



L O N G A S I A

**RISK ACKNOWLEDGEMENT
&
DISCLOSURE STATEMENT**

<https://longasiagroups.com>

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1. Introduction

1.1 Long Asia Groups operates under the trading name Long Asia Groups, and its full company name is LONG ASIA GROUP NZ LIMITED, with the registration numbers 3753043 and NZBN 9429030748231.

1.2 This notice is being provided to you as you are contemplating investing in the investment products offered by the Company, which are referred to as "Securities". It is important to note that each investment product and service carries unique risks. This notice is intended to provide a general understanding of the risks involved in dealing with Securities offered by the Company and to assist you in making informed investment decisions. However, it is important to note that this notice cannot and does not cover all of the risks and significant aspects associated with these products, nor does it explain how such risks may relate to your personal circumstances. Its purpose is solely to provide an overview of the risks specific to dealing with Securities offered by the Company.

1.3 Before applying for an account, it is recommended that you carefully evaluate whether trading in the investment products offered by the Company, referred to as "Securities", is suitable for your specific needs, circumstances, and financial situation. It is crucial that you have a complete understanding of the risks associated with trading in Securities before deciding to enter into a CFD transaction/contract with the Company or purchasing/selling an instrument available through a share trading account. If you have any concerns or uncertainties about the associated risks with your account, it is advisable that you seek professional advice. When contemplating this form of trading, it is important to be mindful of the following:

2. Risk Warnings

2.1 The Company offers its services on an "execution-only basis", meaning that it does not provide investment advice regarding its services, Securities, or potential transactions related to Securities. Additionally, it does not provide investment recommendations of any kind. While the Company may provide factual information or research recommendations relating to a particular market, transaction procedures, or potential risks and how to mitigate those risks, the decision to use our investment products or services is ultimately up to you.

2.2 The Company cannot guarantee the initial capital or the value of your portfolio or any money invested in Securities at any given time. It is important to acknowledge and accept that regardless of any information provided by the Company, the value of Securities offered may fluctuate in either direction, and there is even a possibility that the investment may become worthless.

2.3 It is important to acknowledge that purchasing and/or selling Securities through the Company's dealing services carries a substantial risk of incurring losses and damages, as such transactions may be of a speculative nature. It is possible for significant losses to occur in a short period of time, resulting in a loss equal to the total amount of funds deposited with the Company. It is strongly recommended that you do not enter into a transaction/contract with the Company unless you are willing to accept the risk of losing all the funds you have invested.

2.4 A derivative Security refers to a type of transaction that is non-deliverable and allows for the potential to earn a profit based on fluctuations in currency rates, commodity prices, equity indices, shares or cryptocurrencies, which are known as the "underlying instrument."

2.5 As a client, it is your sole responsibility to closely monitor all of your open positions. This includes monitoring your positions at all times, especially during the period in which you have open positions on

CFDs or hold any Securities in a share trading account. It is important to ensure that you have the ability to access your trading account(s) at all times.

2.6 It is important to note that some Securities may not be immediately liquid, which could be due to reduced demand. In such cases, you may not be able to sell these Securities or easily obtain information on their value or the associated risks.

2.7 It is important to consider that if you trade in a market that uses a currency other than the base currency of your country of residence, any fluctuations in currency exchange rates will have an impact on the value, price, and performance of the Security you traded in. This, in turn, will affect your profits and losses.

2.8 It is important to note that past performance of a Security does not guarantee its future performance. The use of historical data as a basis for forecasting future performance of Securities is not binding or a guarantee of future performance. It is crucial to understand that contracts entered into with us are legally enforceable by both parties.

3. Volatility of Price & Limitation On The Available Market

3.1 It is important to note that some of the Securities provided by the Company are derivative Securities, where the price of the Security is derived from the price of the underlying reference Securities. Placing "Stop Loss" orders can help to limit losses. However, it is crucial to understand that derivative markets can be highly volatile, and the value of derivative Securities and their underlying instruments may fluctuate rapidly under certain market conditions. In such conditions, the execution of a "Stop Loss" Order may not occur at the stipulated (pre-set) price of the client, resulting in larger than expected losses. Additionally, it may be difficult or impossible to execute any type of order, and a "Stop Loss" order cannot guarantee the limit of loss.

3.2 It is important to understand that movements in the price of underlying markets can be volatile and unpredictable, which can have a direct impact on your profits and losses. Therefore, understanding the volatility of an underlying market can be helpful in evaluating whether any "Stop" orders should be placed.

3.3 Attention must be given to currencies that are infrequently traded, as it cannot be guaranteed that a price will be quoted continuously or that transactions can be executed at a quoted price due to the absence of a counterparty.

3.4 The prices of Securities are subject to influence by a wide range of factors and events, including shifts in supply and demand dynamics, changes to governmental policies and programs related to trade and agriculture, national and international political and economic developments, and market sentiment, among other relevant factors.

3.5 'Gapping' refers to a sudden shift in the price of an underlying market, resulting in a move from one level to another. Such shifts can occur when the underlying market is open or even closed due to various factors/events, such as the release of important news announcements or economic events. When these factors/events occur and the underlying market is closed, the price of the underlying market when it re-opens (and consequently the derived price) may differ from the closing price, with no opportunity to sell the instruments before the market opens.

3.6 Market conditions can change significantly in a very short period of time. As such, in case the Client wishes to sell an instrument or close a Contract, he may not be able to do so under the same terms as when he purchased or opened it. Under certain trading conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

3.7 It should be noted that transactions involving derivative Securities are not conducted on a recognized and regulated exchange but, rather, through the Company's Trading Platform. As a result, these transactions may subject the Client to greater risks than regulated exchange transactions. The terms and conditions, as well as the trading rules, may be established solely by the counterparty, which in this case is the Company. It is important to understand that you may only be able to close an open position for a given Security during the operating hours of the Company's Trading Platform, and any position must be closed with the same counterparty with whom it was originally entered into.

4. Margin Requirements

4.1 Clients are required to deposit a Margin with the Company in order to open a position on a CFD. The Margin requirement will depend on the underlying instrument of the derivative Securities, level of leverage chosen and the value of position to be established. The Company will not notify the Client for any *Margin Call* to sustain a loss-making position. The Company has the discretionary right to start closing positions when *Margin Level* decreases to around 50%, and automatically close all positions at market prices if Margin Level drops reaches or falls below 20%.

4.2 Investing in derivative Securities entails the use of "gearing" or "leverage". In considering whether to engage in this form of investment, you should be aware that the high degree of "gearing" or "leverage" is a particular feature of derivative Securities. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in your favor, you may achieve a good profit, but an equally small adverse market movement may quickly result in the loss of your entire deposit. You must not purchase derivative Securities unless you are willing to undertake the risks of losing all the money which you have invested.

4.3 Should the Equity in your trading account be insufficient to hold current positions open, you will be required to deposit additional funds at short notice or reduce exposure (i.e., *Margin Call*). Failure to do so within the time required may result in the liquidation of positions at a loss (i.e., *Stop-Out*). The Client is always responsible for any losses incurred as a result.

5. Specific Risk Warnings - Shares

5.1 Physical Shares admitted to trading on a regulated market are not considered high-risk financial instruments.

5.2 Shares, known as 'equities', represent a portion of a company's share capital. The extent of Client's ownership in a company depends on the number of Shares he owns in relation to the total number of Shares in issue.

5.3 All Shares offered are listed on exchanges which means that the prices are not set by our Company. We will only act on any instructions received from you to buy or sell on your behalf with our obligation being to take sufficient steps to ensure best execution results, as set out in our *Order Execution Policy*.

5.4 The Company may execute Client's order outside of a regulated market (i.e., exchange) as long as this is deemed to be in line with our Order Execution Policy. As part of our service, we will arrange for the custody of the instruments. All investments purchased for the Client or transferred to us by the Client into his Share trading account will be purchased in the name of and/or held by a nominee company selected by us, for the benefit of the Client. As investments will be held in the name of a nominee company, the Client may not have voting rights which he would have had if he held the investment in his own name.

5.5 The value of investments purchased through Client's Share trading account may go down as well as up, in line with market conditions, and the Client may end up with less than he/she originally invested. Some shares, such as unlisted shares, shares in smaller companies and penny shares may present a higher risk than others and may prove difficult to liquidate at short notice. If the Client is in a position where he wishes to sell these types of shares at short notice after buying them, he may find that the sell price is far lower than the price at which he bought them. Also, Shares in companies incorporated in emerging markets may be harder to buy and sell than Shares in companies in more developed markets and former companies may also not be adequately regulated.

5.6 Instructions to deal from the Client to us form a commitment which may only be subsequently revoked by the Client with our prior consent (such consent will not be unreasonably withheld) at any time before the instruction to deal is executed. All instruments offered through our Share trading account are listed on an exchange, which means that the prices are not set by us. We will act on any instruction that the Client provide us to buy or sell an instrument on his behalf in accordance with our obligation to provide best execution results as set out in our Order Execution Policy, to act reasonably and in accordance with the Terms and Conditions of Business/Client Agreement which governs our business relationship.

5.7 On many exchanges, the performance of a transaction by us (or third-party with whom we are dealing on your behalf) is guaranteed' by the exchange or clearing house and we may have the benefit of certain legal protections from our clearing member. However, it is unlikely that in most circumstances this guarantee or legal protections will cover you (i.e., the Client) and may not protect you if we or, another party were to default on obligations owed to you.

6. Other Additional Obligations

6.1 Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable and which may be found on the Company's website. If any charges are not expressed in money terms (but for example as a dealing spread), you should obtain a clear written explanation from the Company, including appropriate examples, to establish what such charges are likely to mean in specific money terms. You acknowledge and understand that commissions and other charges may change at any time and that it is your sole responsibility to remain up to date by visiting the Company's website.

6.2 Before you begin to trade, you should also obtain details regarding the financial instrument you wish to trade in, such as the margin requirements, position and/or volume limits, swaps, etc. This information is available on the Company's website. You acknowledge and understand that the said information may change at any time and that it is your sole responsibility to remain up to date by visiting the Company's website.

6.3 The value of open positions in the derivative Securities provided by the Company is subject to financing fees (or "swaps"). The swaps are deducted (i.e., charged) from or added (i.e., credited) in the Client's account regarding derivative Securities which are held overnight throughout the life of the contract.

6.4 You are responsible for any taxes and/or any other duty or legal affairs (i.e., regulatory filings and payments) in order to ensure that you comply with applicable laws and regulations. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Company does not provide any regulatory, tax or legal advice and as such, you may wish to seek independent advice.

6.5 Although electronic communication is often a reliable way to communicate with Clients, no electronic communication is entirely reliable or always available. The Client should be aware that electronic communications may fail, may be delayed, may not be secure and/or may not reach the intended destination.

6.6 A Bank or Broker through whom the Company deals or the Company itself may act in the same market as the Client, as such its own account involvement may be contrary to Client's interests.

6.7 Trading online, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading.

6.8 The Company is be required to hold Client Money in an account that is segregated from the Company's money in accordance with the Act and Applicable Regulations, but this may not afford complete protection.

6.9 A change in laws or regulations made by the government or a regulatory body may increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape and as such alter the profit potential of an investment.

6.10 The insolvency or default of the Company, a Bank, Broker or any other relevant counterparty used by the Company to effect transactions may lead to your positions being closed out without your consent. The Company reserves the right to review and/or amend its Risk Disclosure notices, at its sole discretion, whenever it deems fit or appropriate. Our Risk Disclosure notices are not part of our Terms and Conditions of Business and are not intended to be contractually binding or impose or seek to impose any obligations on us which we would not otherwise have, but for the Act and Applicable Regulations.