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**FOREIGN SECURITIES RISK DISCLOSURE STATEMENT (INDIVIDUAL)**

Foreign securities are subject to the laws and regulations of the jurisdiction it is listed in. Before the Applicant trade in foreign securities or authorise someone else to trade for him, he should be aware of the risks that may affect the value of his investment.

1. This statement is provided to the Applicant 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. The Applicant should undertake such transactions only if he understand and is comfortable with the extent of his exposure to the risks.
3. The Applicant should carefully consider whether such trading is suitable for him in light of his experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for him, he should 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 his investment products or monies held in foreign countries. There is also the risk of his 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 him regarding transaction prices and the time he has to settle his trade on such foreign markets. These may affect the information available to him regarding transaction prices and the time he has to settle his trade on such foreign markets.
  - (b) Foreign markets may be subject to rules which may offer different investor protection as compared to Malaysia. Before he start to trade, he should be fully aware of the types of redress available to him 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 his transactions will 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 he has invested and the funds arising from his investment will 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 he 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) His 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) He may have to pay additional costs such as fees and broker's commissions for transactions in foreign exchanges. In some jurisdictions, he may also have to pay a premium to trade certain listed foreign securities. Therefore, before he begin to trade, he should obtain a clear explanation of all commissions, fees and other charges for which he will be liable. These charges will affect his net profit (if any) or increase his 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 his 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 his consent and/or may result in difficulties in recovering his 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 in accordance with the directive of the Bursa Malaysia Securities Berhad.
2. The purpose of this statement is to inform the Applicant that the risk of loss in purchasing structured warrants can be substantial. The Applicant should therefore assess if the purchase of structured warrants is suitable for him in light of his financial circumstances. In deciding whether to purchase structured warrant, the Applicant 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, will not necessarily limit the Applicant's 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 the Applicant. 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. The Applicant should therefore carefully study the terms and conditions of any structured warrant before he decides to purchase. If the Applicant is in doubt in relation to any aspect of this statement or the terms of a structured warrant, he should consult his Dealers Representative.

#### LEAP MARKET RISK DISCLOSURE STATEMENT

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 will 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 the applicant that apart from the normal risks involved in trading in securities, trading securities in the LEAP Market comes with other additional risks. The applicant should NOT invest in the securities offered unless he is a sophisticated investor and he fully understands and is prepared to take the risks. The applicant should assess whether the purchase of the securities is suitable for him in light of his knowledge, financial means, investment objectives and the risks he is 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, the applicant should be aware that there is a higher risk of business failures which may adversely impact his investments should he 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 the applicant’s 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. The applicant may not be able to exit his 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. The applicant 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 he decides to invest.

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

1. This statement is provided to you 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. You should have full understanding of the requirements pertaining to Intraday Short Selling before engaging in the same. You should evaluate your 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: You should assess the investment risks arising from price fluctuation if you 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 you may have to purchase the securities at a very high price in order to cover a short position.
  - B. Trading costs: You 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) You should assess the securities you will 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 you 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 will be deemed as non-compliance with the Rules and appropriate enforcement action may be taken against you.
5. This brief statement cannot disclose all the risks and other significant aspects of executing Intraday Short Selling. You should 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 you are in doubt in relation to any aspect of this statement, you should consult your Participating Organisation.

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

1. This statement is provided to you in accordance with Rule 7.18(4)(d) of these Rules.
2. The purpose of this statement is to inform you that the risk of loss in borrowing securities for the purposes permitted under these Rules can be substantial. You should assess if borrowing securities is suitable for you in light of your financial circumstances. In deciding whether to borrow securities you 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.
3. This brief statement cannot disclose all the risks and other aspects of borrowing of securities. You should therefore carefully study the terms, conditions, the rules and regulations pertaining to [borrowing of securities before engaging in this activity. If you are in doubt in relation to any aspect of this statement, you should consult your Participating Organisation.

## FOREIGN SECURITIES RISK DISCLOSURE STATEMENT (CORPORATE)

Foreign securities are subject to the laws and regulations of the jurisdiction it is listed in. Before the Applicant trade in foreign securities or authorise someone else to trade for them, they should be aware of the risks that may affect the value of their investment.

1. This statement is provided to the Applicant 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. The Applicant should undertake such transactions only if he understand and is comfortable with the extent of his exposure to the risks.
3. The Applicant should carefully consider whether such trading is suitable for him in light of his experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for him, he should 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 his investment products or monies held in foreign countries. There is also the risk of his 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 him regarding transaction prices and the time he has to settle his trade on such foreign markets.
  - (b) Foreign markets may be subject to rules which may offer different investor protection as compared to Malaysia. Before he start to trade, he should be fully aware of the types of redress available to him 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 his transactions will 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 he has invested and the funds arising from his investment will 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 he 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) His 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) He may have to pay additional costs such as fees and broker's commissions for transactions in foreign exchanges. In some jurisdictions, he may also have to pay a premium to trade certain listed foreign securities. Therefore, before he begin to trade, he should obtain a clear explanation of all commissions, fees and other charges for which he will be liable. These charges will affect his net profit (if any) or increase his 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 his 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 his consent and/or may result in difficulties in recovering his 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 in accordance with the directive of the Bursa Malaysia Securities Berhad.
2. The purpose of this statement is to inform the Applicant that the risk of loss in purchasing structured warrants can be substantial. The Applicant should therefore assess if the purchase of structured warrants is suitable for him in light of his financial circumstances. In deciding whether to purchase structured warrant, the Applicant should be aware of the following :
  - (i) 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;
  - (ii) 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;
  - (iii) under certain conditions, it may become difficult to sell the structured warrant;
  - (iv) 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;
  - (v) placing of contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit the Applicant's losses to the intended amount. Market conditions may not make it possible to execute such orders; and
  - (vi) the high degree of leverage that is obtainable from structured warrant because the small initial outlay can work against or for the Applicant. 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. The Applicant should therefore carefully study the terms and conditions of any structured warrant before he decides to purchase. If the Applicant is in doubt in relation to any aspect of this statement or the terms of a structured warrant, he should consult his Dealers Representative.

## LEAP MARKET RISK DISCLOSURE STATEMENT

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 will 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 the applicant that apart from the normal risks involved in trading in securities, trading securities in the LEAP Market comes with other additional risks. The applicant should NOT invest in the securities offered unless he is a sophisticated investor and he fully understands and is prepared to take the risks. The applicant should assess whether the purchase of the securities is suitable for him in light of his knowledge, financial means, investment objectives and the risks he is 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, the applicant should be aware that there is a higher risk of business failures which may adversely impact his investments should he 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 the applicant's 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. The applicant may not be able to exit his 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. The applicant 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 he decides to invest.

#### **INTRADAY SHORT SELLING RISK DISCLOSURE STATEMENT**

1. This statement is provided to you 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. You should have full understanding of the requirements pertaining to Intraday Short Selling before engaging in the same. You should evaluate your 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:
    - D. Investment risk: You should assess the investment risks arising from price fluctuation if you 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 you may have to purchase the securities at a very high price in order to cover a short position.
    - E. Trading costs: You should understand the trading costs resulting from frequent trading activities.
    - F. Risks of failure to close off with a buy position on the same day as the short selling:
      - (iii) You should assess the securities you will 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.
      - (iv) It may become difficult for you 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 will be deemed as non-compliance with the Rules and appropriate enforcement action may be taken against you.
5. This brief statement cannot disclose all the risks and other significant aspects of executing Intraday Short Selling. You should 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 you are in doubt in relation to any aspect of this statement, you should consult your Participating Organisation.

#### **RISK DISCLOSURE STATEMENT ON SECURITIES BORROWING**

1. This statement is provided to you in accordance with Rule 7.18(4)(d) of these Rules.
2. The purpose of this statement is to inform you that the risk of loss in borrowing securities for the purposes permitted under these Rules can be substantial. You should assess if borrowing securities is suitable for you in light of your financial circumstances. In deciding whether to borrow securities you should be aware of the following:
  - (e) 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;
  - (f) under certain conditions, it may be difficult to buy back securities equivalent to the [securities borrowed];
  - (g) the lender may recall the securities at any time which necessitates the buying back of securities equivalent to the securities borrowed; and
  - (h) 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.
3. This brief statement cannot disclose all the risks and other aspects of borrowing of securities. You should therefore carefully study the terms, conditions, the rules and regulations pertaining to borrowing of securities before engaging in this activity. If you are in doubt in relation to any aspect of this statement, you should consult your Participating Organisation.