

TRADING RULES

There are three types of order available at the **CSX**.

- Limit Order** the order to buy or sell a security at a specific price or at a better price.
- Market Order** the order to buy or sell an equity security at the best price available in the market.
- Negotiated Order** the order to buy or sell a security through Negotiated Trading Method, which executing a pair of bid and ask negotiated orders after a buyer and a seller have negotiated and agreed on the transaction conditions.

Orders are matched in the CSX's trading system according to the determined auction principles: **Price Priority** and **Time Priority**.

Note: An order placed on **CSX** is valid until the end of the trading hours.

Daily Price Limit $\pm 10\%$ of base price

Trading Currency Khmer Riel

Good Faith Deposit 100%

Trading Before Settlement Equity Securities Only

After you complete a trade (on T+0 day), the securities or payments will be officially settle and transferred to your account on T+2 day. However for equity Securities, CSX allows you to use those resources to sell or buy new securities on the same day (T+0) without having to wait until you officially receive it.

TRADING SCHEDULE

Trading Day: Monday to Friday (except public holidays)



- For the opening and closing sessions, orders are accumulated and matched together only once at the end of each respective session (9:00 AM and 11:30 AM) at one price using the **Single-Price Auction**.
- During the **Multiple-Price Auction** period, orders are matched instantaneously whenever applicable at any price.

INVESTMENT ANALYSIS

The main purpose of stock analysis is to determine the **real value** of a stock. There are many tools an investor can use to analyze stock performance:

Fundamental Analysis: An analysis method that focuses on examining related economic, financial and other qualitative and quantitative factors.

Technical Analysis: An analysis method that helps us predict the future price movement of a stock by scrutinizing the past data and trends.

Tip: Mastering basic concepts of the two analysis tools above could help you improve your investment decisions.

Source of Information: company financial reports, corporate information, public news, industry information, media analysis, rating agency's reports, economic conditions, expert's analysis, market data, etc.

Tip: Some brokers could provide you insightful information and advice on which stocks you should buy or sell without having to do your own analysis.

CONTACTS

SECC

ADDRESS: #99, Street 598, Sangkat Phnom Penh Tmei, Khan Sen Sok, Phnom Penh, Cambodia.
TEL : 023 885 611
FAX : 023 885 622
Email : info@secc.gov.kh
Web : www.secc.gov.kh

CSX

ADDRESS: CSX Building, St.Preah Mohaksat Treiyani Kossamak (St.106), Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia.
TEL : 023 958 888
Email : info@csx.com.kh
Web : www.csx.com.kh

NOTE: Securities and Exchange Commission of Cambodia (SECC) is a government entity that regulates the securities industry in Cambodia. It issues Investor IDs to public investors.

Underwriters

Campu Securities Plc.	Tel : 023 222 880 & 023 222 881 Email : campusec@campusecurities.com.kh Web : www.campusecurities.com
Cana Securities Ltd.	Tel : 023 999 887 & 023 868 333 Email : info@canasecurities.com.kh Web : www.canasecurities.com.kh
Phnom Penh Securities Plc.	Tel : 023 426 999 Email : info@pps.com.kh Web : www.pps.com.kh
RHB Indochina Securities Plc.	Tel : 023 969 161 Email : rhbosk.kh.customerservice@rhbgroupp.com Web : www.rhbgroupp.com
SBI Royal Securities Plc.	Tel : 023 996 970 & 023 996 971 Email : info@sbiroyal.com Web : www.sbiroyal.com
Yuanta Securities (Cambodia) Plc.	Tel : 023 860 800 Mobile : 092 777 309 Email : yuanta@yuantacambodia.com Web : www.yuantacambodia.com

NOTE: Underwriters are firms that help companies introduce their new securities to the market.

Dealer

Golden Fortune Securities Plc.	Tel : 023 218 288 & 023 218 388 Email : customers-dept@goldenfortune.com Web : www.goldenfortune.com.kh
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NOTE: Dealers are firms that engage in the business of trading securities for its own account or on behalf of its customers.

Brokers

ACLEDA Securities Plc.	Tel : 023 723 388 Email : info@acledasecurities.com.kh Web : www.acledasecurities.com.kh
CAB Securities Limited.	Tel : 023 220 000 & 023 222 018 Email : cabs@cab.com.kh Web : www.cab.com.kh
Cambodia-Vietnam Securities Plc.	Tel : 023 723 899 Email : info@cvs.com.kh Web : www.cvs.com.kh

IMPORTANT: Underwriters and dealers also provide brokerage services as brokers.

Cash Settlement Agents

Acleda Bank Plc.	Tel : 023 998 777 E-mail : acledabank@acledabank.com.kh Web : www.acledabank.com.kh
Bank for Investment and Development of Cambodia Plc.	Tel : 023 210 044 E-mail : info@bidc.com.kh Web : www.bidc.com.kh
Canadia Bank Plc.	Tel : 023 868 222 E-mail : canadia@canadiabank.com.kh Web : www.canadiabank.com.kh



More Info: www.csx.com.kh



INVESTOR GUIDE





About CSX



Cambodia Securities Exchange (CSX) was officially launched in July 2011 with the Royal Government holding 55% and the Korea Exchange (KRX) 45%. The first stock trading started on April 18, 2012. With licenses from **SECC**, CSX is running three main operators in the Cambodian securities market.

Market Operator



CSX offers a trading system as a market for securities exchange where stock buyers connect with stock sellers and make transactions at a certain price. The trade can happen with the assistance from brokers.

Clearing & Settlement Operator



After a trade has been matched by the trading system, **CSX** performs clearing and settlement to make sure that the sellers get paid and the buyers get ownership of the securities traded.

Securities Depository Operator



CSX also acts as a central securities depository where all securities are electronically stored at a safe place. After being cleared and settled, securities are transferred, altered, and nullified by book-entry without the physical transfer of securities.

STOCK BASIC

SECURITIES refer to stocks, bonds or derivatives.

STOCK is a type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.

Stock Exchange



Why do corporations issue stocks?

When a company issues stock, it raises money that it can use to expand its business such as building a new factory or buying more advanced equipment etc.



It is a cheaper way for a company to raise fund compared to bank loans which demand interest and need to be paid back.

Why do people invest in stocks?

- ▶ **Become a shareholder:** When you buy a stock, you become a partial owner of a company. You have the right to vote on matters of corporate policy and board elections.
- ▶ **Source of Revenue:** Each stock entitles the owner to some amount of dividend the corporation decides to pay.
- ▶ **Diversification:** Stock is a good way to diversify your investment portfolio.
- ▶ **Tax Incentives:** No withholding tax on dividends for residents (locals and foreigners) & 50% tax reduction for non-residents, no tax on capital gains, and no stamp duty tax levied on trading.
- ▶ **Affordable & Liquid:** Stocks are traded in small pieces which are affordable to anyone. They can be sold in the market and converted into cash quickly.
- ▶ **Growth Potential:** Some listed companies become very successful, and market prices of their stock surge higher. The owners can sell those stocks at a good profit.
- ▶ **Higher Return:** Stock investments usually provide higher returns compared to other investment options.



BECOME AN INVESTOR

Investors can be individuals or institutions.

BROKER an individual or firm that charges a fee or commission for executing buying and selling orders submitted by an investor.

STEP 1: Request an Investor ID

REQUIREMENTS

INDIVIDUAL: Application Form¹ "A", Two 4x6 Photos, ID Card/Passport

INSTITUTION: Application Form¹ "B", Two 4x6 Photos², ID Card/Passport², Company License, Company Registration Certificate, Power of Attorney, Article of Incorporation, VAT Certificate

¹ : Forms can be downloaded from secc.gov.kh ² : Documents of representative

Investors can request directly from SECC or through a broker.

STEP 2: Open Trading Account

Investors can only trade stocks through brokers. After receiving an investor ID, the investor may open a trading account with one or more brokers. (You may find a list of brokers on the last page)

STEP 3: Open Cash Account

It is recommended that all investors open a cash account at one of the Cash Settlement Agents (CSAs) suggested or used by their brokers in order to fulfill payment obligations. (You may find a list of CSAs on the last page)

HOW IT WORKS



- 1 Buyers and sellers place orders through their brokers.
- 2 Brokers send the orders to the stock exchange (**CSX**).
- 3 **CSX** collects all the orders and matches them using auctions.
- 4 **CSX** returns trading results to the brokers.
- 5 Brokers inform buyers and sellers of their trading results.

T + 0 Action 1 to 5 above occur on the same day

T + 1 One day after the trading, **CSX** nets obligations of each investor to know how much one has to pay or receive.

T + 2 Two days later, cash and securities are settled. Buyers receive their securities and sellers get their payments.