

## **IPO Financing**

### **1. What is IPO financing?**

IPO financing is a short term financing service to flexibly multiply customers' subscription capacity to enhance their IPO subscription size. For subscription of the designated IPO through this service, customers need to pay a minimum of 10% (i.e. 'IPO Financing Deposit') of the total subscription amount or the minimum IPO financing deposit (whichever is higher) plus the Bank's relevant IPO financing service fees. The Bank will provide customers with up to 90% of the total subscription amount.

This service is solely for customers applying for new shares allocation and is not used for any other purposes. For each IPO, customers need to submit applications for the financing commitment individually.

### **2. Who are eligible for the IPO financing service?**

BEA AIO account holders with securities sub-account who are eligible for IPO Subscription can apply for the IPO financing service. This service is not applicable to the East Asia Securities Company Limited and Private banking customers.

### **3. How do I apply for IPO financing?**

IPO financing is offered via BEA SmarTrade Mobile App and BEA SmarTrade Online Trading Platform. Customers can log in to BEA SmarTrade Mobile App or BEA SmarTrade Online Trading Platform to submit applications anytime, 24/7 during the IPO offering period.

### **4. On what basis is IPO financing provided?**

Application for IPO financing is available on a first-come-first-served basis and only available for designated IPO, the financing percentage (including the Minimum and Maximum Financing Amount) may vary by IPO.

### **5. What are the terms for IPO financing?**

IPO Financing service is only available for designated IPOs. While the percentage of financing is up to 90% of subscription amount, the final financing ratio may vary depending on the specific IPO.



Customers need to pay the remaining subscription amount (i.e. "financing deposit amount") or the minimum IPO financing deposit (whichever is higher) and relevant bank service charges. Financing percentage (including the Minimum and Maximum Financing Amount), IPO Financing interest rate, interest period and relevant fees may vary by IPO. Please refer to the pricing information at the time of your application.

Regardless of whether you are allotted new shares in any amount or the company is successfully listed, the IPO Handling Fee, Financing Commitment Fee and Financing Interest (if applicable) are non-refundable.

Each customer can submit only one application for either Cash Subscription or IPO Financing for the same IPO.

**6. What should I pay attention to before applying for IPO financing?**

Before IPO subscription, whether by cash or financing basis, you must carefully read and understand the "Prospectus", "IPO Subscription Statement", "IPO Financing Key Facts Statement/Schedule of Fees and Charges", "IPO Financing Terms and Conditions" and "The Personal Data (Privacy) Ordinance – Personal Information Collection (Customers) Statement" (if applicable).

**7. What are the fees and financing interest of application for IPO financing?**

IPO financing service fee including "IPO Handling Fee" and "Financing Commitment Fee". Financing interest is not applicable.

"IPO Handling Fee" is a fixed charge per IPO Financing application. "Financing Commitment Fee" charges at certain% of the financing amount during the financing period per IPO Financing application. The fee may vary by IPO, please refer to the pricing information at the time of your application.

**8. Can I amend or cancel my IPO financing application?**

No, once you have submitted the application and confirmed the details, you cannot amend any application details or cancel your application.

**9. Is there anything I should be aware of IPO financing application?**



A shortfall occurs if the subscription amount of the allotted shares exceeds the IPO financing deposit amount and there are insufficient funds in your securities settlement account and current account to cover the difference. In such event, the Bank will overdraw your HKD current account; Handling charge will be incurred and overdraft interest will be charged and accrued daily until full repayment is made.

The overdraft interest rate will depend on the type of your All-in-One account unless there is pre-arranged credit facility on your HKD current account. Please refer to the Bank Charges on the Bank's website for details:

<https://www.hkbea.com/html/en/bea-personal-banking-bank-charges.html>

Please ensure you have sufficient balance in your securities settlement account for the allotted shares to avoid extra overdraft charges and interest.