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NEWS RELEASE

Singapore Exchange Announces 1st Quarter Results

Singapore Exchange Limited (SGX) today announced its first quarter financial results (1 July to 30 September 2001) for its second fiscal year (ending 30 June 2002) since its listing in November 2000.

SGX recorded total operating revenue of S\$48.6 million and total operating expenses of S\$37 million for the first quarter ended 30 September 2001. Net profit after tax and minority interests was S\$14.5 million. SGX's securities market generated S\$31.7 million of operating revenue, while the derivatives market generated S\$14.2 million of operating revenue.

SGX CEO, Mr Thomas Kloet said "In what was a difficult operating environment for securities markets globally, SGX has produced a creditable first quarter performance on the back of both the securities and derivatives business. We saw a greater demand for our risk management products and services in this uncertain market environment. We will continue to enhance shareholder value by vigorously pursuing our strategic road map, focusing our energies on our core businesses and actively seeking new opportunities."

"At the same time, SGX is conscious of the importance of keeping a tight grip on operating costs and we will continue to exercise discipline in the execution of our capacity building efforts for long-term growth."

Highlights of First Quarter Results – 1 July to 30 September 2001

S\$m	1Q FY2002	1Q FY2001
Operating revenue	48.6	54.3
Operating expenses	(37.0)	(33.8)
Operating profit	11.6	20.5
Non-operating revenue	7.8	0.9
Exceptional items	-	(15.7)
Profit before tax and minority interests	19.4	5.7
Tax	(5.4)	(6.3)
Minority interests	0.5	-
Net profit/(loss) after tax attributable to shareholders	14.5	(0.6)

(For complete unaudited First Quarter financial statement, please refer to MASNET Filing).

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Notes

Projects Delivered

In the past year, SGX has successfully implemented a number of key initiatives to extend our global distribution as well as expand our range of products. These include:

Securities Market

1. SGXAccess

On 29 March 2001, we launched SGXAccess, an open interface for securities trading which provides for wider and more direct distribution of products. SGXAccess uses a widely accepted international protocol (FIX 4.2) and allows brokers to differentiate their products to clients.

To date, 13 member companies have signed Memoranda of Intent to adopt SGXAccess. Two members have already adopted SGXAccess, and one of them is using it as its primary means of accessing our marketplace. We will continue to promote and market SGXAccess to other member companies, on-line brokers and potential overseas brokers and traders. In addition, we will market SGXAccess to independent software vendors to create software solutions for member companies.

2. Exchange Traded Funds (ETFs)

On 1 December 2000, SGX signed a Joint Venture Agreement with the American Stock Exchange to develop an ETFs market in Singapore and to promote ETFs regionally. Trading of 5 ETFs commenced on 4 May 2001.

We are working closely with State Street Global Advisors (SSgA) on the development and marketing of an ETF based on Straits Times Index (STI). SsgA has applied for the listing of STI Tracker on SGX-ST. We expect to list the local STI ETF early next year.

3. Customer Relationship Management System – CDP Internet Access

Launched on 28 September 2001, CDP Internet Access provides securities account holders with secure online access to information regarding their shareholdings and portfolio value. Towards the end of 2001, CDP will also launch an automated information system to respond to phone access to information on CDP services, corporate actions and personal shareholdings.

Derivatives Market

1. Singapore Government Bond Futures

The underlying Singapore Government Securities Market has experienced good growth in the past year and this bodes well for the newly launched Singapore Government Bond Futures Contract. The product complements our Singapore Dollar Interest Rate Futures Contract to enable SGX-DT to offer risk management instruments on Singapore interest rates over a longer yield curve up to 6 to 7 years out. Launched in June 2001, the Singapore Government Bond Futures Contract has been well received and used by primary and secondary dealers in Singapore Government Securities and other financial institutions.

2. Single Stock Futures

Launched on 26 October 2001, the Single Stock Futures (SSFs) will initially be based on major stocks listed on SGX-ST. They can be traded electronically on ETS terminals and SESOPS terminals. SSFs based on major stocks listed in the key regional, European and US stock markets will be listed at a later stage. These instruments will widen SGX's product range, increase arbitrage opportunities and market liquidity.

The introduction of SSFs represents a true synergy of our securities and derivatives markets, and we expect to see increased inter-market trading and hedging activities involving the two markets.

We have been conducting extensive marketing and education programmes on this new product and have received excellent attendance and responses at our SSFs seminars.

3. Global Access to SGX-DT Electronic Trading System (ETS)

SGX has been actively working with independent software vendors (ISVs) and its Corporate Members to develop direct interfaces to the ETS. SGX-DT products on ETS can then be accessed directly through such ISVs / proprietary front-ends globally through internet and other leased or private network lines. Several ISVs and Member firms are already successfully connected to the ETS from several major overseas markets.

4. Derivatives Trading via Bloomberg Terminals

On 23 April 2001, SGX and Bloomberg L.P. announced that derivatives contracts on the SGX ETS are accessible via Bloomberg terminals. This partnership allows SGX to leverage on Bloomberg's extensive and global distribution network to provide our members and their customers a convenient and low cost access to SGX-DT's contracts, thereby adding liquidity to our market. This initiative, together with the recent opening of internet access to ETS, is a significant step in SGX's efforts to extend the global reach of our derivatives products.

SGX derivatives contracts which can be traded via Bloomberg terminals include Euroyen Futures, Japanese Government Bond Futures, Nikkei 225 Futures, Nikkei 300 Futures, MSCI Taiwan Index Futures, MSCI Singapore Index Futures, Straits Times Index

Futures, S&P CNX NIFTY Index Futures and the recently launched 5-year Singapore Government Bond futures.

5. Palm/Pocket PC Access to Derivatives Trading

The electronically traded derivatives contracts have been accessible globally from palm/pocket PCs since 26 October 2001. The contracts which can be traded via palm/pocket PCs include Euroyen Futures, Japanese Government Bond Futures, Nikkei 225 Futures, Nikkei 300 Futures, MSCI Taiwan Index Futures, MSCI Singapore Index Futures, Straits Times Index Futures, S & P CNX NIFTY Index Futures, 5-year Singapore Government Bond Futures and the recently launched Single Stock Futures.

6. Singapore Dollar Interest Rate Futures

Singapore Dollar Interest Rate Futures (SD) will be available for trading via the ETS with effect from 23 November 2001. SGX members, traders and customers may therefore trade SD electronically through ETS terminals, or terminals provided by independent software vendors such as Bloomberg, GL Net, patsystem, EasyScreen, or through palm/pocket PCs.

7. Mutual Offset System (MOS 21)

Launched in September 2000, MOS 21 is a real time trade allocation system with the Chicago Mercantile Exchange Inc. that enables participants of the two exchanges to allocate trades to each other on a real time basis, giving market participants better risk management and operational efficiency.

8. Clearing Operations and Risk Evaluation (CORE) System

Launched in April 2001, CORE is a new clearing system developed in-house for monitoring intra-day risk by providing timely and accurate assessment of members' accumulated exposure. CORE employs a new settlement algorithm, thus reducing SGX-DC's dependence on settlement banks to confirm margin calls on clearing members. This clearing information is also provided to clearing members electronically to enable them to implement straight through processing for trade settlement.

We will be implementing the second phase of our CORE system to enable our members to manage their margin collateral lodged with DC electronically.

IT Solutions (SGX-ITS)

1. Securities Processing & Settlements Outsourcing Services – Megatrex Trading Pte Ltd

On 27 March 2001, SGX-ITS signed an agreement to form a joint venture company, Megatrex Trading Pte Ltd, with DBS Securities and OCBC Securities to provide securities processing and settlements outsourcing services.

This company aims to increase client brokers' operational efficiency and reduce transaction costs by providing technology (Application Service Provider or ASP) and

operational (Business Service Provider or BSP) outsourcing services for securities processing. These services will cover the provision of the whole value chain of securities processing – from order entry to order management, trade enrichment, settlement, and custody, and will be offered on a modular basis.

We will also be developing a system which includes multi-market, multi-product, multi-currency and real time analysis capabilities. The solution will ultimately enable straight through processing for the entire chain of securities processes by integrating the front-end with the back-end of a securities transaction.

We have presented the product offering and indicative pricing to brokers, and two interested parties have signed non-binding Letters of Intent.

In September 2001, SGX-ITS injected \$4.1 million into Megatrex Trading Pte Ltd and retained a 51% equity interest in it. The joint venture company is scheduled to have its official launch before the end of 2001.

SGX-ITS will continue to service its current customers on the on-line trading system, Vision Broker I, Vision Broker III and the Client Accounting System.

Ongoing Projects

There are a number of ongoing projects which SGX targets to launch in the second half of 2001 and beyond. These include:

Securities Market

1. Securities Borrowing and Lending

We have finalised the operating procedures for the establishment of SGX Securities Lending programme. For a start, we have begun to build the lending pool by inviting participation from investors who hold at least 50,000 shares of any eligible stock from an initial list of two hundred S\$-denominated stocks listed on SGX Mainboard. We expect to start the borrowing and lending activities by the end of 2001. This facility will improve investment and hedging opportunities for market participants, and pave the way for the development of an active equity options market.

2. Cross Border Linkage Infrastructure

In June 2000, we entered into an agreement with the Australian Stock Exchange (“ASX”) to design and establish an electronic co-trading and clearing system. This electronic linkage will allow brokers at each exchange to transmit orders through their existing trading terminals directly into the electronic trading system of the other exchange for execution. Information necessary for clearing and settlement will also be provided. We believe this facility will increase the liquidity of the securities covered by the link. The link may also serve as a model for regional cooperation. We anticipate having this linkage facility operationally ready by the end of 2001.

3. Strategic Alliance With Tokyo Stock Exchange

On 1 October 2001, SGX and Tokyo Stock Exchange (TSE) announced plans to pursue a strategic alliance with the aim of broadening distributing and enhancing the liquidity of products traded on both markets.

The two exchanges will explore initiatives relating to cross access arrangements for the co-trading and clearing of products listed on both exchanges, new product development, marketing, information technology development, and information sharing. The cross access arrangements will enhance members' access to each other's markets, and expand the range of financial instruments available to participants in both markets.

4. Review of Listing Manual and Securities Clearing Fee

SGX has embarked on a comprehensive review of our listing manual. SGX has published a proposed new listing manual for public comments and is evaluating the responses.

Recognising the importance of maximizing shareholders' value, we regularly review our fee structure to ensure our competitiveness in the global market. On 8 October 2001, SGX announced that it will raise the cap on the securities clearing fee to S\$200, commencing on 1 December 2001. Based on the current business environment, we expect this change to increase our operating revenue by two to seven per cent.

Currently we charge a single fee for clearing, settlement and custody services, and for acting as central counter-party to all securities transactions executed on the Exchange, subject to a fee cap of S\$100 per trade.

5. Real-time Market Data Feed

To add value for our customers and end users, we are developing a multi-level data feed dissemination system. We expect to finalize the pricing of the data feed in November 2001, and embark on a marketing programme on this new service thereafter.

6. Straight Through Processing

We are developing an open settlement infrastructure that will allow member firms to connect their own settlement and risk management systems to the CDP settlement system, and facilitate Straight Through Processing (STP) to improve market efficiency. STP, which automates trade processing from order entry to settlement and custody, will not only reduce operating and business costs, but also lower the risk for market participants in securities settlement, and facilitate cross border settlement.

We will develop common messaging standards for participants and determine the business and technical specifications by the end of 2001.

Singapore Exchange Limited (SGX)

Singapore Exchange Ltd (SGX) is Asia Pacific's first demutualised and integrated securities and derivatives exchange. It was inaugurated on 1 December 1999, following the merger of two established and well-respected financial institutions – the Stock Exchange of Singapore (SES) and the Singapore International Monetary Exchange (SIMEX). Leveraging on the combined strengths of the former entities, and through its innovative approach, broad range of products, strong international alliances and cutting-edge technology, SGX aims to establish itself as a leading integrated exchange and expand its presence in the global financial marketplace. On 23 November 2000, SGX became the first exchange in Asia Pacific to be listed via a public offer and a private placement. SGX is listed on its own Mainboard. For more information, visit us at www.sgx.com.