

**PRODUCT DISCLOSURE SHEET (SHARE MARGIN FINANCING)**

<b>PRODUCT DISCLOSURE SHEET</b>  (Read this Product Disclosure Sheet before you decide to take up the Share Margin Financing Facility. Be sure to also read the Share Margin Financing Terms and Conditions which will be provided together with our Letter of Offer)	<b>Affin Hwang Investment Bank Berhad</b>  <b>SHARE MARGIN FINANCING FACILITY</b>  Date : _____
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**SHARE MARGIN FINANCE FACILITY**
**1. What is Share Margin Financing?**

Share Margin Financing is a credit facility granted by Affin Hwang Investment Bank Berhad (“the Bank”) to eligible customers for the purpose of purchasing securities listed on Bursa Malaysia Securities Berhad (“BMSB”) and/or re-finance the eligible customers’ securities from their existing Share Margin Facility with other financial institutions or stockbroking firms. Share Margin Financing also allows you to subscribe and purchase securities listed on BMSB.

Share Margin Financing allows you to increase your level of investment by leveraging on your shares and collateral pledged.

**2. What do I get from this product?**

<b>Facility Limit</b> Minimum of RM50,000 *	Subject to the Bank’s approval which will be made known to you, the approved facility limit will depend on the value and type of collaterals to be pledged with the Bank and the financial background of the applicant.
<b>Availability of facility</b>	Ninety (90) days from date of drawdown subject to the Bank’s right to recall the facility at any time on demand or to rollover the purchase contracts upon the expiry of the ninety (90) days.  The Bank shall have the right to withdraw the facility if it is not utilized within one (1) month from the date of the acceptance of the Letter of Offer.
<b>Repayment</b>	Payable on demand

\* The minimum limit is at the discretion of the management

**3. What are my obligations?**

As in any share margin financing facility, there is no fixed repayment obligation and no monthly interest repayment requirement. You are, however, required to maintain an outstanding amount over actual security value ratio (i.e. Margin of Finance “MOF”) of not exceeding your Approved Loan Margin (also known as Approved MOF) e.g. 50%. Calculation of the actual security value (i.e. equity value) is based on the market value of the securities (after applying capping determined by the Bank) plus cash deposits, if any. The MOF is calculated as follow:

$$\frac{\text{Outstanding Loan less Cash Deposit}}{\text{Equity value ( Pledged shares + Financed Purchases)}} \times 100 \%$$

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Example:

Assuming a new account with an initial pledged collateral of RM100,000 worth of shares and the Bank does not impose any price capping on the shares collateral. If the approved MOF is 50%, the available trading limit shall be RM100,000.

After purchasing RM100,000 worth of counters (without price capping), the MOF after the purchasing is maintained at 50%, calculated as follow:

$$\frac{\text{Outstanding loan} = \text{RM } 100,000}{\text{Equity value} = \text{RM } 100,000 \text{ (Pledged Collateral)} + \text{RM } 100,000 \text{ (Financed Purchases)}} \times 100\% = 50\%$$

**4. What are the fees and charges I have to pay?**

(i)	Account Opening Fees	<ul style="list-style-type: none"> <li>▪ Opening of CDS sub account fee – RM10</li> <li>▪ Stamping Fee – As per Stamp Duty Act 1949</li> </ul>
(ii)	Outward Transfer Fee	RM10 per counter (As charged by Bursa Malaysia)
(iii)	Interest Charge	The effective interest rate shall be Base Rate (BR) + Spread Rate (SR) per annum. The interest will be calculated on daily basis and will be debited to the account on the last day of each month or such other date as the Bank may determine from time to time at its discretion. (BR refers to the BR announced by Affin Bank Berhad)
(iv)	Rollover Fee	0.5% on purchase contracts value or redemption value on the 91 <sup>st</sup> day of financing such contract or redemption. Each subsequent 90-day period will attract a 0.5% rollover fees
(v)	Redemption Fee	1% on the actual outstanding amount redeemed by any party
(vi)	Delivery Fee	1% of the last closing price of each share withdrawn for delivery against a sales contract made through another investment bank or stockbroking company
(vii)	Collection fee for dividend, capital repayment and cash distribution	RM5 per transaction
(viii)	Corporate action service charge including processing of Rights subscription, dividend reinvestment plan, redemption, proxy form etc	Service charge – RM10 Other fees – As charged

The total interest that you need to pay depends on the outstanding amount and the period of financing.

Example : (1) Outstanding contract value : RM 50,000; interest for 1 day at 8%p.a = RM 10.96

(2) Partial settlement of RM 10,000; interest for 1 day on the balance of RM40,000 : RM 8.77

**Note :** Interest is calculated on a daily basis and compounded monthly.

The rollover fee equivalent to 0.5% of the outstanding amount of each purchase contract or redemption amount shall be levied upon each rollover of the purchase contract every 90 calendar days from the due date of the purchase contract.

Affin Hwang Investment Bank Berhad (14389-U)

Klang Branch  
 3<sup>rd</sup> & 4<sup>th</sup> Floor, Wisma Meru, 1 Lintang Pekan Baru, off Jalan Meru  
 41050 Klang, Selangor Darul Ehsan  
 T: +603 3343 9999 F: +603 3343 4084

[www.affinhwang.com](http://www.affinhwang.com)



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**8. How do I keep track of my margin account?**

You can contact your dealer's representative to get the latest margin position. The Bank will send you a monthly margin statement, which will reflect your margin transactions. If you are our online trading client, you can use our online trading portal to check your transactions.

**9. What are the securities that will not be financed?**

Certain counters are not financeable e.g. AFFIN (5185) and securities listed in foreign countries. Please contact us for more details.

**10. What are the acceptable collaterals?**

Cash and most of the Bursa Malaysia-quoted securities which are acceptable by us. List of Marginable Securities or List of Capped Counters will be made available upon request.

**11. What are our capping limits?**

All Bursa Malaysia-quoted securities are subject to the Bank's Price Capping Policy.

Kindly refer to our Marginable Securities List or List of Capped Counters for further details.

***Note:*** As a margin client, you are advised to be cautious when purchasing capped counters. Additional collateral maybe needed to be pledged in case the MOF exceeds the permissible margin due to the purchase and subsequent financing of counters with capped price.

**12. What do I need to do if there are changes to my contact details?**

It is important that you inform us of any change of your contact details to ensure that all correspondences reach you in a timely manner, failing which the Bank shall not be liable for any losses, damages, claims, expenses or costs that you may suffer or incur as a result of a delay in the Bank communicating any information pertaining to the share margin financing to you.

**13. Where can I get further information?**

If you have any enquiries, please contact our Klang Branch below or any branches nearest to you.

**AFFIN HWANG INVESTMENT BANK BERHAD**

Klang Branch  
4<sup>th</sup> Floor, Wisma Meru  
1 Lintang Pekan Baru, off Jalan Meru  
41050 Klang, Selangor Darul Ehsan  
Tel : +603-21467430

E-mail : [support@affinhwang.com](mailto:support@affinhwang.com)

**14. Where can I get assistance and redress?**

- If you wish to complain on products or services provided by us, you may contact us at:

Affin Hwang Investment Bank Berhad  
Address: Klang Branch  
4<sup>th</sup> Floor, Wisma Meru  
1 Lintang Pekan Baru, off Jalan Meru  
41050 Klang, Selangor Darul Ehsan

Tel: 03-21467430

E-mail: [support@affinhwang.com](mailto:support@affinhwang.com)

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- If you are dissatisfied with the outcome of the internal resolution of your complaint, you may refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):
  - (a) via phone to: 03-2282 2280
  - (b) via fax to: 03-2282-3855
  - (c) via email 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

**IMPORTANT NOTICE**

**YOUR COLLATERAL MAY BE FORCESOLD IF YOU DO NOT MAKE RECTIFICATION OF THE BREACHED POSITION WITHIN THE STIPULATED PERIOD ON YOUR MARGIN CALL POSITION.  
LEGAL ACTION MAY BE TAKEN AGAINST YOU IF THERE IS NO PAYMENT MADE ON YOUR DEFICIT POSITION.**

The information provided in this disclosure sheet is valid as at 5 September 2018.