

Trading Policy

Celestial Commodities Limited ("CCL")

Electronic Trading Account - Hong Kong Futures and Options Trading Policy

A. Account Opening

1. Individual and Joint Account

1.1 For Hong Kong residents who have not opened any account under the CASH Financial Services Group (CASH FSG)

Visit our Sales & Operations Centre of CCL to sign an Agreement Supporting documents including (but not limited to) a proof of residential address (within the latest three months) and copy of Hong Kong Identity Card are to be submitted together with the application.

Please also refer to our **Account Opening** Section for details.

1.2 Existing account holders or all overseas residents

Upon request by client (e.g. filling in an on-line registration form), the Agreement will be sent to the registered correspondence address. Signed Agreement should be returned to CCL together with relevant supporting documents.

OR

Visit our Sales & Operations Centre of CCL to sign the Agreement, together with the submission of supporting documents.

2. Corporate Account

2.1 Visit our Sales & Operations Centre of CCL to sign an Agreement together with the submission of following supporting documents, including but not limited to:

1. Individual and Joint Account

- Signed ID copies of all account operators & guarantor
- Address proof
- Board resolution
- Copy of business registration certificate
- Copy of certificate of incorporation
- Copy of memorandum & articles of association
- Copy of particulars of directors or Form D2/Form X
- Guarantee & address proof of guarantor
- Financial statement

B. Trading

1. Segregation of Accounts

1.1 The Electronic Trading Account and Offline Trading Account are totally segregated accounts. The cash balance and contract position(s) of the two accounts are maintained separately.

1.2 If the client wants to operate his/her portfolio maintained at the Offline Trading Account through The Electronic Trading Account, he/she must transfer the relevant cash or contract position(s) to the latter account before placing order.

2. Trading Products

Client can trade the following products provided by HKFE via the Electronic Trading Account:

- Hang Seng Index Futures;
- Hang Seng Index Options;

- Mini Hang Seng Index Futures;
- Mini Hang Seng Index Options;
- Stock Futures;
- H-Shares Index Futures;
- Mini H-Shares Index Futures;
- Dow Jones Industrial Average Futures.

3. Limited No. of Contracts

3.1 Clients can only place at a maximum of 99 number of contracts for all futures/options contracts in one order.

4. Transaction - Required Cash Balance

4.1 **Sufficient Cash Amount*** should be deposited into the bank account of "Cash Payment Services Limited" (** ("CPS")) before opening a position.

* **Sufficient Cash Amount** = required margin/premium for respective futures/options orders

** "CASH Payment Services Ltd." is a fund recipient agent appointed by CCL and regulated under the Securities and Futures Ordinance.

4.2 If the Client deposits cheque into the bank account of "Cash Payment Services Ltd.", he/she can open position only if his/her cheque has been deared.

5. Realized Profit

5.1 All realized profit will be shown on the "Realized Profit/Loss" (for futures) and "Sell Premium" (for options) column shown on the Electronic Trading Account upon client's closing his/her position(s)

5.2 All realized profit will be updated to client's "On hand" cash balance column shown on the Electronic Trading Account immediately.

5.3 Client can withdraw the realized profit at the start of next trading day.

6. Interest

6.1 Credit balance of the client's Electronic Trading Account will not be entitled with interest.

C. Channels and Acknowledgement of Order Placement

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1. Client can place order through various electronic means, including Internet, mobile phone, PDA, WAP phone and other subsequent available electronic means added to CASH FSG service list.
2. All client's order instruction will be acknowledged and confirmed by email and/or SMS (if applicable).
3. All executed transaction placed via WAP phone will be replied by order acknowledgement and confirmation by email. It is recommended that all WAP user should subscribe mobile email services and register the email address with CCL. If client could not provide his/her email address, he/she should check the order status via the "Transaction Status" function of his/her WAP phone. "Transaction Status" shown on the WAP phone is updated on real-time basis. In addition, client can also check the order confirmation via the Internet with same user login name and password and from email.

D. Cash Deposit/Withdrawal/Transfer

1. Cash Deposit

1.1 Hong Kong Dollar Deposit

1.1.1 Clients must bring the Collection Services Deposit Card issued by CASH to HSBC, HSB or BOC and deposit cash or cheque payable to "Cash Payment Services Limited" by "Easy Transfer Services".

The service coverage of the "Easy Transfer Services" below is for reference only. Any conflict between the terms and conditions of services, the related bank shall prevail.

	Teller / Counter	Internet Banking	ATM Machine	Telephone Banking	Quick Deposit Service	Cheque Deposit Machines	Cheque Box *
HSBC	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HSB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BOC	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Can support "Easy Transfer Services"

Cannot support "Easy Transfer Services"

Client should apply for this service at related bank in advance and revise the bill payment limit if needed.

* Please pay attention to the service hours, terms and conditions of cheque box. If the bank clears the cheque after 17:00pm, we will confirm the cheque on the next working day.

Remarks:

- "Easy Transfer Services" is equivalent to the Bill Payment in banks.
- Maximum daily payment limit at ATM in HSBC and HSB is HK\$ 500,000 while that at internet banking and phone banking is HK\$ 500,000 in total.
- Clients depositing funds by "Easy Transfer Services" are not required to fax us the pay-in-slip for verification. Client's available cash balance will be updated within 2-3 hours automatically.
- All deposits must be made before the cut-off time of our company (i.e. before 17:00PM in afternoon). The deposit fund will be updated to client's trading account after our verification with the bank. If the deposit is made after our cut-off time or cannot be verified, the deposit fund will be updated to client's trading account after verification on the next working day.

1.1.2 Client can deposit funds by remittance. Details of remittance are as follows.

Beneficiary	CASH PAYMENT SERVICES LIMITED
Bank name	Bank of China, Hong Kong Branch
Bank A/C No.	012-875-0029826-7
Bank Address	Bank of China Tower, 1 Garden Road, Hong Kong
SWIFT ID	BKCHHKHHXXX

If client deposit funds by CHATS or remittance, please input the 11-digit reference number and client's name on the remark column. Moreover, please write down Chinese and English full name (in Capitalization), contact number and sign on the pay-in-slip, and fax the pay-in-slip to settlement department at (852) 2820-0606 for verification.

Remarks:

- "CASH Payment Services Limited" is a fund recipient agent appointed by Celestial Securities Limited and regulated under the Securities and Futures Ordinance.
- Handling charge will be deducted for the remittance proceeds by bank.

1.2 US Dollar Deposit

Client can deposit fund by cash, cheque (issued by local banks only) or remittance into the bank account of "Cash Payment Services Limited" at HSBC. Details of remittance are as follows.

Beneficiary	CASH PAYMENT SERVICES LIMITED
Bank name	The Hong Kong and Shanghai Banking Corporation Ltd.
Bank A/C No.	500-644315-201
Bank Address	1 Queen's Road, Central Hong Kong
Swift Code	HSBCHKHHHKH
CHIPS UID No.	075995

If client deposit funds by CHATS or remittance, please input the 11-digit reference number and client's name on the remark column. Moreover, please write down Chinese and English full name (in Capitalization), contact number and sign on the pay-in-slip, and fax the pay-in-slip to settlement department at (852) 2820-0606 for verification.

Remarks:

- (a) "CASH Payment Services Limited" is a fund recipient agent appointed by Celestial Securities Limited and regulated under the Securities and Futures Ordinance.
 - (b) US dollar deposit will be exchanged into Hong Kong Dollar according to the exchange rate on the date of receipt.
 - (c) Handling charge will be deducted for the remittance proceeds by bank.
- 1.3 **All deposits must be made before the cut-off time of our company (i.e. before 17:00pm in afternoon). The deposit fund will be updated to client's trading account after our verification with the bank. If the deposit is made after our cut-off time or cannot be verified, the deposit fund will be updated to client's trading account after verification on the next working day.**
- 1.4 Cheque balance is available for use once the cheque is cleared. Under normal circumstances, it will be ready in the following working day after 4pm.

2. Cash Withdrawal

- 2.1 Client can withdraw available fund by:
1. giving written and signed cash withdrawal instruction via fax (852) 2820-0606 or in person; or
 2. filling in and submitting the on-line cash withdrawal form
- CSL will deposit fund into the designated bank account as provided by the client, or client may choose the means of collection. The designated bank account must be in the name of the client; bank account and cheque in name of any third parties will not be accepted.
- 2.2 When client's account balance is less than \$100 and with no stock deposit, CASH FSG maintain the right to clear the account outstanding balance if client withdrawal is less than \$100.
- 2.3 For selling physical scrip, the respective sale proceeds are not allowed to be withdrawn unless the stock has been deposited to CSL for over 10 working days and has been proved genuine by The Hong Kong Clearing.

3. Cash Transfer

- 3.1 Client can freely transfer cash among the accounts in his/her name under the CASH FSG by:-
1. giving written and signed cash transfer instruction via fax (852) 2820-0606 or in person; or
 2. filling in and submitting the on-line cash transfer form

4. Confirmation

- 4.1 Client's Cash Deposit/Withdrawal/Transfer instruction will be acknowledged by e-mail (provided that the instruction is placed via on-line means), daily and monthly statement.

5. Credit Interest

- 5.1 Client will receive interest on a minimum of HK\$50,000 credit balance with a standard interest rate set by CSL. (Interest rate is subject to change from time to time at the sole discretion of CSL without prior notice.)

E. Interest

1. CCL will charge the client all the debit balance with the standard interest rate (currently fixed at prime rate + 4% p.a.) subject to adjustment from time to time and client will be notified via e-mail.

F. Margin Control Policies

1. Initial Margin and Maintenance Margin

- 1.1 Client's open contract(s) must be opened with sufficient Initial Margin and be backed up with sufficient cash balance maintained at a minimum level of the Maintenance Margin. (if applicable)

2. Margin Call

- 2.1 Fall below Maintenance Margin level
A margin call will be initiated by CCL via email, telephone and/or short message (if applicable) when the net balance of the Electronic Trading Account falls below the maintenance margin.
- 2.2 Client should either (a) deposit the required margin call amount; or (b) transfer fund from other account(s) among FSG Group within the margin call period; or (c) close out position, otherwise his/her position would be compulsorily closed out by CCL as per paragraph 3.1 or 3.2 below.

3. Closing Out Position By CCL

- 3.1 Settlement of Margin Call
If client could not meet the margin call within the specific settlement period, CCL will reserve the right to close out client's open position(s).

OR

- 3.2 Margin Call for Position value which falls below 20% of the Initial Margin
If market fluctuates during the specific settlement period and client's open position(s) with value falls to 20% or below of the initial margin, his/her open position(s) will be closed out by CCL.

CCL will send e-mail to client for acknowledging the closed out position.

4. Margin Call Communication Means

- 4.1 The margin call will be issued to client via email notification, telephone and/or short message (if applicable), requesting the client to make margin call payment within one working day.

Remarks: Margin control policies apply to all trading sessions of Hong Kong Futures Exchange (including regular trading session and after-hours trading session)