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Part 1. Connectivity with Hong Kong Securities Market

Part 2. Connectivity with Foreign Securities Markets
1. Mainland-Hong Kong Stock Connect

- Shanghai-Hong Kong stock connect program
  (17 November 2014)
Part 1

1. Mainland-Hong Kong stock connect

- Shenzhen-Hong Kong stock connect program (5 December 2016)
Part 1

1. Mainland-Hong Kong stock connect

**Trade Link**

- HKEX
- SSE/SZEX SPV (HK)
- SSE/SZSE
- Mainland Broker
- Mainland Investor

**CCP Link**

- HKSCC
- ChinaClear
- Mainland Broker
- Mainland Investor

**CSD Link**

- HKSCC
- ChinaClear Account
- Northbound
- HKSCC Account
- Southbound
2.B share to H share

Huaxin Cement (28 March 2022)
2.B share to H share

Trading:
- HKEX
- HK Broker
- Exchanges subsidiaries or Mainland parent company of HK broker
- Mainland Broker
- Mainland Investor

Clearing:
- HKSCC
- HK Broker
- Primary settlement
- Secondary settlement
- ChinaClear
- Mainland Broker
- Mainland Investor
- Tertiary settlement
- Quaternary settlement

CSD Link:
- HKSCC
- ChinaClear
- ChinaClear Account
- Southbound
- Northbound
Part 1

3. H share full circulation

- Legend Holdings (7 June 2018)
3. H share full circulation

- Mainland Investor
- Mainland Broker
- HK Broker
- ChinaClear
- HKSCC
- HKEX

Transaction data flow:
- Mainland Investor to Mainland Broker
- Mainland Broker to ChinaClear
- ChinaClear to HK Broker
- HK Broker to HKSCC
- HKSCC to HKEX

Settlement data flow:
- Mainland Investor to Mainland Broker
- Mainland Broker to ChinaClear
- ChinaClear to HK Broker
- HK Broker to HKSCC
- HKSCC to HKEX
Part 1

4. Mutual Recognition of Funds

HK Market  MRF  Mainland Market

2015.7.1
Part 2  China-Europe Stock connect

- Shagnhai-London (20 June 2019)
Part 2

1. China-Europe Stock connect

- China-SIX Swiss (28 July 2022)
- China-Frankfurt (TBC)
Five Key Highlights of CDR principles (No actual examples of CDR operations yet)

1. Non-financed CDR: Highlights the transactional function of CDR;
2. Mixed trading system: Combines auction and market-making;
3. Special price fluctuation limits: 10%+ with relaxed limits under special circumstances;
4. RMB trading: Simple and convenient;
5. Cross-border conversion: CDR can be converted with overseas underlying stocks.
Part 2. CDR

1. Listing and Initial Circulation Procedure

The Underlying Security Issuer

1. Submit new CDR listing application

SSE

2. Send listing notification

3. Complete listing and circulation procedure

CSDC
2. CDR Creation Procedure

1. Creation Application

Chinese Cross-border Conversion Institutions

2. Creation Instruction

DR Bank

SSE

2. Creation Data Documents

3. Processing Results Notice

CSDC

3. Processing Response
3. CDR Cancellation Procedure

1. Cancellation Application
2. Processing Response

Chinese Cross-border Conversion Institutions

1. Cancellation Application
2. Processing Response

DR Bank

CSDC

2. Inform processing results

SSE
1. The Registration Procedure of Additional Issuance Underlying Securities

1. Confirm the fundraising of GDR issuance is successful

Oversea Investment Bank

2. Submit application

3. Application approved

4. Fee payment

5. Completed new stocks registration and Provide the list of top 10 shareholders

ChinaClear

6. Confirm the receipt of Chinese underlying securities

GDR Custodian

7. Confirm the receipt of Chinese underlying securities

Chinese Underlying Securities Issuer
2. The Listing Procedure of Additional Issuance Underlying Securities

1. Submit underlying securities additional issuance application to SSE

2. Send listing notification

3. Complete listing and initial circulation procedure
GDRs custodian and British cross-border conversion institutions can entrust brokers or custodian banks to send FOP instructions through PROP system to CSDC. CSDC will complete the relevant FOP procedure after checking.

3. The Underlying Securities FOP procedure regarding GDRs Creation or Cancellation
Thank you!