Webull Securities (Malaysia) Sdn. Bhd.

(Company No. 202101039706 (1440006-T))

(Licensed by the Securities Commission of Malaysia)

GLOBAL FUTURES (INCLUDING CRYPTOCURRENCY FUTURES) RISK DISCLOSURE STATEMENT

Before deciding to trade in any of the global futures contracts, including cryptocurrency futures, it is important to understand the risks involved.

Trading in futures contracts especially given the inherent high volatility of cryptocurrencies, carries a significantly high level of risk and is not suitable for all investors. Before deciding to trade futures, you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. Be aware of all risks associated with futures trading and seek advice from an independent financial advisor if you have any doubts.

The following is a non-exhaustive list of the risks associated with trading global futures contracts, including cryptocurrency futures contracts:

1. Forced Liquidation: Trading futures on leverage can significantly amplify losses as well as gains. If market movements cause your account equity to fall below the maintenance margin requirement, you could face a margin call, requiring you to deposit additional funds. Failing to meet the margin call can lead to the forced liquidation of your positions, often at unfavourable prices. This may result in losses that exceed your initial investment.

2. Volatility Risk: The futures and cryptocurrency markets are highly volatile, with prices capable of fluctuating within a short time span. This may lead to substantial gains or losses. Cryptocurrencies especially are well known for its rapid and unpredictable price movements. Such high volatility can lead to the swift erosion of margin collateral, potentially triggering automatic liquidation of positions. The fast-moving nature of cryptocurrency markets may afford you very little time to respond to margin calls. Consequently, the opportunity to deposit additional funds or adjust positions may not be available, leading to auto liquidation.

3. Leverage Risk: Futures are often traded with leverage, meaning a relatively small market movement may have a proportionately larger impact on the funds you have deposited, which can work both for and against you.

4. Liquidity Risk: Certain asset classes and futures contracts, particularly but not limited to the cryptocurrencies and forward months contracts, may lack the liquidity needed to execute a trade at the desired price. This risk may be heightened during periods of market stress.

5. Operational Risk: Disruptions in trading platforms, failures in electronic equipment, and connectivity issues can adversely affect trading operations. The nascent technology underpinning cryptocurrency assets can also be vulnerable to unforeseen operational risks.

6. Regulatory Risk: Regulatory changes can affect the value and legality of trading global futures and cryptocurrency futures. New regulations or prohibitions could render certain positions illegal or less valuable.

7. Execution Risk: Orders may not be executed at anticipated prices due to market conditions like slippage or intense volatility, which may be more common in some asset classes but not limited to the cryptocurrency markets.

8. Overnight and Weekend Risk: Positions held overnight or over the weekend or holidays can be exposed to market gaps from unexpected news or events, which may be more significant in the cryptocurrency markets or any asset classes which carries strong correlation to the related events causing the heightened volatility.

9. Currency Risk: Adverse movements in currency exchange rates may erode or increase the profit or the loss of futures trades.

10. Legal Risk: The lack of a cohesive legal framework around cryptocurrencies could lead to adverse legal developments that affect their value or legal standing.

11. Technology Risk in Cryptocurrency Futures: The reliability and security of the underlying technology of cryptocurrencies, such as blockchain, are still being validated. Issues like hard forks or changes to the protocol could affect the value and the operability of your positions. There are also many new developments in the cryptocurrency markets which you should pay attention too, at all times.

12. Valuation Risk: The lack of consensus on valuation methods for cryptocurrencies may result in varying prices across trading platforms, creating arbitrage risks and challenges in accurately pricing positions.

13. Forking and Airdrop Risk: Unanticipated forks in blockchain, airdrops, or other changes in token characteristics can impact the value and functionality of cryptocurrency assets in unexpected ways.

14. Risk of Obsolescence: The rapid pace of technological change within the blockchain space can quickly render cryptocurrency assets or the related trading technology obsolete.

This extensive risk disclosure statement is provided to you for informational purposes only and does not purport to disclose all the risks and other aspects involved in trading any futures contracts, including cryptocurrency futures contracts. Please engage in such activities only if you have thoroughly understood and are prepared to assume the high risks involved.