

U O B K A Y H I A N P R I V A T E L I M I T E D

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Website: www.uobkayhian.com Bus Reg: 197000447W

NBTR

Name of Main Account Holder: _____ NRIC / Passport No.: _____

Name of Joint Account Holder: _____ NRIC / Passport No.: _____

Name of Corporation: _____ Company Reg No.: _____

You are requested to read, acknowledge and retain one copy of the Statement.

RISK DISCLOSURE STATEMENT FOR AND TERMS AND CONDITIONS APPLICABLE TO BOND TRADING

SECTION A

TERMS AND CONDITIONS APPLICABLE TO BOND TRANSACTIONS WITH UOBKH

Please:

- A. Read the terms and conditions below with effect from the date of your signing and agreeing to the terms and conditions, they will apply and govern all orders from you, the "Client", as a Qualified Person (as defined below) to UOBKH for Unlisted Bonds.
- B. **Complete the Application for us to enter into contracts with you but only if you are a Qualified Person (as defined below) and wish to enter into Unlisted Bond transactions with UOBKH and are agreeable to the terms and conditions.**

SCOPE

1. **Application:** The clauses in this Appendix apply to transactions in Unlisted Bonds effected by you (who may also be referred to as the "Client") with us from time to time pursuant to the Client's orders/instructions.

Supplemental Effect Of This Appendix: Please note that the terms and conditions in this Appendix are intended to be read in conjunction with:-

- (i) and as supplementary to the terms of the Master Trading Agreement
- (ii) our terms for electronic trading facilities and
- (iii) the terms of our template "**IMPORTANT INFORMATION AND DISCLAIMER NOTICE**" under which UOBKH sends out or make available information with respect to Unlisted Bonds that may be dealt in with UOBKH ("Template Notice") - (collectively the "Terms") executed by you.

Your transactions in Bonds with us shall therefore be subject to the Terms and not merely the clauses in this Appendix.

2. Specific Terms for Transactions in Bonds:

Precondition:

UOBKH intends to and will only trade in bonds with Qualified Persons as defined in the Template Notice and then only as principal to such persons and you therefore understand and acknowledge that UOBKH will not deal or consider dealing with you if you are not a Qualified Person.

As either the net asset test (and in particular any liabilities you may have) for determining whether you are an accredited investor or otherwise have the substantive personal financial resources available for determining whether you are otherwise still substantively a Qualified Person depends on full knowledge of your financial conditions, only you are in a position to properly and ultimately determine whether you are a relevant Qualified Person. Therefore in giving any and every order for bond dealing, you represent, warrant and undertake in favour of UOBKH with full intent that UOBKH relies on its correctness as a material condition in agreeing to accepting your order that you have, after relevant due diligence on your financial status and resources, determined that you are a Qualified Person as indicated in your acknowledgement below.

You also undertake in favour of UOBKH that should you cease to be a Qualified Person as indicated in your acknowledgement below, you will notify UOBKH accordingly and cease any further dealings with UOBKH with respect to Unlisted Bonds.

You also acknowledge and confirm that should it be discovered after the event that your representation warranty and undertaking with respect to any Unlisted Bond transaction concluded with or through UOBKH was wrong, that the transaction shall be voidable at the option of UOBKH but without prejudice to its rights to recover damages for your misrepresentation, breach of warranty and undertaking.

3. Bond Trading Only As Principal

UOBKH will only trade bonds with you as principal to you (and therefore expressly without the assumption of any advisory or fiduciary duties to you) and then only subject to its standard terms for bond trading

4. SFA/FAA Exemptions Claimed

As it is a condition to your being allowed to access/review the information below that you are an accredited investor for both the purposes of the SFA and the FAA, you must also note that UOBKH is also specifically relying on the exemptions from all suitability and information provision compliance requirements provided pursuant to regulations and guidelines to the SFA and/or the FAA available to it.

5. Commissions and Mark-Ups

In addition as you are trading bonds with UOBKH as principal you may/will be charged a marked up on trades (generally referred to in market parlance as a "spread") UOBKH executes for ourselves on a back-to-back basis as our hedge or off-setting trade to your trades with UOBKH. Your bond contract will be issued on a net contract value basis.

6. PROVISION OF UNLISTED BOND DEALING SERVICES BY UOBKH

In consideration of UOBKH agreeing at its discretion from time to time to provide you information on Unlisted Bonds and allowing you to transact with UOBKH in such Unlisted Bonds on your initiative and responsibility and for your personal benefit, you hereby declare, warrant and agree that:-

- (a) You have read, understood, accepted and agreed to the terms and conditions set out in this Risk Disclosure Statements for the provision of Unlisted Bond Dealing Services to you;
- (b) You acknowledge and agree to the terms and conditions in this Risk Disclosure Statements forming part of the terms of the Master Trading Agreement, to be read with UOBKH's terms for electronic trading facilities and the terms of its template "**IMPORTANT INFORMATION AND DISCLAIMER NOTICE**" under which UOBKH sends out or make available information with respect to Unlisted Bonds that may be dealt in with UOBKH; and
- (c) You are, after careful personal consideration, an accredited investor within the meaning of that expression as defined in both Securities and Futures Act (Cap. 289) – "SFA" – and the Financial Advisers Act (Cap. 110) – "FAA"; **and** you have not opted to be treated as other than such an accredited investor; or
- (d) You are, after careful personal consideration, a person who while not an accredited investor as defined in both the Securities and Futures Act (Cap. 289) – "SFA" – and the Financial Advisers Act (Cap. 110) – "FAA" have the personal financial capacity to, and intend only to, acquire Unlisted Bonds solely for yourself and solely for your own benefit at prices for each purchase of no less than S\$200,000 (or its equivalent in a foreign currency) per purchase so as to qualify you as a person pursuant to Section 275 (1A) of the SFA entitled to be offered Unlisted Bonds for purchase; and where the information being provided is an Unlisted Bond that is not an Excluded Investment Product for the purposes of the FAA, that you will ensure that you are a person who has been assessed as having passed the relevant CAR/CKA (as relevant) requirements to be allowed to trade or invest in such bonds before you give any order for such bonds.

SECTION B

RISK DISCLOSURE STATEMENT FOR BOND TRADING

This disclosure statement discusses only some of the characteristics and risk of trading bonds through and with UOBKH. Before trading bonds, you should consider consulting a financial advisor, who can provide advice on whether particular investments suit your financial goals and for your full understanding of the bonds you may choose to transact in. Please be reminded that UOBKH merely provides execution services and does not provide specific or any trading or investment advice or recommendation. UOBKH also claims the benefit of all exemptions available to it for dealing with the Client as an accredited investor under both the SFA and the FAA. UOBKH will not monitor your trades and investments to determine if they are appropriate or suitable for your financial needs or otherwise.

Before trading any particular bond, you should understand the specific terms of the particular bond, including its credit rating, maturity, interest rate, whether it is callable, and other relevant information.

More information on bond trading can be found on amongst others, the following website sponsored by the Securities Industry and Financial Markets Association: www.investinginbonds.com.

General Risks of Bond Trading

Trading bonds may not be suitable for all investors. Although bonds are often thought to be conservative investments, there are numerous risks involved in bond trading. The prices of bonds may move up or down, and there is the risk that they may become valueless. If you are uncomfortable with any of the risks involved, you should not trade bonds.

1. Credit Risks

There is a credit risk involved with trading bonds. When you purchase a corporate bond, you are lending money to a company. There is always the risk that the issuer or even the guarantor (where the bond is packaged with guarantee) may default. If this happens, you will not receive your investment back. This is a risk of which you must be aware. Credit risk is figured into the pricing of bonds. There is a prepayment risk involved. Prepayment risk involves the scenario where an issuer "calls" a bond. If this happens, your investment will be paid back early. Certain bonds are callable and others are not, and this information is detailed in the prospectus. Corporations may call their bonds when interest rates fall below current bond rates.

2. Market Risk

There is an interest rate risk associated with bonds. Changes in interest rates during the term of any bond may affect the market value of the bond prior to call or the maturity date. Prices of bonds generally move in opposite direction with interest rates during the tenor of the bond. Bond prices generally fall when interest rates rise during the tenor of the bond.

3. Liquidity Risks

There is the risk that there may be no active secondary market quotations for the bonds. Unless the bonds are held to maturity, the lack of buyers or the sale price may be much lower than the amount invested or the bond holder may receive upon maturity. A lack of buyers or sellers in the market may lead to investors not being able to execute the trade or may be forced to trade at a value significantly away from the investor's desired price.

4. Foreign exchange risk

There is the risk that if the bonds are denominated in a foreign currency, exchange rate fluctuations may have an adverse impact on the value of the bonds.

ACKNOWLEDGEMENT

This acknowledges that I/we have received and read the Risk Disclosure Statement for and Terms and Conditions Applicable to Bond Trading.

I/We further confirm that I/we understand their contents and/or obtained necessary explanations and that I/we am/are acquainted with the risks associated with trading these investment products.

Dated this _____ day of _____ 20 _____.

For Individual/Joint Alternate Account

Signature: _____

Signature: _____

Name of Main Account Holder: _____

Name of Joint Account Holder: _____

For Corporate Account (please affix company's stamp)

Signature: _____

For and on behalf of: (Name of Corporation) _____

Name of Authorised Signatory: _____

Designation: _____

Signature: _____

For and on behalf of: (Name of Corporation) _____

Name of Authorised Signatory: _____

Designation: _____

For Office Use Only

Signature Verified By / Date

Data Entry By / Date

Risk Disclosure Statement / Risk Warning Statement / Bond Trading - 25 Jun 2018