PHILLIP FUTURES SDN BHD
(362533-U)

PRODUCT HIGHLIGHTS SHEET

CONTRACTS FOR DIFFERENCE (“CFD”)

First Issued: [28 June 2019]

Revised: [28 September 2020]

RESPONSIBILITY STATEMENT

This Product Highlights Sheet (“PHS”) has been reviewed and approved by the directors or authorised committee and/or persons approved by the Board of Phillip Futures Sdn Bhd (“CFD provider”) and they have collectively and individually accepted full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The relevant information and document in relation to the Contracts for Difference (“CFD”), including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia. The lodgement of the relevant information and document in relation to Contracts for Difference (“CFD”), including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission of Malaysia recommends the Contracts for Difference (“CFD”) or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlight Sheet.

The Contracts for Difference (‘CFD”) is not allowed to be offered to retail investors.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Phillip Futures responsible for the CFD and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

STATEMENT OF RISK

Investors are warned that the price/level of the underlying financial instruments and contracts for difference (“CFD”) may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore make sure they understand the terms and conditions of the CFD offered, the risk factors involved, and where necessary seek professional advice before investing in the CFD.

The CFD constitute general unsecured contractual obligations of the CFD provider and of no other person. Therefore, if you purchase the CFD, you are relying on the creditworthiness of Phillip Futures Sdn Bhd and have no recourse/rights against the underlying corporation/index provider.

This Product Highlights Sheet only highlights the key features and risks of CFD. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

LIST OF REVISION

Revision Series	Revision Date	Effective Date of Revision
1st Revision	28 September 2020	28 September 2020

TABLE OF CONTENTS

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

CONTRACTS FOR DIFFERENCE ("CFD")

BRIEF INFORMATION OF PHILLIP FUTURES SDN BHD

1. DESCRIPTION OF PROVIDER

Phillip Futures Sdn Bhd (Company Registration No. 362533-U) ("Phillip Futures") was incorporated in Malaysia on 7 October 1995 under Companies Act 1965 with a paid up capital of RM20, 000,000.00 and is a holder of Capital Markets Services Licence to carry out business of dealing in derivatives.

Phillip Futures Sdn Bhd is headquartered at Block B, Level 2, Unit 6 of Megan Avenue II, Jalan Yap Kwan Seng in Kuala Lumpur.

Phillip Futures is the first futures broking company in Malaysia to provide online trading on local and foreign Specified Exchanges. Leveraging from Singapore office, Phillip Futures strives to provide a more integrated and comprehensive range of quality services that will meet the changing needs of clients. In addition, Phillip Futures also the first futures broking company in Malaysia to provide Contracts for Difference ("CFD").

The clients can invest these CFDs through Phillip Futures via Direct Market Access ("DMA") model. DMA allows clients to have a direct access to the market. When the clients place an order to Phillip Futures, a corresponding order will be sent to the exchange and when an order is filled on the actual exchange, the client's trading platform will be updated accordingly, thus eliminating conflict of interests between Phillip Futures and clients.

There is a policy set up by Phillip Futures to monitor related party transactions and conflict of interest situation that may arise within Phillip Futures and other PhillipCapital Group of companies in Malaysia including any transaction by the staff of Phillip Futures.

Phillip Futures will maintain high standards of integrity and fair dealing in the best interest of the client. The employees of Phillip Futures and other PhillipCapital Group of companies in Malaysia are not allowed to trade in derivatives products.

Phillip Futures also have in place policies and procedures to deal with any conflict of interest situation that may arise.

For more information about Phillip Futures, please visit Phillip Futures website at www.phillipfutures.com.my.

INFORMATION OF THE PRODUCT

1. WHAT IS THIS PRODUCT ABOUT?

Contract for Difference (“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 clients to participate in the price movement of an underlying instrument without owning the asset.

Phillip Futures will offer CFD whereby the underlying instruments are either shares listed on the Main Board of Bursa Malaysia or on a securities exchange outside Malaysia or indices where constituents of the index are listed on a securities exchange outside Malaysia. The clients can invest these CFDs through Phillip Futures either Direct Market Access (“DMA”) or ‘CFD’ model.

‘DMA’ allows clients to have a direct access to the market. When the clients place an order to Phillip Futures, a corresponding order will be sent to the exchange and when an order is filled on the actual exchange, the client’s trading platform will be updated accordingly.

In ‘CFD’ model, clients do no participate in the order book and liquidity of the respective exchanges.

For CFD, the client can trade both ‘Long’ and ‘Short’. The term of ‘Long’ means buying a CFD in the expectation that the underlying instrument will increase in value. The term of ‘Short’ means selling a CFD with the expectation that the underlying instrument will decrease in value.

CFD can only be offered exclusively to ‘Sophisticated Investor’ who falls within any of the categories of investors set out in Part 1 of Schedule 6 and 7 of Capital Markets and Services Act 2007 (“CMSA 2007”).

1.1 KEY FEATURES OF CFD

i. DERIVATIVE PRODUCTS

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

ii. SHORT SELLING

CFD allows clients to trade both ‘Long’ and ‘Short’ exposures.

iii. PORTFOLIO DIVERSIFICATION

By offering Malaysian Shares CFD, Foreign Shares 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 the client can trade the CFD products by putting up a small percentage of minimum ‘Initial Margin’ as low as 5% of the full contract value is required 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 the client wants to buy 1,000 units of shares of ABC Company at RM 2.00 per share, the client’s required ‘Initial Margin’ is RM200.00 to trade CFD of ABC Company.

2. WHAT AM I INVESTING IN?

2.1 TYPE OF CFD OFFERED BY PHILLIP FUTURES

Phillip Futures will offer CFD whereby the underlying instruments is either shares listed on Bursa Malaysia or a securities exchange outside Malaysia or indices where constituents of the index are listed on a securities exchange outside Malaysia.

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

2.2 TENOR OF ISSUE

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

The CFD trading positions will be re-established at that same market closing price. The unrealised profit and losses and ‘Finance Cost’ will be realised during the ‘Roll-over’. There are no ‘Roll-over’ fees charged to the clients.

Please refer to the working examples of calculations and scenarios mentioned in ‘Disclosure Documents’.

2.3 MAXIMUM LOSS/ GAIN

CFD are leveraged derivative products. A small ‘Initial Margin’ enables the client to gain exposure to the full contract value of the underlying instrument. There is no limit to the maximum gain on trading position if market moves in the client’s favour, but it is also important for the client to understand that the client could also lose more than the client’s ‘Initial Margin’ when market move against the client.

2.4 REPRESENTATION AND WARRANTIES

Client represents and warrants to Phillip Futures that the client has full authority can capacity to enter into CFD transactions with Phillip Futures.

Client represents and warrants that client is trading in its own trading account and does not do so as nominee or trustee for any other person.

2.5 SHORT SELLING RESTRICTION/TRADABILITY

Various restrictions apply to 'Short Selling' in the shares market. Though CFD allow clients to take 'Short' positions without having to own the underlying instruments, selling restrictions and tradability into certain CFD contracts may still apply in certain markets as well as in the selected shares counters. When selling restriction is imposed, the client is not allowed to trade online or via phone orders through Phillip Futures dealing desk.

Phillip Futures will notify the clients the selling restrictions prior to the commencement of trading. Please refer to www.phillipfutures.com.my for latest announcement.

2.6 DETAILS OF PROCEED UTILISATION

Unless otherwise agreed in writing, Phillip Futures shall be entitled to any profits for such investment to the extent that such profits exceed such interest.

Phillip Futures have the rights to deduct the commission, fees, 'Finance Charges' and expenses owed to Phillip Futures in relation to the trading of CFD from the client's trading account.
For the avoidance of doubt, all the utilisation of proceeds from the client's trading account shall be for the purpose of CFD trading only.

2.7 MARGIN REQUIREMENTS AND TYPES OF MARGINS

To commence the trading of CFD, the client needs 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 client buys a CFD over ABC Company shares, the client needs to deposit a margin equal to 10% of the current ABC share price.

The client is 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 Futures to trade CFD:

CFD Contracts	**Minimum Initial Margin**	**Minimum Maintenance Margin**
Malaysian Share CFD	Minimum 10% for index shares;	Minimum 10% for index shares;
	Minimum 20% for non-index shares	Minimum 20% for non-index shares
Foreign Shares 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%

Note: Phillip Futures reserves the right to vary the required margin for the CFD and limit each client's trading limit due to market volatility without prior notice. Please refer to Section 11 CFD Working Examples for margin calculations.

2.8 IMPACT OF CORPORATE EXERCISE

The clients are not entitled to the ownership of the underlying instruments. However, 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. The client's 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:

(i) DIVIDENDS

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

A dividend adjustment will be applied to underlying shares, after the ex-dividend date of its underlying shares.

In the case for World Indices CFD, 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.

The dividend adjustments will be credited or debited based on the clients' outstanding CFD position and the outstanding CFD position of client will be determined based on the closure of the market trading session stipulated by the respective exchanges.

(ii) BONUS, SHARES SPLITS, AND REVERSE SPLITS

In the event the underlying company declares 'Bonus shares', 'Shares Splits' and '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.

The term 'Long' means buying a CFD with the expectation that the underlying instrument will increase in value. The term 'Short' means selling a CFD with the expectation that the underlying instrument will decrease in value.

(iii) RIGHTS ISSUE

When the underlying shares has a ‘Rights Issue’ exercise, Phillip Futures will notify the clients within a reasonable time and the clients must liquidate all the long CFD positions of the affected CFD contract one (1) market day before the ex-date. Phillip Futures reserve the rights to force liquidates client’s position in the event of non-action by the client on the trading account.

Note: Notwithstanding the foregoing, Phillip Futures 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 the client fails to close the open positions.

Please refer to ‘Phillip Futures Disclosure Document’ for full information and impact of corporate exercise.

2.9 RISK MANAGEMENT FEATURES

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

(i) ‘Limit Order’
(ii) ‘Stop Limit Order’

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. A sell limit order can only be filled at the limit price or higher.
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).

‘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 Orders’ is subject to sufficient liquidity and may result in ‘Slippage’ where a client is 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 client 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). Client may close out an existing CFD position by submitting an order based on the opposite trade of an existing CFD position.

When a CFD order is received through Phillip Futures Online Trading Platform or through phone call, pre-execution checks will be performed on client’s trading account. All CFD orders placed with Phillip Futures must fulfill all the risk management checks set by Phillip Futures as part of the risk management policies of Phillip Futures.

In the event that there are changes in market conditions and risk management policies, Phillip Futures reserves the right to reject any submitted order.

2.10 TRADING PLATFORM

In addition to calling the Phillip Futures Dealing Desk to place orders, clients can do so via POEMS CFD Trader**.**

2.11 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.

3. IS THE PRODUCT TRADABLE?

Phillip Futures will offer CFD whereby the underlying instruments are either shares listed on Bursa Malaysia or a securities exchange outside Malaysia or indices where constituents of the index are listed on a securities exchange outside Malaysia.

The clients can invest these CFDs through Phillip Futures via Direct Market Access ("DMA") model which allows clients to directly participate in the exchange's order book.

In the event that if the underlying shares cease to remain listed on Bursa Malaysia or a securities exchange outside Malaysia, Phillip Futures may offer to close out the CFD contracts should there be an 'Over-The-Counter' price quotes and the client can place a call to Phillip Futures Dealing Desk to obtain the indicative 'Over-The-Counter' price quotes.

It is important to understand that the CFD is not listed and tradable in any stock exchanges at Malaysia or elsewhere. There is no secondary market for CFD contracts.

4. PRICE MECHANISM

As Phillip Futures offers DMA model, hence the prices of CFD will mirror the exact price of the underlying shares or indices listed at its respective exchange. This allows the clients participate in the order book of the exchange and market liquidity.

Clients invest Foreign Shares CFD and World Indices CFD via 'CFD' model whereby client 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.

5. DOES THE CFD PROVIDER ENTER INTO A CORRESPONDING POSITION IN THE MARKET FOR THE UNDERLYING INSTRUMENT?

Phillip Futures will fully hedge its 'DMA' exposure by sending corresponding shares orders directly into the shares market. Phillip Futures will fully hedge its 'CFD' exposure with a counterparty.

6. WHAT ARE THE POSSIBLE OUTCOMES OF MY INVESTMENTS?

Mr A decides to take a 'Long' position on CFD for Shares XYZ. He logins his CFD trading platform and 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 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 'Financial Charge') is tabulated as below:

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 be having a profit of RM400.00.

The calculation is illustrated as below:

(Closing Share Price – Opening Share Price) x No. of shares

= (RM5.10 – RM5.00) x 4,000 units of XYZ CFD = RM400.00

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:

(Closing Price – Opening Price) x No. of shares

= (RM4.90 – RM5.00) x 4,000 units of XYZ CFD = -RM400.00

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:

(Closing Price – Opening Price) x No. of shares

= (RM4.50 – RM5.00) x 4,000 units of XYZ CFD = -RM2,000.00

KEY RISK

7. WHO IS THIS PRODUCT SUITABLE FOR?

CFD may not be suitable for clients whose investment objective is preservation of capital and/or whose risk tolerance is low. Clients are advised to understand the nature of the risks involved in margin trading and may risk losing more than the investment amount that client has invested**.**

The client should be aware of the credit, liquidity and market risks associated with these CFDs.

CFD carry a high degree of risk as they often involve 'Gearing' or 'Leverage', the effect of which is that a relatively small movement in the price of the underlying investment will have a big impact to the 'Initial Margin' as it is only a fraction of the full value. The prices of shares and world indices can be volatile. These instruments have a limited life and may expire worthless if the underlying instrument does not perform as expected.

8. WHAT ARE THE KEY RISKS ASSOCIATED WITH THIS PRODUCT?

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

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

8.1 LEVERAGE RISK

The 'Gearing' or 'Leverage' in CFD means that the clients only have to put in a fraction of the market value of the underlying instrument but the clients are entitled to the same gains or losses as if the clients 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 the client as well as work for the client. It also means that a relatively small market movement can lead to a proportionately big impact in the value of the clients' account. If the market moves against the client's position, the client may be called upon on short notice to pay additional funds in order to maintain the client's position.

8.2 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 the client trades the CFD contract, it is issued by the counterparty and there is no central clearing to guarantee the trade in between. The client will be relying on the counterparty 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 Futures is acting as counterparty to the client's transaction.

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

The same counterparty risk could occur to clients who made gains on a CFD ‘Short’ position.

A client who is 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.

8.3 LIQUIDITY RISK

As CFD 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 CFD have lower liquidity or illiquid than others, which makes them more difficult to trade at the market prices. If the clients try to sell their CFD, the clients 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 client 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, the client may not be able to trade into the asset or orders may be filled at a drastically inferior price, even if the client has an open position. At times, the position may be left open as the client is unable to close it due to illiquid underlying market conditions.

Phillip Futures cannot and does not warrant that there is an active trading market at all times, and the price that Phillip Futures secures for the client will at any time be the best price available to the client. 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.

8.4 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.

8.5 ORDER TYPE RISK

When trading CFD, clients 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, the client is 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).

8.6 ELECTRONIC/ONLINE TRADING PLATFORM RISK

The client should be aware that there are a number of risks associated with using Internet-based 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 Futures may introduce additional trading platforms for clients from time to time and each Online Trading Platform has its own terms, conditions and requirements. The client is advised to read and understand those terms as set out in the Phillip Futures Online Trading Platform and product information guide. The terms and conditions and the product information guide are available at Phillip Futures website at www.phillipfutures.com.my.

8.7 MARKET RISK

Fluctuations in the underlying market can occur rapidly and can adversely affect the value of a CFD. Clients 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 clients monitor their open positions closely.

8.8 SHARES RECALL RISK

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

8.9 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. Clients may be prohibited to entering new positions.

FEES AND CHARGES

9. WHAT ARE THE FEES AND CHARGES INVOLVED?

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

9.1 ACCOUNT OPENING AND CLOSURE FEES

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

9.2 PLATFORM FEES

There is no additional fee for using Phillip Futures Online Trading Platform.

9.3 COMMISSION RATES

Market	Currency	Commission	Minimum Commission Rates
Malaysia Shares CFD	MYR	0.5% of the shares value	RM60.00
Foreign Shares CFD	USD	0.5% of the shares value	USD15.00
World Indices CFD	USD	USD10.00 for each contract	N/A

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

9.4 FINANCE CHARGES

Market	Long Finance Charges (per annum)	Short Finance Charges	Remarks
Malaysian Shares CFD	5.5% of the shares value	From 4% of the shares value or minimum RM450	Based on the contract value of the entire position marked to the closing price of the day

Foreign Shares CFD	5.5% of the shares value	From 4% of the share value	Based on the contract value of the entire position marked to the closing price of the day
World Indices CFD	5.5% of contract value	5.5% of contract value	Based on the contract value of the entire position marked to the closing price of the day

Note: These financial charges are subject to changes. 'Finance charges' are calculated daily based on 100% mark-to-market contract value. 'Financial charges' will be realized on the 30th day rollover.

9.5 CURRENCY DEFICITS AND CURRENCY CONVERSION CHARGES

There will be auto conversion shall the currency deficit amount be greater than the currency deficit threshold below:

Foreign Currency	Currency Deficit Threshold
USD	(USD500.00)

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:

Foreign Currency	Interest Rate (% per annum)
USD	5.50

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

There will be Administrative Charges of RM15.00 and Bank Charges of USD4.00 for currency conversions.

9.6 SALES AND SERVICES TAX (SST)

All commission paid are subject to 6% SST

Please refer to 'Phillip Futures Disclosure Document' for the examples of commission rates, SST and 'Finance Charges' calculations.

9.7 MODE OF PAYMENT

Client can deposit fund to Phillip Futures via the following method:

Mode	Details
Cheque	Cheques should be crossed and made payable to **"Phillip Futures 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 clients of Phillip Futures, they can initiate online funds transfer from futures trading account to CFD trading account through Phillip Futures Dealing Desk.
Telegraphic Transfer ("TT")	Please specify CFD trading account number and name along with the telegraphic transfer. Kindly inform Phillip Futures Dealing Desk after the TT transfer that the TT amount is meant for CFD trading account. Clients are liable to pay for all telegraphic transfer charges. Below are the bank account details: Bank: **Malayan Banking Berhad** Account Name: **Phillip Futures Sdn Bhd - CFD** Account No: **514012111172** Bank: **Malayan Banking Berhad** Account Name: **Phillip Futures Sdn Bhd - CFD** Account No: **714011030847 (Foreign Currency Account)**
Online Transfer	Please specify CFD trading account number and name along with the telegraphic transfer. Kindly inform Phillip Futures Dealing Desk after the TT transfer that the TT amount is meant for CFD trading account. Clients are liable to pay for all telegraphic transfer charges. Below are the bank account details: Bank: **Malayan Banking Berhad** Account Name: **Phillip Futures Sdn Bhd - CFD** Account No: **514012111172** Bank: **Malayan Banking Berhad** Account Name: **Phillip Futures Sdn Bhd - CFD** Account No: **714011030847 (Foreign Currency Account)**

Note: Phillip Futures is strictly prohibiting the acceptance of cash payment from walk-in clients or cash payment from clients for fund in for their initial investment/investment.

10. HOW CAN I EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS INVOLVED?

10.1 Account Closure

As for account closure, client would need to fill and sign the Account Closure form. The form can be obtained from our Phillip Futures Dealing Desk and the client can contact Phillip Futures Dealing Desk at 03-2161 2770.

Please take note that the Board of Directors of Phillip Futures and the regulators reserve the rights to instruct to close the trading account of client in the event if there is any suspicious transaction on the client's trading account.

Phillip Futures have the rights to deduct the commission, fees, 'Finance Charges' and expenses owed to Phillip Futures in relation to the trading of CFD from the equity balance of the client. After deducting the commission, fees, 'Finance Charges' and expenses, the net proceeds will be returned to the client upon the closure of account.

CONTACT INFORMATION

11. WHO SHOULD I CONTACT FOR FURTHER INFORMATION OR TO LODGE A COMPLAINT?

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

(a) via phone to	: 03-2161 2770
(b) via fax to	: 03-2162 1678
(c) via e-mail to	: phillipfutures@poems.com.my
(d) via Website	: www.phillipfutures.com.my
(e) via letter to	: B-2-6 Block B, Level2, 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 Securities Industries Dispute Resolution Corporation (SIDREC):

(a) via phone to	: 03-2282 2280
(b) via fax to	: 03-2282 3855
(c) via e-mail to	: info@sidrec.com.my
(d) via letter to	: Securities Industry Dispute Resolution Center (SIDREC), Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar, No.5, Jalan Bangsar Utama 1, 59000, Kuala Lumpur

3. You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. 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

12. GLOSSARY

Ask	Ask price. The lowest price that a seller of a security is willing to accept.
Bid	Bid price. The highest price that a buyer is willing to pay for a security.
Board	Board of Directors of Phillip Futures
Bonus Share	It is an offer of free additional shares to existing shareholders.
CFD	Contracts for Difference
CMSA	Capital Markets and Services Act 2007
Equity Balance	Calculation of cash balance plus open profit/loss less any outstanding finance or other related fees.
Finance Charge	CFD positions held overnight are subject to finance charge, due to the nature the leverage natural of CFD and not using the full contract value to open a position.
Financial Institutions	If the institution is in Malaysia: licensed bank; licensed investment bank; or licensed Islamic bank; or If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorized by the relevant banking regulator to provide financial services.
First-In-First-Out	It is a valuation method whereby the securities that were initially opened first are closed first.
Gearing	Relative proportions of debt and equity that a client uses to open a position.
IACRM	Phillip Futures Sdn Bhd's Internal Audit, 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.
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. A sell limit order can only be filled at the limit price or higher.

Margin Deficit	The amount required to top up the client's 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 client's CFD account.
Over-The-Counter	Securities transactions taking place outside a financial exchange system.
PhillipCapital Group Malaysia	Phillip Capital Management Sdn Bhd, Phillip Mutual Berhad, Phillip Futures Sdn Bhd, 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 Futures	Phillip Futures Sdn Bhd
Phillip Futures Disclosure Document	Phillip Futures Disclosure Document for CFD
Reverse Split	A type of corporate action which consolidates the number of existing shares of stock into fewer, proportionally more valuable, shares.
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.
Share Split	A corporate action in which a company divides its existing shares into multiple shares to boost the liquidity of the shares.
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 Investor	Any person who falls within any category of investors set out in Schedule 1 of *Guidelines on Sales Practices of Unlisted Capital Market Products.*
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).