

**LETTER REGARDING THE TRADING OF HONG KONG AND SINGAPORE  
SECURITIES**

Thank you for your continued support. We would like to draw your attention to a number of requirements in relation to trading in the Hong Kong and Singapore securities markets, as set out in this letter.

By continuing trading with us, you shall be deemed to have agreed to the provisions set out in this letter. If you do not agree to any of these provisions, or if you have any question regarding this letter, please contact your sales person at BofA Securities Europe SA (“BofA SE”). BofA Securities Europe SA (“BofASE”) with registered address at 51, rue La Boétie, 75008 Paris is registered under n° 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d’investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE’s share capital can be found at [www.bofaml.com/BofASEdisclaimer](http://www.bofaml.com/BofASEdisclaimer).

## **HONG KONG**

### **Disclosure of Client Identity**

Merrill Lynch Far East Limited (“MLFE”) is a Licensed Corporation under the Securities and Futures Ordinance to conduct securities and futures intermediary activities in Hong Kong. MLFE acts as a broker in the Hong Kong securities and futures market for clients of its affiliates, including but not limited to BofA Securities, Inc., BofA Securities Europe SA and Merrill Lynch International.

As a Licensed Corporation by the Securities and Futures Commission (“SFC”) in Hong Kong, MLFE is required to comply with the Client Identity Rule Policy published by the SFC (the “Client Identity Rule”). Under which, MLFE is required to ascertain and record the identity, address and contact details of the person(s) who is the ultimate beneficiary of a transaction and of the person ultimately responsible for originating the instructions in relation to a transaction (the “Relevant Information”) and to provide the SFC, the Stock Exchange of Hong Kong Limited and the Hong Kong Futures Exchange (the “Hong Kong Regulators”) access to the such information upon request within two business days of their request.

MLFE is required to disclose and provide to the Hong Kong Regulators such information or documents in its possession as may be legally requested by the Hong Kong Regulators.

Further, where you effect transactions for accounts of your clients, whether on a discretionary or non-discretionary basis, and whether as an agent or by entering into matching transactions as a principal with your clients, you agree to, in relation to any such transactions where MLFE has received an enquiry from the Hong Kong Regulators, the following provisions:

- (a) Except as provided below, you shall, immediately upon MLFE’s or its affiliates’ request (which shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong

Regulators of the identity and contact details of the client for whose account the transaction was effected and (so far as known to you) of the person with the ultimate beneficial interest in the transaction. You shall also inform the Hong Kong Regulators of any third party (if different from the client / ultimate beneficiary) who originated the transaction.

- (b) If you effected the transaction for a collective investment scheme (e.g. a unit trust / mutual fund), discretionary account or discretionary trust, you shall, immediately upon MLFE's or its affiliates' request (which shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity and contact details of the scheme, account or trust and, if applicable, the identity and contact details of the person who has or have given the instruction to effect the transaction.
- (c) If you are aware that your client is acting as an intermediary for its underlying clients, and you do not know the identity and contact details of the underlying client(s) for whom the transaction was effected, you confirm that:
  - (i) you have arrangements in place with your client which entitle you to obtain the information set out in paragraphs (a) and (b) from your client immediately upon request; and
  - (ii) you will, upon MLFE's or its affiliates' request in relation to a transaction, promptly request the information set out in paragraphs (a) and (b) from your client on whose instructions the transaction was effected, and provide the information to the Hong Kong Regulators as soon as received from your client or procure that it be so provided.

The SFC recognizes you might not wish to disclose the identities of your clients to MLFE or its affiliates if you act as an agent for third parties. The Client Identity Rule is considered to have been complied with if you provide the Relevant Information to the Hong Kong Regulators directly when requested. If you are in a jurisdiction with client secrecy laws, you confirm that you and your clients waive the benefit of those secrecy laws, in relation to any inquiry by the Hong Kong Regulators. You confirm that such waivers are valid and binding under the laws of such jurisdiction. Your obligations hereunder shall survive termination of any agreement you have with MLFE or its affiliates.

### **Short Sell**

You may from time to time instruct MLFE directly or via an affiliate of MLFE to effect a sale of securities on the Stock Exchange of Hong Kong Limited ("SEHK"). Until such time when MLFE or its affiliate that initially takes in your order receives a notification (written or verbal) from you to the contrary, every sell order you ask MLFE or such an affiliate to execute on the SEHK is a "long" sale, meaning that you either (i) own the securities, or (ii) have already placed an irrecoverable instruction to convert or exercise to receive the underlying securities from an ADR, physically-settled call option or other similar instruments convertible or exchangeable into the securities that are the subject of the sell order.

To notify MLFE or its affiliate of the contrary, you must in respect of any short sell order confirm in writing or verbally that:

- (a) the order is a short sell order;
- (b) you have a presently exercisable and unconditional right to vest these securities to which the order relates in the purchaser of such securities; and

- (c) you have, to the extent that the securities are borrowed, obtained a confirmation from the lender that it has the securities available to lend.

Please note that the requirement that you obtain a confirmation from a securities lender that it has the securities available to lend to you prior to you submitting a short sell order applies irrespective of (i) any securities lending transaction you may enter into with any securities lender (including, any securities lending transaction you may enter into with any affiliate of MLFE) after you submit a short sell order and (ii) whether any securities lending transaction you enter into is bilaterally agreed with the securities lender or is booked automatically by the securities lender pursuant to an existing operational arrangement between you and the securities lender.

In addition, regardless of whether your order is a long sell or a short sell, you confirm that, at the time of placing a sell order, sufficient securities will be available to be delivered for settlement on the settlement date.

### **Client Facilitation**

Where any MLFE's affiliate enters into guaranteed price trades (such as guaranteed VWAP or guaranteed MOC trades) with you, MLFE's affiliate (and MLFE, or any other party engaged in arranging the trades) will arrange and execute such trades on a best effort basis and on the understanding that there is no obligation on its part to complete execution of your orders at the quantity of securities specified by you in such orders. Any costs, charges, fees or taxes payable by you in respect of such trades will be calculated based on the guaranteed price, which may be different from the price at which MLFE's affiliate (and MLFE, or any other party engaged in arranging the trades) are able to execute such trades in the market. As such, any costs, charges, fees or taxes shown in the trade confirmations for guaranteed price trades may not reflect the actual costs, charges, fees or taxes incurred by MLFE's affiliate (and MLFE, or any other party engaged in arranging the trades) in connection with the execution of such trades on your behalf. As a result of the price guarantee, MLFE's affiliate may realise a gain or a loss from the execution of such trades, and such gain or loss will be allocated to the account of such MLFE's affiliate.

## **SINGAPORE**

### **Short Sell**

#### Marking of Short Sell Orders

All market participants who place a short sell order on Singapore Exchange Securities Trading Limited ("SGX-ST") are required under the Securities and Futures Act to disclose to SGX-ST, before or at the time of the short sell order, the making of the short sell order, and the quantity, volume or value of the securities in relation to which the market participant is making the short sell order. SGX-ST further requires all market participants, including end- investors, to mark their sell orders to indicate whether they are short sell orders or normal sell orders, and to indicate the quantity, volume or value of the securities in which the market participant is making the short sell order. The requirements for disclosure of short sell orders apply in relation to shares (including ordinary and preference shares) of corporations (including corporations with a secondary listing on SGX-ST), units in business trusts or units in real estate investment trusts, which are listed on SGX-ST. A short sell order refers to any sell order where the seller does not have an interest in the full quantity of the

securities to be sold at the time of placing the order. SGX-ST publishes daily reports on the total value and volume of short sales for each security before the start of each trading day, based on short sale data collected on the previous trading day.

Merrill Lynch (Singapore) Pte. Limited (“MLS”) acts as a broker in the Singapore securities and futures market for its clients and/or clients of its affiliates, including but not limited to BofA Securities, Inc., BofA Securities Europe SA and Merrill Lynch International. MLS will not be able to enter a sell order on behalf of a client unless it receives indication from the client through its agent or otherwise that such sell order is either a short sell order or a normal sell order, and where such sell order is a short sell order, the information relating to the quantity, volume or value of the securities in which the client is making the short sell order.

As a market participant on the SGX-ST, you have a statutory obligation to disclose your placing of short sell orders and to make true and accurate disclosure of your short selling trading information. Any failure to disclose the placing of a short sell order is an offence under the Securities and Futures Act. In addition, any wrongful disclosure of sell orders by you may be construed as an intent by you to deceive or to make false or misleading statement to the SGX-ST, both of which are offences under the Securities and Futures Act.

For every sell order that you wish to execute on the SGX-ST (including a sell order for a married trade that is reported to the SGX-ST), you must inform BofA SE (if you place your sell order through voice broking) or indicate in your electronic order management system whether your order is a short sell order or a normal sell order. Partial short sell orders where you own some but not the full quantity of securities to be sold must be split into two separate sell orders. One sell order is a normal sell order for the quantity of securities you own, and the other sell order is the short sell order which must be marked accordingly as a short sell order. Where the order is a short sell order, you must inform BofA SE or indicate in your electronic order management system the quantity, volume or value of the securities in relation to which you are making the short sell order.

Unless BofA SE receives specific notification (written or verbal) from you to the contrary, every order received from you to effect a sale of securities on the SGX-ST will be treated as a normal sell order. A normal sell order means that:

- (a) you are the legal or beneficial owner of the securities, unless such ownership is pursuant to a securities borrowing agreement or is through a collective investment scheme of which you are a participant; or
- (b) you have authority to dispose of the securities, unless such authority is pursuant to a fund management agreement or arrangement; or
- (c) you:
  - (i) have purchased or have entered into an unconditional agreement or arrangement to purchase the securities, but have not yet received delivery of such securities; or
  - (ii) have tendered other securities for conversion or exchange or have issued irrevocable instructions to convert or exchange other securities into the securities but have not yet received delivery of such securities; or
  - (iii) have exercised an option to subscribe for the securities, but have not yet received

delivery of such securities; or

- (iv) have exercised a right under a warrant to subscribe for the securities, but have not yet received delivery of such securities; and
  - (v) under the agreement, arrangement, conversion, exchange, option or right referred to in (i) to (iv), are to receive delivery of such securities before you are to deliver the securities under the sell order; or
- (d) you are the lender in a securities lending agreement and have transferred title to the securities to the borrower but are to receive title to the securities from the borrower before you are to deliver the securities under the sell order.

In addition, regardless of whether your order is a short sell order or a normal sell order, you confirm that, at the time of placing a sell order, sufficient securities will be available to be delivered for settlement on the settlement date.

#### Erroneously Marked Sell Orders

Where you have wrongly disclosed a sell order and the order has been executed, you must immediately inform BofA SE to correct the erroneous sell order, so that the correction can be submitted to SGX-ST on your behalf. You should provide BofA SE the following information with respect to the erroneous sell order as soon as you realize the error:

- (a) Trade date;
- (b) Security name;
- (c) Security identifier (i.e. RIC code);
- (d) Marked short sell volume and actual short sell volume; and
- (e) Traded price.

#### References and Further Information

To enhance your understanding of the short selling rules, the following are hyperlinks to the relevant legislation and regulations and various documents issued by the SGX-ST and the Monetary Authority of Singapore (“MAS”) for your information and reference:

- (a) Guidelines on the Regulation of Short Selling issued by the MAS  
<https://www.mas.gov.sg/regulation/guidelines/guidelines-on-the-regulation-of-short-selling>
- (b) Part VIIA of the Securities and Futures Act  
<https://sso.agc.gov.sg/Act/SFA2001>
- (c) Securities and Futures (Short Selling) Regulations 2018  
<https://sso.agc.gov.sg/SL-Supp/S328-2018/Published/20180528?DocDate=20180528>

- (d) SGX-ST Rules and Regulatory Notice on Marking of Sell Orders and Reporting of Erroneously Marked Sell Orders

<https://rulebook.sgx.com/rulebook/regulatory-notice-87-and-89-obligations-trading-members-mark-sell-orders>