



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 behaviors, 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

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		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.
Pump & Dump	To deceive other investors into misunderstanding the price movement of the asset and entice them into trading based on that misunderstanding.	<ul style="list-style-type: none"> - Placing bid orders in a progressive price pattern to match the best ask order, causing the market price to rise. This behavior is repeated until the price increases significantly over a short period, 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,

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		in order to accumulate digital assets before placing bid orders to push the price up again.
Layering & Spoofing	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.	<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 never intended to actually trade the asset. - 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 cancelled 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.

Improper Order	Objective	Explanation
Ramping	To control the price movement in a desired direction or keep it within a limited range.	<ul style="list-style-type: none">- Placing multiple bid or ask orders that affect the price in a direction favorable to the order placer (either upward or downward) over several time periods, with the intent to achieve execution at the market price desired by the actor. This results in controlling the price movement in the desired direction or keeping it within a limited range.



**Warning and Disciplinary Action for Improper Trading Leading to False Market
("Market Surveillance Penalty")**

1. Send a warning email notifying the customer of improper trading activity and emphasizing that such behavior must not be repeated.
2. Send a warning email informing the customer of improper trading activity, emphasizing that such behavior must not be repeated, and clearly specifying the penalties for any future violations. Penalties may include suspension of the account for buy/sell orders for a period not exceeding 7 days or, in severe cases, termination of the customer relationship (account closure).
3. Suspend the account, preventing the customer from submitting buy/sell orders for a period not exceeding 7 days. Send an email notifying the customer of the penalty, emphasizing that such trading behavior must not be repeated, and clearly specifying potential penalties for subsequent violations. These may include suspension for a period greater than 7 days but not exceeding 30 days, or termination of the customer relationship (account closure).
4. Suspend the account, preventing the customer from submitting buy/sell orders for a period greater than 7 days but not exceeding 30 days. Send an email notifying the customer of the penalty, emphasizing that such trading behavior must not be repeated, and clearly specifying that any further violations will result in the termination of the customer relationship (account closure).
5. Proceed with terminating the customer relationship (account closure) and send an email notifying the customer of this action.

The company reserves the right to deny orders or impose penalties based on the severity of violations and their impact on market integrity.

Kind regards,

ERX Company Limited