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SGX, FTSE Group and Yasaar Research Sign Shariah Index Series Agreement

Singapore/London, 05 January 2006 – Singapore Exchange (SGX) in partnership with FTSE Group (FTSE) and Yasaar Research today signed a Shariah Index Series agreement. This tripartite agreement allows for the development of a series of Shariah-compliant indices, under the FTSE-SGX Shariah Index Series.

Under the agreement, FTSE together with SGX and Yasaar Research will create a set of Shariah-compliance indices. The indices will be designed using internationally recognised standards, are free-float adjusted and based on the Industry Classification Benchmark (ICB). The new FTSE-SGX Shariah Index Series is comprised of stocks screened for Shariah-compliance using Yasaar Research's proprietary screening methodology which is backed by a panel of distinguished Shariah Scholars.

The first index of the Series, the FTSE-SGX Asia Shariah 100 Index, is expected to be launched in February 2006.

Mr Heng Swee Keat, Managing Director of the Monetary Authority of Singapore (MAS), said, "I congratulate Singapore Exchange, FTSE Group and Yasaar Research on this project to develop a series of Shariah-compliant indices. The availability of such a set of Shariah-compliant indices that can be used by SGX, would contribute to the development of new Islamic financial products in Singapore. This would add to the range of products available to global investors, including from the Middle East, who may be keen on Shariah-compliant investments in Asian markets."

Mr Donald Keith, Deputy Chief Executive of FTSE International said, "FTSE is pleased to extend its portfolio of products to include this exciting project with SGX and Yasaar Research. This demonstrates again FTSE's credentials as the leading international partner for index solutions."

Mr Majid Dawood, CEO of Yasaar LLC and President of Yasaar Research Inc. said, "This is an exceptional opportunity for Yasaar to partner with leading institutions in their respective fields to develop innovative world-class financial products for the global Shariah-compliant investor. The commitment of the Singapore authorities, the dedication and determination of the people at Singapore Exchange, FTSE and the Shariah Scholars has, in my experience, been incomparable. These efforts and initiatives will not only enhance the Islamic Banking and Finance field but also provide the platform for further products for investors worldwide."



Mr Hsieh Fu Hua, CEO of SGX, said, "This collaboration comes at a time when Singapore and the rest of the region are experiencing greater demand for Islamic investment opportunities. Offering Islamic indices on SGX is key to our development as an Asian Gateway."

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For more information, please contact:

FTSE Group

Sandra Steel
Tel: +44 207 866 1821
Email: media@ftse.com

Tim Nicholls
Tel: +852 2230 5801
Email: tim.nicholls@ftse.com

Singapore Exchange

Magdalyn Liew
Tel: +65 6236 8157
Email: magdalynliew@sgx.com

Mark Lee
Tel: +65 6236 8658
Email: leemark@sgx.com



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FTSE Group

FTSE Group is a world-leader in the creation and management of indexes. With offices in Beijing, London, Frankfurt, Hong Kong, Madrid, Paris, New York, San Francisco, and Tokyo, FTSE Group services clients in 77 countries worldwide. It calculates and manages the FTSE Global Equity Index Series, which includes world-recognized indexes ranging from the FTSE All-World Index, the FTSE4Good series and the FTSEurofirst Index series, as well as domestic indexes such as the prestigious FTSE 100. The company has collaborative arrangements with the Athens, AMEX, Cyprus, Euronext, Johannesburg London, Madrid, NASDAQ and Taiwan exchanges, as well as Nomura Securities, Hang Seng and Xinhua Finance of China. FTSE also has a collaborative agreement with Dow Jones Indexes to develop a single sector classification system for global investors.

FTSE indexes are used extensively by investors world-wide for investment analysis, performance measurement, asset allocation, portfolio hedging and for creating a wide range of index tracking funds. Independent committees of senior fund managers, derivatives experts, actuaries and other experienced practitioners review all changes to the indexes to ensure that they are made objectively and without bias. Real-time FTSE indexes are calculated on systems managed by Reuters. Prices and FX rates used are supplied by Reuters.

Yasaar Research Inc.

Yasaar Research is a subsidiary of Yasaar LLC and was specially created to develop the proprietary software stock screening capabilities and other Shariah based research opportunities such as the association with FTSE and SGX.

Yasaar LLC is a global Shariah (Islamic Law) consultancy offering financial institutional clients Shariah compliance services including, reviews of financial product structures and advice on amendments to achieve compliance where possible, the provision of support to integrate the amendments proposed to attain Shariah compliant financial product/transaction and the provision of a Shariah Supervisory Board/Panel.

Yasaar issues Fatwa/Fatawa (Shariah ruling) Certification of a financial product/transaction's Shariah compliance, Shariah audit/s and certification of compliance. Yasaar is also responsible for initiating Shariah-compliant concepts for investment products and developing innovative Shariah solutions. Yasaar was the recipient of the "Most Innovative Islamic Financial Product" for the Caravan 1 Limited Sukuk.

Yasaar's CEO, Mr. Majid Dawood, a financial sector professional with considerable experience gained at senior level in many organisations worldwide. The Shariah Scholars and Principals are; Sheikh Dr. M.A. Zaki Badawi based in London, Sheikh Yusuf T. DeLorenzo based near Washington D.C and Dr. Mohd Daud Bakar based in Kuala Lumpur. Dr. Hussein Hamed Hassan is based in Dubai, Sheikh Essam M Ishaq is based in Bahrain and Imam Muhammed Noorullah Shikder is based in London.



Yasaar's Shariah Principals are experts in *Fiqh al Maumalat* (Shariah law relating to Financial transactions) and have been established on the Shariah Supervisory Boards of a number of well known major financial institutions and have invaluable experience in advising on Shariah related issues in the international Islamic Banking and finance sector.

Yasaar's Scholars include

Sheikh Dr. M.A. Zaki Badawi

Advisor to ANZ Investment Bank, Morgan Stanley & Co. International, Royal Bank of Scotland Group, Bank of Ireland, Societe Generale among others. He is also the Principal of the Muslim College and Patron of the Institute of Business Ethics, Interfaith Foundation and Chairman of the Shariah Council of UK. Dr. Badawi is based in London.

Sheikh Dr. Hussein Hamed Hassan

A prominent Azarhite Shariah Scholar as well as a lawyer who has been at the forefront as advisor and developer of innovative products in the Islamic Finance market. He is an authority on conversion of conventional banks to Islamic ones and has the most experience in this particular aspect. Dr. Hassan is on the Shariah Boards of many institutions and also advisor to governments on Islamic banking and finance related matters.

Sheikh Yusuf T. DeLorenzo

Advisor to Dow Jones Islamic Indexes, Morgan Stanley & Co. International, Shariah Funds Inc., Royal Bank of Scotland Group, Bank of Ireland, Societe Generale, Shariah Equal Opportunity Fund among others. A teacher and translator of relevant works from Arabic and Farsi as well as Urdu. Author of the Compendium of Islamic Legal Opinions. A very popular presenter at International forums and conferences on the subject of Islamic finance and banking. Sheikh Yusuf is based near Washington D.C.

Dr. Mohd Daud Bakar

Advisor to Dow Jones Islamic Indexes, Bank Negara (Malaysian Central Bank), Regulatory Authorities, Royal Bank of Scotland Group, Bank of Ireland, Societe Generale, Shariah Equal Opportunity Fund among others. Having written many articles on the subject of Islamic finance, he is much in demand at international forums and conferences. Dr. Bakar received his Doctorate from St. Andrews University, Edinburgh and is now based in Kuala Lumpur.

Sheikh Essam Ishaq

Sheikh Essam is one of the newer Scholars in Yasaar's endeavour to create continuity and enable these Scholars to benefit from the experience of the senior Scholars. Sheikh Essam is advisor to Meezan Bank in Pakistan and is on the Board of AAOIFI as well as First Islamic Investment Bank. He is also very active in educational projects such as Discover Islam. He is a graduate of from McGill University in Canada and now resides in Bahrain.



Imam Muhammed Noorullah Shikder

Another of our newer Scholars, Muhammed Noorullah is preparing for his Masters in Law from London University and is also a qualified Barrister from Lincoln's Inn in London. He is a very active educationalist as well as being on the Shariah Boards of Lloyds TSB and ABC Bank's ABC Islamic Asset Management division. He is trained as a banker as well and now resides in Dubai, U.A.E.

Monetary Authority of Singapore

The Monetary Authority of Singapore (MAS) was formed in 1971 to promote sustained non-inflationary economic growth, as well as to regulate all elements of monetary, banking and financial aspects in Singapore. MAS adopts international standards and best practices when regulating and supervising Singapore's banks, insurers, capital market intermediaries, financial advisors, and the stock exchange. Through effective monetary policies, MAS upholds Singapore's strong macroeconomic fundamentals, ample foreign reserves and issues government securities. By working in close partnership with the industry, MAS also strives to promote Singapore as an international financial centre.

For more information on MAS, please visit MAS website: www.mas.gov.sg

Singapore Exchange Limited

Singapore Exchange Limited (SGX) is Asia-Pacific's first demutualised and integrated securities and derivatives exchange.

SGX 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).

On 23 November 2000, SGX became the first exchange in Asia-Pacific to be listed via a public offer and a private placement. Listed on its own bourse, the SGX stock is a component of benchmark indices such as the MSCI Singapore Free Index and the Straits Times Index.

For more information, please visit SGX website: www.sgx.com