

MF GLOBAL SINGAPORE PTE. LIMITED
Company Registration No. 198403253G
(Provisional Liquidators Appointed)
c/o 16 Raffles Quay #22-00
Singapore 048581

FOR IMMEDIATE RELEASE

2 November 2011

Background

With effect from 1 November 2011, Messrs Bob Yap Cheng Ghee, Peter Chay Fook Yuen and Roger Tay Puay Cheng from KPMG have been appointed as provisional liquidators of MF Global Singapore Pte. Limited (the “**Company**”) to oversee the winding down of the Company’s operations.

Provisional Liquidation

Provisional liquidation is the process of winding down the business and affairs of the Company. The business, affairs and property of the Company is now managed by the provisional liquidators as agents of the Company without personal liability.

The provisional liquidation is intended to safeguard the interests of the customers of the Company and ensure that the Company does not engage in any new trades.

Under provisional liquidation, all general unsecured creditors of the Company will be treated equally.

The provisional liquidation of the Company does not however take away from the proprietary rights of its customers, particularly in respect of monies and assets held on trust on a segregated basis, in Singapore and elsewhere. In this regard, the provisional liquidators will endeavour to call in assets of the customers wherever situated.

Safeguard of Customers’ Proprietary Monies and Assets

Under the Singapore Securities and Futures Act and its related regulations, the Company, as a holder of a Capital Market Services license, is under an obligation to segregate the monies and assets of its customers from its own monies and assets.

The monies and assets the Company’s customers placed with the Company are required to be held on a segregated basis and dealt with in accordance with the Securities and Futures Act and its related regulations. These monies and assets do not belong to the Company and cannot be used by the Company except in accordance with the Securities and Futures Act and its related regulations. Customers’ monies and assets held by the Company on trust in Singapore cannot be co-mingled with the Company’s own monies and assets to the prejudice of the customers. The position in this regard in relation to customers’ monies and assets in foreign

countries may vary depending on the laws of those countries, for example Australia, the United States of America and the United Kingdom.

Current Trading Status

The Company is still currently acting on customers' instructions to close out positions on the SGX. It is able to do so as long as it is a member.

The Company is also doing everything it possibly can to act on customers' instructions to close out transactions on other platforms, as far as possible.

Customer Positions

As regards Exchange traded contracts, the Company is working towards closing or transferring all open positions. Where this is not possible, the Company will review available options to deal with them appropriately.

The Company's ability to ensure compliance of customers' instructions to close out open positions principally on overseas Exchanges has been hampered by the status of its correspondent brokers, due to the denial or suspension of their access to such Exchanges.

As regards leveraged foreign exchange transactions, the Company had entered into mirror hedging transactions with its liquidity provider. The Company's liquidity provider has exercised its right pursuant to the insolvency of the Company's US parent to close out all hedging transactions as of 1st November 2011. The liquidity provider and the Company are following through to calculate the relevant close out settlement amounts as a result of the close outs. This may take some time. The Company correspondingly has no choice but to implement a mirror closing out of its customers' leveraged foreign exchange transactions. The Company will let its customers know the final position with respect to their leveraged foreign exchange transactions as soon as practicable.

As regards Contracts for Differences ("**CFDs**"), the Company's counterparty is MF Global Australia Limited ("**MFGA**"), which went into administration on 1 November 2011. The Company understands from the Press Statement dated 1 November 2011 issued by the Insolvency Administrator of MFGA that it was issued a default notice by its own hedge provider and advised that all its positions with its own hedge provider has been closed out. MFGA is in turn "left with no choice" but to close out all its open CFD positions (which should include the Company's customers' CFDs). A copy of that press release can be found at <http://www.deloitte.com/au/mfglobal>. As a consequence, a very substantial bulk of the Company's CFD positions have been closed out. The Company is in the process of determining and dealing with the very limited open positions for index and commodity CFDs.

The Company is also taking steps to confirm the closing out of the aforesaid CFDs and to calculate the relevant close out settlement amounts as a result of the close outs. The Company will let its customers know the final position with respect to their CFDs as soon as practicable.

The Company also wishes to highlight that to the extent that monies and assets are held with offshore MF Global Group entities or at offshore exchanges or clearing facilities, the return of such monies will be subject to relevant arrangements in and law of those countries. Customers with overseas positions should be aware of these constraints; and once more information is available, the Company can possibly provide updates and/or alternatives for its customers.

The Company's provisional liquidators, together with officers of the Company, are now in the process of reviewing all of the Company's information and records available with a view to ensure that customer positions, monies and assets are identified to their respective locations and transactions, and then reconciled. The Company will inform customers in due course of the amounts payable or receivable by them. It may take time to ascertain the above matters and to process any return of available proprietary monies and assets to the Company's customers.

The Company has since established the following in service to its customers:-

- (a) an investor hotline for enquiries: +65 6866 6796; and
- (b) answers to a series of frequently asked questions which will be made available on its website at www.mfglobal.com.sg .

Messrs Bob Yap Cheng Ghee, Peter Chay Fook Yuen and Roger Tay Puay Cheng

For and on behalf of
MF Global Singapore Pte. Limited
(Provisional Liquidators Appointed)

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