

ANNEXURE 1
AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD
IN RELATION TO CRUDE PALM KERNEL OIL FUTURES (“FPKO”) CONTRACT
AND OTHER AMENDMENTS

SCHEDULE 1
AGRICULTURE CONTRACTS

Item 1.03 (FPKO)	Contract Specifications for Crude Palm Kernel Oil Futures Contract
-----------------------------	---

CONTRACT	CRUDE PALM KERNEL OIL FUTURES CONTRACT
CONTRACT CODE	FPKO
UNDERLYING INSTRUMENT	Crude Palm Kernel Oil
CONTRACT UNIT	25 metric tons (25,000 kilogrammes)
MINIMUM PRICE FLUCTUATION	RM1.00 per metric ton
PRICE LIMITS	<p>1. With the exception of trades in the current delivery month, t Trades for future delivery of Crude Palm Kernel Oil in any month, must not be made, during any 1 Business Day, at prices varying more than RM100.00 per metric ton <u>10%</u> above or below the settlement prices of the preceding Business Day (“the RM100.00 10% Limit”) except as provided below:</p> <p>(a) When the settlement prices for the first 3 quoted months (excluding the current month) at the closing for that day are at the RM100.00 Limit, the price limit will be expanded in the following manner:</p> <p style="margin-left: 40px;">LIMIT AMOUNT</p> <p style="margin-left: 40px;">1st Day ————— RM100.00</p> <p style="margin-left: 40px;">2nd Day ————— RM150.00</p> <p style="margin-left: 40px;">3rd Day ————— RM200.00</p> <p>(b) Daily price limits will remain at RM200.00, when the preceding day's prices of all the 3 quoted months immediately following the current delivery month settle at limits of RM200.00.</p> <p>(c) Despite paragraph (a) above, if on any Business Day the settlement prices for the first 3 quoted months (excluding the current month) are not at the specified limits, the price limit on the following Business Day will revert to the basic limit amount of RM100.00.</p> <p>(a) When the 10% Limit is triggered, the Exchange will announce a 10-minute cooling off period (“the Cooling Off Period”) for Contracts of all contract months during which trading may only take place within the 10% Limit.</p>

ANNEXURE 1

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD
IN RELATION TO CRUDE PALM KERNEL OIL FUTURES (“FPKO”) CONTRACT
AND OTHER AMENDMENTS**

	<p><u>(b) Following the Cooling Off Period, Contracts of all contract months will be specified as reserved for a period of 5 minutes, after which the price limit will be expanded to 15%. The prices traded for Contracts of all contract months must then not vary more than 15% above or below the settlement prices of the preceding Business Day (“the 15% Limit”).</u></p> <p><u>(c) If the 10% Limit is triggered less than 30 minutes before the end of the first trading session, the 10% Limit will apply to Contracts of all contract months for the rest of the first trading session and the 15% Limit will apply to Contracts of all contract months during the second trading session.</u></p> <p><u>(d) If the 10% Limit is triggered less than 30 minutes before the end of the second trading session, the 10% Limit will apply to Contracts of all contract months for the rest of the Business Day.</u></p> <p><u>2. The requirements in paragraph 1 above are not applicable to trades in the current delivery month.</u></p> <p><u>3. For the purposes of paragraph 1 above, the 10% Limit will be considered triggered in the manner as may be prescribed by the Exchange.</u></p>
CONTRACT MONTHS	Spot and next 5 succeeding months, followed by alternate months i.e. odd months up to 12 months ahead. The contract months are as set out in Appendix A.
TRADING HOURS	First trading session: 1030 hours to 1230 hours (Malaysia time); and Second trading session: 4500 <u>1430</u> hours to 4805 <u>1800</u> hours (Malaysia time).
FINAL TRADING DAY	<ol style="list-style-type: none"> 15th day of the delivery month or, if the 15th day is a non Business Day, the Final Trading Day will be the last Business Day preceding the 15th day. Trading in the delivery month ceases at 4205<u>1200</u> hours (Malaysia time) on the Final Trading Day.
SETTLEMENT METHOD	Physical delivery.
FINAL SETTLEMENT DAY	<ol style="list-style-type: none"> Any Contracts remaining open after the cessation of trading for a delivery month will be settled by delivery which must be made by the 20th day of that month or, if the 20th day is a non Business Day, by the last Business Day preceding 20th day. The Tendering and delivery process must be done in accordance with the Clearing House Rules.
CONTRACT GRADE AND DELIVERY POINTS	<p>Contract Grade</p> <ol style="list-style-type: none"> The contract grade is for crude unbleached palm kernel oil of good merchantable quality, in bulk, in Port Tank Installations, conforming to the following specifications:

ANNEXURE 1

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD
IN RELATION TO CRUDE PALM KERNEL OIL FUTURES (“FPKO”) CONTRACT
AND OTHER AMENDMENTS**

	Specification	In	Out
	Free Fatty Acids content (as Lauric Acid of CPKO), % max	3.75 <u>3.50</u>	4
	Moisture and Impurities, % max	0.5	0.5
	Iodine Value Range	16.5 ≤ 18.75	16.5 ≤ 18.75
	Colour Range	<ul style="list-style-type: none"> ▪ 4 Red - 8 Red ▪ 60 Yellow max. 	<ul style="list-style-type: none"> ▪ 4 Red - 8 Red ▪ 60 Yellow max.
	<p>2. The specifications above must be satisfied by sample(s) drawn and analysed on delivery into Port Tank Installations and from Port Tank Installations in accordance with procedures governing sampling and analysis that the Exchange may prescribe.</p> <p>Delivery Points</p> <p>3. Port Tank Installation located, at the option of the seller, in Penang/Butterworth, Port Klang, Pasir Gudang and such other ports as the Exchange may specify.</p>		
DELIVERABLE UNIT	<p>1. 25 metric tons, plus or minus not more than 2%.</p> <p>2. Settlement of weight differences will be based on the simple average of the Daily Settlement Prices of the delivery month from:</p> <p>(a) the 1st Business Day of the delivery month to the day of Tender, if the Tender is made before the last trading day of the delivery month; or</p> <p>(b) the 1st Business Day of the delivery month to the Business Day immediately preceding the last day of trading, if the Tender is made on or after the last trading day.</p>		
APPRAISAL	<p>1. A seller who intends to have Crude Palm Kernel Oil appraised for possible delivery to the market must deliver the Crude Palm Kernel Oil to a Port Tank Installation.</p> <p>2. Upon request by the seller for Appraisal, the Port Tank Installation Owner must arrange for the Crude Palm Kernel Oil to be appraised in accordance with procedures as the Exchange may prescribe.</p> <p>3. The seller is responsible for all cost relating to the Appraisal.</p>		
NEGOTIABLE STORAGE RECEIPT	<p>1. Upon completion of Appraisal of the Crude Palm Kernel Oil, the Port Tank Installation Owner must issue a Negotiable Storage Receipt in the form approved by the Exchange, for all Crude Palm Kernel Oil, which is deliverable.</p> <p>2. The Negotiable Storage Receipt must state the following:</p> <p>(a) the name of the Port Tank Installation Owner;</p> <p>(b) the date of Appraisal; and</p>		

ANNEXURE 1

**AMENDMENTS TO THE RULES OF BURSA MALAYSIA DERIVATIVES BERHAD
IN RELATION TO CRUDE PALM KERNEL OIL FUTURES (“FPKO”) CONTRACT
AND OTHER AMENDMENTS**

	<p>(c) that the oil in question meets the needs of the Exchange’s specifications for delivery.</p> <p>3. A separate Negotiable Storage Receipt must be issued for each lot of 25 metric tons of Crude Palm Kernel Oil.</p>
VALIDITY OF CERTIFICATION OF QUALITY	The Certification of Quality expires at midnight on the last day of calendar month of Appraisal.
INFORMATION ON DELIVERED CRUDE PALM KERNEL OIL	The details of delivered Crude Palm Kernel Oil showing the number of Contracts and the locations where they are stored will be made available to the Participants in such manner as the Exchange considers appropriate.
CO-MINGLED STORAGE ALLOWED	Co-mingled storage of Crude Palm Kernel Oil is permitted at Port Tank Installations.
DISPUTE ON QUALITY	Where there is dispute as to the quality of the Crude Palm Kernel Oil, an analysis must be conducted by an independent qualified analyst and surveyor approved by the Exchange. The results of such analysis will be regarded as final.
CHARGES FOR STORAGE AND INSURANCE	All charges for storage and insurance must be paid in advance by the seller up to midnight of the 1 st Business Day of the calendar month following the month of the Appraisal.

[End of item 1.03 (FPKO) of Schedule 1]

[End of Amendments to BMD Rules]