

BURSA MALAYSIA DERIVATIVES BERHAD

Date : 1 March 2007

Trading Participant Circular : 8/2007

AMENDMENT TO THE BUSINESS RULES OF BURSA MALAYSIA DERIVATIVES BERHAD IN RELATION TO THE REVISION OF THE CONTRACT SPECIFICATIONS OF CRUDE PALM OIL FUTURES CONTRACT (“FCPO”)

We are pleased to inform you that Bursa Malaysia Derivatives Berhad (“Bursa Derivatives”) will be introducing revised Crude Palm Oil Futures (“FCPO”) contract specifications relating to the increase of position limits, changes to the price limits and the introduction of 6 additional contract months on Friday, 16 March 2007.

In consequence thereto, kindly be advised that pursuant to Section 6 of the Futures Industry Act 1993, the Business Rules of Bursa Malaysia Derivatives Berhad (“the Rules of Bursa Derivatives”) have been amended as set out in “ANNEXURE 1” appended herewith. In accordance with Rule 601.1 of the Rules of Bursa Derivatives, all trading participants shall give effect to the said Amendments which take effect from 16 March 2007.

Please also be informed that the said Amendments, revised FCPO contract specifications and FAQs relating to the revised FCPO contract specifications will be made available on Bursa Malaysia’s website at: <http://www.bursamalaysia.com>.

For further information or enquiries on the above, kindly contact the following persons at telephone no. 03-2034 7000:-

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“ANNEXURE 1”

AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD IN RELATION TO THE REVISION OF THE CONTRACT SPECIFICATIONS OF CRUDE PALM OIL FUTURES CONTRACT

Existing Provisions	Amended Provisions
<p>Rule 702B.2 Trading status of a Contract Group</p> <p>(a) Pursuant to Rule 702B.1, the Trading Status of a Contract Group shall be specified by the Exchange in any one of the following manner:</p> <p style="padding-left: 20px;">(i) Authorised When a Contract Group is specified as “authorised”, orders in relation to the Contract Group may be entered, modified, cancelled and matched.</p> <p style="padding-left: 20px;">(ii) Halted When a Contract Group is specified as “halted”, orders in relation to the Contract Group may be entered, modified and cancelled but shall not be matched.</p> <p style="padding-left: 20px;">(iii) Forbidden When a Contract Group is specified as “forbidden”, orders in relation to the Contract Group shall not be entered, modified, cancelled and matched.</p> <p>(b) The circumstances in which a Contract Group shall be specified with any one of the Trading Status stipulated in</p>	<p>Rule 702B.2 Trading status of a Contract Group</p> <p>(a) Pursuant to Rule 702B.1, the Trading Status of a Contract Group shall be specified by the Exchange in any one of the following manner:</p> <p style="padding-left: 20px;">(i) Authorised When a Contract Group is specified as “authorised”, orders in relation to the Contract Group may be entered, modified, cancelled and matched.</p> <p style="padding-left: 20px;">(ii) Interrupted When a Contract Group is specified as “interrupted”, orders in relation to the Contract Group may be entered, modified and cancelled but shall not be matched.</p> <p style="padding-left: 20px;">(iii) Forbidden When a Contract Group is specified as “forbidden”, orders in relation to the Contract Group shall not be entered, modified, cancelled and matched.</p> <p>(b) The circumstances in which a Contract Group shall be specified with any one of the Trading Status stipulated in</p>

Existing Provisions	Amended Provisions
<p>Rule 702B.2(a), are prescribed in the Trading Procedures.</p>	<p>Rule 702B.2(a), are prescribed in the Trading Procedures.</p>
<p>Rule 1302 Contract Months</p> <p>The contract months are the designated months when the Contract matures. The contract months shall be determined by the Exchange but shall not at any time exceed <i>eighteen (18)</i> months forward.</p> <p>Trading shall be conducted in and confined to months providing for delivery as may be determined by the Exchange from time to time.</p>	<p>Rule 1302 Contract Months</p> <p>The contract months are the designated months when the Contract matures. The contract months shall be determined by the Exchange but shall not at any time exceed sixty (60) months forward.</p> <p>Trading shall be conducted in and confined to months providing for delivery as may be determined by the Exchange from time to time.</p>
<p>SCHEDULE 3 POSITION LIMITS</p> <p>3.1.1.5 CPO Futures Contracts</p> <p>The maximum number of net long or net short positions which a Client or a Participant may hold or control is :</p> <p>(1) 500 contracts for spot month; (2) 3,000 contracts for any one delivery month except for spot month; and (3) 5,000 contracts for all months combined,</p> <p>or such other number as may be determined by the Commission pursuant to Section 55 of the Futures Industry Act 1993.</p>	<p>SCHEDULE 3 POSITION LIMITS</p> <p>3.1.1.5 CPO Futures Contracts</p> <p>The maximum number of net long or net short positions which a Client or a Participant may hold or control is :</p> <p>(4) 500 contracts for spot month; (5) 5,000 contracts for any one delivery month except for spot month; and (6) 8,000 contracts for all months combined,</p> <p>or such other number as may be determined by the Commission pursuant to Section 55 of the Futures Industry Act 1993.</p>

Existing Provisions	Amended Provisions
<p>SCHEDULE 13 CRUDE PALM OIL FUTURES CONTRACT</p> <p>PRICE LIMITS</p> <p>With the exception of trades in the current delivery month, trades for future delivery of Crude Palm Oil in any month shall not be made, during any one day, at prices varying more than RM100.00 per metric ton above or below the settlement prices of the preceding business day. When the settlement prices for the first three (3) quoted months (excluding the current month) at the closing for that day are at limit, then the following expanding limit schedule shall apply to all quoted months (excluding the current month).</p> <p><i>LIMIT AMOUNT</i></p> <p>First Day RM100</p> <p>Second Day RM150</p> <p>Third Day RM200</p> <p>Daily price limits will remain at RM200.00, when the preceding day's prices of all the three quoted months immediately following the current delivery month settle at limits of RM200.00</p> <p>Notwithstanding the above expanding limit schedule should the settlement prices for the first three quoted months (excluding the current month) on any day not be at the full extent of the specified limit amounts, then the limit on the</p>	<p>SCHEDULE 13 CRUDE PALM OIL FUTURES CONTRACT</p> <p>PRICE LIMITS</p> <p>With the exception of trades in the current delivery month, trades for future delivery of Crude Palm Oil in any month, shall not be made, during any one Business Day, at prices varying more than 10% above or below the settlement prices of the preceding Business Day (“the 10% Limit”) except as provided in this Rule.</p> <p>When the 10% Limit is triggered for any quoted month (except the current month), the Exchange shall announce a 10-minute cooling off period (“the Cooling Off Period”) for all Contracts of quoted months (except the current month) during which trading shall only take place within the 10% Limit. Following the Cooling Off Period, Contracts of all quoted months shall be specified as interrupted pursuant to Rule 702B.2(a)(ii) for a period of 5 minutes, after which the prices traded for all quoted months (except the current month) shall not vary more than 15% above or below the settlement prices of the preceding Business Day (“the 15% Limit”).</p> <p>If the 10% Limit is triggered less than 30 minutes before the end of the first trading session, the following shall apply:-</p> <p>(a) the quoted months shall not be specified as</p>

Existing Provisions	Amended Provisions
<p><i>following day shall revert to the basic limit amount of RM100.00.</i></p>	<p>interrupted;</p> <p>(b) the 10% Limit shall be applied to all quoted months (except the current month) for the rest of the first trading session; and</p> <p>(c) the 15% Limit shall be applied for all quoted months (except the current month) during the second trading session.</p> <p>If the 10% Limit is triggered less than 30 minutes before the end of the second trading session, the 10% Limit shall be applied to all quoted months (except the current month) for the rest of the Business Day.</p> <p>For the purposes of this Rule, the 10% Limit shall be considered triggered in the manner as may be prescribed by the Exchange.</p>
<p>SCHEDULE 13 CRUDE PALM OIL FUTURES CONTRACT</p> <p>CONTRACT MONTHS</p> <p>(a) The time covered by delivery periods shall be as determined <i>by the Palm Oil Sub-Committee</i> and approved by the Board but shall not at any time exceed <i>eighteen (18)</i> months forward.</p> <p>(b) Trading shall be conducted in and confined to months providing for delivery as per Appendix A and may be varied from time to time by the Exchange.</p>	<p>SCHEDULE 13 CRUDE PALM OIL FUTURES CONTRACT</p> <p>CONTRACT MONTHS</p> <p>(a) The time covered by delivery periods shall be as determined and approved by the Board but shall not at any time exceed sixty (60) months forward.</p> <p>(b) (No change)</p>