

5. Risk Disclosure Statement

This statement does not disclose all the risks and other significant aspects of trading in securities. In light of the risks, the Customer should undertake such transactions only if he/she understands the nature of securities, including derivatives, and the contracts (and contractual relationship) which you are entering into the extent of your exposure to risk. The Customer should carefully consider whether trading in securities is appropriate in the light of his/her experience, objectives, financial resources, and other relevant circumstances. If in any doubt, the Customer should seek professional advice. Different securities involved different levels of risk and in considering whether to trade in securities, the Customer should be aware of the following points:

a) Terms and Conditions of Securities Trading

The Customer should read and understand the terms and conditions spelt out (and from time to time amended) in the CONDITIONS GOVERNING BAIDURI CAPITAL TRADING ACCOUNTS) all of which are referred to and constructed as part of the agreement between Baiduri Capital Sdn Bhd and Customers.

b) Joint Account

Each joint account holder is jointly and severally liable for all debts incurred in a joint account.

Note: A joint account may be operated by not more than 2 individuals.

c) Risks associated with Securities trading

i Price fluctuation

The price and value of any investment in securities and the income, if any, from them, can fluctuate and may fall against your interest. An individual security may experience downward price movements and may under some circumstances even become valueless. An inherent risk of trading securities is that losses may be incurred, rather than profits made, as a result of buying and selling securities.

ii Suspension or Restriction of Trading

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any security because of price limits or trading halts) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions.

iii Warrants

A warrant is a time limited right to subscribe for securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with consequence that if the investor fail to exercise this right within the predetermined time-scale then the investment becomes worthless.

iv Equity-linked investments

These are structured products based on the underlying listed securities that offer the potential for high returns but also involve substantial risks including market, liquidity and credit risks. These investments are intended to be held to maturity and are generally for investors who expect the price of the reference security to be stable or moderately bullish in the near future. The principal investment sum and interest are not guaranteed and investors may suffer a capital loss, if the reference security price is below the strike price on determination date, as investors will receive the reference security instead of cash. In providing prices for Equity-linked investments, Baiduri Capital will enter into the transaction with the customer as principal, unless otherwise stated. Any transaction entered into by the Customer with Baiduri Capital could result in a loss to the Customer and a gain to Baiduri Capital.

v Debt Securities

Debt Securities and Debt-linked investments offer fixed returns over a defined period and are intended to be held to maturity. These instruments carry a significant amount of risk such as credit, currency and liquidity risks. Credit risk arises from default events that may result in the inability of the issuer to pay interest or principal. Default risk is high when credit rating is non-investment grade or non-rated. In a default situation, the buyer may lose both interest and principal. Currency risk arises from holding Debt Securities that are issued in foreign currency, hence exposing the buyer to fluctuations in exchange rate. There is a high chance that if the currency moves adversely, the buyer may lose more than his original interest and principal.

Liquidity risk refers to the availability of prices for buying or selling into a market. It is common for most Debt Securities to suffer from poor liquidity because they are quoted over-the-counter (OTC).

vi Over-the-counter (OTC) Products

Over-the-counter (OTC) products are not listed or available on an officially recognized securities exchange, but traded directly between two parties (buyer and seller) on a principal basis, unless otherwise stated. As a result, an OTC transaction is individually negotiated between two parties and the Customer is thus exposed to credit risk of the counterparty in which they enter into bilateral agreement with. In addition, the Customer may be exposed to liquidity risk and Baiduri Capital cannot and does not warrant that there is an active trading market and the price Baiduri Capital secure for the Customer will at any time be the best price available to the Customer. In entering into an OTC transaction with the Customer, Baiduri Capital may make a profit despite the Customer incurring a loss. The customer should consider carefully whether each OTC product is

suitable in light of the Customer's investment experience, objective, financial position, risk propensity and other relevant considerations. The Customer should therefore ensure that they understand the risks associated with OTC products and transactions, and seek independent advice if necessary before making a decision to invest in any of the OTC products.

Where Baiduri Capital re-sells an obligation of an Issuer or Third Party, the Customer accepts that Baiduri Capital is not obliged to settle the underlying obligation of such Issuer or Third Party and the liability of non-payment by the Issuer or Third party is to be borne by the Customer and that such a transaction shall be deemed settled upon the Customer's payment for the same.

d) Commission, Fees, Interest and Other Charges

The Customer should obtain a clear explanation of all commissions, fees, interest and charges, including charges for the custody of the Customer's shares, and understand that these charges may affect the Customer's net profit (if any) or increase the Customer's loss. The Customer agrees that he/she will be liable for these charges (as may be amended from time to time).

e) Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to the Brunei Darussalam or Singapore market may expose you to additional risks. Such markets may be subjected to rules that may offer different or diminished investor protection. Before entering into such trades, the Customer should be aware of the rules relevant to the particular transactions. Our local regulatory authority may be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the Customer's transactions have been effected.

f) Currency Risks

The potential for profit or loss from transactions on foreign markets or in foreign currency-denominated securities (traded locally or in other jurisdictions) will be affected by fluctuations in foreign exchange rates.

g) Trading Facilities and Electronic Trading

Baiduri Capital's 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 computer systems, customers will be exposed to risks associated with the systems including the failure of hardware and software. The result of any system failure may be that the Customer's order is either not executed according to instructions or is not executed at all. The Customer should also be aware that the internet is not a completely reliable transmission medium and there may be delays in service provisions.

h) Non-Advisory Nature of Relationship

Unless the Customer has a specific agreement with Baiduri Capital for the provision of advisory services or fund management services, the Customer should note and accept that Baiduri Capital's relationship with the Customer in relation to the Customer's securities and securities-related transactions is purely as execution only broker/ dealer or as a counterparty to the Customer. In either case, while the Customer is entitled to expect Baiduri Capital or its employees or representatives to answer the Customer's queries, the obligation in so answering is only to be honest. Such answers should not be assumed to be backed by any prior reasonable due diligence or research or specifically suitable for reliance by the Customer without the Customer first independently confirming that the answer is intended as specific advice to and is suitable for or to the Customer's specific financial needs and objectives or the Customer verifying the same with the Customer's independent advisers on its specific suitability for the Customer's specific financial needs and objectives. The Customer should also note clause 14 of Section 1, Part B of the Conditions Governing Baiduri Capital Trading Accounts and ensure that the Customer understands and accepts the same as a condition to the Customer's relationship with Baiduri Capital.