

RISK DISCLOSURE STATEMENT FOR STRUCTURED PRODUCT INVESTMENTS OFFERED BY AMBANK (M) BERHAD

THIS RISK DISCLOSURE STATEMENT IS TO BE READ CAREFULLY.

This Risk Disclosure Statement is applicable to structured product investments offered by AmBank (M) Berhad (the “**Issuer**”) (each, an “**Investment**”). This Risk Disclosure Statement sets out certain risks and uncertainties associated with the Investment. Accordingly, the Investor should read this Risk Disclosure Statement carefully to ensure that it understands the risks involved and should carefully consider whether or not investing in the Investment is suitable for the Investor in light of the Investor’s financial condition, risk tolerance level, investment requirements and experience. The Investor agrees that this list of, and description of, possible risks is not exhaustive, and should seek professional independent advice from its own financial and legal advisors as to the risks and merits of investing in this Investment.

This Risk Disclosure Statement should be read together with all documents made available or provided to the Investor by the Issuer with respect to the Investment. This Risk Disclosure Statement forms an integral part of the terms and conditions governing your Investment. By signing and/or accepting the Term Sheet and the relevant Trade Confirmation, the Investor confirms and acknowledges that the Investor has read and fully understood and agrees to be bound by this Risk Disclosure Statement and understands the risks applicable to the Investment. Unless otherwise stated in this Risk Disclosure Statement, words and expressions defined in the terms and conditions governing structured product investment (including the Appendix as appended to the Master Terms and Conditions) (“Master Terms and Conditions**”) shall have the meanings when used herein.**

1. Credit and Counterparty Risk

The payment of any amount by the Issuer to the Investor under the Investment is dependent upon the ability of the Issuer to make such payment. The Investor is therefore taking the credit risk of the Issuer as the counterparty to the Investment. Additionally, when redemption requires the delivery of any Underlying Reference, the redemption will be dependent on the credit risk of the Issuer as well as the ability of the Issuer to purchase such Underlying Reference from the market for the delivery. The Investor should note that the principal amount is not considered to be a deposit for the purposes of the Financial Services Act 2013 or the Islamic Financial Services Act 2013 and therefore does not enjoy any express or implied preference or priority accorded to deposits thereunder. Accordingly, the Investment is an unsecured liability of the Issuer ranking pari-passu with the Issuer’s other unsecured non-deposit liabilities. The Investor should satisfy itself that it is comfortable with the credit risk of the Issuer as its counterparty in relation to the Investment. The Issuer is likely to issue other structured products (whether similar to or different from the Investment) and any such additional issuance may increase the credit risk of the Issuer. For the avoidance of doubt, consent from or notification to the Investor of the Investment will not be necessary in the event of any such increase and the Investor should therefore be aware that the Issuer’s potential exposure vis-à-vis structured products may at any time exceed the value of its shareholders’ funds. **The Investment is not insured by Perbadanan Insurans Deposit Malaysia** or any deposit insurance under the Malaysia Deposit Insurance Corporation Act 2011 or any other written laws. In addition, the Investor will not be eligible for the Capital Market Compensation Fund under the Capital Market Services Act 2007.

2. Legal Risk

The Investment is subject to Malaysian laws, regulatory guidelines issued by Bank Negara Malaysia, Securities Commission Malaysia and other relevant regulatory bodies. The Investor must ensure that its investment is in compliance with all laws and regulations governing the Investor. In particular, the Investor should ensure that it comes within paragraph 1 (a), (b) and (d) of Part 1 of Schedule 5 of the Capital Markets and Services Act 2007. Additionally, the Investor should be aware of the terms and conditions of the Investment (and if necessary seek legal advice in relation thereto) to ensure that the Investor is able to comply with such terms, has the power, capacity and authority to invest in the same and that such Investment does not contravene any laws, regulations or contractual restrictions which are specific to the Investor. Further, the Investor should be aware that in the event of a change in any applicable laws or regulations including any guidelines issued by the Securities Commission Malaysia, Bank Negara Malaysia or any other relevant authorities, such change may necessitate a change in the legal terms and conditions of the Investment and may in particular, necessitate an early redemption/termination thereof. Additionally, the Investor should also note that the holding of the Investment may subject the Investor to obligations (whether disclosure or otherwise) under any companies or securities legislation applicable to the Investment and/or the Underlying Reference and the Investor shall accordingly be responsible to ascertain and comply with the same in full. The Investor should also note that the Trade Documents to be issued by the Issuer represents the entire scope of the agreement between the Investor and the Issuer as well as all terms and conditions governing to the Investment. Any terms, conditions, representations or warranties which are not expressly set out in the Trade Documents are hereby excluded and not applicable.

WARNING: THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION. THIS STRUCTURED PRODUCT INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

3. Liquidity Risk

The Investment may be linked to one or more embedded financial instruments including derivative instruments. The underlying instruments themselves, or the combination of such instruments, may be relatively illiquid. Such illiquidity may be reflected in the pricing or valuation of this Investment in the event of early redemption. The Investor should note that the Investment itself is not transferable and accordingly, the ability of the Investor to liquidate its position in relation to the Investment depends upon the conditions for early redemption as well as the ability of the Issuer to redeem the Investment. Notwithstanding that the Investment is not transferable, the Investor should note that in any case it is unlikely that there would be a secondary market for the Investment and that the Issuer is not in any case obliged to make any market for the Investment. Accordingly, the Investor should be prepared to hold the Investment until maturity.

4. Market Risk

The Investor should note that the value of the Investment may be determined by the performance of the Underlying Reference. The value of the Underlying Reference is influenced by a variety of factors including but not limited to the liquidity of the Underlying Reference, the general economic and political situation and general market sentiment. In particular, the factors that influence the value of the Underlying Reference may not necessarily be linked to economic fundamentals and the market may move in a manner which is not necessarily logical or predictable.

Changes in the price of the Underlying Reference may result in the price of the Underlying Reference falling below the strike price, which will negatively impact the return on the Investment. In extreme circumstances, the Investor may lose all, or a significant proportion of their Investment. The Investor should recognise that the Investment may expire worthless or the Investor may end up with a redemption amount with significantly less market value compared to the market value on trade date.

5. Operational Risk

The performance of the Issuer's obligations under the Investment depends upon the proper functioning of the internal systems and controls put in place by the Issuer. An unforeseen disruption of such systems and controls, including that resulting from a market disruption or system disruption, may result in a delay in the performance of such terms. The Investor should also be prepared and have the necessary resources to manage any internal operational issues arising from the Investment and its investment therein, particularly since some Investors may find that the Investment is different from the types of products in which they typically invest. The Investor should also note that the Trade Documents provides that the determination of the Calculation Agent (in this case the Issuer) will, in the absence of manifest error, be conclusive and binding on the Investor as to the amount of any payout on the Investment including any payout upon early termination and for any purpose whatsoever.

6. Risks Relating to Early Redemption (by Investor)

The Investor should note that the Investment is a type of investment that is intended to be held to maturity. However, the Investor may, subject to the Issuer's prior consent and approval, request for an early redemption. In the event that the Investor wishes to early redeem the Investment and the Issuer consents to such early redemption, the early redemption provisions as set out in the Trade Documents will apply. The Investor should note that it may receive a sum less than the principal amount if the Investment is redeemed at any time prior to maturity. However, even if the Investment is redeemed on the Maturity Date, depending on (i) the level of principal protection of the Investment (if any); and (ii) the performance of the Underlying Reference determined on the Maturity Date, the Investor may receive a sum less than the principal amount, if the Investment is not a principal protected investment.

7. Options Risk

This Investment may contain embedded option(s) which may or may not be transparent to the Investor. Changes in the value of an option that is embedded within the Investment will affect the value of the Investment. The value of an option depends on a variety of market factors, including movements in the Underlying Reference, the volatility of the Underlying Reference, interest rate levels, dividend levels, foreign exchange rates and other factors. In particular, the Investor should be aware that the value of the option and the value of the Investment may not necessarily change in constant proportion to changes in the Underlying Reference. In particular, should the Investment be redeemed earlier than at maturity (other than by way of any provision for early call or early exercise as specified in the Trade Documents), the embedded option may be subject to unwinding or other costs of early redemption which may not have changed in constant proportion to the changes in the Underlying Reference asset, which costs shall be reflected in the redemption amount redeemed.

8. Currency Risk

Fluctuations in foreign exchange rates will have an impact on the Investor's profit and loss where an Investment involves a foreign currency element. For equity or fund linked Investments, if the Underlying Reference, the settlement currency or the strike currency are non-Ringggit denominated, the Investor should note that any currency movements, in particular, the

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movement of Ringgit vis-à-vis the relevant foreign currency, may affect the redemption amount. Further, the Investor should be aware that there may be a non-Ringgit currency risk which would affect the Underlying Reference if the strike currency and the settlement currency are different from the currency of the jurisdiction in which the Underlying Reference is located.

9. Mismatch Risk

The Investor should ensure the suitability of the Investment for matching its own liabilities or return requirements i.e. it is up to the Investor to ensure that the timing of payment of the return is in accordance with the timing of any corresponding payment obligations that the Investor may have with any third party. Further, the Investor should note that the receipt and payment of funds or shares from the Issuer to the Investor shall be made in accordance with the procedures set out in the Trade Documents and the Investor should be fully aware of the same.

10. Valuation Risk

The Investor should be aware that it may be difficult for the Investor to assess value and determine the fair price of the Investment as the Investment is usually executed over-the-counter. Where the Issuer provides the Investor with valuations on the Investment, the Investor should note that, given the illiquid nature of the Investment, there is no warranty that any such valuation will be the same as the valuation obtained from other parties or suitable for the purposes of the Investor.

11. Early Termination Risk (by Issuer)

The Trade Documents allows the Issuer to early terminate the Investment upon the occurrence of certain specified events as set out in the Trade Documents. Such events include events of default on the part of the Investor, illegality events and force majeure events (which include market disruption events, the abolition of the Underlying Reference etc.). The method of calculation of the redemption value upon the occurrence of any such events is set out in the Trade Documents and the Investor should take note of the same. Additionally, the Investor should note that the Calculation Agent's determination of such redemption value shall, in the absence of manifest error be conclusive and binding upon the Investor.

12. Reinvestment Risk

In the event an Investment is redeemed or terminated before maturity, the Investor bears a reinvestment risk as the redemption value will then have to be reinvested at prevailing market rates which may not match the rate of return at the time of initial investment for the Investment nor match available alternative interest rates in other available products.

13. Role of Calculation Agent

The Calculation Agent does not act as the agent of the Investor and therefore owes no fiduciary duty to the Investor in arriving at its calculations and determinations. The Calculation Agent however is obliged to act in good faith in making its calculations in respect of the amounts to be paid out. The determination of the Calculation Agent will be final and binding in the absence of manifest error.

14. Not Principal Protected

The Investor acknowledges that, unless an Investment is stated as being 100% principal protected, the Investment is NOT principal protected and the Investor may receive a sum less than the principal amount upon maturity.

15. Potential conflicts of interest

The value of the Investment may be adversely affected by trading, hedging and other transactions by the Issuer relating to the underlying asset/reference. These trading activities may present a conflict between the Investor's interests and the Issuer's interests in its proprietary accounts, in facilitating transactions for its customers and in accounts under their management. These trading activities may also affect (positively or negatively) the price at which the Investment or the Underlying Reference (as the case may be) may trade on the relevant market.

16. Event Adjustments Risk

Upon the occurrence of an Adjustment Event as set out in the Trade Documents, the Issuer has the discretion to make adjustments to one or more terms of the Investment as the Issuer determines to be appropriate to account for the dilutive or concentrative effect on the Underlying Reference. The Investor should also be aware that there is no requirement that there should be an adjustment for each and every corporate exercise or event that may affect the Underlying Reference. Any exercise or event in respect of which no adjustment is made to the terms of the Investment may cause the Investment to be out-of-the-money and the return on the Investment upon maturity may be affected.

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Kindly refer to the Trade Documents for events that may cause the terms of the Investment to be adjusted and the Investor is strongly advised to understand the possible effects of such adjustments in relation to the Investment before investing in the product.

17. Investors have no shareholders' rights (applicable only to equity linked Investments)

In the event that the terms of the Investment provide for physical settlement, the Investor should note that as the holders of the Investment, it will not be considered as a shareholder of the Underlying Company and will have no rights as shareholders of the Underlying Company, prior to the relevant Underlying Reference being transferred by the Issuer to the Investor upon maturity of the Investment.

18. Principal Conversion Risk

The redemption amount may be paid to the Investor in a different form (such as shares or units in an exchange traded fund) or a currency than the original principal amount, the value of which may be less than 100% of the initial principal amount.

20. Specific Risks

In the event that there are any specific risks (which may or may not already be comprised in the above) which the Issuer wishes to direct to the attention of the Investor, such risks will be set out in the Trade Documents and the Investor is therefore strongly advised to carefully read and understand the Trade Documents.

This document may not be reproduced, distributed or published by any recipient for any purpose and is intended for the Investor only. This document, once acknowledged will govern for all purposes of disclosure obligations under the Investment.

The Issuer and/or its affiliates are not acting as Investor's advisors and do not owe any fiduciary duties to the Investor in connection with this document or any Investment and no reliance may be placed on the Issuer and/or its affiliates for advice or recommendations of any sort. Nothing in this document shall constitute legal, accounting or tax advice, or a representation that any Investment is appropriate for the Investor taking into account the Investor's investment objectives, financial situation and particular needs, or otherwise constitutes any such advice to the Investor. The Investor will need to ensure compliance with any applicable law and in particular but not limited to the Anti Money Laundering and Anti Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Financial Services Act 2013 and the Islamic Financial Services Act 2013 administered by Bank Negara Malaysia.

I/We, _____ hereby acknowledge receipt of this Risk Disclosure Statement and acknowledge that I/we have read and fully understood the various risks applicable to and/or associated with the Investment.

(Authorised signatory)

Name:

Date:

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