

LONG BRIDGE SECURITIES LIMITED ("LB") RISK DISCLOSURE STATEMENT

This statement does not disclose all the risks and other significant aspects of trading in capital markets products. In light of the risks, the Customer should undertake such transactions only if he/she understands the nature of securities, derivatives, and the contracts (and contractual relationship) which the Customer is entering into and the extent of the Customer's exposure to risk. The Customer should carefully consider whether trading in capital markets products is appropriate in the light of his/her experience, objectives, financial resources, and other relevant circumstances. Different capital markets products involve different levels of risk, if in any doubt, the Customer should seek professional advice. Being a New Zealand registered Financial Service Provider - broking service (including a custodial service), LB only provides broking and custodian service, LB does not provide financial advice, wealth management, or derivatives issuer services, etc.

1. Risks associated with Trading / Investing in Capital Markets Products

(i) Price fluctuation

The price and value of any investment in capital markets products and the income, if any, from them, can fluctuate and may fall against the Customer's interest. An individual security may experience downward price movements and may under some circumstances even become valueless. An inherent risk of trading/investing in capital markets products is that losses may be incurred, rather than profits made, as a result of buying and selling such products.

(ii) Suspension or Restriction of Trading

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any security because of price limits or trading halts) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions.

(iii) Warrants

A warrant is a time-limited right to subscribe for securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fail to exercise this right within the predetermined time-scale then the investment becomes worthless.

(vi) Over-the-counter (OTC) Products Over-the-counter (OTC) products are not listed or available on an officially recognised securities exchange, but traded directly between two parties (buyer and seller) on a principal basis, unless otherwise stated. As a result, an OTC transaction is individually negotiated between two parties and the Customer is thus exposed to credit risk of the counterparty in which they enter into bilateral agreement with. In addition, the Customer may be exposed to liquidity risk and LB cannot and does not warrant that there is an active trading market and the price LB secures for the Customer will at any time be the best price available to the Customer. The Customer should consider carefully whether each OTC product is suitable in light of the Customer's investment experience, objective, financial position, risk propensity and other relevant considerations. The Customer should therefore ensure that they understand the risks

associated with OTC products and transactions and seek independent advice, if necessary before making a decision to invest in any of the OTC products.

2. Risk of Margin trading (eg. share margin financing)

The risk of loss in financing a transaction by deposit of collateral may be significant. The Customer may sustain losses in excess of his/her cash and any other assets deposited as collateral with LB. The Customer may be called upon at short notice to make additional margin deposits or interest payments. If required margin deposit or interest payment is not made within the prescribed time, the Customer's collateral or positions may be liquidated by LB or its sub-custodian at a loss without prior notification to the Customer. The Customer should therefore carefully consider whether such a financing arrangement is suitable in light of the Customer's own financial position and investment objectives.

3. Risk of Initial Public Offerings (IPO)

Before making any investment decision, you should read the prospectus for detailed information about the company and the proposed offering before deciding whether or not to invest in the securities concerned. Submission of an application through this channel does not entitle you to any advantage in the share allocation process, and in particular, it does not automatically make the application a valid or a successful application. The Company, the listing company or the Underwriters' Representatives, or their respective agents have full discretion to reject or accept any application, in full or in part, without assigning any reason.

4. Risk of Trading on Pre-IPO Market

You should only undertake trading on the OTC trading facilities known as "Pre-IPO Trading" provided to you if you understand the nature of such trading and such trading facilities and the extent of your exposure to risks. If in doubt, you should seek independent professional advice. Trades on Pre-IPO Trading are subject to risk, including counterparty risk, risk that a particular security fails to subsequently be listed on the Exchange, lower liquidity and higher volatility. Settlement of the relevant transactions is not guaranteed and you will be responsible for any losses or expenses resulting from your and/or your counterparty's settlement failures. The prices of Securities traded on Pre-IPO Trading may differ significantly from their opening or traded prices transacted during the regular market hours upon the listing of the Securities on the Exchange. The prices displayed on Pre-IPO Trading may not reflect the prices in other concurrently operating automated trading systems dealing in the same Securities.

5. Commission, Fees, Interest and Other Charges

The Customer should obtain a clear explanation of all commissions, fees, interest and charges, including charges for the custody of the Customer's investments, and understand that these charges may affect the Customer's net profit (if any) or increase the Customer's loss. The Customer agrees that he/she will be liable for these charges (as may be amended from time to time).

6. Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, may expose the Customer to additional risks. Such markets may be subjected to rules that may offer different or diminished investor protection. Before entering into such trades, the Customer should be aware of the rules relevant to the particular transactions. Our local regulatory authority may be

unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the Customer's transactions have been effected.

7. Currency Risks

The potential for profit or loss from transactions on foreign markets or in foreign currency-denominated securities (traded locally or in other jurisdictions) will be affected by fluctuations in foreign exchange rates.

8. Trading Facilities and Electronic Trading and Mobile Broking

LB's trading facilities are supported by computer-based component systems for the order-routing of trades. As with all facilities and computer systems, customers will be exposed to risks associated with the systems including the failure of hardware and software. The result of any system failure may be that the Customer's order is either not executed according to instructions or is not executed at all. The Customer should also be aware that the Internet is not a completely reliable transmission medium and there may be delays in service provisions. As with any transaction carried out over telecommunications networks, the Customer should be aware that there is the risk of possible delay in trade processing or outages. It is in the Customer's own interest not to provide a 'care-of' or 'PO Box' address as a mailing address for contract notes and statements of account to be sent to. The Customer is also advised to place trade orders only with the trading representative concerned. Complaints, if any, should be directed to LB.

9. Non-Advisory Nature of Relationship

Unless the Customer has a specific agreement with LB, the Customer should note and accept that LB's relationship with the Customer in relation to the Customer's transactions in capital markets products is purely as broker. In either case, while the Customer is entitled to expect LB or its employees or representatives to answer the Customer's queries, the obligation in so answering is only to be honest. Such answers should not be assumed to be backed by any prior reasonable due diligence or research or specifically suitable for reliance by the Customer without the Customer first independently confirming that the answer is intended as specific advice to and is suitable for or to the Customer's specific financial needs and objectives or the Customer verifying the same with the Customer's independent advisers on its specific suitability for the Customer's specific financial needs and objectives.

10. Additional Risk Disclosure Statement

(i) Account and market risk

The prices of capital markets products can and do fluctuate, and any individual product may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling capital markets products and there can be no assurance that the fund manager will achieve its investment objectives.

(ii) Emerging markets and liquidity risks

Some of the markets where investments will be made are emerging markets, and as a consequence tend to be substantially smaller, less liquid, less regulated and more volatile than major securities markets, such as those in more developed markets. The limited

liquidity of capital markets products in some emerging countries could also affect the ability to acquire or dispose of the products at the price and at the time that the fund manager wishes to do so.

(iii) Political, economic, legal, regulatory and social developments

Markets are influenced by the political, economic, legal, regulatory and social developments in the jurisdictions concerned, and may be uncertain and may increase the risk of investment.

(iv) Derivatives risk

Investments may include derivatives such as warrants, options and futures for the purpose of efficient account management. The risk of investing in warrants and options depends on the terms attached to them and on the volatility of the stock markets on which they are traded. As the viability of exercising warrants and/or options depends on the market prices of the securities to which they relate, it may be the case that the fund manager from time to time considers it not viable to exercise certain warrants and/or options held by it within the prescribed period, in which case any costs incurred in obtaining the warrants or options will not be recoverable.

(v) Counterparty risks

Transactions executed with counterparties are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties may lead to positions being liquidated or closed out and/or may result in difficulties in recovering the Customer's monies and assets held.

(vi) Taxation

The Customer should note in particular that the proceeds from the sale of capital markets products in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the fund manager invests or may invest in the future may not be clearly established. It is therefore possible that the current interpretation of the law or understanding of practice may change, or that the law may be changed with retrospective effect.