

Securities Margin Trading Services

Product Features

Offers you additional funds for investment in designated stocks*, helping you to grasp every opportunity in the ever-changing stock market to generate higher potential returns.

<p>High Stock Loanable Percentage We provide you extra investment capital of up to 70% of the prevailing market value of stocks, help you to strive for higher potential returns.</p>	<p>Preferential margin loan interest rate Attractive interest rate** is offered to your margin loan. As the interest will be calculated based on your daily outstanding amount and settled on a monthly basis, you may benefit from lower investment cost. ** Subject to the interest rates quoted by BOCHK from time to time.</p>
<p>Flexible and convenient services You can visit any of BOCHK branches or Internet Banking to open securities margin account. For your greater convenience, you can trade or make margin transfer via Internet Banking, Mobile Banking or Investment Service Hotline. In addition, you can deposit margin via branches.</p>	<p>Additional interest income Cash balance in your securities margin account may generate interest[#] income and help you to further increase your investment return. #Subject to the Hong Kong Dollar / RMB savings deposit rates quoted by BOCHK from time to time.</p>

* You may login Internet Banking or Mobile Banking or contact staff of Bank of China Hong Kong Limited (“BOCHK”) for enquiry about the list of designated securities. Please note that our regular review of the loanable securities list will be conducted and amended on the 20th day of each month (if it is not a trading day, it will be postponed to the next trading day) without prior notice. Please pay attention that BOCHK may amend the loanable securities list from time to time without prior notice and the change(s) of the loanable securities list may have impact on your securities margin account.

Please note: BOCHK’s securities related system undergoes information update every trading day after the market closes. After that, the system recalculates the effective loanable value for securities margin account based on the next trading day’s loanable securities list to prevent customer’s order placed in the evening of trading day after the market closes from exceeding the actual available investment amount. Thus, if there is any amendment on the loanable securities list effective on the next trading day, your margin ratio may change after the information update and may cause the margin ratio to reach the top up/stop loss level. You may login to Mobile Banking/Internet Banking to check the latest margin ratio and make margin transfer timely.

Note: Except BOC Hong Kong (Holdings) Ltd. (Stock Code: 2388 / 82388), all the securities in the Securities Margin Account (regardless of whether they have any loanable percentage) are being charged to us.

Account Operation & Requirement

Securities Margin Account supports Hong Kong & A shares trading. You must deposit certain level of cash margin to your securities margin account in order to conduct securities transaction or fulfill the additional margin requirement. You may deposit cash margin in Hong Kong Dollar or RMB, the loan interest/savings interest income will be calculated respectively according to the cash balance of different currencies.

The margin ratio of Securities Margin Account is calculated in following way:

<p>Total Effective Loanable Value</p>	<p>The lower of: - Total Loanable Value of all charged securities in Securities Margin Account - Max. Loan Limit of Securities Margin Account</p>
<p>Loanable Value</p>	<p>The lower of: - Market Value of Securities x loanable percentage - Upper limits of loanable value for a particular security^{Remark}</p>
<p>Margin Ratio</p>	<p>Total Loan / Total Effective Loanable Value</p>

Remark : Starting from 17th Nov 2024, the following upper limits of loanable value for particular security is set, including :

- The quantity of a particular security held by a customer cannot exceed 5% (which will be revised to 3% starting from 31 Dec 2024) 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.

You should always monitor the position of your securities margin account to maintain a margin ratio of 100% or below. When there is a margin call, customers have the responsibility to pay the amount of the margin call promptly. When the margin ratio reaches the following designated level or Event of Default occurs, BOCHK may force sell the securities according to the relevant terms and conditions without prior notice to customers:

Designated Level	Margin Ratio	Actions
Top Up Level	Above 100%	Customer must deposit additional margin immediately ^{Remark} to restore the margin ratio to 100% or below.
Stop Loss Level	120% or above	BOCHK may force sell the securities to restore the margin ratio to 100% or below without prior notice to customers.

Remark : If a customer fails to deposit additional margin in a timely manner as required by BOCHK, BOCHK may force sell the securities according to the relevant terms and conditions without prior notice to the customer. If the margin ratio remains above 100% for 6 consecutive calendar days (count as at Hong Kong time 5:00 p.m.), BOCHK may force sell the securities without prior notice to customers.

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Illustration (for reference only)

Assume the stock loanable percentage is 70%

Customer's available capital	\$30,000
Maximum value of the designated stock that the customer can buy	\$100,000 [\$30,000/(100% - stock loanable percentage 70%)]
If the customer buys the stock, the margin account portfolio will be as follows:	
Total Loan	\$70,000
Total effective loanable value	\$70,000 (Market value of the stock × stock loanable percentage)
Margin ratio (= Total loan / Total effective loanable value)	100% (= \$70,000 / \$70,000)

Returns under different scenarios:

Scenario	If the market value of that stock increases by 10% to \$110,000	If the market value of that stock decreases by 17% to \$83,000
Margin ratio	90.91% (= \$70,000 / \$77,000)	120.48% (= \$70,000 / \$58,100)
If the stock is sold immediately	\$10,000 of profit (excluding interest and transaction handling fees)	\$17,000 of loss (excluding interest and transaction handling fees)
Rate of return	33% (= \$10,000 / \$30,000)	- 57% (= -\$17,000 / \$30,000)

- Customers should always monitor the position of their margin accounts. If there is a margin call, customers have the responsibility to pay the amount of the margin call promptly.
- If the margin ratio is higher than the top up level (Above 100%), customers are required to deposit additional margin to restore the required margin ratio to 100% or below. If the margin ratio reaches the stop loss level (120% or above), the Bank will force sell securities of the securities margin account to restore the margin ratio to 100% or below without prior notice to customers.
- The required margin ratio is subject to change at the discretion of BOCHK from time to time.
- Stock loanable percentage may vary from 10% to 70% among stocks. For details, please contact our branch staff.

- The above products and services are subject to the relevant terms. For details, please refer to the relevant promotion materials or contact BOCHK branch staff.
- BOCHK reserves the right to amend, suspend or terminate the above products and services and to amend the relevant terms at any time at its sole discretion.
- In case of any discrepancy between the Chinese and English versions, the English version shall prevail.

Reminder: To borrow or not to borrow? Borrow only if you can repay!

Customer Service Hotline +852 3669 3668

Risk Disclosure:

The following risk disclosure statements cannot disclose all the risks involved and does not take into account any personal circumstances unknown to BOCHK. You should undertake your own independent review and seek independent professional advice before you trade or invest especially if you are uncertain of or have not understood any aspect of the following risk disclosure statements or the nature and risks involved in trading or investment. You should carefully consider whether trading or investment is suitable in light of your own risk tolerance, financial situation, investment experience, investment objectives, investment horizon and investment knowledge.

Risk Disclosure of Securities Trading

Risk of Securities Trading

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.

Risk Disclosure of Securities Margin Trading

The risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with the licensed or registered person. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. You may be called upon at short notice to make additional margin or interest payments. If the required margin or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own risk tolerance, financial situation, investment experience, investment objectives, investment horizon and investment knowledge.

You are reminded to understand the relevant details, charges and important notes before investing in Shanghai A shares or Shenzhen A shares. For details, please read the "Important Notice of Trading China A Shares and A Shares Margin Trading via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect" in BOCHK's website or the branch staff of BOCHK.

Conversion Limitation Risk of RMB (Only applicable to Individual Customers)

RMB investments are subject to exchange rate fluctuations which may provide both opportunities and risks. The fluctuation in the exchange rate of RMB may result in losses in the event that the customer converts RMB into HKD or other foreign currencies. 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.

This promotion material does not constitute any offer, solicitation, recommendation, comment or guarantee to the purchase, subscription or sale of any investment product or service and it should not be considered as investment advice.

This promotion material is issued by BOCHK and the contents have not been reviewed by the Securities and Futures Commission of Hong Kong.