

Instruction - Precious Metal/FX Margin

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Service Hours for Precious Metal/FX Margin Trading via Internet / Mobile Banking

	Monday to Friday	Saturday	Sunday
Precious Metal/FX Margin Quote	24 hours	24 hours	24 hours
Trading - FX Margin	05:00 - 04:00 (the following day)	--	--
Trading - London Gold & Silver Margin	07:00 - 04:00 (the following day)	--	--
Trading - Tael Gold & Kilo Gold Margin	09:00 - 12: 00 and 14: 00 - 17:00	--	--
Standing Order Placement/Cancellation ¹ – FX Margin	05:00 - 04:00 (the following day)	--	--
Standing Order Placement/Cancellation ¹ – London Gold & Silver Margin	07:00 - 04:00 (the following day)	--	--
Standing Order Placement/Cancellation ¹ – Tael Gold & Kilo Gold Margin	09:00 - 12: 00 and 14: 00 - 17:00	--	--
Account Details Enquiry	05:00 - 04:00 (the following day)	--	--
Transaction Records Enquiry	05:00 - 04:00 (the following day)	--	--
Position Square Appointment	05:00 - 04:00 (the following day)	--	--
Standing Order Records Enquiry	05:00 - 04:00 (the following day)	--	--
Margin Call Balance Enquiry	24 hours	24 hours	24 hours
Margin Transfer ³	05:00 - 04:00 (the following day)	05:00 - 13:00 ^{2, 4}	--
Margin Exchange ³	05:00 - 00:00 (the following day)	08:30 - 13:00 ⁴	--

Notes:

1. For the handling time of standing orders and stop loss orders, please refer to the "Standing Order Placement" section.
2. Margin transfer that involves foreign exchange is not accepted during the period from 05:00 to 08:30 on Saturdays.
3. Margin transfer and margin exchange services are available on Hong Kong public holidays (except Saturdays and Sundays).
4. Margin transfer and margin exchange services are not available on Hong Kong public holidays which fall on a Saturday.

Manned Trading Hotline

Bank	Service Hours	Trading Hotline (Precious Metal/FX Margin)
Bank of China (Hong Kong) Limited	Monday - Friday: 05:00 - 04:00 (the following day) Saturday: 05:00 - 13:00 Sunday: No trading	(852)3988 2888 Wealth Management Hotline (852)3988 2988 Enrich Banking Hotline (852) 3988 2688 Investment Services Hotline

Note: If you are a user of the manned trading hotline, you are reminded to keep your password absolutely confidential at all times. You are also advised to place your trading instructions through the above specified telephone line with tape recording function. All transactions completed and confirmed by the Bank's staff cannot be cancelled or amended.

Trading

1. Equivalent Amount

Trading Currency/ Precious Metal*	Equivalent Amount	Trading Currency/ Precious Metal*	Equivalent Amount
GBP/USD	Trading Amount × Executed Price (Amount in USD)	USD/CNY	Trading Amount ÷ Executed Price (Amount in USD)
AUD/USD		USD/CAD	
EUR/USD		USD/CHF	
NZD/USD		USD/JPY	
LLG/USD		USD/HKD	
LLS/USD			
CNY/JPY	Trading Amount × Executed Price (Amount in counter currency)	99G/HKD	Trading Amount × Executed Price (Amount in HKD)
AUD/CNY		KLG/HKD	
EUR/CNY		CNY/HKD	
GBP/CNY		AUD/HKD	
NZD/CNY		CAD/HKD	
CHF/CNY		CHF/HKD	
CAD/CNY		EUR/HKD	
EUR/AUD		GBP/HKD	
EUR/GBP		JPY/HKD	
EUR/CHF		NZD/HKD	
EUR/JPY			
AUD/CHF			
AUD/JPY			
AUD/NZD			
NZD/JPY			
GBP/JPY			
GBP/CHF			

* The pairs of trading currency/precious metal are subject to revision by the Bank from time to time.

2. Trading Pairs

Trading Currency /Precious Metal*	Lot Size	Trading Currency /Precious Metal*	Lot Size
USD/CNY	CNY 125,000	EUR/AUD	EUR 25,000
AUD/USD	AUD 25,000	EUR/CHF	EUR 25,000
USD/CAD	CAD 25,000	EUR/GBP	EUR 25,000
USD/CHF	CHF 25,000	EUR/JPY	EUR 25,000
EUR/USD	EUR 25,000	GBP/CHF	GBP 25,000
GBP/USD	GBP 25,000	GBP/JPY	GBP 25,000
USD/HKD	HKD 250,000	NZD/JPY	NZD 25,000
USD/JPY	JPY 2,500,000	CNY/HKD	CNY 125,000
NZD/USD	NZD 25,000	AUD/HKD	AUD 12,500
CNY/JPY	CNY 125,000	CAD/HKD	CAD 12,500
AUD/CNY	AUD 25,000	CHF/HKD	CHF 12,500
EUR/CNY	EUR 25,000	EUR/HKD	EUR 12,500
GBP/CNY	GBP 25,000	GBP/HKD	GBP 12,500
NZD/CNY	NZD 25,000	JPY/HKD	JPY 1,250,000
CHF/CNY	CHF 25,000	NZD/HKD	NZD 12,500
CAD/CNY	CAD 25,000	LLG/USD	50 OZ
AUD/CHF	AUD 25,000	LLS/USD	2,500 OZ
AUD/JPY	AUD 25,000	99G/HKD	50 TAEL
AUD/NZD	AUD 25,000	KLK/HKD	2,500 g

* The pairs of trading currency/precious metal are subject to revision by the Bank from time to time.

3. Time for Order Confirmation

- Due to fluctuations in Precious Metal/FX markets, please click the "Confirm" button as soon as you complete verification of the transaction details. The time given by the timekeeper and displayed on the webpage is for reference only and will not be used to determine whether the order is accepted by the Bank.

4. Value Date

- Value date refers to the date from which interest is charged for open position of the precious metal/FX contract or the date when the contract is closed out.

5. Handling Fees

- Handling fees are applicable to Tael Gold and Kilo Gold margin transactions.
 - Commission fee : HKD 25 per lot (To be calculated at the time when the contract is squared)
 - Custodian fee : HKD 3 per lot per night
 - Delivery Charge : HKD 50 per lot
 - Premium : Premium will be determined according to the Chinese Gold and Silver Exchange Society each day, and is quoted per 100 taels (Tael Gold) and per 5,000 grams (Kilo Gold)

- At the end of each year, all outstanding margin contracts for Tael Gold and Kilo Gold will be marked to market at the settlement price of the Chinese Gold and Silver Exchange Society. Any gain/loss, premium and custodian fee will be credited to or debited from your margin trading account.

6. Margin Trading Examples

- Precious Metal Margin:

Example 1: If you have a bullish view on Local London Gold (LLG)

- you buy 4 lots of LLG (=200oz) at USD 1,300 /oz.
- the initial cash margin required to be in your margin trading account will be USD18,200 (being USD 1,300 x 200 x 7%) or its equivalent in other currencies.
- you sell 4 lots of LLG at USD 1,350 /oz to square your position.

Profit from the investment:

$$= \text{USD} [200 \times (1,350 - 1,300)]$$

$$= \text{USD}10,000$$

Example 2: If you have a bearish view on Local London Silver (LLS)

- you sell 4 lots of LLS (=10,000oz) at USD 22.00 /oz.
- the initial cash margin required to be in your margin trading account will be USD22,000 (being USD 22.00 x 10,000 x 10%) or its equivalent in other currencies.
- you buy 4 lots of LLS at USD 23.50 /oz to square your position.

Loss from the investment:

$$= \text{USD} [10,000 \times (22.00 - 23.50)]$$

$$= - \text{USD}15,000$$

- FX Margin:

Example 1: If you have a bearish view on JPY

- you sell 4 lots of JPY (=JPY 10,000,000) at the exchange rate of USD/JPY 83.50, which means that you have correspondingly bought USD 119,760.48 ($10,000,000 \div 83.50$).
- the initial cash margin required in your margin trading account will be USD5,988.02 (being USD 119,760.48 x 5%) or its equivalent in other currencies.
- you buy 4 lots of JPY at the exchange rate of USD/JPY 85.00 to square your position, which means that you have correspondingly sold USD117,647.06 ($10,000,000 \div 85.00$).

Profit from the investment:

$$= \text{USD}(119,760.48 - 117,647.06)$$

$$= \text{USD}2,113.42$$

Example 2: If you have a bullish view on EUR and a bearish view on JPY (cross rate trading)

- you buy 1 lot of EUR/JPY (=EUR 25,000) at the exchange rate of EUR/JPY 115.00, which means that you have correspondingly sold JPY2,875,000 ($25,000 \times 115.00$).
- the initial cash margin required in your margin trading account will be USD1,725.00 (assuming the exchange rate for EUR/USD is 1.3800, i.e. $25,000 \times 1.3800 \times 5\%$) or its equivalent in other currencies.
- you sell 1 lot of EUR/JPY at the exchange rate of EUR/JPY 113.00 to square your position, which means that you have correspondingly bought JPY2,825,000 ($25,000 \times 113.00$).

Loss from the investment:
= JPY (2,825,000 – 2,875,000)
= - JPY50,000

7. Notes

- You can place trading order(s) via Internet Banking, Mobile Banking or Manned Trading Hotline.
- The prices of Precious Metals Margin and the exchange rates of FX Margin are quoted in accordance with the international market practice.
- All margin transactions are based on spot rates of the Precious Metal and FX currencies. Normally, the value date is two trading days after the trade date (for CAD, the value date is the day following the trade date, for Tael Gold and Kilo Gold, the value date is the trade date). Credit and debit interest will be calculated according to the credit/debit rate of each relevant currency and precious metal from the value date until the date the contract is squared and delivered, as specified in the daily transaction statement/contract.
- The maximum lot size per order is 60 for order placement of all FX and London Gold via Internet Banking / Mobile Banking. The maximum lot size per order is 40 for Tael Gold and London Silver, while the maximum lot size per order is 20 for Kilo Gold. If the order lot size exceeds limit, please place it into separate orders or call our Manned Trading Hotline for trading.
- Please call our Manned Trading Hotline for enquiry or trading in the following situations:
 - If you have placed order(s) via Internet Banking, Mobile Banking or Manned Trading Hotline, your margin call will be reduced accordingly. Kindly note that this will not be reflected in the "Account Details". You may then not be able to conduct margin transaction(s) (including squaring) or place standing order(s) (including orders for squaring) via Internet Banking / Mobile Banking.
 - If the Bank has placed stop loss order(s) at its sole discretion, you are not allowed to conduct margin transaction(s) (including squaring) or place standing order(s) (including orders for squaring) via Internet Banking / Mobile Banking.
 - If the message "Due to the communication problem, your margin account is not updated" is displayed, you will not be able to conduct transaction(s) or place standing order(s) via Internet Banking / Mobile Banking temporarily.

Standing Order Placement

1. Types of Standing Order

Standing order can be either single order or conditional order.

Single standing order will be executed if the market price reaches the order price. Conditional order contains several instructions. If one of instructions has been executed, the remaining instruction(s) will be effective or cancelled automatically.

- **Single standing order:**

Limit order: A limit order specifies a price better than the spot market price. The order will be executed at the order price or at a price better than the order price.

Stop loss order: A stop loss order specifies a price worse than the spot market price. The order will be executed at a price that may be worse than the order price.

- **OCO order:**

You can place two single orders at the same time by giving one instruction. One of the orders must be set at a price better than the spot market price, and the price of the other order must be set at a price worse than the spot market price. Upon execution of one of the orders, the remaining order will be cancelled automatically.

- **If-Then (OCO) order:**

You may place an "If" order and a "Then" order at the same time by giving one instruction. The "If" order is a single order and the "Then" order is an OCO order. The "Then" order will be effective only when the "If" order has been fully executed.

- **If-Then (Single) order:**

You may place an "If" order and a "Then" order at the same time by giving only one instruction. Both the "If" order and the "Then" order are single orders. The "Then" order will be effective only when the "If" order has been fully executed.

2. Expiration of Standing Order

- You can place FX Margin standing orders of up to 14 days of validity.
- You can place London Gold (LLG) and London Silver (LLS) standing orders of up to 14 days of validity.
- You can place Tael Gold (99G) and Kilo Gold (KLG) standing orders which are valid within one trading day.
- The expiry date and time for precious metal and FX margin standing order(s) placed via Internet Banking, Mobile Banking and Manned Trading Hotline are of Hong Kong Time and subject to the expiry date and time given by the Bank from time to time.

3. The handling time of standing orders and stop loss orders by the Bank

Types of Margin	Handling time of Standing Orders by the Bank
FX Margin	Between 05:00 Sydney Time on Monday (i.e. 02:00 or 03:00* HK Time on Monday) and 17:00 New York Time on Friday (i.e. 05:00 or 06:00* HK Time on Saturday) *Subject to the Daylight Saving Time conversion of the respective regions
London Gold & Silver Margin	Within trading hours only
Tael Gold & Kilo Gold Margin	

- The above arrangements are also applicable to the stop loss orders placed by the Bank.

4. Notes

- You can place standing order(s) via Internet Banking, Mobile Banking or Manned Trading Hotline.
- The Bank handles customers' standing orders in good faith. The standing order will only be executed if the order price can be executed in the market and within the price range as determined by the Bank.
- To cancel or amend a standing order placed, you should provide clear instructions for them to be effective. Such orders will not be automatically cancelled as a result of any other transactions.
- No preferential price will be given to the standing orders.
- Please ensure that there is sufficient margin call in your margin trading account at the time when your order is executed. Otherwise, the Bank may exercise the right to square your precious metal/FX contract(s) to minimise your potential losses.
- Due to market fluctuations, the dealing price of your order may be in some cases worse than the price specified by you at order placement.
- System will check the standing order price against the spot trading price. If the standing order price exceeds the preset limit, alert will be generated by system and you are required to re-set the standing order.
- The executed amount of your FX margin standing order may be less than the order amount specified by you at order placement.
- The standing order price for JPY/HKD with more than 5 decimal places will not be accepted. The standing order price for USD/JPY, EUR/JPY, AUD/JPY, GBP/JPY, NZD/JPY, LLS/USD and KLG/HKD with more than 2 decimal places will not be accepted. The standing order price for CNY/JPY with more than 3 decimal places will not be accepted. The standing order price for LLG/USD with more than 1 decimal place will not be accepted. The standing order price for 99G/HKD should be an integer. The price for other trading currency/precious metal standing orders with more than 4 decimal places will not be accepted.
- Please call our Manned Trading Hotline for enquiry or trading in the following situations:
 - If you have placed order(s) via Internet Banking, Mobile Banking or Manned Trading Hotline, your margin call will be reduced accordingly but will not be reflected in the "Account Details". You may then not be able to conduct margin transaction(s) (including squaring) or place standing order(s) (including orders for squaring) via Internet Banking / Mobile Banking.
 - If the Bank has placed stop loss order(s) at its sole discretion, you are not allowed to conduct margin transactions (including squaring) or place standing orders (including orders for squaring) via Internet Banking / Mobile Banking.

Account Details

1. Account Equity (USD equivalent)
 - Account Equity = Margin Balance + Unrealised Profit/Loss + Accrued Interest Receivable/Payable + Credit Allowance + Holding Balance
2. Margin Call
 - Margin Call = Account Equity – Total Margin Requirement
3. Margin Call Percentage
 - Margin Call Percentage = Margin Call ÷ Total Margin Requirement x 100%
4. Outstanding Transactions
 - This section displays the unrealised profit/loss and the open positions of respective currencies. You may check the details of each transaction under the "Transaction Records" section.
5. Unrealized profit / loss
 - Outstanding and / or unsettled (squared) transactions are included.
6. Standing Order Record (Outstanding)
 - Please check the latest status of your standing order under the "Standing Order Record" section during the service hours for precious metal/FX margin trading via Internet Banking / Mobile Banking.

Position Square Appointment

1. Unsettled Contract Transaction Record
 - If you hold more than one buy and sell contracts for same pair of trading currencies or precious metal in your margin trading account, you can place position square appointment by selecting the buy contract(s) and sell contract(s) before the value date of the contracts. If you have not provided any squaring instructions, the outstanding contracts will be automatically squared on a first-in-first-out basis.
 - A maximum of 5 contracts can be selected for position square appointment each time.
 - The minimum number of lots to be selected for position square appointment is 1. The maximum number of lots to be selected must be less than the total number of buy or sell lots, whichever is lower.
 - The settlement of position square appointment would be processed on the last value date among the selected orders.
 - The unrealised profit and loss are calculated in the sequence of the selected orders. Difference in sequence may yield different figures but it would not affect the actual margin call balance and positions.
 - The unrealised profit and loss figures provided are for reference only. Please refer to the statement issued on the value date for the actual amount.
 - The orders selected for position square appointment cannot be selected again via Internet Banking / Mobile Banking for position squaring.
2. Position Square Appointment Record
 - Position square appointment can be cancelled before the settlement date of the contracts.
 - You may check the details of each position square appointment by clicking its position square number.
 - The unrealised profit and loss figures provided are for reference only. Please refer to the statement issued on the value date for the actual amount.
 - Position square appointment placed via Internet Banking / Mobile Banking can only be cancelled via Internet Banking / Mobile Banking.

Transaction Record

1. Today Transaction Record
 - All transactions and standing orders executed within the current trading day will be displayed.
2. Transaction Record Details

- You may check the details of a transaction by clicking the deal number during the service hours for precious metal/FX margin trading via Internet Banking.

Standing Order Records / Standing Order Cancellation

- The standing order records provided on the Internet Banking include outstanding orders placed during the last 14 days and expired/cancelled/ executed orders placed within 21 days.
- You may check the details of an outstanding order by clicking its order number during the service hours for precious metal/FX margin trading via Internet Banking.
- You may cancel an outstanding standing order by clicking the "Delete" button next to its order number.
- Notes
 - Standing orders placed through Internet Banking / Mobile Banking can only be cancelled via Internet Banking / Mobile Banking.
 - Standing orders cannot be cancelled via Internet Banking / Mobile Banking if the order price is within the spot trading price range.
 - Standing orders cannot be cancelled via Internet Banking / Mobile Banking if the order lot size exceeds the limit.
 - Please call our Manned Trading Hotline for enquiry in the following situations:
 - If the Bank has placed stop loss order(s) at its sole discretion, you are not allowed to cancel standing order(s) via Internet Banking / Mobile Banking.
 - If the message "Due to the communication problem, your margin account is not updated" is displayed, you will not be able to cancel standing order(s) via Internet Banking / Mobile Banking temporarily.

Margin Call Balance

- Account Equity (USD equivalent)
 - Account Equity = Margin Balance + Unrealised Profit/Loss + Accrued Interest Receivable / Payable + Credit Allowance + Holding Balance
- Margin Call
 - Margin Call = Account Equity – Total Margin Requirement
- Margin Call Percentage
 - Margin Call Percentage = Margin Call ÷ Total Margin Requirement x 100%
- Total Margin Balance, Accrued Interest Receivable / Payable, Credit Allowance
 - USD Equivalent is calculated as follows:
 - For USD balance : Net Balance (positive or negative) × 100%
 - For HKD balance: Net Balance (positive or negative) × Bank Reference Price × 100% to convert into USD
 - For balance denominated in other currencies:
 - If Net Balance is positive: Net Balance × Bank Reference Price × 95% to convert into USD
 - If Net Balance is negative: Net Balance × Bank Reference Price × 105% to convert into USD
- Accrued Interest Receivable / Payable
 - Daily interest will be calculated according to the margin deposit balance of the Precious Metal/FX Margin Trading Account as at 00:00 and the credit/debit interest rates of relevant currencies. However, in respect of:
 - credit/debit amounts in various currencies arising from outstanding FX margin contracts; and
 - the gain/loss after outstanding margin contracts for Tael Gold and Kilo Gold have been marked to market at the relevant day's afternoon settlement price and the unpaid premium accrued thereon,
 the interest will accrue from the value date specified in the daily transaction statement at the credit/debit interest rate of the day for the relevant currency quoted by the Bank, and will be calculated separately and independently from the interest on the credit/debit amounts in various currencies accrued on the contracts for London Gold and London Silver in the margin trading account.

- Examples of Interest Calculation:

Example 1

- On Wednesday, you deposit a cash margin of USD 50,000;
- On the same day, you sell 3 lots of GBP and buy 4 lots of AUD. Contracts details are as follows:

Contract	Contract Amount	USD Equivalent	Exchange Rate	Value Date
GBP/USD	-GBP75,000	+USD117,750	1.5700	Friday
AUD/USD	+AUD100,000	-USD96,000	0.9600	Friday

- On Thursday, you buy 3 lots of GBP and sell 4 lots of AUD to square your positions. -Contracts details are as follows:

Contract	Contract Amount	USD Equivalent	Exchange Rate	Value Date
GBP/USD	+GBP75,000	-USD112,500	1.5000	Next Monday
AUD/USD	-AUD100,000	+USD94,000	0.9400	Next Monday

- Since you now concurrently hold both buy and sell contracts for the same currencies in your margin trading account, the equivalent contract amounts (i.e. GBP75,000 and AUD100,000) will be settled on the later of the value date of each of the buy and sell contracts, i.e. next Monday.
- As at next Monday, the interest has accrued on the cash margin in your margin trading account for a total of 5 days, and on the relevant contract currencies for a total of 3 days. The calculation of interest for each currency is illustrated below:

USD (assuming the credit interest rate at 0.50% p.a.)

$$= \text{USD}50,000 \times 0.50\% \div 360 \times 2 + \text{USD}(50,000 + 117,750 - 96,000) \times 0.50\% \div 360 \times 3$$

$$= \text{USD}4.38$$

GBP (assuming the debit interest rate at 1.00% p.a.)

$$= - \text{GBP} 75,000 \times 1.00\% \div 365 \times 3$$

$$= - \text{GBP}6.16$$

AUD (assuming the credit interest rate at 3.50% p.a.)

$$= \text{AUD} 100,000 \times 3.50\% \div 360 \times 3$$

$$= \text{AUD} 29.17$$

Example 2

- Assuming below are the interest rates for cash margin of Tael Gold:

Quotation currency	Debit rate	Credit rate
HKD	7% p.a.	2% p.a.

- If you buy 100 taels of Tael Gold at HKD12,000 per tael, the total amount will be HKD1,200,000.
- Assuming the settlement price in the afternoon is HKD11,500 per tael, the total amount will be HKD1,150,000.
 - If you do not have HKD cash margin in the margin trading account, you need to pay interest at the debit interest rate of 7% p.a. for each day. The calculation of interest is illustrated below:

$$\text{HKD} (-1,200,000 + 1,150,000) \times 7\% \div 365$$

$$= - \text{HKD}9.59$$

- ii) If you have cash margin of HKD90,000 in the margin trading account, you can receive interest at the credit interest rate of 2% p.a. for each day. The calculation of interest is illustrated below:

$$\begin{aligned} & \text{HKD } [(-1,200,000 + 1,150,000) + 90,000] \times 2\% \div 365 \\ & = \text{HKD}2.19 \end{aligned}$$

- The amount of Accrued Interest Receivable/Payable displayed on the Internet Banking is provided for reference only, the ultimate amount will be shown on the statement.
- Credit and debit of interest in respect of the precious metal margin/FX margin will be settled on the business day before the last business day of each month. Any credit/debit interest accrued from foreign currency margin or contracts will be converted into USD calculated (unless otherwise required by the customer) on the basis of the closing price quoted by the Bank on the same day or the exchange rate of that day determined by the Bank. Such interest will then be credited to or debited from the margin balance accordingly.
- Interest on the cash margin balance of different currencies in your margin trading account is calculated at the interest rate quoted by the Bank on daily basis. You are required to transfer or exchange the cash margin by yourselves to settle the cash margin balance in your margin trading account.

Margin Requirement

1. Initial Cash Margin Requirement

- Initial cash margin requirement is calculated based on the market value of the contract amount or its equivalent in other currencies.
- The initial cash margin requirement for FX margin is 5%, the initial cash margin requirement for Local London Silver (LLS) is 10%, and the initial cash margin requirement for Local London Gold (LLG), Tael Gold (99G) and Kilo Gold (KLG) is 7% (subject to revision by the Bank at its sole and absolute discretion when necessary).

2. Margin Call and Liquidation

- When the margin balance in your margin trading account falls below 70% of the margin requirement, it is your obligation to make additional margin fund to restore the account balance to the required margin level as soon as possible.
- When the margin balance in your margin trading account falls below 30% of the margin requirement, the Bank has the right to liquidate part or all of your open positions without prior notice.
- You should be aware that under market volatility, even your open positions have been liquidated by the Bank, you may still lose all of or more than your margin funds and will have to be liable for any resulting deficit in your account. All risks and all losses or deficits arising therefrom shall be borne by you.

Margin Transfer

1. Currency: The margin deposit currency must be a trading currency accepted for margin trading.
2. Amount: You may enter the amount and indicate whether it is a "Debit Amount" or "Credit Amount". You have to verify the currency and the amount to avoid currency exchange loss incurred due to input error.
3. Account: Margin transfer can be conducted through HKD savings, HKD current or Multi-Currency savings account, which must be the settlement account of your Precious Metal/FX Margin Trading Account and has been registered for using in Internet Banking Service.
4. Interest Calculation

Daily interest will be calculated based on the margin deposit balance of the Precious Metal/FX Margin Trading Account as at 00:00 and the credit / debit interest rates of the relevant currencies. Please refer to the following example for reference:

The following margin deposit/withdrawal transactions were executed through the margin account and the settlement account during the period from 22:00 on 1 June to 04:00 on 2 June. As at 00:00 on 2 June, the margin account balance was GBP 6,000 with -USD 2,000, therefore the accrued interest would be calculated at the GBP credit interest rate and the USD debit interest rate respectively. Meanwhile, the settlement account balances were GBP 4,000 and USD 6,000, and the accrued interest of the balances would be calculated at the GBP and USD interest rates respectively.

Date	Time	Margin A/C Transaction	Upon Completion of the Transaction	
			Margin A/C Balance	Settlement A/C Balance
1 June	22:00	Margin Deposit of GBP 10,000	GBP 10,000 -USD 2,000	GBP 0 USD 6,000
1 June	23:30	Margin Withdrawal of GBP 4,000	GBP 6,000 -USD 2,000	GBP 4,000 USD 6,000
2 June	00:15	Margin Withdrawal of GBP 4,000 Margin Deposit of USD 5,000	GBP 2,000 USD 3,000	GBP 8,000 USD 1,000
2 June	03:45	Margin Deposit of GBP 5,000	GBP 7,000 USD 3,000	GBP 3,000 USD 1,000

5. Message

- If no transaction message is displayed after your instruction has been accepted by the system, you may visit the "Margin Call Balance" section to check your margin balance or call our Manned Trading Hotline for enquiry.
- A reminder may be shown on the Internet Banking if your margin call is still insufficient even if margin deposit has been made. You are advised to deposit additional margin funds or amend the outstanding order(s) if necessary.
- Your request for funds withdrawal from your margin account will not be accepted if your margin call balance is insufficient or the balance may fall below the required margin level as a result of the funds withdrawal.
- Reject messages will be shown in the following situations. Please call our Manned Trading Hotline for enquiry.
 - Margin call is a negative balance or the Bank has placed stop loss order(s) at its sole discretion.
 - The Bank has set a special status in your Precious Metal/FX Margin Trading Account or settlement account under certain circumstances.
 - The withdrawal amount you input exceeds the available balance of your settlement account.

Margin Exchange

1. Currency: the margin exchange currency must be a trading currency accepted for margin trading.
2. Amount: you may enter the amount and indicate whether it is a "Debit Amount" or "Credit Amount". You have to verify the currency and the amount to avoid currency exchange loss incurred due to input error.
3. Account: margin exchange can only be conducted with the same Precious Metal/FX Margin Trading Account.
4. Message
 - If no transaction message is displayed after your instruction has been accepted by system, you may visit the "Margin Call Balance" section to check your margin balance or call our Manned Trading Hotline for enquiry.
 - Reject messages will be displayed in the following situations. Please call our Manned Trading Hotline for enquiry:
 - The margin call is a negative balance or the bank has placed stop loss order(s) at its sole discretion.
 - The margin balance in your account will fall below the required margin level if your margin exchange instruction is accepted.
 - The Bank has set a special status in your Precious Metal/FX Margin Trading Account or settlement account under certain circumstances.
 - The withdrawal amount you input exceeds the available margin balance.

Open Position Ceiling

The Open Position Ceiling set by the Bank is applicable to each Margin Account.

- Aggregate Margin Level of account
 - The Aggregate Margin Level of each account is USD 40,000,000.
- Net Position Ceiling for each Trading Currency/Precious Metal

Trading Currency/Precious Metal*	Net Position Ceiling
AUD/CNY (AUD 25,000 per lot)	AUD 50,000,000 (2,000 lots)
AUD/CHF (AUD 25,000 per lot)	AUD 75,000,000 (3,000 lots)

AUD/JPY (AUD 25,000 per lot)	AUD 125,000,000 (5,000 lots)
AUD/NZD (AUD 25,000 per lot)	AUD 75,000,000 (3,000 lots)
AUD/USD (AUD 25,000 per lot)	AUD 175,000,000 (7,000 lots)
CAD/CNY (CAD 25,000 per lot)	CAD 50,000,000 (2,000 lots)
CHF/CNY (CHF 25,000 per lot)	CHF 50,000,000 (2,000 lots)
CNY/JPY (CNY 125,000 per lot)	CNY 200,000,000 (1,600 lots)
EUR/CNY (EUR 25,000 per lot)	EUR 50,000,000 (2,000 lots)
EUR/AUD (EUR 25,000 per lot)	EUR 200,000,000 (8,000 lots)
EUR/CHF (EUR 25,000 per lot)	EUR 200,000,000 (8,000 lots)
EUR/GBP (EUR 25,000 per lot)	EUR 200,000,000 (8,000 lots)
EUR/JPY (EUR 25,000 per lot)	EUR 200,000,000 (8,000 lots)
EUR/USD (EUR 25,000 per lot)	EUR 250,000,000 (10,000 lots)
GBP/CNY (GBP 25,000 per lot)	GBP 50,000,000 (2,000 lots)
GBP/CHF (GBP 25,000 per lot)	GBP 200,000,000 (8,000 lots)
GBP/JPY (GBP 25,000 per lot)	GBP 200,000,000 (8,000 lots)
GBP/USD (GBP 25,000 per lot)	GBP 200,000,000 (8,000 lots)
NZD/CNY (NZD 25,000 per lot)	NZD 50,000,000 (2,000 lots)
NZD/JPY (NZD 25,000 per lot)	NZD 200,000,000 (8,000 lots)
NZD/USD (NZD 25,000 per lot)	NZD 150,000,000 (6,000 lots)
USD/CNY (CNY 125,000 per lot)	CNY 200,000,000 (1,600 lots)
USD/CAD (CAD 25,000 per lot)	CAD 250,000,000 (10,000 lots)
USD/CHF (CHF 25,000 per lot)	CHF 300,000,000 (12,000 lots)
USD/HKD (HKD 250,000 per lot)	HKD 2,000,000,000 (8,000 lots)
USD/JPY (JPY 2,500,000 per lot)	JPY 30,000,000,000 (12,000 lots)
AUD/HKD (AUD 12,500 per lot)	AUD 50,000,000 (4,000 lots)
CAD/HKD (CAD 12,500 per lot)	CAD 50,000,000 (4,000 lots)
CHF/HKD (CHF 12,500 per lot)	CHF 100,000,000 (8,000 lots)
CNY/HKD (CNY 125,000 per lot)	CNY 200,000,000 (1,600 lots)
EUR/HKD (EUR 12,500 per lot)	EUR 50,000,000 (4,000 lots)
GBP/HKD (GBP 12,500 per lot)	GBP 50,000,000 (4,000 lots)
JPY/HKD (JPY 1,250,000 per lot)	JPY 10,000,000,000 (8,000 lots)
NZD/HKD (NZD 12,500 per lot)	NZD 50,000,000 (4,000 lots)
99G/HKD (50 Tael per lot)	60,000 Tael (1,200 lots)
KLG/HKD (2,500 g per lot)	500,000 g (200 lots)
LLG/USD (50 OZ per lot)	200,000 OZ (4,000 lots)

LLS/USD (2,500 OZ per lot)

2,000,000 OZ (800 lots)

- The above default Open Position Ceilings are for reference only. The trading pairs of precious metal or currencies and Open Position Ceilings are subject to revision by the Bank from time to time.

Risk Disclosure

The following risk disclosure statements do not purport to disclose all of the risks involved in Precious Metal/FX Margin Trading. You must read and understand all the related documents and risk disclosure before you make any investment decision. You should take your own independent review and seek independent advice, if necessary, on whether this product is suitable for you in light of your risk appetite, financial situation, investment experience, investment objectives and investment horizon. You are reminded to seek independent financial and professional advice if you are uncertain of or do not understand any aspect of the following risk disclosure statements or the nature of and risks involved in Precious Metal/FX Margin Trading.

Risk Disclosure in respect of Precious Metal/ FX Margin Trading

The risk of loss in leveraged foreign exchange trading and precious metals trading can be substantial. You may sustain losses in excess of your initial cash margin. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional cash margin. If the required cash margin or interest payments are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account and interest charged on your account. A demand for additional cash margin is not a precondition to, and does not in any way limit, our right to liquidate your open positions according to the relevant terms and conditions. You should therefore carefully consider whether such trading is suitable in light of your own risk appetite, financial situation, investment experience, investment objectives and investment horizon.

If your margin contract or margin fund involves Renminbi, you are subject to the RMB Conversion Limitation Risk.

Conversion Limitation Risk (Only applicable to Individual Customers)

RMB is currently not fully freely convertible. Individual customers can be offered CNH rate to conduct conversion of RMB through bank accounts and may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. Customers should consider and understand the possible impact on their liquidity of RMB funds in advance.

Conversion Limitation Risk (Only applicable to Corporate Customers)

RMB is currently not fully freely convertible. Corporate customers that intend to conduct conversion of RMB through banks may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. Customers should consider and understand the possible impact on their liquidity of RMB funds in advance.

Disclaimer

This promotional material is for reference only. It is not and does not constitute any offer, solicitation or recommendation to buy or sell any investment product or service, or to effect any transaction.

All examples and other information contained in this material are purely hypothetical for illustrative purpose only and do not reflect a complete analysis of all possible scenarios. You should not make any investment decision based any example or information contained in this material. The Bank shall not be liable in anyway to anyone for any loss or damage arising out of any person's use of or reliance upon such information.

Our Precious Metal/FX Margin Trading services are only available to persons who are permitted to use those services by applicable laws. Before you open a Precious Metal/FX Margin Trading account or place the instruction of Precious Metal/FX Margin Trading, you are responsible for satisfying yourselves that you may do so under the laws of the geographical location you are situated in and that you are aware of and observe all relevant restrictions that apply to your geographical location.