

APPENDIX 1 - SHARE MARGIN FINANCING FOR NEW-TO-BANK CUSTOMER 2022 CAMPAIGN

No.	Item	Terms and Conditions
1.	Purpose	(i) Subscription or purchase of securities listed on Bursa Malaysia Securities Berhad ("Bursa"); or (ii) Redemption / re-finance of existing Share Margin Financing facility with other financial institutions or stockbroking firms in Malaysia.
2.	Facility Limit	Up to RM3.0 million for individual applicant only. Facility Limit will be subject to AHIB's approved SMF amount made known to you the applicant which will be stated in the Letter of Offer. The Facility Limit will depend on the value and type of collaterals to be pledged with AHIB and the financial background of the applicant.
3.	Tenure / Availability of Facility	90 days from date of drawdown subject to AHIB's right to recall the facility at any time on demand or to rollover the purchase contracts upon expiry of the 90 days. AHIB shall have the right to withdraw the facility if it is not utilised within 1 month from date of the acceptance of the Letter of Offer.
4.	Repayment	Payable on demand.
5.	Promotional Interest Rates ("Prescribed Rates")	Year 1: 5.25% p.a. (i.e. BR + 1.55% p.a.) Year 2 onwards: 5.63% p.a. (i.e. BR + 1.93% p.a.) Interest subject to review / revision from time to time and at the discretion of AHIB. Interest is determined and calculated on the daily outstanding amount of the facility on daily basis and compounded monthly at AHIB's prevailing rate subject to a Minimum Floor Rate of 5.25% p.a. Currently, Affin Bank Berhad's Base Rate (BR) is 3.70% p.a. effective 7/11/2022. Minimum Floor Rate refers to the lowest interest rate that the Bank will charge.
6.	Interest Free Period	All purchase contracts will be given interest free for a period of up to T + 6 during the Qualifying Period. Interest will be charged effective T + 7 onwards.
7.	Margin of Finance ("MOF")	Up to 60%.
8.	Leverage	Cash – Up to 2.5 times. Shares – Up to 1.5 times.
9.	Margin Call	Margin call will be issued if the current MOF exceeds 5% above the approved MOF.
10.	Force selling	Force selling will be made if the current MOF exceeds 10% above the approved MOF or upon expiry of the Margin Call notice whichever is earlier.
11.	Security	(i) Pledged against cash or acceptable mix basket of 3 counters or a combination of both. (ii) Price capping is applied and no one particular counter constitutes more than 50% of total share capped value pledged. (iii) Shares shall be credited to a pledged securities under Affin Hwang nominees CDS account.
12.	Stamp Duty	Stamp duty at ad-valorem rate of 0.5% and RM10 per subsidiary documents. Payable upon acceptance of the Letter of Offer.
13.	Stamp duty Reimbursement	<u>Redemption from Other Financial Service Providers (FSPs)</u> 50% reimbursement of stamp duty amount subject to redemption sum of at least 50% of Facility Limit within 30 days of the date of Letter of Offer. <u>Trading (Purchases and Sales) of shares during Qualifying Period</u> (i) 100% reimbursement of stamp duty paid, amount subject to gross brokerage generated amount \geq 2% of Facility Limit. (ii) 50% reimbursement of stamp duty paid, amount subject to gross brokerage generated amount \geq 1% of facility limit. (iii) No reimbursement of stamp duty paid, amount subject to gross brokerage generated amount $<$ 1% of the facility limit
14.	Other Fees & Charges	(i) Documentation fee – waived. (ii) CDS Account Opening charge – waived. (iii) Rollover fee – waived. (iv) Reimbursement of CDS transfer fees – RM10 per counter up to 20 counters subject to minimum 100 units with market value of at least RM1,000 per counter transfer in within 30 days of Letter of Offer date.

NOTE: Qualifying Period is defined as 11 months period commencing from 7 November 2022.



Affin Hwang Investment Bank Berhad ("AHIB") Share Margin Financing for New-to-Bank Customer 2022 Campaign ("the Campaign") Terms and Conditions ("T&Cs")

The following sets out the T&Cs applicable to the Campaign:

(A) ELIGIBILITY

1. The Campaign is open for participation by all New-to-Bank customers commencing from 7 November 2022 and ending on 31 December 2022, both dates inclusive ("Campaign Period"), unless notified earlier.
"New-to-Bank customer" shall herein be defined as a customer who does not have any Share Margin Financing Facility ("Facility") with AHIB prior to this application.
2. The following customers are NOT eligible to participate in the Campaign:
 - i. Customers whose share portfolio is of single/particular securities constitutes more than 50% of total share capped value pledged;
 - ii. Existing customers with a Facility prior to the Campaign Period and submit their new application to increase their existing facility limit during the Campaign Period;
 - iii. Existing customers who have closed their previous Facility and have applied for a new Facility under this Campaign within one (1) year from the date of such closure;
 - iv. Permanent and contract employees of Affin Bank Berhad ("ABB") and AHIB;
 - v. Customers who have committed or are suspected of committing any fraudulent, unlawful or wrongful acts in relation to any of the facilities granted by AHIB or have been declared bankrupt or are subject to any bankruptcy proceedings at any time prior to or during the Campaign Period;
 - vi. Customers who have committed, or determined by AHIB to be potentially committing any of the wrongful acts stipulated herein; and/or
 - vii. Ineligible customers at the discretion of the management of AHIB.
3. To participate in this Campaign, the customers are required to perform and fulfil the following requirements/criteria as set out below:
 - i. Apply for the Facility within the Campaign Period at any AHIB branch;
 - ii. Accept the Facility within fourteen (14) days from the date of Letter of Offer or any other date allowable at the discretion of the Management of AHIB; and
 - iii. Agree to settle all relevant charges incurred in respect of the Facility (including but not limited to the payment of stamp duty for the Facility and other fees and charges, if applicable) promptly.

(B) CAMPAIGN**1. Promotional Interest Rate ("Prescribed Interest Rate")**

Year 1	: 5.25% p.a. (i.e. BR + 1.55% p.a.)
Year 2 onwards	: 5.63% p.a. (i.e. BR + 1.93% p.a.)

Interest is subject to review / revision from time to time at the discretion of AHIB. Interest is determined and calculated on the daily outstanding amount of the facility on daily basis and compounded monthly at AHIB's prevailing rate subject to a Minimum Floor rate of 5.25% p.a. Currently, ABB's Base Rate ("BR") is 3.70% per annum ("p.a.") effective 7 November 2022.

2. Interest Free Period

All purchase contracts will be given interest free for a period of up to T + 6 during the Qualifying Period (as defined under item 5 below). Interest will be charged effective T + 7 onwards. Interest is payable on each individual contract beginning from and including the 7th day (or such other time as we may determine from time to time at AHIB's discretion by written notice to customers) from the date of the relevant purchase contract.



Illustration:

Customer A performs a purchase contract on 7 th Nov 2022 (T day). Interest free period will be from 7 th Nov 2022 (T day) until 18 th May 2022 (T+6) (both dates inclusive). Interest calculation will commence on 19 th May 2022 (T+7) onwards.												
Nov'2022	7 th	8 th	9 th	10 th	11 th	12 th	13 th	14 th	15 th	16 th	17 th	Interest Free days
Day	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon*	Tue	Wed	Thu	
Trading Day	√	√	√	√	√	X	X	X	√	√	√	
Purchase	T	T+1	T+2	T+3	T+4	-	-	-	T+5	T+6	T+7	10 days calendar days

*Public holiday replacement

3. Rollover Fee – Waived.

4. Stamp Duty Reimbursement

Stamp duty reimbursement is subject to the fulfillment of the following criteria:

(i) **Redemption from Other Financial Service Providers (FSPs)**

50% reimbursement of stamp duty amount subject to redemption amount at least 50% of facility limit within 30 days of Letter of Offer date.

(ii) **Trading (Purchases and Sales) of shares during Qualifying Period**

Reimbursement amount	Gross brokerage generated amount
100% of the ad valorem stamp duty paid	Equal and more than 2% of the facility limit within the Qualifying Period
50% of the ad valorem stamp duty paid	Within 1% and less than 2% of the facility limit within the Qualifying Period
No reimbursement	Less than 1% of the facility limit within the Qualifying Period

Illustration:

Customer A and B applied and accepted the Letter of Offer within 14 days for the Facility of RM200,000; and paid stamp duty (0.5% of facility limit RM200,000) = RM200,000 x 0.5% = RM1,000 (“stamp duty paid”)	
Customer A	Customer B
Scenario 1: Redemption Amount RM110,000 > 50% of RM200,000, stamp duty reimbursement will be 50% of 0.5% x RM200,000 = RM500.	Scenario 3: Redemption Amount RM80,000 < 50% of RM200,000 stamp duty reimbursement - not eligible.
Scenario 2: If gross brokerage generated amount during Qualifying Period = RM5000 > 2% of RM200,000. Customer A is entitled for stamp duty reimbursement of 100% of Stamp Duty paid of RM1,000 BUT reimbursement amount is restricted to RM500 only as RM500 has been reimbursement earlier in Scenario 1 above.	Scenario 4: If gross brokerage generated during Qualifying Period = RM5,000 > 2% of RM200,000. Customer B is entitled for stamp duty reimbursement of 100% of Stamp Duty paid of RM1,000 = RM1,000. If gross brokerage generated during Qualifying Period = RM3,000 < 2% of RM200,000 but > 1% of RM200,000. Customer B is entitled for stamp duty reimbursement of 50% of Stamp Duty paid of RM1,000 = RM500. However, if Gross brokerage generated during Qualifying Period is RM1,600 < 1% of RM200,000, Customer B is not entitled to any reimbursement.

In the event where an eligible customer increases facility limit within the Qualifying Period, the customer is entitled to stamp duty reimbursement based on the total stamp duty paid (existing stamp duty paid + additional stamp duty paid) if the gross brokerage generated amount is achieved within the Qualifying Period.



Customer C applied and accepted the Letter of Offer within 14 days for a Facility of RM200,000; and paid Stamp Duty (0.5% of facility limit RM200,000) = $RM200,000 \times 0.5\% = RM1,000$ ("Stamp Duty paid"). Subsequently, Customer C increased the Facility from RM200,000 to RM300,000. The total stamp duty paid is RM1,500. Customer C will need to generate a minimum gross brokerage amount of RM3,000 (1% x RM300,000) to be entitled for 50% stamp duty reimbursement and a minimum gross brokerage amount of RM6,000 (2% x RM300,000) to be entitled for 100% stamp duty reimbursement during the Qualifying Period.

5. Qualifying Period

Qualifying Period is defined as 11 months period commencing from 7 November 2022 and ending on 6 October 2023.

6. Redemption Amount

Redemption Amount is defined as redemption of all or any Outstanding Balance in Margin Accounts of Customers held with other Participating Organisations or persons or entities approved or licensed to provide financing under any written law in Malaysia and the subsequent transfers of the Margin Accounts to the Participating Organisation.

(C) General T&Cs

1. This Campaign is not valid and cannot be used in conjunction with any other ongoing campaigns related to the Facility offered by AHIB from time to time, unless notified otherwise.
2. By participating in the Campaign, the customer agrees:
 - i. that he/she has read, understood and agreed to be bound by the T&Cs herein;
 - ii. that the customers' records captured by AHIB's system for the Campaign is accurate and final;
 - iii. that AHIB's decision on all matters relating to the Campaign, including the eligibility of customers to participate in the Campaign, and the approval of the Facility, shall be final and binding on customers and no further correspondence and/or appeal to dispute such decisions will be entertained;
 - iv. AHIB reserves the right to:
 - a) disqualify any customer from participating in this Campaign for any reason whatsoever as AHIB may in its absolute discretion deem fit; and/or
 - b) add, delete, suspend or vary the T&Cs contained herein, wholly or in part at its absolute discretion by way of posting or in any manner deemed suitable by AHIB in order to give prior notice to customers of such additions, deletions or amendments.
3. The Management of AHIB reserves the right to suspend, terminate or extend the Campaign at its discretion.
4. All the existing terms and conditions, rules and regulations governing the Facility shall apply.
5. Customers are liable and shall personally bear all applicable taxes, government fees or any other charges that may be levied against them under applicable laws, if any, in relation to their participation in the Campaign.
6. The T&Cs herein shall be governed by and construed in accordance with the laws of Malaysia and customers agree to submit to the exclusive jurisdiction of the Courts of Malaysia.
7. Words denoting one gender include all other genders and words denoting the singular include the plural and vice versa.

