

IDSS RISK DISCLOSURE STATEMENT

The following sets out the major risks relating to IDSS, which CGS-CIMB would like to bring to your attention. Kindly note that there may be other risks which may arise in connection with your IDSS trades, and you are advised to carefully consider all risk factors before making an investment decision and trading.

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. IDSS 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 IDSS before engaging in the same. You should evaluate your own financial position, risk tolerance and investment experiences while taking into account the following risk factors before engaging in IDSS.
4. Types of risk:
 - A. Investment risk: You should assess the investment risks arising from price fluctuation if you choose to engage in IDSS. In the event the securities price increases instead of decreases, IDSS 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 to purchase securities above the market price in the event of a buying-in for the settlement of an 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 noncompliance with the Rules and appropriate enforcement action may be taken against you.
5. This brief statement cannot disclose all the risks and other significant aspects of executing IDSS. You should carefully study the requirements pertaining to IDSS, 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.
6. For avoidance of doubt, all other terms and conditions and risk disclosure statement(s) applicable to general trading in respect of your trading account with CGS-CIMB and/or any respective other account(s)’ terms and conditions and risk disclosure statement(s) shall continue to apply. Nothing herein shall affect the general terms and conditions and risk disclosure statement(s) in respect of your said trading account and/or any respective other account(s)’ terms and conditions and risk disclosure statement(s) to which you have agreed to.

Additional Notice:

CGS-CIMB owes no fiduciary duty to its clients and our only legal duties and obligations to you are as expressly set out herein.