pingpong Intelligence

Margin Call Policy

(Updated: 1st September 2023)

Margin Call Policy and Procedure

RISK WARNING：The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial margin funds. 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 margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

PingPong Intelligence Limited (“**PingPong Intelligence**”) is a company regulated by the Securities and Futures Commission of Hong Kong(“**SFC**”) to conduct leveraged foreign exchange (“**LFX**”) trading. This **Margin Call Policy and Procedures** has been established to comply with applicable SFC’s regulations and to manage some risks to which clients are exposed.

When conducting LFX trading, clients buy or sell a currency on margin, which means clients only need to pay a certain amount (usually a small percentage of the LFX contract), and clients expect that the currency will rise or drop against another currency. The profit and loss depend on the difference between the exchange rate when clients open and close the LFX contract.

This Margin Call Policy and Procedures may be changed from time to time. PingPong Intelligence will in its sole and absolute discretion post a notice on our website at www.manaxhk.com or notify clients by email through clients’ last registered email address with PingPong Intelligence or any other means as PingPong Intelligence thinks fit. Clients are also advised to read the latest version of this Margin Call Policy and Procedures from time to time. In the event of any inconsistency in the understanding between the Chinese version and the English version of this Margin Call Policy and Procedure, the English version shall prevail.

Trading LFX on a margin basis with PingPong Intelligence requires each trading account to have sufficient balance to cover open positions at all times. At PingPong Intelligence, clients are required to have a sufficient **Initial Margin** to open any new position and a sufficient **Maintenance Margin** to maintain an opened position. When client’s account falls below the **Liquidation Margin**, positions on the client’s account will be liquidated.

It may be difficult and at times impossible for a position to be closed out at the exact level when the market is volatile. These may be a significant market movement which is reflected in a significant drop or jump in prices. It is the client’s responsibility to continuously ensure that the liquidation margin is not reached. Clients shall be responsible for any deficiency if the proceeds of force liquidation are insufficient to cover all outstanding balances owed to PingPong Intelligence.

The following table describes how margin requirements are calculated:

Margin Requirements	Description
Initial Margin	A minimum of 5% of gross principal value of currency contract value in the account denominated currency.
Maintenance Margin	A minimum of 3% gross principal value of the currency contract value in the account denominated currency.
Liquidation Margin	A minimum of 1% of gross principal value of current contract value in the account denominated currency.

HedgingX Account

1. Margin Call

It is the client's responsibility to continuously ensure that fund in the account do not fall below maintenance margin. In the event that the fund in an account fails to meet the maintenance margin requirement, PingPong Intelligence may, but is not required to, issue a margin call; a message may be sent on HedgingX platform and a notification email may be, but is not required to, sent to client's registered email address. No new position will be allowed in the account unless there is a sufficient maintenance margin.

2. Liquidation

The outstanding positions will be liquidated immediately once the fund in an account falls to meet liquidation margin requirement or the client fails to pay the fund in accordance with the margin call notification, regardless of any previous margin warnings via email, phone or system message. The liquidation should be carried out one by one. The sequence of closing positions should start from all positions with the largest aggregate margin required.

Figures listed in the below table represent the levels of initial margin, maintenance margin and liquidation margin of the gross principal value of the contract required to open a new position, maintain an opened position and liquidate an opened position for the respective currency pairs respectively.

Currency Pair	Initial Margin	Maintenance Margin	Liquidation Margin
AUD/USD	5%	3%	1%
AUD/CNH	5%	3%	1%
AUD/HKD	5%	3%	1%
CAD/CNH	5%	3%	1%
CAD/HKD	5%	3%	1%
CNH/JPY	5%	3%	1%
CNH/SEK	5%	3%	1%
EUR/CNH	5%	3%	1%
EUR/HKD	5%	3%	1%
EUR/USD	5%	3%	1%
GBP/CNH	5%	3%	1%
GBP/HKD	5%	3%	1%
GBP/USD	5%	3%	1%
HKD/CNH	5%	3%	1%
HKD/JPY	5%	3%	1%
NZD/CNH	5%	3%	1%
NZD/HKD	5%	3%	1%
NZD/USD	5%	3%	1%
SGD/CNH	5%	3%	1%
SGD/HKD	5%	3%	1%
USD/CAD	5%	3%	1%
USD/CNH	5%	3%	1%
USD/DKK	5%	3%	1%
USD/HKD	5%	3%	1%
USD/JPY	5%	3%	1%
USD/SEK	5%	3%	1%
USD/SGD	5%	3%	1%

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