



Announcement

ERX Company Limited

Improper Trading Practices in Digital Asset Orders

In accordance with the Digital Asset Business Decree B.E. 2561, which is under the supervision of the Securities and Exchange Commission (SEC), Chapter 6 on the Prevention of Unfair Practices in Digital Asset Trading, under Sections 46, 47, 48, 49, and 50, guidelines regarding actions that could be considered as price manipulation which has already been established. In order to prevent such trading behavior, ERX Company Limited ("the Company") has issued this announcement to describe the attributes and provide examples of actions that may constitute as price manipulation or improper trading. This is to guide investors and related parties to avoid placing orders that may be deemed improper, which could distort market conditions or create misleading information regarding the price or trading volume of digital assets on the trading platform.

The Company sincerely hopes that this announcement will serve as a guideline for investors to understand the nature of improper orders and help prevent the placement of such orders. The details are as follows:

Improper Order	Objective	Explanation
Wash Trade	To deceive other investors into misunderstanding the trading volume of digital assets and possibly also causing a misunderstanding of the price of digital assets during a particular time.	<ul style="list-style-type: none">- Placing bid orders or ask orders with the intention of matching orders between one's own accounts or accounts that ultimately benefit the same individual, including cases where matching occurs between a group of individuals who ultimately benefit the same person- Placing a bid order or ask order in a manner that involves prior coordination to create matching orders within a group of two or more individuals in significant volumes over a period of time, with the intention of misleading other investors about the trading volume.

<p>Pump & Dump</p>	<p>To deceive other investors into misunderstanding the price movement of the asset and entice them into trading based on that misunderstanding.</p>	<ul style="list-style-type: none"> - Placing bid orders in a progressive price pattern to match with the best ask order, causing the market price to rise. This behavior is repeated until the price increases significantly over a short period of time, after which a sell order (ask order) is placed to make a profit, resulting in a rapid decrease in the price. - Placing a large bid order to sweep the ask orders, resulting in matches and causing the price to rise across several price levels at once. This behavior is repeated before placing a sell order (ask order) to make a profit, leading to a rapid decrease in the price. - Placing a large ask order to sweep the bid orders, or repeatedly placing large sell orders to drive the price down rapidly, with the intention of matching with bid orders previously placed at lower price levels than the market price, in order to accumulate digital assets before placing bid orders to push the price up again.
<p>Spooing</p>	<p>To deceive other investors into misunderstanding the volume of bid orders or ask orders waiting to be matched due to the placement and cancellation of orders.</p>	<ul style="list-style-type: none"> - Placing bid orders or ask orders at multiple significant price levels to create a situation where there is dominance of bid or ask orders, causing other investors to misunderstand that there are many investors interested in buying or selling the digital asset. The person placing the orders will later cancel these buy or sell orders, as they



		<p>never intended to actually trade the asset.</p> <ul style="list-style-type: none"> - Placing a large bid order at multiple price levels close to the market price to urge other investors to place bid orders that match with ask orders set at higher prices than the market price, which the person had previously placed. The orders are then canceled, and new bid orders are placed multiple times. Once the price has risen, the original bid orders are completely canceled, and the person may place an ask order to immediately match with another investor's bid order to make a profit.
Maintaining the Price	To control the price from moving or to keep it within a limited range.	<ul style="list-style-type: none"> - Splitting the bid orders or ask orders into many amounts of quantities with significant frequency over a certain period. The intention is to create matches at the market price desired by the person placing the orders, resulting in the price not moving or remaining within a limited range

Action When the Company Considers That a Purchase Order or Sale Order Has Been Made in an Inappropriate Manner (“Market Surveillance Penalty”)

The company actions may include:

1. Sending an email notification with a reminder not to place such orders again.
2. Sending an email notification with a reminder not to place such orders again and explicitly stating the penalty for any future violations. This will include a temporary suspension of the account for no more than 7 days, up to terminating the relationship with the customer (closing the account).
3. Suspending the account from placing orders, where the customer will not be able to trade for a period not exceeding 7 days. An email will be sent to inform the customer of



the penalty and remind them not to place such orders again. The penalty for any future violation will include suspending the account from placing orders for a period longer than 7 days but not exceeding 30 days, up to terminating the relationship with the customer (closing the account).

4. Suspending the account from placing orders, where the customer will not be able to trade for a period longer than 7 days but not exceeding 30 days. An email will be sent to inform the customer of the penalty and remind them not to place such orders again. The penalty for any future violation will result in terminating the relationship with the customer (closing the account).
5. The company will terminate the relationship with the customer (close the account) and send an email notification to the customer.

The company has implemented measures for cases where a customer places inappropriate buy or sell orders. The company reserves the right to reject/cancel orders or impose penalties as appropriate, based on the severity of the behavior and the impact on the overall trading environment due to the placing of digital asset orders.

Sincerely,

ERX Company Limited