

Product Disclosure Sheet

Discretionary Financing (“DF”) & Discretionary Financing PLUS (“DF+”)

Please read and understand this Product Disclosure Sheet together with the general Terms and Conditions before you decide to take up this product. Seek assistance from TA Securities Holdings Berhad (“TASH”) if you need further clarification on any aspect of this document or the terms used.

1. What are these products about?

Discretionary Financing (“DF”) is a secured financing facility granted to qualified clients for the purpose of purchasing securities listed on Bursa Malaysia while Discretionary Financing PLUS (“DF+”) is a secured financing facility granted to qualified DF clients as a DF option to rollover but with a different trading limit mechanism.

2. What do I get from these products?

	DF	DF+
Trading Multiplier*	Up to 2.5 times of cash collateral value; and Up to 1.5 times of securities collateral value.	2 times DF contra losses plus counter sales proceed.
Financing Interest Rate	7% per annum during the financing period (i.e., T+3 to T+7)	
Tenure Period**	Up to T+7	
Force Selling	Triggered when there is a breach of trading limit or end of financing tenure	

Example for DF trading multiplier:

Collateral Type	Value (RM)	Trading Multiplier*	DF Trading Multiplier (RM)
	A	B	$C = A \times B$
Cash	200, 000	2.5 times	500, 000
Securities	200, 000	1.5 times	300, 000
Cash & Securities	Cash 100, 000	2.5 times	400, 000
	Securities 100, 000	1.5 times	

Example for DF+ trading multiplier:

DF contra losses value (RM)	Multiplier*	Multiplier limit (RM)	Sales proceed value (RM)	DF+ Trading Limit (RM)
D	E	$F = D \times E$	G	$H = F + G$
20, 000	2 times	40, 000	180, 000	220, 000

Note:

* Trading multiplier types of collateral subject to TASH capping and any other collateral/ securities acceptable from time to time.

**T = Trading Day

3. What are the key terms and conditions?

- You will be automatically enrolled into the DF facility on any T+3 purchase contract using DF Account or you may request that your purchase contract be transferred from Retail Account to DF Account by giving instruction/ consent to TASH before the end of T+2. Once the purchase contract has been transferred you are not allowed to reverse the transaction.
- Partial transfer of purchase contract from the Retail Account to the DF Account is not allowable.
- Only contra-loss securities sold and repurchased on the same day between T+3 and T+7 under DF Account carried out by you would entitle the DF⁺ facility.
- Each eligible purchased securities will only be subject to a one-time DF⁺ rollover, in the event you carry out partial selling on contra loss, only the sold amount would entitle you to enroll in DF⁺ while the remaining securities quantity will need to be closed off by the end of DF tenure period (i.e., T+7).

4. What is the Financing Interest Rate?

The financing interest rate is the amount TASH charges you on an annual basis, and it is expressed as an annual percentage rate. The final cost of financing after interest which has been added is only known at the end of each transaction, which is determined by the length of time and amount financed to you. Our current financing interest rate is 7% per annum as stated in Section 2 and subject to change as mentioned in Section 5.

5. What are the possible scenarios to trigger a change in the Financing Rate?

Our financing interest rate can rise or fall due to changes in benchmark rates such as the Overnight Policy Rate (“OPR”) set by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as TASH funding strategy and promotional rates. As our financing interest rate is subject to change from time to time at the discretion of TASH, please refer to TASH for the latest applicable rate at all times.

6. What are my obligations?

- You shall initiate the selling of securities in the DF Account and repurchase the same securities using your DF Account on the same day (between T+3 and T+7) to enrol into the DF⁺ facility.
- You must repay all financing amounts outstanding/ fees outstanding under the facilities including the principal amount, interest and any other fees and charges upon demand or cancellation or termination of the facilities.
- You must pay interest calculated on the financing amount utilized/ fees outstanding. The interest is to be serviced daily in arrears and compounded on a daily rest.
- You must notify TASH in writing in the event you are granted DF and DF⁺ facilities but are no longer a “Sophisticated Investor” as described in the Updated Categories of Sophisticated Investors as per Capital Markets and Services (Amendment of Schedules 5, 6 and 7) Order 2021. The “Sophisticated Investors” definition can change as it was defined by the Securities Commission of Malaysia (“SC”). As this definition is subject to change, please refer to Capital Markets and Services Act 2007 (“CMSA”) or TASH for the applicable definition at all times.

Sophisticated Investors (“SI”)

A person or entity who falls within any one of the Updated Categories of Sophisticated Investors as per Capital Markets and Services (Amendment of Schedules 5, 6 and 7) Order 2021. Example include:

a) **Individual**

- a) Estimated total net personal asset exceeded RM3 million; or
- b) Gross annual income exceeded RM300,000 per annum in the preceding twelve (12) months; or
- c) Gross joint income (with his/ her spouse) exceeded RM400,000 per annum in the preceding twelve (12) months; or
- d) Total net personal/ joint investment (with his/ her spouse) in any capital market products exceeded RM1 million.

(b) **Corporate**

- a) Total net asset exceeded RM10 million based on the latest audited accounts.

7. What other fees and charges do I have to pay?

Types of fees and charges that might apply to you include but are not limited to the following:

Type of Fee	Fee and Charges
Brokerage	As per Bursa Malaysia’s Rule
Clearing Fee	0.03% of the transaction value with a maximum of RM1,000 per contract
Stamp Duty	For “Shares or stock” the stamp duty is RM1.00 for every RM1,000 (or fractional part) of the transaction value of securities. The stamp duty shall be remitted to the maximum of RM1,000; and For “marketable securities” the stamp duty is RM1.00 for every RM1,000 (or fractional part) of the transaction value of securities. The stamp duty shall be remitted to a maximum of RM 200.
CDS Account Opening	RM10 as charged by Bursa Malaysia Depository Sdn. Bhd.
CDS Share Transfer	RM10 per counter
CDS Reactivation	RM5 per dormant account
DF Upfront Fee	0.5% of the approved financing amount

Note:

For the avoidance of doubt, you shall bear all professional fees, taxes (including but not limited to service tax [where applicable] and or any applicable taxes imposed from time to time), out-of-pocket expenses incurred and any other fees, expenses or recourse in respect of these products. As our rates are subject to change from time to time at the discretion of TASH, please refer to TASH for the latest applicable rate at all times.

8. What if I fail to fulfil my obligations?

- TASH reserves the right to disallow you to continue enjoy the DF and DF⁺ facilities in the event you breached any of the terms and conditions or you no longer qualify as the person described the Updated Categories of Sophisticated Investors as per Capital Markets and Services (Amendment of Schedules 5, 6 and 7) Order 2021.
- TASH reserved the right to force-sell part or the entire portion of the securities quantity purchased by you in the event any breaches on the facilities limit are discovered.
- TASH reserves the right to charge you the late payment charge at the rate of seven per cent per annum (7% p.a. on compounded basis subject to change) daily for failure to

pay any amount that is overdue and which failure continues beyond the maturity date of the facilities until such arrears are paid in full.

- If you do not keep making payments for the overdue charges, recovery procedures, including legal action may be taken against you. If you are experiencing problems meeting your financing obligations, please contact us as soon as possible to discuss payment alternatives.
- Legal action will be taken if you fail to respond to reminder notices. You will have to bear all costs and be responsible to settle any shortfall after legal action has been taken against you.

9. Do I need a guarantor or collateral?

The requirement for a Guarantor is subject to individual credit assessment. Your cash or securities in your DF account will be pledged to TASH as collateral.

10. What are the key risks?

The following is a summary of risk factors (which is not exhaustive) to be considered before involvement in this product:

- **Market Risk** - Fluctuations in share prices and uncertain market conditions. TASH has the right to liquidate part or the entire portion of securities held in the DF account even if there is a major loss in the value of shares that you have pledged.
- **Financing Risk** - The financing interest rate and other applicable rates are variable rates and may change accordingly.
- **Credit Risk** - Legal action taken against you may affect your credit rating, leading to credit being more difficult or expensive for you.

You are advised to carefully consider all risk factors other than those mentioned before making an investment decision.

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

It is important that you notify TASH of any changes to your contact information to ensure that all correspondences to reach you in a timely manner. You may notify TASH of such changes via various channels of communication, such as walk-in to TASH headquarters or any branches.

12. Where can I get further information, assistance and/ or redress?

If you have any enquiries or wish to make a complaint about our products or services provided by us, please contact us at:

TA Securities Holdings Berhad,

14th Floor, Menara TA One,

22, Jalan P. Ramlee,

50250, Kuala Lumpur,

Malaysia.

Tel: 603 - 2072 1277

Fax: 603 - 2031 6608

Web: <http://www.tasecurities.com.my/>