

24 Aug 2021

Dear Valued Customers,

Notice of New Concentration Risk Control on Securities Margin Account

With effect from 27 September 2021, the Bank will set up a Concentration Risk Control on Securities Margin Account (only applicable to customers with margin loan limit of HK\$ 20 million or above). If customers are holding the marginable securities, the Bank will set a maximum loan limit on every single marginable stock. Details are as follows:

General Banking Customers

Share Margin Credit Ratio	Concentration Ratio
60%	70%
50%	65%
40%	60%
30%	55%
20%	50%

Private Banking Customers

Share Margin Credit Ratio	Concentration Ratio
70%	80%
60%	75%
50%	70%
40%	65%
30%	60%

The following examples are for reference only, the actual situation will be determined based on marginable securities, concentration and market conditions. The Bank can revise the risk monitoring measures of the Securities Margin Account at any time without notice.

Assuming the Margin Credit Ratio of stock A for General Banking Customers is 60% and the Concentration Ratio of stock A is 70%.

Example 1:

Assuming the securities margin loan limit of Mr. Chan is HK\$ 20 million, the stock A currently has a margin value of HK\$ 30 million.

If Mr. Chan wants to purchase stock A, the Maximum loan amount of stock A will be HK\$ 14 million (margin loan limit HK\$ 20 million x Concentration Ratio 70%).

In this case, after comparing the margin value of stock A with the adjusted loan limit, the maximum loan limit of Mr. Chan for stock A is limited to HK\$ 14 million.

Example 2:

Assuming the securities margin loan limit of Mr. Wong is HK\$ 30 million, the stock A currently has a margin value of HK\$ 20 million.

If Mr. Wong wants to purchase stock A, the Maximum loan amount of stock A will be HK\$ 21 million (margin loan limit HK\$ 30 million x Concentration ratio 70%).

In this case, after comparing the margin value of stock A with the adjusted loan limit, the maximum loan limit of Mr. Wong for stock A is limited to HK\$ 20 million.

Should you have any query, please call our Securities Business Customer Service Hotline at 34718711, visit our website www.icbcasia.com or any of our branches.

Industrial and Commercial Bank of China (Asia) Limited

(The English version of this Notice shall prevail wherever there is a discrepancy between the English and Chinese versions.)

“The Bank” is the abbreviation of Industrial and Commercial Bank of China (Asia) Limited.