

# Contents

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# Terms and Conditions

## THIS CLIENT AGREEMENT IS MADE BETWEEN:

1. Wing Fung Bullion Investment Limited, whose registered office is situated at 20/F., Wing On House, No. 71 Des Voeux Road Central, Hong Kong (“Wing Fung”); and
2. The person(s) whose details are set out in the Client Agreement (“Client”).

## WHEREAS:

- (a) The Client has requested and authorized Wing Fung to open and maintain the Margin Trading Account for the purpose of entering into Spot Contracts and effecting Spot Transactions and Wing Fung has agreed to open and maintain the Margin Trading Account for such purpose.
- (b) The parties have agreed that the above services will be provided on the terms set out in this Terms and Conditions.

## NOW IT IS HEREBY AGREED as follows:

### 1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Terms and Conditions, except where the context otherwise requires:

**“Client Agreement”** means the Client Agreement to be completed and signed by the Client for the purpose of opening the Margin Trading Account; including this Terms and Conditions;

**“Terms and Conditions”** means this Terms and Conditions and all the Sections in the Account Application Form which forms this Client Agreement;

**“Authorised Representative”** means such person(s) whose name(s) and address(es) is / are set out in the Account Application Form as the Client may authorize to operate the Margin Trading Account on the Client behalf;

**“Business Day”** means a day on which Wing Fung will be opened for Spot Transactions as Wing Fung may determine;

**“Business Hours”** means the period on a Business Day during which Wing Fung will be opened for Spot Transactions as Wing Fung may determine;

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|------------------------------------|--|
| <b>“Wing Fung Financial Group”</b> | means any of Wing Fung Bullion Investment Limited, its holding company and its subsidiaries;   |
| <b>“Client”</b>                    | means the person(s) whose name(s), address(es) and description(s) is / are set out in the Client Agreement. This term wherever used shall (i) if the Client is / are (an) individual(s) include the Client and his / their respective executors and administrators; (ii) if the Client is a sole proprietorship / firm includes the sole proprietor and his executors and administrators and his or their successors in the business; (iii) if the Client is a partnership firm includes the partners who are the partners of the firm at the time when the Margin Trading Account is being maintained and their respective executors and administrators and any other person(s) who shall after that be or have been partner of and in the firm and his or their respective executors and administrators and the successors to such partnership business; (iv) if the Client is a company includes such company and its successors and assigns; |
| <b>“Closing Out”</b>               | means in relation to any or portion of any contract, the entering into of another contract of the same specification and for the same amount but of an opposite position in order to cancel the former contract and / or to crystallize the profit or loss on the former contract and the term “Close Out” shall be construed accordingly;   |
| <b>“Confirmation”</b>              | means the confirmation in writing for the purpose of Clause 4.10 containing such particulars as Wing Fung may determine;   |
| <b>“Hong Kong”</b>                 | means the Hong Kong Special Administrative Region of the People’s Republic of China;   |
| <b>“Initial Margin”</b>            | means the deposit initially demanded by Wing Fung from the Client prior to the entering of a Spot Contract as deposit for the performance by the Client of the same;   |
| <b>“Additional Margin”</b>         | means such further deposit in addition to the Initial Margin as Wing Fung shall demand from the Client as deposit for the performance of a Spot Contract;  |
| <b>“Margin”</b>                    | means the Initial Margin together with the Additional Margin for Spot Contract or any of them made or to be  |

made to Wing Fung by the Client;

**“Margin Trading Account”**

means such non-discretionary account(s) as Wing Fung shall at the request of the Client and at Wing Fung’s discretion allow the Client to open with Wing Fung and designated by the name(s) of the Client and number(s) for the purpose of Spot Transactions;

**"Regulators"**

means any other relevant regulatory bodies who may have jurisdiction over the Spot Transactions in Hong Kong or in any markets;

**“Spot Gold”**

means spot gold and other precious metals including but not limited to gold, silver, platinum and palladium traded in London, Hong Kong or elsewhere;

**“Spot Contract(s)”**

means contract(s) entered into between Wing Fung and the Client in relation to Spot Transaction(s) ;

**“Spot Transaction(s)”**

means transaction(s) involving the sale or purchase of Spot Gold ;

**“Value Date”**

means the date on which the Spot Gold agreed to be purchased or sold pursuant to a Spot Contract is to be delivered or deferred.

1.2. In this Terms and Conditions:

- (a) references to Clauses and sub-clauses are to clauses and sub-clauses of this Terms and Conditions and references to Sections are to sections of the Client Agreement;
- (b) headings and sub-headings are inserted for convenience only and shall not affect the interpretation or construction of this Terms and Conditions;
- (c) references to statutory provisions include references to such provisions are amended, extended or re-enacted from time to time;
- (d) references to persons include references to corporations, whether incorporated or unincorporated; and
- (e) words importing any gender shall include every gender and words importing the singular shall include the plural and vice versa.

**2. COMMISSION FEES AND EXPENSES**

2.1. **Commission Fee** - The Client agrees to pay to Wing Fung a commission fee which shall be notified to the Client from time to time (or such other amount as agreed between Wing Fung and the Client ) on single turn basis.

2.2. **Expenses** - The Client also agrees to reimburse Wing Fung for all out-of-pocket expenses charged by

Wing Fung in effecting Spot Transactions on the Client's behalf.

- 2.3. **Interest** - The Client shall not be entitled to any interest from Wing Fung on any money paid to Wing Fung whether as deposit, margin or security or for any purpose whatsoever. The Client shall pay interest on debit balance in the Margin Trading Account and on sums outstanding at such rate of 5% per annum above the HSBC's Hong Kong Dollar Best Lending Rate for the time being in force calculated on a daily simple basis from the date of such advance up to and including the date of repayment in full.

### 3. MARGIN REQUIREMENTS

- 3.1. **Initial margin** - The Client shall pay to Wing Fung an Initial Margin in such amount and in such manner as Wing Fung may determine in its absolute discretion.
- 3.2. **Additional Margin** - Wing Fung shall be entitled at any time to demand the Client to pay Additional Margin for any outstanding Spot Contract. Wing Fung may determine the amount and the manner of payment at its absolute discretion. The Client shall immediately on demand pay to Wing Fung such Additional Margin. Such demand shall be treated as conclusively and validly made with immediate effect even if the Client cannot be contacted personally or message has been left for the Client by telephone or in writing. Even if Wing Fung has made any demand for Additional Margin, Wing Fung may still exercise its rights under Clause 6.2.
- 3.3. **Change in Margin Requirement** - Wing Fung may change Margin requirements at any time at its absolute discretion. No previous Margin shall establish any precedent. These requirements once established may apply to existing positions as well as new positions in the Spot Contracts affected by such change.
- 3.4. All Margin shall be paid to Wing Fung immediately upon demand as deposit for the performance of all outstanding Spot Contracts of the Client.
- 3.5. The Client undertakes to fulfill any Margin requirement and to settle any debit balance in the Margin Trading Account with or without demand from Wing Fung.
- 3.6. **Interest On Sum Due** - The Client agrees to pay interest on all sums due from the Client to Wing Fung (both before and after any judgment) including, but not limited to, margin deficiency and Wing Fung's costs and expenses of collection (including legal costs). Such interest shall be at such rate of 5% per annum above the HSBC's Hong Kong Dollar Best Lending Rate and shall be payable on the last Business Day of each calendar month or upon demand by Wing Fung. Such interest will accrue from the date when the overdue amount becomes due until the date when such amount has been fully paid.

### 4. ORDERS AND INSTRUCTIONS

- 4.1. **Giving o Orders** - Save where the Client has completed the Third Party Authorization set out in the Account Application Form, the Client declares that the Client shall operate the Margin Trading Account by giving orders himself. Where the Client has completed such Third Party Authorization,

the Client declares that he has appointed the Authorized Representative(s) named therein to give orders on his behalf in relation to the Margin Trading Account.

- 4.2. **Binding On Client** - Any order for sale or purchase of Spot Gold and any instruction relating to any Spot Transaction may be given by the Client or its Authorized Representative in the manner set out in this Clause. Such order (once accepted by Wing Fung) and such instruction (once acted on by Wing Fung) shall not be rescinded or withdrawn and shall be absolutely and conclusively binding on the Client.
- 4.3. **Valid Upon Actual Receipt** - All orders and instructions given whether by telephone, fax or any other written form will only be valid and effective if actually received by Wing Fung within the Business Hours on a Business Day.
- 4.4. **Account Number** - When giving orders or instructions, the Client or the Authorized Representative (as the case may be) shall give the number of the Margin Trading Account.
- 4.5. **No duty to Verify** - Wing Fung may but shall not be obliged to verify or enquire as to the identity of the person giving such order or instruction. Wing Fung shall be entitled to act on the same and rely on Wing Fung's belief that such order or instruction emanates from the Clients or the Authorized Representative (as the case may be) and the Client shall be bound by such order or instruction conclusively and absolutely.
- 4.6. **Times of Conclusion of Spot Contracts** - For any Spot Contract entered into by telephone, the Spot Contract shall be treated as concluded at the time of the relevant telephone conversation. For any Spot Contract entered into by fax or any other written form, the Spot Contract shall be treated as concluded at the time when the message sent by fax or any other written form is actually received and accepted by Wing Fung. For any Spot Contract entered into by the Clients or the Authorized Representative (as the case may be) giving his order or instruction in person at the offices of Wing Fung, the Spot Contract shall be treated as concluded at the time when the Client or the Authorized Representative (as the case may be) signs a written confirmation in respect of such order or instruction.
- 4.7. (a) **Right To Decline** - Notwithstanding any other provisions in this Terms and Conditions, the Client agrees that Wing Fung has the right at any time and without giving reason not to enter into any Spot Transaction with the Client or not to accept any order for sale or purchase of Spot Gold from the Client.
- (b) **Reason For Not Closing Out** - If Wing Fung shall exercise such right in not Closing Out the Client position in accordance with the Client instructions, the Client may request for a reason from Wing Fung. Such reason should be given at the time of exercise of such right or, if it is not practicable in the circumstances to do so, after the exercise of such right. Such reason may be given either orally or in writing.
- (c) **Not Liable For Loss** - Wing Fung shall not be liable in any way for any loss, loss of profit,

damage, liability, cost or expenses suffered or incurred by the Client arising out of or in connection with Wing Fung exercising its rights under this Clause or omitting so to notify the Client.

- 4.8. **Recording** - The telephone conversations between Wing Fung and the Client or the Authorized Representative (as the case may be) made in the course of business may be recorded on a centralized tape recording system operated by Wing Fung. The Client confirms that such recording as against the Client shall be conclusive evidence of any instructions given or communications made by the Client or Authorized Representative (as the case may be).
- 4.9. **Rates Quoted Not Binding** - The Client acknowledges that rates for Spot Gold may fluctuate within a very short period of time. The Client agrees that any rates quoted by Wing Fung whether verbally or otherwise shall not be binding on Wing Fung. The Client further agrees to accept that such price as Wing Fung may offer to him from time to time is the best price then available.
- 4.10. (a) **Confirmation of Spot Contracts** - A confirmation in writing for the relevant Spot Contracts concluded (“Confirmation”) will be sent by Wing Fung to the Client on the next Business Day after the conclusion of the relevant Spot Contracts. The Client agrees that it is his responsibility to ensure that every Confirmation is received in due time according to the ordinary course of posting. If the Client does not receive such Confirmation by the close of business on the second Business Day after the conclusion of the relevant Spot Contracts, the Client shall notify Wing Fung by telephone immediately, followed by a written notice within two Business Days. If the Client fails to do so, the Client shall be treated as having received such Confirmation by the close of business on the second Business Day after the conclusion of the Spot Contracts.
- (b) For the purpose of sub-clause (a), “Business Day” shall mean a day which is not a public holiday in Hong Kong and on which Wing Fung is open for Spot Transactions.
- 4.11. **Confirmation Conclusive** - A Confirmation issued by Wing Fung to the Client shall be conclusive evidence thereof as against the Client save for manifest errors.
- 4.12. **Misunderstanding / Error in Communication** - The Client agrees that there may be risks of misunderstanding or errors in communication and that such risks shall be borne by the Client.
- 4.13. **Failure of Communication** - Wing Fung shall not be responsible for any delay in the transmission of orders or the transmission of reports of executed order to the Client due to any failure of communication facilities, or any other factor beyond the reasonable control of Wing Fung.

## 5. PERFORMANCE OF SPOT CONTRACTS

5.1. It is expressly understood that:

- (a) **Acting As Principal** - Unless otherwise disclosed herein or to the Client in writing, Wing Fung is acting as principal in any Spot Transaction made by the Client with Wing Fung. Wing Fung is entitled by itself or its agents or staff to take opposite positions to match the

open position(s) of the Client.

- (b) Any order from the Client may be executed directly at the relevant market or with any person or market or indirectly through any broker, agent or company without the need of notifying the Client.
- (c) No Advice Provided - Wing Fung shall have no obligation to provide the Client with financial or other advice with respect to any position of the Client.
- (d) No Obligation to Close Out - Except as directed by the Client and except as provided by legislations, Wing Fung shall have no obligation (but shall have the right pursuant to Clause 6.2) to Close Out any position in the Margin Trading Account and any account(s) which the Client may maintain with any Wing Fung Financial Group.

5.2. **Client Liable For All Expenses and Losses** - The Client agrees that the Client shall be liable for taxes, levies and all losses (whether or not the Margin Trading Account is closed) in respect of all the Client Spot Transactions and those expenses and fees arising there from and shall be for all debit balance and deficiencies in the Margin Trading Account including all debit balance and deficiencies resulting from a closure of the Margin Trading Account.

5.3. The Client agrees that:

- (a) any profit or loss arising out of a fluctuation affecting the Spot Gold in any Spot Transaction will be entirely for the account and risk of the Client;
- (b) subject to the provisions of the applicable legislations, all Initial Margin and Additional Margin shall be made in such currency and in such amounts as Wing Fung may require, at its sole discretion; and
- (c) when any Spot Contract is Closed Out, Wing Fung shall either debit or credit (as the case may be) the Margin Trading Account in the currency in which such Margin Trading Account is denominated at an exchange rate (where the relevant Spot Contract is denominated in currency other than that of the Margin Trading Account) determined by Wing Fung at its discretion on the basis of the then prevailing money market rates of exchange between such currencies.

5.4. **Profit Or Loss From Spot Transactions** -

- (a) If there is a profit for the account of the Client resulting from Spot Transactions carried out by Wing Fung with the Client, Wing Fung shall credit such profit to the Margin Trading Account.
- (b) If there is a loss for the account of the Client resulting from Spot Transactions carried out by Wing Fung with the Client, Wing Fung shall debit such loss from the Margin Trading Account. Wing Fung shall be entitled to set off such loss in the manner set out in Clause 9.
- (c) Such profit or loss shall be determined by Wing Fung with reference to the criteria set out in Clause 14.6 and shall be conclusive.

5.5. **Closing Out** - The Client may Close Out any outstanding position (even if the Value Date of the Spot Contract has expired) at any time. The net balance representing the profit or loss derived from such Closing Out shall be credited to or debited from the Margin Trading Account on the day of such Closing Out.



- 5.6. **No Assignment** - The Client undertakes not to pledge charge or mortgage any Spot Contract or assign the benefits thereof to any other party without the prior written consent of Wing Fung.
- 5.7. **Delivery and Custody** - All orders for actual delivery are to be received and executed by the Client expressly giving instructions to Wing Fung in writing or any other way designated by Wing Fung and to be confirmed by Wing Fung in the same manner at the time such orders are placed. All handling charges shall be borne by the Client. For a supply shortage in the market, Wing Fung has the right to defer the delivery. Wing Fung shall not be under any obligation to make any payment or delivery to the Client pursuant to any contract until Wing Fung shall have been satisfied that the Client has made full settlement of the contract to which the payment or delivery relates. Until full payment, the property in spot Bullion shall remain vested in Wing Fung notwithstanding delivery of the same to the Client.

## 6. **EVENT OF DEFAULT**

- 6.1. **Event of Default** - The following shall constitute an event of default:
- (a) the Client has failed to pay any sum due to Wing Fung under this Terms and Conditions and / or any Spot Contract when due; or
  - (b) the Client has breached any terms and conditions of this Terms and Conditions and / or any Spot Contract; or
  - (c) the Client has failed to pay any Initial Margin or Additional Margin within the specified time; or
  - (d) Wing Fung has received notice of dispute as to the validity of any order or instruction from the Client and / or any Spot Contract; or
  - (e) the continued performance of any Spot Contract, any Spot Transactions or this Terms and Conditions may become illegal or has been declared by any government authority to be illegal; or
  - (f) knowledge by Wing Fung of the death, judicial declaration of incompetence or mental incapacity of the Client; or
  - (g) the Client (or in the case of joint account holders, any of them) shall become insolvent; or shall generally suspend payment of debts when due; or a bankruptcy petition or a petition for winding-up (whether voluntarily or compulsorily) or for the appointment of a receiver is being presented against the Client; or the Client shall suffer any distraint or levy of execution of any kind; or a receiver is being appointed over the Client or a substantial part of the property of the Client; or
  - (h) if at any time the prevailing rate of exchange applicable to the currency concerned under any Spot Contract shall have moved adversely to the position of the Client and Wing Fung determines, at its absolute discretion, that the Initial Margin and / or the Additional Margin which the Client has deposited with Wing Fung is inadequate; or
  - (i) a situation shall have arisen or continued which Wing Fung, at its absolute discretion, determines may jeopardize the position of Wing Fung in relation of any Spot Contract and require Wing Fung to take such action as may be necessary for the protection of Wing Fung.
- 6.2. **Rights of Wing Fung** - Upon the occurrence of an event of default and subject to the provisions of

any applicable legislation, Wing Fung shall be entitled (but not under a duty) to:

- (a) satisfy the Client's obligations to any of the Wing Fung Financial Group (whether direct or indirect, actual or contingent) out of any property belonging to the Client in the custody or control of Wing Fung.
- (b) Close Out all or any positions in the Margin Trading Account (even if the Value Dates of the Spot Contracts have already expired);
- (c) set off any obligation of Wing Fung to the Client against any obligation of the Client to Wing Fung; and
- (d) cancel any outstanding orders in order to suspend or close the Margin Trading Account.

6.3. **No Prior Notice or Consent** - The rights in Clause 6.2 may be exercised by Wing Fung without prior notice to or consent from the Client. The exercise of such rights by Wing Fung is without prejudice to the other rights and remedies of Wing Fung and without releasing the Client from any liability.

6.4. **Closing Out** - When Wing Fung exercises any of its rights under Clause 6.2 to Close Out all or any positions in the Margin Trading Account:

- (a) Such Closing Out may be made in such manner as Wing Fung shall determine at its absolute discretion.
- (b) The Client agrees that in respect of such Closing Out, Wing Fung shall have no liability for any loss thereby incurred and the Client will not make any claim against Wing Fung concerning the manner or the timing of such Closing Out.
- (c) The Client understands that in all cases, a prior demand or call or prior notice of the Closing Out shall not be considered as a waiver of the rights of Wing Fung to exercise such Closing Out without demand or notice as provided in this Terms and Conditions.
- (d) The Closing Out shall be effected for such amount of Spot Gold as may be sufficient to Close Out the outstanding positions. For such purpose, the Client irrevocably appoints Wing Fung as its agent and attorney.
- (e) The prices at which Closing Out are made shall be such prices as Wing Fung shall determine at its absolute discretion with reference to the criteria set out in Clause 14.6.
- (f) Subject to the provisions of the applicable legislations, Wing Fung may in its absolute discretion Close Out Spot Contracts either on a single or a collective basis.

## 7. PAYMENTS

7.1. **Right to Debit Account** - Subject to the provisions of any applicable legislation, the Client hereby grants to Wing Fung the absolute right to debit:

- (a) the Margin Trading Account;
- (b) any account(s) maintained by the Client with any of the Wing Fung Financial Group; or
- (c) any account(s) maintained with any of the Wing Fung Financial Group in which the Client has beneficial interests for any or all sums due from the Client to Wing Fung under this Terms and Conditions and / or any Spot Transactions and / or Spot Contracts without notice to the Client.

7.2. If the Client gives Instructions to Wing Fung to enter into any Contract requiring a conversion from

one currency to another, then:

- (a) the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Client;
- (b) all initial and subsequent deposits for margin shall be made in such currency and in such amounts as Wing Fung may require in its discretion; and
- (c) when such Contract is closed out, Wing Fung shall debit or credit the margin trading account in such currency (as Wing Fung may determine in its discretion) at such exchange rate as determined by Wing Fung in its discretion.

- 7.3. The Client authorizes Wing Fung may at any time at such exchange rate and for such amount as Wing Fung deems fit convert monies into and from any currency at such rate of exchange. If necessary, Wing Fung may convert any currency at the prevailing rate of exchange as Wing Fung may determine with reference to the criteria set out in Clause 14.6. Such conversion may be made for the purpose of any Transaction or for the calculation of any debit balance due from the Client or credit balance owed to the Client.
- 7.4. The Client authorizes Wing Fung to debit the margin trading account for any expenses incurred in effecting any currency conversion.
- 7.5. Wing Fung reserves the right at any time to refuse to accept any Instructions from the Client in relation to any currency conversion.
- 7.6. Wing Fung may exercise its rights under this Clause even if such debit may result in Wing Fung demanding Additional Margin or the relevant Wing Fung Financial Group demanding additional margin from the Client.

## **8. GENERAL AUTHORIZATION FOR WITHDRAWAL OF FUNDS**

- 8.1. **Authority to Withdraw Funds** - Without prejudice to other provisions of this Terms and Conditions, the Client authorizes Wing Fung that if there is a credit balance accrued to the Client in the Margin Trading Account and such balance is in excess of the Margin requirements, Wing Fung may at its absolute discretion, without prior notice to the Client and without obtaining Client's prior confirmation and / or direction, transfer from the Margin Trading Account the whole or part of such excess amount into any of the Client's account(s) maintained with any of the Wing Fung Financial Group for the purpose of satisfying any amount(s) due under such account(s) or for the purpose of reimbursing the whole or part of the credit interest by any of the Wing Fung Financial Group at the absolute discretion of Wing Fung should there be any interest derived from the retention of such amount.
- 8.2. **Indemnity** - The Client agrees to indemnify and keep Wing Fung fully indemnified against all losses, damages, costs, expenses and liabilities whatsoever which Wing Fung may incur or suffer as a result of any actions taken pursuant to Clause 8.1
- 8.3. **General Direction** - The Client's authorization given in Clause 8.1 shall be treated as part of the general authorization given by the Client. The Client agrees that it is not necessary for Wing Fung

to seek the Client's separate direction every time such a withdrawal of funds is made. However, Wing Fung is required to notify the Client in writing after such withdrawal of funds has been made.

- 8.4. **Termination of Authorization** - The Client's authorization given under Clause 8.1 may be terminated by the Client at any time by written notice to Wing Fung. However, such termination shall only take effect upon actual receipt of the aforesaid written notice by Wing Fung. Such termination shall not affect any transactions effected by Wing Fung pursuant to the authorization given under Clause 8.1 before actual receipt of the aforesaid written notice.

## 9. SET-OFF AND LIEN

- 9.1. In addition and without prejudice to any general lien or similar right which Wing Fung may be entitled by law and subject to the provisions of the applicable legislations:

- (a) Set off - The Client hereby authorizes Wing Fung at any time and without prior notice to the Client to:
- (i) apply any credit balance (whether or not then due) in any account(s) maintained by the Client with any of the Wing Fung Financial Group in or towards the satisfaction of ; and / or
  - (ii) set off any liability of Wing Fung to the Client including (but not limited to) liability of Wing Fung (whether actual or contingent) under any outstanding Spot Contract against.

all or any liabilities of the Client to Wing Fung under this Terms and Conditions or any Spot Contract (whether actual or contingent). For such purpose, Wing Fung may convert all or any part of such credit balance or liability into such other currencies at the prevailing rate of exchange determined by Wing Fung (with reference to the criteria set out in Clause 14.6) as may be necessary to effect such satisfaction or set off.

- (b) **Lien And Power Of Sale** - All the Client's interest in any funds, securities, commodities, or other properties held by any of the Wing Fung Financial Group in any account for the Client (either individually or jointly with others) or which may be in the possession of any of the Wing Fung Financial Group in Hong Kong or elsewhere for any purpose shall be subject to a general lien in favour of Wing Fung. Wing Fung is entitled to sell such properties and utilize the proceeds to discharge all or part of the obligations of the Client to Wing Fung. For the purpose of such sale, Wing Fung is authorized to do all things necessary for effecting such sale without being liable to the Client for any loss. The Client shall have no claim against Wing Fung concerning the manner or the timing of such sale.

## 10. CLIENT'S DECLARATION AND INDEMNITY

- 10.1. **Risk** - The Client declares and acknowledges that:

The Client is fully aware of the high risks in Spot Transactions and that all Spot Contracts will be entered into by the Client based on the Client's own independent judgment and at the risk of the Client.

- (a) The Client understands the high degree of leverage that is often associated with Spot Transactions because of the small margin requirements and such high leverage can work against as well as for the Client. Such high leverage can lead to large losses as well as gains.

- (b) The Client is fully aware that under certain market conditions, the Client may find it difficult or impossible to Close Out a position and therefore the losses of the Client may not be limited to the Margin which the Client has deposited with Wing Fung.

- 10.2. **Not Liable for Failure To Perform** - Wing Fung shall not be liable to the Client for any delay or failure to perform any obligation on the part of Wing Fung under this Terms and Conditions or any Spot Contract due to market conditions, any laws or regulations imposed by any government or regulatory bodies or any other causes including but not limited to the closing down of Wing Fung's offices, or systems or other circumstances beyond the control of Wing Fung.
- 10.3. **Indemnity** - The Client shall indemnify and keep Wing Fung fully indemnified against all losses, damages, costs, expenses, and liabilities whatsoever which Wing Fung may incur or suffer as a result of:
  - (a) any Closing Out and the exercise by Wing Fung of any right as a result of such Closing Out;
  - (b) Wing Fung's entering into and / or the performance of any Spot Contract; and
  - (c) any instruction or order of the Client, any services rendered to the Client, or any actions taken pursuant to the instructions or directions of the Client.
- 10.4. **The Responsibility of the Third Party Authorisation** - The Client acknowledge that the appointment of the Authorisation Representative has been made by his own free will and as a result of own judgment and deliberation. Wing Fung shall be under no liability whatsoever in respect of any loss or damage which the Client may suffer or incur.

## 11. JOINT ACCOUNTS

- 11.1. **Joint and Several Liabilities** - If the Client shall be more than one person, each such person comprising the Client shall be referred to in this Clause as a "Member". The liability of each Member shall be joint and several. Wing Fung may compromise or discharge the liability of any Member without prejudice to its rights against any other Member.
- 11.2. **Extension of Liens** - The liens created under this Terms and Conditions shall extend to all properties held by any Wing Fung Financial Group in the name of or on behalf of each Member whether individually or jointly with each other or with any third parties. Each Member confirms that if any other Member shall be indebted to any Wing Fung Group on any account, his properties shall be subject to a lien in respect of such indebtedness.
- 11.3. **Notice & Payment, etc.** - Any notice, payment or delivery by Wing Fung to any one Member shall be a full and sufficient discharge of Wing Fung's obligations to notify, pay or deliver under this Terms and Conditions.

## 12. CLIENT INFORMATION AND DISCLOSURE

- 12.1. **Client Information** - The Client confirms that information contained in the Client Agreement or otherwise supplied by or on behalf of the Client to Wing Fung is complete, true and accurate. The Client further confirms that Wing Fung is entitled to rely on such information until it shall receive written notice from the Client of any changes to such information. The Client undertakes to notify

Wing Fung in writing immediately if there is any change to such information.

- 12.2. **True Owner of Account** - The Client warrants that the Client is the true owner and ultimate beneficiary of the Margin Trading Account and is trading on his own behalf and that the Client is not holding the Margin Trading Account on behalf of or for the benefit of any person. Where the Client is not the true owner and ultimate beneficiary of the Margin Trading Account and is trading on behalf of another person, the Client declares and agrees to immediately notify Wing Fung in writing of the identity of all person ultimately beneficially interested in the Margin Trading Account and any changes thereto and that this information may be disclosed in accordance with the provisions of this Terms and Conditions.
- 12.3. **Credit Enquiries** - The Client authorizes Wing Fung to conduct credit enquiries on the Client to verify the information provided and to ascertain the financial position of the Client.
- 12.4. **Disclosure of Information** - The Client agrees that Wing Fung may disclose to any Wing Fung Financial Group and (if so requested) to the Regulators or any other regulatory or governmental authorities (whether in Hong Kong or elsewhere) all matters relating to the Margin Trading Account including (but not limited to):
- (a) details of the Margin Trading Account;
  - (b) dealings in relation to the Margin Trading Account; and
  - (c) name of the ultimate beneficiary of the Margin Trading Account.
- The Client confirms that Wing Fung shall not be liable to the Client for providing such information.

### 13. NOTICE

- 13.1. Reports, confirmations, notices and any other communications required to be given or made under this Terms and Conditions may be transmitted to the Client at the address or telephone or fax number or at such other address or telephone or fax number as the Client shall notify Wing Fung in writing. All communications so transmitted, whether by personal delivery, mail, telephone, fax or otherwise shall be treated as having been transmitted when left at the address of the Client, when deposited in the mail, when telephoned, or when faxed, whether actually received by the Client or not.

### 14. MISCELLANEOUS

- 14.1. **Wing Fung May Take Opposite Position** - The Client agrees that Wing Fung may take the opposite position to the Client's order. The Client further agrees that Wing Fung shall not be liable to account to the Client for any profits or other benefits whatsoever arising out of such Spot Transactions.
- 14.2. **Employees Etc. May Trade On Own Account** - Employees and representative of Wing Fung may trade on its / their own account pursuant to the policy in writing communicated by Wing Fung to such employees and representatives in accordance with the applicable laws.
- 14.3. **Curtailment By Regulators** - The Client acknowledges that he may be affected by any curtailment of, or restriction on, the capacity of Wing Fung to deal in respect of open positions of Spot Contracts as a result of action taken by the Regulators or for any other reason, and in such circumstances, the

Client may be required to reduce or Close Out his open positions with Wing Fung.

- 14.4. It is expressly agreed by the Client that the Authorised Representative is the Agent of the Client despite the fact that such Authorised Representative may be in the employ of Wing Fung. Any representation or warranty made or to be made by the Authorised Representative to the Client shall not constitute any representation or warranty of the Wing Fung. Further, it is expressly agreed that Wing Fung shall not be responsible for any act deed or omission committed by such Authorized Representative.
- 14.5. **Benefits From Margin** - Wing Fung shall be entitled to all interest, dividends and other benefits derived from the Client's Margin collateral.
- (a) **Choice of Prices** -  
Wing Fung shall make reference to the bid and offer prices from time to time disseminated to the public, or to subscribers, by any reputable financial information service provider in choosing the prices for the purposes of marking to market the Client's open positions or Closing Out.
- (b) **Choice of Interest Rate** -  
Wing Fung shall determine the interest rates for calculation the Client's interest income and expenses by reference the prevailing interest rates quoted by major participants or bankers in the market of Spot Gold trading.
- (c) **Choice of Exchange Rates** -  
Wing Fung shall determine the exchange rates for conversion of currency by reference to the prevailing exchange rates quoted by major participants or bankers in the market of Spot Gold trading.
- 14.6. **Wing Fung As Client's Attorney** - the Client hereby irrevocably and by way of security for performance of its obligations under this Terms and Conditions appoints Wing Fung and its officers as its agent and attorney and in its name and on its behalf and as its act and deed to do and execute all such deeds, assurances, agreements, instruments, notices, acts and things which may be lawfully required in order to give full effect to this Terms and Conditions. The Client ratifies and confirms and agrees to ratify and confirm any instruments, act or thing which such attorney may execute or do. The Client will on request by Wing Fung execute such other documents as Wing Fung may require to vest all or any of the assets in the name of whom Wing Fung is accountable or in the name of Wing Fung nominees or a purchaser or transferee or for the purpose of perfecting or preserving its rights and interests under Clause 9.
- 14.7. **Client's Representations and Warranties** - The Client hereby warrants and represents to Wing Fung that this Terms and Conditions and the performance thereof do not and will not:
- (a) contravene any existing applicable law, ordinance, rule or regulation or any judgment, decree or permit to which the Client is subject; or
- (b) conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which the Client is a party or is subject to by which any of

- the Client's property is bound; or
- (c) contravene or conflict with any provision of the Client's memorandum and articles of association or other constitutional documents, as applicable.

- 14.8. **No Reliance** - The Client represents and undertakes that it will enter into all Spot Contracts solely in reliance upon its own judgment and investigations and not upon advice or recommendations by any director, employee or agent of Wing Fung notwithstanding any information, suggestion or documents may have been provided to the Client by Wing Fung or any Wing Fung Financial Group.
- 14.9. **Time of Essence** - Time shall be of the essence in relation to all matters arising under this Terms and Conditions and any Spot Contracts.
- 14.10. **Remedies are Cumulative** - The rights, powers, remedies and privileges under this Terms and Conditions and cumulative. They are in addition to all rights, power, remedies and privileges provided by law.
- 14.11. **Severability** - Each provision in this Terms and Conditions is severable and distinct from the other provisions. If at any time one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.
- 14.12. **Assignment** - None of the rights or obligations of the Client under this Terms and Conditions and / or any Spot Contracts shall be assignable in any manner without the prior written consent of Wing Fung. However, Wing Fung may assign or transfer all or any part of its rights and / or obligations under this Terms and Conditions and / or any Spot Contracts subject to the Client being given prior written notice of the same.
- 14.13. **Amendment** - Wing Fung shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to the Agreement. An amendment notice and the revised Agreement will be posted at Wing Fung Financial Group Website at [www.wfgold.com](http://www.wfgold.com). The Client should visit the Wing Fung Financial Group Website from time to time for obtaining the latest Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of the Agreement) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) days after the publication of such amendment notice at the Wing Fung Financial Group Website. Failing which, it shall be deemed an acceptance of such amendment, deletion, substitution or addition.
- 14.14. **Waiver of Rights** - A failure or delay in exercising any right, power or privilege in respect of this Terms and Conditions shall not operate as a waiver. A single or partial exercise of any right, power or privilege shall not preclude any subsequent or further exercise of that right, power or privilege.
- 14.15. **Force Majeure** - Neither party shall be liable for any direct or indirect loss sustained by the other as a direct or indirect result of government restrictions, the imposition of emergency procedures or suspension of trading by any relevant exchange, clearing house or other market, civil disorder, acts or threatened acts of terrorism, natural disasters, war, strikes or other circumstances beyond that



party's control.

14.16. **Waiver by Client** - The Client agrees that Wing Fung will not be liable for any inaccuracy or incompleteness of any information provided by Wing Fung or the performance or outcome of any Spot Transactions effected by Client after receipt of such information.

14.17. **Language** - This Terms and Conditions may be translated into any language other than English. However, if there is any inconsistency with the English version, the English version shall prevail.

## 15. RISK DISCLOSURE STATEMENT

15.1. **Risk of Trading in Leveraged Spot Contracts** - The risk of loss in leveraged Spot Gold trading can be substantial. The Client may sustain losses in excess of the Client's initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amount. Market conditions may make it impossible to execute such orders. The Client may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, the Client's position may be liquidated without the Client's consent. Moreover, the Client will remain liable for any resulting deficit in the Client's account. The Client should therefore carefully consider whether such trading is suitable for the Client's own financial position and investment objectives.

15.2. **Risk of Margin Trading** - The risk of loss in financing a transaction by deposit of collateral is significant. The Client may sustain losses in excess of the Client's cash and any other assets deposited as collateral with Wing Fung. Market conditions may make it impossible to execute contingent orders, such as stop-loss or stop-limit orders. The Client may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, the Client's collateral may be liquidated without the Client's consent. Moreover, the Client will remain liable for any resulting deficit in the Client's account and interest charged on the Client's account. The Client should therefore carefully consider whether such a financing arrangement is suitable in light of the Client's own financial position and investment objectives.

## 16. DISPUTE RESOLUTION, GOVERNING LAW AND JURISDICTION

16.1. **Governing Law** - This Terms and Conditions, all Spot Contracts and Spot Transactions and all rights obligations and liabilities thereunder shall be governed by and construed in accordance with the laws of Hong Kong.

16.2. **Jurisdiction** - The parties agree to submit to the non-exclusive jurisdiction of the Hong Kong Courts in connection with any dispute arising out of or in connection with the Terms and Conditions.

**(For Internet Bullion Margin Trading Account)**

## Internet Bullion Margin Trading Agreement

Client agrees to open one or more bullion margin trading account(s) and the related issues to be operated through Online Trading Services, in Client's name or on behalf of Client for the purpose of and in connection with the sale and purchase of bullion, and Client agrees that the Account shall be operated by Wing Fung Bullion Investment Limited ("Firm") in accordance with and subject to the following terms & conditions in addition to the Bullion Client's Agreement:

### 1. INTERPRETATION

1.1. In this Agreement, the following terms shall bear the following meanings:

|                                  |  |
|----------------------------------|--|
| <b>[Login Password]</b>          | means together the Password and the User Name;   |
| <b>[Account]</b>                 | means Client's online bullion trading account with Firm operated through the Online Trading Services;  |
| <b>[Client]</b>                  | means any individual, corporate account of Firm, whose information contained in the Account Application;   |
| <b>[Online Trading Services]</b> | means the online bullion trading services provided by Firm under this Agreement comprising the E-trade Services, any information contained in Firm's website and the software comprised in them. |
| <b>[E-trade Services]</b>        | means the facility which enables Client to give electronic instructions and to access the information services provided by the Online Trading Services;  |
| <b>[Instruction]</b>             | means any instruction for the buying or selling of or otherwise bullion trading through online trading;  |
| <b>[Internet Trading Policy]</b> | means the policy relating to the operation of the Online Trading Services as amended from time to time;  |
| <b>[Password]</b>                | means Client's personal password used in conjunction with the User Name to gain access to the Service;   |
| <b>[Client's Agreement]</b>      | means Firm's Cash Client's Agreement or Margin Client's Agreement;   |
| <b>[Firm]</b>                    | means Wing Fung Bullion Investment Limited;  |

**[User Name]** means the Client's personal identification used in conjunction with the Password to gain access to the E-trade Services and other services offered by Firm;

- 1.2. Words denoting the singular shall include the plural and vice versa, reference to one gender shall include all genders and words denoting person shall include a firm or sole proprietorship, partnership, syndicate and corporation and vice versa.

## **2. Online Trading Services**

- 2.1. Client understands that E-trade Services is semi-automated facility which enables Client to send electronic instructions and receive information services
- 2.2. Client agrees to use the E-trade Services and any additional services offered through the Online Trading Services only in accordance with the terms of this Agreement in addition to the Client's Agreement.
- 2.3. Client shall be the only authorized user of the E-trade Services under the Account. Client understands and acknowledges that the Online Trading Services rely on the Login Password to authenticate Client as the authorized user for the Account. Client shall be responsible for the confidentiality and use of the Login Password. Client acknowledges and agrees that Client shall be solely responsible for all instructions entered through the E-trade Services using the Login Password and neither Firm nor Firm's directors, officers or employees shall have any liability to Client, or to any other person whose claim may arise through Client, for any claims with respect to the handling, mishandling or loss of any instruction.
- 2.4. Client acknowledges that the Online Trading Services are proprietary to Firm. Client warrants and undertakes that Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Online Trading Services. Client acknowledges that Firm may take legal action against Client, if Client at any time breach this warranty and undertaking or if Firm at any time reasonably suspect that Client have breached the same. Client undertakes to notify Firm immediately if Client becomes aware that any of the actions described above in this paragraph is being perpetrated by any other person.
- 2.5. Client further acknowledges and agrees that, as a condition of using the Online Trading Services to give instructions, Client shall immediately notify Firm if: (a) an instruction in respect of the Account has been placed through the Online Trading Services and Client has not received an order number; (b) an instruction in respect of the Account has been placed through the Online Trading Services and Client has not received an accurate acknowledgement of the instruction or of its execution (whether by hard copy, electronic or verbal means); (c) Client has received acknowledgement (whether by hard copy, electronic or verbal means) of a transaction which Client did not instruct or any similar conflict; or (d) Client becomes aware of any unauthorized use of the user name or password.
- 2.6. Client understands that Firm shall prepare the Internet Trading Policy setting out the operation

policy and procedures of the Online Trading Services applicable at any time which shall be available at the Internet Trading website the terms of which shall be binding on Client in respect of Client's use of the Online Trading Services. In the event of inconsistencies between the terms of this Agreement and the Internet Trading Policy, the terms of this Agreement shall prevail. The policy of bullion online trading by Firm lists out operation policy and procedures of online trading services. The policy is available on the website and it is applicable at any time. The terms of policy should be binding on the use of online trading services by Client. In case the terms of this Agreement and the policy of bullion online trading are inconsistent, the terms of this Agreement shall prevail.

- 2.7. Client understands that price quotation service, if any, for bullion, available at the Internet Trade website is provided by a third party provider appointed by Firm from time to time. Client acknowledges and agrees that Firm shall not be responsible to Client for any losses, costs, expenses, damages or claims which Client may suffer as a result of or in connection with any aspect of the quote service including Client's reliance on such service.
- 2.8. Client understands that the E-trade Services may provide, for informational purpose only, data about bullion published by third parties. Owing to Market volatility and possible delay in data-transmission process, the data may not be real-time market quotes for the relevant bullion or investment. Client understands that whilst Firm believes such data to be reliable, there is no independent basis for Firm to verify or contradict the accuracy or completeness of the information provided by third parties. Client understands that no recommendation or endorsement from Firm shall be inferred from the data provided with respect to any bullion or investment.
- 2.9. Client understands that information provided in the E-trade Services is provided on an "as is", "as available" basis and Firm does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of such information. Firm gives no express or implied warranties (including but not limited to warranties of merchantability or fitness for a particular use) with respect to such information.
- 2.10. Client accepts the risks of receiving or gaining access to services through and communicating and conducting transactions over the internet or other electronic means or facilities for the purpose of the Online Trading Services.

### **3. Account**

- 3.1. Client acknowledges that Client may only access the Account through the internet and Client agrees that should Client experience any problems in reaching Firm through the internet, Client shall attempt to use alternative methods to communicate with Firm and inform Firm of the difficulty Client is experiencing.
- 3.2. When opening the Account, Client shall state in the Account Application the amount of Client's initial deposit of funds in the Account for the use with the Online Trading Services. Such amount shall be paid to Firm's offices or bank account either by cheque, bankers draft or telegraphic transfer. Client acknowledges that the Login Password shall not be notified to Client until cleared funds in the amount stated on the Account Application have been received by Firm.

#### **4. Instruction – trading through Online Trading Services**

- 4.1. Firm shall not be responsible for delays in the transmission, receipt or execution of instructions due to either transmission of communication facilities, or unreliable medium of communication or to any other cause or causes beyond Firm's control or anticipation.
- 4.2. Client understands that each participating bullion trading or association asserts a proprietary interest in all of the market data it furnishes to the parties who disseminate such data. Client also understands that no party guarantees the timeliness, sequence, accuracy or completeness of market data or any other market information. Neither Firm nor any disseminating party shall be liable in any way for any loss or damage arising from or caused by any inaccuracy, error or delay in or omission from any such data, information or message, or the transmission or delivery of the same, non-performance or interruption of any such data, message or information due to any negligent act of Firm or any disseminating party, or to any force majeure event, or any other cause beyond Firm's control or the reasonable control of any disseminating party. Client shall use stock quotation for Client's individual use only and shall not furnish such data to any other person or entity for any reason.
- 4.3. Client acknowledges that the internet is, due to unpredictable traffic congestion and other reasons, an inherently unreliable medium of communication and that such unreliability is beyond Firm's control. Client acknowledges that, as a result of such unreliability, there may be delays in the transmission and receipt of instructions and other information and that this may result in delays in the execution of Instructions and/or the execution of Instructions at prices different from those prevailing at the time the Instructions were given. Client further acknowledges and agrees that there are risks of misunderstanding or errors in any communication and that such risks shall be absolutely borne by Client. Client acknowledges and agrees that instruction may not be cancelled after it has been given.

#### **5. Instruction outside Hong Kong**

If Client gives any instruction to Firm outside Hong Kong, Client agrees to ensure and represent that such instruction will have been given in compliance with any applicable law of the relevant jurisdiction from which Client's instruction is given, and Client further agree that Client shall, when in doubt, consult legal advisers and other professionals of the relevant jurisdiction. Client accepts that there may be taxes or charges payable to relevant authorities in respect to any instruction given outside Hong Kong, and Client agrees to pay such taxes or charges as possible

#### **6. Risk Disclosure Statement**

Risk of E-trade. Access to the internet or other electronic devices may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Transactions conducted through the internet or other electronic devices may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond Firm's control. Internet is, due to technical limitation, an inherently unreliable medium if communication. As a result of such unreliability, there may be delays in the transmission and receipt of instructions and other information and that this may result in delays in the execution of instructions and/or the execution of instructions at prices different from those prevailing prices at the time the instructions are given. Moreover, communications and personal data may be accessed by authorized third parties; and there are risks of misunderstanding or errors in any

communication and that such risks shall be absolutely borne by Client. Client acknowledges and agrees that it shall not usually be possible to cancel an Instruction after it has been given.

# Disclaimers

## 1. Internet failures

Since the operation of the Internet is beyond Wing Fung's control, Wing Fung is unable to control the reception or routing of signals via the Internet, the configuration of Client's equipment or the reliability of its connection, and Wing Fung is not responsible for communication failures, distortions or delays in case of trading via the Internet.

## 2. Market risks and online trading

Trading in precious metals involves considerable risks that are not suitable for all investors. See the Risk Disclosure Statement and this Agreement for more information on risks. Trading online, however convenient or efficient it might be, does not necessarily reduce risks associated with bullion margin trading. Therefore, Client should be ready to bear such risks before trading.

## 3. Password protection

Client must keep passwords confidential and ensure that no third party can have access to its trading facilities. Client agrees to be responsible practically for any instruction received by e-mail or via the electronic trading platform or any instruction sent to Wing Fung by e-mail, via the electronic trading platform, by telephone or in writing that is identified with Client's password or its signature and account number, even if it were sent by a third party, and believed to be apparently authorized by Client at Wing Fung's discretion. Wing Fung has no responsibility for further enquiry into such apparent authority and no liability for the consequences of any action or omission of Wing Fung in reliance upon such instruction or apparent authority. Client will be responsible solely for the confidentiality, security and use of its passwords.

## 4. Quoting errors

If any quoting and/or execution error occurs, which may include, without limitation, a dealer's mistype of a quote, a quote not representative of international market prices, any wrong quote (such as one due to failure of hardware, software or communication lines or systems or inaccurate external data provided by the third party), Wing Fung will not be liable for any resulting error in account balances. In addition, orders must be placed with sufficient time to execute, and for the system to calculate required margins. The execution of orders placed too close to market prices, which may trigger other orders (for all order types) or a margin alert, cannot be guaranteed. Wing Fung will not be liable for the resulting margin alert, account balance and/or account position because the system has not been given sufficient time to execute or calculate accordingly. The above is not intended to be an exhaustive list and in case of a quoting or execution error, Wing Fung reserves the right to make necessary corrections or adjustments to the account involved. Any dispute arising from such quoting or execution error will be resolved by Wing Fung at its sole discretion. Client agrees to indemnify and hold Wing Fung harmless from all resulting losses, damages or liabilities.

**5. Price latency**

Internet, connectivity delays, and quoting errors may sometimes render that the prices displayed on Wing Fung's trading platform are unable to reflect the market rates accurately. Taking advantage of such Internet delays, cannot exist in an OTC market where Client deals directly with Wing Fung. Wing Fung does not permit such practices on its trading platform. Transactions that rely upon the opportunities of such practices arising from price latency may be cancelled. Wing Fung reserves the right to make necessary corrections or adjustments to the account involved. Accounts that rely upon such practices may be subject to dealer intervention or approval of any order and/or termination of Client's account at Wing Fung's sole discretion without prior notice to Client. Any dispute arising from price manipulation will be resolved by Wing Fung at its sole discretion. Wing Fung reserves the right to freeze Client withdrawals until such issue is fully resolved. Any action or resolution stated herein will not prejudice or waive any right or remedy that Wing Fung may have against Client and its employees.

**6. Manipulation**

Wing Fung prohibits any form of manipulation of its prices and platform strictly. Wing Fung reserves the right to investigate and review any account suspected of manipulation and withhold funds suspected of being derived from such activity. Wing Fung reserves the right to make necessary corrections or adjustments to the account involved. Accounts that are suspected of manipulation may be subject to dealer intervention or approval of any order and/or termination of Client's account at Wing Fung's sole discretion. Any dispute arising from such manipulation activities will be resolved by Wing Fung at its sole discretion. Wing Fung may report such incidents to any competent regulatory and law enforcement agency at its sole discretion. Any action or resolution stated herein will not prejudice or waive any right or remedy that Wing Fung may have against Client and its employees.



## Risk Disclosure Statements for Bullion Margin Trading

**This brief statement does not disclose all of the risks and other significant aspects of trading in bullion contracts. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in bullion contracts is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.**

### **1. Risk of trading in bullion contracts**

The risk of loss in bullion investment can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

### **2. Risk of providing an authority to hold mail or to direct mail to third parties**

If you provide the firm 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 ensure that any anomalies or mistakes can be detected in a timely fashion.

### **3. Effect of "Leverage" or "Gearing"**

Transactions in bullion contracts carry a high degree of risk. The amount of initial margin is small relative to the value of the bullion contracts so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

### **4. Risk-reducing orders or strategies**

The placing of certain orders (e.g. "stop-loss" orders, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

### **5. Terms and conditions of contracts**

You should ask the firm with which you deal about the terms and conditions of the specific bullion contracts which you are trading and associated obligations.

## **6. Trading facilities**

Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

## **7. Electronic trading**

Trading on an electronic trading system may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

## **8. Off-exchange transactions**

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with applicable rules and attendant risks.

## **9. Additional Trading Risks**

Deposited cash and property - You should familiarise yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm 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.

Commission and other charges – Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you may be liable. These charges will affect your net profit (if any) or increase your loss.

Transactions in other jurisdictions - 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 regulations which may offer different or diminished investor protection. Before you trade, you should enquire about any rules relevant to your particular transactions in those jurisdictions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

Currency risks - The profit or loss in transactions in foreign currency-denominated assets (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the assets to another currency.

## Personal Data (Privacy) Ordinance (the “Ordinance”)

At Wing Fung Financial Group and its subsidiaries (“WFG”), we want to provide the best service possible to our customers. One way that we do this is by using customer information to provide our customers with convenient access to the right products and services. We also recognize that our customers have important expectations regarding the use of that information. Safeguarding customer information is a matter that we take seriously. That is why we at WFG have set forth the following principles to affirm our long-standing commitment to confidentiality:

1. From time to time, it is necessary for customers who are individuals to supply WFG with data which are personal data (“Data”) for the purposes of the Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong). The purposes for which Data (and other information) relating to customers may be used are as follows:
  - (a) the daily operation of the services and facilities provided to customers;
  - (b) conducting credit checks;
  - (c) assisting other institutions to conduct credit checks;
  - (d) ensuring customers’ ongoing credit worthiness;
  - (e) designing financial services or related products for customers’ use;
  - (f) marketing financial services or related products to customers;
  - (g) determining the amount of indebtedness owed to or by customers;
  - (h) meeting the requirements to make disclosure under the requirements of any law or regulations; and
  - (i) any purposes relating to any of the foregoing.
  
2. Data (and other information) held by WFG relating to customers will be kept confidential but WFG may disclose, and it is a condition of WFG providing services, products and information to customers that each customer consents to the disclosure of, all Data (and other information) to:
  - (a) any officer, employee, agent, contractor or third party who provides administrative, credit information, debt collection, telecommunications, computer, payment or other services to WFG in connection with the operation of their business;
  - (b) any financial institution with which the customer has or proposes to have dealings;
  - (c) regulatory authorities and other relevant government bodies;
  - (d) any other person under a duty of confidentiality to WFG including a company within WFG which has undertaken to keep such information confidential.
  - (e) We share information regarding customers among WFG only in accordance with strict internal security standards and confidentiality policies and with applicable law.
  - (f) We hold our employees fully accountable for adhering to those standards, policies and laws.
  - (g) We do not share information about our customers with other companies except in order to conduct our business, comply with applicable law, protect against fraud or make available special offers of products and services that we feel may be of interest to our customers. We may also provide information to regulatory authorities and law enforcement officials in accordance with applicable law.
  - (h) We have established high standards for protecting information regarding our customers from unauthorized alteration or destruction.

3. WFG may, in accordance with the Personal Data (Privacy) Ordinance and any other applicable law:
  - (a) match, compare or exchange any Data or other information provided by, or in respect of, a customer with Data (or other information) held by WFG or any other person for the purpose of:
    - credit checking;
    - Data (and other information) verification;
    - otherwise producing or verifying Data (and other information) which may be used for the purpose of taking adverse action against the customer or any other person at any time;
  - (b) transfer such Data (and other information) to any place outside Hong Kong (whether for the processing, holding or use of such Data (and other information) outside Hong Kong).
  
4. WFG intend to use your personal data in direct marketing and we require your consent (which includes an indication of no objection) for that purpose. In this connection, please note that:
  - (a) your name, contact details, products and services portfolio information, transaction pattern and behaviour, financial background and demographic data held by WFG from time to time may be used by WFG in direct marketing;
  - (b) the following classes of services and products may be marketed:
    - financial, securities, commodities, leveraged foreign exchange, bullion investment and related services and products and facilities;
    - reward, loyalty or privileges programmes in relation to the class of marketing subjects as referred to above; and
    - services and products offered by WFG's co-branding partners (the names of such co-branding partners can be found in the application form(s) for the relevant services and products, as the case may be) in relation to the class of marketing subjects as referred to above.

If you do not wish WFG to use or provide to other persons your data for use in direct marketing as described above, you may exercise the opt-out right by notifying WFG in writing to the address provided below in clause 6 of this policy.

5. Under and in accordance with the terms of the Personal Data (Privacy) Ordinance each customer has a right to:
  - (a) check whether WFG hold Data about the customer and the right of access to such Data;
  - (b) require WFG to correct any Data relating to the customer which is inaccurate; and
  - (c) ascertain WFG's policies and practices in relation to Data and to be informed of the kind of personal data relating to the customer held by WFG.
  
6. Request for access and/or correct any data that customer has submitted shall be 20/F, Wing On House, No. 71 Des Voeux Road Central, Hong Kong
  
7. In accordance with the terms of the Personal Data (Privacy) Ordinance, WFG has the right to charge a reasonable fee for the processing of any Data access request.
  
8. At WFG, information regarding our customers is used solely in the legitimate conduct of our business, to deliver superior service and to design products and special offers that demonstrate our understanding of our customers and their needs.