



PHILLIP CAPITAL SDN BHD
(Company Registration No. 199501033331)
(362533-U)

DISCLOSURE DOCUMENT

CONTRACTS FOR DIFFERENCE

First Issued: 28 June 2019

Revised: 28 February 2025 (Third revision)

RESPONSIBILITY STATEMENT

The Board has seen and approved this Disclosure Document. The Directors collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, the Board confirms to the best of its knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in this Disclosure Document false or misleading.

STATEMENT OF DISCLAIMER

A copy of this Disclosure Document for CFD has been registered with the SC.

The registration of this Disclosure Document should not be taken to indicate that the SC recommends the CFD or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Disclosure Document. The SC has not, in any way, considered the merits of the CFD being offered for investment.

The SC is not liable for any non-disclosure on the part of Phillip Capital and takes no responsibility for the contents in this Disclosure Document, makes no representation as to the accuracy or completeness of this Disclosure Document, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents in this Disclosure Document.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.

RISK DISCLOSURE NOTICE

Before trading with Phillip Capital, investors must carefully consider whether trading of CFD is appropriate for them taking into account the investors' circumstances and financial positions.

Investors should be aware that CFD is a margin trading and it is a high risk geared investment strategy. Phillip Capital does not consider it suitable for the majority of the members of the public.

Investors should not deal in CFD unless the investors understand the nature of the contract that the investors are entering into and the extent of the investors' exposure to risks associated with the contract.

CFD involves different levels of exposure to risk and, in deciding whether to trade in such instruments, investors should understand how CFD works and the risks involved in trading CFD as stated in this Disclosure Document.

LIST OF REVISION

Revision Series	Revision Date	Effective Date of Revision
1st Revision	28 September 2020	28 September 2020
2nd Revision	7 May 2021	7 May 2021
3rd Revision	28 February 2025	28 February 2025

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1. BACKGROUND INFORMATION ON PHILLIP CAPITAL SDN BHD

Phillip Capital Sdn. Bhd. (Company Registration No. 199501033331 (362533-U)) was incorporated in Malaysia on 7 October 1995 under the laws of Malaysia with a paid-up capital of RM142,000,000.00 and is a holder of Capital Markets Services Licence to carry out business of dealing in derivatives and securities.

Phillip Capital is also a Participating Organisation of Bursa Malaysia, Trading Participant of Bursa Malaysia Derivatives Bhd and a general clearing participant of Bursa Malaysia Derivatives Clearing Berhad. Phillip Capital is essentially part of the PhillipCapital Group of companies, providing a comprehensive range of financial services to retail and institutional investors. Today the PhillipCapital Group is firmly established in major financial hubs with offices in 15 countries namely Singapore, Malaysia, Cambodia, Indonesia, Vietnam, Thailand, Hong Kong, China, Japan, India, United Arab Emirates, United Kingdom, Spain, Turkey, Australia, and United States of America. PhillipCapital Group has 50 years of experience in equities broking, futures broking and fund management.

Phillip Capital is the first futures broking company in Malaysia to provide online trading for local and foreign futures exchange's listed derivatives products on a single trading platform. Leveraging from its Singapore office, Phillip Capital strives to provide more integrated and comprehensive range of quality services that will meet the changing needs of investors.

Board of Directors

The Board is responsible for overseeing the activities of Phillip Capital and the Board is responsible for determining Phillip Capital's mission and objective, providing adequate resources, managing resources efficiently and monitoring the Phillip Capital's programmes and services. The Board currently consists of five members who have more than 20 years of experience in the capital markets covering derivatives and securities broking, financial planning and financial platform development. In addition, Phillip Capital is led by a strong Management team that oversees the day-to-day operation and management of Phillip Capital.

(i) **DATIN HAJJAH NONA BINTI SALLEH** *CHAIRPERSON*

Datin Hajjah Nona, is the Chairperson for Phillip Capital and Phillip Mutual Berhad, Executive Chairperson of Phillip Capital Management Sdn Bhd, a Director of Phillip Wealth Planner Sdn Bhd, as well as other Malaysian companies under the PhillipCapital Group. She started her investment career in Aseambankers in 1992 where she gained exposure in the management of Shariah and semi-Shariah portfolios. Over the past 33 years, she has accumulated experience through her involvement in the investment management and strategy of her clients' investment portfolios, including the Employees Provident Fund (EPF), Lembaga Tabung Haji, Koperasi Jaya Diri, Double Growth Fund and Emerging Growth Fund (BHLB Unit Trusts) as well as Maybank Dana Yakin.

Prior to re-joining the PhillipGroup in 2001 to head its Malaysian operation, she has held several key positions in investment management and research, including the positions of Associate Investment Director of BHLB Asset Management, a subsidiary of Ban Hin Lee Bank (now merged under CIMB group) and Chief Investment Officer at Maybank Investment Management Sdn Bhd, a subsidiary of Malayan Banking Berhad. Datin Hajjah Nona is a graduate of the London School of Economics, University of London and she holds the Investment Management Certificate (IIMR), UK.

(ii) MR HAJI AHMAD ZAKIE BIN AHMAD SHARIFF
*INDEPENDENT NON EXECUTIVE DIRECTOR AND CHAIRMAN OF THE AUDIT AND
RSIK MANAGEMENT COMMITTEE*

Mr Haji Zakie comes with a wealth of experience in the capital market industry, holding licenses of both, Fund Manager and Dealer's Representative and has held various key positions including the Head of Organisational Learning Division for Maybank Group and Director of Corporate Affairs for UEM Group Berhad throughout his career.

Mr Haji Zakie began his career in the capital market when he joined Rashid Hussain Securities as an equity analyst and has since worked for a number of stockbroking houses in Malaysia and abroad in equity sales and marketing. His buy-side experiences include being Chief Executive Officer of Permodalan Terengganu Berhad Asset Management Sdn. Bhd, Executive Director, Operations, of SJ Securities Sdn Bhd and investment advisor to both Amanah Kedah Berhad and Amanah Saham Terengganu Berhad.

Mr Haji Zakie holds a Bachelor of Economics, Hons. Degree from Universiti Kebangsaan Malaysia, and a Master of Accounting Science degree from the University of Illinois, Urbana Champaign, Illinois, USA.

(iii) MS AIDA MOSIRA BINTI MOKHTAR
INDEPENDENT NON EXECUTIVE DIRECTOR

Ms Aida's professional milestones span across industries such as corporate treasury, asset management, oil and gas, aviation, professional services, management consulting and non-profit organisation. Ms. Aida held key advisory, strategic and operational roles such as Chief Executive Officer of Aberdeen Islamic Asset Management, Chief Financial Officer of Iclif Leadership and Governance Centre (Iclif), Vice President of Malaysia Airlines (MAS) and Director of Deloitte Global Treasury Advisory. She has over 20 years of experience in a wide spectrum of finance (treasury, asset and wealth management, accounting, audit, tax, budget), risk management, strategic planning, business development, and sales and marketing. During her tenure with PETRONAS, she managed the global strategic investment and trading portfolios in conventional and Shariah-compliant markets. She played a key role in the dynamic macro asset allocation of PETRONAS funds, the designing of treasury, investment and trading policies and implementing new investment opportunities. In MAS, she was in the senior management team in transforming the organisation, particularly financial risk exposures and enhancing governance which include revamping of financial policies.

Ms Aida also currently sits in various boards and board committees of listed and unlisted companies bringing with her extensive knowledge in fundamental (micro and macro assessments) and technical analyses. Ms Aida's strengths include investing and trading in the financial markets, such as global bonds, stocks, commodities and hedging risks in crude oil, currency and interest rate with derivatives. Ms Aida's corporate and entrepreneurial experiences in setting up new business ventures had contributed to her holistic perspectives.

Ms Aida has a BSc. (Hons.) Economics (Accounting & Finance) from the London School of Economics and Political Science (LSE), United Kingdom. She is a Fellow Member of The Association of Chartered Certified Accountants (FCCA), a Chartered member of the Malaysian Institute of Accountants (MIA) as well as a Chartered Islamic Finance Professional (CIFP) and a certified Islamic Financial Planner (IFP). She also holds a Certificate in Sustainable Investing (Harvard Business School Online) and is a Certified Trainer (HRD Corp).

MR ANDY LIM SAY KIAT

MANAGING DIRECTOR

Mr Andy Lim is the Group Managing Director of PhillipCapital Malaysia since 2007 and the Managing Director of its Malaysian broking arm, Phillip Capital. He has over two and a half decades of experience in the capital markets covering fund management, financial planning, financial platforms, securities and derivatives broking. He joined PhillipCapital Malaysia in 1998 and had since been playing an instrumental role in building and driving the company's growth.

Mr Andy Lim was a member of the Executive Committee of the Association of Financial Advisers of Malaysia from 2013 to 2015. He holds a Bachelor of Science in Economics and Management (Honours) from the London School of Economics, University of London and is a member of the Financial Planning Association of Malaysia (FPAM) and a Chartered Financial Analyst (CFA) charter holder since 2006.

(iv) MR LAM CHOON JIN

EXECUTIVE DIRECTOR

Mr Lam has close to 40 years of working experience and has about 2 decades of experience with the group. He held the position of Executive Director, Dealing in Phillip Capital from 2011 to 2016 and had since been promoted to the position of Executive Director of Phillip Capital. Mr Lam is currently overseeing Phillip Capital's derivatives business. He will ensure that the respective departments in Phillip Capital are in compliance with the latest regulatory requirements and operating efficiently. Prior to this, Mr Lam was the Dealing Manager in Phillip Capital Pte Ltd (Singapore). Throughout the years, Phillip Capital has been benefiting from the technology of highly sophisticated front-end, risk management and back-office system from Phillip Capital Singapore office. With the technology adoption, Mr Lam is the key person to ensure smooth transfer of knowledge to the local staff and dealers, enabling Phillip Capital to absorb the technical skills in an efficient manner. Mr Lam was handling foreign institutions and individual investors while working in Singapore.

Key Management/ Key Personnel In-Charge of CFD

(i) MR ANDY LIM SAY KIAT

MANAGING DIRECTOR

As per above

(ii) MR LAM CHOON JIN

EXECUTIVE DIRECTOR

As per above

(iii) MS KIANG JIA LING

HEAD OF DEPARTMENT, BUSINESS MANAGEMENT

Ms Kiang currently serves as the Head of Business Management at Phillip Capital. She has been with Phillip Capital for 7 years. Ms Kiang oversees daily business operations, drives cross-functional projects, and leads process automation initiatives to enhance efficiency in the derivatives business. Ms Kiang is responsible for managing teams, establishing an information technology application support unit, and identifying growth opportunities in current and prospective markets. Ms Kiang also manages the derivatives sales channel, and contributes to strategic business development.

(iv) MR FOO CHIEW WAI
HEAD OF DEPARTMENT, DEALING

Mr Foo Chiew Wai has more than two decades of experience in derivatives market and is a holder of a Capital Market Representative License (eCMSRL/B6736/2016). He started his career at Pro Futures Sdn Bhd as a floor trader in 1997. He left Pro Futures in 2000 and joined Maybank Futures as an institutional futures dealer. Throughout his experience, he had worked with OSK Investment Bank, RHB Investment Bank, CIMB Investment Bank and CGS-CIMB Sdn Bhd and Phillip Capital (then known as Phillip Futures Sdn Bhd). He re-joined Phillip Capital in 2022 and currently, he is overseeing all matters related to dealing and handling high net worth clients as well as professional traders.

(v) MS JUSTHINDERPAL KAUR A/P PRITAM SINGH
HEAD OF DEPARTMENT, LCRM

Ms Justhinderpal brings along more than 20 years of experience including in legal (both as a legal practitioner and in-house legal counsel), compliance and risk management. Part of her responsibilities include, conducting regular compliance reviews to ensure compliance with legal and regulatory requirements as well as with internal policies. Prior to joining Phillip Capital, she was Head of Legal & Compliance at Amanah Raya-Kenedix REIT Manager Sdn Bhd. Ms Justhinderpal graduated from University of Malaya and was called to the Malaysian Bar in 2004 and thereafter completed her Masters in Law.

(vi) MS TAN SIEW LING
HEAD OF DEPARTMENT, DERIVATIVES OPERATIONS

Ms Tan Siew Ling has over 22 years of working experience mainly in the financial industry such as asset management and brokering. She is currently the Head of Department of Derivatives Operations at Phillip Capital. She is overseeing the derivatives operation to ensure that the day-to-day processes of the company are compliant with the latest rules, regulations, and guidelines set by the regulators. She is also responsible for monitoring the clients' risk to ensure that any risk arising from the processes is minimized. She holds a Bachelor of Science (Hons) in Business Information Technology from Staffordshire University.

(vii) MS KON MEI YOKE
HEAD OF DEPARTMENT, FINANCE

Ms Kon Mei Yoke has more than 20 years of working experience in auditing and finance. She joined Phillip Capital in Oct 2023 and her main responsibility is to oversee the full spectrum of accounting function inclusive of bursa reporting, establish corporate strategies and policies. Prior to joining Phillip Capital, she had 11 years of working experience in auditing and 10 years of working experience in financial reporting in various industries. She is a member of Association of Chartered Accountants and Malaysian Institute of Accountants.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

	2024	2023	2022
	RM	RM	RM
Revenue	70,918,016	49,469,420	27,045,942
Direct expenses	<u>(27,750,877)</u>	<u>(24,342,603)</u>	<u>(14,032,334)</u>
Gross profit	43,167,139	25,126,817	13,013,608
Interest income	8,221,244	8,795,000	6,764,748
Finance income on lease receivable	4,098	6,660	4,052
Other income	<u>8,136,026</u>	<u>6,082,570</u>	<u>894,576</u>
	59,528,507	40,011,047	20,676,984
Personnel costs	(12,690,790)	(10,511,177)	(4,279,015)
Finance costs	(7,152,388)	(2,364,543)	(945,426)
Other expenses	<u>(19,412,892)</u>	<u>(20,927,692)</u>	<u>(9,363,333)</u>
Profit before tax	20,272,437	6,207,635	6,089,210
Tax expense	<u>(5,509,124)</u>	<u>(3,018,593)</u>	<u>(1,280,081)</u>
Profit for the year, representing total comprehensive income for the year	<u>14,763,313</u>	<u>3,189,042</u>	<u>4,809,129</u>

STATEMENT OF FINANCIAL POSITION

	2024	2023	2022
	RM	(Restated) RM	(Restated) RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	4,238,606	3,310,712	2,424,074
Right-of-use assets	2,301,370	2,228,768	1,576,245
Security deposit contribution	1,000,000	1,000,000	1,000,000
Clearing fund contributions	6,826,202	5,031,081	2,381,500
Intangible assets	5,711,884	3,711,884	100,000
Investment in subsidiaries	4	4	-
Finance lease receivables	12,581	33,381	52,975
Deferred tax assets	-	-	66,544
Total Non-Current Assets	<u>20,090,647</u>	<u>15,315,830</u>	<u>7,601,338</u>
Current Assets			
Trade Receivables	81,604,433	77,876,978	1,381,354
Other receivables, deposits, and prepayments	1,539,637	2,902,078	392,617
Investments	18,204,989	8,013,726	9,575,510
Margin deposits with clearing houses	2,262,507	2,108,962	650,374
Amount due from brokers	4,712,645	3,468,529	6,028,964
Amount due from a subsidiary	1,060,707	381,227	-
Amount due from other related companies	282,647	102,893	206,227
Finance lease receivables	98,917	79,731	19,806
Tax recoverable	-	-	553,755
Share margin financing	276,304,632	217,480,893	-
Cash and bank balances	61,569,545	44,953,943	113,641,545
Total Current Assets	<u>447,640,659</u>	<u>357,368,960</u>	<u>132,450,152</u>
TOTAL ASSETS	<u>467,731,306</u>	<u>372,684,790</u>	<u>140,051,490</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	2024	2023 (Restated)	2022 (Restated)
	RM	RM	RM
Equity			
Share Capital	142,000,000	142,000,000	102,000,000
Retained earnings	42,076,144	27,312,831	24,123,789
Total Equity	<u>184,076,144</u>	<u>169,312,831</u>	<u>126,123,789</u>
Non-Current Liabilities			
Lease liabilities	1,623,390	1,649,547	1,189,665
Deferred tax liabilities	208,791	198,317	-
Total Non-Current Liabilities	<u>1,832,181</u>	<u>1,847,864</u>	<u>1,189,665</u>
Current Liabilities			
Trade payables	69,026,743	49,533,514	-
Other payables and accrued expenses	18,606,751	37,626,631	1,745,585
Amount due to immediate holding company	215,688	34,655	10,168,238
Amount due to a subsidiary	20,990	612	-
Amount due to other related companies	2,417,511	336,753	268,260
Lease liabilities	841,536	757,448	555,953
Tax liabilities	1,307,674	30,073	-
Short term borrowings	189,386,088	113,204,409	-
Total Current Liabilities	<u>281,822,981</u>	<u>201,524,095</u>	<u>12,738,036</u>
TOTAL LIABILITIES	<u>283,655,162</u>	<u>203,371,959</u>	<u>13,927,701</u>
TOTAL EQUITY AND LIABILITIES	<u><u>467,731,306</u></u>	<u><u>372,684,790</u></u>	<u><u>140,051,490</u></u>

CONFLICT OF INTEREST

Phillip Capital has in place policies and procedures to monitor conflict of interest situation that may arise within Phillip Capital and the PhillipCapital Group in Malaysia including any transaction by the Directors and employees of Phillip Capital.

Phillip Capital will maintain high standards of integrity and fair dealing in the best interest of its clients.

The Directors and employees of Phillip Capital and the PhillipCapital Group are prohibited from trading directly in derivatives including CFD and the Directors and employees are not allowed to open derivatives account.

There are also controls in place to ensure that separation of front-office operation, middle-office operation, back-office operation, and the supervision functions are being done. This includes independence of reporting, operation and physical separation of the following supervision functions namely; Risk Management, Compliance and Internal Audit departments.

2. RISK MANAGEMENT

2.1 THE RISK MANAGEMENT INFRASTRUCTURE

The Board is the highest authority in risk management structure of Phillip Capital. The Board takes cognisance of its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness across the company.

The Board is assisted by the Audit and Risk Management Committee (ARMC). The ARMC will also give their recommendation on all matters with regard to risk, control and compliance level towards regulators' requirements. The Management team is responsible for the overall implementation and adaptation of the approved policies into the business process.

Under the umbrella of the ARMC and with the direction of the Board, a comprehensive plan has been established to ensure the continuity of critical business functions and essential services upon business disruption or cyber-attack. A Business Continuity Management Policy which encompasses business continuity plan, disaster recovery plan and cyber incident response plan are in place which are subject to periodic review.

2.2 RISK APPETITE

The risk appetite is a critical component of a robust risk management framework which is driven by both top-down board leadership and bottom-up involvement of management at all levels. The risk appetite enables the Board and senior management to communicate, understand and assess the types and levels of risk that the company is willing to accept in pursuit of its business objectives.

2.3 INTERNAL CONTROL PROCEDURES

In line with the above, Phillip Capital's internal control procedures cover the following elements:

1. Regular management and operation meetings are conducted by the Management which would comprise of the Board and divisional heads to report on the risk monitoring.
2. Board meetings are held at least once in a quarter with formal agenda on matters for discussion. The Board is kept updated on Phillip Capital's activities, regulatory and operational matters and business performance on a timely and regular basis.

2.3.1 Internal Risk Control Procedures

1. Identification and measurement of the level of risks involved.
2. Identification of internal control in-place and additional controls to improve risk rating.
3. Risk measurements, indicators and reporting methodologies that commensurate with the CFD provider's business strategies, size, complexity of its operations and risk profit of the product on an ongoing basis.
4. Clear delineation of lines of responsibility for managing product-related risks.
5. Provision of sufficient resources, which include competent staff and information technology system and infrastructure to support the risk management and daily operations.
6. Review of stress scenarios, prepared by the business line responsible for risk monitoring, that measure the impact of market conditions that may cause volatility swings or reduced liquidity.
7. Comprehensive and regular reports to the Board and/or Management that include the degree of compliance with policies and procedures for managing product risks, current assessment of product risks and any change in direction of risks.

2.4 AUDIT PROCEDURES

The PhillipCapital Group's audit team performs audit exercise in order to assess the management control framework implemented as well as the operational procedures.

The audit team applies risk-based approach and exercise professional judgement in determining the quantity and quality of evidence.

The team will perform a preliminary review to gather info on the business units / entities and assess the risk unique to them through:

1. Identifying the strategic objective of the department/entity under audit
2. Identifying the core and critical processes
3. Identifying the key risk of core processes and assessing the risk rating of this process.
4. Identifying possible control framework/risk mitigation

During audit fieldwork, which is a systematic process of objectively gathering evidence on the activity under review, the evidence is evaluated with reference to the audit objective.

This systematic process of gathering evidence may result in audit findings of material control or other weaknesses and other matters of significance requiring Management attention. The audit team uses a variety of tools and techniques to gather and analyze the information.

The fieldwork concentrates on transaction testing and informal communications. Various techniques including random sampling method are used during the fieldwork phase. The audit is also done by checking to the pre-existing manuals, performing interviews with key personnel, reviewing financial activity, observing the unit procedures and vouching to documents to gather evidence.

Audit findings raised during the fieldwork are communicated to the respective departments for their responses. Exit discussions on the audit findings with the head of departments will be conducted during the end of the fieldwork.

The written report will be prepared by the auditors in charge and reviewed/issued by the Head, Internal Audit Department following the conclusion of each audit and will be distributed as appropriate. The audit report will be presented to the Board's meeting for deliberation.

CONTRACTS FOR DIFFERENCE

3. PRODUCT FEATURES

CFD is a contract made between two parties (a buyer and a seller) to settle the difference between the opening and closing prices.

CFD allows investors to participate in the price movement of an underlying instrument in both Bursa Malaysia and any foreign exchanges recognised by Bursa Malaysia (“Exchanges”) without owning the asset.

Phillip Capital will offer CFD whereby the underlying instruments are:

- (i) Bursa Securities CFD
- (ii) Foreign Securities CFD;
- (iii) World Indices CFD; and
- (iv) Commodities CFD

Investors can invest in Bursa Securities CFD via ‘Direct Market Access’ (“DMA”) model. DMA allows investors to have a direct access to the market. When investors place an order to Phillip Capital, a corresponding order will be sent to the exchange and when an order is filled on the actual exchange, the investors’ electronic trading platform will be updated accordingly. Hence investors can participate in the order book and liquidity of Bursa Malaysia.

Investors invest in Foreign Securities CFD and World Indices CFD via ‘CFD model’ whereby investors do not participate in the order book and liquidity of the respective exchanges. CFD order is filled by the counterparty based on Bid/Ask price.

For CFD, investors can trade both Long and Short positions.

Currently, CFD can only be offered exclusively to Sophisticated Investors who fall within any of the categories of investors set out in Part 1 of Schedule 6 and 7 of the Capital Markets and Services Act 2007 (“CMSA”) and/or as determined under the Guidelines on Categories of Sophisticated Investors issued by SC and/or any other guidelines as may be amended from time to time.

3.1 KEY FEATURES OF CFD

i. DERIVATIVE PRODUCTS

CFD is a leveraged derivatives product and the prices track the instruments closely.

ii. SHORT SELLING

CFD allows investors to trade both Long and Short exposures.

iii. PORTFOLIO DIVERSIFICATION

By offering Bursa Securities CFD, Foreign Securities CFD and World Indices CFD, investors can enjoy diversification across various markets and instruments in their portfolio.

iv. LEVERAGE

CFD is a leveraged product and investors can trade the CFD products by putting up a small percentage of minimum initial margin as low as 5% of the full contract value to trade the CFD contract. This small percentage of deposit is known as the required margin or initial margin.

For example, if the required initial margin is 10% and investors want to buy 1,000 units of shares of ABC Company at RM2.00 per share, the investors' required initial margin is RM200.00 to trade CFD of ABC Company.

The example is illustrated as below:

<u>Full Contract Value</u> 1,000 units of ABC Company shares x RM2.00 per share = RM2,000.00
<u>Initial Margin of CFD</u> 1,000 units of ABC Company shares x RM2.00 per share x 10% of margin requirement = RM200.00

As a small fraction of the initial margin is required, the position will have the same gain or loss as if it had been paid the full value of the underlying instruments. If the investors' initial margin is exactly 10% of the full CFD contract value, a market movement of 10% of the underlying instrument against the investors' position may deplete the whole initial margin and investors might lose more than their initial margin.

Hence, to prevent such situation from occurring, investors must maintain sufficient fund to keep the position.

v. SCENARIO ANALYSIS

Mr A decides to take a Long position on CFD for Shares XYZ. He places an order to buy 4,000 units of XYZ CFD at RM5.00. As XYZ Company is an index component, the required margin (or initial margin) is 10%.

Although the total contract value is RM20,000.00 (RM5.00 x 4,000 units of shares), the initial margin required is only RM2,000.00, which is 10% of the total contract value.

The impact of market movement affecting Mr A's profit/loss (excluding commission and finance charge) is tabulated as next page:

Rise/Fall	Market Movement	Price of the underlying share (RM)	Profit/Loss (RM)
Rise	10%	5.50	2,000.00
Rise	5%	5.25	1,000.00
Rise	2%	5.10	400.00
Unchanged	0%	5.00	0
Drops	2%	4.90	(400.00)
Drops	5%	4.75	(1,000.00)
Drops	10%	4.50	(2,000.00)

Based on table above, when market rises at the rate of 2% from RM5.00 to RM5.10, Mr A will have a profit of RM400.00.

The calculation is illustrated as below:

$$\begin{aligned} & (\text{Closing Share Price} - \text{Opening Share Price}) \times \text{Quantity} \\ & = (\text{RM}5.10 - \text{RM}5.00) \times 4,000 \text{ units of XYZ CFD} = \text{RM}400.00 \end{aligned}$$

The similar situation applies when market drops at the rate of 2% from RM5.00 to RM4.90, Mr A will suffer a loss amounting to RM400.00.

The calculation is illustrated as below:

$$\begin{aligned} & (\text{Closing Price} - \text{Opening Price}) \times \text{Quantity} \\ & = (\text{RM}4.90 - \text{RM}5.00) \times 4,000 \text{ units of XYZ CFD} = -\text{RM}400.00 \end{aligned}$$

If the market drops at the rate of 10% from RM5.00 to RM4.50, Mr A would have lost all his 'Initial Margin' of RM2, 000.00.

The calculation is illustrated as below:

$$\begin{aligned} & (\text{Closing Price} - \text{Opening Price}) \times \text{Quantity} \\ & = (\text{RM}4.50 - \text{RM}5.00) \times 4,000 \text{ units of XYZ CFD} = -\text{RM}2,000.00 \end{aligned}$$

Note: The above example assumes investors close the trade at the indicated price. In practice, other factors such as commission, financing charges and other charges will affect investors' returns from trading CFD.

Please be informed that trading CFD involves significant risk and investors may risk losing more than initial deposited funds.

3.2 TYPE OF CFD PRODUCTS OFFERED BY PHILLIP CAPITAL

Phillip Capital will offer CFD whereby the underlying instruments are either shares listed on Bursa Malaysia or any securities exchange outside Malaysia or indices where constituents of the index are listed on any securities exchange outside Malaysia or commodities traded on derivatives exchange outside Malaysia.

For an updated list of CFD product offered by Phillip Capital and related information, please visit Phillip Capital website at www.phillip.com.my.

3.3 TENOR OF ISSUE

All CFD offered by Phillip Capital have a contract period of thirty (30) calendar days. The CFD contracts that are not closed out within thirty (30) calendar days will be automatically renewed based on market closing price of the underlying instrument on the thirtieth (30th) calendar day.

The CFD trading positions will be re-established at that same market closing price. The unrealised profit and losses, and finance charges will be realised during the roll-over. There is no roll-over commission charged to investors.

Please refer to the working examples of calculations and scenarios mentioned in Section 11 (CFD Working Examples) of this Disclosure Document.

3.4 SETTLEMENT AND SETTLEMENT CURRENCIES

All CFD are settled in cash and not by delivery of the underlying instruments and it shall neither carry any voting rights nor embedded options for the conversion into the underlying instruments.

All CFD will be settled in the respective traded currencies.

4. MARGINS

To commence trading of CFD, investors need to deposit an initial margin and the initial margin will be a percentage of the total value of the underlying instrument. For example, if the investors buy a CFD over ABC Company shares, the investors need to deposit an initial margin equals to 10% of the current ABC share price. Investors are also required to pay the maintenance margin to maintain the initial margin level due to the price fluctuation of the underlying instrument.

Below is the minimum initial Margin and maintenance margin charged by Phillip Capital to trade CFD:

CFD Contracts	Minimum Initial Margin	Minimum Maintenance Margin
Bursa Securities CFD	Minimum 10% for index shares;	Minimum 10% for index shares;
	Minimum 20% for non-index shares;	Minimum 20% for non-index shares;
Foreign Securities CFD	Minimum 10% for index shares;	Minimum 10% for index shares;
	Minimum 20% for non-index shares	Minimum 20% for non-index shares
World Indices CFD	Minimum 5%	Minimum 5%

Commodities CFD	Minimum 20%	Minimum 20%
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Note: Phillip Capital reserves the right to vary the required margin for the CFD and limit each investors' trading limit due to market volatility without prior notice.

Please refer to Section 11 (CFD Working Examples) of this Disclosure Document for margin calculations.

Phillip Capital will not accept any new CFD orders from investors, except for liquidation orders unless the minimum initial margin for the contract has been deposited and that investors pre-existing open position complies with the margin requirements established by Phillip Capital.

4.1 MARGIN CALL, EQUITY BALANCE AND MAINTENANCE MARGIN

A margin call amount is equivalent to the difference between the initial margin and the equity balance. If the equity balance is less than the maintenance margin of the portfolio at market close, investors will need to answer this margin call either by closing some or all positions or deposit the margin call amount latest 30 minutes before market close on T+1 day.

If at any time during margin call, an account deteriorates and may be at risk of negative equity, Phillip Capital may at their discretion cut back or close all positions to bring the account out of margin call.

In addition, investors must at all times maintain a minimum equity ratio of 20% (equity balance divided by maintenance margin), regardless whether the investors have margin calls on T+1 day. Phillip Capital will force liquidate partially or all positions to maintain the abovementioned minimum ratio.

5. IMPACT OF CORPORATE EXERCISE

Investors are not entitled to the ownership of the underlying instruments. There are various corporate exercises on the underlying shares which will affect the share price, and in turn will affect the CFD price and/or positions of the underlying instruments. The investors' trading position will be adjusted to a new reference price in accordance to the types of corporate exercises. Below are the types of corporate exercises:

5.1 DIVIDENDS

In the event an underlying company declares a dividend, a dividend adjustment will be applied to investors' CFD position on the ex-dividend date of its quoted underlying shares.

A dividend adjustment will be applied to equities CFD on the ex-dividend date of its underlying shares. A dividend adjustment will be applied for selected World Indices CFD after the ex-dividend date of its underlying component stock.

The dividends will be credited to investors' account that have outstanding Long CFD positions, or debited from the investors' account that have outstanding Short positions and the outstanding CFD position of the investors will be determined based on the closure of the market trading session stipulated by Bursa Malaysia.

EXAMPLE OF DIVIDEND ADJUSTMENTS CREDITED TO INVESTOR'S ACCOUNT

Mr A has an outstanding XYZ CFD Long position of 10,000 units as of ex-date 19 June 2024.

Below are the dividend details:

XYZ ex-dividend date = 19 June 2024

Dividend entitlement = 12 sen per unit

XYZ payment date = 30 July 2024

19 June 2024	30 July 2024
Ex-dividend date	Payment date & CFD adjustment

Dividend adjustment credited to Mr A's account

= Dividend per unit x units of CFD held at ex-dividend date

= RM0.12 x 10,000 units of CFD

= RM1,200.00 (excluding any other charges)

Withholding tax may apply for selected Foreign Securities CFD and World Indices CFD dividends.

EXAMPLE OF DIVIDEND ADJUSTMENTS DEBITED TO INVESTOR'S ACCOUNT

Mr A has an outstanding XYZ CFD Short position of 8,000 units as of ex-date 7 June 2024.

Below are the dividend details:

XYZ ex-dividend date = 7 June 2024

Dividend entitlement = 5 sen per unit

XYZ payment date = 19 July 2024

7 June 2024	19 July 2024
Ex-dividend date	Payment date & CFD adjustment

Dividend adjustment debited from Mr A's account

= Dividend per unit x units of CFD held at ex-dividend date

= RM0.05 x 8,000 units of CFD

= RM400.00 (excluding any other charges) = RM1.00 (RM1.00 per unit will be debited from Mr A's account and his new XYZ CFD open position price will be RM1.00)

5.2 BONUS, SHARES SPLITS, AND REVERSE SPLITS

In the event the underlying company declares bonus shares, shares splits or reverse splits, the additional quantity of shares will be credited on the exercise date for Short positions and on payable date for Long positions. The shares price will also be adjusted accordingly to reflect the current shares price.

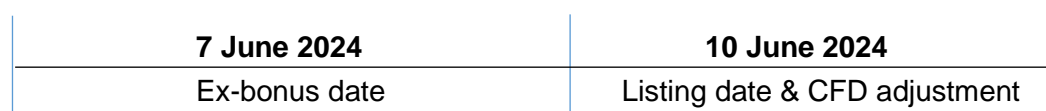
EXAMPLE OF BONUS SHARES AND ADJUSTMENTS TO INVESTOR'S ACCOUNT

Mr A has an outstanding XYZ CFD position of 8,000 units at RM2.00 per unit as of 7 June 2024. XYZ announced a bonus share of 1 unit of share for each existing 1 unit of share. Below are the bonus details:

Bonus share of 1 unit of free share for each existing 1 unit of share

XYZ ex-date = 7 June 2024

XYZ listing date = 10 June 2024



XYZ CFD Quantity adjustment to Mr A's account

= 8,000 units x 2 (1 unit of share for 1 existing unit of share)

= 16,000 units (additional 8,000 units will be credited into Mr A's account)

XYZ CFD Share price adjustment to Mr A's account

= RM2.00 ÷ 2 (1 unit of share for 1 existing unit of share)

= RM1.00 (RM1.00 per unit will be debited from Mr A's account and his new XYZ CFD open position price will be RM1.00)

EXAMPLE OF SHARE SPLIT AND ADJUSTMENTS TO INVESTOR'S ACCOUNT

Mr A has an outstanding XYZ CFD position of 10,000 units at RM5.00 per unit as of ex-date 7 June 2024. Below are the share split details:

2 for 1 share split

XYZ ex-date = 7 June 2024

XYZ listing date = 10 June 2024



XYZ CFD Quantity adjustment to Mr A's account

= 10,000 units x 2 (2 for 1 share split)

= 20,000 units (additional 10,000 units will be credited into Mr A's account)

XYZ CFD Share price adjustment to Mr A's account
= $RM5.00 \div 2$ (2 for 1 share split)
= RM2.50 (Mr A's new XYZ CFD open position price will be RM2.50)

EXAMPLE OF REVERSE SPLIT AND ADJUSTMENTS TO INVESTOR'S ACCOUNT

Mr A has an outstanding XYZ CFD position of 9,000 units at RM5.00 per unit as of 7 June 2024. Below are the reverse split details:

10 for 1 reverse split
XYZ ex-date = 7 June 2024
XYZ listing date = 10 June 2024



XYZ CFD Quantity adjustment to Mr A's account
= $9,000 \text{ units} \div 10$ (10 for 1 reverse split)
= 900 units (8,100 units will be deducted from Mr A's account)

XYZ CFD Share price adjustment to Mr A's account
= $RM5.00 \times 10$ (10 for 1 reverse split)
= RM50.00 (Mr A's new XYZ CFD open position price will be RM50.00)

RIGHTS ISSUE

When the underlying shares has a rights issue on exercise, Phillip Capital will notify investors within a reasonable time and investors must liquidate all the Long CFD positions of the affected CFD contract one (1) market day before the ex-date. Phillip Capital shall at their discretion close all positions in the event of non-action by the investors on the trading account.

Note: Notwithstanding the foregoing, Phillip Capital reserves the right to close all open positions relating to the underlying shares before the ex-date for any corporate action not mentioned above and in the event that the investors fail to close the open positions.

6. KEY RISK

Investors should be aware of the following risks when considering whether to trade in CFD.

Investors can take some measures to mitigate risks, but some risks are inevitable and investors are advised to fully understand the nature of the risks before trading CFD. Investors may lose all of the initial investment due to (but not limited to) the following key risks as described below:

6.1 LEVERAGE RISK

The leverage in CFD means that investors only have to put in a fraction of the market value of the underlying instrument but investors are entitled to the same gains or losses as if the investors had paid the full contract value.

As CFD are leveraged products traded on margin, the risk of any gain or loss in leveraged CFD trading can be amplified.

This leverage effect can work against investors as well as work for investors. It also means that a relatively small market movement can lead to a proportionately big impact in the value of the investors' account. If the market moves against the investors' position, the investors may be called upon on short notice to pay additional funds in order to maintain the investors' position.

6.2 COUNTERPARTY RISK (NO CENTRAL CLEARING)

CFD is an over-the-counter leveraged product traded on an off-exchange basis. Off-exchange transactions are typically less regulated and are subjected to a separate regulatory regime.

When investors trade the CFD contract, it is issued by the counterparty and there is no central clearing to guarantee the trade in between. The investors will be relying on the counterparty's creditworthiness. This is the nature of over-the-counter products.

Counterparty is the company or person on the other side of the financial transaction. As a CFD provider, Phillip Capital is acting as counterparty to the investors' transaction.

Counterparty risk arises when the CFD provider fails to meet a due payment obligation under a CFD. For example, investors of a Long CFD position have made a profit and the gain is supposed to be credited to the investors' account. However, the counterparty, the CFD provider, does not have the funds to credit the gains to the investors.

The same counterparty risk could occur to investors who made gains on a CFD Short position. Investors who are a holder of Long CFD contract should note that they have no recourse to the underlying shares as they have no ownership to the underlying shares.

6.3 LIQUIDITY RISK

As CFDs are traded on an over-the-counter basis and does not have a secondary market, they are subject to the availability of buy and sell prices and volume.

Some CFDs have lower liquidity or more illiquid than others, which make them more difficult to trade at market prices.

If investors try to sell their CFD, the investors may not be able to find a buyer, or the sale price could be much lower than the amount they invested.

Illiquid market conditions may cause the Bid/Ask spreads to widen. Bid/Ask spreads are the amount by which the Ask price exceeds the Bid price. When this spread widen, trade may be filled at inferior prices as there is no interest in the market in between.

When this happens, the CFD may not be filled within a reasonable time (if at all) or may be traded at a price which may not reflect its fair value. For example, the investors may be required to sell lower than the Bid price or buy higher than the Ask price of the CFD, which may incur losses as a result.

When there is not enough volume in the market of the underlying instrument, investors may not be able to trade into the asset or orders may be filled at a drastically inferior price, even if the investors have an open position. At times, the position may be left open as the investors are unable to close it due to illiquid underlying market conditions.

Phillip Capital cannot and does not warrant that there is an active trading market at all times, and the price that Phillip Capital secures for investors will at any time be the best price available to the investors. When there are not enough trades being made in the market for an underlying instrument, the CFD contract will also be illiquid. Additional margins may be called upon or the position may be closed at unfavourable prices.

6.4 CURRENCY RISK

The profit or loss in transactions in foreign currency-denominated contracts will be affected by the fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

6.5 ORDER TYPE RISK

When trading CFD, investors can place order types that incorporate features that enable them to limit losses (e.g. Limit Orders and Stop Limit Orders). While these orders limit losses in most instances, the orders may not be effective when market conditions make it difficult or impossible to execute such orders without incurring substantial losses due to slippage or non-execution. Nonetheless, investors are advised to place a Stop Limit Order to avoid further losses.

For a definition of different order types, please refer to Section 10.0 (Electronic Trading Platform) of the Disclosure Document.

6.6 ELECTRONIC/ONLINE TRADING PLATFORM RISK

Investors should be aware that there are a number of risks associated with using Internet-based electronic trading platform. These risks include the failure of any software to perform in the manner expected, disruptions to access to telecommunications systems (or other service interruption), errors in software, delays in data transmission, malicious security breaches and errors or inaccuracies in data entry.

Phillip Capital may introduce additional electronic trading platforms for investors from time to time and each electronic trading platform has its own terms, conditions and requirements. Investors are advised to read and understand those terms as set out in the electronic trading platform and product information guide. The terms and conditions and the product information guide are available at Phillip Capital website at www.phillip.com.my.

6.7 MARKET RISK

Fluctuations in the underlying market can occur rapidly and can adversely affect the value of a CFD. Investors should also be aware that the price, value or level of an underlying market may depend on a number of factors such as interest rates, demand, supply, actions of issuers or governments, suspension of underlying instruments from trading and other factors.

Unexpected new information in the fundamentals of the underlying securities can result in quick changes in market value. The markets may fluctuate drastically, and may have negative effect on the trade.

An open position may experience drastic opposite price movements and under some circumstances even become worthless. An inherent risk of trading/investing in CFD is that losses may be incurred, rather than profits made, as a result of buying and selling such products.

In some circumstances the value of the CFD may move independently of these factors. It is important that investors monitor their open positions closely.

6.8 MARKET RISK (GAP RISK)

The underlying instrument may at times experience Market Gap. A Market Gap is a break between prices with no trading occurring in between. The mechanics of trading during these events mean that investors cannot make trades when desired or that the trades will not be filled at the prices expected (see Execution Risk below).

6.9 EXECUTION RISK (STOP LOSS ORDERS)

The placing of certain orders (e.g. Stop Limit Orders) which are intended to limit losses to certain amounts may not be effective because the market conditions may make it impossible to execute such orders (e.g. Market Gap.). At times, it is also difficult or impossible to liquidate a position without incurring substantial losses. Such conditions may cause a maximum loss in the investment, or may cause a deficit in the account. Phillip Capital does not guarantee a stop limit order for a CFD trade.

6.10 MARGIN CALL (RISK OF INADEQUATE MARGIN)

If changes in the market have a negative effect on the investors' positions, and also because the investors are highly leveraged, Phillip Capital may call the investors for margin deficit in a short notice to cover the adverse change of the market and to keep the positions open. Phillip Capital reserves the right to force close the position if such margin deficit is not met, and may liquidate the trade at a loss.

Investors may be also called upon on short notice to pay additional funds to maintain position if the margin levels are increased.

6.11 INVESTORS' MONEY RISK

All the monies deposited with Phillip Capital by investors will be segregated and paid into the client segregated account. Investors should be aware that monies held in the client segregated account does not necessarily protect investors from a deficit in the client segregated account. Investors may lose some or all monies held with Phillip Capital.

Investors segregated account is not a protected deposit for the purposes of the Deposit Protection Scheme.

6.12 HOLDING AND FINANCE CHARGES

Finance charges are inherent in all the Long and Short of CFD open positions. These holding costs are applied to the open positions of the account on a daily basis and will be realised at the thirty (30) day expiry. Thereafter, the charges will continue on the renewed open positions.

Finance charges may still apply even if investors have the intention to liquidate the open positions, but due to market conditions, were unable to close out the positions.

6.13 SUSPENSION OR RESTRICTION OF TRADING

Market disruption such as (but not limited to) suspension of trading, delisting of underlying or any breakdown or failure of transmission can occur. Under such situation, the CFD trades can be refused and orders may be cancelled. Open positions will be affected as it may be force closed or terminated at a price by which the counterparty determines. Investors may also be prohibited from entering new positions.

6.14 NO FIRST PRIORITY TO COLLATERAL REALISATION PROCEEDS

When trading in CFD, investors are relying on the Phillip Capital to accept and process the trades, make payments owed to the investors while the trades are open, credit any proceeds and pay the money out of the investors' CFD trading account.

If Phillip Capital gets into financial difficulties, they may fail to meet some or all of their obligations to you.

6.15 UNLISTED STRUCTURED INVESTMENT PRODUCT NOT PROTECTED DEPOSIT

Investment in CFD involves risks. This is an unlisted structured investment product which involves derivatives, and is not equivalent to nor should it be treated as a time deposit. CFD is not a protected deposit for the purposes of the Deposit Protection Scheme.

6.16 TRADING IN CFD ARE NOT THE SAME AS REFERENCE ASSETS

When the investors buy a CFD, the investors do not own the underlying instrument itself. The investors enter into an agreement between themselves and the counterparty to trade the difference in the value of the underlying instrument between now and when the investors close the position. A reference asset is an underlying instrument used in credit derivatives and can be assets such as bonds or debt-backed securities. Hence, CFD is not a reference asset.

6.17 SHARES RECALL RISK

The lender of any particular shares may recall his/her shares at any given notice and as such, investors with Shares CFD Short positions will have to liquidate the position immediately.

7. FEES AND COMMISSION

Before the investors trade, the investors should obtain a clear explanation of all commissions, fees and other charges for which the investors will be liable. These fees and charges will affect investors net profit (if any) or increase the loss.

7.1 ACCOUNT OPENING AND CLOSURE FEES

There is no additional fee for opening or closing CFD account with Phillip Capital.

7.2 PLATFORM FEES AND MARKET DATA FEES

7.2.1 PLATORM FEES

There is no additional fee for using POEMS CFD Trader or any other Phillip Capital CFD electronic trading platform.

Note: Platform fees are subject to changes.

7.2.2 MARKET DATA FEES

Market	Delayed Price Feed	Live Price Feed
Bursa Securities CFD	N/A	Free
Foreign Securities CFD (for US CFDs only)	Free	USD 5.00 for non-professional trader; USD 50.00 for professional trader

Note: These market data fees are subject to changes. Other CFD products may also be subjected to charges. Please refer www.phillip.com.my for the latest market data fees or contact your respective dealer's representative for more info. Please note that market data fees are charged on a monthly basis.

7.3 COMMISSION RATES

Market	Currency	Commission	Minimum Commission Rates
Bursa Securities CFD	MYR	0.5% of the shares value	MYR 60.00
Foreign Securities CFD	USD	0.5% of the shares value	USD 15.00
World Indices CFD & Commodities CFD	USD	USD 10.00 for each CFD contract	N/A

Note: These rates are subject to changes. Please refer to www.phillip.com.my for latest commission rates. Commission rates are payable at the time of order execution.

7.4 FINANCE CHARGES

Market	Long Finance Charges (per annum)	Short Finance Charges (per annum)	Remarks
Bursa Securities CFD	7.0% of the securities value	From 7.0% of the securities value	Based on the contract value of the entire position marked to the closing price of the day
Foreign Securities CFD	10.0% of the securities value	From 10.0% of the securities value	Based on the contract value of the entire position marked to the closing price of the day
World Indices CFD & Commodities CFD	10.0% of contract value	10.0% of contract value	Based on the contract value of the entire position marked to the closing price of the day

Note: These Finance Charges are subject to changes. Kindly contact Dealing Desk for latest. Finance Charges are calculated daily based on 100% mark-to-market contract value. Finance Charges will be realized on the 30th day rollover.

7.5 SALES AND SERVICES TAX (SST)

All commission paid is subject to 8% SST. Please refer to Section 11 (CFD Working Examples) of this Disclosure Document for the examples of Commission Rates, SST and Finance Charge calculations.

Note: These rates are subject to changes based on the latest local government policy.

7.6 CURRENCY DEFICITS AND CURRENCY CONVERSION CHARGES

When investors trade non-Bursa Securities CFD, currency deficits may occur if they do not have sufficient foreign currency amount (example in USD) held in their trading account. Hence, there will be an auto conversion shall the currency deficit amount be greater than the currency deficit threshold below, there will be an administrative charge of RM18.00 and bank charge for currency conversions.

Currency	Currency Deficit Threshold
USD	(USD 500.00)

Note: The Management may change the above threshold as and when it deemed fit.

Currency deficit in MYR will not be covered by automatic currency conversion. Interest rate will be charged on any currency deficit as follows:

Currency	Interest Rate (% per annum)
MYR	6.75
USD	8.50

Note: The Management may change the above interest rate as and when it deemed fit.

Scenarios of currency deficits and potential charges:

- a) Margin call on CFDs denominated in their respective currencies.

Example

Investor has a T+1 margin call amount of RM471.44 from his Malaysia Shares CFD positions. Investor had subsequently answered the margin call on T+1 and hence his currency deficit charges as follows:

$$\begin{aligned}\text{Currency Deficit Charges} &= \text{Margin call Amount} \times \text{Interest Rate Per Annum} \\ &= \text{RM}471.44 \times [(6.75\%) \times (1/365)] \\ &= \text{RM}0.09\end{aligned}$$

Kindly refer to Section 11 (CFD Working Example) of this Disclosure Document for margin call calculation.

- b) Investors use Malaysian Ringgit (MYR) to trade Foreign Securities CFD, such as US shares CFD, which was denominated in US Dollar (USD).

Example

Investor has RM4,000 in CFD account and used MYR to buy Apple CFD 40 units at USD100 per unit for 20% initial margin. Current exchange rate is RM4.05/USD. USD currency deficit charge is 5.5% p.a. Investor held position for a day only.

Margin requirement for Apple CFD = USD100 x 40 units x 20%
 = USD800
 = RM3,240

So, investor has USD currency deficit of USD800.

Hence currency deficit charges = USD800 x [(8.50%) x (1/365)]
 = USD0.19

7.7 MODE OF PAYMENT

Investors can deposit fund to Phillip Capital via the following method:

Mode	Details
Cheque	Cheques should be crossed and made payable to “ Phillip Capital Sdn Bhd - CFD ”. Please state the CFD trading account number, name and contact number on the reverse of the cheque and specify that the payment is meant for the CFD trading account.
Internal Funds Transfer	For the existing investors of Phillip Capital, they can initiate online funds transfer from futures trading account to CFD trading account through Phillip Capital Dealing Desk.
Online Transfer / Telegraphic Transfer (“TT”)	Please specify CFD trading account number and name during the online or telegraphic transfer. Upon completion of transfer, kindly inform Phillip Capital Dealing Desk that the amount is meant for CFD trading account. Investors are liable to pay for any bank transfer fees charged by the banks. Below are the bank account details: Bank: Malayan Banking Berhad Account Name: Phillip Capital Sdn Bhd - CFD Account No: 514012111172 Bank: Malayan Banking Berhad Account Name: Phillip Capital Sdn Bhd - CFD Account No: 714011030847 (Foreign Currency Account)

Note: Phillip Capital is strictly prohibiting the acceptance of cash payment from walk-in investors or cash payment from investors for deposits of their initial investment/investment.

7.8 FUNDS WITHDRAWAL

The lower of the previous day’s day-end margin excess and the margin excess at the time of processing, will be the maximum amount available for withdrawal. The withdrawal request will be rejected if the submitted withdrawal amount is greater than the margin excess at the time of processing.

Investors are reminded to exercise due caution that withdrawal of funds might result in a margin call'. Withdrawals, whether by way of electronic transfer or cheque, will only be made out in the name of the account held with Phillip Capital.

8. TREATMENT OF INVESTORS' MONIES

All the monies and properties deposited with Phillip Capital by the investors or received by Phillip Capital for or on behalf of the investors will be segregated and paid into the investors' segregated accounts for the purpose of CFD. The purpose of the investors' segregated accounts are to segregate investors' funds from Phillip Capital' own funds.

Phillip Capital may invest investors' monies in deposits with a licensed bank in accordance with Section 118 of CMSA. Phillip Capital shall be entitled to retain, for the benefit of Phillip Capital and without any obligation to account to investors, any or all interest that may be earned on the investors' monies held in the investors' segregated accounts.

Investors' monies may be withdrawn from the investors' segregated accounts, to make a payment in accordance with investors' instructions, after defraying brokerage and any other proper charges with Phillip Capital entitled or making a payment that is otherwise authorised by law.

9. HEDGING ACTIVITY

Phillip Capital maintains and applies a policy to manage its exposure to market risks from investor's positions. This includes:

- (i) Under the DMA pricing model, Phillip Capital will automatically place a corresponding order directly in the underlying equity market and therefore Phillip Capital does not carry any market risk from the trade; and
- (ii) Phillip Capital considers financial standing, global presence and internal processes of the underlying companies for managing risk.

9.1 INTRODUCTION OF CFD

For Bursa Securities CFD, Phillip Capital will offer CFD where the underlying instrument is a share listed on the Main Board of Bursa Malaysia. The underlying company of this CFD offered by Phillip Capital has an average daily market capitalization, excluding treasury shares of at least RM1 billion in the past three months ending on the last market day of the calendar month immediately preceding the date of offer or RM3 billion in the case of newly listed company that does not meet the 3-month market capitalization track record. Besides that, the underlying company must also meet the public shareholding spread requirement at the date of offer.

For underlying instrument where shares are listed on a securities exchange outside Malaysia, Phillip Capital will offer CFD where the underlying company is listed on an exchange in a jurisdiction where the capital market regulator is a signatory of the International Organization of Securities Commission Multilateral Memorandum of Understanding (IOSCO MMoU). The underlying company of this CFD offered by Phillip Capital has an average daily market capitalization equivalent to at least RM3 billion in the past 3 months ending the last market day of the calendar month immediately preceding date of offer or RM5 billion in the case of newly listed company that does not meet the 3-month market capitalization track record. The underlying company must be in compliance with the listing rules and requirements of its home exchange at the date of offer, and information on the share price, share volume, financial

information and price-sensitive information in relation to underlying company must be available to investors.

The World Indices CFD that Phillip Capital offer will meet the following requirements: the constituents of the index are listed on a securities exchange in or outside Malaysia and the index must be broadly based, has a transparent composition, is a recognized benchmark and the information on the composition and performance of the index must be conveniently accessible by investors.

Phillip Capital will assess the shares and indices based on its financial standing and the liquidity. If the financial standing is unsatisfactory and/or the liquidity is low, Phillip Capital may or may not offer the shares for CFD, or may offer the shares with a higher margin.

10. ELECTRONIC TRADING PLATFORM

Each investor will be given a unique User ID to access to POEMS CFD Trader (or any other electronic trading platform). It has built-in technical charting tool for each underlying share offered by Phillip Capital. Apart from basic limit orders, the electronic trading platform comes with advance orders such as but not limited to stops limits orders to facilitate investors' risk management objectives.

For more information about the POEMS CFD Trader or any other electronic trading platform, investors can refer to user guide(s) on Phillip Capital's website at www.phillip.com.my.

10.1 MODE OF ORDER SUBMISSION

Phillip Capital has the discretion to halt trading at any time. Examples of instances where trading may be halted including (but not limited to):

- Volatile market conditions
- Disruption to IT services
- The trading of the underlying shares has been halted, suspended or delisted.

10.2 ORDER FILL

Investors should note that all orders will be closed on a First-In-First-Out basis. Phillip Capital reserves the right to withdraw any orders in the event of a price error arising from an erroneous price feed.

CFD orders will be filled based on the last traded price of the underlying shares. Investors who want to buy or long a CFD can submit a buy order based on the current Ask price, or queue below the current Ask price.

Conversely, investors can also submit a sell or short CFD order, for Foreign Securities CFD, World Indices CFD and Commodities CFD

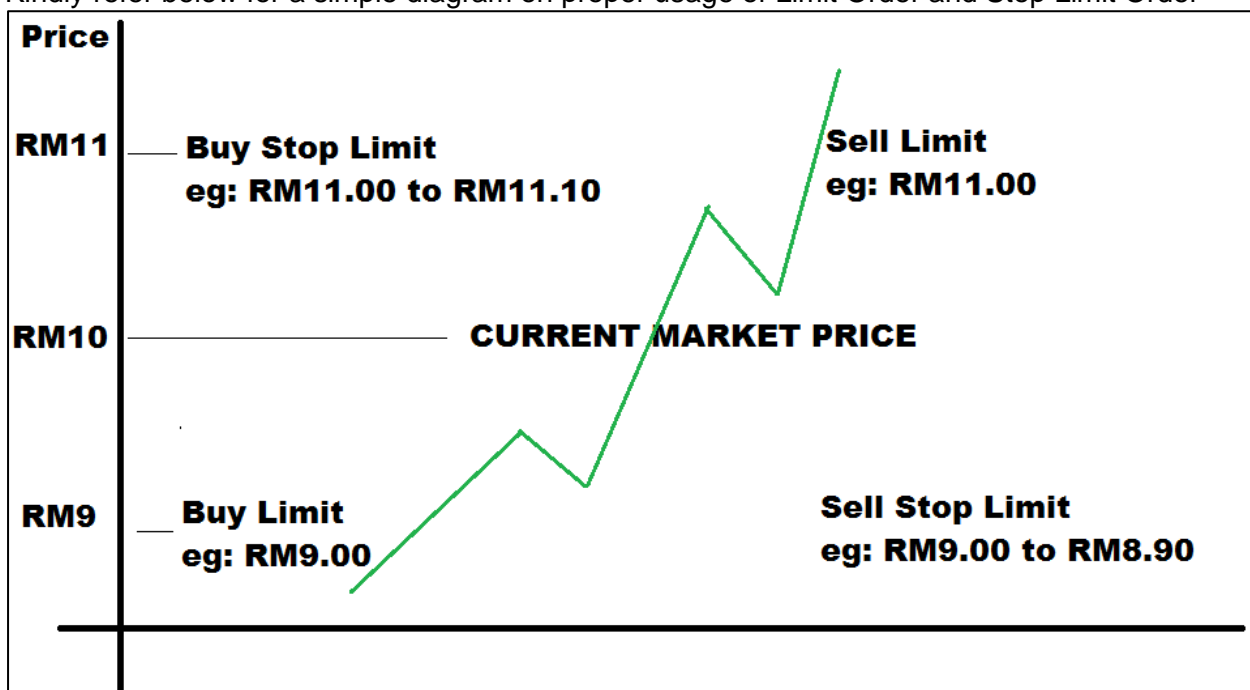
10.3 ORDER TYPES AND QUEUE RESTRICTIONS

There are various types of order to be made by the investors to trade CFD. The types of order are as follows:

'Limit Order'	A 'Limit Order' is an order to buy or sell a security at a specific price or better. A 'Buy Limit Order' can only be filled at the limit price or lower and is always placed lower than the current market price.
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	A 'Sell Limit Order' can only be filled at the limit price or higher and is always placed higher than the current market price.
'Stop Limit Order'	An order that combines the features of 'Stop Order'* and a 'Limit Order'. Once the Stop Price is reached, the 'Stop Limit Order' becomes 'Limit Order' to buy or to sell at a specified price (or better). A 'Buy Stop Limit Order' is always placed higher than the current market price. A 'Sell Stop Limit Order' is always placed lower than the current market price. <i>*Note: Stop Order is an order to buy or sell a security once it reaches a specific prices or worst. A 'Buy Stop Order' can only be filled at the price or higher. A 'Sell Stop Order' can only be filled at the price or lower. Kindly be informed Phillip Capital do not offer Stop Order.</i>

Kindly refer below for a simple diagram on proper usage of Limit Order and Stop Limit Order



Investors can place the orders via electronic trading platform as well as via a phone call through the Phillip Capital Dealing Desk.

When a CFD order is received through electronic trading platform or through phone call, pre-execution checks will be performed on investors' trading account. All CFD orders placed with Phillip Capital must fulfil all the risk management checks set by Phillip Capital as part of the risk management policies of Phillip Capital.

Stop Limit Orders are synthetic orders that can be used to limit or mitigate potential loss on an open position. For CFD, Stop Limit Orders are triggered when the last trade price reaches the stop level. The execution of Stop Limit Order is subject to sufficient liquidity and may result in Slippage where investors are filled at an inferior price than that originally placed.

In the instance of a Market Gap, there may be insufficient liquidity to fill an order between the Stop and Limit price placed. In this instance the Stop Limit Order turns into a Limit Order at the limit price placed which may result in no execution leaving the investors exposed to additional

losses if the market continues on trend. Therefore, there is no guarantee that a Stop Limit Order will result in an execution at all.

As for Limit Orders, orders are filled based on last done price, based on price / time priority (not Bid/Ask prices). Investors may close out an existing CFD position by submitting an order based on the opposite trade of an existing CFD position.

11. CFD WORKING EXAMPLES

Mr A is bullish on XYZ component share and decides to buy or Long 10,000 units of XYZ CFD at RM2.78. The initial margin requirement for XYZ component share is 10%.

Calculation of Full Contract Value and Margin Requirement

XYZ share price: RM2.78

Full contract value = Price x Quantity

10,000 units of XYZ = RM2.78 x 10,000 = RM27,800.00

10% initial margin for XYZ share:

Full contract value x 10% = RM27,800.00 x 10% = RM2,780.00

Hence, the investor need to pay the amount of RM2,780.00 to buy 10,000 units of XYZ CFD.

Calculation of Commission Paid on Opening Position

Commission paid = 0.5% of Full Contract Value

Full contract value = RM2.78 x 10,000 units of XYZ = RM27,800.00

Commission paid = 0.5% x RM27,800.00 = RM139.00

Calculation of SST Paid on Opening Position

SST paid = Commission paid x 8%
= RM139.00 x 8% = RM11.12

Calculation of Commission paid on Closing Position

XYZ Share had risen to RM2.83 and Mr A decided to close his position. Below are the calculation of Commission and SST paid for closing position:

0.5% of Full contract value = Commission paid

0.5% x RM28,300.00 = RM141.50

8% of Commission paid = SST Paid

8% x RM141.50 = RM11.32

Calculation of Finance charges

Mr A bought 10,000 units of XYZ CFD and closed his position on Day 3.

The Long Finance Charges is 7.0% per annum.

The following are the last done prices on the next few days:

Day 1: RM 2.81

Day 2: RM 2.77

Day 3: RM 2.79

Finance Charge = Finance Charge Rate x Closing Price x Quantity / 365

Finance Charge for Day 1:

$$7.0\% \times \text{RM}2.81 \times 10000 / 365 = \text{RM}5.39$$

Finance Charge for Day 2:

$$7.0\% \times \text{RM}2.77 \times 10000 / 365 = \text{RM}5.31$$

Total Finance Charge

$$= \text{RM}5.39 + \text{RM}5.31$$

$$= \text{RM}10.70$$

As Mr A closed out the trade on Day 3, therefore there will be no Finance Charge on Day 3.

Calculation of Profit and Loss

Initial deposit of fund = RM3,000.00

(i) Profit Scenario

Mr A bought 10,000 units of XYZ CFD at RM2.78, and the share price closed at RM2.83.

Unrealized Profit = (Closing price – Opening Price) x Quantity

$$(\text{RM}2.83 - \text{RM}2.78) \times 10,000 \text{ units of shares}$$

$$= \text{RM}500.00 \text{ (Excluding commission and other charges)}$$

(ii) Loss Scenario

Mr A bought 10,000 units of XYZ CFD at RM2.78, and the share price closed at RM2.72.

Unrealized Profit = (Closing price – Opening Price) x Quantity

$$(\text{RM}2.72 - \text{RM}2.78) \times 10,000 \text{ units of shares}$$

= -RM600.00 (Excluding commission and other charges)

Calculation of Margin Call

Initial deposit = RM3,000

Mr A bought 10,000 units of XYZ CFD at RM2.78, and the share price closed at RM2.72.

- (i) Opening commission = $0.5\% \times \text{RM}27800 = \text{RM}139.00$
- (ii) SST paid = $\text{RM}139 \times 8\% = \text{RM}11.12$
- (iii) Finance Charge = $\text{Finance charge Rate} \times \text{Closing Price} \times \text{Quantity} / 365$
= $7.0\% \times \text{RM}2.72 \times 10000 / 365$
= $\text{RM}5.22$
- (iv) Unrealized Profit/Loss = $(\text{Closing price} - \text{Opening Price}) \times \text{Quantity}$
= $(\text{RM}2.72 - \text{RM}2.78) \times 10000$
= $-\text{RM}600$
- (v) Maintenance margin = $\text{Quantity} \times \text{Closing Price} \times 10\%$
= $10000 \times \text{RM}2.72 \times 10\%$
= $\text{RM}2,720$

Equity balance = Cash deposit - Opening commission - SST paid - Finance Charge - Unrealized Profit/Loss

$$\begin{aligned} &= \text{RM}3,000.00 - \text{RM}139.00 - \text{RM}11.12 - \text{RM}5.22 - \text{RM}600.00 \\ &= \text{RM}2,266.90 \end{aligned}$$

Margin deficit (Amount to top up for margin call) = Maintenance margin - Equity balance
= $\text{RM}2,720.00 - \text{RM}2,266.90$
= $\text{RM}453.10$

Calculation of Intraday Margin Call

When prices change drastically, Mr A may face a force-selling call.

Scenario:

Initial deposit = RM3,000.00

Mr. A bought 10,000 units of XYZ CFD at RM2.78, and CFD price fell to RM 2.60.

- (i) Opening commission = $0.5\% \times \text{RM}27,800.00 = \text{RM}139.00$

- (ii) SST paid = $RM139 \times 8\% = RM11.12$
- (iii) Finance Charge = Finance charge Rate x Closing Price x Quantity / 365
 $= 7.0\% \times RM2.60 \times 10,000/365$
 $= RM4.99$
- (iv) Unrealized Profit/Loss = (Closing price – Opening Price) x Quantity
 $= (RM2.60 – RM2.78) \times 10000$
 $= -RM1800$
- (v) Maintenance margin = Quantity x Closing Price x 10%
 $= 10,000 \times RM2.60 \times 10\%$
 $= RM2,600.00$

Equity balance = Cash Deposit - Opening commission – SST paid – Finance Charge - Unrealized Profit/Loss
 $= RM3,000.00 – RM139.00 – RM11.12 – RM4.99 – RM1,800.00$
 $= RM1,044.89$

Available balance = 0 (Maintenance Margin > Equity Balance)

Margin deficit = $RM2,600.00 - RM1,044.89$
 $= -RM1555.11$

Equity balance < 5% of Full contract value

As this is an intra-day margin call, Mr A needs to top up the margin deficit as soon as possible. If there is further market movement against the Investors (and/or the Investors do not top up the Margin Deficit), Phillip Capital reserves the right to force-liquidate without further notice to the Investors to bring the account out of margin call.

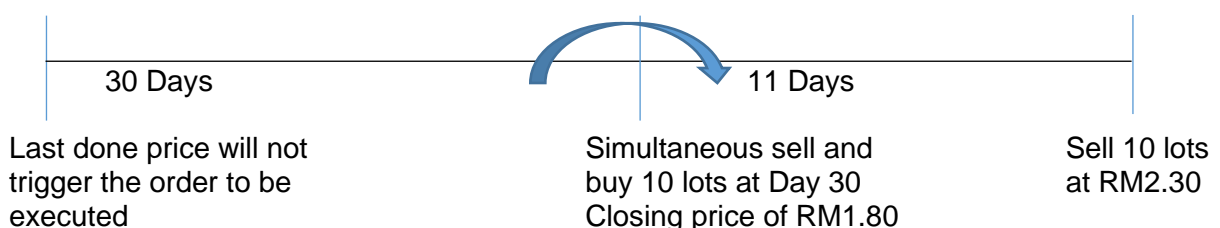
Example of Contract Renewal (Auto rollover on Day 30)

An investor bought 10,000 units of XYZ CFD at RM2.00.

The investor decided to continue holding the position beyond 30 calendar days, such that an automatic roll-over takes place on Day 30, at the closing price of RM1.80.

The position is closed off 11 days following the roll-over, at price of RM2.30. (Assume daily marked-to-market prices remain constant for first 30 calendar days at RM2.00 and prices remain constant for the next 11 days at the rollover price of RM1.80)

Automatic Roll-over



On 30th Calendar Day (Contract Renewal Date)

Old contract closed:

Realized losses (RM2.00-RM1.80) x 10,000 shares = -RM2,000 will be debited from CFD account.

A new BUY CFD contract based on RM1.80 would be initiated.

There will be no commission charges for the closed contract and a new contract is initiated.

Finance Charge for the past 30 days will be realized based on daily marked-to-market prices.

11.1 World Indices CFD

For World Indices CFD, the only corporate exercise will be applied to investors' CFD position is dividend adjustment. Subsequently, the dividend will be calculated based on the weighting of the stock in the index as well as taxation rules of the respective indices' home country.

Example of Dividends Calculation for World Indices CFD

Dividends for World Indices CFD will be calculated based on the weighting of the stock in the index as well as taxation rules of the respective indices' home country.

For example, P&G is a component stock of the Dow Jones Industrial Average. It is paying dividends of USD0.562 and the weighting is 3.935219%.

The closing price of the Wall Street Index USD1 CFD is USD 13,557.

The closing price of P&G is US\$69.47.

No. of shares in 1 contract of Wall Street Index USD1 CFD
= (Index Closing Price x Stock Weightage) ÷ Stock Price
= (USD 13,557 x 0.03935219) ÷ USD 69.47
= 7.68

Gross dividends
= 7.68 x USD 0.562
= USD4.32

Net dividends
= USD4.32 x 70% (tax rate calculated for non-resident 30%)
= USD3.02

Therefore, investors with Long positions will receive net dividends of USD3.00 (rounded to the nearest decimal point) and investors with Short positions will have to pay gross dividends of USD4.30 (rounded to the nearest decimal point).

Note: tax rate will be subjected to change from time to time.

11.1.1 World Indices CFD Example

Working Example for Long Position

Mr B is bullish on Wall Street Index CFD and decided to long 1 contract. Wall Street Index is an index CFD, thus the initial margin is 5%. Below are the details of transactions:

	Profit Scenario	Loss Scenario
Open Price	17,900	17,900
Closing Price On Day 4	18,100	17,700
Initial Margin	$\text{Price} \times \text{Price per point} \times \text{Minimum margin} \times \text{Quantity}$ $= 17,900 \times \text{USD1 per point} \times 5\% \times 1 \text{ Contract}$ $= \text{USD}895.00$	
Profit / (Loss)	$(\text{Closing price} - \text{Opening price}) \times \text{Price per point} \times \text{Quantity}$ $= (18,100 - 17,900) \times \text{USD} 1 \times 1$ $= \text{USD}200.00$	$(\text{Closing price} - \text{Opening price}) \times \text{Price per point} \times \text{Quantity}$ $= (17,700 - 17,900) \times \text{USD} 1 \times 1$ $= (\text{USD}200.00)$
Opening Commission	$\text{USD}10.00$ <p>(Refer to Section 7.3 of this Disclosure Document)</p>	
Closing Commission	$\text{USD}10.00$ <p>(Refer to Section 7.3 of this Disclosure Document)</p>	
Finance Charge	<p>Assume that Long Finance Charge is 5.5% per annum. and Mr G closes the position on Day 4:</p> <p><u>Day 1 : Price of 17,950</u></p> $= 17,950 \times 1 \text{ Contract} \times \text{USD} 1 \times 5.5\%/365$ $= \text{USD}2.70$ <p><u>Day 2 : Price of 18,000</u></p> $18,000 \times 1 \text{ Contract} \times \text{USD} 1 \times 5.5\%/365$ $= \text{USD}2.71$ <p><u>Day 3 : Price of 18,050</u></p> $18,050 \times 1 \text{ Contract} \times \text{USD} 1 \times 5.5\%/365$ $= \text{USD}2.72$ <p>Total Finance Charge = USD8.13</p>	
Net Gain / (Loss)	$200.00 - 10.00 - 10.00 - 8.13$ $= \text{USD}171.87$	$(200.00) - 10.00 - 10.00 - 8.13$ $= (\text{USD}228.13)$
Return on Equity	$(171.87 / 895.00) \times 100\%$ $= 19.20\%$	$(-228.13 / 895.00) \times 100\%$ $= -25.49\%$

Working Example for Short Position

Mr B is bearish on Wall Street Index CFD and decided to short 1 contract. Below are the details of transactions:

	Profit Scenario	Loss Scenario
Open Price	18,100	18,100

Closing Price On Day 4	17,900	18,300
Initial Margin	$\text{Price} \times \text{Price per point} \times \text{Minimum margin} \times \text{Quantity}$ $= 18,100 \times \text{USD } 1 \text{ per point} \times 5\% \times 1 \text{ contract}$ $= \text{USD}905.00$	
Profit / (Loss)	$(\text{Opening price} - \text{Closing price})$ $\times \text{Price per point} \times \text{Quantity}$ $= (18,100 - 17,900) \times \text{USD } 1 \times 1$ $= \text{USD}200.00$	$(\text{Opening price} - \text{Closing price}) \times$ $\text{Price per point} \times \text{Quantity}$ $= (18,100 - 18,300) \times \text{USD } 1 \times 1$ $= (\text{USD}200.00)$
Opening Commission	$\text{USD}10.00$ <p>(Refer to Section 7.3 of this Disclosure Document)</p>	
Closing Commission	$\text{USD}10.00$ <p>(Refer to Section 7.3 of this Disclosure Document)</p>	
Finance Charge	<p>Assume that Short Finance Charge is 5.5% per annum and Mr B closes the position on Day 4:</p> <p><u>Day 1: Price of 18,070</u></p> $18,070 \times 1 \text{ Contract} \times \text{USD } 1 \times 5.5\%/365$ $= \text{USD}2.72$ <p><u>Day 2: 18,020</u></p> $18,020 \times 1 \text{ Contract} \times \text{USD } 1 \times 5.5\%/365$ $= \text{USD}2.72$ <p><u>Day 3: Price of 18,000</u></p> $18,000 \times 1 \text{ Contract} \times \text{USD } 1 \times 5.5\%/365$ $= \text{USD}2.71$ <p>Total Finance Charge = USD8.15</p>	
Net Gain / (Loss)	$200.00 - 10.00 - 10.00 - 8.15$ $= \text{USD}171.85$	$(200.00) - 10.00 - 10.00 - 8.15$ $= (\text{USD}228.15)$
Return on Equity	$(171.85 / 905.00) \times 100\%$ $= 18.99\%$	$(228.15 / 905.00) \times 100\%$ $= -25.21\%$

12. ACCOUNT OPENING AND CLOSING

12.1 Account Opening

Investors are required to meet the Capital Markets Services Representative's License Holder ("CMSRL") of Phillip Capital to open a CFD Trading Account.

The Account Opening Form will be provided to the investors to fill in, by furnishing the investors a Disclosure Document and Product Highlights Sheet ("PHS"), Investors' Acknowledgment Form, Suitability Assessment Form (Individual and Corporate) and Common Reporting

Standard (“CRS”) Form, either in hardcopy or an electronic version.

Investors are also required to provide complete documents to CMSRL together with photocopy of Identity Card or Passport, latest bank statement, utilities bill or other supporting documents requested by Phillip Capital . The CMSRL will conduct a Know-Your-Client(“KYC”) check on investors before the investors deposit the funds into Phillip Capital CFD segregated account as an initial deposit.

Thereafter, the account will be processed by the Operations Department and investors will receive an email notification to indicate the successful of account opening application. Investors must reply in the same email in order to receive temporary password for the electronic trading platform.

12.2 Dormant Account and Re-activation of Dormant Account

If there is no trading activity within the period of six months, investor’s access to the electronic trading platform will be removed.

In order to re-activate the account, investors will be provided a copy of the DD and PHS, either in hardcopy or an electronic version. In addition, investors have to submit Sophisticated Investor Declaration Form & Investors’ Acknowledgment Form & Terms and Conditions, Suitability Assessment Form, CRS Form, Change of Personal Particular Form, Dormant Reactivation Form. A hardcopy of DD and PHS must be given to a CFD investors upon such a request from the investors.

12.3 Account Closure

As for account closure, investors would need to fill and sign the Account Closure Form. The form can be obtained from our Phillip Capital Dealing Desk and the investors can contact Phillip Capital Dealing Desk at 03-2711 0026.

Please take note that the Board and the regulators reserve the right to instruct to close the trading account of investors in the event there is any suspicious transaction on the investors’ trading account.

Phillip Capital has the right to deduct the commission, fees, finance charges and expenses owed to Phillip Capital in relation to the trading of CFD from the equity balance of the investors. After deducting the commission, fees, finance charges and expenses, the net proceeds will be returned to the investors upon the closure of account.

13. CONTACT INFORMATION

1. For further information or internal dispute resolution, you may contact us at:

- (a) via phone to : 03-2711 0026
- (b) via e-mail to : pcsb_enquiry@phillipcapital.com.my
- (c) via website : www.phillip.com.my
- (d) via letter to : B-18-6, Block B, Level 18, Unit 6,
Megan Avenue II,
No.12, Jalan Yap Kwan Seng,
50450, Kuala Lumpur

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Financial Markets Ombudsman Service (FMOS):

- (a) via phone to : 03-2272 2811
- (b) via fax to : 03-2272 1577
- (c) via e-mail to : enquiry@ofs.org.my
- (d) via letter to : Financial Markets Ombudsman Service (FMOS)
Level 14, Menara Takaful Malaysia,
No 4, Jalan Sultan Sulaiman,
50000 Kuala Lumpur

3. You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with FMOS. To make a complaint, please contact the SC's Investor Consumer and Investor Office:

- (a) via phone to the Aduan Hotline at : 03-6204 8999
- (b) via fax to : 03-6204 8991
- (c) via e-mail to : aduan@seccom.com.my
- (d) via online complaint form : available at www.sc.com.my
- (e) via letter to : Consumer and Investor Office,
Securities Commission Malaysia,
No 3, Persiaran Bukit Kiara,
Bukit Kiara,
50490, Kuala Lumpur

14. GLOSSARY

Ask	Ask price. The lowest price that a seller of a security is willing to accept.
ARMC	Audit Risk Management Committee of Phillip Capital.
Account Closure Form	A form that an investor signs to close a trading account with Phillip Capital.
Account Opening Form	A form that an investor signs to open a trading account with Phillip Capital.
Bid	Bid price. The highest price that a buyer is willing to pay for a security.
Board	Board of Directors of Phillip Capital.
Bonus Share	It is an offer of free additional shares to existing shareholders.
Bursa Malaysia	Bursa Malaysia Securities Bhd.
Bursa Securities CFD	CFD offered by Phillip Capital based on securities listed on the Bursa Malaysia including shares, exchange-traded funds and real estate investment funds.
CFD	Contracts for Difference.
CMSRL	Capital Market Services Representative License holder.
CMSA	Capital Markets and Services Act 2007.
Commodities CFD	CFD offered by Phillip Capital based on commodities listed on securities exchanges inside and outside of Malaysia.
Currency Deficit	Currency deficit occurs if investors do not have sufficient currency amount held in their trading account.
Currency Deficit Threshold	A pre-determined limit set for a specific currency deficit.
Deposit Protection Scheme	The Deposit Protection Scheme in Malaysia is Perbadanan Insurans Deposit Malaysia (PIDM).
Director or Directors	Referring to the individual Director and collectively the Directors of Phillip Capital for the time being respectively.
Disclosure Document	Phillip Capital Disclosure Document for CFD.
Equity Balance	Calculation of cash balance plus open profit/loss less any outstanding finance or other related fees.
ETF	Exchange-Traded Funds.

Finance Charge	<p>Means financial charges on CFD positions that is held overnight, due to the nature the leverage natural of CFD and not using the full contract value to open a position.</p> <p>Based on 100% contract value of the entire position marked to the closing price of the day, the Finance Charge is calculated daily by multiplying with the respective rates and it will be realized on the 30th day rollover.</p> <p>(Finance Charge = Finance charge Rate x Closing Price x Quantity / 365 days)</p>
Foreign Securities CFD	CFD offered by Phillip Capital based on securities listed on securities exchanges outside of Malaysia including shares, exchange-traded funds and real estate investment funds.
LCRM	Phillip Capital's Legal, Compliance & Risk Management Department.
Initial Margin	The required margin in the CFD account prior to entering any CFD contract.
Long	Buying a CFD with the expectation that the underlying instrument will increase in value.
Management	Management of Phillip Capital.
Margin Deficit	The amount required to top up the investors' CFD account after a margin call being the Maintenance Margin less the Equity Balance.
Market Gap	A condition when a security opens at a higher or lower price than it closed the previous day. It refers to the space that it left in the price chart.
Maintenance Margin	The minimum amount of equity balance to be maintained in the investors' CFD account.
Over-The-Counter	Securities transactions taking place outside a financial exchange system.
PhillipCapital Group Malaysia	refers to the group of companies in Malaysia namely, Phillip Capital Management Sdn Bhd, Phillip Mutual Berhad, Phillip Capital, Phillip Wealth Planners Sdn Bhd, Phillip Capital Holdings Sdn Bhd, Phillip Research Sdn Bhd, PC Quote (M) Sdn Bhd and FAME Platform Sdn Bhd.
Phillip Capital	Phillip Capital Sdn Bhd.
Reverse Split	A type of corporate action which consolidates the number of existing shares of stock into fewer, proportionally more valuable, shares.
REIT	Real Estate Investment Trust.

Right Issue	An invitation to existing shareholders to purchase additional new shares in the company at a discount to the market price on a stated a future date.
SC	The Securities Commission Malaysia.
Short	Selling a CFD first with the expectation that the underlying instrument will decrease in value.
Short Selling	Short selling is an investment or trading strategy that speculates on the decline in a stock or other securities price.
Slippage	The difference between the expected price of a trade and the price at which the trade is executed. It can occur at any time but is most prevalent during periods of higher volatility when market orders are used.
Sophisticated Investors	Means any person who falls within any of the categories of investors set out in Part 1 of Schedule 6 and 7 of the CMSA.
Stop Price	An order to buy or sell a security once it reaches a specific prices or worst. A 'Buy Stop Order' can only be filled at the price or higher. A 'Sell Stop Order' can only be filled at the price or lower.
World Indices CFD	CFD offered by Phillip Capital based on indices where constituents of the index are listed on securities exchange outside of Malaysia.