

Securities Purchase Ad-hoc Facility

Stock market changes rapidly, your decisiveness and ability to seize the opportunities of market volatility are critical in making a profitable trade. Nevertheless, opportunity may slip away due to insufficient fund in your investment account. ICBC (Asia) is pleased to introduce our new Securities Purchase Ad-hoc Facility. It allows you to grasp every investment opportunity for higher potential returns in the dynamic market.

Operation Mechanism of the Service:

In case of insufficient fund, we will calculate and provide the facility amount based on your securities portfolio margin value and execute your buy order without your separate submission of application. No interest will be charged if you deposit the total amount of used facility into your settlement account on or before the settlement day (T+2).

Service Target :

Customers with Securities Cash Account only.

Investment Products :

Applicable to HKEx listed securities only, all derivative products such as warrants and callable bull/bear contracts are not included.

Trading Channels :

Manned phone securities trading hotline or branches securities trading desk only.

Margin Ratio and Maximum Limit :

1. The calculation of "Securities Purchase Ad-hoc Facility" is based on customers' securities holding deposited in our Bank, according to our Bank share margin credit ratio. Share margin credit ratio may vary against different stock. For details, please contact our branch staff.
2. The maximum limit of the "Securities Purchase Ad-hoc Facility" within the settlement period is HK\$ 5 million per customer.

Arrangement for Unsettled Amount :

1. The default interest rate (P+5%) shall be applicable on the unsettled amount (after T+2) according to the guidelines of the Code of Banking Practice in a 365-day year basis.
2. The bank may exercise the right to sell any of the securities and use the sale proceeds to settle any amount owing to the Bank if customers fail to repay the shortfall amount within 5 business days after the settlement day (T+2).
3. The bank may request customer to repay the required fund earlier than the settlement day or sell any of the securities without prior notice if the market value of the securities for margin fall below the required margin value.

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

Examples (For reference only) :

	Example 1	Example 2	Example 3
Share Portfolio Value	0005 HSBC \$4,000,000 0012 Henderson \$5,000,000 0941 China Mobile \$ 800,000 ----- Total Value \$9,800,000	0005 HSBC \$1,000,000 0347 Angang Steel \$ 500,000 1111 Chong Hing Bank \$ 200,000 <u>8005 Yuxing InfoTech \$ 100,000</u> Total Value \$1,800,000	0005 HSBC \$1,000,000 0280 King Fook \$ 500,000 1111 Chong Hing Bank \$ 200,000 <u>8005 Yuxing InfoTech \$ 100,000</u> Total Value \$1,800,000
Share Margin Ratio / Value	HSBC (60%) \$2,400,000 Henderson (60%) \$3,000,000 China Mobile (60%) \$ 480,000 ----- Share Margin Value \$5,880,000	HSBC (60%) \$ 600,000 Angang Steel (30%) \$ 150,000 Chong Hing Bank (0%) \$ 0 <u>Yuxing InfoTech (0%) \$ 0</u> Share Margin Value \$ 750,000	HSBC (60%) \$ 600,000 King Fook (0%) \$ 0 Chong Hing Bank (0%) \$ 0 <u>Yuxing Inof Tech (0%) \$ 0</u> Share Margin Value \$ 600,000
Maximum Securities Purchase Ad-hoc Facility	\$5,000,000	\$5,000,000	\$5,000,000
Available Securities Purchase Ad-hoc Facility	\$5,000,000	\$ 750,000	\$ 600,000

Terms and Conditions :

1. The Securities Purchase Ad-hoc Facility (“Purchase Ad-hoc Facility”) is available to our Bank’s Securities Cash Account customers only.
2. “Purchase Ad-hoc Facility” is applicable for purchasing HKEx listed securities only, excluding derivative warrants and callable bull/ bear contracts.
3. “Purchase Ad-hoc Facility” is applicable to manned phone securities trading hotline or branches securities trading desk only.
4. The calculation of “Purchase Ad-hoc Facility” is based on customers’ securities portfolio according to our Bank’s share margin credit ratio. Share margin credit ratio may vary against different stocks. For details, please contact our branch staff.
5. The maximum limit of the “Purchase Ad-hoc Facility” within the settlement period is HK\$ 5 million per customer.
6. Customers have to deposit the payment of buying order into the settlement account on or before the settlement date. The **default annual interest rate (P+5%)** shall be applicable on the unsettled amount according to the guidelines of the Code of Banking Practice in a 365-day year basis..
7. **The bank may exercise the right to sell any of the securities and use the sale proceeds to settle any amount owing to the Bank if customers fail to repay the shortfall amount within 5 business days after the settlement day (T+2).**
8. The Bank may request customer to repay the required fund earlier than the settlement day if the market value of the securities for margin fall below the required margin maintenance ratio.
9. ICBC (Asia) reserves the right to amend and/ or terminate the Terms and Conditions of this service at its absolute discretion at any time without prior notice.
10. In case of dispute, the decision of ICBC (Asia) shall be final and conclusive.
11. In case of discrepancy between the English and Chinese version, the English version shall apply and prevail.

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Risk Disclosure :

Investment involves risk. The prices of securities may move up or down, sometimes dramatically, and may become valueless. Past performance is no guarantee of future results. Investor should refer to relevant investment documents for detailed information prior to any subscription. You shall seek independent, legal, financial and other professional advices before investing. This document does not constitute and offer for the purchase or sales of any investment products. The contents of this document have not been reviewed by the Securities and Futures Commission.