



## Important Notice for Clients (Margin Account)

1. Chong Hing Securities Limited. (CHS) provides various Trading Channels including:
  - a. The securities counter at any branches of CHS and Chong Hing Bank Limited (CHB)
  - b. Order placing hotline: 3768 9111 ( For Stock quote enquiries, please call: 3768 9888)
  
2. While making inquiries or placing securities dealing orders by phone, clients have to provide their Account Numbers, Account Names & their Personal Identity Numbers to us for identification (please kindly refer to “Important Notice for the use of Personal Identity Number (PIN)” for details). Other personal information (e.g. ID Number, address, telephone number, etc.) may be required for further identification whenever necessary. When placing securities dealing orders, clients are also required to provide us the followings:
  - a. whether the order is a “New Order”, “Modify Order” or “Cancel Order” (without prior notice, every order will be deemed as “New Order”)
  - b. whether the order is a “BUY Order” or “SELL Order”
  - c. the “Stock Code” for the shares to be traded
  - d. the “Stock Price” and “Quantity” to be traded

Our staff will repeat the order details for client’s confirmation. Clients are obliged to listen carefully and rectify any discrepancies at once. Otherwise, the order will be executed according to the repeated details which shall be used to conclude final decision for any enquiries or disputes regarding the order thereafter.

Remarks : Deaf-mute clients who are unable to submit their orders via automated trading channels at the securities centers can place orders through signing a designated “Order Record”. Clients are also obliged to check the “Order Record” carefully and rectify any discrepancies before signing. It may take some time for special approval and signature verification. The signed “Order Records” will be executed and the relevant order details will also be used to conclude final decision for any enquiries regarding the orders thereafter.
  
3. In respect of each purchase of Securities under a margin account, the Company has the right but not an obligation to hold the Initial Margin in the client’s designated settlement account maintained with CHB. (“settlement bank account”). Clients are still solely responsible for performing their own personal financial management with the settlement bank accounts and none of any parties should depend on or take reference to the fund holding action while performing their own financial management. In general:
  - a. For each successful purchase order, the Initial Margin will be held until the market closed. Then the Company will hold a new Initial Margin based on the aggregate Factored Value of the Deposited Securities. Due to the market fluctuation, the Company will calculate and hold the actual Initial Margin after the market closed on T+ 1 day and settle the amount on the T+ 2 settlement day.
  - b. The Initial Margin for unsuccessful purchase orders will be released no later than the immediate midnight.
  
4. Each purchase order of a margin account is defaulted as using margin trading facilities. A client has to notify our staff in case of he/she would like to settle the purchased securities as full payment. Clients may be requested to provide the Company an additional margin (known as “margin call”) in the event of market fluctuation. Therefore, clients have to inform the Company promptly of any change of personal information. The Company shall have the right to sell the Securities or any of them in such manner and at such price without notice to client(s) and without his/her/their consent.
  
5. We do NOT offer “Short Selling” service and all selling instructions are deemed as not “Short Selling” orders.
  
6. Physical share certificates can be sold only after 12 trading days from the time they are credited to the clients’ securities account.
  
7. Restricted by the trading system of The Hong Kong Exchange & Clearing Limited, all “At-auction Limit Orders (ALO)” placed before 09:15am cannot be modified or cancelled within the pre-opening session during 09:15am to 09:30am.
  
8. After placing order, please kindly leave the phone number for further contact. If we are unable to contact the clients after their orders have partially and/or fully executed, the clients could read the execution results in the “Combined statement and Contract Note” which are mailed to the clients by the next securities trading day.
  
9. For an account with buy order(s) and sell order(s) on the same day, only the net amount will be settled on the T+2 settlement day.
  
10. For subscription or trading of listed renminbi-denominated securities, clients have to sign the “Power of Attorney”(CHS-CA-1104E-06) in order to give CHS rights to withdraw, to deposit and/or to hold fund from the RMB account in CHB, furthermore, clients have to sign the “Risk Disclosure Statement”(CHS-CA-1104E-02) for acknowledgement and confirmation that he/she/they know, understand the risks involved in listed renminbi-denominated securities subscription and/or trading. For the details of trading and settlement of listed renminbi-denominated securities, please refer to our “Important Notice for Trading and Settlement of Listed Renminbi-denominated Securities”.
  
11. While investing in any securities denominated in the currencies other than Hong Kong dollar, clients should take into account the additional risk factors associated with currency fluctuation and convertibility. Also, clients should consider that depending on the nature of the product and investment objectives, there may be other risks specific to the product. Clients should always read the risk factors as set out in the relevant documents and seek professional advice where necessary before making any investment decision.
  
12. Clients are solely obliged to take notice of the company announcements for their holdings. The announcements of listed companies can be searched and downloaded from the web-site: [www.hkexnews.hk/index\\_c.htm](http://www.hkexnews.hk/index_c.htm), Clients who desire to receive correspondences from the listed companies directly are required to fill up and sign the form of “Notice of Corporate Communication Event Recipient” and return it to us. If a client wants to exercise any rights / convertible securities, or to vote or to attend a shareholder meeting, the client is required to contact us and complete the related procedures by the relevant deadlines.
  
13. For details of our service charges (e.g. brokerage, custody fee, duplicate copy of Transaction & Monthly Statement and others services provided), please refer to our prevailing “Service Charge Schedule”. Clients can receive the Schedule and this Notice during the time of their securities account opening, and get the latest version of them at our branches or the branches of Chong Hing Bank Limited or by downloading from our web-site [www.chsec.com.hk](http://www.chsec.com.hk).
  
14. Under all circumstances, we have the absolute rights to reject any orders.