

**PHILLIP SECURITIES PTE LTD ("PSPL")
RISK DISCLOSURE STATEMENT**

This statement does not disclose all of 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 and 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 involve 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 PHILLIP SECURITIES TRADING ACCOUNTS and relevant INFORMATION SHEET(S)** (for Investment Account, Cash Management Account, Securities Borrowing/Lending, POEMS service and Contracts for Differences), all of which are referred to and construed as part of the agreement between PSPL 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 the consequence that if the investor fail to exercise this right within the predetermined time-scale then the investment becomes worthless.

(iv) Securitised Derivatives (eg. structured warrants, contracts for differences)

These instruments may give you a time-limited or absolute right to acquire or sell one or more types of investments which is normally exercisable against someone other than the issuer of that investment. Or they may give you rights under a contract for differences (CFD) which allow for speculation on fluctuations in the value of the underlying security. The Customer should be aware of the credit, liquidity and market risks associated with these instruments. CFDs carry a high degree of risk as they often involve gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, favourable or unfavourable, in the price of the instrument. The price of these instruments can therefore be volatile. These instruments have a limited life, and may expire worthless if the underlying instrument does not perform as expected.

(v) Equity-linked investments

These are structured products based on 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, PSPL will enter into the transaction with the customer as principal, unless otherwise stated. Any transaction entered into by the Customer with PSPL could result in a loss to the Customer and a gain to PSPL.

(vi) 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).

(vii) Over-the-counter (OTC) Products

Over-the-counter (OTC) products are not listed or available on an officially recognised 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 PSPL cannot and does not warrant that there is an active trading market and the price PSPL 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, PSPL 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 PSPL re-sells an obligation of an Issuer or Third Party, the Customer accepts that PSPL 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) Risk of Margin trading (eg. share margin financing, contracts for differences)

The risk of loss in financing a transaction by deposit of collateral may be significant. The Customer may sustain losses in excess of his/her cash and any other assets deposited as collateral with PSPL. The Customer may be called upon at short notice to make additional margin deposits or interest payments. If required margin deposit or interest payment is not made within the prescribed time, the Customer's collateral or positions may be liquidated by PSPL at a loss without prior notification to the Customer. The Customer should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

e) 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).

f) Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to the 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.

g) 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.

h) Trading Facilities and Electronic Trading

PSPL'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.

i) Mobile Broking

If the Customer's trading representative is, or becomes, a member of PSPL's team of mobile trading representatives, he/she will be operating from outside PSPL's office premises. The Customer's trade orders will be channelled through PSPL's proprietary online electronic broking system for execution. As with any transaction carried out over telecommunications networks, the Customer should be aware that there is the risk of possible delay in trade processing or outages. It is in the Customer's own interest not to provide a 'care-of' or 'PO Box' address as a mailing address for contract notes and statements of account to be sent to. The Customer is also advised to place trade orders only with the trading representative concerned. Complaints, if any, should be directed to PSPL.

j) Securities Borrowing and Lending

When the Customer borrows securities from PSPL, the Customer will be required to deposit a required level of collateral. The Customer may be called upon at short notice to place additional deposits if the level of collateral is inadequate in relation to the market value of borrowed securities. If the required deposit is not made within the prescribed time, PSPL may buy-back the borrowed securities without prior notification to the Customer. When the Customer lends securities to PSPL, the Customer temporarily loses legal ownership rights to the securities but in place, has a right to claim equivalent securities. In so far as the Customer receives manufactured dividends, the Customer may be required to treat the entire amount as income for tax purposes.

k) Non-Advisory Nature of Relationship

Unless the Customer has a specific agreement with PSPL for the provision of advisory services or fund management services, the Customer should note and accept that PSPL'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 PSPL 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 Phillip Securities Trading Accounts and ensure that the Customer understands and accepts the same as a condition to the Customer's relationship with PSPL.

l) Additional Risk Disclosure Statement for CFD Trading

Customers should undertake transactions in CFDs only if they understand the nature of the contracts that they are entering into, the risks involved and the true extent of their exposure to the risk of loss. Customers should carefully consider whether such trading is appropriate for them in the light of their experience, objectives, financial resources and other relevant circumstances. In considering whether to trade, Customers should be aware of the following, in addition to the risk factors disclosed above:

(i) Effect of 'Leverage' or 'Gearing'

The "gearing" or "leverage" in CFDs means that a small deposit can lead to large gains as well as losses. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of your investment and this can work against you as well as for you. Investing in CFDs carries a high degree of risk and Customers may sustain a total loss of the margin the Customer has deposited to establish or maintain a position. If Customers fail to comply with a request for additional funds within the time prescribed, their positions may be liquidated at a loss and Customers will be liable for any resulting deficit in their accounts.

(ii) Terms and Conditions of CFD Contracts

The Customer should read and understand the terms and conditions spelt out (and from time to time amended) in the **CONDITIONS GOVERNING PHILLIP SECURITIES TRADING ACCOUNTS and relevant INFORMATION SHEET(S)**, which are referred to and construed as part of the agreement between PSPL and Customers.

(iii) Suspension or Restriction of Trading and Pricing Relationships

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

(iv) CFD – OTC Transactions

In providing a liquid market and prices for CFD transactions, PSPL hereby notifies and the Customer hereby consents that PSPL may act as market-maker to Customers' CFD trades. Unless otherwise specified, PSPL shall act as principal in respect of CFD transactions.

TERMS AND CONDITIONS FOR APPLICATION FOR ELECTRONIC PAYMENT FOR SHARES

- PSPL shall be entitled, but not bound, from time to time to pay the sales proceeds and contra gains (the "sales proceeds") arising from the transactions effected through the Trading Account to the customer's designated Bank Account. PSPL may, at its option, elect to pay you the sales proceeds by cheque and such election shall be binding on you.
- No payments shall be made by PSPL to the designated Bank Account through the Electronic Payment For Shares service (the "service") on Saturdays or half business days of the Participating Banks or PSPL.
- PSPL shall be entitled, but not bound, from time to time to:
 - deem and treat any payments made by you from time to time through the service (the "electronic payment") as being paid on the market day following the date of the electronic payment;
 - apply all or any amounts received pursuant to the electronic payment in payment of outstanding purchases or contra losses (the "outstanding contracts") made through the Trading Account in chronological order so that the outstanding contract for which payment is due first will be settled first, notwithstanding any instructions from you as to how the electronic payment is to be applied; and
 - set-off all or any amounts received pursuant to the electronic payment against all or any amounts due and owing by you to PSPL before applying the said electronic payment to settle any outstanding contracts, notwithstanding any instructions from you as to which outstanding contract the electronic payment is to be applied.
- PSPL and the Participating Bank are not responsible for any errors, inaccuracies or omissions (the "omissions") in the information that may be displayed or transmitted by the Participating Bank to you for the purpose of making electronic payments through the service such as the contract or contra statement numbers and the amounts due thereunder. Your liability to PSPL for all and any amounts owing to PSPL shall be unaffected by the omissions.
- You shall remain liable to PSPL for all and any amounts owing to PSPL howsoever arising from transactions effected through the Trading Account until full payment is received by PSPL.
 - An electronic payment shall be deemed to be received by PSPL if PSPL's bank account is credited with the electronic payment. An instruction to the Participating Bank to debit the designated Bank Account and/or to transfer any amount from the designated Bank Account to PSPL shall not constitute payment to PSPL.
 - Nothing herein shall prejudice or preclude PSPL from exercising its rights to recover any amounts due and owing to PSPL howsoever arising from transactions effected through the Trading Account, including the right to force-sell securities purchased under outstanding contracts, until PSPL has received full payment therefor.
 - Where PSPL has exercised its rights to force-sell any securities, PSPL shall be entitled to apply all or any amounts received pursuant to the electronic payment in accordance with condition 3(c) hereof.
- Neither PSPL, the Participating Bank nor their respective agents shall be liable for any loss, consequential loss, damages, costs and charges suffered by me or any other party as a result of any failure by the Participating Bank to credit payment of the sales proceeds into the designated Bank Account or as a result of any failure by the Participating Bank to transfer any electronic payment from the designated Bank Account to PSPL or as a result of any malfunction, partial or total failure of any machine, data processing system, electronic transmission or communications system or arising from causes or circumstances beyond the control of PSPL, the Participating Bank or their respective agents.
- PSPL and/or its agent's records of the instructions, operations or transactions made or performed, processed or effected through the service by PSPL and/or its agent or by or purported to be by you or by the Participating Bank shall be binding and conclusive on you for all purposes whatsoever and shall be conclusive evidence of the instructions, operations or transactions.
- PSPL shall be entitled to add, vary, rescind or amend any or all these terms and conditions at any time at its discretion.