



## PRESS RELEASE

### Rakuten Trade Continues Its Growth Momentum with Its Contra Trading Platform

KUALA LUMPUR, 23 July 2018 – Rakuten Trade Sdn Bhd (“Rakuten Trade”) has continued its strong growth momentum after the introduction of its second product, Contra Account – which has recorded an overall revenue contribution to Rakuten Trade of more than 20%.

A Contra Account is a trading account where the trading limit is based on the amount of cash and/or shares placed in the trust account with Rakuten Trade. It allows clients to trade on a higher trading amount that is determined based on available funds / shares in the Contra Account or pledged portfolio that a client would like to leverage.

Rakuten Trade Managing Director Mr Kaoru Arai said “We are committed to being a seamless, efficient and simplified trading platform. This was the premise of our business strategy and we remain true to this philosophy. As the first completely digital equities broker in Malaysia, we understand the appetite of the digitally savvy investor and have built a platform with the customer experience playing a pivotal role in all our designs.”

#### Contra Trading - How it works

Types of Collateral	Collateral
Cash	100%
Shares - Main Market (MM)*	80%
- Ace Market (AM)*	50%
- Warrant	0%

Example of Collateral	Cash/Shares Pledge Value (RM)	Collateral Value (RM)
Cash	10,000.00	10,000.00
Shares - MM	10,000.00	8,000.00
- AM	10,000.00	5,000.00
- Warrant	10,000.00	0.00
<b>Total</b>		<b>RM23,000.00</b>

Collateral Value (RM)	Shares	Multiplier**	Maximum Trading Limit for shares Collateral Value × Multiplier
RM23,000.00	Stock A	× 5	RM23,000 × 5 = RM115,000.00
	Stock B	× 3	RM23,000 × 3 = RM69,000.00
	Stock -WC (Warrant)	× 3	RM23,000 × 3 = RM69,000.00
	Warrant A 1 month to Expire date	× 1	RM23,000 × 1 = RM23,000.00
	Warrant B 2 weeks to Expire date	× 0	RM23,000 × 0 = RM0.00

\* MM & AM - holding stocks in contra account portfolio

\*\* Multiplier - subject to the stock performance

\*\*\* Forced selling will be carried out on T+4.

\* T&C apply

Note: share collateral value differs depending on the type of collateral.

# Rakuten Trade

Rakuten Trade's Contra Account serves as a complement to Rakuten Trade's existing Cash Upfront facility. In the first month post introduction, Contra trading has attracted investors below 40 years old with trading experience of between one to three years. More than 70% of its current Contra Account holders are also Cash Upfront account holders.

Rakuten Trade currently has 15,000 account holders (combination of both products), reflecting an increase of 25% since its 1st Anniversary celebration in May 2018 when the FinTech company had 12,000 active accounts.



For more information on Rakuten Trade or to open an account, please visit [www.rakutenrade.my](http://www.rakutenrade.my) or download iSPEED.my app via Google Play Store or Apps Store.

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## **About Rakuten Trade Sdn Bhd ("Rakuten Trade")**

Rakuten Trade (楽天トレード) is the result of a joint venture between Malaysia's leading independent investment bank Kenanga Investment Bank Berhad and Japan's Rakuten Securities, Inc. part of Rakuten Group ("Rakuten"), a global innovation leader. The Rakuten Group empowers society, while providing convenience to customers around the world with easy-to-use and innovative services. Named FinTech Company of the Year 2018, Rakuten Trade created waves in the investment banking industry on 19<sup>th</sup> May 2017 when it was officially launched as the country's first digital equity broker in Malaysia. Their FinTech platform gives investors the opportunity to have a completely online equity broking experience from account opening, live market feeds, execution and settlement of trades, research reports as well as rewards. Rakuten Trade is also the first equity trading broker to launch its own rewards eco system that collaborates with three of the country's top loyalty partners - AirAsia BIG, B Infinite and BonusLink. Clients receive Rakuten Trade points whenever they engage with Rakuten Trade from opening an account, trading to referring their friends and family. Rakuten Trade holds a restricted Capital Markets Services License ("CMSL") by the Securities Commission Malaysia to deal in listed securities and provide investment advice.

This Press Release was issued on behalf of Rakuten Trade Sdn. Bhd. For more information, please contact:

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