

FOREIGN SECURITIES RISK DISCLOSURE STATEMENT INDIVIDUAL APPLICANT (Hereinafter referred to as the Client once the Applicant is onboarded.) (NOT APPLICABLE FOR ISLAMIC STOCKBROKING)

Foreign securities are subject to the laws and regulations of the jurisdiction it is listed in. Before the Applicant ("I/me") trade in foreign securities or authorise someone else to trade for me, I shall be aware of the risks that may affect the value of my investment.

1. This statement is provided to me in accordance with Rules of Bursa Malaysia Securities Berhad.
2. This statement does not disclose all the risks and other significant aspects of trading in foreign securities. I shall undertake such transactions only if I understand and am comfortable with the extent of my exposure to the risks.
3. I shall carefully consider whether such trading is suitable for me in light of my experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for me, I shall be aware of the following:
 - (a) Foreign markets may be subject to different regulations, and may operate differently from Bursa Exchange in Malaysia. For example, there may be different rules providing for the safekeeping of securities and monies held by custodian banks or depositories. This may affect the level of safeguards in place to ensure proper segregation and safekeeping of my investment products or monies held in foreign countries. There is also the risk of my investment products or monies not being protected if the custodian has credit problems or fails. Foreign markets may also have different periods for clearing and settling transactions. These may affect the information available to me regarding transaction prices and the time I have to settle my trade on such foreign markets. These may affect the information available to me regarding transaction prices and the time I have to settle my trade on such foreign markets.
 - (b) Foreign markets may be subject to rules which may offer different investor protection as compared to Malaysia. Before I start to trade, I shall be fully aware of the types of redress available to me in Malaysia and other relevant jurisdictions, if any.
 - (c) Foreign securities may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on Bursa Exchange in Malaysia. Where disclosure is made, differences in accounting, auditing and financial reporting standards may also affect the quality and comparability of information provided. It may also be more difficult to locate up-to-date information, and the information published may only be available in a foreign language.
 - (d) In some countries, legal concepts which are practiced in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.
 - (e) The Ministry of Finance in Malaysia may be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where my transactions shall be effected.
 - (f) The laws of some jurisdictions may prohibit or restrict the repatriation of funds from such jurisdictions including capital, divestment proceeds, profits, dividends and interest/return arising from investment in such countries. Therefore, there is no guarantee that the funds I have invested and the funds arising from my investment shall be capable of being remitted.
 - (g) Some jurisdictions may also restrict the amount or type of investment products that foreign investors may trade. This can affect the liquidity and prices of the foreign securities that I invest in.
 - (h) There may be tax implications of investing in foreign securities. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in the foreign country, in Malaysia or in both countries.
 - (i) My investment return on foreign currency-denominated securities may be affected by exchange rate fluctuations where there is a need to convert from the currency of denomination of the investment products to another currency, or may be affected by exchange controls.
 - (j) I may have to pay additional costs such as fees and broker's commissions for transactions in foreign exchanges. In some jurisdictions, I may also have to pay a premium to trade certain listed foreign securities. Therefore, before I begin to trade, I shall obtain a clear explanation of all commissions, fees and other charges for which I shall be liable. These charges shall affect my net profit (if any) or increase my loss.
 - (k) Transactions on foreign exchanges or foreign markets are generally effected by the Malaysian Broker through the use of foreign brokers who have trading and/or clearing rights on those exchanges. All transactions that are executed upon my instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without my consent and/or may result in difficulties in recovering my monies and assets held foreign countries.
 - (l) Foreign markets are influenced by the political, economic and social developments in the foreign jurisdiction, which may be uncertain and may increase the risk of investing in foreign securities.

STRUCTURED WARRANTS RISK DISCLOSURE STATEMENT (NOT APPLICABLE FOR ISLAMIC STOCKBROKING)

1. This statement is provided to the Applicant ("I/me") in accordance with the directive of the Bursa Malaysia Securities Berhad.
2. The purpose of this statement is to inform me that the risk of loss in purchasing structured warrants can be substantial. I should therefore assess if the purchase of structured warrants is suitable for me in light of my financial circumstances. In deciding whether to purchase structured warrant, I should be aware of the following:
 - the purchase of a structured warrant is subject to the risk of losing the full purchase price of the structured warrant and all transaction costs;
 - in order to realise any value from a structured warrant, it is necessary to sell the structured warrant or exercise the structured warrant on or before their expiry date;
 - under certain conditions, it may become difficult to sell the structured warrant;
 - upon exercise of the structured warrant, the issuer may settle its obligations via actual delivery of the underlying assets, in cash or a combination of both depending on the terms of the issue of the structured warrant;
 - placing of contingent orders, such as "stop-loss" or "stop-limit" orders, shall not necessarily limit my losses to the intended amount. Market conditions may not make it possible to execute such orders; and
 - the high degree of leverage that is obtainable from structured warrant because the small initial outlay can work against or for me. The use of leverage can lead to large losses as well as gain.
3. This brief statement cannot disclose all the risks and other aspects of purchasing structured warrants. I should therefore carefully study the terms and conditions of any structured warrant before I decide to purchase. If I am in doubt in relation to any aspect of this statement or the terms of a structured warrant, I should consult my Dealers Representative.

LEAP MARKET RISK DISCLOSURE STATEMENT (NOT APPLICABLE FOR ISLAMIC STOCKBROKING)

1. The LEAP Market is aimed at facilitating access to the capital market by small or medium sized enterprises (“SMEs”) to which a higher investment risk may be attached. This market is a qualified market meant for sophisticated investors only, i.e. those who qualify under Part I of Schedules 6 and 7 of the Capital Markets and Services Act 2007 (“CMSA”). The issue or offer of securities on the LEAP Market is based on an information memorandum, and not a full prospectus registered with the Securities Commission Malaysia under section 233 of the CMSA. In the LEAP Market, sophisticated investors shall have the full responsibility for evaluating the disclosed information, as well as the merits and risks of investing.
2. The purpose of this statement is to inform me that apart from the normal risks involved in trading in securities, trading securities in the LEAP Market comes with other additional risks. I should NOT invest in the securities offered unless I am a sophisticated investor and I fully understand and is prepared to take the risks. I should assess whether the purchase of the securities is suitable for me in light of my knowledge, financial means, investment objectives and the risks I am prepared to take. The risks of investing in such securities include but are not limited to the following:
 - (i) **Small Companies**

Generally, the listed companies on the LEAP Market are smaller than the listed companies on the ACE Market or Main Market and may not have a proven track record in terms of operating history or profit track record. Hence, I should be aware that there is a higher risk of business failures which may adversely impact my investments should I choose to invest.
 - (ii) **Minimum Requirements on Disclosure and Governance**

The LEAP Market has a regulatory framework on disclosure and post-listing requirements appropriate for sophisticated investors only. This framework may be less prescriptive than that in the ACE Market or Main Market. The listed companies on the LEAP Market are required to provide only key information about its business plan, operations and financial information. This may affect my ability to make fully informed investment decisions.
 - (iii) **Liquidity Risks**

As a market limited to sophisticated investors only, the LEAP Market may not have the trading activities or liquidity of the ACE Market or Main Market. I may not be able to exit my investment as easily as in the ACE Market or Main Market. Limited trading activities or illiquidity in the LEAP Market may increase the risk of loss by making it difficult to effect transactions or sell the LEAP Market securities.
3. This brief statement cannot disclose all the risks and other significant aspects of trading securities in the LEAP Market. I should understand the key characteristics, business plan and financial information of the companies listed on the LEAP Market thoroughly and carefully study all the risks associated with securities in the LEAP Market and/or seek independent professional advice before I decide to invest.

INTRADAY SHORT SELLING RISK DISCLOSURE STATEMENT (NOT APPLICABLE FOR ISLAMIC STOCKBROKING)

1. This statement is provided to the Applicant (“I/me”) in accordance with the directives of the Rules of Bursa Malaysia Securities Berhad (“**Rules of Bursa Securities**”).
2. Intraday Short Selling refers to the short selling of Approved Securities with a view to closing off the short position within the same day, if the same is carried out in accordance with Part D of Chapter 8 of the Rules of Bursa Securities.
3. I should have full understanding of the requirements pertaining to Intraday Short Selling before engaging in the same. I should independently evaluate my own financial position, risk tolerance and investment experiences while taking into account the following risk factors before engaging in Intraday Short Selling:
4. Types of risk:
 - A. Investment risk: I should assess the investment risks arising from price fluctuation if I choose to engage in Intraday Short Selling. In the event the securities price increases instead of decreases, Intraday Short Selling may lead to extraordinary losses, because I may have to purchase the securities at a very high price in order to cover a short position.
 - B. Trading costs: I should understand the trading costs resulting from frequent trading activities.
 - C. Risks of failure to close off with a buy position on the same day as the short selling:
 - (i) I should assess the securities I shall need to purchase to close off the short position before the end of day, and may need to prepare sufficient funds for settlement in the event of failure of opposite offsetting. The funds include but not limited to the cost of borrowing and the cost to purchase securities above the market price in the event of a buying-in for the settlement of an uncovered position.
 - (ii) It may become difficult for me to buy back the securities to close off a sell position at the end of a trading day. Failure to close off the sell position shall be deemed as non-compliance with the Rules and appropriate enforcement action may be taken against me.
5. This brief statement cannot disclose all the risks and other significant aspects of executing Intraday Short Selling. I should independently and carefully study the requirements pertaining to Intraday Short Selling, gain an understanding of other possible affecting factors, and perform a well-thought financial planning and risk evaluation before engaging in this activity. If I am in doubt in relation to any aspect of this statement, I should consult my dealer’s representative.

RISK DISCLOSURE STATEMENT ON SECURITIES BORROWING (NOT APPLICABLE FOR ISLAMIC STOCKBROKING)

1. This statement is provided to me in accordance with Rule 7.18(4)(d) of these Rules.
2. The purpose of this statement is to inform me that the risk of loss in borrowing securities for the purposes permitted under these Rules can be substantial. I should assess if borrowing securities is suitable for me in light of my own financial circumstances. In deciding whether to borrow securities I should be aware of the following:
 - (a) where the redelivery of securities to the lender, which securities is equivalent to the securities borrowed, is by way of purchase on the market, the buy price of the securities may be substantially higher than the price of the securities at the time of borrowing;
 - (b) under certain conditions, it may be difficult to buy back securities equivalent to the [securities borrowed];
 - (c) the [lender may recall the securities at any time which necessitates the buying back of securities equivalent to the securities borrowed; and
 - (d) the securities borrowed may no longer be eligible for borrowing in the future and as such the lender may recall on all of that securities borrowed by all borrowers which may necessitate the buying back of the securities equivalent to that [securities borrowed, by all borrowers. This ‘buying back’ may result in the buy price of those securities going up significantly.

This brief statement cannot disclose all the risks and other aspects of borrowing of securities. I should therefore carefully study the terms, conditions, the rules and regulations pertaining to [borrowing of securities before engaging in this activity. If I am in doubt in relation to any aspect of this statement, I should consult my dealer’s representative.

RISK DISCLOSURE STATEMENT ON LEVERAGED AND INVERSE EXCHANGE TRADED FUNDS

1. This statement is provided to the Applicant (“I/me”) in accordance with the directives of the Rules of Bursa Malaysia Securities Berhad.
2. The purpose of this statement is to inform me that the risk of loss in purchasing leveraged and inverse Exchange Traded Funds (“**L&I ETFs**”) units can be substantial. I should assess if the purchase of L&I ETFs units is suitable for me in light of my financial position, risk tolerance and investment experience while taking into account the following risks before deciding whether to invest in L&I ETFs:
 - (i). I am subject to the risk of losing the full purchase price of the L&I ETFs units;
 - (ii). I should keep in mind that L&I ETFs are intended to track and replicate up to a multiple of performance of an index or a multiple of the inverse performance of an index on a daily basis;
 - (iii). As such, L&I ETFs are more suitable for short term trading/ positioning. Holding L&I ETFs units for more than a day could result in investment returns that deviate greatly from the multiple of performance of an index or a multiple of the inverse performance of an index that the L&I ETFs are supposed to track;
 - (iv). Placing of contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit my losses to the intended amount. Market conditions may not make it possible to execute such orders;
 - (v). The leverage obtained from a leveraged ETF can work against me as well as for me. It could lead to large losses as well as gains;
 - (vi). It is in my best interests to take effort to study all risks as contained in the prospectus of the L&I ETFs, including but not limited to interest rate risks, country risks, credit risks, foreign exchange risks, futures rollover risks, counterparty risks and liquidity risks; and
 - (vii). If I engage in purchase of L&I ETF units using margin financing or short sale of L&I ETF units, I may gain higher profits when the price movement conforms to expectations, or may otherwise suffer bigger losses. I may also face a margin call by the lender if the collateral maintenance ratio drops.
3. This brief statement cannot disclose all the risks and other aspects of purchasing L&I ETF units. I should carefully study the requirements pertaining to L&I ETFs and the content of the prospectus of L&I ETFs before I decide to purchase. If I’m in doubt in relation to any aspect of this statement or the terms of L&I ETFs, I should consult my dealer’s representative.

**FOREIGN SECURITIES RISK DISCLOSURE STATEMENT (CORPORATE/ INSTITUTIONAL / ASSOCIATION APPLICANT)
(Hereinafter referred to as the Client once the Applicant is onboarded.)**

Foreign securities are subject to the laws and regulations of the jurisdiction it is listed in. Before the Applicant/ Client ("We/us") trade in foreign securities or authorise someone else to trade for us, we shall be aware of the risks that may affect the value of our investment.

1. This statement is provided to us in accordance with Rules of Bursa Malaysia Securities Berhad.
2. This statement does not disclose all the risks and other significant aspects of trading in foreign securities. We shall undertake such transactions only if we understand and am comfortable with the extent of our exposure to the risks.
3. We shall carefully consider whether such trading is suitable for us in light of our experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for us, we shall be aware of the following:
 - (a) Foreign markets may be subject to different regulations, and may operate differently from Bursa Exchange in Malaysia. For example, there may be different rules providing for the safekeeping of securities and monies held by custodian banks or depositories. This may affect the level of safeguards in place to ensure proper segregation and safekeeping of our investment products or monies held in foreign countries. There is also the risk of our investment products or monies not being protected if the custodian has credit problems or fails. Foreign markets may also have different periods for clearing and settling transactions. These may affect the information available to us regarding transaction prices and the time we have to settle our trade on such foreign markets. These may affect the information available to us regarding transaction prices and the time we have to settle our trade on such foreign markets.
 - (b) Foreign markets may be subject to rules which may offer different investor protection as compared to Malaysia. Before we start to trade, we shall be fully aware of the types of redress available to us in Malaysia and other relevant jurisdictions, if any.
 - (c) Foreign securities may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on Bursa Exchange in Malaysia. Where disclosure is made, differences in accounting, auditing and financial reporting standards may also affect the quality and comparability of information provided. It may also be more difficult to locate up-to-date information, and the information published may only be available in a foreign language.
 - (d) In some countries, legal concepts which are practiced in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.
 - (e) The Ministry of Finance in Malaysia may be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where our transactions shall be effected.
 - (f) The laws of some jurisdictions may prohibit or restrict the repatriation of funds from such jurisdictions including capital, divestment proceeds, profits, dividends and interest/return arising from investment in such countries. Therefore, there is no guarantee that the funds we have invested and the funds arising from our investment shall be capable of being remitted.
 - (g) Some jurisdictions may also restrict the amount or type of investment products that foreign investors may trade. This can affect the liquidity and prices of the foreign securities that we invest in.
 - (h) There may be tax implications of investing in foreign securities. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in the foreign country, in Malaysia or in both countries.
 - (i) My investment return on foreign currency-denominated securities may be affected by exchange rate fluctuations where there is a need to convert from the currency of denomination of the investment products to another currency, or may be affected by exchange controls.
 - (j) We may have to pay additional costs such as fees and broker's commissions for transactions in foreign exchanges. In some jurisdictions, we may also have to pay a premium to trade certain listed foreign securities. Therefore, before we begin to trade, we shall obtain a clear explanation of all commissions, fees and other charges for which we shall be liable. These charges shall affect our net profit (if any) or increase our loss.
 - (k) Transactions on foreign exchanges or foreign markets are generally effected by the Malaysian Broker through the use of foreign brokers who have trading and/or clearing rights on those exchanges. All transactions that are executed upon our instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without our consent and/or may result in difficulties in recovering our monies and assets held foreign countries.
 - (l) Foreign markets are influenced by the political, economic and social developments in the foreign jurisdiction, which may be uncertain and may increase the risk of investing in foreign securities.

STRUCTURED WARRANTS RISK DISCLOSURE STATEMENT (NOT APPLICABLE FOR ISLAMIC STOCKBROKING)

1. This statement is provided to the Applicant/ Client ("we/us") in accordance with the directive of the Bursa Malaysia Securities Berhad.
2. The purpose of this statement is to inform us that the risk of loss in purchasing structured warrants can be substantial. We should therefore assess if the purchase of structured warrants is suitable for us in light of our financial circumstances. In deciding whether to purchase structured warrant, we should be aware of the following :
 - the purchase of a structured warrant is subject to the risk of losing the full purchase price of the structured warrant and all transaction costs;
 - in order to realise any value from a structured warrant, it is necessary to sell the structured warrant or exercise the structured warrant on or before their expiry date;
 - under certain conditions, it may become difficult to sell the structured warrant;
 - upon exercise of the structured warrant, the issuer may settle its obligations via actual delivery of the underlying assets, in cash or a combination of both depending on the terms of the issue of the structured warrant;
 - placing of contingent orders, such as "stop-loss" or "stop-limit" orders, shall not necessarily limit our losses to the intended amount. Market conditions may not make it possible to execute such orders; and
 - the high degree of leverage that is obtainable from structured warrant because the small initial outlay can work against or for us. The use of leverage can lead to large losses as well as gain.
3. This brief statement cannot disclose all the risks and other aspects of purchasing structured warrants. We should therefore carefully study the terms and conditions of any structured warrant before we decide to purchase. If we are in doubt in relation to any aspect of this statement or the terms of a structured warrant, we should consult our Dealers Representative.

LEAP MARKET RISK DISCLOSURE STATEMENT (NOT APPLICABLE FOR ISLAMIC STOCKBROKING)

1. The LEAP Market is aimed at facilitating access to the capital market by small or medium sized enterprises (“SMEs”) to which a higher investment risk may be attached. This market is a qualified market meant for sophisticated investors only, i.e. those who qualify under Part I of Schedules 6 and 7 of the Capital Markets and Services Act 2007 (“CMSA”). The issue or offer of securities on the LEAP Market is based on an information memorandum, and not a full prospectus registered with the Securities Commission Malaysia under section 233 of the CMSA. In the LEAP Market, sophisticated investors shall have the full responsibility for evaluating the disclosed information, as well as the merits and risks of investing.
2. The purpose of this statement is to inform us that apart from the normal risks involved in trading in securities, trading securities in the LEAP Market comes with other additional risks. We should NOT invest in the securities offered unless we are a sophisticated investor and we fully understand and are prepared to take the risks. We should assess whether the purchase of the securities is suitable for us in light of our knowledge, financial means, investment objectives and the risks we are prepared to take. The risks of investing in such securities include but are not limited to the following:
 - (i) **Small Companies**

Generally, the listed companies on the LEAP Market are smaller than the listed companies on the ACE Market or Main Market and may not have a proven track record in terms of operating history or profit track record. Hence, we should be aware that there is a higher risk of business failures which may adversely impact our investments should we choose to invest.
 - (ii) **Minimum Requirements on Disclosure and Governance**

The LEAP Market has a regulatory framework on disclosure and post-listing requirements appropriate for sophisticated investors only. This framework may be less prescriptive than that in the ACE Market or Main Market. The listed companies on the LEAP Market are required to provide only key information about its business plan, operations and financial information. This may affect our ability to make fully informed investment decisions.
 - (iii) **Liquidity Risks**

As a market limited to sophisticated investors only, the LEAP Market may not have the trading activities or liquidity of the ACE Market or Main Market. We may not be able to exit our investment as easily as in the ACE Market or Main Market. Limited trading activities or illiquidity in the LEAP Market may increase the risk of loss by making it difficult to effect transactions or sell the LEAP Market securities.
3. This brief statement cannot disclose all the risks and other significant aspects of trading securities in the LEAP Market. We should understand the key characteristics, business plan and financial information of the companies listed on the LEAP Market thoroughly and carefully study all the risks associated with securities in the LEAP Market and/or seek independent professional advice before we decide to invest.

INTRADAY SHORT SELLING RISK DISCLOSURE STATEMENT (NOT APPLICABLE FOR ISLAMIC STOCKBROKING)

1. This statement is provided to the Applicant/ Client (“We/us”) in accordance with the directives of the Rules of Bursa Malaysia Securities Berhad (“**Rules of Bursa Securities**”).
2. Intraday Short Selling refers to the short selling of Approved Securities with a view to closing off the short position within the same day, if the same is carried out in accordance with Part D of Chapter 8 of the Rules of Bursa Securities.
3. We should have full understanding of the requirements pertaining to Intraday Short Selling before engaging in the same. We should independently evaluate our own financial position, risk tolerance and investment experiences while taking into account the following risk factors before engaging in Intraday Short Selling:
4. Types of risk:
 - A. Investment risk: we should assess the investment risks arising from price fluctuation if we choose to engage in Intraday Short Selling. In the event the securities price increases instead of decreases, Intraday Short Selling may lead to extraordinary losses, because we may have to purchase the securities at a very high price in order to cover a short position.
 - B. Trading costs: we should understand the trading costs resulting from frequent trading activities.
 - C. Risks of failure to close off with a buy position on the same day as the short selling:
 - (i) we should assess the securities we shall need to purchase to close off the short position before the end of day, and may need to prepare sufficient funds for settlement in the event of failure of opposite offsetting. The funds include but not limited to the cost of borrowing and the cost to purchase securities above the market price in the event of a buying-in for the settlement of an uncovered position.
 - (ii) It may become difficult for us to buy back the securities to close off a sell position at the end of a trading day. Failure to close off the sell position shall be deemed as non-compliance with the Rules and appropriate enforcement action may be taken against us.
5. This brief statement cannot disclose all the risks and other significant aspects of executing Intraday Short Selling, we should independently and carefully study the requirements pertaining to Intraday Short Selling, gain an understanding of other possible affecting factors, and perform a well-thought financial planning and risk evaluation before engaging in this activity. If we are in doubt in relation to any aspect of this statement, we should consult our dealer's representative.

RISK DISCLOSURE STATEMENT ON SECURITIES BORROWING (NOT APPLICABLE FOR ISLAMIC STOCKBROKING)

1. This statement is provided to us in accordance with Rule 7.18(4)(d) of these Rules.
2. The purpose of this statement is to inform us that the risk of loss in borrowing securities for the purposes permitted under these Rules can be substantial. We should assess if borrowing securities is suitable for us in light of our own financial circumstances. In deciding whether to borrow securities we should be aware of the following:
 - (a) where the redelivery of securities to the lender, which securities is equivalent to the securities borrowed, is by way of purchase on the market, the buy price of the securities may be substantially higher than the price of the securities at the time of borrowing;
 - (b) under certain conditions, it may be difficult to buy back securities equivalent to the [securities borrowed];
 - (c) the [lender may recall the securities at any time which necessitates the buying back of securities equivalent to the securities borrowed; and
 - (d) the securities borrowed may no longer be eligible for borrowing in the future and as such the lender may recall on all of that securities borrowed by all borrowers which may necessitate the buying back of the securities equivalent to that [securities borrowed, by all borrowers. This 'buying back' may result in the buy price of those securities going up significantly.

This brief statement cannot disclose all the risks and other aspects of borrowing of securities. We should therefore carefully study the terms, conditions, the rules and regulations pertaining to [borrowing of securities before engaging in this activity. If we are in doubt in relation to any aspect of this statement, we should consult our dealer's representative.

RISK DISCLOSURE STATEMENT ON LEVERAGED AND INVERSE EXCHANGE TRADED FUNDS

1. This statement is provided to the Applicant (“We/us”) in accordance with the directives of the Rules of Bursa Malaysia Securities Berhad.
2. The purpose of this statement is to inform us that the risk of loss in purchasing leveraged and inverse Exchange Traded Funds (“**L&I ETFs**”) units can be substantial. We should assess if the purchase of L&I ETFs units is suitable for us in light of our financial position, risk tolerance and investment experience while taking into account the following risks before deciding whether to invest in L&I ETFs:
 - (i). We are subject to the risk of losing the full purchase price of the L&I ETFs units;
 - (ii). We should keep in mind that L&I ETFs are intended to track and replicate up to a multiple of performance of an index or a multiple of the inverse performance of an index on a daily basis;
 - (iii). As such, L&I ETFs are more suitable for short term trading/ positioning. Holding L&I ETFs units for more than a day could result in investment returns that deviate greatly from the multiple of performance of an index or a multiple of the inverse performance of an index that the L&I ETFs are supposed to track;
 - (iv). Placing of contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit our losses to the intended amount. Market conditions may not make it possible to execute such orders;
 - (v). The leverage obtained from a leveraged ETF can work against us as well as for us. It could lead to large losses as well as gains;
 - (vi). It is in our best interests to take effort to study all risks as contained in the prospectus of the L&I ETFs, including but not limited to interest rate risks, country risks, credit risks, foreign exchange risks, futures rollover risks, counterparty risks and liquidity risks; and
 - (vii). If we engage in purchase of L&I ETF units using margin financing or short sale of L&I ETF units, we may gain higher profits when the price movement conforms to expectations, or may otherwise suffer bigger losses. We may also face a margin call by the lender if the collateral maintenance ratio drops.
3. This brief statement cannot disclose all the risks and other aspects of purchasing L&I ETF units. We should carefully study the requirements pertaining to L&I ETFs and the content of the prospectus of L&I ETFs before we decide to purchase. If we are in doubt in relation to any aspect of this statement or the terms of L&I ETFs, we should consult our dealer’s representative.

DERIVATIVE TRADING RISK DISCLOSURE STATEMENT

This brief statement does not disclose all of the risks and other significant aspects of trading in futures contracts. In light of the risks, you should undertake such transactions only if you understand the nature of the futures contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures contracts is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

1. Effect of “Leverage” or “Gearing”

Transaction in futures contracts carries a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have proportionately larger impact on the funds you have deposited or will have to deposit - this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the futures broker to maintain your position. If the market moves against your position or margin levels are increased you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss as you will be liable for any resulting deficit.

2. Risk - reducing Orders or Strategies

The placing of certain orders (e.g. “stop-loss” orders, where permitted under the business rules of an exchange company) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as “spread” and “straddle” positions may be as risky as taking simple “long” or “short” positions.

3. Terms and Conditions of contracts

You should ask the futures broker with which you deal about the terms and conditions of the specific futures contracts which you are trading and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying instrument of a futures contract and, in respect of futures contracts that are eligible exchange-traded options or futures options (“options”), expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the Exchange or clearing house to reflect changes in the underlying instrument or state of affairs that is the subject of the futures contract.

4. Suspension or Restriction of Trading and Pricing Relationship

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying that is the subject of a futures contract and the futures contract may not exist. This can occur when, for example, the absence of an underlying reference price may make it difficult to judge “fair” value.

5. Deposited Cash and Securities

You should familiarise yourself with the protections accorded to money or other securities you deposit, particularly in the event of a futures broker’s insolvency or bankruptcy. The extent to which you may recover your money or securities may be governed by specific legislation.

6. Commission and Other Charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increases your loss.

7. Currency Risks

The profit or loss in transaction in foreign currency-denominated contracts will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

8. Trading Facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or futures brokers. Such limits may vary - you should ask the futures broker with which you deal for details in this respect.

9. Electronic Trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all. In such an instance

10. Variable Degree of Risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks independently. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying instrument. If the option is on a futures contract, the purchaser will acquire a long position or short position (as the case may be) in relation to the futures contract, with associated liabilities for margin. If the purchased options expire worthless, you will suffer a total loss of your investment (which is the option premium) in addition to incurring transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by a seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably.

The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying instrument. If the option is on a futures contract, the seller will acquire a position in the futures contract with associated liabilities for margin. If the option is “covered”, for example by the seller assuming a corresponding long position in the underlying that is the subject of the option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.