

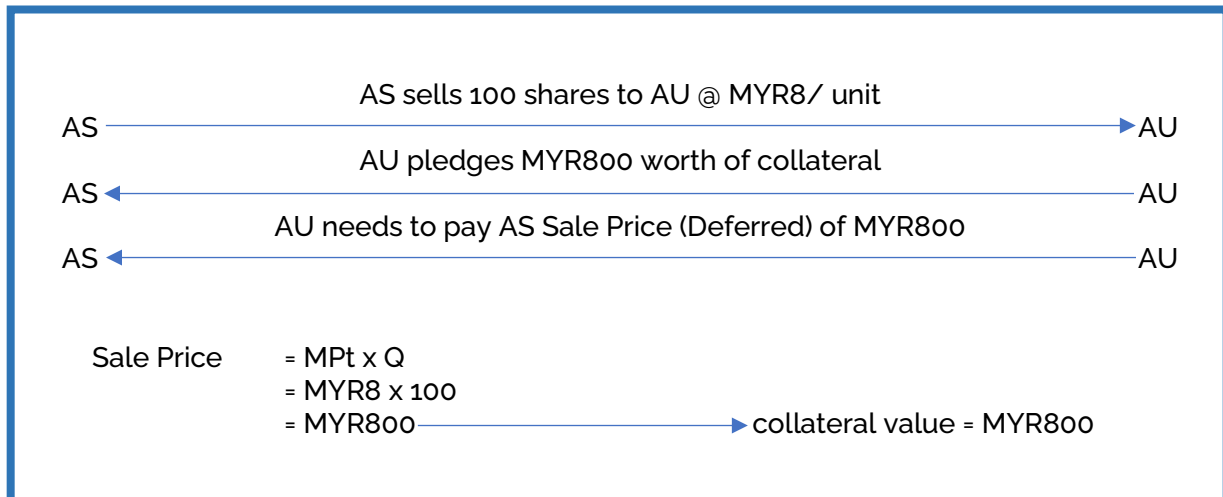
Appendix 1

Scenario 4: If Share Price Moves Down, but Leg 2 Does Not Take Place

Settlement can be by Cash Settlement or Replacement

Leg 1

Date, T=0	31-Dec-14	
No. of shares, Q	100.00	
Price/ unit (MYR), MPt	8.00	
Sale Price (MYR), SP	800.00 (Deferred)	
Total Fee (MYR), MI	100.00	
Total Dividend (MYR), D	100.00	
Expected Maturity Date	31-Dec-15	
Value of Collateral pledged (MYR) on T=0	800.00 (Mark-to-Market)	[X]

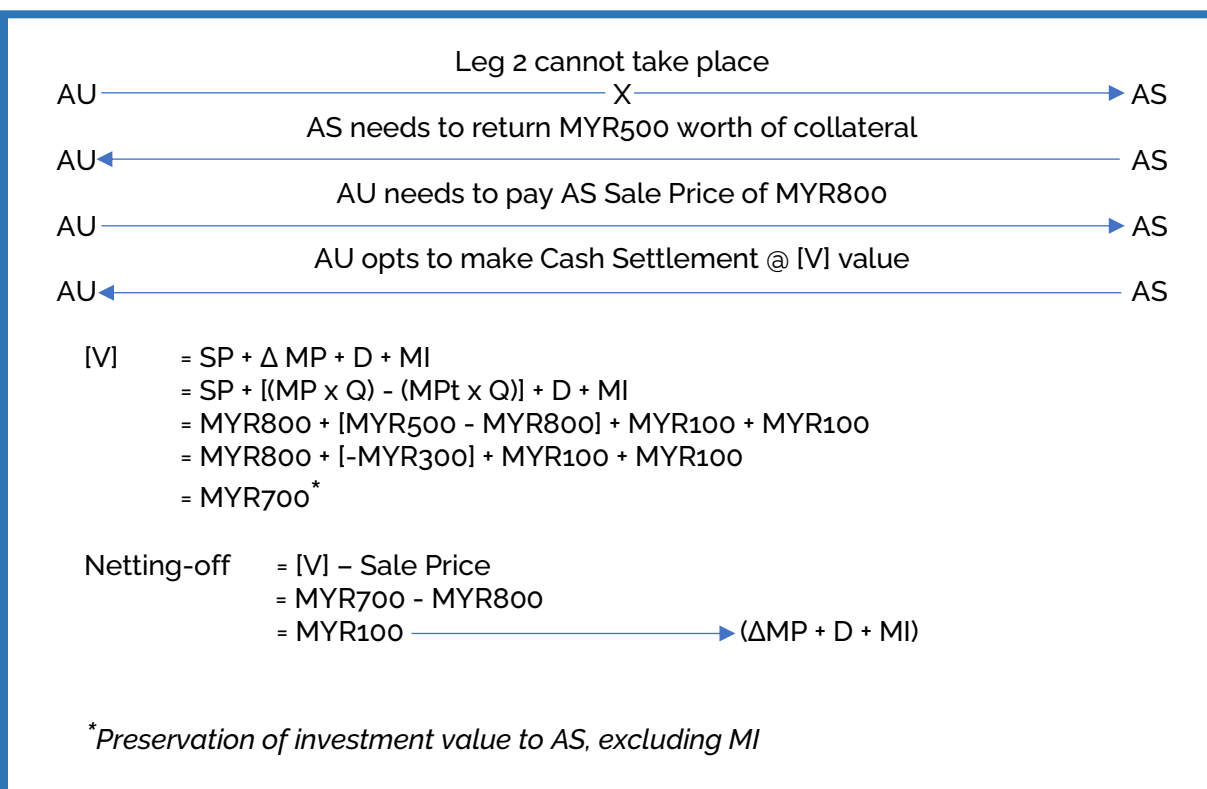


Date, T=181	30-Jun-15	
Share Price/ unit (MYR), MP	5.00	
Collateral top-up, (MP x Q) - (MPt x Q)	-300	[Y]
Collateral value (MYR), [X] + [Y]	500.00	

Leg 2 Does Not Take Place

Date, T=334	30-Nov-15
No. of shares, Q	100.00
Price/ unit (MYR), MP	5.00
Sale Price (MYR), SP	800.00
Total Fee (MYR), MI	100.00
Total Dividend (MYR), D	100.00
Value of Collateral pledged (MYR) on T=334	500.00

A) Cash Settlement



Draft Accounting Entries for Cash Settlement via Commodity Murabahah (MYR)

1) AU buys commodity from CSP	700.00
2) AU sells commodity to AS	800.00
3) AS sells commodity to BMIS	700.00

Gain to AS (100.00)

1) AU

Dr Commodity	700.00	
Cr Cash		700.00

BMIS (as agent for CSP)

Dr Cash	700.00	
Cr Commodity		700.00

2) AU

Dr Cash	800.00	
Cr Commodity		700.00
Cr 'Profit'*		100.00

AS

Dr Commodity	700.00	
Dr "Expenses"*	100.00	
Cr Cash		800.00

3) AS

Dr Cash	700.00	
Cr Commodity		700.00

BMIS (as principal)

Dr Commodity	700.00	
Cr Cash		700.00

* Subject to confirmation on accurate terminology to be used

CSP: Commodity Supplying Participant

BMIS: Bursa Malaysia Islamic Services

B) Replacement

Step 1:

$[V] = \text{MYR}700$

Step 2: Assuming both parties agree to exchange similar share at prevailing market price e.g. MYR5/ unit

Therefore,

AU will deliver similar shares @ MYR5/ unit

AU needs to deliver:

- > $[V] \div \text{MYR}5$
- > $\text{MYR}700 \div \text{MYR}5$
- > 140 units of similar shares

Draft Accounting Entries for Replacement with Alternative Shariah-compliant Securities (MYR)

- 1) AU buys similar shares from third party 700.00
- 2) AU sells similar shares to AS 800.00

Gain to AS (100.00)

1) AU

	Dr Shares		700.00	
		Cr Cash		700.00

2) AU

	Dr Cash		800.00	
		Cr Shares		700.00
		Cr 'Profit'*		100.00

AS

	Dr Shares		700.00	
	Dr 'Loss'*		100.00	
		Cr Cash		800.00

** Subject to confirmation on accurate terminology to be used*