



PHILLIP CAPITAL SDN BHD (362533-U) PRODUCT HIGHLIGHTS SHEET ("PHS")

CONTRACTS FOR DIFFERENCE ("CFD")

First Issued: 28 June 2019

Revised: 13 September 2024

RESPONSIBILITY STATEMENT

This PHS has been reviewed and approved by the directors or authorised committee and/or persons approved by the board of Phillip Capital ("CFD Provider" or "Phillip Capital Sdn. Bhd.") 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 PHS false or misleading.

STATEMENT OF DISCLAIMER

The relevant information and document in relation to the CFD, including a copy of this PHS has been lodged with the Securities Commission Malaysia ("SC"). The lodgement of the relevant information and document in relation to CFD, including this PHS, 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 PHS. The CFD is not allowed to be offered to retail investors. Please refer to Section 3 (Product Features) of the CFD Disclosure Document for clarification on eligible investor for CFD.

The SC is not liable for any non-disclosure on the part of the Phillip Capital responsible for the CFD and takes no responsibility for the contents of this PHS. The SC makes no representation on the accuracy or completeness of this PHS, 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 CFD may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective investors 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 constitutes general unsecured contractual obligations of the Phillip Capital and of no other person. Therefore, if you purchase the CFD, you are relying on the creditworthiness of Phillip Capital and have no recourse/rights against the underlying corporation/index provider.

This PHS only highlights the key features and risks of CFD. Investors are advised to request, read and understand the disclosure document before deciding to invest.

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	13 Sep 2024	13 Sep 2024

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This PHS only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the Disclosure Document before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

CONTRACTS FOR DIFFERENCE

SCHEDULE 2

“Dealing in derivatives” means, whether as principal or agent, making or offering to make with any person, or inducing or attempting to induce any person, or soliciting or accepting any order for, or otherwise—

- (a) entering into or taking an assignment of the derivative, whether or not on another person’s behalf;
 - (b) taking or causes to be taken action that closes out the derivative, whether or not on another person’s behalf;
 - (c) in relation to an option—
 - (i) exercising any right under the option; or
 - (ii) allowing any right under the option to lapse,whether or not on another person’s behalf; or
 - (d) initiating, originating, or issuing over-the-counter derivatives.
- [Subs. P.U.(A)336/2011]

BRIEF INFORMATION OF PHILLIP CAPITAL SDN BHD

1. DESCRIPTION OF PROVIDER

Phillip Capital (Company Registration No. 362533-U) was incorporated in Malaysia on 7 October 1995 under the 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 securities and derivatives.

Phillip Capital is the first futures broking company in Malaysia to provide online trading on local and foreign specified exchanges. Leveraging from Singapore office, Phillip Capital strives to provide a more integrated and comprehensive range of quality services that will meet the changing needs of clients. In addition, Phillip Capital is also the first futures broking company in Malaysia to provide CFD.

The client can invest in Malaysian shares CFD through Phillip Capital via Direct Market Access (“DMA”) model. DMA allows clients to have a direct access to the market. When the client placed 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 client’s electronic trading platform will be updated accordingly, thus eliminating conflict of interests between Phillip Capital and client.

Foreign shares & ETFs CFD, commodities CFD and world indices CFD are offered by Phillip Capital under the ‘CFD Model’. ‘CFD Model’ do not allow client to participate in the order book and liquidity of the respective exchanges. The order is instead filled by our counterparty based on bid/ask price.

For more information about Phillip Capital, please visit Phillip Capital website at www.phillip.com.my.

INFORMATION OF THE PRODUCT

1. WHAT IS THIS PRODUCT ABOUT?

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.

For CFD, the client can trade both 'Long' and 'Short'. The term 'Long' hereinafter means buying a CFD with the expectation that the underlying instrument will increase in value. The term 'Short' hereinafter 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 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.

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 client to trade both Long and Short exposures.

iii. PORTFOLIO DIVERSIFICATION

By offering multiple CFD products such as Malaysian shares CFD, foreign shares CFD, world indices CFD and many more, client 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 CAPITAL

Phillip Capital offers 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 products offered by Phillip Capital and related information, please visit Phillip Capital website at www.phillip.com.my.

2.2 TENURE 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 the 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 rollover. There is no additional rollover fees charged to the clients.

For finance charges calculation, please refer to Section 11 (CFD Working Examples) of the CFD Disclosure Document for working examples on calculations and scenarios.

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 the market move against the client.

2.4 REPRESENTATION AND WARRANTIES

Client represents and warrants to Phillip Capital that the client has full authority and capacity to enter into CFD transactions with Phillip Capital. 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 allows 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 through any method.

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

2.6 TREATMENT OF CLIENTS' MONIES

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

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

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

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.

Please refer to Section 4 (Margins) of the CFD Disclosure Document. Margins for minimum 'Initial Margin' and 'Maintenance Margin' charged by Phillip Capital to trade CFD.

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

2.8 IMPACT OF CORPORATE EXERCISE

The client is 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 the client's CFD position on the ex-dividend date of its quoted underlying shares.

A dividend adjustment will be applied to the 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, 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.

(iii) RIGHTS ISSUE

When the underlying shares has a rights issue exercise, Phillip Capital will notify the client within a reasonable time and the client must liquidate all the Long CFD positions of the affected CFD contract one (1) market day before the ex-date. Phillip Capital 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 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 the client fails to close the open positions.

Please refer to Section 5 (Impact of Corporate Exercise) of 'Disclosure Document' for full information and impact of corporate exercise.

2.9 RISK MANAGEMENT FEATURES

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

- (i) Limit order
- (ii) Stop limit order

Kindly refer to Section 10.3 (Order Types and Queue Restrictions) CFD Disclosure Document on order type details.

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

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

2.10 TRADING PLATFORM

In addition to calling the Phillip Capital dealing desk to place orders, clients can do so via CFD Trader or any other Phillip Capital' CFD electronic trading platform.

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 Capital 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 client can invest in Malaysian shares CFDs through Phillip Capital via DMA model which allows client to directly participate in the exchange's order book.

Client invests in foreign shares and ETFs CFD, commodities 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.

The bid/ask prices for Malaysian shares CFDs and foreign shares CFDs are based on price quoted by their respective exchanges while the bid/ask prices for commodities CFD and world indices CFDs are subject to volatility and may widen.

In the event that if the underlying shares cease to remain listed on Bursa Malaysia or a securities exchange outside Malaysia, Phillip Capital 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 Capital dealing desk to obtain the indicative over-the-counter price quotes. The traded price may result in losses to client.

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 Capital offers DMA for Malaysian shares CFD, hence the prices of CFD will mirror the exact price of the underlying shares listed in the exchange. This allows the clients participate in the order book of the exchange and market liquidity. Prices of foreign shares CFDs will also mirror the exact price of the underlying shares listed in their respective exchanges. The bid/ask prices for world indices CFDs are subject to market volatility and may widen.

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

Phillip Capital will fully hedge its DMA exposure by sending corresponding shares orders, via a Malaysian securities brokerage firm, directly to the exchange. Phillip Capital will fully hedge its CFD Model exposure with Phillip Securities Pte Ltd.

6. WHAT ARE THE POSSIBLE OUTCOMES OF MY INVESTMENTS?

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 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 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:

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

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 of his 'Initial Margin' of RM2,000.00. The calculation is illustrated as below:

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

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

KEY RISK

7. WHO IS THIS PRODUCT SUITABLE FOR?

CFD may not be suitable for client whose investment objective is for the preservation of capital and/or whose risk tolerance is low. Client is advised to understand the nature of the risks involved in margin trading and may risk losing more than the investment amount that the client has invested. The client should be aware of the credit, liquidity and market risks associated with CFD.

CFD carries a high degree of risk as they often involve 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 risks when considering whether to trade in CFD.

Client 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 key risks as mentioned in *Section 6 (Key Risk) of the CFD Disclosure Document*

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, CLOSURE FEES AND PLATFORM FEES

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

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

Note: This is subject to change.

9.2 MARKET DATA FEES

Kindly refer to Section 7.2.2 (Market Data Fees) of the CFD Disclosure Document

Note: These market data fees are subject to changes. Other foreign shares CFD and world indices CFD 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.

9.3 COMMISSION RATES

Kindly refer to Section 7.3 (Commission Rates) of the CFD Disclosure Document

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.

9.4 FINANCE CHARGES

Kindly refer to Section 7.4 (Finance Charges) of the CFD Disclosure Document

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

9.5 CURRENCY DEFICITS AND CURRENCY CONVERSION CHARGES

Please refer Section 7.6 (Currency Deficits and Currency Conversion Charges) of the Disclosure Document for more information.

9.6 SALES AND SERVICES TAX (SST)

All commission paid is subject to 8% SST.

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

9.7 MODE OF PAYMENT

Kindly refer to Section 7.7 (Mode of Payment) of the CFD Disclosure Document

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 Capital dealing desk and the client can contact Phillip Capital dealing desk at 03-2711 0026.

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

Phillip Capital reserves 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 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 | : 03-2711 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 |

1. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Center ("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 |

2. You can also direct your complaint to the SC 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 |