

Effective Date: 08 August 2018

IMPORTANT NOTICE
**GUIDE AND CAUTIONARY NOTES IN APPLYING FOR/CONTINUING WITH AN ACCOUNT WITH RHB SECURITIES SINGAPORE PTE. LTD.
- "GUIDE AND CAUTIONARY NOTES"**

Many thanks for your interest in opening or maintaining an account with **RHB Securities Singapore Pte. Ltd. ("RHB Sec")**.

RHB Sec provides this **Guide and Cautionary Notes** in the interest of transparency and fair dealing with you.

It is designed to assist you in:

- (i) understanding the types of services RHB Sec offer; and their respective limits; and
- (ii) with that understanding, deciding on whether to use, and if so, which of RHB Sec's service or services to use.

While there are common terms governing all of RHB Sec's services - as you will note from a study of RHB Sec's general terms and conditions for conduct of RHB Sec's businesses - the terms specific to each service will vary.

Who is RHB Sec And What Services Can RHB Sec Provide?

RHB Sec is a Singapore established company and the holder of a capital markets services license ("CMS license") under the Securities and Futures Act of Singapore ("SFA"). Because of RHB Sec's CMS license, RHB Sec is also entitled to be, and are, registered as an exempt financial adviser ("EFA") under the Financial Advisers Act of Singapore ("FAA") for the carrying out of financial advisory services as defined under the FAA or its regulations.

What Services Are Available To You From RHB Sec?

RHB Sec provides basically three levels of service –

- (i) execution only;
- (ii) dealing with execution-related advice ("ERA"); and
- (iii) dealing with advice under a formal advisory agreement ("Paid Advice").

ERA is specifically defined by RHB Sec's regulators as advice or recommendation that RHB Sec provides no additional payment apart from any fee that RHB Sec may earn from your actually dealing (i.e. buying/selling) in investment products with or through RHB Sec. RHB Sec refers to such advice or recommendation as free advice or recommendation.

EXCLUDED INVESTMENT PRODUCTS
Type of Services

For dealings in what are called Excluded Investment Products ("EIP") the **only** levels of service available from RHB Sec are –

- (i) execution only; and
- (ii) dealing with Paid Advice. Neither RHB Sec nor any of RHB Sec's representatives will or will be providing dealing with ERA.

Except if you are receiving advice which you are paying for under the terms of an express advisory agreement with RHB Sec – i.e. Paid Advice, **RHB Sec is not willing and will not provide** you with anything in relation to EIPs that you may regard or rely on as being advice or recommendation intended for you to rely or act on.

RHB Sec or RHB Sec's representatives may still from time to time comment or give opinions and suggestions or otherwise make statements in relation to EIPs. **HOWEVER**, as you will also note from a study of RHB Sec's disclaimers in relation to EIPs, **you MUST assume and accept ALL such statements as being no more than RHB Sec's respective expressions of opinions honestly held; or statements of fact honestly believed not to be inaccurate or misleading. This is particularly so for responses off the cuff to any questions you may ask orally or via electronic communications to RHB Sec or RHB Sec's representatives. No reliance on such supposed statements, even if given in language indicating them to be recommendations or advice**, should or can be made by you to make any trading or investment decision without you first independently satisfying yourself of the correctness and suitability of such supposed statements, recommendations or advice.

What are EIPs?

EIPs are capital markets products that belong to a class of capital markets products listed in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018. These capital markets products are not specifically specified by any securities exchange to be a Specified Investment Product ("SIP").

EIPs are less complex products which are already established in the market and are generally well understood by retail investors. As such RHB Sec will provide you RHB Sec's services on a purely execution only dealing services in relation to EIPs.

For RHB Sec's services in relation to EIPs, except for Paid Advice, RHB Sec therefore assumes and materially relies on you being agreeable and willing to generally accept sole responsibility for determining the merits or suitability of any and all transactions that you may enter into with respect to any and all EIPs. If you are not agreeable and willing, you should and must not apply for an account for dealing in EIPs with RHB Sec. If you have such an account you must take steps to close that account. The only exception to RHB Sec's execution only services for EIP is dealing with Paid Advice. For this you must have entered into a formal agreement with RHB Sec defining both the circumstances when RHB Sec will provide or be deemed to be providing you advice or recommendations in relation to EIPs; and RHB Sec's charges for the giving of such advice or recommendation(s).

SPECIFIED INVESTMENT PRODUCTS
Level of Service

For dealing in what are called SIPs, all three levels of services are (depending on your circumstances and the circumstances of your particular transacting in SIPs) available options but only if you are not any of the following:

- (i) An accredited or expert or corporate investor as defined below;
- (ii) Resident outside of Singapore and not a Singapore citizen or a permanent resident of Singapore; or wholly or partly dependent on a Singapore citizen or a permanent resident of Singapore

If you fall within (i) and/or (ii), then RHB Sec's services are (as with EIPs generally) limited to execution only services, and/or dealing with Paid Advice only.

If you do not fall within either (i) or (ii) and you are a natural person, then you will be regarded as a Retail Singapore Investor. Please see below under the heading of "Retail Singapore Investor" for the services that RHB Sec will offer you.

To elaborate:
What are SIPs?

SIPs are (for the purposes of RHB Sec dealing services available to you as a CMS license holder) capital markets products that are not EIPs.

SIPs are then further divided into three general types –

- (i) those listed solely on a securities or futures exchange outside of Singapore;
- (ii) those that is approved in-principle for listing and quotation on, or listed for quotation or quoted on a securities or futures exchange in Singapore ("Listed SIP"); and
- (iii) those that are not listed on any securities or futures exchange.

For more information on the Sale of Investment Products, please refer to the MAS website at this link:

<http://www.mas.gov.sg/Regulations-and-Financial-Stability/Regulations-Guidance-and-Licensing/Securities-Futures-and-Funds-Management/Notices/2018/Notice-on-the-Sale-of-Investment-Products-Notice-No-SFA-04N12.aspx>

ACCREDITED AND EXPERT INVESTOR AND NON-RESIDENT EXEMPTION NOTICE

Please be reminded as noted above that RHB Sec is expressly exempted from assuming and will not assume (short of an express and formal agreement otherwise) any suitability obligation under the FAA or any obligation to provide product information under the FAA to any person who is either an accredited investor or an expert investor for the purposes of the FAA or who is not a Singapore Citizen or Singapore Permanent Resident, and not wholly or partly dependent upon a Singapore Citizen or Singapore Permanent Resident.

For convenience of reference, RHB Sec sets out below the relevant definition of “accredited investor” and “expert investor” respectively:

- (a) “accredited investor” means –
- (i) an individual –
 - (A) whose net personal assets exceed in value \$2 million (or its equivalent in a foreign currency) or such other amount as the Monetary Authority of Singapore (“MAS”) may prescribe in place of the first amount; or
 - (B) whose income in the preceding 12 months is not less than \$300,000 (or its equivalent in a foreign currency) or such other amount as the MAS may prescribe in place of the first amount;
 - (ii) a corporation with net assets exceeding \$10 million in value (or its equivalent in a foreign currency) or such other amount as the MAS may prescribe, in place of the first amount, as determined by –
 - (A) the most recent audited balance-sheet of the corporation; or
 - (B) where the corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which date shall be within the preceding 12 months;
 - (iii) the trustee of such trust as the MAS may prescribe, when acting in that capacity; or
 - (iv) such other person as the MAS may prescribe, who are at present (by virtue of the Securities and Futures (Prescribed Specific Classes of Investors) Regulations 2005):
 - (A) the trustee of a trust of which all property and rights of any kind whatsoever held on trust for the beneficiaries of the trust exceed \$10 million in value (or its equivalent in a foreign currency);
 - (B) an entity (other than a corporation) with net assets exceeding \$10 million in value (or its equivalent in a foreign currency);
 - (C) a partnership (other than a limited liability partnership within the meaning of the Limited Liability Partnerships Act 2005 (Act 5 of 2005)) in which each partner is an accredited investor;
 - (D) a corporation, the sole business of which is to hold investments and the entire share capital of which is owned by one or more persons, each of whom is an accredited investor.
- (b) “expert investor” means –
- (i) a person whose business involves the acquisition and disposal, or the holding, of capital markets products, whether as principal or agent;
 - (ii) the trustee of such trust as the MAS may prescribe, when acting in that capacity; or
 - (iii) such other person as the MAS may prescribe.

RETAIL SINGAPORE INVESTORS

Depending on whether a Retail Singapore Investor wishes to deal in Listed SIP or unlisted SIPs, he will first need to pass respectively a Customer Account Review (“CAR”) and/or a Customer Knowledge Assessment (“CKA”) before he may be permitted to begin or continue trading in the relevant SIP.

Therefore, unless RHB Sec has expressly agreed otherwise in your case, you must have passed either the CAR and/or CKA with RHB Sec before you can begin or continue trading in the relevant SIP. In such a case you would also have been provided with a Client Investment Profile questionnaire (“CIP”) together with RHB Sec’s request that you properly complete that CIP and return the properly completed CIP to RHB Sec.

CIP RESPONSE

Once you have passed the CAR and/or CKA as applicable, you are actually regarded as competent to understand the nature and risks of the SIP products you will be dealing or continue to deal in. As such, you are also assumed by RHB Sec to be able to make your own decisions and judgements as to the merits or suitability for you to do any trade or investment in such SIP products. You may wish to complete and return the CIP to RHB Sec.

Where you do not complete and/or return the CIP to RHB Sec, as notified in the CIP provided to you, you must note, agree and accept as conditions to you being allowed to trade or continue to trade in the relevant SIPs that:

- A. RHB Sec is in no position to ensure that any free advice or recommendation that may be provided to you by RHB Sec is specifically suitable for you bearing in mind your specific financial position, attitude and capacity to take financial risks and financial objective trading in the SIPs that you will be trading in; and**
- B. Any and all free advice or recommendation you receive from RHB Sec will not be based on, or take into consideration, your specific investment objectives, financial situation or needs; and**
- C. You must assess for yourself whether any of RHB Sec’s free advice or recommendation as may be provided to you is specifically of merit and appropriate or suitable to your individual investment objectives, financial situation or particular needs. In particular, the mere fact that RHB Sec’s advice or recommendation is to buy or sell or hold any SIP does not necessarily mean, and must not be taken to mean, that the recommendation is suitable for you and you should therefore either make your own assessment (if you are able) or (if you cannot properly or reasonably make your own assessment) consult with your own financial adviser before acting on any such free advice or recommendation. You should do this before you make any decision on the basis of any free advice or recommendation RHB Sec may provide to you.**

Where you complete and return the CIP to RHB Sec, then:

1. RHB Sec will ensure that such free advice or recommendation that may be provided to you by RHB Sec from time to time will be reasonably consistent with the information you provide in the CIP with regards to your suitability; but it remains your choice to choose whether you wish to follow or not. Where you choose not to follow the advice or recommendation RHB Sec will assume that you have made your own informed determination not to follow the advice or recommendation and instead are accepting sole responsibility for determining the merits or suitability of any and all transactions that you may enter into contrary to the advice or recommendation given to you; and
2. As noted in the CIP questionnaire, the answers provided will also be the basis upon which any Paid Advice you may have engaged RHB Sec to provide will proceed if such Paid Advice is required urgently. If Paid Advice is not urgently required, RHB Sec will first confirm the continued validity of the answers provided before giving Paid Advice. Paid Advice will however be given only if you actually enter into and it will be subject to the terms of the advisory services agreement you formally conclude with RHB Sec.

GENERALLY CIRCULATING MATERIALS AND RESOURCES WARNING

Please also note that regardless of whether you properly complete and return the CIP to RHB Sec, you may be provided or given access to resources or materials that are intended to be for general circulation. The materials intended for general circulation will have an express notice accompanying the materials to that effect. Such resources and materials are provided with the sole aim of enabling you to manage and control your own investments and this also means that you need to be able and willing to accept sole responsibility for ensuring the merits and suitability of any and all investments that you may make with or through RHB Sec before making any investment or effecting any transaction with or through RHB Sec. None of the advice or recommendation appearing in such generally-circulated materials and resources should be taken by you as intended for you to rely on specifically. They are provided expressly subject to the exemption notice and disclaimer against such effect accompanying the materials.