RULES OF BURSA MALAYSIA DERIVATIVES BHD
RULE AMENDMENTS IN RELATION TO 5-YEAR MGS FUTURES ("FMG5") CONTRACT

EXISTING PROVISIONS		AMENDED PROVISIONS	
Schedule 27 – Item 2703 **(Final Settlement Value)**	**FINAL SETTLEMENT VALUE** 1. The final settlement value will be calculated from the prices of MGS in the basket of eligible MGS that are reported in the Electronic Trading Platform ("ETP") of Bursa Malaysia Bonds Sdn Bhd on the Final Trading Day from 0900 hours to 1800 hours (Malaysia time). 2. Volume weighted average prices ("VWAP") of each MGS in the basket will be calculated and converted to yield in percentage, rounded to the nearest 4 decimal places. Transactions reported in the ETP with values of less than RM10 million will be excluded from the calculation of the VWAP. 3. The final yield is derived from the yield for each MGS in the basket after weighting the yield of all benchmark bonds by 60% or such other weighting as may be prescribed by the Exchange. The remaining weighting will be equally distributed over the yields of the other bonds. 4. The final settlement value will be calculated from the final yield in accordance with the following formula rounded to the nearest 2 decimal places: $\text{Price} = \{(C/Y)[1 - (1 + Y/2)^{-2N}] + (1 + Y/2)^{-2N}\} \times \text{RM100}$	**Schedule 27 – Item 2703** **(Final Settlement Value)**	**FINAL SETTLEMENT VALUE** 1. The final settlement value will be calculated from the prices of MGS in the basket of eligible MGS that are reported in the Electronic Trading Platform ("ETP") of Bursa Malaysia Bonds Sdn Bhd on the Final Trading Day from 0900 hours to 1800 hours (Malaysia time). 2. Volume weighted average prices ("VWAP") of each MGS in the basket will be calculated and converted to yield in percentage, rounded to the nearest 4 decimal places. Only ~~T~~transactions reported in the ETP with notional values of ~~less than~~ RM10 million and above per transaction ("Relevant Transactions") will be ~~excluded from~~included in the calculation of the VWAP. 3. The final yield is derived from the yield for each MGS in the basket after weighting the yield of all benchmark bonds by 60% or such other weighting as may be prescribed by the Exchange. The remaining weighting will be equally distributed over the yields of the other bonds. 4. The final settlement value will be calculated from the final yield in accordance with the following formula rounded to the nearest 2 decimal places: $\text{Price} = \{(C/Y)[1 - (1 + Y/2)^{-2N}] + (1 + Y/2)^{-2N}\} \times \text{RM100}$

EXISTING PROVISIONS	AMENDED PROVISIONS
where N is the number of years, = 5 C is the coupon, = 0.06 Y is the yield rounded to the nearest 4 decimal places. **5. Basket of eligible MGS** 5.1 Subject to paragraph 5.3 below, the basket of eligible MGS includes MGS with the following characteristics:	where N is the number of years, = 5 C is the coupon, = 0.06 Y is the yield rounded to the nearest 4 decimal places. **5. Basket of eligible MGS** 5.1 Subject to paragraph 5.~~3~~4 below, the basket of eligible MGS includes MGS with the following characteristics:

EXISTING PROVISIONS

	Bond Type	Minimum Issuance Size	Term to Maturity	Other requirements
(a)	**Benchmark bonds**	Not applicable	4 to 6 years on the first calendar day of the contract month	Not applicable
(b)	**Non-benchmark bonds**	RM5 billion	4 to 6 years on the first calendar day of the contract month	Private placements are excluded

AMENDED PROVISIONS

	Bond Type	Minimum Issuance Size	Term to Maturity	Other requirements
(a)	**Benchmark bonds**	Not applicable	4 to 6 years on the first calendar day of the contract month	Not applicable
(b)	**Non-benchmark bonds**	RM5 billion	4 to 6 years on the first calendar day of the contract month	(i) Private placements are excluded. (ii) A maximum of 2 bonds which meet the requirements in paragraph 5.2

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EXISTING PROVISIONS	AMENDED PROVISIONS
5.2 The eligible MGS and its weightage for a Contract will be announced on the 10th day of the quarterly month (i.e. March, June, September, December) immediately before the contract month of that Contract or the next Business Day immediately following the 10th day if the 10th day is not a Business Day. 5.3 No new MGS will be included after the announcement of eligible MGS for the spot quarterly month Contract. 6. On the Final Trading Day for a Contract, all Open Positions for the Contract are marked to the final settlement value determined by the Exchange.	below will be included in the basket of eligible MGS. 5.2 **Additional Requirements for Non-Benchmark Bonds** (1) In addition to the characteristics specified in paragraph 5.1(b) above, the non-benchmark bonds must meet the following requirements: (a) The bonds must have Relevant Transactions reported in the ETP within a period of 3 months prior to the date of announcement referred to in paragraph 5.3. The period of 3 months is calculated until the Business Day immediately before the date of such announcement. (b) A maximum of 2 non-benchmark bonds may be selected for inclusion in the basket of eligible MGS, using the following criteria applied in the following sequence: (i) Bonds with the highest aggregate number of Relevant Transactions; (ii) From the bonds with equal number of Relevant Transactions, the bond(s) with Relevant Transactions having the highest aggregate transacted notional value(s); (iii) From the bonds with Relevant Transactions having equal aggregate transacted notional values, the

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	bond(s) with a remaining maturity period that is closest to 5 years on the first calendar day of the contract month. (2) If a maximum of 2 non-benchmark bonds cannot be selected by applying the requirements in paragraph (1) above, the Exchange may, in its absolute discretion, make a decision on the selection including a decision to exclude non-benchmark bonds from the basket of eligible MGS. Any decision made by the Exchange pursuant to this paragraph is final and binding. 5.~~2~~3 The eligible MGS and its weightage for a Contract will be announced on the 10th day of the quarterly month (i.e. March, June, September, December) immediately before the contract month of that Contract or the next Business Day immediately following the 10th day if the 10th day is not a Business Day. 5.~~3~~4 No new MGS will be included after the announcement of eligible MGS for the spot quarterly month Contract. 6. On the Final Trading Day for a Contract, all Open Positions for the Contract are marked to the final settlement value determined by the Exchange.

[End of Rule Amendments]