

Terms and conditions of Margin Account

Financing arrangements	
Marginable Securities	Designated securities listed in HKEX. For details, please click: http://www.chiefgroup.com.hk/pdf/Stock_Margin.pdf
Margin Ratio	10% - 70% of the market value of designated securities ⁺
Marginable Value	Marginable Value = Market Value of stock x Margin Ratio
Margin Limit	Margin Limit is the maximum limit that clients can borrow for margin trading. Upon clients' request, we will reassess their margin limit based on the following criteria: trading volume, types of collaterals and settlement records.
Lending Rates	Annual interest rate is general bank prime rate (P) + 2.5%
Margin Call and Margin Top Up	
Margin Call	When clients accounts' debit balance exceed their marginable value or margin limit, margin call will be issued
Forms of notification	Margin call will be issued by our Credit Control Department via : - phone or - email
Margin call amount	Margin Loan – (Marginable Value or Margin Limit)*
Margin Top Up	Once a margin call is received, clients should either: 1. deposit additional cash equivalent to margin call amount or 2. sell securities or 3. deposit additional marginable securities as listed in stock margin list
Deadline for margin top up	Within one business day after margin call is received [^]
Forced Liquidation	If clients fail to meet margin call within prescribed deadline [^] , their account may be liquidated without your consent

⁺ Stock margin list is subjected to change from time to time without prior notice

*whichever is lower

[^] Additional margin deposits may be required at short period of notice during highly volatile and unstable markets. If clients fail to make required margin deposit within prescribed deadline, Chief Securities Ltd may liquidate your holdings without your consent.

Other terms and conditions

1. New margin account clients are required to make initial margin deposit before they commence securities trading.
2. Clients can only withdraw their fund provided that their accounts have credit balance. Thus, clients

are not allowed to withdraw any fund or securities even they have excess margin limit.

3. Once clients have already received margin call, they not allowed to further purchase any securities in the same trade day until they make payment for margin top up.
4. Chief Securities Ltd will not accept any suspended securities, GEM securities, derivative warrants or CBBCs as collaterals.

Risks related to margin account

1. Margin trading in securities involves significant risk and losses may exceed the value of your collateral.
2. Regarding to the credit facilities provided by Chief Securities Ltd for margin account clients, we may repledge margin clients' securities collateral to authorized financial institutions for financial accommodation / margin financing.