



BURSA MALAYSIA SECURITIES CLEARING SDN BHD (109716-D)

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| Date: 19 March 2008 | No : SBL 4/2008 |
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AMENDMENTS TO THE BURSA SECURITIES BORROWING AND LENDING (BURSA SBL) TERMS AND CONDITIONS FOR BORROWER PERTAINING TO SHORT SELLING OF EXCHANGE TRADED FUND (ETF) UNITS AND ITS CONSTITUENT SECURITIES (“PERMITTED SHORT SELLING”)

In conjunction with the implementation of Permitted Short Selling (“PSS”), Bursa Malaysia Securities Clearing Sdn Bhd (“Bursa Clearing (S)”) is pleased to advise the operational aspects in relation to the Bursa SBL which are required to be prescribed by Bursa Clearing (S).

A. TERMS AND CONDITIONS FOR BORROWER

Kindly be advised that pursuant to Condition 23 of the Bursa SBL (Terms and Conditions for Borrower) (“the T&C for Borrower”), the T&C for Borrower have been amended as set out in **“ANNEXURE 1”** appended herewith (the T&C for Borrower Amendments) to include borrowing of ETF units or its constituent securities for settlement of PSS as an additional permitted purpose for Securities Borrowing and Lending.

The T&C for Borrower Amendments shall take effect on 1 April 2008.

B. LIST OF SBL ELIGIBLE SECURITIES FOR PSS

The list of SBL eligible securities for PSS shall be the listed ETFs on Bursa Malaysia and its constituent securities.

For further information or enquiries kindly contact the following persons at telephone number 03-2034 7000.

Andrew Tan Kah Loong (Ext 7745)
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Clearing and Settlement Operations

**ANNEXURE 1 – SBL 4/2008
AMENDMENTS TO THE BURSA SBL (TERMS AND CONDITIONS FOR BORROWER)
IN RELATION TO
PERMITTED SHORT SELLING OF ETF UNITS AND ITS CONSTITUENT SECURITIES**

| EXISTING PROVISIONS | | AMENDED PROVISIONS | |
|---------------------|----------------|--------------------|---|
| | New provisions | | <p>1. Definitions</p> <p>1.1 When used herein, unless the context otherwise requires:-</p> <p>“Constituent Securities” shall have the meaning as is assigned to that expression in the Rules of Bursa Securities;</p> <p>“ETF” means exchange traded fund as defined in the Securities Commission’s Guidelines on Exchange Traded Funds;</p> <p>“Participating Dealer” shall have the meaning as is assigned to that expression in the Securities Commission’s Guidelines on Exchange Traded Funds;</p> <p>“Permitted Short Selling” shall have the meaning as is assigned to that expression in the Rules of Bursa Securities;</p> |

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| EXISTING PROVISIONS | AMENDED PROVISIONS |
|--|--|
| <p>16 Borrower's Warranties</p> <p>The Borrower hereby warrants and undertakes to Bursa Clearing (S) on a continuing basis to the intent that such warranties shall survive the completion and/or termination of the transaction contemplated herein that, where acting as a Borrower:-</p> <p>(a) –(d) (no change)</p> <p>(e) it is borrowing the Loaned Securities for any one of the following purposes:-</p> <p style="padding-left: 40px;">(i) (no change)</p> <p style="padding-left: 40px;">(ii) (no change)</p> <p style="padding-left: 80px;">New provision</p> | <p>16 Borrower's Warranties</p> <p>The Borrower hereby warrants and undertakes to Bursa Clearing (S) on a continuing basis to the intent that such warranties shall survive the completion and/or termination of the transaction contemplated herein that, where acting as a Borrower:-</p> <p>(a) –(d) (no change)</p> <p>(e) it is borrowing the Loaned Securities for any one of the following purposes:-</p> <p style="padding-left: 40px;">(i) (no change)</p> <p style="padding-left: 40px;">(ii) (No change)</p> <p style="padding-left: 40px;">(iii) in relation to Eligible Securities that are ETF units or the Constituent Securities (hereinafter the ETF Units, the Constituent Securities or any one of the Constituent Securities shall be collectively referred to as "the ETF Related Securities"), to facilitate the settlement of a sale in the ETF Related Securities where the</p> |

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|---------------------|---|--------------------|---|
| | | | <p style="text-align: center;">following requirements are complied with:-</p> <p style="text-align: center;">(aa) the sale was executed by the Borrower in its capacity as a Participating Dealer for that particular ETF Related Securities; and</p> <p style="text-align: center;">(bb) the Borrower executed the sale as part of its Permitted Short Selling activities in accordance with the rules on Permitted Short Selling as contained in the Rules of Bursa Securities; or</p> <p style="text-align: center;">(iv) for such other purposes as may be determined by Bursa Clearing (S) pursuant to the Rules of Bursa Clearing (S).</p> <p>(f) – (h) (no change)</p> |
| | (iii) for such other purposes as may be determined by Bursa Clearing (S) pursuant to the Rules of Bursa Clearing (S). | | |

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