

ANNEXURE 1

RULES OF BURSA MALAYSIA SECURITIES CLEARING SDN BHD

**RULE AMENDMENTS TO EXPAND THE PURPOSES OF SECURITIES BORROWING UNDER THE SECURITIES BORROWING AND LENDING -
NEGOTIATED TRANSACTIONS FRAMEWORK**

RULE	EXISTING PROVISIONS	RULE	AMENDED PROVISIONS
<p align="center">Rule 8.5</p>	<p>PURPOSES OF SECURITIES BORROWING</p> <p>(a) An Approved SBLNT Borrower may borrow Eligible Securities only for any one of the following purposes subject to such requirements as may be prescribed by the Clearing House:</p> <p>(i) to facilitate the settlement of a regulated short sale in Eligible Securities executed in accordance with the Exchange Rules;</p> <p>(ii) in relation to Eligible Securities that are ETF units or the Constituent Securities (the ETF Units, the Constituent Securities or any one of the Constituent Securities shall hereinafter be collectively referred to as “the ETF Related Securities”), to facilitate the settlement of a sale in the ETF Related Securities where the following requirements are complied with:</p> <p>(aa) the sale was executed by the Approved SBLNT Borrower in its capacity as a Market Maker for that particular ETF Related Securities or executed by the Approved SBLNT Borrower for its client who is a Market</p>	<p align="center">Rule 8.5</p>	<p>PURPOSES OF SECURITIES BORROWING</p> <p>(a) An Approved SBLNT Borrower may borrow Eligible Securities only for any one of the following purposes subject to such requirements as may be prescribed by the Clearing House:</p> <p>(i) to facilitate the settlement of a regulated short sale in Eligible Securities executed in accordance with the Exchange Rules;</p> <p>(ii) <u>to facilitate the settlement of a sale of Eligible Securities where there are no Securities or insufficient Securities in the securities account of the seller as will enable the seller to meet its delivery obligations to the purchaser (in accordance with the Exchange Rules relating to delivery and settlement) (“potential failed trade”) as a result of a mistake howsoever made when executing the sale provided always that the mistake was made in good faith and discovered only after the sale has been executed.</u></p> <p><u>(iii)</u> in relation to Eligible Securities that are ETF units or the Constituent Securities (the ETF</p>

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	<p>Maker for that particular ETF Related Securities; and</p> <p>(bb) the Approved SBLNT Borrower executed the sale as part of its Permitted Short Selling activities or as part of the Permitted Short Selling activities of the Approved SBLNT Borrower's client in accordance with the rules on Permitted Short Selling as contained in the Exchange Rules;</p> <p>(iii) to onward lend the Loaned Securities provided that the participants in the onward lending transaction comply with these Rules and the Clearing House's requirements in relation to Bursa SBL Transaction or SBL Negotiated Transactions (as applicable), including being approved as a Lender or Lending Participant or an Approved SBLNT Lender (as applicable); or</p> <p>(iv) for such other purposes as may be determined by the Clearing House in consultation with the Commission.</p>		<p>Units, the Constituent Securities or any one of the Constituent Securities shall hereinafter be collectively referred to as "the ETF Related Securities"), to facilitate the settlement of a sale in the ETF Related Securities where the following requirements are complied with:</p> <p>(aa) the sale was executed by the Approved SBLNT Borrower in its capacity as a Market Maker for that particular ETF Related Securities or executed by the Approved SBLNT Borrower for its client who is a Market Maker for that particular ETF Related Securities; and</p> <p>(bb) the Approved SBLNT Borrower executed the sale as part of its Permitted Short Selling activities or as part of the Permitted Short Selling activities of the Approved SBLNT Borrower's client in accordance with the rules on Permitted Short Selling as contained in the Exchange Rules;</p> <p>(iii)(iv) to onward lend the Loaned Securities provided that the participants in the onward lending transaction comply with these Rules and the Clearing House's requirements in relation to Bursa SBL Transaction or SBL Negotiated Transactions (as applicable), including being approved as a Lender or Lending Participant or an Approved SBLNT Lender (as applicable); or</p>

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			<p>(iv) for such other purposes as may be determined by the Clearing House in consultation with the Commission.</p> <p><u>(b) Where the Loaned Securities are borrowed to facilitate the settlement of a potential failed trade as provided in Rule 8.5(a)(ii) above, the Approved SBLNT Borrower must return such Loaned Securities within the time prescribed by the Clearing House.</u></p>
	<p>(b) For the purpose of this sub-rule (a), unless the context otherwise requires –</p> <p>(i) “Constituent Securities” shall have the meaning as is assigned to that expression in the Exchange Rules;</p> <p>(ii) “ETF” means exchange traded fund as defined in the Commission’s Guidelines on Exchange Traded Funds;</p> <p>(iii) “Market Maker” shall have the meaning as is assigned to that expression in the Exchange Rules;</p> <p>(iv) “Permitted Short Selling” shall have the meaning as is assigned to that expression in the Exchange Rules; and</p> <p>(v) “regulated short sale” shall have the same meaning as is assigned to that expression in the Exchange Rules.</p>		<p>(b) For the purpose of this sub-rule (a), unless the context otherwise requires –</p> <p>(i) “Constituent Securities” shall have the meaning as is assigned to that expression in the Exchange Rules;</p> <p>(ii) “ETF” means exchange traded fund as defined in the Commission’s Guidelines on Exchange Traded Funds;</p> <p>(iii) “Market Maker” shall have the meaning as is assigned to that expression in the Exchange Rules;</p> <p>(iv) “Permitted Short Selling” shall have the meaning as is assigned to that expression in the Exchange Rules; and</p> <p>(v) “regulated short sale” shall have the same meaning as is assigned to that expression in the Exchange Rules.</p>

[End of Rule Amendments]