

7th Jun 2024

Securities Margin Account Services Amendment Notice

Thank you for using the service of Securities Margin Account (“Securities Margin Account Services”) of Bank of China (Hong Kong) Limited (“BOCHK”).

Please be informed that BOCHK will amend the Securities Margin Account Services. Details of the amendment is set out as below.

1. Clarify the allowable period of depositing additional margin (Effective from 21st Jul 2024)

According to the current requirement of securities margin services, customer should always monitor the position of the securities margin account to maintain a margin ratio of 100% or below. When margin ratio is higher than Top Up Level, customer must deposit the margin call amount immediately to restore the margin ratio to 100% or below. If customer fails to deposit the margin call amount immediately (within reasonable period) to restore the margin ratio to the level required by BOCHK, an Event of Default will occur.

Although the above requirement remains unchanged, effective from 21st Jul 2024, it is clarified that if the margin ratio remains above 100% for 6 consecutive calendar days (count as at Hong Kong time 5:00pm), it will be interpreted as failure to deposit the margin call amount immediately as required by BOCHK. BOCHK will force sell the securities according to the “Rules: Securities Margin Account”.

2. Amend the Top Up Level (Effective from 21st Jul 2024)

Top Up Level will be amended as below,

	Before 21 st Jul 2024	From 21 st Jul 2024
Top Up Level	Margin ratio is 110% or above	Margin ratio is above 100%

3. Set upper limits on loanable value of charged securities (Effective from 17th Nov 2024)

Set upper limit on the loanable value of each charged security and amend the calculation method of loanable value as below,

	Before 17 th Nov 2024	From 17 th Nov 2024
Loanable value	Market value of securities x loanable percentage	The lower of: - Market value of securities x loanable percentage - Upper limits of loanable value for a particular security ^{Remark}

Remark : The following upper limits of loanable value for particular security will be set, including:

- The quantity of a particular security held by a customer cannot exceed 5% of its total issued quantity.
- When the total loan is above HK\$30,000,000 or equivalent, the loanable value of a particular security cannot occupy more than 40% of the total loanable value of the securities margin account.

The amendments above shall be binding on you if you continue to maintain your securities margin account with BOCHK or use any of the Securities Margin Account Services on or after the effective dates mentioned above. If you do not accept the amendments, BOCHK may not be able to continue to provide services to you. Should you have any enquiry/response, please contact BOCHK staff or Investment Service Hotline at (852) 3988 2688.

Should there be any discrepancy between the English and Chinese versions of this notice, the English version shall prevail.

Bank of China Hong Kong Limited