



China Galaxy International Securities (Hong Kong) Co., Limited

Shenzhen/Shanghai Stock Connect

Information Booklet

Disclaimer

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(Last Update: 20 August 2018)

Stock Connect Introduction

On 10 April 2014, the Securities and Futures Commission (SFC) and China Securities Regulatory Commission (CSRC) made a Joint Announcement (“Joint Announcement”) regarding the in-principle approval for the development of Shanghai Connect for the establishment of mutual stock market access between Mainland China and Hong Kong.

Under the Stock Connect, The Stock Exchange of Hong Kong Limited (SEHK) and Shanghai Stock Exchange (SSE) / Shenzhen Stock Exchange (SZSE) established mutual order-routing connectivity and related technical infrastructure to enable investors of their respective market to trade designated equity securities listed in the other’s market. Hong Kong Securities Clearing Company Limited (HKSCC) and China Securities Depository and Clearing Corporation Limited (ChinaClear) are responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and/or investors.

Shanghai and Shenzhen Connect is a ground-breaking initiative with significance to both Hong Kong and the Mainland. It creates for the first time a feasible, controllable and expandable channel for cross-boundary RMB flow by a broad range of investors, paving the way for further opening up of China’s capital account and RMB internationalisation.

Following the successful launch of Shanghai Connect on 17 November 2014, Shenzhen Connect have also been launched on 5 December 2016.

Eligible stocks under China Connect Service

	Northbound Trading (Shanghai)	Northbound Trading (Shenzhen)
Index Constituent	<ul style="list-style-type: none"> - Constituent stocks from SSE 180 Index - Constituent stocks from SSE 380 Index 	<ul style="list-style-type: none"> - Constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion ✧ Shares that are listed on the ChiNext Board of SZSE under Northbound trading will be limited to institutional professional investors.
A+H Shares	A Shares listed on both SSE and SEHK	A Shares listed on both SZSE and SEHK
Excluding	<ul style="list-style-type: none"> ➤ SSE-listed shares which are not traded in RMB; and ➤ SSE-listed shares which are under risk alert 	<ul style="list-style-type: none"> ➤ SZSE-listed shares which are not traded in RMB; and ➤ SZSE-listed shares which are under risk alert or under delisting arrangement.
Restricted from further buying	<ul style="list-style-type: none"> ➤ such securities subsequently cease to be a constituent stock of the relevant indices; and/or ➤ they are subsequently placed under risk alert; and/or ➤ the corresponding H shares of such securities are subsequently delisted from SEHK, as the case may be. 	<ul style="list-style-type: none"> ➤ such securities subsequently cease to be a constituent stock of the relevant indices; and/or ➤ such securities are, based on any subsequent periodic review, determined to have a market capitalisation of less than RMB 6 billion; and/or ➤ they are subsequently placed under risk alert; and/or ➤ the corresponding H shares of such securities are subsequently delisted from SEHK, as the case may be.

Trading Details and Limitation**Trading Hours:**

Northbound trading follows SSE's and SZSE's trading hours. However, SEHK will accept Northbound orders from SEHK Participants five minutes before the Mainland market sessions open in the morning and in the afternoon.

SSE Trading Session	SSE Trading Hours	Time for SEHK Participants to input Northbound orders
Opening Call Auction	09:15-09:25	09:10-11:30
Continuous Auction (Morning)	09:30-11:30	
Continuous Auction (Afternoon)	13:00-14:57	12:55-15:00
Closing Call Auction	14:57-15:00	

- 09:20 – 09:25; 14:57—15:00: SSE will not accept order cancellation.
- 09:10 – 09:15; 09:25 – 09:30; 12:55 – 13:00: Orders and order cancellations can be accepted by SEHK but will not be processed by SSE until SSE's market open.
- Orders that are not executed during the opening call auction session will automatically enter the continuous auction session, and similarly, orders that are not executed during the continuous auction session will automatically enter the closing call auction section.

SZSE Trading Session	SZSE Trading Hours	Time for SEHK Participants to input Northbound orders
Opening Call Auction	09:15-09:25	09:10-11:30
Continuous Auction (Morning)	09:30-11:30	
Continuous Auction (Afternoon)	13:00-14:57	12:55-15:00
Closing Call Auction	14:57-15:00	

- 09:20 – 09:25, 14:57 – 15:00: SZSE will not accept order cancellation.
- 09:10 – 09:15; 09:25 – 09:30; 12:55 – 13:00: Orders and order cancellations can be accepted by SEHK but will not be processed by SZSE until SZSE’s market open.
- Any buy or sell orders not executed during the opening call auction session will automatically enter the continuous auction session. Any buy or sell orders not executed during the continuous auction session will automatically enter the closing call auction session.

Quota:

There is no Aggregate Quota for Shanghai and Shenzhen Connect as the Aggregate Quota for Shanghai Connect was abolished since 16 August 2016 and none will be introduced for Shenzhen Connect. The Northbound Daily Quota is set at RMB 52 billion for each of Shanghai Connect and Shenzhen Connect, and the Southbound Daily Quota is set at RMB 42 billion for each of Shanghai Connect and Shenzhen Connect.

$$\text{Daily Quota Balance} = \text{Daily Quota} - \text{Buy Orders} + \text{Sell Trades} + \text{Adjustments}$$

The Daily Quota will be reset every day. Unused Daily Quota will NOT be carried over to next day’s Daily Quota. If the Northbound Daily Quota Balance drops to zero or the Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected. However, as order cancellation is common during opening call auction, the Northbound Daily Quota Balance may resume to a positive level before the end of the opening call auction. When that happens, SEHK will again accept Northbound buy orders.

Once the Northbound Daily Quota Balance drops to zero or the Daily Quota is exceeded during a continuous auction session, no further buy orders will be accepted for the remainder of the day. The same arrangement will be applied to the closing call auction. It should be noted that buy orders already accepted will not be affected by the Daily Quota being used up and will remain on the order book of SSE and SZSE respectively unless otherwise cancelled by relevant SEHK Participants.

Trading Rules and Limitation:

Settlement Currency	RMB
Order Types	For Northbound trading, only allow limit order (orders which can be matched at the specified price or a better price) For Southbound trading, only at-auction limit orders will be accepted during the pre-opening session and only enhanced limit orders will be accepted during the continuous trading session.
Securities Settlement Cycle	Trade Day
Cash Settlement Cycle	Trade Day + 1 Day
Ticket Size	Uniformly set at RMB0.01
Price Limit	A general price limit of $\pm 10\%$ based on previous closing price and $\pm 5\%$ for stocks under special treatment (i.e. ST and *ST stocks) in the risk alert board Note: All orders input must be at or within the price limit, otherwise, it will be rejected by SSE/SZSE.
Board Lot Size	100 shares
Maximum Order Size	1 million shares
Odd Lot	Only for Sell Order
Day trading	Not Allow
Block trades	Not Allow
Naked short selling	Not Allow
Margin Financial	Eligible A shares listed by SSE/ SZSE

Severe Weather Conditions

Scenarios	Northbound Trading Of SSE /SZSE Securities	Money Settlement (For T-1 Position)	Securities Settlement (For T Position)	Existing typhoon/rainstorm procedure for Hong Kong market
T8/ Black rainstorm issued before HK market opens (i.e. 9:00 a.m.) and discontinued after 12:00 noon	Not open	No	N/A	Not open
T8 issued between 9:00 a.m. and 9:15 a.m.	Not open	Yes	N/A	Trading in the securities market will be terminated at the end of the Pre-opening Session
T8 issued after SSE/SZSE market opens (i.e. 9:15 a.m.)	Trading will continue for 15 minutes after T8 issuance, thereafter, only order cancellation is allowed till SSE/ SZSE market close	Yes	Yes	Trading will be terminated in 15 minutes
Black rainstorm issued after HK market opens (i.e. 9:00 a.m.)	Trading continues as normal	Yes	Yes	Trading continues as normal
T8/ Black rainstorm issued discontinued at or before 12:00 noon	Trading resumes after 2 hours	Postpone to 3 p.m.	Yes	Trading resumes after 2 hours

Holiday Arrangement

	Mainland	Hong Kong	Open for Northbound Trading?
Day 1	Business Day	Business Day	Open
Day 2	Business Day	Business Day	Close (HK market closes on money settlement day)
Day 3	Business Day	Public Holiday	Close (HK market closes on trading day)
Day 4	Public Holiday	Business Day	Close (Mainland market closes)

If a Northbound trading day is a half trading day in Hong Kong market, Northbound Trading will continue until respective Connect Market is closed. Please refer to the HKEX website or the Northbound trading calendar for Shanghai Connect Northbound trading and Shenzhen Connect Northbound trading.

Key Differences between Hong Kong Stocks and SSE/SZSE Securities

	Hong Kong Market	A Shares Market
Stock code	5 digits	6 digits
Board lot	Defined by listed company	100 shares
Price spread	Different securities have different price spread	Uniform at RMB0.01
Price Limit	No Limit	General price limit $\pm 10\%$ $\pm 5\%$ for ST and *ST stocks
Upper Limit of order	3000Lots	1M Shares
Day trading	Allowed	Not allowed
Odd lot	Buy or Sell also allowed	Sell Only
Settlement cycles	Both securities and money are settled on the same day on T+2 days	Securities: settled on T day Money: settled on T+1 day
Issuing of corporate announcements	SEHK's HKExnews website	Through SSE/SZSE website and four officially appointed newspapers (Shanghai Securities News, Securities Times, China Securities Journal and Securities Daily)
Language of corporate announcements	Traditional Chinese and English	Simplified Chinese

Depository Services

The A-shares traded by Hong Kong and overseas investors through Stock Connect are issued in scripless form, so investors will not hold any physical A-shares. Instead, they will only hold these A-shares through their brokers or custodians and their ownership is indicated in their brokers/custodians' records such as client statements. This is different to the fact that holders of Hong Kong shares can choose to hold physical shares under their own names or in the name of HKSCC nominees.

Foreign shareholding restriction on SSE and SZSE Securities

Under current PRC rules, a single foreign investor's shareholding in a listed company (regardless of the channels through which shares in such listed company are held, including through QFII, RQFII and Shanghai and Shenzhen Connect) is not allowed to exceed 10% of the company's total issued shares, while all foreign investors' shareholding in the A shares of a listed company is not allowed to exceed 30% of its total issued shares.

When the aggregate foreign shareholding of an individual A share reaches 26%, SSE or SZSE, as the case may be, will publish a notice on its website (<http://www.sse.com.cn/disclosure/disclosure/qfii> for SSE and <http://www.szse.cn/disclosure/deal/qfii/index.html> for SZSE). If the aggregate foreign shareholding exceeds

the 30% threshold, the foreign investors concerned will be requested to sell the shares on a last-in-first-out basis within five trading days.

SSE Securities purchased through Shanghai Connect and SZSE Securities purchased through Shenzhen Connect will be considered in totality with those purchased by QFII and RQFII, and subject to the same foreign shareholding restriction. Once SSE/SZSE informs SEHK that the aggregate foreign shareholding of an SSE/SZSE Security reaches 28%, further Northbound buy orders in that SSE/SZSE Security will not be allowed, until the aggregate foreign shareholding of that SSE/SZSE Security is sold down to 26%. If the 30% threshold is exceeded due to Shanghai Connect or Shenzhen Connect, HKEX will identify the relevant SEHK Participant and require it to follow the forced-sale requirements.

HKEX will publish a notification on its website to inform the market about suspension of buy orders if the shareholding limit goes beyond 28% and about the resumption of buy orders if the shareholding drops below 26%.

Foreign investors can continue to sell the A share whose aggregate foreign shareholding has reached the 30% threshold. If such selling activities cause the aggregate foreign shareholding to drop below the 30% threshold within 5 trading days, EPs who were subject to the forced-sale requirement may submit an application to SEHK for a forced-sale exemption.

Disclosure obligations

According to the Law of the PRC on Securities, when an investor holds or controls up to 5% of the issued shares of a Mainland listed company, the investor is required to report in writing to the CSRC and the relevant exchange, and inform the listed company within three working days. The investor is not allowed to continue purchasing or selling shares in that listed company during those three days.

For such investor, every time when a change in his shareholding reaches 5%, he is required to make disclosure (in the same manner as mentioned above) within three working days. From the day the disclosure obligation arises to two working days after the disclosure is made, the investor may not buy or sell the shares in the relevant Mainland listed company.

If a change in shareholding of the investor is less than 5% but results in the shares held or controlled by him falling below 5% of the relevant Mainland listed company, the investor is required to disclose the information within three working days.

Trading Precautions on Shenzhen/Shanghai-Hong Kong Stock Connect

- No day trading is allowed;
- Pre-trade checking is in place so that a client must have his/her shares transferred to the EP's corresponding CCASS account before the commencement of trading on a trading day if he/she intends to sell the shares during a trading day, unless an SPSA arrangement is in place;
- All trading must be conducted on SSE/SZSE, i.e. no over-the-counter (OTC) or manual trades are allowed;

- Naked short selling is not allowed;
- Foreign shareholding restriction (including the forced-sale arrangement) is in place and EPs should have the right to “force-sell” client’s shares upon receiving the forced-sale notification from SEHK;
- the client should understand fully the Mainland rules and regulations in relation to short-swing profits, disclosure obligations and follow such rules and regulations accordingly;
- the EP may have the right to cancel the client’s orders in case of contingency such as hoisting of Typhoon Signal No 8 in Hong Kong;
- the EP may not be able to send in the client’s order cancellation requests in case of contingency such as when SEHK loses all its communication lines with SSE/SZSE, etc. and the client should still bear the settlement obligations if the orders are matched and executed;
- the client must comply with SSE/SZSE Rules and other applicable laws of Mainland China relating to Northbound trading;
- the EP may forward the client’s identity to SEHK which may on-forward to SSE/SZSE for surveillance and investigation purposes;
- if the SSE/SZSE Rules are breached, or the disclosure and other obligations referred to in the SSE/SZSE Listing Rules or SSE/SZSE Rules are breached, SSE/SZSE has the power to carry out an investigation, and may, through SEHK, require the EP to provide relevant information and materials and to assist in its investigation;
- SEHK may upon SSE’s/SZSE’s request, require the EP to reject orders from the client;
- the client needs to accept the risks concerned in Northbound trading, including but not limited to prohibition of trading SSE/SZSE Securities, being liable or responsible for breaching the SSE/SZSE Listing Rules, SSE/SZSE Rules and other applicable laws and regulations;
- SSE/SZSE may request SEHK to require the EP to issue warning statements (verbally or in writing) to the client, and not to extend Northbound trading service to the client; and
- HKEX, SEHK, SEHK Subsidiary, SSE/SZSE and SSE/SZSE Subsidiary and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by the EP, the client or any third parties arising from or in connection with Northbound trading or the CSC.

Major risks

Not protected by Investor Compensation Fund

Investors should note that any Northbound or Southbound trading under Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect will not be covered by Hong Kong’s Investor Compensation Fund.

Hong Kong’s Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

As for Northbound trading, according to the Securities and Futures Ordinance, the Investor Compensation Fund will only cover products traded in Hong Kong’s recognised securities market (SEHK) and recognised futures market (Hong Kong Futures Exchange Limited, HKFE). Since default matters in Northbound trading via Stock Connect do not involve products listed or traded in SEHK or HKFE, so similar to the case of investors trading overseas securities, they will not be covered by the Investor Compensation Fund.

For further information on Hong Kong’s Investor Compensation Fund, please refer to the website of [Investor Compensation Company Limited](#).

On the other hand, according to the Measures for the Administration of Securities Investor Protection Fund 《證券投資者保護基金管理辦法》, the functions of China Securities Investor Protection Fund (CSIPF, 中國投資者保護基金) include “indemnifying creditors as required by China’s relevant policies in case a securities company is subjected to compulsory regulatory measures including dissolution, closure, bankruptcy and administrative takeover by China Securities Regulatory Commission (CSRC) and custodian operation” or “other functions approved by the State Council”. As far as Hong Kong investors participating in Northbound trading are concerned, since they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not Mainland brokers, therefore they are not protected by CSIPF on the Mainland.

Daily Quotas used up

If the Northbound daily quota of Shanghai Connect/Shenzhen Connect is used up, i.e. the daily quota balance of Shanghai Connect/Shenzhen Connect drops to zero or the daily quota is exceeded during a continuous auction session (or closing call auction for SZSE), no further buy orders will be accepted for the remainder of the day while sell orders will still be accepted. Buying services will be resumed on the next trading day. Buy orders already accepted will not be affected by the daily quota being used up and will remain on the order book of SSE/SZSE unless otherwise cancelled by the relevant brokers.

If the used up of Northbound daily quota happens during the opening call auction session, new buy orders will be rejected. However, as order cancellation is common during opening call auction, the Northbound daily quota balance may resume to a positive level before the end of the opening call auction. When that happens, SEHK will again accept Northbound buy orders.

Trading day

Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot carry out any A-share trading. Investors should take note of the days Stock Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when Stock Connect is not trading.

Restrictions on selling imposed by front-end monitoring

For investors who usually keep their A-shares outside of their brokers, if they want to sell certain A-shares they hold, they must transfer those A-shares to the respective accounts of their brokers before the market opens on the day of selling (T day). If they fail to meet this deadline, they will not be able to sell those A-shares on T day.

The recalling of eligible stocks

When a stock is recalled from the scope of eligible stocks for trading via Stock Connect for above-mentioned reasons, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of investors. Investors should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE/SZSE and SEHK.

Mainland market risk

- **Market volatility risk**

The Mainland stock market is relatively volatile as it is mostly made up of retail investors who tend to be speculative and susceptible to the central government policies and news.

- **Macro-economic risk**

There is a close relationship between the Chinese economy and stock market performance. The Chinese economic growth is still above the global average, but has already shown signs of slowdown. Moreover, there is growing concern over the country's government and corporate debts.

- **Currency risk**

Hong Kong investors will expose to the risk of RMB exchange rate movements if they have to convert HKD into RMB for trading in Shanghai and Shenzhen A-shares. The conversion also incurs costs.

Movements in the RMB exchange rate will affect the profits and debts of the Mainland listed companies. Such effects will be more significant to those export-oriented companies and companies having debts denominated in currencies other than RMB.

- **Policy risk**

Central government's economic and financial policies will affect the performance of investment market. You shall beware of the central government policies for stimulating the economy or supporting different industries, as well as their different financial policies in respect of the currency, interest rate, credit and stock markets.

Risks relating to ChiNext Board of SZSE

Certain eligible A-shares under Shenzhen Connect are listed on the SZSE's ChiNext Board, which will be limited to the institutional professional investors at the initial stage of Shenzhen Connect. Generally, stocks listed on ChiNext Board contain higher risk than those listed on Main Board.

- **Regulatory risk**

The listing requirements of ChiNext Board are less stringent than Main Board and SME Board, e.g. requiring a shorter track record period and lower net profit, revenue and operating cash flow. Moreover, the disclosure rules applied to the ChiNext Board are different from Main Board and SME Board. For example, ad hoc reports of ChiNext companies are only required to be published on a CSRC designated website and on the issuers' website. If investors continue to check information through the usual disclosure channels for Main Board and SME Board, they may miss out some important information disclosed by ChiNext companies.

- **Operating risk**

Companies listed on ChiNext Board are generally in the early stage of development, whose business is unstable, profitability is low, and less resilient against market and industry risks. Operating risks experienced by these companies often include technical failure, new products are not well-received by the market, failure to catch up the market development and any changes in the founder, management team and core technician team.

- **Delisting risk**

Compared to the Main Board, the proportion of companies delisting is higher on the ChiNext Board.

- **Fluctuation in stock price**

As companies listed on ChiNext Board are relatively small and their business performance are unstable, they are more vulnerable to speculation. Share price of the ChiNext stocks is more volatile.

- **Technical risk**

Companies listed on ChiNext Board are mainly high technology companies, whose success is subject to technical innovations. However, these companies are exposed to the risks and challenges relating to technical innovation, such as high R&D costs, technical failure, and rapid development and replacement in technology and product market.

- **Risks relating to valuation**

Generally, it is difficult to estimate the value of a company listed on ChiNext Board as they are in the early stage of development with short operating history and unstable profits and cash flow. Therefore, traditional valuation method, such as price-to-earnings ratio and price-to-book ratio, is difficult to be applied.

The above is only an overview of some of the risks related to Stock Connect.

Investor ID Regime

Regulators in Hong Kong and China may from time to time stipulate regulatory requirements for disclosure and securities market supervision, and pursuant to such requirements, SEHK participants are required to disclose identity, account information(if applicable), personal data and other relevant information and materials relating to client, client transactions and related services to such regulators. To facilitate more effective market surveillance capacity, a new investor identification regime is stipulated by SEHK and the Securities and Futures Commission of Hong Kong in 2018. Under this regime, SEHK participants are required to assign a unique number (“BCAN”) to each of its Northbound trading clients under China Connect; Each BCAN should be mapped to client identification data(“CID”) of the relevant client; SEHK Participants are required to submit the BCAN-CID mappings of all Northbound trading clients in one file (“BCAN-CID Mapping File”) to the SEHK.

Trading on Stock Connect through China Galaxy International Securities (Hong Kong) Co., Limited

Clients are required to sign the Consent Letter in Relation to the Personal Information Collection Statement concerning Northbound China Connect Orders for the application of trading SSE/SZSE A-shares under Stock Connect by using the existing trading account.

Trading and Settlement

- The trading platform of trading SSE/SZSE A-shares is same as the one to trade Hong Kong shares. Client doesn't need to download extra trading software to trade SSE/SZSE A-shares.

Trading Platform	Quote Winner (Online Version)	Qian Long (PC Platform)	Qian Long (Mobile Platform)	Wechat Trading Platform
Trading on SSE/SZSE A-Shares	✓	✓	✓	✓

- Day trading is not allowed for Mainland A shares market. Therefore, clients who buy SSE/SZSE A-shares on T-day can only sell on T+1 day or after.
- If client does not have sufficient RMB but have equivalent values of other currencies or sufficient trading limit, client can still place order. However, the client must deposit sufficient RMB before 5:00 p.m. on T Day for settling the transaction or submit the Currency Exchange Notification form to convert sufficient RMB for settlement.
- If client have insufficient RMB at 9:00 a.m. on settlement day, we will debit equivalent HKD amount at prevailing foreign exchange rate and convert to RMB for settlement.
- If client hold the SSE/SZSE A-Shares in other securities firms or custodian banks and want to sell the A-Shares through us, client can submit the SI instruction to us for receive the A-Shares one day before selling. The instruction submitted before 4:00 p.m. will process on the same day, and the instruction submitted after 4:00 p.m. will process on next day.

Normal Settlement Days Example:

Instruction Submit Time	Submit Day 12/12/2016 Monday	13/12/2016 Tuesday	14/12/2016 Wednesday
Before 4:00 p.m.	Process day	Can Trade	-
After 4:00 p.m.	Process on next day	Process day	Can Trade

Non-Settlement Days Example:

Instruction Submit Time	Submit Day 11/2/2016 Thursday Non settlement day	12/2/2016 Friday Non settlement day	13/2/2016- 14/2/2016 Saturday, Sunday and Public Holiday Non settlement days	15/2/2016 Monday Settlement day	16/2/2016 Tuesday Settlement day
Before 4:00 p.m.	Process on next day	Process on next day	Process on next day	Process day	Can Trade
After 4:00 p.m.	Process on next day	Process on next day	Process on next day	Process day	Can Trade

* If the instruction submission day is non-settlement day (For example: Saturdays, Sundays, Public Holidays and Half-day trading days), the instruction will process on next day.

If client need to conduct Delivery versus Payment (DVP) on trading day, kindly contact your Account Executive for further details.

Corporate Actions

- Hong Kong and overseas investors being the beneficial owners of SSE/SZSE Securities will not be able to attend meetings in person or as proxy.
- Client can submit a voting instruction via us if any.

Fees and Taxes (in RMB)

Item	Rate/Amount	Minimum	Charged by
Commission Fee	0.25% of transaction amount*	RMB¥80	China Galaxy International
Handling Fee	0.00487% of transaction amount	-	SSE & SZSE
Securities Management Fee	0.002% of transaction amount	-	CSRC
Transfer Fee (Charged by ChinaClear)	0.002% of transaction amount Payable under ChinaClear's Stock Connect Rules	-	China Clear
Transfer Fee (Charged by CCASS)	0.002% of transaction amount Payable under the General Rules of CCASS for the provision of Stock Connect Northbound Clearing services by HKSCC	-	HKSCC
Stamp Duty	0.1% of the consideration of a transaction on the seller	-	SAT
Portfolio Fee (New CCASS Fee)	Day-end A Shares portfolio amount x 0.008%/365 x days of stock held within the month <i>(Waived until further notice)</i>	-	HKSCC
Dividend Tax	10% of dividend collected (Withhold when dividend pay)	-	SAT

* Commission fee is negotiable with Account Executive if transactions volume is sufficient

For other item, please refer to the Fee Schedules.

Price Quote

If client need to apply the Level II real-time quote, the fee are 1,800 per annum.

Quote Services	Quote Winner (Online Version)	Qian Long (PC Platform)	Qian Long (Mobile Platform)	Wechat Trading Platform
Chargeable Real Time Quote (China User Level II)	X	✓	X	X
Chargeable Real Time Quote (Local/Foreign User II)	X	X	X	X
Free Real Time Quote (China User Level I)	X	✓	✓	X
Free Real Time Quote (Local/Foreign User Level I)	X	✓	X	X
Delayed Quote	X	X	X	✓

Comparison Table of the Financial Terms between Mainland and HK

English	Hong Kong Terms	Mainland Terms
nominal price	按盤價	名義價格
grey market price	暗盤買賣	灰市交易
deposit	按金	押金；保證金
delisting	除牌	摘牌
ex-date	除淨日	除權日
long position	長倉或好倉	多頭倉位
hedging	對沖	對沖交易；套利交易；套期保值
short position	短倉；淡倉	空頭；短倉
dividend	股息	紅利；股利；股息
stock code	股份代號	股票代碼
share registrar	股份過戶登記處	股份登記處；證券登記機構
warrant	窩輪；權證	權證
split	股份拆細	股份拆細；分拆；分割
scrip issue; issue of bonus share	紅股派送	送股
mutual fund	互惠基金	共同基金
sector	行業	板塊
settlement	交收	交割；交收
clearing	結算	清算
brokerage firm	經紀行	券商；證券商
short position	空倉	空倉；空頭
opening price	開市價；開盤價	開盤價格
pre-market opening session	開市前議價時段	集合競價時段
open a position	開倉	建倉
placing order	落盤	下單
buy order	買盤	買單委托；買方指令；買入委托
sell order	賣盤	賣單委托；賣方委托；賣出委托
odd lot	碎股	零股
physical script	實物股票；實股	實券
board lot	手	買賣單位
limit order	限价盤	限价委托
subscription of new stock	新股認購	申購新股
stop order; stop-loss order	止蝕盤	止損委托

Frequently Asked Questions

Please refer to HKEx's Frequently Asked Questions for Investors

https://www.hkex.com.hk/-/media/HKEX-Market/Mutual-Market/Stock-Connect/Getting-Started/Information-Booklet-and-FAQ/FAQ_En.pdf

References

HKEx Stock Connect Web-Site

<http://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en>

Shanghai-Hong Kong Stock Connect page on the Shanghai Stock Exchange website

<http://english.sse.com.cn/investors/shhkconnect/introduction/definition/>

Shenzhen-Hong Kong Stock Connect page on the Shenzhen Stock Exchange website - Simplified Chinese Only

<http://www.szse.cn/szhk/index.html>

SSE Shanghai-Hong Kong Stock Connect Investor Education Web-Site - Simplified Chinese

<http://edu.sse.com.cn/col/shhkconnect/home/>

SZSE Shenzhen-Hong Kong Stock Connect Investor Education - Simplified Chinese

<http://www.szse.cn/szhk/szhkinvestor/sz/activity/index.html>

Information Book for Investors

https://www.hkex.com.hk/-/media/HKEX-Market/Mutual-Market/Stock-Connect/Getting-Started/Information-Booklet-and-FAQ/Information-Book-for-Investors/Investor_Book_En-v2.pdf

Eligible Stocks

Shanghai-Hong Kong Stock Connect List of Eligible Stocks for Northbound Trading

https://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/Eligiblestock.htm

Stock Connect List of Eligible Stocks for Southbound Trading

<http://www.sse.com.cn/services/hkexsc/disclo/eligible/>

Shenzhen-Hong Kong Stock Connect temporary List of Eligible Stocks for Northbound Trading (For Reference Only)

https://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/Eligiblestock.htm

A-share company announcements

Shanghai Stock Exchange <http://english.sse.com.cn/>

China Securities Journal <http://www.cs.com.cn/>

Shanghai Securities News <http://www.cnstock.com/>

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