Risk Disclosure Statement

Financial Products, Services and Technology

Moomoo Securities Australia Ltd

ABN 51 095 920 648 AFSL 224663

Registered as an overseas company in New Zealand, Company Number 9283068 NZBN 9429052402296 FSP1008656

Before deciding to acquire financial products or services provided by Moomoo Securities Australia Limited (“Moomoo AU”, the “Company”, “we” “our” or “us”), you (or the “Client”) should read these risk disclosure statements carefully. These statements form an integral part of your agreement with Moomoo AU. You acknowledge that you have received and read these statements and confirm your understanding of the risks which may arise in connection with the investments and transactions relating to the account(s) held with Moomoo AU.

The products and services whose risks are outlined within this Risk Disclosure Statement are available only at the discretion of Moomoo AU and may not necessarily be made available or offered in certain countries.

Nothing in this Risk Disclosure Statement shall be considered or construed as an offer, invitation, solicitation or inducement by Moomoo AU to enter into any particular investment or transaction nor as a holding out by Moomoo AU that it is conducting business in activities involving such products or services.

These risk disclosure statements do not disclose or purport to disclose all the risks and relevant considerations in connection with any investment or transaction relating to the accounts. Risks described in this Risk Disclosure Statement may not be applicable to every client. The Client should carefully consider whether entering into any particular investment or

transaction is suitable for it, its operation, business and organisation in light of its financial resources, experience, objectives for engaging in the investments or transactions, ability to bear risk and other relevant circumstances. It is the Client's sole responsibility to make its own independent appraisal and investigation into the risks associated with the desired investment or transaction. The Client should refrain from entering into any particular investment or transaction unless the Client fully understands the risks involved and has obtained independent legal, tax, financial and other advice from its own advisers as it considers appropriate. Moomoo AU is not, and shall not be deemed to be, the Client's financial advisor.

These risk disclosure statements are written in English and the English version shall be authentic; its Chinese version is for reference only.

1 General Risks in Securities Trading

This section is not intended to be exhaustive and it is important that you also carefully read through the other sections of this Risk Disclosure Statement that address more specific risks that may arise in respect of certain types of products.

There are various risks of a general nature associated with investing and transacting in securities. Different products involve different level of risks and in considering whether to trade or invest in securities generally, you should be aware of the following:

1.1 Risks associated with securities trading

(a) Price fluctuation

The prices of securities (including but not limited to bonds or benefits of unit trust funds, mutual funds, or other collective investment schemes) fluctuate, sometimes dramatically. The price of a security may move up or down, and may fall against your interest and under some circumstances even become valueless. It is likely that losses will be incurred, rather than profit made, as a result of buying and selling securities.

(b) Past performance not indicative of future performance

Any representation of past performance is not necessarily a guide to future performance.

(c) Currency risks

Where investments involve exposure to foreign currencies, changes in rates of exchange may cause the value of the investments to fluctuate up or down.

(d) Emerging markets risks

Investments in emerging markets need careful and independent assessment by you of each investment and the risks (including without limitation sovereign risk, issuer risk, price risk, liquidity risk, legal and tax risks). Further, you should be aware that, while such investments can yield high gains, they can also be highly risky as the markets are unpredictable and there may be inadequate regulations and safeguards available to investors.

(e) Impact of commission, fees, and other charges

Commissions, fees, and other charges levied by Moomoo AU or other intermediaries may reduce the overall quantum of your net profit or exacerbate the overall quantum of your net loss.

(f) 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.

(g) Transactions in other jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to the New Zealand market, may expose you to additional risks. Such markets may be subjected to rules that may offer different or diminished investor protection. Before entering into such trades, you should be aware of the rules relevant to the particular transactions.

(h) Deposited cash and property

You should familiarise yourself with the protection accorded to any money or other property which you deposit for domestic and foreign transactions, particularly in a firm's

insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

(i) Risks of providing an authority to hold mail or to direct mail to third parties

If you provide Moomoo AU with an authority to hold mail or to direct mail to third parties, it is important for you to promptly collect in person all contract notes and statements of your account and review them in detail to avoid the risk that any anomalies or mistakes may fail to be detected in a timely fashion.

1.2 Additional risks relating to repos

(a) The term 'repo' refers to a sale and repurchase transaction in securities. In a repo, the repo seller transfers title in the securities to the repo purchaser. The repo is in effect for a specific period, and at the end of the period the repo purchaser transfers title to equivalent securities (of the same issuer and type) to the repo seller.

(b) The repo purchaser's obligation to transfer equivalent securities is usually secured against collateral. There is, accordingly, credit risk. Selling securities under a repo may also affect your tax position (you should seek independent advice on the issue).

(c) As a result of selling securities under a repo, the seller will cease to be the owner of them, although the seller will have the right to reacquire at a future date equivalent securities (or in certain circumstances their cash value or the proceeds of redemption). However, except to the extent that the seller has received collateral, the seller's right to the repurchase of securities is subject to the risk of insolvency or other non-performance by the repo purchaser. Since the seller is not the owner of the securities during the period of the repo, the seller will not have voting rights nor will the seller directly receive dividends or other corporate actions although the seller will normally be entitled to a payment from the repo purchaser equivalent to the dividend the seller would otherwise have received and the repo purchaser will be required to account for the seller for the benefit of corporate actions.

(d) Repos also entail counterparty default risk and operational risks, such as the non-settlement or delay in settlement of instructions.

1.3 Risks of trading in exchange-traded structured products ('Structured Products')

(a) Risk of issuer default

In the event that a Structured Product issuer becomes insolvent or defaults, you will be considered as an unsecured creditor and will have no preferential claims to any assets held by the issuer. You should therefore pay close attention to the financial strength and credit worthiness of Structured Product issuers.

(b) Risk of uncollateralised product

Uncollateralised Structured Products are not asset-backed. In the event of issuer bankruptcy, you will lose your entire investment. You should read the listing documents to determine if a product is uncollateralised.

(c) Gearing risk

Structured Products such as warrants and Callable Bull/Bear Contracts ('CBBCs') are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. You should be aware that the value of a Structured Product may fall to zero resulting in a total loss of the initial investment.

(d) Expiry considerations

Structured Products have an expiry date after which the issue may become worthless. You should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

(e) Extraordinary price movements

The price of a Structured Product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

(f) Risks of foreign exchange

You are exposed to exchange rate risk when trading Structured Products with underlying assets not denominated in AUD. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the Structured Product price.

(g) Risks of liquidity

Structured Product issuers may be required to appoint a market-maker/liquidity provider for each individual issue. The role of market-makers/liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a market-maker/liquidity provider defaults or ceases to fulfil its role, you may not be able to buy or sell the product until a new market-maker/liquidity provider has been assigned. There is no guarantee that you will be able to buy or sell your Structured Products at your target price any time you wish.

2 Risks of Trading in Synthetic Exchange Traded Funds

Unlike traditional exchange traded funds (ETFs), synthetic ETFs do not buy the assets in their benchmark. Instead, they typically invest in financial derivative instruments to replicate the benchmark's performance. Investments in synthetic ETFs are highly risky and not suitable to all. You must understand clearly and consider the following risks prior to the purchase of synthetic ETFs.

2.1 Market risks

ETFs are typically designed to track the performance of certain indices, market sectors, or group of assets such as stocks, bonds, or commodities. You are exposed to the political, economic, currency and other risks related to the ETF's underlying index/assets it is tracking. You must be prepared to bear the risk of loss and volatility associated with the underlying index/asset.

2.2 Risks of counterparties

Where a synthetic ETF invests in derivatives to replicate the index performance, you are exposed to the credit risk of the counterparties who issued the derivatives, in addition to the risks relating to the index. Further, potential contagion and concentration risks of the

derivatives issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of synthetic ETF may have a 'knock-on' effect on other derivative counterparties of the synthetic ETFs). Some synthetic ETFs have collateral to reduce the counterparty risk, but there may be a risk that the market value of the collateral has fallen substantially when the synthetic ETF seeks to realise the collateral.

2.3 Liquidity risk

There is no assurance that a liquid market exists for an ETF. A higher liquidity risk is involved if a synthetic ETF involves derivatives which do not have an active secondary market. Wider bid-offer spreads in the price of derivatives may result in losses. Therefore, they can be more difficult and costly to unwind early, when the instruments provide access to a restricted market where liquidity is limited.

2.4 Tracking error risk

There may be disparity between the performance of the ETFs and the performance of the underlying index due to, for instance, failure of the tracking strategy, currency differences, fees and expenses.

2.5 Trading at discounts or premiums

Where the index/market that the ETF tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the ETFs in line with its net asset value (NAV) may be disrupted, causing the ETF to trade at a higher premium or discount to its NAV. If you had bought an ETF at a premium, you may not be able to recover the premium in the event of termination.

2.6 Risks of foreign exchange

You are exposed to exchange rate risk when trading ETFs with underlying assets not denominated in AUD. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETFs price.

3 Risks in Relation to Managed Investment Schemes

(a) The Client understands that the following risk disclosure statements explain some general risks, but are not meant to be an exhaustive list of all possible risks, involved in the Client's investment or dealing in managed investment schemes (Funds). For specific risks associated with a particular Fund, the Client should refer to the relevant offering documents for details.

(b) Investment in Funds involves risks and prior to investing, the Client should read the relevant constitutive documents, offering documents and other relevant documents of a particular Fund to understand its features, terms and risks. Before investing or dealing in a Fund, the Client should carefully consider whether that Fund is suitable having regard to the Client's investment experience, investment objectives, financial resources and other relevant circumstances.

(c) The Client must also consider these risk disclosure statements together with those set out under the section titled 'General Risks in Securities Trading' above.

3.1 Variable returns contingent on performance of financial instruments

(a) Funds are investment products and may involve derivatives. Funds are not equivalent to term deposits.

(b) Whilst derivative instruments may be used in a Fund for hedging purposes, the risks remain that the relevant hedging instrument may not necessarily fully correlate to the investments in a Fund and accordingly, not fully reflect changes in the value of the investment, giving rise to potential net losses.

(c) Some Funds may use financial derivatives instruments for investment purposes, which may involve embedded leverage. The use of financial derivatives instruments may expose the Client to additional risks including but not limited to volatility risk and counterparty risk. Fund manager(s) of a Fund may invest a substantial portion of the Funds' net assets in structured products, derivatives and non-investment grade debt securities. During adverse market conditions, you may suffer significant financial losses.

(d) A Fund that is a hedge fund uses alternative investment strategies and the inherent risks are different and are not typically encountered in traditional funds.

3.2 Price fluctuation

(a) The price of the Units of a Fund can and do fluctuate, sometimes dramatically. The value of and income from a Fund is not guaranteed and may move up or down 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 Units of a Fund. You may not get back the amount that you had initially invested. In the worst scenario, the value of the Units of a Fund may be worth substantially less than the amount that you had invested (and in an extreme case could be worth nothing).

(b) Past performance not indicative of future performance

(c) Past performance of a Fund is not an indication of future performance. There can be no assurance that the investment objective and strategy of a Fund will be successfully achieved.

3.3 Market risks

A Fund that invests in certain markets and companies (e.g. emerging markets, commodity markets or smaller companies) may also involve a higher degree of risk and is usually more sensitive to price movements.

3.4 Charges and expenses

Deductions of charges and expenses mean that you may not get back the amount you invested.

3.5 Limits on redemption

(a) Your right to redeem Units in a Fund may be restricted by certain circumstances (depending on the feature and terms of the Fund). In other words, there is a risk that Units in a Fund may be difficult to purchase or sell depending on those circumstances.

(b) A Fund could contain Units that do not permit dealing every day. Investment in such funds will only be realisable on their respective dealing days. The appropriate market price of these investments can only be determined on the relevant Fund's dealing days.

3.6 Order processing time

The Company will effect your orders as soon as practicable; however, the execution of such orders may not coincide with the dealing days stipulated in the relevant offering document of a Fund. Furthermore, before your order is placed by the Company with the relevant Fund manager for execution, the Company may aggregate and consolidate (either daily or from time to time) your order together with orders placed by the Company's other clients. There may be a discrepancy in the price or value of a Unit between when you place your order with the Company and when the order is executed by the relevant Fund manager.

3.7 Currency risks

An investment in a Fund that is not denominated in your home country currency is exposed to exchange fluctuations risk. Exchange rates may cause the value of the investment to fluctuate.

3.8 Differences in regulatory regimes

Units of a Fund held by the Company or any other person appointed by the Company as your nominee outside of New Zealand are subject to the applicable laws and regulations of the relevant overseas jurisdiction. These overseas laws and regulations may differ from the laws and regulations in New Zealand. As a result, you may not enjoy the same protection for those Units in a Fund as you would enjoy for the same Units in a Fund that are held in New Zealand.

4 Risks in Relation to Bonds

Bonds are not an alternative to ordinary savings or term deposits. The price of bonds may fluctuate during its tenor and may even become valueless.

The Client understands that the following risk disclosure statements explain some general risks, but are not meant to be an exhaustive list of all possible risks, involved in the Client's investment or dealing in bonds. It is crucial to understand the specific risks mentioned in the relevant offering documents (if applicable) before investing.

4.1 Key product risks

Key risks include, but are not limited to, the ones listed below:

(a) Credit risk

You assume the credit risk of the issuer and the guarantor (if applicable). Any changes to the credit rating of them will affect the price and value of the bonds. Bonds are subject to the risk of the issuer defaulting on its obligations, i.e. an issuer fails to make principal and interest payments when due. In the worst scenario of a bankruptcy of the issuer/guarantor, you could risk losing the value of the entire investment. Credit ratings assigned by credit rating agencies do not guarantee the creditworthiness of the issuer.

(b) Liquidity risk

The bond may have limited liquidity and may not be actively traded and/or quoted by brokers in the market. As such:

(i) the value of bond and/or indicative bid/offer price will depend on market liquidity and conditions which may not be available at all times;

(ii) it may take longer or it may be impossible to sell the bond at prevailing market conditions; and

(iii) the executable sale price may differ unfavourably by large amounts from the indicative bid price quoted.

(c) Currency risks

For bonds denominated in a foreign currency, there may be an exchange loss when converting the redemption amount back to the local or base currency.

(d) Interest rate risk

Bonds are more susceptible to fluctuations in interest rates and generally prices of bonds will fall when interest rates rise.

(e) Market risk

The value of investments may fluctuate due to changing political, legal and, economic conditions and changes in interest rates. This is common to all markets and asset classes. Your return may be substantially less than the initial investment.

4.2 Additional risks for high-yield bonds

In addition to the risks listed above, high-yield bonds are subject to additional risks such as:

(a) Higher credit risk

Since high-yield bonds are typically rated below investment grade or are unrated, they are often subject to a higher risk of issuer default.

(b) Vulnerability to economic cycles

During economic downturns high-yield bonds typically fall more in value than investment grade bonds as (i) investors become more risk averse and (ii) default risk rises.

(c) Specific Risks

It is important to note that certain bonds may contain special features and risks that warrant special attention. These include:

(i) Perpetual bonds

Perpetual debentures do not have a maturity date, and the coupon payments pay-out depends on the viability of the issuer in the very long term, it may be deferred or even suspended subject to the terms and conditions of the issue. Furthermore, perpetual debentures are often callable and/or subordinated, and bear re-investment risk and/or subordinated bond risk, as detailed below.

(ii) Re-investment risk of callable bonds

If the bond is callable in which the issuer may redeem the bond before maturity, it is subject to re-investment risk. The yield received when re-investing the proceeds may be less favourable.

(iii) Subordinated bonds

In the event of the issuer’s liquidation, holders of subordinated debentures will bear higher risks than holders of senior debentures of the issuer due to a lower priority of claim. Subordinated debentures are unsecured and have lesser priority than that of an additional debt claim of the same asset. They usually have a lower credit rating than senior bonds.

Your specific attention is drawn to the credit information of this product, including the respective credit rating of the issuer, the debenture and/or the guarantor, as the case may be.

(iv) Bonds with variable coupon/coupon deferral features

If the bonds contain variable and/or deferral of interest payment terms, then you would face uncertainty over the amount and time of the interest payments to be received.

(v) Bonds with extendable maturity date

If the bonds contain extendable maturity date terms, then you would not have a definite schedule of principal repayment.

(vi) Convertible or exchangeable bonds

Convertible or Exchangeable bonds are convertible or exchangeable in nature and the Client is subject to both equity and bond investment risk. They may additionally have a contingent write-down or loss absorption feature, meaning the bond may be written-off fully or partially or converted to common stock on the occurrence of a trigger event. These bonds generally absorb losses while the issuer remains a going concern. Before investing in bonds of this nature, you should pay extra attention to its features, the trigger events, the implications and consequences of such trigger events.

(vii) Multiple credit support providers

This refers to bonds with more than one guarantor. You should take into account matters such as the credibility of the guarantors, whether such guarantors have material operations and the credit support structure(s) involved. Under some credit support structures, the bondholders' rights may be subordinated to those of the issuer, the guarantors and/or other parties where an event of default were triggered.

(viii) Other/multiple credit support structures

This refers to bonds with keepwell deeds in place as a form of credit enhancement. Some of these bonds may also have credit support providers serving as guarantors. Keepwell deeds need to be individually assessed and could be structurally complex. They are not

necessarily comparable to guarantees and are subject to much greater legal and regulatory uncertainty compared to guarantees. In particular, capital control laws in certain countries could heighten the risk that timely payments will not be made, even if there is a keepwell deed.

4.3 Risks of transaction in foreign jurisdictions

(a) Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. In particular, securities that are foreign listed securities and are held outside New Zealand are subject to the applicable laws and regulations of the relevant overseas jurisdiction that may differ from New Zealand law. Consequently, such securities may not enjoy the same protection as that conferred on securities received or held in New Zealand. Before you enter into a transaction, you should enquire about any rules relevant to such transactions, and comply with the same. There may be restrictions for foreign investors, repatriation of capital investments and profits and there may be withholding or additional forms of taxes.

(b) You should only consider trading outside the New Zealand market if you fully understand the nature of the relevant foreign market and the extent of your exposure to risks. You should carefully consider whether such trading is appropriate for you in light of your experience, risk profile, and other relevant circumstances, and seek independent professional advice when you are in doubt. You should not rely on this information as a complete explanation of the risks of trading in foreign jurisdictions.

4.4 Risks in Relation to Algorithmic Trading

Moomoo AU may make available to clients a suite of various order types on its trading platform that may use computerised algorithms. These order types allow clients to input various conditions as part of their Instructions for Transactions to Moomoo AU. Moomoo AU's computerised routing systems will attempt to place such effect such Instructions into the market in accordance with the conditions set. Algorithmic order types range from

standard limit orders to more complex strategies. The trading platform may require additional systems on the clients' part in order to function properly.

There are special characteristics and risks associated with algorithmic trading. You should understand these risks and determine whether algorithmic trading is appropriate in light of your objectives and experience:

(a) Technical errors

Algorithmic trading can be effected when your systems, Moomoo AU's systems or the Exchanges' systems are experiencing technical difficulties. Risks include possible delays or failures in (i) availability of your connection to Moomoo AU's services and of Moomoo AU's services to the relevant Exchange; (ii) the operation of databases and internal transfers of data; (iii) the provision of data feeds (accuracy of data and stability of data connections); (iv) possible hardware failures; (v) usage loads, bandwidth limitations, and other bottlenecks inherent in computerised and networked architectures; (vi) issues, disputes, or failures of third party vendors and other dependencies; and (vii) other general risks inherent in computer-based operations. Any of these could lead to delays or failures in order execution, incorrect order execution and other problems.

(b) Software and design flaws

All software is subject to inadvertent programming errors and bugs embedded in the code comprising that software. Algorithmic order types may contain logical errors in the code to implement them. Errors may exist in the data used for testing the algorithm or the applicable model of the market. Despite testing and monitoring, inadvertent errors and bugs may still cause algorithmic order types to fail or behave incorrectly.

(c) Market impact and events

Market conditions will impact the execution of algorithmic orders. Possible adverse market conditions include lack of liquidity, price swings, late market openings, early market closings, market chaos, and mid-day trading pauses, and other such disruptive events. The execution of an algorithm can itself have an impact on the market, including causing lack of liquidity or abrupt and unwarranted price swings.

(d) Losses

Losses can happen more quickly with electronic and algorithmic trading compared to other forms of trading. Any or all of the other risk factors could cause more significant trading losses when using algorithmic trading compared to other forms of trading.

5 Risks Specific to Initial Public Offerings

If the offered securities are denominated in a foreign currency (i.e. other than your home currency) or in both your home currency and a foreign currency, you are exposed to exchange rate risk and may suffer loss as a result of the fluctuations in exchange rates.

6 Risks in Relation to Biometric Authentication

Biometric authentication is one of the ways to confirm an identification apart from user name and password. Moomoo AU may offer biometric authentication as a means by which to identify you. By switching on this function, you will be able to unlock your trading account and operate your account using biometric identification. By using the biometric authentication function, you agree that Moomoo AU is authorised to use your biometric data for the purposes of providing products and services to you and acknowledge that you accept the following risks:

(a) All biometric credentials stored on your device must be your own. If you store any other person’s biometric credentials and/or allow any other person’s biometric credentials to be stored on your device, you are responsible for all instructions and the resulting transactions made from the instructions on behalf of that other person.

(b) The use of biometric authentication on a "Jail-broken" or "Rooted" device may induce system security risk, including but not limited to information leakage or fraudulent transactions.

(c) The biometric authentication function may not be available in all instances and may not function as intended. Any unavailability or malfunction may be caused by many reasons, including but not limited to issues with your internet services provider or issues with your

device. Moomoo AU shall not liable for any failure relating to the biometric authentication function.

7 Risks in Relation to Extended Hours Trading

You should consider the following points before engaging in extended hours trading. 'Extended Hours Trading' means trading outside of Regular Trading Hours.

For Australian markets, "Regular Trading Hours" generally means the time between 10:00am and 4:00pm Australian Eastern Standard Time (GMT +10:00) or Australian Eastern Daylight Time (GMT +11:00).

For US markets, "Regular Trading Hours generally means the time between 9:30AM and 4:00PM Eastern Standard Time (GMT -5:00).

These may vary depending on the operating rules of the relevant market operator.

7.1 Risk of lower liquidity

Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to Regular Trading Hours. As a result, your order may only be partially executed, or not at all.

7.2 Risk of higher volatility

Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.

7.3 Risk of changing prices

The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours or upon the opening the next morning. As a result, you may receive an inferior price when engaging in Extended Hours Trading than you would during Regular Trading Hours.

7.4 Risk of unlinked markets

Depending on the extended hours trading system (each an “Extended Hour Trading System”) or the time of day, the prices displayed on particular Extended Hours Trading system may not reflect the prices in other concurrently operating Extended Hours Trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one Extended Hour Trading System than you would in another Extended Hour Trading System.

7.5 Risk of news announcements

Normally, issuers make news announcements that may affect the price of their securities after Regular Trading Hours. Similarly, important financial information is frequently announced outside of Regular Trading Hours. In Extended Hours Trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

7.6 Risk of wider spreads

The spread refers to the difference in price between what price you can buy a security and at what price you can sell it. Lower liquidity and higher volatility in Extended Hours Trading may result in wider than normal spreads for a particular security.

7.7 Risk of Dividends

If you purchase a security during the Extended Hours Trading, you will not be entitled to the dividend due to the trading period in the Extended Hours Trading being on the Ex-dividend Date, which is a day a listed company decides to issue the dividends to the investors as long as the investors purchase the security before the date and hold the securities until the dividends issuing date.

7.8 Risk of Prohibition

You acknowledge that there is a risk of prohibition from trading securities via the Extended Hour Trading System and that your instructions to trade in Extended Hours Trading may not be accepted.

7.9 Risk of Investigation

You acknowledge that we may (for the purpose of assisting the applicable upstream broker in the regulatory surveillance of the relevant trading market and enforcement of the relevant rules, if required), at the request of the applicable upstream broker, require you to provide information (including, without limitation, in relation to your identity, personal data and trading activity) in relation to you and any other persons with respect to the orders placed or the transactions made or entered into by us on your or their behalf.

7.10 Risk of Rejection and Cancellation

You acknowledge and accept that the applicable upstream broker may, upon the Extended Hours Trading System service provider's request, require us to reject and/or cancel any order made on your or their behalf.

8 Risks in relation to Foreign Securities

Investments in foreign securities involve certain risks that differ from the risks of investing in domestic securities including:

(a) Adverse political, economic, social, or other conditions in a foreign country may make products issued in that country difficult or impossible to sell;

(b) foreign markets may be subject to different regulations, and may be subject to rules which may offer different levels of investor protection than in your home country;

(c) foreign securities may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on exchanges in your home country;

(d) it may be more difficult to obtain reliable information about some foreign securities;

(e) the costs of investing in some foreign markets may be higher than investing in domestic markets and may incur additional tax obligations in those foreign markets; and

(f) investments in foreign securities are subject to currency fluctuations.

9 Risk in relation to Conditional Orders

(a) **Conditional Order Instruction** means an instruction you give to us on Moomoo Platform to place an order for a security on the market ("Conditional Order Instruction"):

(i) when the Trigger occurs; and

(ii) at market price or at a price in accordance with the Limit.

Limit means the minimum price at which we are instructed to sell, or the maximum price at which we are instructed to purchase, the Security under your Conditional Order Instruction.

Security means a security or securities for which you have placed a Conditional Order Instruction.

Trigger means criteria that are acceptable to us, which you nominate for your Conditional Order Instruction, which, when satisfied, causes us to place an order for the Security on the available markets.

A Trigger may not consider all markets.

(b) This Risk Disclosure Statement does not disclose all the risks associated with the use of Conditional Order Instruction. It should not be relied upon as a complete explanation of the risks involved with using a Conditional Order Instruction. If you need further explanation of the risks associated with the use of a Conditional Order Instruction, you should seek appropriate professional advice.

(c) While the intention of a Conditional Order Instruction is to limit losses to a certain amount, an Instruction may not always be effective because market conditions may make it impossible to execute a particular instruction.

(d) Market conditions such as illiquidity may make it difficult or impossible for Moomoo AU to find sufficient counterparty volume to purchase/sell securities between the conditional Trigger price and the Limit price.

(e) Action by a Market Operator such as the suspension of trading in certain securities may make it difficult or impossible to effect transactions so as to limit losses.

(f) A Conditional Order Instruction does not make any provision for temporary falls or rises in security prices. Security prices may return to, exceed or fall short of the Trigger price at which Moomoo AU was instructed to buy or sell, within a short period of time.

(g) It may not be possible for Moomoo AU to carry out your instruction, if to do so would, in the opinion of Moomoo AU or the regulatory authorities, result in illegal conduct such as market manipulation.

10 Risks in relation to US Exchange-traded Options

The risk for potential losses when trading US Exchange-traded Options (US ETOs) can be substantial. US ETOs are generally viewed as a risky investment that are only suitable for retail investors with a sufficient experience and understanding of the market and options.

For more information on the risks associated with US ETOs, you should read, and make sure you understand, the materials referred to in Moomoo AU's US ETO Product Disclosure Statement (PDS). You should also consider seeking independent financial product in relation to any trading you undertake in US ETOs.

The following risks are some of the significant risks associated with US ETOs:

10.1 Leverage increases the risk of loss

A relatively small market movement can lead to a proportionately much larger movement in the value of your position due to leverage, and this can work against you and magnify your losses.

10.2 Purchaser may lose premium paid

US ETOs have a fixed expiry date, on which they expire and become worthless. As such, if you have purchased a US ETO, you should be aware that its value can fall rapidly, including as it approaches expiry. You may lose the premium you have paid for a position.

10.3 Seller exposed to unlimited losses

If you are the seller of a US ETO, you may potentially incur unlimited losses if the market moves against you. If that occurs, you will be called for variation margin representing the loss in value of the position. If you fail to meet your margin obligations, Moomoo AU may give an instruction to our executing broker and clearing firm for US securities and derivatives, Futu Clearing Inc. ("FUTC"), to close out your position, or FUTC may do so of its own accord.

10.4 Seller risk of exercise of Option

If a US ETO is exercised, and that exercise is allocated to your position as seller, you will be required to meet your settlement obligations arising from the exercise of the US ETO. For example, in the case of an ETO over listed underlying securities, you will be required to deliver the underlying securities (in the case of a Call Option) or purchase the underlying securities (in the case of a Put Option) for the amount equal to the exercise price per security.

10.5 Close-out risk

Moomoo AU or FUTC may close out your positions in certain circumstances, as set out in our Client Services Agreement (including, for example, if you fail to meet a margin call on time).

10.6 Market risk

As leveraged financial products, the value of US ETO positions, and your ability to open and close positions, is highly dependent on the liquidity on, and volatility of, the market operated by the relevant Exchange. This means the value of your positions can fluctuate significantly, and there is the risk that you may not be able to close out open positions at the time or price you would prefer or wish.

10.7 Foreign exchange risk

Your positions, exposures and amounts payable and receivable with respect to US ETOs are denominated in USD. This means there is foreign currency risk associated with such exposures.

10.8 Systems risk

Moomoo AU cannot guarantee that your use of the Moomoo Platform will be free of error. It is your responsibility to ensure that you have a stable internet and that you avoid trading where you are experiencing network issues. You and Moomoo AU (as your broker and custodian) are also exposed to the risk of system failures by FUTC, relevant Exchanges and their clearing houses. System risks are an inherent risk of trading in an online environment and Moomoo AU does not accept liability for system errors.

10.9 Exposure to FUTC

Moomoo AU executes your orders through, and your positions are held through, FUTC. Although FUTC is regulated in the US, it is not regulated in New Zealand. This means that the regulatory protections persons have when receiving services from FUTC may differ from those which apply under New Zealand law when dealing with a financial service provider who holds licence issued by the Financial Markets Authority (FMA) or other New Zealand regulatory body.

Moomoo AU acts as your custodian with respect to open positions. This means that Moomoo AU and you are exposed to the risk of failure by FUTC to meet their obligations to Moomoo AU (as your custodian) and to the risk of their insolvency.

FUTC may benefit from executing transactions. Such benefits include interest charges, fees for certain services and, in certain situations, commissions or other transaction-based compensation for securities trades.

Brokerage accounts are protected by the Securities Insurance Protection Corporation (SIPC), which provides limited protection over an investor's cash and/or certain securities if a brokerage firm fails, subject to limitations and restrictions. SIPC does not protect against declines in market value. For details, please see www.sipc.org .