

Trading policy

Celestial Commodities Limited ("CCL")

Commodities Trading Policy (Offline Accounts)

A. Account Opening

1. Individual and Joint Account

1.1 Account opening in person (Face to Face):

Visit one of one of the Premium Investment Services Centres of CSL to sign Account Opening Form(s). Supporting documents including (but not limited to) certified true copy* of Identity Card(s) or Passport(s), current 3-month residential address proof (such as utility bills or bank statement) are to be submitted together with the application.

1.2 Account opening by post:

Please send us the completed and signed Account Opening Form(s), certified true copy*of Identity Card(s) or Passport(s), current 3-month residential address proof (such as utility bills or bank statement) and a cheque bearing your signature(s) and with your name(s) pre-printed on it and the cheque must:

1. be drawn on your Hong Kong dollar bank account with a licensed bank in Hong Kong
2. show your account name which must be pre-printed on the cheque. This account name must be the same as your name on the Account Opening Form, your identity document/passport
3. be made payable to "CASH Payment Services Limited" with an amount not less than HK\$10,000
4. bear the same signature with the Account Opening Form and
5. be encashed and cleared.

The amount will be credited into the client's trading account directly, and the trading account will only be activated until the cheque is cleared.

*certified true copies of the originals by a certified public accountant / lawyer / banker/ notary/ public in Financial Action Task Force (FATF) member/ comparable jurisdiction acceptable to us, or member of Hong Kong Institute of Chartered Secretaries within the last 6 months from the date of account application.

2. Corporate Account

Visit one of one of the Premium Investment Services Centres of CSL to sign Account Opening Form(s) together with the submission of the following supporting documents, including but not limited to:

Certified True Copy* of Business Registration Certificate by Solicitor or CPA (applicable for companies registered in Hong Kong)

Certified True Copy* of Certificate of Incorporation by Solicitor or CPA

Certified True Copy* of Memorandum & Articles of Association by Solicitor or CPA

Certified True Copy* of Register of Directors and Register of Secretaries by Solicitor or CPA

Certified True Copy* of Register of Members or ultimate principal beneficial owners by Solicitor or CPA

Minutes of Board of Directors' meeting / Resolution

Guarantee(s) of all director(s) as the individual guarantor of the account

Copy of Identity Card(s) or Passport(s) of

- o All Directors
- o All Authorized Persons
- o Beneficial Owners owning or controlling 10% or more of the voting rights or shares

Copy of current 3-month residential address proof of

- o Beneficial Owners owning or controlling 10% or more of the voting rights or shares

Trust Deed (applicable for Trust only)

Registered Address Proof

Business Address Proof (if the business address is different from the registered office address)

Self-Certification Form

W-8BEN-E form and post the original to our company

For locally incorporated company:

1. a company report from the Hong Kong Company Registry; or
2. a certified true copy of a company search report certified by a company registry or professional third party, which should have been issued within the last 6 months

For a company incorporated overseas:

1. a company report from the registry in the place of incorporation;
2. a certified true copy of a company search report certified by a company registry or professional third party, which should have been issued within the last 6 months;
3. a certificate of incumbency or equivalent issued by the company's registered agent in the

place of incorporation; or

4. a certified true copy of a certificate of incumbency certified by a professional third party, which should have been issued within the last 6 months

*certified true copies of the originals by a certified public accountant / lawyer / banker/ notary/ public in Financial Action Task Force (FATF) member/ comparable jurisdiction acceptable to us, or member of Hong Kong Institute of Chartered Secretaries within the last 6 months from the date of account application.

B. Trading

1. Commodities Account

Client should place orders via online trading platform (for EN account), SP trading platform (for SP clients), telephone or in person to the respective Account Executive.

2. Trading Products

At the moment, client can trade the following products via CCL:

1. HKFE products
2. Other Exchanges Commodities/Futures products (Including Japanese Commodities Products)

3. Order Types**

3.1 Limit Order

An order that is to be executed only at a specified or a better price.

3.2 Market Order

An order that is to be executed at market prices.

3.3 Auction Order (AO)

An order where a bid or offer price is not specified and which is entered into the HKFE's electronic trading system during the pre-market opening period for execution at the Calculated Opening Price (COP).

When Client place an auction order, he/she should prepare to buy or sell at the COP. Depending on the market conditions, not all auction orders can be matched during market opens. As a result, unmatched auction orders will be converted to limit orders at COP or the best bids or asks after the market opens.

3.4 Market On Close (MOC)

A market order filled during the close of a trading session.

3.5 Stop Order

An order to buy or sell when the market reaches a specified point. A stop order to buy becomes a market order when the futures contract trades (or is bid) at or above stop price. A stop order to sell becomes a market order when the futures contract trades (or is offered) at or below the stop price.

3.6 Stop-Limit Order

A variation of a stop order in which a trade must be executed at the exact price or better. If the order cannot be executed, it is held until the stated price or better is reached.

Exchange	Limit Order	Market Order	Auction Order (AO)	Market On Close (MOC)	Stop Order	Stop-Limit Order
Chicago Board of Trade	✓	✓	x	✓	✓	x
New York Mercantile Exchange	✓	✓	x	✓	✓	x
Chicago Mercantile Exchange	✓	✓	x	✓ (Except options of lean hogs & pork bellies)	✓	x
Singapore Exchange	✓	✓	x	x	✓	x
A/C/E	✓	✓	x	x	✓	x
Globex 2	✓	✓	x	x	✓	x
Tokyo Grain Exchange	✓	✓	x	x	x	x
Tokyo Commodities Exchange	✓	✓	x	x	x	x
Hong Kong Futures Exchange	✓	✓	✓	x	x	✓

**All order types are set by the Exchange. If client has any questions or would like to know more about the various order types, please consult the designated Account Executives or our Customer Service Officers.

4. Notes for Trading (Applicable for Japanese Commodities)

4.1 Daily Fluctuation Limit

When the market is in its “Limit Up” or “Limit Down” position, confirmation of order(s) executed shall be subjected to the affirmation from our Account Executives.

4.2 Order Placing

4.2.1 For trading in the 1st morning session, order(s) must be placed no later than 05.00 pm HKT of previous working day.

4.2.2 For other trading sessions, order(s) must be placed 10 minutes before each session opened.

4.2.3 For running markets, order(s) can be placed anytime during the market open.

4.2.4 Order(s) placed would be matched by the respective Exchange’s official confirmation.

5. Notes for Trading

- 5.1** CCL does not provide physical delivery services.
- 5.2** International Commodities Products (for physical delivery settlement contracts): Client shall liquidate all spot month contract(s) 2 days before the last trading day or the first notice day. Otherwise, CCL shall liquidate all spot month position(s) for the client at its absolute discretion without further notice.
- 5.3** Japanese Commodities Products (for physical delivery settlement contracts): Client shall liquidate all spot month contract(s) 3 weeks before the last trading day or the first notice day. Otherwise, CCL shall liquidate all spot month position(s) for the client at its absolute discretion without further notice.
- 6. Close Position Methodology**
- 6.1** Hong Kong Commodities Trading: When client has long and short positions of the same contracts with the same expiration month, CCL will AUTOMATICALLY net out the long and short positions at the end of each trading day by **first in first out day trade basis** method.
- 6.2** International Commodities Trading: If CCL does not receive any lock position instruction from client, all long and short positions of the same contracts with the same expiration month at the end of each trading day will AUTOMATICALLY net out by **first in first out day trade basis** method.
- 7. Interest**
- Credit balance of client maintained at the CCL Account will not be entitled with interest.

C. Cash Deposit / Withdrawal / Transfer

1. Cash Deposit

1.1 Hong Kong Dollar Deposit

1.1.1 Client 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.

Bank	Teller/ Counter	Internet Banking*	Automated Teller Machines (ATM)*	Phone Banking*	Quick Deposit Service	Cheque Deposit Machines	Cheque Box [△]
HSBC	✓	✓	✓	✓	✗	✗	✓
HSB	✓	✓	✓	✓	✗	✗	✗
BOC	✓	✓	✗	✗	✗	✗	✗

✓ 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 05.00 pm, we will confirm the cheque on the next working day.

- (a) “CASH Payment Services Limited” is a fund recipient agent appointed by Celestial Commodities Limited and regulated under the Securities and Futures Ordinance.
- (b) 『Easy Transfer Services』 is equivalent to the Bill Payment in banks.
- (c) 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.
- (d) Client depositing funds by 『Easy Transfer Services』 is not required to fax us the pay-in-slip for verification. Client’s available cash balance will be updated within 2-3 hours automatically.

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.

- (a) “CASH Payment Services Limited” is a fund recipient agent appointed by Celestial Commodities Limited and regulated under the Securities and Futures Ordinance.
- (b) 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

1.2.3 CNY Deposit

Client can deposit fund by cash or cheque into the bank account of “CASH payment services Limited” at BOC. Details of deposit are as follows.

Beneficiary	CASH PAYMENT SERVICES LIMITED
Bank Name	Bank of China, Hong Kong Branch
Bank A/C No.	012-883-0-600799-1
Swift ID	BKCHHKHHXXX

- (a) “CASH Payment Services Limited” is a fund recipient agent appointed by Celestial Commodities Limited and regulated under the Securities and Futures Ordinance.
- (b) 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.
- (c) US dollar deposit will be exchanged into Hong Kong Dollar according to the exchange rate on the date of receipt.
- (d) 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 05:00 pm in the 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.

2. Cash Withdrawal

2.1 Client is able to withdraw available fund by giving written and signed cash withdrawal instruction or fax to (852) 2820-0606. If the withdrawal instruction is submitted before 12:00 pm, CCL will process it within the day. Otherwise, the instruction will be executed by the following working day.

CCL will deposit cheque into the designated bank account as provided by the client, alternatively client could choose other means of collection. In case of direct deposit, the designated bank account must be in the name of the client. Instruction to pay fund to bank accounts in name of third party and issue cheque payable to third party will not be accepted.

2.2 When client's account balance is less than \$100 and with no positions, CCL maintains the right to clear the account outstanding balance when client requests to withdraw.

3. Cash Transfer

Client can freely transfer cash among the accounts in his / her name under the CASH Financial Services Group by giving written and signed cash transfer instruction or fax to (852) 2820-0606. Client's available cash balance will be updated within 2-3 hours automatically.

4. Confirmation

Client's Cash Deposit / Withdrawal / Transfer instruction will be acknowledged by daily and monthly statement.

D. Margin Control Policies and Closing Out Position Policies

1. Initial Margin Requirement

1.1 Initial margin is required on each and every new position established. Client should have adequate margin deposit or sufficient excess net equity in their account to meet the initial margin requirement prior to any new position established. Thus, the initial margin amount shall be deposited before establishing any new position. Client should consult designated Account Executives for initial margin requirement of different commodities.

1.2 For locked positions (long and short positions of the same contracts with the same expiration month), one set of margin is required(Only applicable to Hong Kong Commodities).

1.3 If insufficient cash balance is maintained, client should directly deposit cash or fill in the cash withdrawal instruction to transfer cash balance from the accounts in his / her name under the CASH Financial Services Group to his/her Commodities Account before an order is to be placed.

1.4 Initial margin requirements are the minimum rates. The initial margin requirements are subject to change from time to time at our sole discretion without prior notice.

2. Maintenance Margin Requirement

2.1 Day-end margin call

If client's open positions fall below the maintenance margin level at the end of each trading day, a margin call will be initiated by CCL in the next day morning. Client is required to deposit a sufficient amount, so that the account equity can restore to the initial margin level.

All the client account should maintain an equity of not less than the following percentage of initial margin level as the maintenance margin level for different products:

HKFE products:	80%
Japanese Commodities:	65%
Other Foreign Commodities:	75%-80%

For the morning trading session, the margin call amount shall be settled on or before 04.00 pm of the same business day.

For the afternoon trading session, the margin call amount shall be settled on or before 11.00 am of the next business day.

Subject to market condition, CCL has absolute discretion to close out all or part of client's position before the deadline mentioned above at anytime. To see more details, please see Clause D4. In case of hedge position (i.e. new position in opposite direction of same month) for particular market, no additional initial margin is required to client but subject to the minimum initial margin after handling commission is being charged.

2.2 Intra-day margin call

In the event that price movements in any market are particularly volatile, CCL is entitled to call intra-day margin at any time.

The margin call will be issued to client via email notification and/or telephone, requesting the client to make margin call payment.

3. Closing Out Position

If client neither has sufficient cash balance to meet the initial margin, nor deposited sufficient additional funds to the CCL, he/she should close out part/whole of the open positions to meet the margin call.

4. Closing Out Position By CCL

4.1 Margin Call for TWO HOURS

If client could not meet the margin call within TWO HOURS, the open position(s) may be closed out

by CCL. It is understood and agreed that Celestial Commodities Limited reserves the right to liquidate

open positions you have in your account without prior notice when the margin on deposit

with Celestial

Commodities Limited are exhausted or are inadequate in its judgement to protect itself against price fluctuation.

OR

4.2 Margin Call for Position Value which falls below 20% of the Initial Margin

If market fluctuates during the TWO HOURS margin call period and client's open position(s) with value falls below 20% of the initial margin, his/her open position(s) will be automatically closed out by CCL system subject to CCL's discretion without prior notice. CCL will send email to client for acknowledging the closed out position.

Remarks: Margin control policies apply to all trading sessions and execute by following the trading rules of Hong Kong Futures Exchange (including regular trading session and after-hour trading session)

4.3.1 CCL does not provide physical delivery services.

4.3.2 To avoid inconvenience of physical delivery of some futures contracts such as cotton and bean, it is recommended that clients should close the position of such contracts before the last trading day or the first notice day. The last trading day or the first notice day of each spot month contracts is varied from different products subject to the related exchange(s).

4.3.3 International Commodities Products (for physical delivery settlement contracts): Client shall liquidate all spot month contract(s) 2 days before the last trading day or the first notice day; otherwise, CCL shall liquidate all spot month positions(s) for the client at its absolute discretion without further notice.

4.3.4 Japanese Commodities Products (for physical delivery settlement contracts): Client shall liquidate all spot month contract(s) 1 week before the last trading day or the first notice day; otherwise, CCL shall liquidate all spot month position(s) for the client at its absolute discretion without further notice.

Please be noted that the above information is subject to change from time to time without prior notice. For the most updated version, please refer to our website at www.cashon-line.com.