

28 October 2022

## **RISK DISCLOSURE STATEMENT (Type 1)**

1. You are fully aware of the risk relating to Transactions entered into. In particular, you understand that:
  - (a) your investments are not "capital protected" and therefore, you may lose your capital by entering into the Transactions;
  - (b) all Transactions, arrangements entered into and actions taken by us on your behalf will be made by us as your agent, for your sole account and at your sole risk;
  - (c) where the investments are listed outside Singapore, such investments are subject to the laws and regulations of the jurisdiction they listed and you are aware of the risks involved with investing in such products, including but not limited to differences in regulatory regime and investor protection, differences in legal systems, jurisdiction specific costs (including tax related costs), exposure to foreign counterparty and correspondent broker risks, and exposure to the political, economic and social developments and understand its contents;
  - (d) your payments or receipts under a Transaction will be linked to changes in the particular financial market or markets to which the Transaction is linked, and you will be exposed to price, currency exchange, interest rate or other volatility in that market or markets. You may sustain substantial losses on the investments if the market conditions move against your positions. It is in your interest to fully understand the impact of market movements, in particular the extent of profit/loss you would be exposed to when there is an upward or downward movement in the relevant rates, and the extent of loss if you must liquidate a position if market conditions move against you. Your position may be liquidated at a loss, and you will be liable for any resulting deficit in your Account with us; and
  - (e) the fluctuations in foreign currency rates have an impact on the profit/loss and the investments where the Transaction is denominated or settled in a different currency from the currency where you carry on your ordinary business or keep your accounts.
2. You agree that you are solely responsible for making your own independent investigation and appraisal of all investments and your own independent verification of any advice, recommendations, view, opinion or information provided by us. You shall fully understand and familiarise itself with all the terms and conditions of each investment and the risks involved and agree that you will only accept our recommended Investment Strategy and Transactions based

on your own independent review and determination that the Investment Strategy and/or investments are suitable and appropriate for you, taking into account your specific objectives, financial situation, investment experience, knowledge and particular needs.

3. You agree and acknowledge that you have made all necessary enquiries and we have informed you of all material features of and risks involved in respect of the investments including but not limited to information on:
- (a) the nature and objective of the investments;
  - (b) the key benefits and risks of the investments;
  - (c) details of the providers of the investments;
  - (d) your key rights with respect to the investments;
  - (e) the intended investment horizon of the investments;
  - (f) the ease of converting the investments to cash;
  - (g) the expected level of your risk tolerance in respect of the investments;
  - (h) the commitment required from you in respect of the investments;
  - (i) the pricing of the investments;
  - (j) the fees and charges to be borne by you in respect of the investments;
  - (k) the frequency of reports to be provided to you in respect of the investments;
  - (l) any applicable charges or restrictions on withdrawal, surrender or claim procedures of the investments;
  - (m) any applicable warnings, exclusions and disclaimers; and
  - (n) information in relation to where the prospectus in respect of the investment (if applicable) may be accessed, or if we consider it appropriate, an abridged version of such prospectus.
4. Unless you have a specific agreement with us for the provision of advisory services, you accept that our relationship with you in relation to the Trading Services is purely as execution only Broker/dealer or as a counterparty to you. In either case, Long Bridge Securities is not obliged to provide you with any financial advice and where our employees or representatives may answer your queries, such answers should not be assumed to be backed by any prior reasonable due diligence or research or be specifically suitable for reliance by yourself or to your specific financial needs and objectives and you agree to verify the same with your independent advisers.

5. You expressly acknowledge that you have the appetite to assume all economic consequences and risks of the investments and to the extent necessary, have consulted your own tax, legal and other advisers.
6. You also acknowledge that we may have an interest in the subject of the report or recommendation, may be a counterparty to any investments entered into by you and/or may otherwise benefit from your investments.
7. You also acknowledge that you have read our Longbridge Platform Privacy Policy and Terms and Conditions on our webpage at <https://longbridge.sg>

## **RISK WARNING STATEMENT:**

### **Specific to Trading in Overseas-Listed Investment Products (Type 2)**

#### **RISK WARNING STATEMENT**

#### **OVERSEAS-LISTED INVESTMENT PRODUCTS**

#### **RISK WARNING**

An overseas-listed investment product\* is subject to the laws and regulations of the jurisdiction it is listed in. Before you trade in an overseas-listed investment product or authorise someone else to trade for you, you should be aware of:

- The level of investor protection and safeguards that you are afforded in the relevant foreign jurisdiction as the overseas-listed investment product would operate under a different regulatory regime.
- The differences between the legal systems in the foreign jurisdiction and Singapore that may affect your ability to recover your funds.
- The tax implications, currency risks, and additional transaction costs that you may have to incur.
- The counterparty and correspondent broker risks that you are exposed to.
- The political, economic and social developments that influence the overseas markets you are investing in.

These and other risks may affect the value of your investment. You should not invest in the product if you do not understand or are not comfortable with such risks.

*\*An "overseas-listed investment product" in this statement refers to a capital markets product that is listed for quotation or quoted only on overseas securities exchange(s) or overseas futures exchange(s) (collectively referred to as "overseas exchanges").*

1. This statement is provided to you in accordance with paragraph 29D of the MAS **Notice on the Sale of Investment Products (SFA04-N12)**.

2. This statement does not disclose all the risks and other significant aspects of trading in an overseas-listed investment product. You should undertake such transactions only if you understand and are comfortable with the extent of your exposure to the risks.
3. You should carefully consider whether such trading is suitable for you in light of your experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for you, you should be aware of the following:

**Differences in Regulatory Regimes**

- (a) Overseas markets may be subject to different regulations and may operate differently from approved exchanges in Singapore. For example, there may be different rules providing for the safekeeping of securities and moneys held by custodian banks or depositories. This may affect the level of safeguards in place to ensure proper segregation and safekeeping of your investment products or moneys held overseas. There is also the risk of your investment products or moneys not being protected if the custodian has credit problems or fails. Overseas markets may also have different periods for clearing and settling transactions. These may affect the information available to you regarding transaction prices and the time you must settle your trade on such overseas markets.
- (b) Overseas markets may be subject to rules which may offer different investor protection as compared to Singapore. Before you start to trade, you should be fully aware of the types of redress available to you in Singapore and other relevant jurisdictions, if any.
- (c) Overseas-listed investment products may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on an approved exchange in Singapore. Where disclosure is made, differences in accounting, auditing and financial reporting standards may also affect the quality and comparability of information provided. It may also be more difficult to locate up-to-date information, and the information published may only be available in a foreign language.

**Differences in legal systems**

- (a) In some countries, legal concepts which are practised in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.
- (b) The MAS will be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where your transactions will be effected. (c) The laws of some jurisdictions may prohibit or restrict the repatriation of funds from such jurisdictions including capital, divestment proceeds, profits, dividends and interest arising from investment in such countries. Therefore, there is no guarantee that the funds you have invested and the funds arising from your investment will be capable of being remitted.

- (c) Some jurisdictions may also restrict the amount or type of investment products that foreign investors may trade. This can affect the liquidity and prices of the overseas-listed investment products that you invest in.

**Different costs involved**

- (a) There may be tax implications of investing in an overseas-listed investment product. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in the foreign country, in Singapore, or in both countries.
- (b) Your investment return on foreign currency-denominated investment products will be affected by exchange rate fluctuations where there is a need to convert from the currency of denomination of the investment products to another currency or may be affected by exchange controls.
- (c) You may have to pay additional costs such as fees and Broker's commissions for transactions in overseas exchanges. In some jurisdictions, you may also have to pay a premium to trade certain listed investment products. Therefore, before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

**Counterparty and correspondent broker risks**

- (a) Transactions on overseas exchanges or overseas markets are generally effected by your Singapore Broker through the use of foreign Brokers who have trading and/or clearing rights on those exchanges. All transactions that are executed upon your Instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without your consent and/or may result in difficulties in recovering your moneys and assets held overseas.

**Political, Economic and Social Developments**

- (a) Overseas markets are influenced by the political, economic and social developments in the foreign jurisdiction, which may be uncertain and may increase the risk of investing in overseas-listed investment products.

**RISK DISCLOSURE STATEMENT:**  
**OPTIONS TRADING AND OTHER EXCHANGE\_TRADED DERIVATIVES (Type 3)**

**Risk Disclosure Statement - Options and Other Exchange-Traded Derivatives**

To allow You, the Customer, to fully understand the risk associated with stock option and other exchange-traded derivative business such as warrants and callable bull/bear contracts ("CBBC"), Long Bridge Securities has prepared this risk disclosure statement for your information. Please read carefully the following contents. In case of any question, please contact the support staff of Long Bridge Securities. This risk disclosure statement does not cover all risks and important matters in the trading of options and other exchange-traded derivatives. You should understand the nature of the subject to be traded and the degree of risk you are responsible for before any trading. Not all Customers are suitable for participating in trading options and other exchange-traded derivatives, you should consider cautiously whether to participate in the trades aforesaid according to your own investment experience, financial strength and other relevant conditions.

**1. Options trading**

- (a) You should fully be equipped with the financial strength, expertise and investment experience necessary for option trading before your option trading. You should consider cautiously whether to purchase options after fully evaluating your own risk tolerance, investment experience, knowledge of the product, risk control capability etc.
- (b) You should understand the basic knowledge of options, relevant laws and regulations, the rules and announcements of the related Exchange(s), as well as the rules of Long Bridge Securities before you decide to participate in any options trading.
- (c) You should fully understand the characteristics of risk associated with options before you decide to engage in any options trading. Unlike stock trading, option is a financial derivative featuring gearing, time delay, co-movement and high risk. An option trade is a margin trade. An option is an exchange traded SIP with high volatility. It is common to experience significant price increases or decreases in one single trading day. Options therefore expose you to higher risk. You may suffer substantial losses, which may even exceed your account deposits.
- (d) You should carefully read the terms and conditions of contract and rules associated with options to be purchased as well as the relevant responsibilities before you decide to engage in any options trading. The relevant Exchange(s) may revise the terms and conditions of contract of the option not executed in some circumstances to reflect the change in relevant rights and interests.
- (e) You should understand that the risks associated with sell option trading are generally higher than the risks of buy option trading. Although the seller may obtain a premium, the seller may also suffer from loss which exceeds the premium due to the fluctuation in the price of contracted subject as the seller needs to perform the obligation of exercising. The Options market may experience less liquidity than the equity market. In instances of very low market

liquidity, it is possible that enforced liquidation or execution at a very low /high price, resulting in a loss that exceeds the initial deposit.

- (f) During options trading, you should pay attention to the ex-dividend and ex-right in case of dividend allocation, dividend payout, shares donation, capitalizing of common reserves, shares allocation and shares splitting or combination with respect to the contract subject. The relevant Exchange(s) will adjust the contracting parties and exercise the price of the option contract within the period of validity, and the trading and settlement of the contract will be carried out as the terms and conditions of the contract after the adjustment.
- (g) Option trading are complicated. You should fully understand the rules of options trading, the correlation between the option price and the movement of the underlying stock price, to consider whether you can tolerate the risk of options investments before you decide to participate in option trading.
- (h) You should check the terms and conditions of the options contract and the related obligations (for example, under what circumstances you may be responsible for the expiration date of the option and the exercise limit of the option). In some cases, the exchange or clearing company may modify the details of the outstanding contracts (including the option exercise price) to reflect the changes in the relevant assets of the contract. Long Bridge Securities is not responsible for any loss of trading that may result from your lack of awareness of the related rules.

## **2. Warrants and CBBC in SGX-ST or Overseas Exchanges**

### **(a) Issuer default risk**

In the event that a product issuer becomes insolvent and defaults on their listed securities, you will be considered as unsecured creditor and will have no preferential claims to any assets held by the issuer. You should therefore pay close attention to the financial strength and credit worthiness of structured product issuers before you participate in trading this kind of product.

"Issuers Credit Rating" showing the credit ratings of issuers is now available under the Issuer and Liquidity Provider Information sub-section under Derivative Warrants and under CBBCs section on the official website of SGX-ST and may be available other overseas Exchanges.

### **(b) Uncollateralized product risk**

There are no assets guarantee for uncollateralized structured products. In the event of issuer bankruptcy, you can lose your entire investments. You should read the listing documents to confirm if a product is uncollateralized.



(c) **Gearing risk**

Structured products such as derivative warrants, daily leverage certificates (“DLCs”) and callable bull/bear contracts (“**CBBCs**”) are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. You should be aware that the value of a structured product may fall to zero resulting in a total loss of the initial investment.

(d) **Expiry considerations**

Structured products have an expiry date after which the product may become worthless. You should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

(e) **Extraordinary price movement**

The price of a structured product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

(f) **Foreign exchange risk**

Your trading structured products with underlying assets not denominated in Singapore Dollar is also exposed to exchange rate risk due to currency rate fluctuations.

## RISK DISCLOSURE STATEMENT: for Margin Trading (Type 4)

### RISK DISCLOSURE STATEMENT - MARGIN TRADING

Long Bridge Securities and/or clearing and custodial firm (collectively the “**Intermediaries**”) are furnishing this disclosure to you to provide some basic facts about the purchase and sale of securities on margin, and to alert you to the risks involved with trading securities in a Margin Account. Prior to trading securities in a Margin Account, you should carefully review Long Bridge Securities Margin Financing Terms. You may consult with Long Bridge Securities licensed representative any time regarding any questions or concerns you may have with your Margin Account.

When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from Long Bridge Securities. If you choose to borrow funds from Long Bridge Securities, you must have a Margin Account with Long Bridge Securities. The securities purchased are our Company’s collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, our Company can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts, in order to maintain the required equity in the Account.

You should understand that pursuant to Long Bridge Securities Terms of Margin Financing, Long Bridge Securities generally will not issue margin calls, and may liquidate positions in your account in order to satisfy margin requirements without prior notice to you and without an opportunity for you to choose the positions to be liquidated or the timing or order of liquidation. The liquidation will incur a fee plus the broker commission.

In addition, it is important that you fully understand the risks involved in trading securities on margin. These risks include, but are not limited to, the following:

1. **You can lose more funds than you deposit in the Margin Account.** A decline in the value of the securities that are purchased on margin may require you to provide additional fund to the Firm to avoid the forced sale of those securities or other securities in your account(s).
2. **Our Company can force the sale of the securities in your Account(s).** If the equity in your account falls below the margin maintenance level requirement, or Long Bridge Securities’ higher “house” requirements, Long Bridge Securities can sell the securities in any of your accounts held at the Firm to cover the margin deficiency. You will also be responsible for any shortfall in the account after such a sale.
3. **Our Company can sell your securities without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not

the case. Most firms will attempt to notify their Customers of margin calls, but they are not required to do so. However, even if a firm has contacted a Customer and provided a specific date by which the Customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling or buying back securities without notice to the Customer. As mentioned above, Long Bridge Securities generally will not issue margin calls and can immediately sell your securities without notice to you in the event that your account has insufficient margin.

4. **You are not entitled to choose which securities in your account(s) are liquidated or sold to meet a margin call.** The securities are collateral for the margin loan, the Firm has the right to decide which securities to sell or liquidate to protect its financial interests.
5. **Long Bridge Securities can increase its “house” margin requirements at any time and is not required to provide you with advance written notice.** These changes in the Firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the Firm to liquidate or sell securities in your account(s).
6. **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to Customers under certain conditions such as if Long Bridge Securities chooses to issue margin call rather than immediately liquidating under margin positions, you do not have the right to the extension.