

## TERMS OF SERVICE

These terms of service (“**Agreement**”) govern the operation and use of your Trading Account and constitute an agreement between Malacca Securities Sdn Bhd (“**Malacca Securities**”) and you and/or the entity you represent (interchangeably referred to as “**you**”).

### 1 Definitions and interpretation

#### 1.1 Definitions

The following definitions shall apply to this Agreement.

<b>Account</b>	whether collectively or as applicable in the context: (a) your Trading Account(s); (b) your Electronic Trading Account(s); and/or (c) your securities account with any relevant centralised depository or clearing agency, including your CDS Account and/or the CDS Account held in your favour (if any),  whether within or outside Malaysia.
<b>Account Opening Fee</b>	the fees charged by Malacca Securities for the purpose of opening an Electronic Trading Account on your behalf, including administrative fees;
<b>Ancillary Services</b>	(a) access to real-time live quotes of Bursa equities; (b) access to key market indicators; (c) access to news and information; (d) access to your account information; (e) access to research materials; and (f) such other services made available by Malacca Securities,  the scope of which may be modified or varied by Malacca Securities from time to time;
<b>Applicable Laws</b>	all applicable laws, rules, regulations, guidelines, codes, orders, judgments or directives, whether present or future, whether of Malaysia or elsewhere in the world, including: (a) the Capital Markets and Services Act 2007; (b) the Securities Commission Malaysia Act 1993; (c) the Securities Industry (Central Depositories) Act 1991; (d) the Bursa Rules;

- (e) the Financial Services Act 2013;
- (f) any rules, regulations and guidelines issued by the Securities Commission Malaysia;
- (g) any rules, regulations and notices issued by Bank Negara Malaysia, including but not limited to its Foreign Exchange Administration; and
- (h) in respect of Foreign Securities, the applicable rules and regulations in respect of the relevant foreign exchange, clearing agency, settlement system or depository agent (including any entity that acts as a system for the central handling of Foreign Securities in the country where it is incorporated or organised or that acts as an international system for the central handling of Foreign Securities) and computerised book-entry and settlement system;

<b>Application Form</b>	the application form completed by you for the opening of a Trading Account with Malacca Securities;
<b>Beneficial Owner</b>	the ultimate owner of the deposited Securities who is the person who is entitled to all rights, benefits, powers and privileges and is subject to all liabilities, duties and obligations in respect of, or arising from, the deposited Securities, and does not include a nominee of any description;
<b>Brokerage Fee</b>	the prevailing fees specified on the Electronic Trading Platform or otherwise published by Malacca Securities or communicated by Malacca Securities to you for orders executed or transactions carried out on your behalf;
<b>Brokerage Services</b>	effecting trade orders of Securities on your behalf, including broker-assisted trades;
<b>Bursa Clearing</b>	the clearing house operated by Bursa Malaysia Securities Clearing;
<b>Bursa Depository</b>	the approved Central Depository for the Bursa Malaysia Exchange operated under the supervision of the Securities Commission Malaysia;
<b>Bursa Malaysia Exchange</b>	the Bursa Malaysia stock exchange operated by Bursa Malaysia Securities;
<b>Bursa Malaysia</b>	Bursa Malaysia Berhad;
<b>Bursa Rules</b>	the Rules of Bursa Malaysia, including: <ul style="list-style-type: none"> <li>(a) the Rules of Bursa Malaysia Securities;</li> <li>(b) the Rules of Bursa Malaysia Securities Clearing;</li> <li>(c) the Rules of Bursa Malaysia Depository;</li> </ul>

	(d) the Rules of Bursa Malaysia Bonds; and
	(e) any relevant Directives and Guidelines issued by Bursa Malaysia;
<b>Bursa Securities</b>	Bursa Malaysia Securities Berhad;
<b>Buy-In</b>	the process of buying shares by Bursa Malaysia Exchange for settlement of failed trades on behalf of defaulters;
<b>CDS Account</b>	an account compulsory for dealing in Securities maintained for you which is held with the Central Depository System as established under the Securities Industry (Central Depositories) Act 1991 and operated by Bursa Malaysia;
<b>Clearing House Rules</b>	the rules of Bursa Malaysia Securities Clearing;
<b>Collateral</b>	all such cash, shares, stocks, letters of credit, bank guarantees or any other approved Securities (in the manner and subject to conditions determined by Bursa Malaysia) acceptable as collateral for the trading activities carried out by you which are: <ul style="list-style-type: none"> <li>(a) deposited and held in your Trading Account(s) or in the name of Malacca Securities' nominee; or</li> <li>(b) otherwise mortgaged, assigned, charged and pledged in Malacca Securities' favour;</li> </ul>
<b>CRS</b>	Common Reporting Standard;
<b>Dealer's Representative</b>	the holder of a Capital Markets Services Representative's Licence for dealing in Securities assigned and notified to you for the purpose of your dealing in Securities;
<b>Electronic Trading Account</b>	the electronic Trading Account maintained by you with Malacca Securities, including any Cash Account(s), Collateralised Account(s), Margin Account(s) and Discretionary Financing Account(s), for the purpose of dealing in Securities via the Electronic Trading Platform;
<b>Electronic Trading Credentials</b>	user identification, password and account number in respect of your Electronic Trading Account;
<b>Electronic Trading Platform</b>	the electronic online platform at <a href="https://www.mplusonline.com.my">https://www.mplusonline.com.my</a> (or such other web address notified by Malacca Securities to you from time to time), the M+ Online mobile app or the M+ Global app to facilitate the Brokerage Services;
<b>Electronic Trading Services</b>	the service provided by Malacca Securities through the Electronic Trading Platform;
<b>Foreign Securities</b>	Securities traded on a Recognised Stock Exchange;

<b>Form</b>	any form required or incidental to the opening and maintenance of a Trading Account, including the Application Form(s) (including any revisions made thereto which have been communicated by you to Malacca Securities);
<b>Intellectual Property</b>	trademarks, service marks, trade names, domain names, logos, get-up, patents, inventions, registered and unregistered design rights, copyrights, semi-conductor topography rights, database rights and all other similar rights in any part of the world (including Know-how) including where such rights are obtained or enhanced by registration, any registration of such rights and applications and rights to apply for such registrations;
<b>Know-how</b>	confidential or proprietary technical and commercial information and techniques in any form including, without limitation, source code, formulae, system logs, reports, testing procedures, and instruction and manuals;
<b>Losses</b>	all losses, liabilities, costs (including, without limitation, legal costs on a full indemnity basis), charges, expenses, actions, proceedings, claims and demands;
<b>Market Day</b>	any day on which the Bursa Malaysia Exchange is open for trading or, in respect of the trading of Foreign Securities, any day on which the Recognised Foreign Exchange is open for trading;
<b>Marketing Representative</b>	a person who acts as an introducer for Malacca Securities, undertakes marketing of the Services, provides client support services and is registered with Malacca Securities under the Guidelines for Marketing Representatives issued by Securities Commission Malaysia (or any subsequent revisions made thereto);
<b>Outstanding Purchase Position</b>	the amount owed by you in your account arising from your purchase transactions in Securities, including all permissible related charges before deducting any cash or Collaterals (where applicable) that have been deposited by you;
<b>Outstanding Balance</b>	all amounts due and owing by you to Malacca Securities, arising from or in connection with your dealings in Securities traded on Bursa Malaysia or under your Trading Account(s) with Malacca Securities or its Related Corporation, including all Brokerage Fees, interest, expenses and other related expenses before deducting any Collateral;
<b>Parties</b>	Malacca Securities and you (or the entity you represent), and “ <b>Party</b> ” means any one of them;

<b>Personal Data</b>	has the meaning given to it in the Personal Data Protection Act;
<b>Personal Data Protection Act</b>	the Personal Data Protection Act 2010;
<b>Recognised Stock Exchange</b>	a foreign stock exchange declared by Bursa Malaysia Exchange to be a Recognised Stock Exchange;
<b>Regulatory Body</b>	any authority, body, agency, board, organisation, minister, department, office or commission, whether governmental or non-governmental (whether of Malaysia or elsewhere in the world), and “ <b>Regulatory Bodies</b> ” shall be construed accordingly;
<b>Related Corporation</b>	by virtue of the Companies Act 2016, in relation to a company – <ul style="list-style-type: none"> <li>(a) its holding company;</li> <li>(b) its subsidiary; or</li> <li>(c) a subsidiary of its holding company;</li> </ul>
<b>Risk Disclosure Statements</b>	the risk disclosure statements in the Appendices to this Agreement;
<b>Securities</b>	<ul style="list-style-type: none"> <li>(a) debentures, stocks or bonds issued or proposed to be issued by any government;</li> <li>(b) shares in or debentures of, a body corporate or an unincorporated body;</li> <li>(c) units in a unit trust scheme or prescribed investments; or</li> <li>(d) Foreign Securities,</li> </ul> and includes any right, option or interest in respect thereof;
<b>Services</b>	the Brokerage Services and Electronic Trading Services;
<b>Sophisticated Investor</b>	a person who falls within any one of the categories of investors set out in Part I of Schedule 6 or 7 of the Capital Markets and Services Act 2007;
<b>Systems Failure</b>	interruption or failure of equipment, utility service or internet connectivity (including downtime of the relevant submarine communication cables, failure of telecommunications infrastructure or systems);
<b>Taxation</b>	all forms of taxes and taxation whether of Malaysia or elsewhere in the world, past, present and future (including, without limitation, capital gains tax, income tax, estate duty, profits tax, stamp duty, service tax, value added tax, purchase tax, custom and other import or export duties) and all other statutory, governmental or state impositions, duties

and levies and all penalties, charges, costs and interest which is assessed, levied, imposed or collected by the inland revenue authority of Malaysia or other statutory or governmental authority, body or official whatsoever (whether of Malaysia or elsewhere in the world);

**Tradeable Balance** (a) Securities designated as “free securities” in the sellers’ Securities Account; or  
 (b) Securities that are due to be delivered to a seller’s Securities Account pursuant to an outstanding purchase contract;

**Trading Account** the account maintained by you with Malacca Securities for the purpose of dealing in Securities, including an Electronic Trading Account, and “**Trading Accounts**” shall be construed accordingly;

**Trading Documentation** contract notes, daily statements, monthly statements and any other documents issued in relation to transactions made on a Trading Account, whether in physical or electronic form;

**Unlawful Activity** (a) any activity which constitutes any serious offence or any foreign serious offence; or  
 (b) any activity which is of such a nature, or occurs in such circumstances, that it results in or leads to the commission of any serious offence or any foreign serious offence,

regardless whether such activity, wholly or partly, takes place within or outside Malaysia; and

**Virus** any thing or device (including any software, code, file or program) which may:

- (a) prevent, impair or otherwise adversely affect the operation of any computer software, hardware or network, any telecommunications service, equipment or network or any other service or device;
- (b) prevent, impair or otherwise adversely affect access to or the operation of any program or data, including the reliability of any program or data (whether by re-arranging, altering or erasing the program or data in whole or part or otherwise); or
- (c) adversely affect the user experience, including worms, trojan horses, viruses and other similar things or devices.

## 1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) a reference to a statute or statutory provision shall include a reference to:
  - (i) that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated whether before or after the acceptance of this Agreement; and
  - (ii) all subsidiary legislation made from time to time under that statute or statutory provision;
- (b) references to one gender include all genders and references to the singular include the plural and vice versa;
- (c) references to “**person**” shall include any natural person, company, limited liability partnership, partnership, business trust or unincorporated body (whether or not having separate legal personality) and that person’s personal representatives, successors and permitted assigns;
- (d) headings are for convenience only and shall be ignored in construing this Agreement;
- (e) a reference in this Agreement to “**including**”, “**include**” and other similar expressions shall not be construed restrictively but shall mean “**including without prejudice to the generality of the foregoing**” and “**including, but without limitation**”;
- (f) a reference to “**writing**” or “**written**” includes email;
- (g) the phrase “**dealing in Securities**” shall have the meaning given to “**dealing in securities**” in the Capital Markets and Services Act 2007;
- (h) a reference to “**this Agreement**” shall include:
  - (i) any Recitals and Schedules to it (and references to Clauses and Schedules are to clauses of and schedules to this Agreement, and references to paragraphs are to paragraphs of the Schedules);
  - (ii) amendments made to this Agreement by Malacca Securities from time to time and notified to you;
  - (iii) the Application Form, including all particulars, information and declarations provided and made by you or any other person(s) therein and submitted by you to Malacca Securities;
  - (iv) all particulars, information and declarations provided in the CRS Form submitted by you; and
  - (v) any other document, including any Form, agreement (including those in respect of any facilities offered to you) or declaration required to be executed or submitted by you to Malacca Securities.

## 2 Scope of services

### 2.1 Brokerage Services

By opening a Trading Account with Malacca Securities, you will have access to Brokerage Services that are provided by Malacca Securities, subject to:

- (a) the terms of this Agreement;
- (b) the procedures, guidelines and rules fixed by Malacca Securities and notified to you from time to time; and
- (c) all Applicable Laws.

### 2.2 Exclusion of Ancillary Services

You acknowledge that the Trading Account may provide you access to Ancillary Services, and that:

- (a) the Ancillary Services are provided to you as a non-contractual favour without legal consideration and do not form a part of the Brokerage Services;
- (b) the Ancillary Services are provided by Malacca Securities on an “as is” basis which shall not be deemed to constitute investment advice and you shall be responsible for making your own assessment of the matters therein and seek independent advice before acting on such information;
- (c) there may be delays (particularly those due to the inherent hazards of transmission of information through electronic means), omissions or inaccuracies in respect of the Ancillary Services;
- (d) Malacca Securities shall not be responsible or liable for any Losses incurred by you for the use of the Ancillary Services whether in contract, tort (including negligence) or otherwise; and
- (e) Malacca Securities neither represents, guarantees nor warrants:
  - (i) the accuracy, completeness, timeliness or correct sequencing of the Ancillary Services;
  - (ii) that the Ancillary Services are fit for your use; or
  - (iii) in the case of the Ancillary Services which calculate or analyse content of any Stock Exchange, that the formulae and the results derived therefrom, are accurate or exact.

### 2.3 Trading on the Electronic Trading Platform

- (a) In respect of any Brokerage Services carried out on our Electronic Trading Platform:
  - (i) Malacca Securities neither represents nor warrants that it will be uninterrupted or error-free; and
  - (ii) access may be limited or unavailable during periods of peak demands, market volatility, system upgrades, maintenance or other reasons.



In such circumstances:

- (A) Malacca Securities may (but is not obliged to) provide alternative means for you to place your orders; and
  - (B) Malacca Securities shall not be held liable if you are unable to access your Electronic Trading Account or request a transaction through the Electronic Trading Services.
- (b) Malacca Securities shall not be held liable or responsible for any Losses suffered or incurred by you arising from or in connection with:
- (i) the circumstances described in Clause 2.3(a); or
  - (ii) any Virus contracted by your computer system or device whilst accessing or utilising the Electronic Trading Services or anything related thereto.

#### **2.4 Electronic contract notes**

You hereby give consent to Malacca Securities, which may be revoked by you by a seven-day notice in writing to Malacca Securities, to issue and deliver to you contract notes in respect of your transactions:

- (a) through your Electronic Trading Account accessible at <https://www.mplusonline.com.my/>, the M+ Online app or the M+ Global app as may be varied by Malacca Securities from time to time and notified to you in writing (wherein you accept and assume all inherent risks in receiving electronic contract notes); or
- (b) in the event of a Systems Failure, through post to any of your address provided by you in the Form.

#### **2.5 General exclusion of implied terms**

Without being limited in its generality by the specific exclusions provided in this Agreement, all conditions, warranties, terms and undertakings:

- (a) express or implied;
- (b) whether by statute, common law, custom, trade usage, course of dealings or otherwise,

(including as to quality, performance or fitness or suitability for purpose, which may be applicable to the Services), are excluded to the fullest extent permitted by law.

#### **2.6 Trading limits**

- (a) Malacca Securities may impose limits or conditions (including credit limits, position limits, price limits or order limits) on your trades. These limits and/or conditions may be varied from time to time at Malacca Securities' sole discretion and notified to you.
- (b) In imposing the limits or conditions under Clause 2.6(a) above, Malacca Securities may in its absolute discretion take into account factors including the Available Funds less Earmarked Sum (as defined in Schedule A) (if applicable).

## 2.7 Right to refuse

Malacca Securities may:

- (a) in its absolute discretion refuse to execute any orders in respect of Securities; or
- (b) without limiting the generality of Clause 2.7(a), refuse to accept orders from you where it has reason to believe that you, acting alone or in concert with others, have exceeded or are attempting to exceed any applicable trading limits imposed pursuant to Clause 2.6 (*Trading limits*).

## 2.8 Restrictions or sanctions

Without limiting the generality of Clause 5.1 (*Authorisation to Malacca Securities*), Malacca Securities may impose restrictions or sanctions on you or your Trading Account(s) for the purpose of complying with Applicable Laws, including freezing the funds or suspending activities in your Trading Account.

## 2.9 Authority of Dealer's Representatives and Marketing Representatives

- (a) You acknowledge that:
  - (i) your Dealer's Representative may only give advice or make recommendations to the extent explicitly authorised by Malacca Securities; and
  - (ii) Marketing Representatives may, to the extent authorised by Malacca Securities, provide you with factual information relating to the Services, but they are not authorised to give advice or make recommendations on buying or selling Securities.
- (b) In particular, your Dealer's Representative, in recommending any transaction for the buying and selling of Securities, is instructed by Malacca Securities to take into account your investment objectives, knowledge and experience in dealing in securities, your particular needs and any other relevant information. You acknowledge that such information shall be shared with your Dealer's Representative in order to receive fit and proper recommendations.
- (c) Each customer is allocated a Dealer's Representative by Malacca Securities and you shall only deal with your Dealer's Representative in respect of the buying and selling of Securities using the Services. Malacca Securities shall not be responsible for your dealings with any other person (including another Dealer's Representative that has not been assigned to you).
- (d) Dealer's Representatives and Marketing Representatives are not authorised by Malacca Securities to use its trade mark, trade name and other similar Intellectual Property for any of its own informative, advisory or marketing material (including any website or social media platform). You acknowledge that any material outside of the official website and official media (including social media) of Malacca Securities is unauthorised by Malacca Securities.

### 3 Representations and warranties

#### 3.1 Capacity and authority to act (individual)

If you are operating the Trading Account as a principal and individual person, you represent and warrant to Malacca Securities that:

- (a) you have the requisite legal capacity to enter into this Agreement;
- (b) you are of sound mind; and
- (c) no bankruptcy proceedings have been commenced against you.

#### 3.2 Capacity and authority to act (entity)

If you are operating the Trading Account for or on behalf of another person or a separate entity, you represent, warrant and undertake to Malacca Securities that:

- (a) you have the requisite legal authority to act on behalf of that entity, including the manner in which the Securities are dealt with, and bind that entity to this Agreement; and
- (b) in respect of the entity you represent or act for, that no order of court has been made for its compulsory liquidation, the appointment of any receiver or similar officer in respect of any part of its assets or its winding up.

#### 3.3 Beneficial ownership

Either:

- (a) you are the Beneficial Owner of the Securities in this Trading Account and the CDS Account associated with this Trading Account; or
- (b) if you are not the Beneficial Owner of the Securities in this Trading Account, you represent to Malacca Securities that the Beneficial Owner of the Securities in this Trading Account (disclosed to in the Form) and the CDS Account(s) associated with this Trading Account is the same person.

#### 3.4 Accuracy of information and declarations

You represent and warrant to Malacca Securities that all particulars provided or declared by you to Malacca Securities for the opening of a Trading Account (including the information provided by you in the Forms) and throughout the provision of the Services by Malacca Securities, including any declarations made by you in respect of qualifying criteria prescribed by Bursa Exchange, are true and complete.

#### 3.5 Legitimate source of funds

You represent and warrant to Malacca Securities that any Collateral deposited in your Trading Account(s) are not obtained from or in connection with any Unlawful Activity.

### **3.6 Validity of orders**

You represent and warrant to Malacca Securities that the entry into, execution and delivery of this Agreement or any of your instructions using your Trading Account(s) do not:

- (a) require any consent or approval of any person which has not already been obtained;
- (b) violate any Applicable Laws or any regulation, order, injunction, decree, award or condition of any judicial, government, public body, administrative or organisation presently having jurisdiction over you; or
- (c) result in the breach or would constitute a default under any agreement to which you are a party or a surety.

### **3.7 Duration of representations and warranties**

- (a) You further represent and warrant that the representations and warranties in Clauses 3.1 to 3.6 are true, accurate and correct in all respects throughout the subsistence of your Trading Account and your utilisation of the Services. To this effect, the representations and warranties shall be deemed to be repeated during this period as if they had been entered into afresh during the said period in relation to the facts and circumstances then existing.
- (b) If at any time during the subsistence of your Trading Account or your utilisation of the Services, any event shall occur or matter shall arise which results or may result in any of the representations and warranties in Clauses 3.1 to 3.6 being unfulfilled, untrue, misleading or incorrect in any respect, you shall immediately notify Malacca Securities of such event or matter.

### **3.8 Updating information, request for verification etc.**

- (a) You undertake to inform and update Malacca Securities if there are any changes to the particulars previously declared in the Forms submitted by you to Malacca Securities.
- (b) You undertake to provide Malacca Securities with such further information, including verification of your identity or the entity you represent and written authorisation from such entity, as may be required by Malacca Securities.

### **3.9 Reliance**

Malacca Securities has made available the Services to you in reliance upon the each of the representations and warranties in Clauses 3.1 to 3.6 and the undertaking in Clause 3.8 (*Updating information, request for verification etc.*). These representations, warranties and undertakings shall be separate and independent and shall not be limited by reference to each other.

## 4 Your risk and responsibilities

### 4.1 No offer, invitation or solicitation

The Services shall not constitute or be construed as an offer, invitation or solicitation to buy or sell any Securities. You acknowledge and agree that all orders made by you and executed by Malacca Securities on your behalf are made at your sole risk and absolute discretion.

### 4.2 Regulatory and other compliance

You are responsible to operate your Trading Account(s) and utilise the Services in compliance with:

- (a) all Applicable Laws;
- (b) all policies, procedures, guidelines, rules, directives and instructions issued and varied from time to time by Malacca Securities;
- (c) any applicable trading limits imposed pursuant to Clause 2.6 (*Trading limits*); and
- (d) such restrictions or sanctions which may be imposed pursuant to Clause 2.8 (*Restrictions or sanctions*).

### 4.3 Delivery of Securities

You shall:

- (a) disclose the available balance of Securities in your Account(s) as Tradeable Balance, whether for the purpose of delivery upon giving instructions to Malacca Securities to execute a sell order or otherwise; and
- (b) where you instruct Malacca Securities to sell Securities on your behalf:
  - (A) promptly deliver any certificates and related transfer deeds or documents of title in relation to such Securities (if applicable); or
  - (B) where applicable, ensure that you have the respective free Securities in your CDS Account (or the CDS Account held in your favour) for settlement,

failing which Malacca Securities reserves the right to effect a buy-in.

### 4.4 Settlement of trade obligations

The terms and conditions in Schedule A (*Settlement of Trading Obligations*) govern your obligations to settle and pay for your trading obligations in your Trading Account in accordance with its type.

### 4.5 Responsibility for Electronic Trading Account

- (a) You are responsible for the confidentiality of your Electronic Trading Credentials.
- (b) You undertake to notify Malacca Securities immediately if you become aware of the occurrence of any of the following events in relation to your Electronic Trading Account:

- (i) there is any loss or theft of your Electronic Trading Credentials;
- (ii) there is any unauthorised use of your Electronic Trading Credentials;  
or
- (iii) you receive confirmation of business done in relation to an order not placed by you, or any similarly inaccurate or conflicting report or information.

#### **4.6 Responsibility for accuracy of Trading Documentation**

In respect of all your trades (including broker-assisted trades):

- (a) you shall, within 24 hours upon receipt of the Trading Documentation, bring to the attention of Malacca Securities any error or dispute in respect of the Trading Documentation, failing which you acknowledge that such Trading Documentation shall be deemed final and conclusive (in the absence of manifest error); and
- (b) official receipts issued by Malacca Securities, whether unsigned and computer generated or otherwise, shall prevail and be final and conclusive evidence of payments made to Malacca Securities (in the absence of manifest error), and no claims or disputes will be entertained by Malacca Securities if no official receipt is produced.

#### **4.7 Regulatory disclosure obligation**

You undertake to disclose all information and documents in relation to the dealings in Securities on your Trading Account(s) upon request by Bursa Malaysia Exchange or other applicable Regulatory Body.

#### **4.8 Consent to disclosure**

You consent to disclosure of your information, including information in respect of your CDS Account(s), by Bursa Malaysia Depository to Malacca Securities and its representatives, agents, service providers, sub-contractors and any other third party whose services are required in matters incidental to your trading activities.

#### **4.9 Accuracy of instructions**

- (a) You shall be solely responsible in ensuring that all orders and instructions communicated to Malacca Securities are accurate, correct and clearly transmitted. Malacca Securities shall not be obliged to:
  - (i) obtain further proof for the execution of your orders and instructions;  
or
  - (ii) verify the identity of the person(s) giving those instructions,  
notwithstanding that such communications, orders and/or instructions may have been given without your authority.
- (b) You agree that Malacca Securities may rely on instructions given by you over telephone or text conversations (whether by way of online text messaging applications or offline short message service (SMS)) in respect of your broker-assisted trades.

#### **4.10 Withholdings**

All payments due and made to Malacca Securities shall be in immediately available and freely transferable cleared funds, without set-off, counterclaim or other deductions or withholdings of any nature, and shall be free from deduction of any present or future taxes.

#### **4.11 Payments and lodgements to Malacca Securities**

- (a) You shall make all necessary payments and lodgements of Collateral directly to Malacca Securities Sdn Bhd (the account details of which have been provided to you).
- (b) You further acknowledge that Marketing Representatives and Dealer's Representatives are not authorised to collect payments on behalf of Malacca Securities, and any payments made to a Marketing Representative or Dealer's Representative shall not be deemed to have been made to or received by Malacca Securities.

#### **4.12 Exercise of rights, warrants etc.**

- (a) Save for where Clause 4.12(b) applies, you shall be solely responsible for the exercise of or application and/or subscription for any rights accrued in respect of your Securities, including but not limited to warrants, shares or bonds.
- (b) Where your Securities are held by a nominee/custodian appointed by Malacca Securities, upon actual receipt or notice of any right to subscribe for shares, warrants, bonds or other Securities offered or accruing to the benefit of the Securities which have been purchased or held on your behalf (collectively, "**Rights**"), subject always to the agreement governing the nominee/custodian arrangement:
  - (i) Malacca Securities will use its reasonable endeavours to notify you of the same in accordance with this Agreement; and
  - (ii) you agree that if you intend to exercise all or part of such Rights or to apply and subscribe for additional Securities, you shall give instructions to that effect before the deadline stipulated by Malacca Securities.

## **5 Mandate and operation of account**

### **5.1 Authorisation to Malacca Securities**

You hereby irrevocably authorise Malacca Securities to:

- (a) execute all instructions given by you (or any person(s) authorised by you) to Malacca Securities (or its representatives) in writing through your Trading Account(s) or other forms as mutually agreed by both parties;
- (b) enforce the terms of this Agreement; and
- (c) comply with any Applicable Laws,

and to carry out any matters incidental to the above, including to:

- (i) disclose information relating to your Account(s) to Malacca Securities' representatives, nominees, custodians, sub-nominees and sub-custodians;
- (ii) open account(s) in your name for your dealings in Securities, whether within or outside Malaysia;
- (iii) effect a buy-in, (force) liquidate, (force) sell or dispose of the whole or part of your Collateral (including the Securities) in your Accounts at any time and without notice to you as may be required to settle the Outstanding Balance or clear your Outstanding Purchase Position(s) with Malacca Securities according to the terms of Trading Account set out in Schedule A (*Settlement of Trading Obligations*) or, if not provided therein, at the reasonable discretion of Malacca Securities;
- (iv) where payment is not made within the relevant settlement period of a purchase transaction, liquidate your Account(s) and impose charges on any or all of such transactions without prior notice to you;
- (v) deal with the Securities purchased by you in any manner as Malacca Securities deems fit, including withholding transfer or delivery of Securities for or under the Trading Account(s) for which you have not remitted requisite payment (including until your cheque for payment has been cleared by the relevant financial institution);
- (vi) offset, assign, hypothecate or otherwise deal with your Account(s) having a debit balance, including Collaterals, against any Outstanding Balance(s);
- (vii) impose a price cap on any Securities and/or Collaterals for the purpose of computing your trading limit;
- (viii) debit your Account(s) at any time and from time to time in respect of any interest, expenditure, penalty or other charges which might be incurred or owing by you, including those incurred in connection with the realisation of any Collateral;
- (ix) credit your Account(s) with all sale proceeds, dividends and proceeds from corporate actions (if any) received in respect of your Securities;
- (x) make a balance enquiry of any CDS Account(s) associated with your Trading Account(s) at any time in respect of any Securities;
- (xi) where applicable, transfer any funds, Securities, commodities or other property from any Trading Account(s) maintained by you with Malacca Securities or Malacca Securities' Related Corporation(s);
- (xii) appoint and approve nominees or custodians (including sub-nominees and sub-custodians) and hold your purchased Securities through such nominees or custodians (including sub-nominees and sub-custodians), and carry out other ancillary matters necessary to effect such arrangements;
- (xiii) convert any amounts in your Trading Account(s) to any other currency for the purpose of effecting your orders, instructions and/or in exercising the rights and remedies available to Malacca Securities under this Agreement;



- (xiv) where applicable, hold your Securities in an omnibus account;
- (xv) charge, mortgage, pledge, hypothecate and/or deposit with any financial institution as security in any manner whatsoever any of your Securities (irrespective of whether the Securities are paid for by you and/or held therein on trust by Malacca Securities) to the extent of the amount outstanding in your Trading Account(s);
- (xvi) combine, consolidate or merge all of your Trading Accounts at Malacca Securities' sole discretion; and
- (xvii) place your name on the defaulter's list with any stock exchange in accordance with the rules of such exchange in the event of any default by you.

## 5.2 Ambiguity of instructions

Where any instruction is ambiguous or inconsistent with any other instruction, Malacca Securities shall be entitled to act upon the instruction or to rely and act in accordance with any reasonable interpretation which it believes in good faith to be the correct interpretation.

## 5.3 Dormant accounts

In the event that no transactions are carried out on your Trading Account for more than seven consecutive years and there is no balance (whether in the form of cash or Securities) in or standing to the credit of your Account(s), Malacca Securities may close such Account(s) without prior notice to you and without assigning any reason thereto.

## 5.4 Unclaimed property and death

- (a) If there are sums or Securities in your Account(s) which are unclaimed by you for seven years after Malacca Securities receives them ("**Unclaimed Property**") and Malacca Securities determines in good faith that it is unable to trace and/or contact you, you agree that:
  - (i) during such seven-year period and, to the extent permitted by law, for each subsequent year in which Malacca Securities holds the Unclaimed Property, Malacca Securities shall be entitled to charge a fee in respect thereof, the rate of which may be determined by Malacca Securities in its absolute discretion; and
  - (ii) such fee shall be imposed on the Unclaimed Property in Malacca Securities' custody or standing to the credit of your Account(s), and accordingly, the Unclaimed Property shall be reduced by an amount equal to such fees.
- (b) In the event of death (applicable to individuals):
  - (i) Malacca Securities shall honour all instructions and other monetary instruments until Malacca Securities receives notice in writing of your demise or becomes aware of the same;
  - (ii) upon receiving formal notice of your demise, Malacca Securities will only recognise your executor(s) or administrator(s) as being your

successors, and Malacca Securities shall be entitled to retain any Securities or sums standing to the credit of your Account(s) until your executor(s) or administrator(s) produces a valid and binding court order confirming their authority to deal with your affairs and property;

- (iii) notwithstanding Clauses 5.4(b)(i) and 5.4(b)(ii), Malacca Securities shall be entitled to sell-out any outstanding purchases (which have not been paid for) and utilise any sums standing to the credit of your Account(s) to set-off against losses, if any, arising from such sell-out; and
- (iv) any payment or transfer of Securities made by Malacca Securities to your executor(s) or administrator(s) shall constitute the complete discharge of Malacca Securities' liability under this Agreement;
- (v) where your estate has more than one executor or administrator, Malacca Securities shall be entitled to release any Securities or sums standing to the credit of your Account(s) to any single executor or administrator unless it receives written instructions specifying otherwise.

## 6 Fees

### 6.1 Brokerage Fee

- (a) Malacca Securities shall be entitled to the Brokerage Fee for the Brokerage Services and may deduct the Brokerage Fee from your Trading Account upon execution of a transaction.
- (b) The Brokerage Fee may be varied from time to time at Malacca Securities' sole discretion and notified to you.

### 6.2 Other fees, premiums and charges

Malacca Securities shall be entitled to fees, premiums and charges which may be imposed by Malacca Securities from time to time in respect of:

- (a) the opening and maintenance of your Account(s), including but not limited to administrative expenses, handling fees and services charges;
- (b) your trades, including any applicable taxes, stamp duty or levies imposed by law or required to be paid (including any amendments or revisions made thereto from time to time);
- (c) the appointment of nominees or custodians (including sub-nominees and sub-custodians) for the holding of your Securities; or
- (d) any other matters or services incidental thereto,

as specified in the contract in respect of your transaction, activity or the service provided to you, or on Malacca Securities' website as may be varied and notified by Malacca Securities to you from time to time.

### 6.3 Security deposits

You shall pay any security deposits as may be required by Malacca Securities in relation to your Trading Account(s).

### 6.4 Late payment interest

Unless otherwise specified, you shall pay to Malacca Securities interest at a rate of 13.00% per annum on the Outstanding Balance to Malacca Securities, which shall be calculated on the basis of actual days elapsed and on a 365-day year. This interest rate may be varied from time to time at Malacca Securities' sole discretion without notice to you.

## 7 Collateral and lien

### 7.1 Continuing lien

For the purpose of settling any Outstanding Balance, Malacca Securities shall have a continuing lien and a right to sell, dispose, mortgage, pledge, charge, hypothecate, grant securities arrangements over or otherwise deal with your Securities (including such Securities purchased by you which have not been paid for) and Collateral whether held on trust by Malacca Securities or kept in your Account(s), with no obligation on Malacca Securities to retain in its possession or control Securities or Collateral of like character.

### 7.2 Ownership of Securities and Collateral

You represent, undertake and warrant to Malacca Securities that:

- (a) either:
  - (i) you are the legal and Beneficial Owner of the Securities and Collateral disclosed in your Account(s), and the Beneficial Owner of the Securities and Collateral held on trust by Malacca Securities; or
  - (ii) you are authorised by the Beneficial Owner of the Securities and Collateral disclosed in your Account(s) and the Beneficial Owner of the Securities and Collateral held on trust by Malacca Securities to deposit, mortgage, assign, charge and pledge such Securities and Collateral in Malacca Securities' favour; and
- (b) the Securities and Collateral are free from encumbrances.

### 7.3 Undertaking to furnish or substitute

- (a) You undertake to furnish additional Securities as Collateral or substitute any Collateral upon request by Malacca Securities with such Securities deemed acceptable to Malacca Securities ("**Margin Call**").
- (b) Unless the Margin Call is fully satisfied within the time specified by Malacca Securities, you acknowledge that Malacca Securities shall have no obligation to effect or respond to your instruction for the purchase or sale of Securities.

#### **7.4 Repayment of Outstanding Balance**

If any Outstanding Balance remains outstanding for more than five days (or any period as may be prescribed by Malacca Securities), Malacca Securities may:

- (a) sell, transfer, charge, assign or otherwise deal with all or any of the Collateral (in such manner as Malacca Securities in its absolute discretion deems fit); and
- (b) credit the proceeds of such sale, transfer, charge, assignment or dealing to your Account,

to settle such Outstanding Balance.

### **8 Intellectual Property and related rights**

#### **8.1 Ownership**

All Intellectual Property rights relating to the Electronic Trading Platform and Ancillary Services belong to Malacca Securities or third party providers engaged by Malacca Securities (as the case may be).

#### **8.2 Limited licence**

Your right to use the Electronic Trading Services and Ancillary Services is a limited licence wherein you shall not (attempt to):

- (a) sub-licence, transfer, assign or novate the benefit or burden of this licence in whole or in part; and
- (b) reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Intellectual Property rights in any manner whatsoever without the prior written consent from Malacca Securities.

#### **8.3 Reverse engineering**

You shall not directly or indirectly (attempt to) tamper with, modify, decompile, reverse assemble, reverse compile, back engineer or otherwise alter in any way the Electronic Trading Services and Ancillary Services.

### **9 Indemnity**

#### **9.1 Indemnity from You**

- (a) You undertake to indemnify, make good and pay on demand to Malacca Securities a sum equal to any and all Losses which Malacca Securities may sustain, suffer or incur by reason of or in connection with:
  - (i) any breach of any representation, warranty or undertaking given by you under this Agreement; or
  - (ii) any instructions given (or purported to be given) by you or in respect of the performance of the Services.

- (b) Without prejudice to the generality of Clause 9.1(a), you further undertake to indemnify, make good and pay on demand to Malacca Securities a sum equal to any and all Losses which Malacca Securities may sustain, suffer or incur by reason of or in connection with any claims, assertions, fines or compounds by a Regulatory Body relating to any alleged violations of Applicable Laws in connection with your use of or the activities undertaken on your Trading Account(s).

## 9.2 Separate cause of action

Each of the indemnities in this Agreement:

- (a) constitutes a separate and independent obligation from the other obligations in this Agreement;
- (b) shall give rise to a separate and independent cause of action;
- (c) shall apply irrespective of any indulgence granted by Malacca Securities to you; and
- (d) shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Agreement or any other judgment or order.

## 9.3 Taxation

Any payment made in accordance with the provisions of this Clause 9 (*Indemnity*) shall include any amount necessary to ensure that, after any Taxation of the payment, Malacca Securities is left with the same amount it would have had if the payment was not subject to Taxation.

# 10 Limitation of liability

## 10.1 Exclusion of losses

Except in the case of fraud, Malacca Securities shall not in any circumstances have any liability for any Losses which may be suffered by you, whether suffered directly or indirectly or immediate or consequential, and whether arising in contract, tort (including negligence) or otherwise howsoever, which fall within any of the following categories:

- (a) special damage, even if Malacca Securities was aware of the circumstances in which such special damage could arise;
- (b) loss of profits or advantage;
- (c) loss of anticipated savings;
- (d) loss of business opportunity;
- (e) loss of goodwill; and
- (f) loss or corruption of data.

## 10.2 No reliance on representations

You agree that, in utilising the Services, you have not relied on any representations (whether written or oral) of any kind or of any person other than those expressly set out in this Agreement and Malacca Securities shall have no liability in any circumstances otherwise than in accordance with the express terms of this Agreement.

## 10.3 No liability for unauthorised acts or omissions of Dealer's Representations and Marketing Representatives

Malacca Securities shall not be liable for the acts or omissions of any Dealer's Representatives or Marketing Representatives beyond their scope of authority prescribed by Malacca Securities (including any act beyond the permitted scope of activities as prescribed by the Applicable Laws).

## 10.4 Limit on aggregate liability

Without limiting Clause 10.1 (*Exclusion of losses*), the aggregate liability of Malacca Securities:

- (a) whether in contract, tort (including negligence) or otherwise; and
  - (b) whether in connection with this Agreement or any collateral contract,
- shall in no circumstances exceed the Brokerage Fee paid or payable by you for the transaction(s) in which the event or series of connected events occurs or occurred.

# 11 Force Majeure

## 11.1 Relief from liability

Malacca Securities shall not have any liability under or be deemed to be in breach of this Agreement for any failure or delay in the performance of its obligations under this Agreement which result from a Force Majeure Event as defined in Clause 11.2 (*Force Majeure Events*).

## 11.2 Force Majeure Events

"Force Majeure Event" means:

- (a) an act of God including but not limited to fire, flood, earthquake, windstorm or other natural disaster;
- (b) epidemic or pandemic;
- (c) hacking or cyberattacks;
- (d) act of any sovereign including but not limited to war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, nationalisation, requisition, destruction or damage to property by or under the order of any government or public or local authority or imposition of government sanction, embargo or similar action (including imposing an export or import restriction on services, quota or prohibition, or failing to grant a necessary licence or consent);

- (e) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- (f) law, judgment, order, decree, embargo, blockade, labour dispute (including strike, lockout or boycott);
- (g) interruption or failure of equipment, utility service or internet connectivity (including downtime of the relevant submarine communication cables, failure of telecommunications infrastructure or systems); and
- (h) any other matter or cause beyond the reasonable control of Malacca Securities.

### **11.3 Suspension of Trading Account**

In addition to Clause 11.1 (*Relief from liability*), Malacca Securities shall be entitled to suspend the provision of the Brokerage Services and all or some of the features of your Electronic Trading Account(s), including the Ancillary Services, on the occurrence of any Force Majeure Events or at any time for an indefinite period or any such period as Malacca Securities may in its absolute discretion deem fit.

## **12 Termination**

### **12.1 Your right to terminate**

You may terminate your Trading Account by giving written notice to Malacca Securities and, provided that you have no Outstanding Balance, Malacca Securities shall, within seven Market Days from the date of receipt of such notice, carry out the necessary to effect such termination.

### **12.2 Malacca Securities' right to terminate**

Malacca Securities may terminate your Trading Account at any time without prior notice and without giving any reason for such termination. Malacca Securities shall ordinarily exercise its right to terminate your Trading Account in the following events:

- (a) you breach or threaten to breach any of the terms of this Agreement;
- (b) any of the warranties or representations given by you under this Agreement is found to be untrue or misleading;
- (c) your Outstanding Balance is not settled within the stipulated period in Schedule A (Settlement of Trade Obligations);
- (d) Malacca Securities, at its sole discretion, is of the view that the continued operation of your Trading Account(s) is not to the mutual benefit of Malacca Securities and you;
- (e) an application is made to court, an order is made, a notice of intention to appoint is given or an appointment is made in relation to the appointment of a receiver, manager or administrator for you;

- (f) you become unable to pay your debts when they become due or become unable to pay your debts within the meaning of the Insolvency Act 1967 or any other applicable legislation, whether in Malaysia or elsewhere in the world;
- (g) a resolution is passed or a Court order is made that you be wound up otherwise than for the purpose of a bona fide reconstruction or amalgamation which is notified in writing to Malacca Securities;
- (h) you enter or propose to enter into any scheme, composition or arrangement with any of your creditors; or
- (i) a third party merges with or takes over you, except for a genuine scheme of amalgamation or reconstruction which is notified in writing to Malacca Securities.

### 12.3 Effect of termination

The termination of your Trading Account shall terminate this Agreement but shall not affect the following:

- (a) any other right or remedy available to Malacca Securities at law or under this Agreement;
- (b) any of Malacca Securities' accrued rights or your liabilities for any antecedent breaches under this Agreement, including Malacca Securities' right to seek an indemnity for Losses pursuant to Clause 9 (Indemnity);
- (c) the coming into force or the continuance in force of any provision of this Agreement which is expressly or by implication intended to come into or continue in force on or after such termination including:
  - (i) this Clause 12.3 (*Effect of termination*);
  - (ii) Clause 1 (*Definitions and interpretation*);
  - (iii) Clause 8 (*Intellectual Property and related rights*);
  - (iv) Clause 9 (*Indemnity*);
  - (v) Clause 10 (*Limitation of liability*); and
  - (vi) Clause 14 (*Other provisions*).

### 12.4 Settlement of Outstanding Balance

Upon termination of your Trading Account under this Clause 12 (*Termination*), Malacca Securities shall be entitled to realise or liquidate and/or set-off your Securities and/or Collateral and/or security deposit (if any) to settle payment of any Outstanding Balance owed by you before transferring any excess to you or a successor nominated by you at your own cost and expense.



## 13 Your privacy and Personal Data

### 13.1 Privacy policy

You agree that your Personal Data shall be collected and processed by Malacca Securities in accordance with its privacy policy relating to the privacy and security of your Personal Data (and any amendments made thereto from time to time by Malacca Securities in its sole discretion) which shall be made available at <https://mplusonline.com/terms-and-policies/personal-data-protection-act> or such other website address as may be varied by Malacca Securities and notified to you.

### 13.2 Credit checks and disclosure of information

Without limiting Clause 13.1 (*Privacy policy*), you irrevocably authorise and give your consent to Malacca Securities to:

- (a) make all necessary inquiries and searches necessary to verify the information provided by you to Malacca Securities, including contacting your employer directly and financial institutions of which you are a client;
- (b) obtain or receive credit report(s) on you from credit bureaus, credit reporting agencies or any other corporation set up for the purpose of collecting and providing credit information,

and disclose your information as and when required whether directly related or ancillary to the provision of the Services to the following classes of persons in such manner and to such extent as Malacca Securities in its absolute discretion may consider necessary:

- (i) nominees and custodians (including sub-nominees and sub-custodians) appointed by Malacca Securities;
- (ii) Malacca Securities' Related Corporations or any associated company of Malacca Securities and their assignees and successors-in-title;
- (iii) regulatory bodies, government agencies, tax authorities, the police, law enforcement bodies and courts, whether within or outside Malaysia;
- (iv) any person involved or in connection with any action or proceeding taken to recover sums due and payable by you to Malacca Securities;
- (v) credit bureaus, credit reporting agencies or any other corporation set up for the purpose of collecting and providing credit information
- (vi) Malacca Securities' accountants, auditors, lawyers, advisors, consultants and/or other agents as may be required for the proper performance of their functions, duties and obligations to Malacca Securities;
- (vii) Malacca Securities' service providers, agents, contractors or third-party service providers engaged by Malacca Securities or its Related Corporations to carry out Malacca Securities functions and activities in the provision of the Services;
- (viii) any entity which Malacca Securities deems fit taking into account public interest, any allegations of fraud or forgery or crime committed through your Trading Account;

- (ix) any external party as may be required for any corporate exercise or due diligence activities undertaken, whether proposed or actually undertaken, by Malacca Securities;
- (x) any party involved in any intended or proposed acquisition, arrangement, composition, merger or restructuring between Malacca Securities and such party; and
- (xi) any other categories of persons with your prior consent.

## 14 Other provisions

### 14.1 Notices

Any notice, demand and communication (including any request, consent or approval) from Malacca Securities which is required to be given under this Agreement shall be in writing and shall be:

- (a) sent by email to the email address provided by you in the Forms; or
- (b) provided to you on the Electronic Trading Platform,  
and such notices shall be deemed received:
  - (i) where sent by email, at the time such email is delivered; or
  - (ii) where provided on the Electronic Trading Platform, at the time such notice is uploaded or published on the Electronic Trading Platform.

### 14.2 Communication by telephone

You acknowledge that any and all telephone conversations may be recorded by Malacca Securities and shall constitute the property of Malacca Securities. You further consent to the use of such recordings and transcripts thereof by Malacca Securities for any purpose, including admission as evidence in the event of any dispute.

### 14.3 Variation

Any variation made to this Agreement by Malacca Securities shall be deemed effective upon written notification to you and your continued use of the Services.

### 14.4 Successors and assigns

This Agreement shall be binding on, and continue for the benefit of Malacca Securities and its successors and permitted assigns, and references to Malacca Securities shall include Malacca Securities' successors and permitted assigns.

### 14.5 Release, indulgence, waiver

- (a) A waiver of any right of Malacca Securities will only be effective if it is in writing and shall apply only to the person to which the waiver is addressed and the circumstances for which it is given.
- (b) Malacca Securities' waiver of a right in relation to you, or action taken or lack thereof against you shall not affect its rights against any other person.

- (c) No failure of Malacca Securities to exercise or delay in exercising any right or remedy provided under this Agreement or by law constitutes a waiver of such right or remedy or shall prevent any future exercise in whole or in part.
- (d) No single or partial exercise of any right or remedy by Malacca Securities under this Agreement shall preclude or restrict the further exercise of any such right or remedy.

#### **14.6 Agreement to prevail**

- (a) In the event that this Agreement conflicts with any other document or Form executed by you in relation to the Trading Account, this Agreement (and any amendments made hereto) shall prevail.
- (b) Clause 14.6(a) shall not apply to matters addressed in the Margin Account Documentation (defined in Paragraph 1.1 of Schedule A), as stipulated in Paragraph 5.5 of Schedule A.

#### **14.7 Severance**

- (a) If any of the terms contained in this Agreement are found to be illegal, void or unenforceable, the unenforceable provision shall be modified to the maximum extent possible in order to give effect to the intention of the term as intended for by Malacca Securities.
- (b) If the term cannot be so modified, it shall be severed from this Agreement and such invalidity shall not be deemed to affect the validity of the remaining terms which shall continue in full force and effect and be valid and binding on the parties.

#### **14.8 Costs**

Unless otherwise provided in this Agreement, each Party shall bear its own costs incurred in connection with the preparation, entry into, execution and performance of this Agreement.

#### **14.9 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of Malaysia.

#### **14.10 Jurisdiction**

You irrevocably agree that the courts of Malaysia shall have jurisdiction to settle disputes which may arise out of, or in connection with, this Agreement and that, accordingly, any suit, action or proceedings arising out of, or in connection with, this Agreement may be brought in such courts.

#### **14.11 Elective arbitration**

- (a) Notwithstanding Clause 14.10 (*Jurisdiction*), Malacca Securities shall have the option, in its sole and absolute discretion, to elect by notice to you that a dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in

accordance with the Arbitration Rules of the Asian International Arbitration Centre.

- (b) The seat of arbitration and the place of arbitration shall be Malaysia and the language to be used in the arbitration proceedings shall be English.
- (c) The arbitration award shall be final and binding on the parties to the dispute, controversy or claim.
- (d) The parties to the dispute, controversy or claim shall bear the costs and fees for the arbitration in accordance with the arbitration award.

## SCHEDULE A SETTLEMENT OF TRADE OBLIGATIONS

### 1 Interpretation

#### 1.1 Definitions

The following definitions shall apply to this Schedule A.

<b>Available Funds</b>	the net available sum of money remaining in your Trading Account (if any) on any relevant Market Day as may be calculated or determined by Malacca Securities;
<b>Cash Account</b>	your Cash Trading Account(s) opened and maintained with Malacca Securities (if any);
<b>Collateralised Account</b>	your Collateralised Trading Account or Flexi-Collateralised Trading Account opened and maintained with Malacca Securities (if any);
<b>Contra</b>	a transaction in which you sell Securities for which you have not paid to close-off your purchase position in respect of such Securities;
<b>Discretionary Financing</b>	the facility offered to you where Malacca Securities allows you to effect payment of your Outstanding Purchase Position for an on-market transaction between T+3 and T+7;
<b>Discretionary Financing Account</b>	your Trading Account which allows you to utilise Discretionary Financing;
<b>Earmarked Sum</b>	sums from the Available Funds in your Trading Account set aside for settlement of your trade orders referred to in Paragraph 2.4(a)(i) of this Schedule A; 14.11(a)(i)
<b>Haircut</b>	the deduction of value of Collateral according to the Rules of Bursa Malaysia Securities;
<b>Margin Account</b>	your Trading Account which allows you to utilise the Margin Financing Facility in accordance with the Margin Financing Documentation executed by you and Malacca Securities;
<b>Margin Account Documentation</b>	The margin financing documents in connection with your Margin Account required by Malacca Securities (if applicable);
<b>Margin Financing Facility</b>	the credit facilities granted by Malacca Securities to you under your Margin Account;
<b>Margin Limit</b>	the maximum amount of the Margin Financing Facility that Malacca Securities will grant to you irrespective of the amount of Collateral deposited by you and the Margin Ratio (defined below);

<b>Margin Ratio</b>	the percentage of the value of the Collateral up to which you are permitted to borrow from Malacca Securities against the Collateral; and
<b>Withdrawal Request</b>	a request made by you in writing to withdraw your Available Funds in accordance with Paragraph 2.3 of this Schedule A.

## 1.2 Interpretation

In this Schedule A, unless the context otherwise requires, any reference to “T + [number]” shall be a reference to T plus the number of Market Days specified in the reference.

## 2 Cash Accounts

### 2.1 Application of this Paragraph

This Paragraph 2 (*Cash Accounts*) shall be applicable to your Cash Account(s) (if any) in addition to and not in derogation from this Agreement.

### 2.2 Available Funds

- (a) Malacca Securities shall credit your Cash Account and give value to the payment or deposits made by you after:
  - (i) any amount paid or deposited by you in cash has been sighted and accepted by Malacca Securities; or
  - (ii) any cheque delivered by you to Malacca Securities has been cleared.
- (b) All proceeds from the execution of any sale orders for all or any of your Securities shall be credited by Malacca Securities into your Cash Account and form part of the Available Funds.
- (c) Malacca Securities shall be entitled to determine and calculate the available limit for your trades in Securities in its absolute discretion based on your Available Funds less any Earmarked Sum for the execution of other trades.

### 2.3 Withdrawal of Funds

- (a) You may withdraw all or any part of the Available Funds (less the Earmarked Sum) from time to time by a request in writing to Malacca Securities on any Market Day, subject to settlement of the Outstanding Balance (if any) and any other conditions imposed by Malacca Securities on such withdrawals from time to time and notified to you.
- (b) Upon making a Withdrawal Request, you shall not place any purchase orders for any Securities in excess of the balance of the Available Funds after deduction of the proposed amount to be withdrawn.

### 2.4 Settlement of purchase orders

- (a) In respect of purchase orders executed by Malacca Securities on your behalf, you authorise Malacca Securities to:

- (i) set aside an Earmarked Sum from the Available Funds in your Account; and
  - (ii) utilise the Earmarked Sum to settle such purchase amount on T+1 or such other date as Malacca Securities may deem appropriate.
- (b) You shall not be entitled to set-off the amount due on purchase orders against the proceeds from the execution of subsequent sale orders for Securities.

### **2.5 Set-off and insufficient balance**

- (a) Malacca Securities may utilise the Available Funds to set-off, repay and settle the Outstanding Balance (if any).
- (b) If the Available Funds are insufficient to settle the Outstanding Balance, you undertake to pay Malacca Securities any such shortfall or balance to settle the Outstanding Balance.
- (c) In the event that Malacca Securities executes on your behalf a purchase order for Securities, the purchase amount of which is later discovered to exceed the Available Funds, whether due to any error in calculating the Earmarked Sum or Available Funds or any other reason, you shall pay to Malacca Securities such excess on T+1.

## **3 Collateralised Accounts**

### **3.1 Application of this Paragraph**

This Paragraph 3 (*Collateralised Accounts*) shall be applicable to your Collateralised Account (if any) in addition to and not in derogation from this Agreement.

### **3.2 Trading limits**

Without prejudice to the generality of Clause 2.6 (*Trading limits*):

- (a) your trading limit under your Collateralised Account shall be determined based on the Collateral deposited by you; and
- (b) you agree that Malacca Securities may cap or discount the value of Securities provided as Collateral for the purpose of determining your trading limit for your Collateralised Account.

### **3.3 Withdrawal of Collateral**

You may only withdraw from your Collateralised Account any Collateral for the time being deposited into your Collateralised Account(s) provided that such withdrawal does not exceed the aggregate of your Outstanding Balance and any sums due under your Outstanding Purchase Position(s).

## 4 Discretionary Financing Accounts

### 4.1 Application of this Paragraph

This Paragraph 4 (*Discretionary Financing Account*) shall be applicable to your Discretionary Financing Account(s) (if any) in addition to and not in derogation from this Agreement.

### 4.2 Financial ability

You represent, warrant and undertake to Malacca Securities that:

- (a) the information and documents you have provided to Malacca Securities to qualify for a Discretionary Financing Account is true, complete and not misleading; and
- (b) you have the financial ability to settle all amounts due and owing from you in respect of transactions executed within your Discretionary Financing Account.

### 4.3 Authority to Malacca Securities

If you fail to settle any of your outstanding purchases by T+2 (or within any such other settlement period imposed by Bursa Securities), you shall be deemed to automatically authorise and instruct Malacca Securities to utilise and/or drawdown your Discretionary Financing Account.

### 4.4 Discretionary Financing Fee

For every outstanding purchase contract settled or picked up after T+2, you undertake to pay to Malacca Securities a fee of:

- (a) 0.1% on the value of the purchase contract; or
- (b) RM10.00 per contract,

whichever is higher ("**DF Fee**") within 20 days from the date of Malacca Securities' invoice or any other date as stipulated by Malacca Securities This DF Fee may be varied from time to time by Malacca Securities and notified to you.

### 4.5 Collateral

- (a) You shall provide Collateral for the purpose of obtaining Discretionary Financing from Malacca Securities.
- (b) In respect of any value caps imposed on your Collateral ("**Total Capped Collateral Value**"):
  - (i) where the net contra losses and bills of your Discretionary Financing Account exceed the Total Capped Collateral Value, your Discretionary Financing Account shall be suspended from further purchases; and
  - (ii) where the realised losses and bills plus unrealised losses in your Discretionary Financing Account exceed 75% of the Total Capped Collateral Value, you authorise Malacca Securities to force sell your outstanding purchases after T+2.



#### 4.6 Failure to settle

- (a) If you fail to effect settlement of any Outstanding Purchase Position(s) by T+7, you authorise Malacca Securities to institute a selling-out on T+8 in respect of such position without prior notice to you.
- (b) Notwithstanding Paragraph 4.6(a), Malacca Securities may in its sole discretion accept payment for the settlement of such Outstanding Purchase Position(s) prior to such selling-out.
- (c) Following the institution of such selling-out, Malacca Securities shall have the right to recover from you the difference between the contract price and the market price of the Securities in respect of the Outstanding Purchase Position together with all Losses, including consequential losses, expenses and liquidated damages arising therefrom or in connection therewith.

#### 4.7 Contra transactions

- (a) Malacca Securities may in its sole discretion permit you to execute Contra transactions using your Discretionary Financing Account(s) prior to 12.30pm on T+7 subject to charges and further terms which may be imposed and varied by Malacca Securities from time to time.
- (b) All sale orders executed during the T+7 settlement period in respect of a purchase order for the same Securities shall be executed automatically as a Contra transaction on the day of the sale on a "first in first out" basis, whereby intraday contra will take priority if there is no outstanding purchase for the same counter beyond T+2.
- (c) You shall settle all Contra losses and bills no later than the 5<sup>th</sup> Market Day following the day of such Contra transaction, failing which:
  - (i) you authorise Malacca Securities to draw down your Collateral for the purpose of settling of such Contra losses in the following sequence:
    - (A) firstly, your cash pledged as Collateral; and
    - (B) secondly, the Securities you have pledged as Collateral.
  - (ii) interest at a rate of 13% p.a. shall be levied on Contra losses not settled within the time period stipulated in Paragraph 4.7(c) .
- (d) Payment of Contra gains (if any, after deduction of any outstanding Contra losses) shall be made after 12.30pm on the 4<sup>th</sup> Market Day following the date of such Contra.

#### 4.8 Interest

An interest of 10.0% p.a. (or such other rate as varied by Malacca Securities from time to time and notified to you) shall be levied on all outstanding purchases of Securities commencing from the calendar day after T+2 from the date of such purchase until:

- (a) the date of actual settlement; or
  - (b) T+2 from the date of the sale of the Securities,
- whichever is later.

#### **4.9 Withdrawal of Discretionary Financing**

Malacca Securities may at any time refuse to grant or withdraw Discretionary Financing from you at its absolute discretion without being bound to furnish you with any reason therein.

### **5 Margin Account**

#### **5.1 Application of this Paragraph**

This Paragraph 5 (*Margin Account*) shall be applicable to your Margin Account(s) (if any) in addition to and not in derogation from this Agreement.

#### **5.2 Applicable Margin Terms**

The financial terms for the operation of your Margin Account are stated in your respective Margin Account(s). If required by Malacca Securities, you shall execute all margin financing documents in connection with your Margin Account which shall be in addition to and not in derogation from this Agreement.

#### **5.3 Margin Financing Facility**

- (a) Malacca Securities will not at any time be obliged to but may grant you a Margin Financing Facility of such amount up to the Margin Limit as specified in your Margin Account or the margin financing documents (as applicable).
- (b) Notwithstanding the Margin Limit initially notified to you, Malacca Securities may at its sole discretion and at any given time:
  - (i) vary the Margin Limit made available to you, whether on its own accord or in response to a request submitted by you for an increase or decrease in the Margin Limit (although Malacca Securities shall not be obliged to accede to such requests by you); or
  - (ii) extend the Margin Financing Facility to you in excess of the Margin Limit, in which case you undertake to and agree that you shall be liable to repay the full amount of such Margin Financing Facility given by Malacca Securities on demand.
- (c) You authorise Malacca Securities to draw on the Margin Facility to settle amounts due to Malacca Securities in respect of your purchase of Securities, margin maintenance obligations for any positions required by Malacca Securities or payment of any commission or other costs and expenses owing to Malacca Securities, including costs and any expenses that may be incurred in connection with the realisation of any Collateral.
- (d) You acknowledge that Malacca Securities will be under no obligation to provide or continue to provide any Margin Financing Facility if any of the following occur:
  - (i) you are in default of any provision of this Agreement or the Margin Account Documentation;

- (ii) in the opinion of Malacca Securities, there is or has been a material adverse change in your financial condition or that of any person which might adversely affect your ability to discharge your liabilities or perform your obligations under this Agreement or the Margin Account Documentation;
  - (iii) making an advance would exceed the applicable Margin Limit;
  - (iv) Malacca Securities in its absolute discretion considers it prudent or desirable for its protection not to do so.
- (e) For so long as there exists any Outstanding Balance to Malacca Securities on your part:
- (i) Malacca Securities shall be entitled at any time and from time to time to refuse withdrawal of any or all of the Collateral; and
  - (ii) all amounts (less Brokerage Fee and other proper charges) received by Malacca Securities for you or on account of you from the sale of Securities shall firstly be paid to the credit of the Margin Account towards the repayment of any amount outstanding under your Margin Financing Facilities.

#### **5.4 Liquidation of Collateral**

Without prejudice to your authorisation to Malacca Securities in Clause 5.1 (*Authorisation to Malacca Securities*), you authorise Malacca Securities to liquidate, sell or dispose of the whole or part of your Collateral (including the Securities) in your Margin Account at any time and without notice to you if you:

- (a) fail to maintain the Margin Ratio upon Margin Call;
- (b) fail to repay or discharge the Margin Financing Facility upon demand;
- (c) fail to settle a transaction in Securities against which the Margin Financing Facility has been provided; or
- (d) have indebtedness owed to Malacca Securities for dealing in Securities which remains outstanding after Malacca Securities has disposed of all the Securities purchased under the Margin Financing Facility.

#### **5.5 Inconsistency between agreements**

In the event of any inconsistency between the terms of the Margin Account Documentation/stated in your Margin Account and this Agreement, the terms of the Margin Account Documentation/your Margin Account shall prevail.

## SCHEDULE B LEAP MARKET

### 1 Application

In addition to and not in derogation from this Agreement, this Schedule B (*Schedule B LEAP Market*) shall apply to you if you trade on the LEAP Market.

### 2 Capacity to trade

You represent and warrant to Malacca Securities that you are:

- (a) qualified as a Sophisticated Investor; or
- (b) not qualified as a Sophisticated Investor but are a current Securities holder of a corporation listed on the LEAP Market and the trade is solely for selling your existing Securities in the corporation.

SCHEDULE C  
TRADING IN LEVERAGED AND INVERSE EXCHANGE TRADED FUNDS (L&I  
ETFs)

1 Application

In addition to and not in derogation from this Agreement, this Schedule C **Error! Reference source not found.** (*Trading in Leveraged and Inverse Exchange Traded Funds (L&I ETFs)*) shall apply to you if you trade in Leveraged and Inverse Exchange Traded Funds.

2 Capacity to trade

- (a) Prior to trading in Leveraged and Inverse Exchange Traded Funds, you undertake, represent and warrant to Malacca Securities that:
- (i) you are a Sophisticated Investor;
  - (ii) you have a Collateralised Account;
  - (iii) you have executed at least five transactions in exchange traded derivatives, or structured warrants within the preceding 12 months;  
or
  - (iv) you have utilised a performance simulator which simulates trading in L&I ETF units and undergone an e-learning tutorial developed by Bursa Malaysia for trading in L&I ETF units,
- (b) and that you have submitted a written declaration confirming your fulfilment of one or more of the requirements above.
- (c) The requirements in Paragraph 14.11(a) shall not apply to you if you fall within one of the exempted categories specified in the Bursa Rules.

## SCHEDULE D TRADING IN FOREIGN SECURITIES

### 1 Application

In addition to and not in derogation from this Agreement, this Schedule D **Error! Reference source not found.** (*Trading in Foreign Securities*) shall apply to you if you trade in Foreign Securities (defined below).

### 2 Acknowledgement of applicable foreign laws, rules, contractual terms and risks

While trading in Foreign Securities:

- (a) you acknowledge that your Account is also governed by foreign laws applicable to the jurisdiction for each relevant foreign counter traded and the laws and rules of any foreign counterpart which enables, facilitates, or provides Malacca Securities and/or you (either directly or indirectly) the means to trade in Foreign Securities;
- (b) you accept that the laws or contractual terms or rules for doing business of each and every relevant clearing agency, settlement system or depository agent (including any entity that acts as a system for the central handling of Foreign Securities in the country where it is incorporated or organised or that acts as an international system for the central handling of Foreign Securities), computerised book-entry and settlement system in any jurisdiction ("**Clearing System**") shall apply;
- (c) you acknowledge that trading in Foreign Securities will involve risks different from those which come with trading on Bursa Malaysia Exchange, including fluctuations in foreign exchange rates;
- (d) prior to placing trades in respect of Foreign Securities, you ensure that you understand all charges for which you may be liable and the trade and settlement rules for each applicable jurisdiction or Recognised Stock Exchange or bourse which you intend to trade in/on; and
- (e) you acknowledge the different time zones, applicable trading hours and public days off in respect of the relevant Recognised Stock Exchange(s) that you (intend to) trade on.

### 3 Delegation

Without prejudice to Malacca Securities' authority pursuant to Clause 5 (*Mandate and operation of account*), in respect of your trades on a Recognised Stock Exchange, Malacca Securities shall be entitled to:

- (a) delegate the execution of your orders or instructions and the holding of your Foreign Securities; and

- (b) carry out any matters ancillary thereto, including disclosing information in respect of your Account(s),

to a correspondent broker of its choice ("**Correspondent Broker**"), and you acknowledge that:

- (i) you shall be bound by the terms and conditions of agreements executed between Malacca Securities and such Correspondent Broker;
- (ii) the carrying out of the matters in 14.11(a) and 14.11(b) are dependent on Correspondent Broker's respective due performance of their obligations; and
- (iii) the insolvency or default of such Correspondent Brokers may lead to positions being liquidated or closed out without your consent and cause difficulties in the recovery of your money and assets held in the relevant foreign countries.

#### 4 Duties of nominee/custodian

You acknowledge that:

- (a) Malacca Securities may, on the terms set out below, hold all Foreign Securities purchased for you either directly or through a nominee or custodian (who may effect such holding through a sub-nominee or sub-custodian); and
- (b) the duties of such nominees or custodians appointed by Malacca Securities (or sub-nominee or sub-custodian, as the case may be), whether within or outside Malaysia, in respect of your trades shall be limited to the following:
  - (i) to hold or procure to be held to its order all documents evidencing ownership of the Securities and to identify in its books that all such securities belong to you;
  - (ii) to procure that all Securities other than bearer securities are registered in the name of Malacca Securities or such nominee/custodian as appointed;
  - (iii) to use reasonable endeavours to collect and receive entitlements including income and other monies due in respect of the securities, whereby you acknowledge and accept that Malacca Securities shall not be under any duty to carry out any of the following:
    - (A) exercise or discharge any obligations conferred or imposed by reason of Malacca Securities' holding of the Securities or investigate, participate or take any affirmative action in connection therewith or otherwise;
    - (B) send or give notice of any proxy form or other document which Malacca Securities may receive in respect of the Securities;
    - (C) recognise any claim of equitable nature or in respect of a trust by anyone other than you in respect of the Securities or any part thereof;

- (iv) to credit your Account(s) with all income and other payments received under Paragraph 4(b)(iii);
- (v) to sign, execute and/or complete such documents, certificates or forms from time to time required for fiscal and taxation purposes in connection with the collection of income from the Securities; and
- (vi) to keep or (to the extent reasonably practicable) procure to be kept by any nominee/custodian (or sub-nominee or sub-custodian, as the case may be) such books, records and statements in retrievable form, as may be necessary to provide an adequate record of all Securities held and transactions carried out by or on your behalf.

## 5 Delays

- (a) You acknowledge that there may be delays, omissions or inaccuracies in respect of matters relating to the Recognised Stock Exchanges, including stock quotes and the execution of your orders on the Recognised Stock Exchanges via the Correspondent Broker.
- (b) Malacca Securities neither represents, guarantees nor warrants the accuracy, completeness and timeliness of the information and your transactions carried out on Recognised Stock Exchanges.
- (c) Neither Malacca Securities nor any of its officers, agents or employees shall be held liable for any decision made or action taken by you in reliance upon the information provided in relation to Recognised Stock Exchanges.

## 6 Settlement date

Delivery and settlement of transactions on a Recognised Stock Exchange shall be effected no later than the scheduled settlement date of such Recognised Stock Exchange.

## 7 Settlement currency

You acknowledge that:

- (a) your transactions undertaken on a Recognised Stock Exchange shall be settled in transacted foreign currency (for client who have transacted foreign currency balance), otherwise/balances of it shall be settled in Ringgit Malaysia (RM) using such exchange rate (subject to fluctuation of foreign exchange market) as may be determined by Malacca Securities accordance to appointed bank's reference rate; and
- (b) you shall bear all Losses that may result from such currency conversion or any currency fluctuation.



## 8 Contra transactions

Malacca Securities may in its absolute discretion permit contra transactions on a Recognised Stock Exchange, subject to any relevant laws, rules and regulations which may be applicable to such transactions.

## 9 Conflict

In the event of any conflict between the rules and regulations of the Recognised Stock Exchange, provisions of this Agreement shall prevail.

## APPENDIX I INTRADAY SHORT SELLING

- (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 experience 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 of purchase securities above the market price in the event of a Buy-In for the settlement of any 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 of Bursa Malaysia Securities 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.

## APPENDIX II STRUCTURED WARRANTS

- (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) The purpose of this statement is to inform you that the risk of loss in purchasing structured warrants can be substantial. You should therefore assess if the purchase of structured warrants is suitable for you in light of your financial circumstances. In deciding whether to purchase structured warrants you should be aware of the following:
  - (a) The purchaser of a structured warrant is subject to the risk of losing the full purchase price of the structured warrant and all transaction costs;
  - (b) In order to realise any value from a structured warrant, it is necessary to sell the structured warrants or exercise the structured warrants on or before their expiry date;
  - (c) Under certain conditions, it may become difficult to sell the structured warrants.
  - (d) Upon exercise of the structured warrants, 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 warrants;
  - (e) Placing of contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit your losses to the intended amount. Market conditions may not make it possible to execute such orders; and
  - (f) The high degree of leverage that is obtainable from structured warrants because of the small initial outlay can work against you as well as for you. 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. You should therefore carefully study the terms and conditions of any structured warrant before you decide to purchase. If you are in doubt in relation to any aspect of this statement or the terms of a structured warrant, you should consult your broker.

## APPENDIX III LEAP MARKET

- (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 you that apart from the normal risks involved in trading in Securities, trading Securities in the LEAP Market comes with other additional risks. You should NOT invest in the Securities offered unless you are a Sophisticated Investor and you fully understand and are prepared to take the risks. You should assess whether the purchase of the Securities is suitable for you in light of your knowledge, financial means, investment objectives and the risk you are prepared to take. The risks of investing in such Securities include but are not limited to the following:
  - (b) **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, you should be aware that there is a higher risk of business failures which may adversely impact your investments should you choose to invest.
  - (c) **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 your ability to make fully informed investment decisions.
  - (d) **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. You may not be able to exit your 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. You 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 you decide to invest.

## APPENDIX IV LEVERAGED AND INVERSE EXCHANGE TRADED FUNDS

- (1) This statement is provided to you in accordance with the directives of the Rules of Bursa Malaysia Securities Berhad.
- (2) The purpose of this statement is to inform you that the risk of loss in purchasing leveraged and inverse Exchange Traded Funds (“L&I ETFs”) units can be substantial. You should assess if the purchase of L&I ETFs units is suitable for you in light of your financial position, risk tolerance and investment experience while taking into account the following risks before deciding whether to invest in L&I ETFs:
  - (a) An investor of L&I ETFs is subject to the risk of losing the full purchase price of the L&I ETFs units;
  - (b) The investor 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;
  - (c) 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 ETCs are supposed to track;
  - (d) Placing of contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit your losses to the intended amount. Market conditions may not make it possible to execute such orders;
  - (e) The leverage obtained from a leveraged ETF can work against you as well as for you. It could lead to large losses as well as gains;
  - (f) It is in the investor’s 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
  - (g) If an investor engages in purchase of L&I ETF units using margin financing or short sale of L&I ETF units, he or she may gain higher profits when the price movement conforms to expectations, or may otherwise suffer bigger losses. An investor 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. You should carefully study the requirements pertaining to L&I ETFs and the content of the prospectus of L&I ETFs before you decide to purchase. If you are in doubt in relation to any aspect of this statement or the terms of L&I ETFs, you should consult your Participating Organisation, i.e. broker.