

MEDIA RELEASE

BURSA MALAYSIA DERIVATIVES COMPLETES FIRST PHYSICAL DELIVERY OF EAST MALAYSIA CRUDE PALM OIL FUTURES IN SARAWAK

Kuala Lumpur, 14 June 2022 - Bursa Malaysia Derivatives Berhad (“Bursa Malaysia Derivatives” or “the Exchange”) has successfully completed the first physical delivery of its East Malaysia Crude Palm Oil Futures Contract (“FEPO”) in Sarawak last Friday, 10 June 2022.

The delivery saw a total of 10 contracts, representing 250 metric tonnes of Crude Palm Oil (“CPO”) transacted at one of the approved Port Tank Installations (“PTIs”) in Bintulu, Sarawak. The PTI is operated by Biport Bulkiers Sdn Bhd, a wholly owned subsidiary of Bintulu Port Holdings. Bintulu Port Holdings is a public listed company that manages and operates the vegetable oil bulking terminal that caters for the rapidly growing palm oil industry in Sarawak, Malaysia.

The Exchange is pleased that physical deliveries under the FEPO contract have successfully taken place in all three (3) PTIs in East Malaysia, namely Sandakan, Lahad Datu, and Bintulu.

“The FEPO, which was launched in October 2021, aims to provide an effective instrument for physical players and participants in the East Malaysia palm oil market to manage price risk, particularly in a highly volatile environment,” said Samuel Ho, Chief Executive Officer of Bursa Malaysia Derivatives. “I am delighted to see the first successful physical delivery in Sarawak, which demonstrates the industry’s recognition of FEPO as a platform for alternative price discovery in East Malaysia.”

The CPO Futures markets of Bursa Malaysia Derivatives has seen increased participation due to the recent price volatility in palm oil. On 6 May 2022, the FEPO contract reached a new daily trading volume high of 186 contracts, equivalent to 4,650 metric tonnes of CPO.

Dato Mohammad Medan Abdullah, Group Chief Executive Officer of Bintulu Port Holdings Berhad said that the first physical delivery marked a new milestone for Biport Bulkiers Sdn. Bhd. “As the biggest palm oil terminal in Sarawak, Biport Bulkiers handles more than 91% of the total palm oil export in Sarawak and 24% of the total Malaysian palm oil export. The expansion of services and facilities that we offer to all palm oil traders in East Malaysia will

contribute to the growth of Sarawak and Sabah’s market share as key palm oil producing and exporting states in Malaysia.”

“With Bintulu port’s world-class logistical infrastructure, Sarawak producers are now able to sell their crude palm oil on the Bursa Malaysia Derivatives platform, which is accessible electronically and globally. In the long run, we are hopeful that such development would allow Sarawak and Sabah to enjoy greater pricing transparency and autonomy. We look forward to a continuous collaboration with the Exchange to upskill our members and develop the next phase of the Sarawak palm oil trading ecosystem,” said Mr Eric Kiu Kwong Seng, Chairman of Sarawak Oil Palm Plantation Owners Association (SOPPOA).

Bursa Malaysia Derivatives is the first Exchange in the world to offer physically delivered commodity derivatives contracts with sustainable requirement mandated for delivery. All physical deliveries made under its Crude Palm Oil Futures (FCPO) and FEPO contracts must be sourced from Palm Oil Mills that meet the Oil Palm Management Certification (OPMC) under the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme’s requirements. These commitments are in line with the Exchange’s efforts to foster sustainable development through its product offerings and across the entire value chain.



Workers at the approved Port Tank Installation with signs commemorating the completion of Bursa Malaysia Derivatives' first FEPO Physical Delivery in Sarawak.



- End -

About Bursa Malaysia

Bursa Malaysia is an Exchange holding company incorporated in 1976 and listed in 2005 and has grown to be one of the largest bourses in ASEAN today. Bursa Malaysia operates and regulates a fully-integrated exchange offering a comprehensive range of exchange-related facilities, and is committed to *Creating Opportunities, Growing Value*. Learn more at www.bursamalaysia.com.

For media enquiries, please contact:

Ashraff Taharem

Group Strategic Communications

Bursa Malaysia

DID: +603 2034 7348

E-mail: ashrafft@bursamalaysia.com

Lailatul Fitriyah Matsaini

Group Strategic Communications

Bursa Malaysia

DID: +603 2034 7280

E-mail: lailatulfitriyah@bursamalaysia.com