

RULES OF BURSA MALAYSIA SECURITIES BERHAD (“RULES OF BURSA SECURITIES”)

AMENDMENTS IN RELATION TO INTRADAY SHORT SELLING (“IDSS”)

RULE	CURRENT PROVISION	RULE	AMENDED PROVISION
1.01 Definition	<p>Approved Securities In relation to Regulated Short Selling, any of the securities traded on the stock market of the Exchange that is declared by the Exchange under Rule 8.22 to be included in a class of securities to which Section 98(4)(c) of the Capital Markets and Services Act applies.</p>	1.01 Definition	<p>Approved Securities In relation to Regulated Short Selling <u>and Intraday Short Selling</u>, any of the securities traded on the stock market of the Exchange that is declared by the Exchange <u>as such</u> under Rule 8.22(5) to be included in a class of securities to which Section 98(4)(c) of the Capital Markets and Services Act applies.</p>
	New definition	1.01 Definition	<p><u>Intraday Short Selling</u> The short selling of Approved Securities carried out in accordance with Part D of Chapter 8.</p>
1.01 Definition	<p>Permitted Short Selling The short selling of units of an ETF or constituent securities pursuant to the Capital Markets Services (Non-Application of Subsection 98(1))(Exchange Traded Funds) Order 2009.</p>	1.01 Definition	<p>Permitted Short Selling The short selling of units of an ETF or constituent securities pursuant to the Capital Markets Services (Non-Application of Subsection 98(1))(Exchange Traded Funds) Order 2009 <u>carried out in accordance with Part D of Chapter 4.</u></p>
4.11	<p>General</p> <p>(1) A Market Maker may execute Permitted Short Selling for an ETF for which it is registered as a Market Maker, in</p>	4.11	<p>General</p> <p>(1) A Market Maker may execute Permitted Short Selling <u>short selling</u> for an ETF for which it is registered as a</p>

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	the manner set out in Part D of this Chapter 4 and the Capital Markets Services (Non-Application of Subsection 98(1))(Exchange Traded Funds) Order 2009.		Market Maker, in the manner set out in Part D of this Chapter 4 and the Capital Markets Services (Non-Application of Subsection 98(1))(Exchange Traded Funds) Order 2009.
7.31	<p>Discretionary Financing</p> <p>(1) Notwithstanding Part E of Chapter 9, a Participating Organisation may allow a buying Client to effect payment of its outstanding purchase position for an On-Market Transaction between T+4 and T+7 (“Discretionary Financing”) if:</p> <p>(a) a Participating Organisation has allowed the Client to open and operate a DF Account after evaluating the suitability of the Client to be provided the Discretionary Financing facility;</p> <p>(b) the Client is a Retail Client (with or without a Margin Account) and excludes a person stipulated under Rule 7.30(6);</p> <p>(c) the terms and conditions for the opening and operation of a DF Account are in writing and consented to by the Client; and</p> <p>(d) the Client has notified the Participating Organisation not later than T+3 that Discretionary Financing is required in relation to the particular On-Market Transaction and the Participating Organisation accepts the utilisation</p>	7.31	<p>Discretionary Financing</p> <p>(1) Notwithstanding Part E of Chapter 9, a Participating Organisation may allow a buying Client to effect payment of its outstanding purchase position for an On-Market Transaction between T+4 and T+7 (“Discretionary Financing”) if:</p> <p>(a) a Participating Organisation has allowed the Client to open and operate a DF Account after evaluating the suitability of the Client to be provided the Discretionary Financing facility;</p> <p>(b) the Client is a Retail Client (with or without a Margin Account) and excludes a person stipulated under Rule 7.30(6);</p> <p>(c) the terms and conditions for the opening and operation of a DF Account are in writing and consented to by the Client; and</p> <p>(d) the Client has notified the Participating Organisation not later than T+3 that Discretionary Financing is required in relation to the particular On-Market Transaction and the Participating</p>

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	of the Discretionary Financing for that transaction.		Organisation accepts the utilisation of the Discretionary Financing for that transaction.
8.14	<p>On-Market Married Transaction</p> <p>A Participating Organisation wishing to execute an On-Market Married Transaction must:</p> <p>(f) not execute the On-Market Married Transaction for Regulated Short Selling, Permitted Short Selling and Day Trading;</p> <p>(g) not execute the On-Market Married Transaction in Odd Lots; and</p> <p>(h) not amend or request for the cancellation of the On-Market Married Transaction unless as permitted under Rules 8.09 and 8.10.</p> <p><i>[Refer to Directive No. 8.14-001]</i></p>	8.14	<p>On-Market Married Transaction</p> <p>A Participating Organisation wishing to execute an On-Market Married Transaction must:</p> <p>(f) not execute the On-Market Married Transaction for Regulated Short Selling, Permitted Short Selling, <u>Intraday Short Selling</u> and Day Trading;</p> <p>(g) not execute the On-Market Married Transaction in Odd Lots; and</p> <p>(h) not amend or request for the cancellation of the On-Market Married Transaction unless as permitted under Rules 8.09 and 8.10.; <u>and</u></p> <p><u>(i) not execute the On-Market Married Transaction to close off the short position of an Intraday Short Selling.</u></p> <p><i>[Refer to Directive No. 8.14-001]</i></p>
8.22	<p>Regulated short selling</p> <p>(1) A Participating Organisation may execute Regulated Short Selling if the same is carried out in accordance with this Part C of Chapter 8 and Section 98(4)(c) of the Capital Markets and Services Act.</p>	8.22	<p>Regulated short selling</p> <p>(1) A Participating Organisation may execute Regulated Short Selling <u>short selling</u> if the same is carried out in accordance with this Part C of Chapter 8 and Section 98(4)(c) of the Capital Markets and Services Act.</p>

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8.22	(4) Regulated Short Selling can only be carried out for Approved Securities.	8.22	(4) Regulated Short Selling can only be carried out for Approved Securities <u>by way of On-Market Transaction only.</u>
8.26	Execution (2) A Participating Organisation must not execute Regulated Short Sale by way of Direct Business Transaction.	8.26	Execution (2) A Participating Organisation must not execute Regulated Short Sale by way of Direct Business Transaction. <i>[Deleted]</i>
8.26	(6) No Regulated Short Sale can be executed by a Participating Organisation during the period: (a) of 21 days immediately following a takeover announcement involving the Issuer of an Approved Securities; or (b) where the Approved Securities has been declared as Designated Securities under Rule 7.14 when expressly directed by the Exchange.	8.26	(6) No Regulated Short Sale can be executed by a Participating Organisation during the period: (a) of 21 days immediately following a takeover announcement involving the Issuer of an Approved Securities; or (b) where the Approved Securities has have been declared as Designated Securities under Rule 7.14 when expressly directed by the Exchange.
8.31	Limit for regulated short selling (1) Without affecting Rule 8.32, the Exchange may suspend any order entry into the order book in the ATS for any further Regulated Short Selling of Approved Securities, if: (a) the quantity of the total short position of an Approved Securities on a particular Market Day is as follows:	8.31	Limit for <u>Suspension of</u> regulated short selling (1) Without affecting Rule 8.32, the Exchange may suspend any order entry into the order book in the ATS for any further Regulated Short Selling of Approved Securities, if <u>the quantity of the total short position of an Approved Securities or a class of Approved Securities triggers such thresholds as may be prescribed by the Exchange.:</u>

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	<p>(i) the quantity of the total short position of the shares of an Issuer, on a particular Market Day is at 3% of the outstanding shares of the Issuer on that Market Day; or</p> <p>(ii) the quantity of the total short position of a class of securities other than shares of an Issuer on a particular Market Day is at 3% of the quantity of the outstanding securities on that Market Day; or</p> <p>(b) the quantity of the total short position of an Approved Securities referred to in Rule 8.31(1)(a)(i) and 8.31(1)(a)(ii) aggregated over a period of time is 10% of the quantity of outstanding shares or securities.</p>		<p>(a) the quantity of the total short position of an Approved Securities on a particular Market Day is as follows:</p> <p>(i) the quantity of the total short position of the shares of an Issuer, on a particular Market Day is at 3% of the outstanding shares of the Issuer on that Market Day; or</p> <p>(ii) the quantity of the total short position of a class of securities other than shares of an Issuer on a particular Market Day is at 3% of the quantity of the outstanding securities on that Market Day; or</p> <p>(b) the quantity of the total short position of an Approved Securities referred to in Rule 8.31(1)(a)(i) and 8.31(1)(a)(ii) aggregated over a period of time is 10% of the quantity of outstanding shares or securities.</p> <p><i>[Refer to Directive No. 8-002]</i></p>
8.31	<p>(2) For the purpose of Rule 8.31(1), the following applies:</p> <p>(a) “Outstanding shares” means the total quantity of shares held by the shareholders of the Issuer including shares held by the Issuer pursuant to a</p>	8.31	<p>(2) For the purpose of Rule 8.31(1), the following applies:</p> <p>(a) “Outstanding shares” means the total quantity of shares held by the shareholders of the Issuer including shares held by the Issuer pursuant to a</p>

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	<p>share buy back scheme as provided for in the Listing Requirements; and</p> <p>(b) “Outstanding securities” means total quantity of securities held by the holders of the securities.</p>		<p>share buy back scheme as provided for in the Listing Requirements; and</p> <p>(b) “Outstanding securities” means total quantity of securities held by the holders of the securities. <u>[Deleted]</u></p>
8.31	<p>(3) The suspension referred to in Rule 8.31(1) may be for:</p> <p>(a) in relation to the circumstance described in Rule 8.31(1)(a), the remaining Market Day from the time the suspension was instituted on that Market Day; or</p> <p>(b) in relation to the circumstance described in Rule 8.31(1)(b), the period until the aggregated quantity falls below 10% of the quantity of outstanding shares or securities, which can only occur when there is a redelivery of Eligible Securities under a SBL Agreement or of ISSBNT Eligible Securities under a ISSBNT Agreement.</p>	8.31	<p>(3) The suspension referred to in Rule 8.31(1) may be for:</p> <p>(a) in relation to the circumstance described in Rule 8.31(1)(a), the remaining Market Day from the time the suspension was instituted on that Market Day; or</p> <p>(b) in relation to the circumstance described in Rule 8.31(1)(b), the period until the aggregated quantity falls below 10% of the quantity of outstanding shares or securities, which can only occur when there is a redelivery of Eligible Securities under a SBL Agreement or of ISSBNT Eligible Securities under a ISSBNT Agreement. <u>[Deleted]</u></p>
8.31	<p>(4) If a suspension on Regulated Short Selling is imposed on the shares of an Issuer pursuant to Rule 8.31(1)(a) or Rule 8.31(1)(b), such suspension also applies to:</p> <p>(a) all securities referred to in Rule 8.31(1)(a)(ii) although the total short position of the securities is not in breach of the limit referred to in Rule 8.31(1)(a) or Rule 8.31(1)(b); and</p>	8.31	<p>(4) If a suspension on Regulated Short Selling is imposed on the shares of an Issuer pursuant to Rule 8.31(1)(a) or Rule 8.31(1)(b), such suspension also applies to:</p> <p>(a) all securities referred to in Rule 8.31(1)(a)(ii) although the total short position of the securities is not in breach of the limit referred to in Rule 8.31(1)(a) or Rule 8.31(1)(b); and</p>

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	(b) all securities issued by any Issuer if the underlying instrument of the securities issued, comprise solely the shares of an Issuer in relation to which suspension under Rule 8.31(1)(a) or Rule 8.31(1)(b) has been imposed.		(b) all securities issued by any Issuer if the underlying instrument of the securities issued, comprise solely the shares of an Issuer in relation to which suspension under Rule 8.31(1)(a) or Rule 8.31(1)(b) has been imposed. [Deleted]
8.31	<p>(5) If the shares or securities referred to under Rules 8.31(1)(a) and Rule 8.31(1)(b) respectively falls within the class of Eligible Securities or ISSBNT Eligible Securities, the following apply:</p> <p>(a) the suspension referred to in Rule 8.31(1)(a), Rule 8.31(1)(b) and Rule 8.31(2) includes suspension on the short selling of the Eligible Securities or ISSBNT Eligible Securities; and</p> <p>(b) the 'securities' referred to in Rule 8.31(3) includes Eligible Securities or ISSBNT Eligible Securities and the suspension referred to in that rule is applicable to the short selling of that Eligible Securities or ISSBNT Eligible Securities.</p>	8.31	<p>(5) If the shares or securities referred to under Rules 8.31(1)(a) and Rule 8.31(1)(b) respectively falls within the class of Eligible Securities or ISSBNT Eligible Securities, the following apply:</p> <p>(a) the suspension referred to in Rule 8.31(1)(a), Rule 8.31(1)(b) and Rule 8.31(2) includes suspension on the short selling of the Eligible Securities or ISSBNT Eligible Securities; and</p> <p>(b) the 'securities' referred to in Rule 8.31(3) includes Eligible Securities or ISSBNT Eligible Securities and the suspension referred to in that rule is applicable to the short selling of that Eligible Securities or ISSBNT Eligible Securities. [Deleted]</p>
	New provision	<u>8.33</u>	<p><u>PART D INTRADAY SHORT SELLING</u></p> <p><u>Definitions</u></p> <p><u>For the purposes of this Part D of Chapter 8, the following interpretations apply:</u></p>

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			<p>(a) <u>the word “Client” includes the Participating Organisation where the Participating Organisation is executing Intraday Short Selling for itself; and</u></p> <p>(b) <u>a reference in this Part D of Chapter 8 to a person associated with another person is construed as a reference to “associated person” in section 3 of the Capital Markets and Services Act.</u></p>
	New provision	<u>8.34</u>	<p><u>Intraday Short Selling</u></p> <p>(1) <u>A Participating Organisation may execute -short selling with a view to closing off the short position within the same day, if the same is carried out in accordance with this Part D of Chapter 8.</u></p>
	New provision	<u>8.34</u>	<p>(2) <u>A Participating Organisation must not allow a Client to execute Intraday Short Selling unless it is satisfied that the Client fulfils all such conditions prescribed by the Exchange for executing Intraday Short Selling.</u></p> <p><i>[Refer to Directive No. 8-003]</i></p>
	New provision	<u>8.34</u>	<p>(3) <u>Intraday Short Selling can only be carried out for Approved Securities by way of On-Market Transaction only.</u></p>
	New provision	<u>8.34</u>	<p>(4) <u>The short selling of Approved Securities carried out under this Part D must be closed off with a buy position</u></p>

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			<u>on the same day as the selling by way of On-Market Transaction only.</u>
	New provision	<u>8.34</u>	<u>(5) A Participating Organisation must not execute Intraday Short Selling if the Client of the Participating Organisation or the person on whose behalf the Client of the Participating Organisation is executing the Intraday Short Selling, is associated with the body corporate that issued or made available the Approved Securities.</u>
	New provision	<u>8.35</u>	<p><u>Commencement of Intraday Short Selling</u></p> <p><u>A Participating Organisation may only commence its Intraday Short Selling activities if it:</u></p> <p><u>(a) has established adequate and effective written policies and internal guidelines for Intraday Short Selling as required by the Exchange;</u></p> <p><u>[Refer to Directive No. 5-001]</u></p> <p><u>(b) has put in place systems and infrastructure including front office and back office systems which are operative and have all the relevant functionalities, requirements and controls for the carrying out of Intraday Short Selling; and</u></p> <p><u>(c) submits a written declaration in the form as prescribed by the Exchange of its compliance with Rules 8.35(a) and 8.35(b) at least 2 Market Days before commencing its Intraday Short Selling activities.</u></p>

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RULE	CURRENT PROVISION	RULE	AMENDED PROVISION
			<u>[Refer to Directive No. 8-003]</u>
		<u>8.36</u>	<p><u>Execution</u></p> <p>(1) <u>A Participating Organisation must execute all orders for Intraday Short Selling on the same Market Day that the Client instructs for the order to be executed and cannot carry forward any order to the next Market Day even though the order remains unexecuted, whether fully or partially.</u></p>
		<u>8.36</u>	<p>(2) <u>No Intraday Short Selling can be executed by a Participating Organisation during the period:</u></p> <p style="padding-left: 40px;">(a) <u>of 21 days immediately following a takeover announcement involving the Issuer of an Approved Securities; or</u></p> <p style="padding-left: 40px;">(b) <u>where the Approved Securities have been declared as Designated Securities under Rule 7.14 when expressly directed by the Exchange.</u></p>
		<u>8.36</u>	<p>(3) <u>A Participating Organisation must not execute any Intraday Short Selling through a Client's Margin Account.</u></p>
		<u>8.37</u>	<p><u>Suspension of Intraday Short Selling</u></p> <p>(1) <u>Without affecting Rule 8.41, the Exchange may suspend any order entry into the order book in the ATS for any further Intraday Short Selling of Approved Securities, if a suspension is imposed against the carrying out of,</u></p>

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			<p style="text-align: center;"><u>Regulated Short Selling on an Approved Securities in accordance with Part C of Chapter 8.</u></p> <p style="text-align: center;"><i>[Refer to Directive No. 8-002]</i></p>
	New provision	<u>8.37</u>	<p style="text-align: center;"><u>(2) Unless directed otherwise by the Exchange, the suspension imposed on Intraday Short Selling pursuant to Rule 8.37(1) may only be removed when the suspension imposed against the carrying out of Regulated Short Selling is uplifted.</u></p>
	New provision	<u>8.38</u>	<p style="text-align: center;"><u>Suspension Following a Price Drop</u></p> <p style="text-align: center;"><u>The Exchange may suspend the Intraday Short Selling of any Approved Securities for the remaining Market Day from the time the suspension is instituted on that Market Day, if the Last Done Price of the Approved Securities significantly drops in such manner as may be prescribed by the Exchange.</u></p>
	New provision	<u>8.39</u>	<p style="text-align: center;"><u>Delivery and Settlement</u></p> <p style="text-align: center;"><u>The Rules relating to delivery and settlement under Chapter 9 apply to Intraday Short Selling in the same manner as they apply to normal sales.</u></p>
	New provision	<u>8.40</u>	<p style="text-align: center;"><u>Reporting by Participating Organisation</u></p> <p style="text-align: center;"><u>With reference to Rules 8.34(3) and 8.34(4), a Participating Organisation must report to the Exchange the net sell positions which have not been closed off on T day and any positions which are carried for securities which are not Approved Securities, in</u></p>

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			<p><u>such frequency and manner as may be prescribed by the Exchange.</u></p> <p><i>[Refer to Directive No. 8-003]</i></p>
	New provision	<u>8.41</u>	<p><u>Actions by the Exchange</u></p> <p><u>(1) The Exchange may take any of the actions enumerated under Rule 8.41(2) summarily against any or all Participating Organisations or Registered Persons or in relation to any or all Approved Securities if:</u></p> <p style="margin-left: 40px;"><u>(a) there is a breach or likelihood of breach of any provisions in this Part D of Chapter 8; or</u></p> <p style="margin-left: 40px;"><u>(b) Intraday Short Selling may lead or is likely to lead to the commission of any of the offences under the Capital Markets and Services Act.</u></p>
	New provision	<u>8.41</u>	<p><u>(2) Pursuant to Rule 8.41(1) the following actions may be taken by the Exchange against any or all Participating Organisations or Registered Persons or in relation to any or all Approved Securities:</u></p> <p style="margin-left: 40px;"><u>(a) directing further Intraday Short Selling by a Participating Organisation or Registered Person whether for the Participating Organisation or any or all of its Clients to be suspended or ceased;</u></p> <p style="margin-left: 40px;"><u>(b) imposing limits on the total short positions that may be held by a Participating Organisation or</u></p>

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			<p style="text-align: center;"><u>Registered Person whether for the Participating Organisation or any or all of its Clients; or</u></p> <p style="text-align: center;"><u>(c) imposing restrictions or conditions on Intraday Short Selling carried out by a Participating Organisation or Registered Person whether for the Participating Organisation or any or all of its Clients.</u></p>
Chapter 8	PART D TRADING SUSPENSION	Chapter 8	PART DE TRADING SUSPENSION
8.33	<p>Trading Suspension</p> <p>The Exchange may suspend trading of all or any of the securities quoted on the stock market of the Exchange if:</p> <p style="margin-left: 40px;">(a) there is a significant drop in the Exchange's benchmark composite index; or</p> <p style="margin-left: 40px;">(b) a suspension from trading is imposed pursuant to these Rules or the Listing Requirements.</p>	<p style="color: red;">8.33</p> <p style="color: red;"><u>8.42</u></p>	<p>Trading Suspension</p> <p>The Exchange may suspend trading of all or any of the securities quoted on the stock market of the Exchange if:</p> <p style="margin-left: 40px;">(a) there is a significant drop in the Exchange's benchmark composite index; or</p> <p style="margin-left: 40px;">(b) a suspension from trading is imposed pursuant to these Rules or the Listing Requirements.</p>

[End of Rule Amendments]