

MEDIA RELEASE

BURSA MALAYSIA EXTENDS AGREEMENT TO HOST ITS DERIVATIVES PRODUCTS ON CME GLOBEX, AND PLANS TO ACQUIRE THE REMAINING 25% EQUITY INTEREST IN BURSA MALAYSIA DERIVATIVES

Kuala Lumpur, 18 September 2019 - Bursa Malaysia Berhad (“Bursa Malaysia” or the “Exchange”) today announced that it has extended its agreement with Chicago Mercantile Exchange Inc (“CME”) to host Bursa Malaysia Derivatives Berhad’s (“BMD”) products on CME Globex until September 2025 (with the option of successive renewal terms of 3 years thereafter). Bursa Malaysia will in turn acquire the 25% equity interest in BMD currently held by CME Group Strategic Investments LLC (“CMEGSI”) following the exercise of the Put Option as prescribed under an agreement entered into on 30 November 2009 (“Shareholders Agreement”). Both CME and CMEGSI are wholly-owned subsidiaries of CME Group Inc (collectively referred to as “CME Group”). Following the acquisition, BMD will become a wholly-owned subsidiary of Bursa Malaysia, which will enable the Exchange to streamline its assets and expand its offerings in the derivatives business.

CME Group and BMD will continue to maintain their strategic relationship which has been successful in expanding BMD’s crude palm oil futures (“FCPO”) contract internationally. Today, BMD operates the most liquid and successful FCPO contract in the world. The extension of the CME Globex services will continue to provide global visibility, accessibility and connectivity to BMD’s products listed on CME Globex. In addition, BMD also entered into a non-binding Strategic Cooperation Agreement (“SCA”) with CME, signifying CME’s commitment to the Malaysian derivatives market. Under the SCA, CME and BMD will establish a joint working group to explore opportunities to develop and market new products.

Bursa Malaysia’s Chief Executive Officer, Datuk Muhamad Umar Swift said, “We are happy that CME Group will continue to remain with us for the next stage of an exciting journey. We look forward to the opportunity to optimise this working relationship and to facilitate attainment of our goal to develop a robust derivatives exchange and realise the growth potential of the Malaysian derivatives market.”

“We are committed to working with BMD to expand derivatives markets throughout Malaysia and globally,” said Christopher Fix, Managing Director, Head of Asia Pacific, CME Group. “CME Group has moved away from holding equity stakes in other exchanges and instead has worked to develop strategic commercial agreements with these institutions to benefit our mutual clients. We look forward to continuing to work with Bursa Malaysia through our extended commercial agreement in order to expand the reach of these derivatives markets around the world.”

Bursa Malaysia’s acquisition of CME Group’s equity interest is expected to be completed by early December 2019. The valuation of the 25% equity interest is based on a pre-agreed formula as prescribed in the Shareholders Agreement. The acquisition from CME Group will be funded by the disposal of a portion of the quoted shares (outside Malaysia) owned by Bursa Malaysia.

Additionally, as CME Group is a major shareholder of BMD, the acquisition and the extension of the CME Globex services are deemed as related party transactions under Paragraph 10.08(9) of the Bursa Securities Main Market Listing Requirement which requires an announcement to be made. For further details of the transactions, please refer to the announcement made by Bursa Malaysia dated 18 September 2019.

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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.

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