

## **Trading policy**

### **Celestial Securities Limited ("CSL")**

#### **Electronic Trading Account - China B Shares Trading Policy**

##### **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

i. 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. Segregation of Accounts**

1.1 The Electronic Account and Offline Account are totally segregated accounts. The cash balance and stock balance 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 stock balance to the latter account before placing order.

### **2. Cash / Stock Balance**

2.1 Sufficient Cash should be deposited into the bank account of "Cash Payment Services Ltd"\* ("CPS") before placing a buy order.

Sufficient Cash = Total amount of the purchase transaction

Such amount will be deducted from the cash balance of client's account and T + 2 deposit payment methods is not applicable to B Shares trading.

\* "CASH Payment Services Ltd." is a fund recipient agent appointed by CSL and regulated under the

Securities and Future Ordinance.

2.2 Shanghai B and Shenzhen B shares are traded and settled in USD and HKD respectively. In case clients do not have sufficient denominated currency for a transaction when placing an order, CSL will automatically hold the required amount by converting the other currency deposit into the denominated currency at exchange rates on the transaction day. If the transaction cannot be executed on that day, the exchanged currency amount will be released back to the original currency automatically after trading hours and no exchange loss will be incurred. The adopted exchange rates are subject to CSL's discretion.

2.3 If the Client deposits cheque into the bank account of "CASH Payment Services Ltd.", he/she can place buy order only if his/her cheque has been cleared.

### 3. Channels and Acknowledgement of Order Placement

1. Client can place order through various electronic means, including Internet, mobile phone, PDA, WAP phone and IVRS and other subsequent available electronic means added to our service list.

2. All clients' order instruction will be acknowledged and confirmed by email and/or SMS.

3. All executed transaction placed via WAP phone will be replied by order acknowledgement and confirmation by email. It is recommended that all WAP users should subscribe mobile email services and register the email address with CSL. 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.

## C. Cash Deposit / Withdrawal / Transfer

### 1. Cash Deposit

Easy Transfer Services

Hong Kong Dollars Deposit

Client must bring the Deposit Card issued by CFSG to Hong Kong and Shanghai Banking Corporation Ltd. (HSBC), Hang Seng Bank (HSB) or Bank of China Group (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 information from the 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	✓	✓	×	×	×	×	×

✓ Support "Easy Transfer Services", please refer to the reference no. on Deposit Card.

× Cannot support "Easy Transfer Services".

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

- (a) "Easy Transfer Services" is equivalent to the Bill Payment in banks.
- (b) 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.
- (c) Client who deposits funds by "Easy Transfer Services" do not need to fax us the pay-in-slip for verification. Client's available cash balance will be updated within 2-3 hours automatically.

## 1.2 Non-Easy Transfer Services

### 1.2.1 Hong Kong Dollars Deposit

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

### 1.2.2 US Dollars 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.

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

### 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.

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

- (a) Handling charge will be deducted for the remittance proceeds by bank.
- (b) US dollar deposit will be exchanged into Hong Kong Dollar according to the exchange rate on the date of receipt.
- (c) Clients are required to specify the 11-digit reference no. in the remarks. Please sign, write down account no., Chinese & English full name (BLOCK LETTER), contact no. on the pay-in-slip and fax it to the Settlement Department at (852) 2820 0606 for verification.

1.3 "CASH Payment Services Limited" is a fund recipient agent appointed by Celestial Securities Limited and regulated under the Securities and Futures Ordinance.

1.4 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 credited 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 credited 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, CSL will process it within the day. Otherwise, the instruction will be executed by the following working day.

CSL will deposit cheque into the designated bank account 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. Instructions to pay fund to bank accounts in name of third party and issue cheque payable to third party will not be accepted.

2.2 After selling the physical scrip deposited into CSL, the sales proceed is not allowed to be withdrawn unless the physical scrip has been deposited into CSL for over 10 working days and is proved to be genuine by CCASS.

2.3 When client's account balance is less than \$100 with no stock deposit, CSL maintains the right to clear the account outstanding balance when client requests to make any withdrawal.

2.4 CNY withdrawal is not accepted. Auto bank-in service is applicable for HKD only. The HKD auto bank in service will be stopped if there are insufficient funds to settle the CNY-denominated securities transactions. If clients would like to withdraw the remaining balance (HKD or CNY), clients could send their signed withdrawal instruction form to us by fax to (852) 2820 0606, email, post or in person to our head office and branches.

## **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.

## **5. Credit Interest**

Client will receive interest on a minimum of HK\$50,000 / CNY\$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.

## **D. Stock Deposit / Withdrawal / Transfer**

### **1. Stock Deposit**

China B Shares are scripless securities. Stock deposit/withdrawal of physical scrip and by settlement instruction is not applicable to China B Shares Trading Service.

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](http://www.cashon-line.com).