



**SOUTH CHINA BULLION COMPANY LIMITED**

南華金業有限公司

**CLIENT'S AGREEMENT**

客戶協議

THIS AGREEMENT is made between:

South China Bullion Company Limited, whose principal place of business is at  
19/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong ("SCBC")

and

the party as described in the Schedule hereto (the "Client").

WHEREAS:

The Client intends to open an account with SCBC for the purchase and sale of Bullion:

IT IS HEREBY AGREED as follows:

1. The following words and phrases used in this Agreement have the following meanings:
  - (i) "Client", in the case of:
    - an individual or a sole proprietorship, includes his executors and administrators;
    - individuals as Joint Clients, includes their executors and administrators;
    - a partnership firm, includes all partners and their executors and administrators;
    - a corporation, includes its successors and assignees.
  - (ii) "SCBC" includes its successors and assignees.
  - (iii) "Margin" means the money that SCBC requires the Client to deposit with SCBC as a guarantee of performance by the Client.
  - (iv) "Bullion" includes gold and silver.
  - (v) "Account" means the Client's account with SCBC.
  - (vi) "Associated Company" means South China Securities Limited, South China Forex Limited and South China Commodities Limited.
  - (vii) "Mandatory closed out a position" or "Locked Position" means if SCBC is unable to operate the position and the client does not deposit the additional Margin at the time required by SCBC, and in order to prevent the client to suffer from addition loss, SCBC will exercise mandatory closed out a position or locked position at its discretionary power. "Close out a position" means to buy or sell the same quantity of lots in the reverse direction in respect of a particular trade of open position held. "Locked position" that if the client creates more than two trades of the same product in different directions, the system will automatically lock the positions for them.
2. The Client shall pay SCBC commissions on purchases and sales of Bullion at the rates prescribed by SCBC.
3. (a) The Client must deposit a Margin with SCBC as required by SCBC.

SCBC may from time to time, at its discretion, demand additional Margin from the Client,

whether owing to market fluctuations or otherwise.

The Client must deposit the additional Margin at the time required by SCBC.

If the Client does not deposit the additional Margin as required, SCBC has absolute discretion to close out the contracts transacted for the Client by exercising Mandatory closed out a position or Locked Position.

SCBC may endeavour to close out any of the Client's contracts by exercising Mandatory closed out a position or Locked Position if the loss on the contract reaches the 'cut-loss percentage', provided that: SCBC is not liable to the Client's loss for failure to close out such contract; the cut-loss percentage is 90% of the Margin, but will depend on the market situation and is at the discretion of SCBC; SCBC need not inform the Client of changes in the cut-loss percentage.

- (b) If the Client holds open positions taken out at different times, SCBC determines the open positions to be liquidated and the order of liquidation. SCBC may liquidate the open positions according to the time sequence that they are taken out, starting with the earliest open position; the order of liquidation must be at the discretion of SCBC nevertheless.
- (c) The Client is liable for any debit balance in the Account resulting from losses, and for liquidation expenses including fees, legal costs, debt recovery fees and incidental expenses incurred by SCBC. A debit balance in the Account shall be charged with interest at 4% per month.
- (d) SCBC may amend the Margin requirement; upon such amendment, the Client's open positions must comply with the new requirements.

4. In any of the following circumstances:

- (i) for the sake of Margin requirements,
- (ii) a petition for bankruptcy, or for the appointment of a receiver, is filed against the Client,
- (ii) the death or judicial declaration of incompetence of the Client;

SCBC shall have the right to perform the following:

- (a) satisfy any obligation of the Client to SCBC out of the Client's assets including: funds, accounts, Bullion, etc. in the control of SCBC,
- (b) sell any Bullion long in the Account,
- (c) buy any Bullion short in the Account, and
- (d) cancel outstanding orders in order to close the Account, without demanding any Margin, and without notice of sale or purchase.

5. (a) The Client's interest in any assets including: funds, accounts, Bullion, etc. held by SCBC (either individually or jointly with others) or by SCBC's associated company shall be subject to a general lien in favour of SCBC.

(b) For the sake of liquidating the Client's open position, SCBC may sell such assets and utilize the proceeds to set off the obligations of the Client.

- (c) For the sake of setting off the obligations of the Client, SCBC may consolidate the Client's accounts, and transfer the sums among the accounts that the Client has with SCBC and with SCBC's associated companies.
6. (a) SCBC shall determine the prices of Bullion for the purposes of marking to market the Client's open positions by reference to the current prices as quoted by a financial information provider acceptable to SCBC.
- (b) SCBC shall determine the interest chargeable on the Client's open position with reference to the prevailing market rates.
7. (a) Reports, written confirmations, notices, and any other communications may be transmitted to the Client's address, e-mail address, SMS, telephone or fax number given by the Client.
- (b) SCBC deems the communications to be transmitted, as they will be in the normal course of events, whether they are actually received by the Client or not.
- (c) SCBC may confirm trading activities with the Client orally, to be followed by written confirmation.
8. For contracts in a foreign currency:
- (a) losses due to exchange fluctuations are borne by the Client;
- (b) when a contract is liquidated, SCBC shall determine and apply the market exchange rate.
9. SCBC may amend the terms of this Agreement by sending a notice to the Client; the amendment takes effect 1 month after the date of sending.
10. (a) This Agreement is governed by the laws of the Hong Kong Special Administrative Region. The Client and SCBC submit to the jurisdiction of the courts of Hong Kong.
- (b) The transactions of the Account are performed subject to the constitution, rules, regulations and customary practice of The Chinese Gold & Silver Exchange Society, and of the other relevant exchanges and markets.
11. SCBC is not responsible for delays in the transmission of orders due to a failure of transmission of communication facilities, or to other causes beyond the control or anticipation of SCBC.
12. SCBC may deposit any cash balance in the Account with any financial institution; SCBC will retain the interest on such deposits.
13. SCBC and its directors or employees may trade on their own account, or on behalf of other clients. They may take the opposite position to the Client's order.
14. The Client declares that:
- (i) The Client understands the contents of this agreement.
- (ii) The Client is trading on his own account, and he is the ultimate beneficial owner of the Account.
- (iii) The content of the Client Information Statement is true and complete.
- (iv) The Client must notify SCBC immediately of material changes in the content of the Client Information Statement.

(v) The Client is not related to any of SCBC's directors, officers or employees.

15.

- (a.) SCBC may act on such telephone, fax, electronic, internet or other instructions that SCBC believes to come from the Client or his authorized representative; a telephone instruction need not be followed by written confirmation; the Client's instructions through the mobile phones of SCBC's employees will not be accepted.
- (b) SCBC will tape record telephone conversations between SCBC and the Client.
- (c) Written instructions on paper must bear signatures which, in the opinion of SCBC, correspond to that of the Client or his authorized representative as shown in the Account opening documentation.
- (d) In the case of electronic or internet instructions, the instructions must bear the Client's code assigned by SCBC, and other identification to the satisfaction of SCBC.
- (e) The Client bears the risks arising from such instructions; SCBC bears no responsibility in respect of them.
- (f) The Client indemnifies SCBC and its directors and employees against any loss as a result of acting on such instructions.
- (g) SCBC may refuse to carry out any instructions, if in doubt of the identity of the person giving instructions.

16. The Client and SCBC can only terminate this Agreement by written notice. Such termination shall not affect transactions already executed by SCBC on behalf of the Client.

17 (i) The Client authorizes SCBC to disclose any information in SCBC's possession concerning the Account:

- (a) to any associated company of SCBC;
- (b) to any assignee, transferee or successor to whom this Agreement is novated;
- (c) to appropriate and competent regulatory authorities and agencies; and

(ii) Under the Personal Data (Privacy) Ordinance, the Client has a right to request access to, and to request correction of, his personal data possessed by SCBC. If the Client wishes to exercise these rights, he may contact the relevant Account Officer of SCBC for assistance.

## **18 The Client acknowledges that:**

**The risk of loss in Bullion trading can be high; the Client may sustain a total loss that exceeds the Margin. Even placing contingent orders, such as "stop-loss" orders, may fail to limit losses to the intended amount.**

**The Client may be called upon at short notice to deposit additional Margin. If the required Margin is not provided within the prescribed time, the Client's position may be liquidated at a loss; the Client is liable for the resulting loss.**

**The Client has considered these risks, and decides that such trading is suitable to him in the light of the Client's financial status and investment goals.**

19.
  - (a) The Client is responsible for the confidentiality and use of the personal identification number ('PIN') or Account Number for all trading instructions entered through any electronic or internet Bullion trading system. SC is not liable for losses and damage arising from the use of the PIN or Account Number.
  - (b) SCBC is not responsible for delays in the transmission or execution of trading instructions due to: failure of communication facilities, including computer hardware or software; or due to other reasons;
  - (c) If the Client's instructions cannot be executed due to such failure or any other reason, SCBC may take any action which SCBC deems appropriate.
  - (d) SCBC is not liable for losses arising from inaccuracy or delays in transmission of market information, and from causes beyond the control of SCBC.
20. Where the Client consists of more than one person,
  - (a) the liability and obligations of each of them shall be joint and several and references to the Client shall be construed to any or each of them;
  - (b) SCBC shall be entitled to, but shall not be obliged to, act on instructions or requests from any of them;
  - (c) on the death of any of such persons (being survived by any other such persons), this Agreement shall not be terminated and the interest in the Account of the deceased will thereupon vest in and enure for the benefit of the survivor(s) provided that any liabilities incurred by the deceased Client shall be enforceable by SCBC against such deceased Client's estate. The surviving Client(s) shall give SCBC written notice immediately upon any of them becoming aware of such death.
21. In this Agreement words denoting the singular include the plural, and vice versa; words importing a gender include every gender; references to persons include corporations.
22. In the event of conflicts between the English version and the Chinese version of this Agreement, the English version prevails.

## **Information to Clients pursuant to the Personal Data (Privacy) Ordinance (Cap. 486)**

This Notice sets out the policy and practices of the Company, its subsidiaries, associated and related companies (the “Group”) in relation to the collection of personal data from individual clients for or in relation to the purposes set out hereunder and the Personal Data (Privacy) Ordinance (the “Ordinance”).

From time to time, it is necessary for clients to supply the Group with personal data in connection with the opening or continuation of accounts and the establishment or continuation of loan facilities.

Failure to supply such data may result in delay or inability of the Group in opening or continuing a client’s account or in establishing or continuing loan facilities.

The purposes for which data relating to a client may be used are as follows:

- opening, administering and continuation of a client’s account;
- the daily operation of the loan facilities provided to clients;
- making lending and credit analysis decisions;
- conducting credit checks and ensuring ongoing credit worthiness of clients;
- determining the amount of indebtedness owed to or by clients;
- recovery of any monies owed from or liabilities incurred by clients and those providing security for clients’ obligations;
- meeting the requirements, including the requirement to make disclosure, under any law, rules or regulations binding on the Group;
- direct marketing\* and/or
- for purposes relating or incidental thereto.

Data held by the Group relating to a client will be kept confidential but the Group may provide, transfer, disclose or exchange such personal data to:-

- any agent, contractor or third party service provider who provides administrative, telecommunications, computer, payment or securities clearing or other services to the Group in connection with the operation of its to their business;
- any other person under a duty of confidentiality to the Group, including a group company of the Group, which has undertaken to keep such information confidential;
- any bank or financial institution with which the client has or proposes to have dealings;
- any actual or proposed assignee of the Group or participant or sub-participant or transferee of the Group’s rights in respect of the client;
- any legal, accounting or professional person, firm or body; and
- any government, law enforcement or other regulatory authority, body or entity under any applicable laws, rules or regulations.

Under and in accordance with the terms of the Ordinance any individual has the right to:-

- check whether the Group holds data about him or her and the right of access to such data;
- require the Group to correct any data relating to him or her which is inaccurate;
- ascertain the Group's policies and practices in relation to data and to be informed of the kind of personal data held by the Group.

In accordance with the terms of the Ordinance, the Group has the right to charge a reasonable fee for the processing of any data access request.

The person to whom requests for access to data or correction of data or for information regarding policies and practices and kinds of data held are to be addressed is as follows:

The Group Compliance Officer

3/F., Greatmany Centre, 111 Queen's Road East, Wanchai, Hong Kong

Telephone : 3796 8469

Facsimile : 2537 0203

Email: [compliance@sctrade.com](mailto:compliance@sctrade.com)

Remarks:

\*"Direct Marketing" means-

- (a) the offering of goods, facilities or services;
- (b) the advertising of the availability of goods, facilities or services; or
- (c) the solicitation of donations or contributions for charitable, cultural, philanthropic, recreational, political or other purposes, by means of -
  - (i) information or goods sent to any person by mail, facsimile transmission, electronic mail, or other similar means of communication, where the information or goods are addressed to a specific person or specific persons by name; or
  - (ii) telephone calls made to specific persons.





# SOUTH CHINA BULLION COMPANY LIMITED

## CLIENT INFORMATION STATEMENT

(Individual and Joint Account)

Client's Account No.: \_\_\_\_\_

Client's Name: (Chinese) \_\_\_\_\_ (English) \_\_\_\_\_

Residential  
Address: \_\_\_\_\_  
\_\_\_\_\_

Correspondence Address (if different): \_\_\_\_\_

Home Tel: \_\_\_\_\_ Mobile/Pager: \_\_\_\_\_

Office Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Address for correspondence and forwarding of confirmations and statements (Please select one):

- |  |   |
|--|---|
| <input type="checkbox"/> Residential Address | <input type="checkbox"/> Correspondence Address |
| <input type="checkbox"/> Business Address    | <input type="checkbox"/> Email Address          |

HKID No.: \_\_\_\_\_

If not HK citizen: Passport No.: \_\_\_\_\_ Country of Issue: \_\_\_\_\_

Name of Employer / Occupation: \_\_\_\_\_

Business Address: \_\_\_\_\_

Position: \_\_\_\_\_

Nature of Business: \_\_\_\_\_

Bank Name and Address: \_\_\_\_\_

Account No.: \_\_\_\_\_ Account Type: \_\_\_\_\_

The Client agrees to open a bullion account with SCBL on the terms and conditions as set out in the Client's Agreement. The Client confirms that the Client has read and understood such terms and conditions. The Client declares that the information contained in this Client Information is true and correct.

Client's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

( For joint account, please supply same details for each joint account holder on separate sheet )



The Client agrees to open a bullion account with SCBL on the terms and conditions as set out in the Client's Agreement. The Client confirms that the Client has read and understood such terms and conditions. The Client further declares that the information contained in this Client Information Statement is true and correct.

The following individual(s) is/are authorized on behalf of the Client to give instructions in relation to the operations of the Account.

<u>Name</u>	<u>HKID/Passport No.</u>	<u>Contact Tel. Number</u>	<u>Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Duly authorized for and on behalf of the Client

Name of Authorized Person: \_\_\_\_\_

Title: \_\_\_\_\_

Signature and Company Shop: \_\_\_\_\_

Date: \_\_\_\_\_

**Certified Copy of Board Resolution of**

(‘this Company’)

IT IS RESOLVED that:

this Company shall, pursuant to the Client’s Agreement dated  
open the Account with South China Bullion Company Limited (‘SCBC’) to purchase and sell  
Bullion on Margin or otherwise;

the Officers named below, with the signing instruction, are authorized to instruct SCBC to trade;

this Company is bound for the transactions entered into by the Officers on behalf of this Company;

SCBC is authorized to receive assets as collateral or Margin for the Account; and

the Officers are authorized to execute any agreements and documents on behalf of this Company  
incidental to the authority conferred.

<u>Name of Officer(s)</u>	<u>Position</u>	<u>Specimen Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

SIGNING INSTRUCTION: ANY                      OF THE ABOVE.

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CERTIFICATION

I, \_\_\_\_\_, Director of this Company certify that:

the above is a true copy of a Resolution passed by the Board of Directors of this Company in  
accordance with its Articles of Association or constitutional documents on the \_\_\_\_\_ day  
of \_\_\_\_\_; and the Resolution has been inserted into the minutes book of  
this Company and is in full force and effect.

I confirm that this Company has the power to take the action required by the Resolution.

Date this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Director’s signature