Scenario 1 - If Share Price Moves Up + Leg 2 Takes Place

Leg 1

Date, T=0	31-Dec-14		
No. of TNB 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]

Party A sells 100 TNB shares to Party B @ MYR8/ unit

A ---------- >B

Party B pledges MYR800 worth of collateral

A <---------- B

Party B needs to pay Party A Sale Price (Deferred) of MYR800

A <---------- B

Sale Price = MPt x Q
= MYR8 x 100
= MYR800 ----------> collateral value = MYR800

Date, T=181	30-Jun-15	
TNB Share Price/ unit (MYR), MP	10.00	
Collateral top-up, (MP x Q) - (MPt x Q)	200	[Y]
Therefore Collateral value (MYR), [X] + [Y]	1,000.00	

Leg 2 happens

Date, T=365	31-Dec-15
No. of TNB shares, Q	100.00
Price/ unit (MYR), MP	10.00
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=365	1,000.00

Based on prevailing MP, Party B is selling 100 TNB shares to Party A @ MYR10/ unit

B ---------- >A

Party A needs to return MYR1,000 worth of collateral

B <---------- A

Party B needs to pay Party A Sale Price of MYR800

B ---------- > A

Party A needs to pay Party B Exercise Price of MYR600

B <---------- A

Ex Price = (MPt x Q) - MI - D
= MYR800 - MYR100 - MYR100
= MYR600

Net-off = MYR800 - MYR600