

**China Securities Depository and Clearing
Corporation Limited**

**Implementation Rules of Depository Receipts
Registration and Settlement Business under the Stock
Connect Scheme between Shanghai Stock Exchange
and London Stock Exchange**

(Provisional)

Disclaimer: For the avoidance of doubt, the Chinese version of the rules issued by China Securities Depository and Clearing Corporation Limited shall prevail, while the English translation is for reference only.

Article 1 *Implementation Rules of Depository Receipts Registration and Settlement Business under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange (“the Rules”)* is hereby formulated in accordance with the *Securities Law of the People's Republic of China*, the *Opinions on Launching Pilot Program of Issuance of Stocks or Depository Receipts within China by Innovative Enterprises*, the *Administrative Measures of Securities Registration and Settlement*, the *Administrative Measures of Issuing and Trading of Depository Receipts (Provisional)*, the *Shanghai Stock Exchange Supervision Guidelines of Depository Receipts under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange (provisional)*, the *China Securities Depository and Clearing Corporation Registration and Clearing Rules for Depository Receipts (Provisional)* and other applicable laws, regulations, normative documents, and relevant business rules of China Securities Depository and Clearing Corporation Limited (“CSDC”) in order to regulate the depository receipts registration and

settlement business under the Stock Connect Scheme between Shanghai Stock Exchange (“SSE”) and London Stock Exchange (“LSE”) and protect the legitimate rights and interests of investors.

Article 2 The Shanghai-London Stock Connect depository receipts mentioned in *the Rules* are the depository receipts listed on the SSE by eligible LSE-listed companies (“CDR”), as well as the depository receipts listed on LSE by eligible SSE-listed companies (“GDR”), based on the Stock Connect Scheme between the SSE and the LSE.

Securities registration, depository, settlement and other relevant services involving Shanghai-London Stock Connect depository receipts shall be governed by *the Rules*.

Matters not covered herein shall be governed by relevant rules of CSDC on the depository receipts, except as otherwise provided by CSDC.

Article 3 The market entities, such as the depositories, settlement participants, securities trading institutions engaging in cross-border conversion of depository receipts and investors, when participating in the business related to the registration and clearing of depository receipts, shall abide by relevant laws and regulations, departmental rules and the business rules of CSDC.

CSDC adopts self-regulation for the depository receipt registration and clearing activities of Shanghai-London Stock Connect Scheme.

Article 4 Cross-border conversions of depository receipts includes conversion from underlying securities to depository receipts (“creation”), and conversion from depository receipts to corresponding underlying shares (“redemption”).

Domestic securities trading institutions engaged in cross-border CDR conversion

business (“Chinese cross-border conversion institutions”) shall use specific securities accounts for the CDR creation, redemption and market making business.

Due to company behaviors or other special circumstances, CDR depositories shall open corresponding specific securities accounts according to the provisions of depository agreements and CSDC's relevant rules. Such specific securities accounts shall be exclusively used in completing corresponding company behaviors, and cannot be used in securities trading.

Investors who participate in CDR trading and other transactions shall use securities accounts for RMB ordinary shares (“A shares”).

Article 5 Upon application by the depositories, CSDC shall conduct the initial registration of CDRs, and complete relevant listing and circulation procedures according to the relevant notice from the SSE before the listing date.

Article 6 In the case of CDR creation business, the depositories and Chinese cross-border conversion institutions shall respectively submit creation instructions to the SSE, who shall send effective creation data to CSDC after matching those instructions. CSDC shall credit corresponding CDRs in relevant securities accounts at the end of this business day, based on the creation data.

In the case of CDR redemption business, CSDC shall check the redemption instructions sent by the depositories and Chinese cross-border conversion institutions, and debit corresponding CDRs in relevant securities accounts at the end of this business day after matching those instructions and confirming that corresponding CDRs in the accounts of Chinese cross-border conversion institutions are sufficient.

Article 7 Upon application by the depositories, CSDC shall provide such services as cash dividends distribution, compensation funds distribution from the repurchase of

underlying shares, bonus share distribution, share placement, public placement, share split and merger and online voting of CDRs, in accordance with relevant provisions and agreements.

Article 8 In the case of GDR business, GDR depositories and oversea securities trading institutions engaged in GDR cross-border conversion business (“British cross-border conversion institutions”) shall apply to CSDC for opening specific securities accounts respectively.

A GDR depository may open one securities account with CSDC specifically for depository business. The specific securities account shall be exclusively used in the non-trading transfer of domestic underlying shares incurred by creation or redemption of GDRs, sale of domestic underlying shares in accordance with depository agreements, and shall not be used in any securities transaction unrelated to depository receipts business.

A British cross-border conversion institution may open three securities accounts with the Company specifically for cross-border conversion. The specific securities accounts can be used in trading of domestic underlying shares or other investment products specified by the CSRC within the scope of investment and the limit of net asset value defined by the CSRC, and the non-trading transfer of domestic underlying shares incurred by creation or redemption of GDRs.

Article 9 In the case that a domestic listed company issues GDRs abroad with new shares as underlying securities, CSDC shall register the new underlying shares for the listed company upon the application and approval documents of competent authorities submitted by the listed company, and inform it of the registration results.

Article 10 In the case that an oversea market investor creates or redeems GDRs, CSDC shall match the instructions sent by the GDR depository and the British

cross-border conversion institution, and conduct non-trading transfer of corresponding domestic underlying shares at the end of this business day after matching those instructions and confirming that relevant underlying shares are sufficient.

Should the regulators and SSE have restrictive provisions on creation or redemption of GDRs, CSDC shall impose restrictions according to the relevant data of SSE.

Article 11 The fees for the registration and settlement business of Shanghai-London Stock Connect depository receipts shall be charged in accordance with the current charge standards of CSDC. Should CSRC, stock exchanges, depositories or other entities authorize or entrust CSDC to collect fees on their behalf, CSDC shall comply with the relevant provisions.

The relevant tax arrangements and withdrawal for the securities settlement risk fund regarding to Shanghai-London Stock Connect depository receipts shall be subject to relevant national regulations.

Article 12 In the case that errors arise in the registration and settlement data of the depository receipts by force majeure, technical failures of the trading registration system, human errors and other reasons, CSDC shall correct or settle them by other means after checking with the SSE, the depositories, custodians, cross-border conversion institutions and other relevant institutions.

CSDC shall assume no liability for any loss incurred to the parties concerned induced by force majeure, unpredictable or uncontrollable system failures, equipment failures, communication failures , power failures, etc.

Article 13 The materials required to be submitted herein shall be in Chinese. Where a text in foreign languages is submitted, its Chinese version which meets relevant notarization and certification requirements shall also be submitted, and shall prevail.

Article 14 CSDC reserves the right to interpret *the Rules*.

Article 15 *The Rules* shall take effect on November 2nd, 2018.