Providing services and administration of index activities	United States of America	—	—	100	100
Scientific Beta (France) SAS	Providing services and administration for index calculation, risk analyses and financial research	France	—	—	100	100
Scientific Beta (Europe) Limited (Formerly known as EDHEC Risk Consulting 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	—
BidFX Systems Pte. Ltd.	Provision of management services to related corporations, sales and client support services	Singapore	—	—	100	—
BidFX Systems US LLC	Providing sales and client support services	United States of America	—	—	100	—
BidFX Systems Australia Pty. Ltd.	Providing sales and client support services	Australia	—	—	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

25 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by				Value Creation & Sustainability	
			Company		Subsidiaries			
			2021 %	2020 %	2021 %	2020 %		
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	Governance	
SGX General Counterparty Pte. Ltd.	Providing general counterparty services	Singapore	100	–	–	–	Financials	
SGX FX Pte. Ltd.	Investment holding	Singapore	100	–	–	–		
SGX FX Markets Pte. Ltd.	Operating an electronic communication network	Singapore	–	–	100	–	Others	
SGX Treasury I Pte. Ltd.	Investment holding	Singapore	–	–	100	–		
SGX India Connect IFSC Private Limited	Providing financial services for dealing, trading and clearing of financial instruments	India	–	–	100	–		

KPMG LLP is the auditor of all Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of foreign-incorporated subsidiaries except for Scientific Beta (France) SAS which is audited by PFK Arsilon, France.

	Group	
	2021 \$'000	2020 \$'000
<i>Carrying value of non-controlling interests</i>		
Subsidiary with immaterial non-controlling interests – Scientific Beta Pte. Ltd.	4,859	4,435
	4,859	4,435

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For the financial year ended 30 June 2021

26 Investments in associated companies

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Investments in associated companies	40,964	71,877	4,389	4,389

Details of the associated companies held by the Group and the Company are as follows:

Name of company	Principal activities	Country of business and incorporation	Equity held 2021 %	2020 %
<i>Held by the Group through a subsidiary</i>				
Capbridge Pte. Ltd.	Shares, stocks and bonds broking	Singapore	8.2 ^(a)	8.7 ^(a)
1x Exchange Pte. Ltd (formerly known as Capbridge Platform Pte. Ltd.)	Operating private market platform	Singapore	11.8 ^(a)	12.1 ^(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	9.8 ^(a)	10.1 ^(a)
Freightos Limited	Operating online freight marketplace	Hong Kong	14.1 ^(a)	16.3 ^(a)
BidFX Systems Ltd	Operating FX trading platform	United Kingdom	— ^(b)	20.0
Heveaconnect Pte. Ltd.	Commodities trading platform	Singapore	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.

^(b) On 7 July 2020, the Group acquired the remaining 80% equity interest in BidFX Systems Ltd. and consequently, BidFX Systems Ltd. became a subsidiary from that date (Note 24).

There was no associated company that was individually material to the Group (2020: Nil).

26 Investments in associated companies (continued)

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	
	2021 \$'000	2020 \$'000
Carrying amount of interests		
Loss from continuing operations	(2,157)	(2,290)
Total comprehensive income	(2,157)	(2,290)

There are no contingent liabilities relating to the Group's interest in the associated companies (2020: Nil).

27 Investments in joint ventures

	Group	
	2021 \$'000	2020 \$'000
Investments in joint ventures	9,570	90

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	
			2021 %	2020 %
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)	–
XinTru Pte. Ltd.	Operation of electronic bond trading platform	Singapore	33	–

^(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 (2020: 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	
	2021 \$'000	2020 \$'000
Carrying amount of interests		
Loss from continuing operations	(2,129)	(11)
Total comprehensive income	(2,129)	(11)

There are no contingent liabilities relating to the Group's interest in the joint ventures (2020: Nil).

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For the financial year ended 30 June 2021

28 Trade and other payables

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Trade payables (Note (a))	655,389	642,991	3,822	1,654
Other payables (Note (b))	193,023	165,673	62,742	66,340
Amount due to subsidiaries (non-trade) (Note (c))	—	—	47,100	47,766
Contingent consideration (Note 24)	19,358	—	—	—
	867,770	<u>808,664</u>	113,664	<u>115,760</u>
Non-current				
Other payables	—	—	69,972	—
– Amount due to a subsidiary (non-trade) (Note (d))	—	—	69,972	—

(a) Trade payables comprise:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Payables to clearing members and settlement banks				
– Daily settlement of accounts for due contracts and rights (Note 14(a))	446,912	452,524	—	—
Payables under NEMS (Note 15)	143,933	102,967	—	—
Other trade payables	64,544	87,500	3,822	1,654
	655,389	<u>642,991</u>	3,822	<u>1,654</u>

The payables to clearing members and settlement banks represent the net settlement obligations by CDP. The corresponding net settlement obligations by clearing members and settlement banks to CDP are disclosed in Note 14(a).

(b) Other payables comprise:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Accrual for operating expenses				
Accrual for bonus	70,644	65,781	17,843	19,889
Defined contribution plans payable	69,870	65,694	40,854	36,781
Advance receipts	1,706	1,640	1,102	1,123
Deferred grant income	—	10,654	—	—
Sundry creditors	18,891	3,943	—	3,943
Others (non-trade)	6,099	3,107	289	1,302
	25,813	14,854	2,654	3,302
	193,023	<u>165,673</u>	62,742	<u>66,340</u>

(c) The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(d) The amount due to a subsidiary is unsecured, non-interest bearing with no fixed terms of repayment.

29 Borrowings

	Group		Company		Value Creation & Sustainability
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	
Current					
Unsecured bank borrowings	–	302,036	–	302,036	
Bank overdrafts repayable on demand and used for cash management purposes (Note 13)	–	2,035	–	–	
	–	304,071	–	302,036	
Non-current					
Unsecured bank borrowings	88,758	–	88,758	–	
Convertible bonds (Note(a))	379,003	–	–	–	
Intra-group financial guarantee (Note (b))	–	–	4,709	–	
	467,761	–	93,467	–	

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 47.

Terms and debt repayment schedule

The terms and conditions of outstanding borrowings are as follows:

Currency	Weighted average interest rate	Year of maturity	2021		2020	
			Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group						
Convertible bonds	EUR (2020: Not applicable)	0.44% 2024	387,406	379,003	–	–
Unsecured bank borrowings	USD (2020: Not applicable)	1.20% 2022	88,758	88,758	–	–
Unsecured bank borrowings	EUR (2020: 0.36%)	Not applicable 2020	–	–	302,036	302,036
			476,164	467,761	302,036	302,036
Company						
Unsecured bank borrowings	USD (2020: Not applicable)	1.20% 2022	88,758	88,758	–	–
Unsecured bank borrowings	EUR (2020: 0.36%)	Not applicable 2020	–	–	302,036	302,036
			88,758	88,758	302,036	302,036

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29 Borrowings (continued)

(a) Convertible bonds

	Group 2021 \$'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

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 amounted to \$828,000.

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 \$13.0944 per share. The conversion price is subjected to adjustment upon occurrence of certain trigger events set out in the terms and conditions of the bonds offering. Any unconverted bonds will be redeemed by the issuer at its principal amount on 1 March 2024.

(b) 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.

29 Borrowings (continued)**(c) Reconciliation of liabilities arising from financing activities**

	Convertible bonds	Unsecured bank borrowings	Total
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
As at 1 July 2019	–	–	–
Financing cash flows			
Proceeds from borrowings	–	585,124	585,124
Repayment of borrowings	–	(295,694)	(295,694)
Interest paid	–	(113)	(113)
	–	289,317	289,317
Non-cash changes			
Effect of changes in foreign exchange rates	–	12,417	12,417
Interest expense	–	302	302
	–	12,719	12,719
As at 30 June 2020	–	302,036	302,036

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30 Lease liabilities

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current lease liabilities	20,366	19,483	19,624	19,132
Non-current lease liabilities	51,056	69,547	49,908	69,475
	71,422	89,030	69,532	88,607

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 47.

(a) Repayment schedule of lease liabilities

	Payment \$'000	Interest \$'000	Principal \$'000
Group			
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
2020			
Within 1 year	21,643	2,160	19,483
After 1 year but within 5 years	67,261	3,523	63,738
After 5 years	5,904	95	5,809
	94,808	5,778	89,030
Company			
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
2020			
Within 1 year	21,286	2,154	19,132
After 1 year but within 5 years	67,189	3,523	63,666
After 5 years	5,904	95	5,809
	94,379	5,772	88,607

30 Lease liabilities (continued)**(b) Reconciliation of liabilities arising from financing activities**

	Lease liabilities		
	2021 \$'000	2020 \$'000	
Balance at beginning of financial year	89,030	85,801	
Financing cash flows			
Repayment of lease liabilities	(22,509)	(20,860)	
	(22,509)	(20,860)	
Non-cash changes			
New leases	1,856	743	
Derecognition	(15)	–	
Reassessment and modifications	762	20,754	
Interest expense (Note 11)	2,280	2,586	
Effect of changes in foreign exchange rates	18	6	
	4,901	24,089	
Balance at end of financial year	71,422	89,030	

31 Income taxes**(a) Income tax expense**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Tax expense attributable to profit is made up of:				
– current income tax	99,861	105,915	4,631	6,314
– deferred income tax	(8,675)	(6,455)	(1,295)	(1,384)
	91,186	99,460	3,336	4,930
Under/(over) provision in prior financial years:				
– current income tax	(391)	294	9	235
– deferred income tax	(96)	(791)	–	(742)
	90,699	98,963	3,345	4,423

Notes to the Financial Statements

For the financial year ended 30 June 2021

31 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Profit before tax and share of results of associated companies and joint ventures	540,762	573,249	492,681	436,373
Tax calculated at a tax rate of 17% (2020: 17%)	91,930	97,452	83,756	74,183
Tax effect of:				
Singapore statutory income exemption	(180)	(162)	(17)	(17)
Income not subject to tax	(2,422)	(1,877)	(81,645)	(70,977)
Tax incentives and rebate	(1,393)	(690)	(680)	(680)
Expenses not deductible for tax purposes	1,934	3,492	1,183	1,672
Others	1,317	1,245	739	749
(Over)/under provision in prior financial years	(487)	(497)	9	(507)
	90,699	98,963	3,345	4,423

(c) Movements in provision for tax

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	109,558	77,167	6,356	4,148
Acquisition of subsidiary	—	3,435	—	—
Income tax paid	(109,390)	(72,385)	(6,050)	(4,165)
Tax expense on profit for the financial year	99,861	105,915	4,631	6,314
(Over)/under provision in prior financial years	(391)	294	9	235
Overutilisation/ (Utilisation) of losses and capital allowances ^(a)	10	(5,006)	—	(176)
Currency translation	(14)	138	—	—
Balance at end of financial year	99,634	109,558	4,946	6,356

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

31 Income taxes (continued)

(d) Deferred income tax

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deferred tax assets:				
- to be recovered within 12 months	5,361	3,792	3,956	2,838
- to be recovered after 12 months	1,586	1,554	1,428	1,554
	6,947	5,346	5,384	4,392
- Effect of offsetting	(6,947)	(5,346)	(5,384)	(4,392)
	-	-	-	-
Deferred tax liabilities:				
- to be settled within 12 months	11,356	11,619	2,527	2,488
- to be settled after 12 months	62,047	56,042	5,358	5,804
	73,403	67,661	7,885	8,292
- Effect of offsetting	(6,947)	(5,346)	(5,384)	(4,392)
	66,456	62,315	2,501	3,900

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	620	1,234	3,100	1,910	1,195	-	431	-	5,346	3,144
Credited to profit or loss	237	4,392	594	571	374	1,195	269	431	1,474	6,589
Utilisation of losses and capital allowances ^(a)	-	(5,006)	-	-	-	-	-	-	-	(5,006)
Credited to equity	-	-	127	619	-	-	-	-	127	619
Balance at end of financial year	857	620	3,821	3,100	1,569	1,195	700	431	6,947	5,346

^(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 2021

31 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	65	(26)	30,142	29,753	23,284	13,330	14,170	53	–	–	67,661	43,110
Acquisition from subsidiary (Credited)/ charged to profit or loss (Credited)/ charged to equity	–	–	1,187	–	2,727	10,595	–	–	–	–	3,914	10,595
Currency translation	–	–	(4,785)	389	(2,512)	(1,046)	–	–	–	–	(7,297)	(657)
Balance at end of financial year	(208)	91	–	–	–	–	7,221	14,117	821	–	7,834	14,208
	–	–	(29)	–	1,320	405	–	–	–	–	1,291	405
	(143)	65	26,515	30,142	24,819	23,284	21,391	14,170	821	–	73,403	67,661

The Company – deferred tax assets

	Employee share plans		Unutilised leave		Others		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	3,100	1,910	963	–	329	–	4,392	1,910
Credited to profit or loss	594	571	196	963	75	329	865	1,863
Credited to equity	127	619	–	–	–	–	127	619
Balance at end of financial year	3,821	3,100	1,159	963	404	329	5,384	4,392

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

The Company – deferred tax liabilities

	Cash flow hedge reserve		Financial assets, at FVOCI		Accelerated tax depreciation		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	(10)	32	(13)	53	8,315	8,578	8,292	8,663
Credited to profit or loss	–	–	–	–	(430)	(263)	(430)	(263)
Charged/(credited) to equity	10	(42)	13	(66)	–	–	23	(108)
Balance at end of financial year	–	(10)	–	(13)	7,885	8,315	7,885	8,292

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

	Group	
	2021 \$'000	2020 \$'000
Tax losses	22,563	22,594

These items principally relate to four (2020: 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.

Notes to the Financial Statements

For the financial year ended 30 June 2021

31 Income taxes (continued)

(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
2021						
Other comprehensive income						
Foreign exchange translation	9,556	–	9,556	–	–	–
Fair value gains/(losses) 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
2020						
Other comprehensive income						
Foreign exchange translation	(443)	–	(443)	–	–	–
Fair value gains/(losses) and transferred to profit or loss on cash flow hedges	564	(91)	473	(248)	42	(206)
Fair value gains on financial assets, at FVOCI	59,506	(14,117)	45,389	(980)	66	(914)
	59,627	(14,208)	45,419	(1,228)	108	(1,120)

32 Provisions

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Provision for SGX-MAS Market Development Scheme (Note (a))	1,802	1,802	—	—
Provision for unutilised leave (Note (b))	11,592	8,532	6,820	5,663
Provision for dismantlement, removal or restoration of property, plant and equipment (Note (c))	3,805	3,601	3,786	3,582
	17,199	13,935	10,606	9,245

(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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	8,532	6,104	5,663	3,773
Provision made during the financial year, net	3,060	2,428	1,157	1,890
Balance at end of financial year	11,592	8,532	6,820	5,663

(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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	3,601	3,601	3,582	3,582
Provision made during the financial year, net	204	—	204	—
Balance at end of financial year	3,805	3,601	3,786	3,582

Notes to the Financial Statements

For the financial year ended 30 June 2021

33 Financial liability

	Group	2021 \$'000	2020 \$'000
Forward liability to acquire non-controlling interests			
Balance at beginning of financial year	40,548	—	
Additions	—	40,506	
Currency translation	842	42	
Balance at end of financial year	41,390	40,548	

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.

34 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
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)
2020				
Balance at beginning of financial year	1,071,642	1,839	429,113	(13,233)
Purchase of treasury shares	—	2,002	—	(17,002)
Vesting of shares under share-based remuneration plans	—	(1,136)	567	8,333
Vesting of shares under restricted share plan	—	(42)	58	287
Tax effect on treasury shares	—	—	—	619
Balance at end of financial year	1,071,642	2,663	429,738	(20,996)

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

34 Share capital (continued)

(a) Share capital and treasury shares (continued)

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 1,547,000 of its shares (2020: 2,002,000) in the open market during the financial year. The total amount paid to purchase the shares was \$15,930,000 (2020: \$17,002,000). The Company holds the shares bought back as treasury shares and plans to use these shares to fulfil its obligations under the Company's share-based remuneration plans and restricted share plans.

(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
	FY2016 grant*	FY2017 grant*	FY2018 grant**	FY2019 grant**	FY2020 grant**	FY2021 grant**	
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
2020							
Balance at beginning of financial year	391,600	604,600	621,600	696,500	–	–	2,314,300
Granted	–	–	–	–	711,000	–	711,000
Lapsed	(391,600)	–	–	–	–	–	(391,600)
Balance at end of financial year	–	604,600	621,600	696,500	711,000	–	2,633,700

* The number of shares vested represents the level of achievement against the performance conditions. Performance targets were not met for FY2016 grant. Accordingly, no shares vested.

** 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".

Notes to the Financial Statements

For the financial year ended 30 June 2021

34 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:

	FY2021 grant	FY2020 grant	FY2019 grant	FY2018 grant	FY2017 grant
Date of grant	17.08.2020	15.08.2019	15.08.2018	15.09.2017	15.08.2016
Vesting date	01.09.2024	01.09.2023	01.09.2022	01.09.2021	01.09.2020
Number of performance shares at grant date	732,200	711,000	696,500	658,200	658,800
Fair value per performance share at grant date	\$7.37	\$7.08	\$7.46	\$7.25	\$6.68
Assumptions under Monte-Carlo Model					
Expected volatility					
Shares of Singapore Exchange Limited	22.0%	14.20%	15.82%	17.30%	17.42%
Shares of selected peer exchanges	21.3% to 41.9%	14.80% to 31.40%	15.62% to 31.96%	15.64% to 42.66%	16.60% to 48.79%
Shares of Straits Times Index peer companies	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	0.39%	1.62%	2.04%	1.42%	1.14%
Date on which yield of Singapore government bond was based	17.08.2020	15.08.2019	15.08.2018	15.09.2017	15.08.2016
Term (years)	3	3	3	3	3
Expected dividend yield based on management's forecast	3.70%	3.64%	4.04%	3.77%	4.18%
Share price reference	\$8.64	\$8.25	\$7.43	\$7.42	\$7.58

34 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
	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

Number of shares	Group and Company				Total
	FY2017 award	FY2018 award	FY2019 award	FY2020 award	
2020					
Balance at beginning of financial year	329,312	731,042	1,338,600	–	2,398,954
Awarded	–	–	–	1,446,200	1,446,200
Vested	(328,278)	(364,358)	(443,598)	–	(1,136,234)
Lapsed	(1,034)	(8,804)	(27,101)	(23,000)	(59,939)
Balance at end of financial year	–	357,880	867,901	1,423,200	2,648,981

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".

Notes to the Financial Statements

For the financial year ended 30 June 2021

34 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:

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

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

34 Share capital (continued)**(c) Deferred long-term incentives scheme** (continued)(ii) *Fair value of deferred long-term incentives shares* (continued)**FY2019 Award**

Date of award	15.08.2018		
Vesting date	01.09.2019	01.09.2020	01.09.2021
Number of shares at award date	459,896	459,896	460,008
Fair value per deferred long-term incentives share at award date	\$7.14	\$6.84	\$6.56

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

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

Notes to the Financial Statements

For the financial year ended 30 June 2021

34 Share capital (continued)

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

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

FY2017 Award

Date of award	15.08.2016		
Vesting date	01.09.2017	01.09.2018	01.09.2019
Number of shares at award date	371,853	371,853	371,994
Fair value per deferred long-term incentives share at award date	\$7.38	\$7.10	\$6.79
Assumptions used in fair value model			
Risk-free interest rate	0.80%	0.89%	1.03%
Date on which yield of Singapore government bond was based	15.08.2016	15.08.2016	15.08.2016
Expected dividend yield based on management's forecast	3.69%	4.22%	4.62%
Share price reference	\$7.66	\$7.66	\$7.66

(d) Restricted Share Plan

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

	Group and Company	
	2021	2020
Number of shares		
Balance at beginning of financial year	–	–
Awarded	37,730	41,512
Vested	(37,730)	(41,512)
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 24 September 2020 (FY2020 award: 3 October 2019).

35 Capital reserve

	Group	
	2021 \$'000	2020 \$'000
Equity component of convertible bonds, net of tax	3,989	—

36 Other reserve

	Group	
	2021 \$'000	2020 \$'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.

37 Dividends

	Group and Company	
	2021 \$'000	2020 \$'000
Interim tax-exempt dividends of 24.0 cents per share (2020: 22.5 cents)	256,861	240,872
Proposed final tax-exempt dividends of 8.0 cents per share (2020: 8.0 cents)	85,511	85,518
	342,372	326,390

The directors have proposed a final tax-exempt dividend for the financial year ended 30 June 2021 of 8.0 cents (2020: 8.0 cents) per share amounting to a total of \$85,511,000 (2020: \$85,518,000). The proposed dividend has been transferred from retained profits to proposed dividends reserve.

38 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.

Notes to the Financial Statements

For the financial year ended 30 June 2021

38 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	Group \$'000
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
2020					
Operating Revenue	171,414	759,680	121,604	–	1,052,698
Earnings before interest, tax, depreciation and amortisation	65,301	515,512	74,843	–	655,656
Depreciation and amortisation	23,471	52,641	13,750	–	89,862
Operating profit	41,830	462,871	61,093	–	565,794
Non-operating gains	–	–	–	7,455	7,455
Share of results of associated companies and joint venture, net of tax	–	–	–	(2,301)	(2,301)
Tax	–	–	–	(98,963)	(98,963)
Net profit after tax					471,985

39 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 and futures.

The Securities Clearing Fund uses a scalable structure that aligns members' contributions to their clearing risk exposure with CDP. Contributions by clearing members will vary with their value of securities cleared with CDP.

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

(a) Contribution by CDP

	Group	
	2021 \$'000	2020 \$'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 (2020: 2 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	
	2021 \$'000	2020 \$'000
Contributions by CDP clearing members		
- cash at bank, held in trust	49,861	49,036

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

Notes to the Financial Statements

For the financial year ended 30 June 2021

39 Securities Clearing Fund (continued)

(b) Contribution by Clearing Members (continued)

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

- (1) Contributions by defaulting clearing members;
- (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 (2020: \$30,000,000)).

40 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 \$150,021,000 (2020: \$150,021,000) (Note 13) to support the SGX-DC Clearing Fund. The SGX-DC Clearing Fund is made up of the following:

	2021 \$'000	2020 \$'000
SGX-DC share capital earmarked for SGX-DC Clearing Fund	102,000	102,000
Derivatives clearing fund reserve (Note (a))	34,021	34,021
Other SGX-DC's contributions	14,000	14,000
	150,021	150,021

Except for the \$150,021,000 (2020: \$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 41(b)).

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

(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 2021

41 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 instruments.

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 2021 were approximately \$48,612,000 (2020: \$119,316,000).

In addition, the CDP Clearing Rules provides 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:

	2021 \$'000	2020 \$'000
Margin deposits		
Cash	187,109	236,499
Other collateral		
Irrevocable letters of credit	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 retained by CDP.

41 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 collateral in the form acceptable to SGX-DC as margin deposits to guarantee the performance of the obligations associated with derivative instruments positions.

The total margins required by SGX-DC as at 30 June 2021 were approximately \$11,114,204,000 (2020: \$13,146,797,000).

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

	2021 \$'000	2020 \$'000
Margin deposits		
Cash	12,894,563	13,704,369
Quoted government securities, at fair value	128,251	1,443,127

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 retained by SGX-DC.

(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:

	2021 \$'000	2020 \$'000
Performance deposits and deposits received for contract value		
Cash	96	480

Notes to the Financial Statements

For the financial year ended 30 June 2021

41 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 of 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:

	2021 \$'000	2020 \$'000
Clearing fund and other deposits		
Cash	460,595	464,104
Quoted government securities, at fair value	18,040	16,980

(iv) Collateral for Mutual Offset Settlement Agreement

As at 30 June 2021, irrevocable letters of credit amounting to approximately \$416,891,000 (2020: \$432,665,000) were lodged by The Chicago Mercantile Exchange with SGX-DC. This is to fulfill collateral requirements under the Mutual Offset Settlement Agreement.

42 Collaterals for Securities Borrowing and Lending

CDP operates a Securities Borrowing and Lending ("SBL") programme for 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:

	2021 \$'000	2020 \$'000
Cash		
Cash	29,042	31,378
Securities, at fair value	61,005	59,002

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

43 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 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:

	2021 \$'000	2020 \$'000
Securities Exchange Fidelity Fund	37,664	37,588
Derivatives Exchange Fidelity Fund	25,580	25,511
	63,244	63,099

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 2021

43 Securities and Derivatives Fidelity Funds (continued)

No further provision has been made in the financial year ended 30 June 2021 for contribution to be paid to the securities and derivatives fidelity funds as the minimum sum of \$20,000,000 (2020: \$20,000,000) for each fund as currently required under the Securities and Futures Act has been met.

The assets and liabilities of the Funds are as follows:

	2021 \$'000	2020 \$'000
Assets		
Fixed deposits with banks	63,100	62,600
Bank balance	387	710
Interest receivable	4	6
	63,491	63,316
Liabilities		
Other payables and accruals	3	3
Taxation	243	212
Deferred tax liabilities	1	2
	247	217
Net assets	63,244	63,099

The assets and liabilities of the Funds are not included in the statement of financial position of the Group as they are held in trust.

44 Contingent liabilities

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'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.	360,409	348,923	-	-

45 Capital commitments

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Property, plant and equipment	450	316	—	—
Software	5,015	10,581	603	1,376
	5,465	10,897	603	1,376

46 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:

	2021 \$'000	2020 \$'000
Salaries and other short-term employee benefits	16,166	17,170
Employer's contribution to Central Provident Fund	143	161
Share-based payment to key management	6,026	6,699
	22,335	24,030

During the financial year, 426,600 shares (FY2020: 436,500 shares) under SGX performance share plan and 426,600 shares (FY2020: 436,500 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.

Notes to the Financial Statements

For the financial year ended 30 June 2021

47 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 business risks that the Group undertakes on an integrated basis to achieve its business strategy; and
- (2) Frameworks and policies for managing risks that are consistent with its risk appetite.

Management is responsible for identifying, monitoring and managing the Group's financial risk exposures.

The main financial risks that the Group is exposed to and how they are managed are set out below.

Market risk – Currency risk

The Group manages its main currency exposure as follows:

- (a) Revenue receivables from clearing of derivative products
Interest receivables from placements of margin deposits

The Group's revenue from the clearing of derivative products is mainly in USD. Interest receivables from placements of margin deposits with banks are mainly denominated in USD. For these receivables denominated in USD, the Group manages the currency exposure through currency forward contracts which are designated as cash flow hedges. Upon settlement of the currency forward contracts and payment obligations denominated in foreign currency, any excess foreign currencies are converted back to the functional currency of the respective entity in a timely manner to minimise currency exposure. As at the reporting date, there is no significant currency risk exposure arising from these receivables.

47 Financial risk management (continued)

Market risk – Currency risk (continued)

(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.

Currency exposure to the net assets in foreign operations denominated in EUR is hedged through borrowings denominated in EUR using net investment hedge in the previous financial year ended 30 June 2020. There was no hedge ineffectiveness in relation to the net investment hedge as illustrated in the table below. During the financial year ended 30 June 2021, the Group's net investment in the foreign operation denominated in EUR was novated to a wholly-owned subsidiary that has EUR functional currency. Currency exposure arising from the investment is now hedged by EUR-denominated convertible bonds issued by the subsidiary. This provides an economic hedge without derivatives being entered. The EUR net investment hedge was therefore discontinued.

Part of the currency exposure to the 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.

As at the reporting date, there is no significant currency risk exposure arising from net assets in foreign operations.

Net investment hedge

The amounts relating to items designated as hedging instruments were as follows:

	Face value \$'000	Carrying amount – liabilities \$'000	Line item in the statement of financial position where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness \$'000	Recognised in foreign currency translation reserve \$'000
2021					
Foreign exchange- denominated loan (USD)	88,758	88,758	Borrowings	6,913	6,913

Notes to the Financial Statements

For the financial year ended 30 June 2021

47 Financial risk management (continued)

Market risk – Currency risk (continued)

(b) Net assets in foreign operations (continued)

Net investment hedge (continued)

			Line item in the statement of financial position where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness	Recognised in foreign currency translation reserve
	Face value \$'000	Carrying amount – liabilities \$'000	\$'000	\$'000	\$'000
2020					
Foreign exchange- denominated loan (EUR)	302,036	302,036	Borrowings	(12,417)	(12,417)

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
2021		
USD net investment	(9,477)	(9,477)
2020		
EUR net investment	12,417	12,417

(c) Investments in financial assets, at FVOCI

For investments in financial assets, at FVOCI classified as current assets, the Group and the Company have investments during the year in equity securities and bonds mainly denominated in SGD, USD, JPY and EUR. To minimise foreign currency exposure, the Group and the Company enters into currency forward contracts to manage its exposure.

For investments in financial assets, at FVOCI classified as non-current assets, the Group holds the investments on a long term basis and does not hedge the currency exposure of these investments. The Group has investments in unquoted equity securities mainly denominated in USD. Management monitors the currency exposure by tracking the currency movement on a regular basis.

As at the reporting date, there is no significant currency risk exposures arising from financial assets, at FVOCI.

47 Financial risk management (continued)

Market risk – Currency risk (continued)

(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.

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

	Group						
	SGD ^(a) \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	Total \$'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)
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	797,195	132,423	18,902	(342,746)	(15)	1,270	607,029
Currency forward contracts	–	(99,768)	–	–	(3,104)	(144)	(103,016)

^(a) The SGD balances have been included for completeness.

Notes to the Financial Statements

For the financial year ended 30 June 2021

47 Financial risk management (continued)

Market risk – Currency risk (continued)

(d) Cash and cash equivalents (continued)

	Group						
	SGD ^(a) \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
2020							
Financial assets							
Cash and cash equivalents	847,409	30,146	13,051	13,779	435	2,558	907,378
Trade and other receivables							
- Daily settlement of accounts for due contracts and rights	414,797	36,638	84	991	–	14	452,524
- Receivables under NEMS	94,075	–	–	–	–	–	94,075
- Others	114,359	60,451	2,447	7,623	1,941	1,021	187,842
Financial assets, at FVOCI	29,587	130,037	3,426	895	1,324	2,136	167,405
Financial liabilities							
Trade and other payables							
- Daily settlement of accounts for due contracts and rights	(414,797)	(36,638)	(84)	(991)	–	(14)	(452,524)
- Payables under NEMS	(102,967)	–	–	–	–	–	(102,967)
- Others	(194,804)	(37,095)	(9,389)	(9,137)	(1,939)	(809)	(253,173)
Borrowings	–	(2,035)	–	(302,036)	–	–	(304,071)
Lease liabilities	(88,239)	–	–	–	–	(791)	(89,030)
Net financial assets/(liabilities)	699,420	181,504	9,535	(288,876)	1,761	4,115	607,459
Net non-financial assets/(liabilities) of foreign subsidiaries							
	(3,511)	(190)	13,719	14,363	–	5	24,386
Currency exposure	695,909	181,314	23,254	(274,513)	1,761	4,120	631,845
Currency forward contracts	–	(178,511)	–	(788)	(5,606)	(2,002)	(186,907)

^(a) The SGD balances have been included for completeness.

47 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
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)
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.

	Company						
	SGD ^(a) \$'000	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
2020							
Financial assets							
Cash and cash equivalents	130,551	796	5	6	–	933	132,291
Trade and other receivables	55,641	55	4,626	301,846	6	31	362,205
Financial assets, at FVOCI	29,587	14,194	–	895	1,324	2,136	48,136
Financial liabilities							
Trade and other payables	(113,660)	(1,763)	(191)	–	–	(146)	(115,760)
Borrowings	–	–	–	(302,036)	–	–	(302,036)
Lease liabilities	(88,135)	–	(120)	–	–	(352)	(88,607)
Net financial assets	13,984	13,282	4,320	711	1,330	2,602	36,229
Currency exposure	<u>13,984</u>	<u>13,282</u>	<u>4,320</u>	<u>711</u>	<u>1,330</u>	<u>2,602</u>	<u>36,229</u>
Currency forward contracts	–	(12,486)	–	(788)	–	(1,479)	(14,753)

^(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 2021

47 Financial risk management (continued)

Market risk – Price risk

The Group and the Company is exposed to price risk arising from its investments in financial assets, at FVOCI that were classified as current assets. To manage the price risk arising from its investments, the Group and the Company diversifies its 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 2021, the Group and Company carried out a review and as part of its review, had liquidated a portfolio of investments. The Group had also made further investments in equities and bonds as part of its review during the financial year. For financial assets, at FVOCI 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% (2020: 5%) in prices for investments at the reporting date would affect other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	Impact to other comprehensive income	
	2021 \$'000	2020 \$'000
Group		
– Price increase	7,527	6,789
– Price decrease	(7,527)	(6,789)
Company		
– Price increase	–	1,998
– Price decrease	–	(1,998)

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.

47 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	6 to 12 months \$'000	Over 1 year \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000						
Group												
2021												
Financial assets												
Cash and cash equivalents	273,515	–	–	503,620	215,000	–	67,894	1,060,029	Governance			
Trade and other receivables	–	–	–	1	–	–	719,450	719,451				
Financial assets, at FVOCI	–	–	–	–	–	–	9,842	177,561	187,403	Financials		
Financial liabilities												
Trade and other payables	–	–	–	–	–	–	–	(867,770)	(867,770)	Others		
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				
2020												
Financial assets												
Cash and cash equivalents	173,061	–	–	666,077	30,000	–	38,240	907,378				
Trade and other receivables	–	–	–	4	1	–	734,436	734,441				
Financial assets, at FVOCI	–	–	6,339	4,524	3,284	24,966	128,292	167,405				
Financial liabilities												
Trade and other payables	–	–	–	–	–	–	–	(808,664)	(808,664)			
Borrowings	(2,035)	–	–	(302,036)	–	–	–	–	(304,071)			
Lease liabilities	–	–	–	(8,109)	(11,374)	(69,547)	–	–	(89,030)			
Net financial assets/(liabilities)	171,026	–	6,339	360,460	21,911	(44,581)	92,304	607,459				

Notes to the Financial Statements

For the financial year ended 30 June 2021

47 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	6 to 12 months \$'000	Over 1 year \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000				
Company										
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)		
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		
2020										
Financial assets										
Cash and cash equivalents	20,265	–	–	111,400	–	–	626	132,291		
Trade and other receivables	–	–	–	4	1	4,539	357,661	362,205		
Financial assets, at FVOCI	–	–	6,339	4,524	3,284	24,966	9,023	48,136		
Financial liabilities										
Trade and other payables	–	–	–	–	–	–	(115,760)	(115,760)		
Borrowings	–	–	–	(302,036)	–	–	–	(302,036)		
Lease liabilities	–	–	–	(7,939)	(11,193)	(69,475)	–	(88,607)		
Net financial assets/(liabilities)	20,265	–	6,339	(194,047)	(7,908)	(39,970)	251,550	36,229		

47 Financial risk management (continued)

Market risk – Interest rate risk (continued)

A change of 0.5% (2020: 0.5%) in interest rate for the Group and the Company's investment in bonds at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2021		2020		Governance
	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					
- Interest rate increase	-	(175)	26	(316)	
- Interest rate decrease	-	175	(26)	316	
Company					
- Interest rate increase	-	-	26	(316)	
- Interest rate decrease	-	-	(26)	316	

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 2021

47 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 41 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 39 and 40 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 2021 and 30 June 2020. As at 30 June 2021, there were 25 (2020: 25) securities clearing members and 9 (2020: 8) 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.

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 2021 were in the form of bankers' guarantees and cash deposits and have an aggregate value of \$312,224,000 (2020: \$292,637,000). There is no significant concentration of credit risk for receivables under NEMS.

47 Financial risk management (continued)

Credit risk (continued)

(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.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2021

47 Financial risk management (continued)

Credit risk (continued)

(f) Credit loss allowance (continued)

On this basis, the loss allowance for trade receivables as at 30 June 2021 and 30 June 2020 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 2021 and 30 June 2020 is \$1,930,000 and \$1,834,000 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 of 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.

The movements in credit loss allowance are as follows:

	Trade receivables Group	
	2021 \$'000	2020 \$'000
Balance at beginning of financial year	1,834	823
Allowance made	1,928	1,401
Allowance utilised	(1,146)	–
Allowance written back	(686)	(390)
Balance at end of financial year	1,930	1,834

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.

47 Financial risk management (continued)

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.

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				
2021				
Financial liabilities				
Trade and other payables ^(a)	864,133	3,637	–	867,770
Lease liabilities	5,557	16,463	53,070	75,090
Borrowings	–	–	467,761	467,761
2020				
Financial liabilities				
Trade and other payables ^(b)	805,300	3,364	–	808,664
Lease liabilities	5,445	16,198	73,165	94,808
Borrowings	304,071	–	–	304,071

^(a) 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.

^(b) Included the following:

\$452,524,000 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
\$102,967,000 payables under NEMS with corresponding amounts in cash and cash equivalents and trade receivables.

Notes to the Financial Statements

For the financial year ended 30 June 2021

47 Financial risk management (continued)

Liquidity risk (continued)

(a) Liabilities related risk (continued)

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
Company				
2021				
Financial liabilities				
Trade and other payables	113,664	—	69,972	183,636
Lease liabilities	5,347	15,909	51,902	73,158
Borrowings	—	—	93,467	93,467
2020				
Financial liabilities				
Trade and other payables	115,760	—	—	115,760
Lease liabilities	5,323	15,963	73,093	94,379
Borrowings	302,036	—	—	302,036

As at 30 June 2021, the gross notional value of outstanding currency forward contracts held by the Group and the Company were \$103,016,000 (2020: \$186,907,000) and Nil (2020: \$14,753,000) respectively. 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			
2021			
Currency forward contracts			
– gross outflows	55,375	47,722	103,097
– gross inflows	55,124	47,137	102,261
2020			
Currency forward contracts			
– gross outflows	102,191	84,286	186,477
– gross inflows	101,902	85,025	186,927
Company			
2020			
Currency forward contracts			
– gross outflows	14,711	—	14,711
– gross inflows	14,689	—	14,689

47 Financial risk management (continued)

Liquidity risk (continued)

(b) Contingent liabilities related risk

At the balance sheet date, the following guarantees may impact the liquidity positions in the earliest period in which the guaranteees are called upon:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange (Note 44)	360,409	348,923	—	—

The settlement obligation of the above contingent liabilities is not determinable as the obligation arises from the occurrence of future events that are not within the control of the Group and the Company.

(c) Clearing and settlement-related risk

The clearing houses of the Group, CDP and SGX-DC, act as the novated counterparty for transactions of approved securities and derivatives. The Group is exposed to liquidity risk should any clearing member or settlement bank default. The Group has put in place sufficient committed bank credit facilities of \$896,681,000 (2020: \$650,658,000), 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).

Notes to the Financial Statements

For the financial year ended 30 June 2021

47 Financial risk management (continued)

Fair value measurements (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
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
2020				
Assets				
Derivative financial instruments	—	2,485	3,096	5,581
Financial assets, at FVOCI	8,023	159,382	—	167,405
Liabilities				
Derivative financial instruments	—	2,035	49	2,084
Financial liability	—	—	40,548	40,548
Company				
2020				
Assets				
Derivative financial instruments	—	48	—	48
Financial assets, at FVOCI	8,023	40,113	—	48,136
Liabilities				
Derivative financial instruments	—	70	—	70

No transfers were made between Level 1, 2 and 3 during the financial year for the Group and the Company during the financial year ended 30 June 2021 and 30 June 2020.

47 Financial risk management (continued)

Fair value measurements (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for debt instruments. The fair value of currency forward contracts is determined using quoted forward currency rates at the balance sheet date. Unquoted equity securities classified as financial assets, at FVOCI, are valued using latest transacted price. These instruments are classified as Level 2 and comprise of 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
Call option	Nil (2020: 3,096)	Black-Scholes option pricing model	Standard deviation	Not applicable (2020: 30%)
			Risk-free rate	Not applicable (2020: 0.6%)
Sale of call option	Nil (2020: 49)	Binomial option model	Volatility	Not applicable (2020: 30%)
			Risk-free rate	Not applicable (2020: 0.6%)
Forward liability to acquire non-controlling interests	41,390 (2020: 40,548)	Multiples of forecast on Earnings before interest, tax and amortisation ("EBITA")	Forecast of EBITA	Not applicable
Contingent consideration	19,358 (2020: Nil)	Probability of forecast revenue	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 2021

47 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).

Group	Derivative financial instruments \$'000	Financial liability \$'000	Contingent consideration \$'000
At 1 July 2019	4,945	—	—
Additions	—	40,548	—
Fair value losses recognised in profit or loss	(1,898)	—	—
As at 30 June 2020	<u>3,047</u>	<u>40,548</u>	<u>—</u>
At 1 July 2020	3,047	40,548	—
Additions	—	—	10,144
Disposals	(3,047)	—	—
Fair value losses recognised in profit or loss	—	—	9,564
Effects of changes in foreign exchange rates	—	842	(350)
As at 30 June 2021	<u>—</u>	<u>41,390</u>	<u>19,358</u>

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.

47 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
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
2020			
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,604,555	(2,152,031)	452,524

(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
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
2020			
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,604,555	(2,152,031)	452,524

⁽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 41(a).

48 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.

Notes to the Financial Statements

For the financial year ended 30 June 2021

48 Capital requirement and management (continued)

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.

49 Restatement to presentation of operating revenue

The Group implemented changes to the fee structure of its equity derivatives contracts during the financial year ended 30 June 2021 where licence fees will now form part of trading and clearing fees. Comparative amounts in the statement of comprehensive income have been restated for consistency.

New classification	Group 2020 \$'000	Previous classification	Group 2020 \$'000
<i>Equity – Derivatives</i>			
Trading and clearing	250,267	Trading and clearing	211,992
Treasury and other	110,111	Treasury, licence and other	148,386
	360,378		360,378

50 Subsequent event

On 23 July 2021, SGX Group announced its proposed acquisition of FX trading platform, MaxxTrader, from FlexTrade Systems for a cash consideration of approximately US\$125 million, subject to certain adjustments. The acquisition is expected to be completed by December 2021 and will allow SGX to build an integrated FX ecosystem and marketplace that facilitates global access to OTC and on-exchange currency derivatives. Details of the other information required by SFRS(I) 3 *Business Combinations* are not disclosed, as the acquisition has not been completed at the date these financial results have been authorised.

51 New accounting standards and SFRS(I) interpretations

At the date of authorisation of these financial statements, the following new SFRS(I) amendments that are relevant to the Group were issued but not effective.

The Group is presently assessing the impact of the amendments and has not considered the impact of accounting standards issued after the balance sheet date.

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures* – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to SFRS(I) 3 *Business Combinations* – Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment* – Proceeds before Intended Use
- Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* – Onerous Contracts – Costs of Fulfilling a Contract
- 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
- Annual Improvements to SFRS(I)s 2018 – 2020

Statistics of Shareholdings

As at 17 August 2021

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, Chapter 50, 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	106	0.33	3,600	0.00
100 – 1,000	12,060	37.78	9,986,915	0.93
1,001 – 10,000	16,857	52.80	64,405,594	6.03
10,001 – 1,000,000	2,878	9.02	113,689,728	10.64
1,000,001 and above	23	0.07	880,803,816	82.40
Total	31,924	100.00	1,068,889,713	100.00

Based on information available to the Company as at 17 August 2021 approximately 99.83% 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	23.39
2	CITIBANK NOMINEES SINGAPORE PTE LTD	186,400,562	17.44
3	DBS NOMINEES (PRIVATE) LIMITED	154,364,562	14.44
4	DBSN SERVICES PTE. LTD.	112,396,630	10.52
5	HSBC (SINGAPORE) NOMINEES PTE LTD	59,983,751	5.61
6	RAFFLES NOMINEES (PTE.) LIMITED	49,196,685	4.60
7	PHILLIP SECURITIES PTE LTD	15,300,808	1.43
8	BPSS NOMINEES SINGAPORE (PTE.) LTD.	15,142,063	1.42
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	6,332,740	0.59
10	MERRILL LYNCH (SINGAPORE) PTE. LTD.	4,111,493	0.38
11	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,074,147	0.38
12	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	3,800,115	0.36
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,220,768	0.30
14	UOB KAY HIAN PRIVATE LIMITED	2,995,160	0.28
15	OCBC SECURITIES PRIVATE LIMITED	2,782,516	0.26
16	WAN FOKK WENG	2,100,000	0.20
17	IFAST FINANCIAL PTE. LTD.	1,370,303	0.13
18	PHANG TAI TIM @ HENRY PHANG	1,343,949	0.13
19	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	1,329,317	0.12
20	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,227,006	0.11
Total		877,463,759	82.09

Statistics of Shareholdings

As at 17 August 2021

Treasury Shares and Subsidiary Holdings

Number of treasury shares: 2,752,687

Number of subsidiary holdings: Nil

Percentage of treasury shares against the total number of issued ordinary shares: 0.26%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 17 August 2021.

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, Chapter 50.

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 and Merger) Act, Chapter 99B (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.

EUR240 million zero coupon guaranteed convertible bonds due 2024 (the "Convertible Bonds")

Information on beneficial holdings unavailable

The global certificate representing the Convertible Bonds is registered in the name of The Bank of New York Depository (Nominees) Limited. Information on the beneficial holdings of the Convertible Bonds is unavailable.

Use of proceeds

The Company had announced on 2 February 2021 that the estimated proceeds from the issuance of the Convertible Bonds (before fees and expenses related to such issuance) of approximately EUR242.4 million 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.

More information on the Convertible Bonds, including the principal terms of the Convertible Bonds, can be found on page 200 of this Annual Report.

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-Second Annual General Meeting of Singapore Exchange Limited (the "Company") will be convened and held by way of electronic means on Thursday, 7 October 2021 at 10.00 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 2021 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 2021 ("Final Dividend"). (FY2020: 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)	▪ Mr Loh Boon Chye; and		
Ordinary Resolution 3(b)	▪ Mr Subra Suresh.		
Ordinary Resolution 4	To re-elect Mr Yeoh Oon Jin who ceases to hold office in accordance with Article 103 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director.		
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 2022. (Same as for FY2021: 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 2022. (Same as for FY2021: 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: <ul style="list-style-type: none"> (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 <ul style="list-style-type: none"> (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
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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, Chapter 50 of Singapore (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
13 September 2021

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) and 3(b) are to re-elect Mr Loh Boon Chye and Mr Subra Suresh who will be retiring by rotation under Article 97 of the Constitution of the Company.

Ordinary Resolution 4 is to re-elect Mr Yeoh Oon Jin who will cease to hold office under Article 103 of the Constitution of the Company.

Mr Loh Boon Chye will, upon re-election, continue to serve as the Chief Executive Officer. Mr Subra Suresh will, upon re-election, continue to serve as a member of the Nominating & Governance Committee. Mr Yeoh Oon Jin will, upon re-election, continue to serve as the Chairman of the Audit Committee and a member of the Risk Management Committee.

Mr Loh is considered an executive non-independent Director. Mr Suresh and Mr Yeoh are each considered an independent Director. 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" in the Company's Annual Report 2021.

Ms Jane Diplock AO and Mr Ng Wai King are also retiring from office by rotation but have decided not to offer themselves 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 2022 ("FY2022") (which is the same as that approved for the preceding financial year ended 30 June 2021).

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 2021.

Approximately three-quarters of the Chairman's fee of S\$930,000 for FY2022 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 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 Twenty-Second 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 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 off the Board before the end of the moratorium period).

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 2022 ("FY2022") (which is the same as that approved for the preceding financial year ended 30 June 2021 ("FY2021")). The fee structure for the non-executive Directors (including the Chairman) for FY2022 remains unchanged from the fee structure for FY2021, save for the introduction of a fee of S\$40,000 per annum for serving as Lead Independent Director. Dr Beh Swan Gin will be appointed as Lead Independent Director with effect from 20 September 2021, following the determination that the Chairman, Mr Kwa Chong Seng, will be considered non-independent with effect from 20 September 2021 solely on account of his having completed nine consecutive years of service on the Board. For more information, please see the announcement released by the Company on 1 July 2021 titled "Independence Status of Directors and New Composition of the Board and its Board Committees", which is available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

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 FY2022 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-Second 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 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 non-executive Director steps off the Board before the end of the moratorium period).

The following persons will receive all of their directors' fees for FY2022 in cash (calculated on a pro-rated basis): (i) Ms Jane Diplock AO and Mr Ng Wai King, who are both retiring from office by rotation at the Twenty-Second Annual General Meeting but have decided not to offer themselves for re-election, (ii) Mr Yeoh Oon Jin, who was appointed to the Board on 1 July 2021 and will not have served for at least 12 months prior to the date of grant of the share awards, (iii) any other non-executive Director who is appointed as an additional Director during the course of FY2022 in accordance with Article 103 of the Constitution of the Company, and (iv) any non-executive Director who steps down before the date of grant of the share awards. The directors' fees for FY2022 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 FY2021 is disclosed in full in the Company's Annual Report 2021.

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 titled "Adoption of Scrip Dividend Scheme", 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 17 August 2021, the Company had 2,752,687 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.

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.

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Based on the existing issued Shares (excluding treasury shares) as at 17 August 2021 (the "Latest Practicable Date"), and assuming that on or prior to the 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 106,888,971 Shares.

In the case of both market purchases and off-market purchases by the Company, assuming that the Maximum Price is S\$11.46 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\$430,413,000 and S\$229,012,000 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 19,983,595 Shares representing 1.87 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\$11.46 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\$690,416,000 and S\$229,012,000 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 19,983,595 Shares representing 1.87 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 2021 based on the assumptions set out above are set out in paragraph 2.7 of the Letter to Shareholders dated 13 September 2021.

NOTES

- (1) The Twenty-Second Annual General Meeting is being convened, and will be held, by way of electronic means 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. This Notice will accordingly be sent to members by electronic means via publication on 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>. For convenience, printed copies of this Notice will also be sent by post to members (other than those who have signed up 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).
- (2) Alternative arrangements relating to attendance at the Twenty-Second Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of, or live at, the Twenty-Second Annual General Meeting, addressing of substantial and relevant questions in advance of, or live at, the Twenty-Second Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Twenty-Second Annual General Meeting, are set out in the accompanying Company's announcement dated 13 September 2021. 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://www.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).
- (3) **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Twenty-Second Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Twenty-Second Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Twenty-Second Annual General Meeting.** The accompanying proxy form for the Twenty-Second Annual General Meeting 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://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the proxy form 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) Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

- (5) CPFIS/SRS investors who hold SGX shares through CPF Agent Banks/SRS Operators and who wish to request their CPF Agent Banks/SRS Operators to appoint the Chairman of the Meeting as their proxy in respect of the SGX shares held by such CPF Agent Banks/SRS Operators on their behalf should approach their CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 27 September 2021.
- (6) The Chairman of the Meeting, as proxy, need not be a member of the Company.
- (7) The instrument appointing the Chairman of the Meeting as proxy 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 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623;
 - (b) if submitted electronically via email, be submitted to the Company's Share Registrar at sgxagm2021@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 Annual General Meeting.

A member who has not signed up for the Electronic Service and who wishes to submit an instrument of proxy 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 or SGXNet, 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.

Due to the current COVID-19 situation in Singapore, members who have not signed up for the Electronic Service are strongly encouraged to submit completed proxy forms electronically via email.

- (8) The Company's Annual Report 2021 and the Letter to Shareholders dated 13 September 2021 (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 2021 may be accessed at the URL <https://investorrelations.sgx.com/financial-information/annual-reports>; and
 - (b) the Letter to Shareholders dated 13 September 2021 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>.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company 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 the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 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.

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-Second Annual General Meeting, the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on Friday, 15 October 2021 up to (and including) Monday, 18 October 2021 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 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on Friday, 15 October 2021 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, 15 October 2021 will be entitled to the proposed Final Dividend. Payment of the Final Dividend, if approved by shareholders at the Twenty-Second Annual General Meeting, will be made on Friday, 22 October 2021.

Supplemental Information on Directors Seeking Election and Re-election at the 2021 AGM

Name of Director	Mr Loh Boon Chye	Mr Subra Suresh	Mr Yeoh Oon Jin
Date of Appointment	20 July 2015	20 September 2018	01 July 2021
Date of last re-appointment (if applicable)	20 September 2018	Not applicable	Not applicable
Age	57	65	60
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered the Nominating & Governance Committee's recommendation and assessments of Mr Loh's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills, and experience to the Board.	The Board has considered the Nominating & Governance Committee's recommendation and assessments of Mr Suresh's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills, and experience to the Board.	The Board has considered the Nominating & Governance Committee's recommendation and assessments of Mr Yeoh's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills, and experience to the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive, Non-Independent	Non-Executive, Independent	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Nil	<ul style="list-style-type: none"> ▪ Member of the Nominating & Governance Committee 	<ul style="list-style-type: none"> ▪ Chairperson ▪ Member
Professional qualifications	<ul style="list-style-type: none"> ▪ Bachelor of Engineering (Mechanical), National University of Singapore 	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ B Com Accounting (First Class Honours), University of Birmingham, England
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> ▪ Bank of America Merrill Lynch Limited <ul style="list-style-type: none"> – From 2012 to 2015 ▪ Deutsche Bank <ul style="list-style-type: none"> – From 1995 to 2012 	<ul style="list-style-type: none"> ▪ Nanyang Technological University, Singapore <ul style="list-style-type: none"> – From 2018 to present ▪ Carnegie Mellon University, Pittsburgh, USA <ul style="list-style-type: none"> – From 2013 to 2017 ▪ National Science Foundation, Arlington, VA, USA <ul style="list-style-type: none"> – From 2010 to 2013 ▪ M.I.T., Cambridge, MA, USA <ul style="list-style-type: none"> – From 1993 to 2013 	<ul style="list-style-type: none"> ▪ PricewaterhouseCoopers LLP <ul style="list-style-type: none"> – From 1986 to 2021
Shareholding interest in the listed issuer and its subsidiaries	458,265 of SGX shares	4,306 of SGX shares	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
Conflict of interest (including any competing business)	Nil	Nil	Nil

Name of Director	Mr Loh Boon Chye	Mr Subra Suresh	Mr Yeoh Oon Jin	Performance Overview
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	
Past (for the last 5 years)	<ul style="list-style-type: none"> ▪ BidFX Systems Limited (in UK) 	<ul style="list-style-type: none"> ▪ Battelle Memorial Institute, Columbus, OH, USA ▪ The Dietrich Foundation, Pittsburgh, PA, USA 	<ul style="list-style-type: none"> ▪ CPA Australia, Singapore Division ▪ Jurong Town Corporation ▪ 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 	<p>Value Creation & Sustainability</p> <p>Governance</p> <p>Financials</p> <p>Others</p>

Supplemental Information on Directors Seeking Election and Re-election at the 2021 AGM

Name of Director	Mr Loh Boon Chye	Mr Subra Suresh	Mr Yeoh Oon Jin
Present	<p>Listed Company Nil</p> <p>Others (Non-listed company)</p> <ul style="list-style-type: none"> ▪ BC Capital Ltd ▪ BC Capital Properties, LLC ▪ BC Capital Properties Holdings LLC ▪ GIC Private Limited ▪ Gym & Sports Pte. Ltd. (Chairman) ▪ SBF Holdings Pte. Ltd. ▪ 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 <p>Major Appointment (other than Directorship)</p> <ul style="list-style-type: none"> ▪ Council of Board Diversity (Co-Chairman) ▪ Economic Development Board (Board Member) ▪ Economic Development Board Finance Committee (Chairman) ▪ 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) ▪ Singapore Business Federation Council (Member & Honorary Secretary) ▪ Singapore Business Federation Appointments and Remuneration Committee (Member) ▪ Singapore Business Federation Nominations Committee (Member) ▪ The Institute of Banking and Finance (Council Member) ▪ World Federation of Exchanges (Board Member) 	<p>Listed Company Nil</p> <p>Others (Non-listed Company)</p> <ul style="list-style-type: none"> ▪ ANaILYTICA, DE/CA, USA ▪ HP Inc., Palo Alto, CA, USA ▪ MatchMove Pay Pte Ltd <p>Major Appointment (other than Directorship)</p> <ul style="list-style-type: none"> ▪ 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) ▪ Health and Biomedical Sciences Executive Committee (Member) ▪ Nanyang Technological University, Singapore (President and Member of the Board) ▪ National Research Foundation (Member) ▪ NEOM, Saudi Arabia (Member, International Board) ▪ Reliance Industries Ltd. (Mumbai) (Senior Advisor to the Chairman for Reliance Industries Ltd. and Jio Institute) ▪ Temasek International Pte Ltd. (Senior Advisor) 	<p>Listed Company</p> <ul style="list-style-type: none"> ▪ Singapore Airlines Limited ▪ Singapore Press Holdings Limited <p>Others (Non-listed Company)</p> <ul style="list-style-type: none"> ▪ Singapore Land Authority (Chairman) <p>Major Appointment (other than Directorship)</p> <ul style="list-style-type: none"> ▪ Kidney Dialysis Foundation Limited (Board Member) ▪ Lien Foundation (Independent Governor) ▪ Monetary Authority of Singapore (Corporate Governance Advisory Committee Member) ▪ Singapore Business Federation (Vice Chairman)
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	<p>There is no change to the responses previously disclosed by Mr Loh 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 Loh's appointment as Director was announced on 08 June 2015.</p>	<p>There is no change to the responses previously disclosed by Mr Suresh 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 Suresh's appointment as Director was announced on 24 August 2018.</p>	<p>There is no change to the responses previously disclosed by Mr Yeoh 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 Yeoh's appointment as Director was announced 1 July 2021.</p>



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