



Risks Disclosure of Investing in Shanghai – Hong Kong Stock Connect Northbound Securities

投資滬港通股票的主要風險

The following risk disclosure statements cannot disclose all the risks which Shanghai-Hong Kong Stock Connected involved. You should undertake your own research and study before your trade or invest. You should carefully consider whether trading or investment is suitable in light of your own financial position and investment objective. You are advised to seek independent financial and professional advice before you trade or invest. You should seek independent professional advice if you are uncertain of or have not understood any aspect of the following risk disclosure statements or the nature and risks involved in trading or investment.

以下風險披露聲明不能披露所有因滬港通所涉及的風險。在進行交易或投資前，您應負責本身的資料蒐集及研究。您應按本身的財政狀況及投資目標謹慎考慮是否適宜進行交易或投資。本行建議您於進行交易或投資前應尋求獨立的財務及專業意見。假如您不確定或不明白以下風險披露聲明或進行交易或投資所涉及的性質及風險，您應尋求獨立的專業意見。

1. Not protect by Investor Compensation Fund

Investor should note that any Northbound or Southbound trading under Shanghai-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 authorized 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 far as Southbound trading is concerned, since Mainland securities brokers are neither licensees nor registered institutions with the SFC in Hong Kong and they are not regulated by the SFC, the Investor Compensation Fund will not cover Southbound trading via Shanghai-Hong Kong Stock Connect.

As for Northbound trading, according to the Securities and Futures Ordinance, the Investor Compensation Fund will only cover products traded in Hong Kong's recognized securities market

(SEHK) and recognized futures market (Hong Kong Futures Exchange Limited, HKFE). Since default matters in Northbound trading via Shanghai-Hong Kong 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.

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.

不受投資者賠償基金保障

投資者應須注意，香港的投資者賠償基金並不涵蓋滬港通下的任何北向交易和南向交易。

香港的投資者賠償基金主要保障任何因持牌中介人或認可財務機構因為違責事項，例如無償債能力、破產或清盤、違反信托、虧空、欺詐或不當行為，而導致任何國籍的投資者因涉及香港交易所上市或買賣的產品而蒙受的金錢損失。就港股通南向交易而言，由於中國內地的證券商並非香港證監會的持牌人或註冊機構，亦不受到證監會的規管，因此投資者賠償基金將不涵蓋港股通南向交易。

就滬股通北向交易而言，根據《證券及期貨條例》，投資者賠償基金僅涵蓋在認可股票市場（聯交所）及認同期貨市場（期交所）上買賣的產品。由於滬股通北向交易違責事項並不涉及聯交所和期交所上市或買賣的產品，因此一如買賣海外證券的投資者，投資者賠償基金亦不涵蓋滬股通北向交易。

另一方面，根據《證券投資者保護基金管理辦法》，中國投資者保護基金的用途為“證券公司被撤銷、關閉和破產或被證監會實施行政接管、托管經營等強制性監管措施時，按照國家有關政策規定對債權人予以「償付」或「國務院批准的其他用途」。對於參與北向交易的香港投資者而言，由於他們是通過香港本地券商進行北向交易，該券商並非內地證券公司，因此中國內地投資者保護基金亦不涵蓋滬股通北向交易。

2. Quotas used up

When the respective aggregate quota balance for Northbound and Southbound trading is less than the daily quota, the corresponding buy orders will be suspended on the next trading day (sell orders will still be accepted) until the aggregate quota balance returns to the daily quota level.

Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day.

額度用盡

當北向交易和南向交易分別的總額度餘額少於每日額度時，相應買盤會於下一個交易日暫停（但仍可接受賣盤訂單），直至總額度餘額重上每日額度水平。而每日額度用完時，亦會即時暫停相應買盤交易（已獲接受的買盤訂單不會因每日額度用盡而受到影響，此外仍可繼續接受賣盤訂單），當日不會再次接受買盤訂單，但會視乎總額度餘額狀況於下一個交易日恢復買盤交易。

3. Trading day

Shanghai-Hong Kong 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. Investor should take note of the days Shanghai-Hong Kong Stock Connect is open for business and decide according to his/ her own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when Shanghai-Hong Kong Stock Connect is not trading.

交易日差異

於滬港通只有在兩地市場均為交易日、而且兩地市場的銀行在相應的款項交收日均開放時才會開放，所以有可能出現內地市場為正常交易日、而香港投資者卻不能買賣 A 股的情況。投資者應該注意滬港通的開放日期，並因應自身的風險承受能力決定是否在滬港通不交易的期間承擔 A 股價格波動的風險。

4. Restrictions on selling imposed by front-end monitoring

Investor must ensure he/ she has sufficient shares in their accounts opened with CSC Securities (HK) Limited when placing sell orders for trading Shanghai Stock Exchange Securities. If the shares

are kept in an account opened with another Exchange Participant or a custodian, he/ she must first transfer the shares to CSC Securities on T-1 in order to sell their shares on T day.

前端監控對沽出的限制

就滬股通落盤訂單時，投資者必須確保其開立的戶口有足夠股份。若股份存於另一聯交所參與者或託管人的戶口，投資者必須先於 T-1 日將股份轉至群益證券(香港)有限公司，才可以於 T 日出售股份。

5. The recalling of eligible stocks

When a stock is recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong 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 the investor. He/ she should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE and SEHK.

合資格股票的調出

當一些原本為滬港通合資格股票由於前述原因被調出滬港通範圍時，該股票只能被賣出而不能被買入。這對投資者的投資組合或策略可能會有影響。投資者需要密切關注兩地交易所提供及不時更新的合資格股票名單。

6. Currency risks

Hong Kong and overseas investor who holds a local currency other than RMB will be exposed to currency risk if he/she invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, Investor will also incur currency conversion costs. Even if the price of the RMB asset remains the same when you purchase it and when you redeem / sell it, you will still incur a loss when you convert the redemption / sale proceeds into local currency if RMB has depreciated.

貨幣風險

香港及海外的投資者若以人民幣以外的本地貨幣投資人民幣資產，由於要將本地貨幣轉換為人民幣，便需承受匯率風險。在匯兌過程中，將會牽涉轉換貨幣的成本。即使該人民幣資產的價格不變，於轉換貨幣的過程中，如果人民幣貶值，亦會有所損失。

7. Trading and settlement currency

Northbound investments in SSE securities will be traded and settled in Renminbi; CSC Securities (HK) Limited can offer currency exchange services to Northbound trading investors. For calculating any debit balance due from the Investor,



- (a) The exchange rate shall be determined by CSC Securities (HK) Limited in its sole discretion, with reference to the prevailing rates in the foreign exchange market;
- (b) Any conversion from one currency into another may be effected by CSC Securities (HK) Limited in such manner and at such times as it may in its absolute discretion;
- (c) The costs of conversion and any loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Investor; and
- (d) Investor authorizes CSC Securities (HK) Limited to debit his/ her Account for any expenses incurred in effecting any currency conversion.

交易及交收貨幣

滬股通投資以人民幣進行交易和交收。群益證券(香港)有限公司就投資者的滬股通投資提供換匯服務，如群益證券(香港)有限公司在計算客戶的任何借方結餘時，兌換人民幣

- (a) 有關匯率乃由群益證券(香港)有限公司參考外匯市場當時之匯率後全權釐定。
- (b) 群益證券(香港)有限公司有絕對酌情權決定以任何方式或時間，將款項從任何貨幣或轉換為任何貨幣。
- (c) 若須一種貨幣轉換為另一種貨幣，轉換的成本及任何因有關貨幣匯率波動而引致的損失，全部歸於投資者及由投資者承擔風險；及
- (d) 投資者授權群益證券(香港)有限公司從客戶的帳戶扣除在進行任何貨幣轉換時招致的任何開支。

8. Applicable Law and Regulations

All Transaction executed in the Shanghai-Hong Kong Stock Connect shall be subject to the regulations used by China Securities Regulatory commission (CSRC) and the Securities and Futures Commission of Hong Kong (the SFC). Investor agrees to do such things as CSC Securities (HK) Limited may require to ensure compliance with all relevant or applicable laws, rules, regulations, by-laws, constitution, orders, directives, notices, circulars, coded, customs, usages (whether of government bodies, authorities, exchange, market, clearing house or settlement system, and whether or not having the force of law).

適用法律及規定

滬港通交易均應受中國證監會及香港證監會的法規所管轄，而且群益證券(香港)有限公司按一般條例及此附錄採取的一切行動均應對客戶具有約束力。投資者同意採取群益證券(香港)有限公司可能要求的行動以確保遵守所有有關或適用的法律、條例、法規、細則、憲章、命令、指令、通知、通函、守則、習俗和慣例(不論屬政府機關、機構、交易所、市場、結算所的或結算系統的，也不論是否具有法律效力。)

9. Disclosure of Information

Under the current PRC rules, when 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 CSRC and the relevant exchange, and inform the listed company within three working days. Investor is not allowed to continue purchasing or selling shares in the listed company during the three days. And every time when a change in his shareholding reaches 5%, the investor is required to make a disclosure 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 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.

資料的披露

根據現行中國的法律，當任何一名投資者持有或控制上交所上市發行股份達 5%時，其須於三日內以書面形式向中國證監會及有關交易所匯報，並通知上市發行人。該投資者不得於該三日內買賣有關上市發行人的股份。就該投資者而言，每當其持股量增加或減少 5%，即須於三個工作天內作出披露。由披露責任當天起至作出披露後兩個工作日內，該投資者不得買賣該上市發行人的股份。若該投資者的持股量變動少於 5%，但導致其所持或所控制該上市發行人的已發行股份總量低於 5%，投資者亦須於三日內披露有關信息。

10. Foreign shareholding restrictions:

The CSRC stipulates that, when holding Mainland A-shares through Shanghai-Hong Kong Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- a. Single foreign investors' shareholding by any Hong Kong or overseas investor in an A share must not exceed 10% of the total issued shares; and
- b. Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in an A share must not exceed 30% of the total issued shares.

Foreign investors mean investors who trade A shares through QFII, RQFII and Shanghai-Hong Kong Stock connect. After implementation of Shanghai-Hong Kong Stock Connect, when aggregate foreign shareholding reaches 28%, HKEx will stop accepting further buy orders on that A share, until shareholding lowers to 26%. If the aggregate foreign shareholding exceeds 30% and the excess is due to Shanghai-Hong Kong Stock Connect, HKEx will identify the relevant exchange participant and it is required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. Investors should accordingly comply with the 10% single foreign investor's restriction and forced-sale arrangement.

外資持股比例限制

中國證監會規定，香港及海外投資者透過滬股通持有內地 A 股，會受以下持股比例限制：

- a. 單一香港及海外投資者對單一上市公司的持股比例，不得超過該上市公司股份總數的 10%；及
- b. 所有香港及海外投資者對單一上市的 A 股的持股比例總和，不得超過該上市公司股份總數的 30%。

境外投資者指利用 QFII、RQFII 及滬港通買賣 A 股的投資者。於滬港通推出後，當所有境外投資者的持股比例總和達 28%，港交所會停止接受該 A 股之買賣指示，直至持股比例總和回落至 26%；若持股比例總和超出 30%，而有關超出乃由滬股通交易引致，港交所會於核實有關交易的相關交易所參與者後，投資者會被要求在規定時限內對超過限制的部份按照「後買先賣」的原則予以平倉。投資者需遵守單一境外投資者 10% 持股比例的限制，以及就強制出售的可能性之安排。

11. Taxes and Other Payments

Investor trading SSE Securities under Shanghai-Hong Kong Stock Connect will be subject to SSE's Handling Fee and Securities Management Fee, together with ChinaClear's "Transfer Fee".

Investor should note that certain existing CCASS fees still apply, including stock settlement fee for settlement instructions and money settlement fee. Subject to the SFC's approval, HKSCC will also impose a "New CCASS fee" (in HKD), called "Portfolio Fee", on its CCASS Participants for providing depository and nominee services for their SSE Securities held in CCASS. The New CCASS Fee will be collected on a monthly basis. Besides, taxes imposed by the State Administration of Taxation (SAT), including stamp duty and dividend tax will also be applied to the Northbound trades and SSE Securities acquired through Shanghai-Hong Kong Stock Connect. Any additional tax imposed by the SAT, if applicable, will be subject to further clarification with SAT.

稅務及其他付款

投資者透過滬港通買賣滬股通股票將須繳納上交所現行的交易相關費用（即：經手費、證管費）以及中國結算相關費用（即：過戶費）。

投資者須注意，某些中央結算系統費用將仍然適用於滬股通股市，包括與交收指示相關的股份交收費用以及款項交收費用。另外，香港結算將提供存管及代理人服務代其結算參與者持有滬股通股票。若獲得證監會批准，香港結算計劃將對此服務推出「證券組合費」。新的中央結算系統費用將按月以港幣收取。此外，國家稅務總局就上交所交易所收取的稅項，包括印花稅及股息稅，亦將適用於北向交易及透過滬港通買入的滬股通股票。就國家稅務總局規定的其他稅項（如適用），香港交易所將與國家稅務總局進一步磋商。