

Risk Declaration

This risk acknowledgment does not cover all possible risks arising from derivatives trading operations. Derivatives trading can be high risk and very complicated, so clients need to consider on the type of derivatives, their own experience and financial resources to ensure that they can trade derivatives. Even if the client has experience in derivatives trading, the client still needs to be aware of main risks as following:

1. Effect of Leverage

Before a derivative can be traded, a derivatives broker requires the customer to make deposit, called an initial margin. This initial margin is small size if compared with actual price of a derivative but allows customers to trade beyond their actual cash flow through the effect of Leverage. During trading, derivative price changes will affect the client's cash flow, which may generate profit or make loss to the client. Clients may incur the complete loss of the initial margin and the cash deposited with the company to maintain its trading status.

In case the client margin level is lower than the retaining margin, the client will receive a margin call from the derivatives broker, which requires the client to deposit additional cash into the account for a certain period of time in order for the margin level in the client's account to rise to the required condition. In case the customer does not deposit the top-up cash into the account as specified, the customer cannot place an order to buy-sell derivatives and all or part of the derivatives trading situation is closed, which can cause loss to the customer.

2. Risks of Stop-Loss Order

In some circumstances, such as rapid price changes or market closures, stop-loss orders are ineffective, i.e. stop-loss orders do not protect customers from losses at all times.

In the event of an electronic malfunction, the customer's order may not be executed, which may put the customer at risk of loss in placing derivatives trading orders, even if the customer already has a certain amount of losses.

3. Underlying Market Volatility

Derivatives are instruments that allow customers to trade price fluctuations in a local market or a base instrument. Although derivative fees are provided by the central counterparty, they are derived from the local market or basic equipment. Therefore, customers need to understand that fundamental market changes can affect the price of derivatives and customer profits. On the other hand, the spread between the bid and ask prices of derivatives can be larger than the price gap set in the central counterparty's operating rules, depending on price fluctuations in the local market or underlying instruments.

Customers should also be aware of event gaps that could generate profits or cause losses in the client account. Event gaps can occur when the base market opens or closes. Clients need to have enough time to monitor their investments regularly.

4. Suspension or Restriction of Trading

Market liquidity conditions or the application of certain market rules may increase the risk of loss due to the difficulty or inability to make payment transactions or deduct trading conditions.

5. Deposited Cash

Clients must make sure that the cash they have deposited for derivatives trading transactions through derivatives brokers is kept in the derivatives client's cash account at the SERC-certified securities clearing house. Clients need to understand that depositing cash for derivatives trading transactions elsewhere is illegal and carries a high risk.

6. Commission, Fees and other Charges

Before trading, the client must receive a clear explanation of the commission, swap interest and other expenses that the client is responsible for. These costs will affect the net profit or increase the loss of customers.

7. Currency Risks

Foreign currency trading transactions will affect the profit or loss of customers due to the change in interest rates to be converted from one foreign currency to another.

8. Liquidity Risks

Some derivatives may have low or no liquidity due to declining demand, which lead customers cannot sell derivatives or obtain information on the derivatives price or related risks easily.

9. Execution Risks

This risk may arise if the derivatives order is not executed immediately.

Example: There may be a delay between when the customer placed the order and when the order was executed. Therefore, orders may not be executed at the cost the customer expects.

This risk can also occur in the case of post-market trading. Clients shall be aware that the price for trading may differ from the closing price of the underlying instrument, i.e. the price gap at the closing market may be larger than the price gap at the market opening.

10. Counterparty Risks

Customers need to know that derivatives trading through a derivatives broker is a transaction between the client and the central counterparty that is the other party to the contract that the derivatives broker is the agent. This indicates that the central counterparty is the client counterpart in the derivatives trading transaction. Therefore, before conducting a trading transaction, the client must find out about the derivatives operating license, rules and other important information of the central counterparty company that the derivatives broker has connected the derivatives trading system with the relevant regulations that can facilitate the client to do trading operations and mitigating potential risks.

11. Electronic Trading

For electronic trading, clients may be exposed to risks related to the trading system, which may include hardware and / or software damage. Damage to any part of the customer's trading buy-sell system may not be carried out as or may not be fully implemented. In this case, the customer has to confirm with the company to solve it.

I would like to acknowledge that I have received an explanation from a derivatives representative and understand the risks involved in derivatives trading.

For individual customers	For corporate customers
Signature of client name and Date	Signature, Name of company representative, Company name, Stamp and Date