

## Securities Trading Service - China A Shares and Exchange Traded Funds Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect

HSBC gives you a brand new multi-channel China Connect Eligible Securities trading experience, with comprehensive real-time market information and one-stop straight-through trading service.

### The Groundbreaking Investment Opportunities of China Stock Market

Following the launch of Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, a mutual market access programme between the Mainland and Hong Kong, you can trade selected stocks listed on the Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE) via Northbound Trading. The eligible stocks include constituent stocks of the SSE 180 Index and SSE 380 Index, constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index with market capitalization of at least RMB 6 billion. The list of China Connect Eligible Securities for Northbound Trading is available on HKEX's website. Stocks listed on the ChiNext Board and SSE STAR are only available to institutional professional investors.

Note: Stocks on "risk alert board" and stocks not traded in RMB are excluded.

### Round-the-clock Service Hours

No matter within or outside the trading hours, you can place orders via HSBC Online Banking or HSBC Mobile Banking 24 hours a day, 7 days a week.

Alternatively, you can also place your orders via our dedicated Phonebanking hotline (Express Stock Order Placement Hotline) from Monday – Friday, 8.00am – 3.00pm on trading days.

Trading Sessions	SZSE / SSE China A Shares & ETFs*
Opening Call Auction	09:15-09:25
Continuous Auction (Morning)	09:30-11:30
Continuous Auction (Afternoon)	13:00-14:57
Closing Call Auction	14:57-15:00
* For SSE-listed ETFs: Continuous Auction (Afternoon) 13:00-15:00	

### Convenient Online, Mobile Banking and Phonebanking Channels

#### (i) Online Banking

Via HSBC Online Banking Stock Trading Platform, you can trade China Connect Eligible Securities at anywhere, anytime.

- ◆ 24-hour round-the-clock online service
- ◆ Comprehensive China Connect Eligible Securities market information, including real-time stock prices, market news, various major indices and market calendar with information of major corporate events, such as dividend announcements and ex-dividend dates

- ◆ User friendly stock screening tool to help generate investment ideas
- ◆ One single trading platform for 3 of the key global markets: China A, HK stocks and US stocks
- ◆ You can easily trade China Connect Eligible Securities with only a few clicks to place order.

#### (ii) HSBC HK Easy Invest mobile app

With our dedicated stock trading app HSBC HK Easy Invest<sup>1</sup>, you can trade instantaneously and apply stock IPOs on-the-go. The app also provides you free market information including real time stock quotes, news and market data in our 3 major stock markets (Hong Kong, China A and US).

Note:

1. HSBC HK Easy Invest currently supports selected smartphone models only, please visit [www.hsbc.com.hk/easyinvest](http://www.hsbc.com.hk/easyinvest) for details.

#### (iii) Mobile Banking

With HSBC Mobile Banking, you can conveniently use your mobile or tablet to place China Connect Eligible Securities orders round-the-clock with a simple and user-friendly mobile interface.

Note: HSBC Mobile Banking currently supports selected smartphone and tablet models only, please visit our website [www.hsbc.com.hk](http://www.hsbc.com.hk) for details.

#### (iv) Phonebanking (Express Stock Order Placement Hotline)

HSBC Global Private Banking, HSBC Premier Elite, HSBC Premier and HSBC One customers can buy and sell China Connect Eligible Securities through our customer service officers over the phone Monday – Friday, 8.00am – 3.00pm.

HSBC Global Private Banking, HSBC Premier Elite and HSBC Premier	(852) 2996 6822
HSBC One	(852) 2996 6833

For general enquiries, customers can also call us (Lines are open 24 hours)

HSBC Global Private Banking	(852) 2233 3033
HSBC Premier Elite	(852) 2233 3033
HSBC Premier	(852) 2233 3322
Other personal banking customers	(852) 2233 3000

### Custodian Service

Your shares will be placed under the custody of The Hongkong and Shanghai Banking Corporation Limited and our sub-custodian through our nominee services. We will ensure that all your dividends and bonus shares are credited to your HSBC account.

### Start Trading Today

No registration is required if you already have a HSBC integrated investment account and RMB Savings account. You can start trading China Connect Eligible Securities immediately.

If you do not have any HSBC integrated investment account, you can conveniently open one via HSBC HK Mobile Banking app (for existing HSBC's customers only) or by visiting any HSBC branch.

**Note:**

The service is offered to non-US personal customers with valid identification document complying with US tax requirements (e.g. Hong Kong Permanent Identity Card and passport).

Please note that Chinese citizen (without permanent residence status outside Mainland China) is restricted from Northbound Trading of China Connect Securities.

Integrated investment account refers to your HSBC Premier / HSBC One / Personal Integrated Account<sup>®</sup> Investment account (account suffix 380). All your applicable investments may be held under your investment services account and the account covers all HSBC service channels (e.g. Online banking service, Phonebanking and Branch).

## Important Note

### (A) Trading

#### Eligible Order Types

Only limit price orders are permitted under the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect.

Order amendments are not supported in SSE and SZSE. As an alternative, you may cancel your previous order and place a new one. In this case, however, your new buy order may not be accepted under circumstances where, for example, the remaining Daily Quota has already dropped below zero.

#### Price Limit for Buy and Sell Orders

For China A Shares, there is a general price limit of  $\pm 10\%$  ( $\pm 5\%$  for stocks in the risk alert board) based on previous closing price.

In addition, buy orders with an input price that is 3% lower than the current best bid\* will be rejected. According to the arrangement of HKEx, the price limit may be adjusted from time to time subject to market conditions.

For ETFs, there is a general price limit of  $\pm 10\%$  ( $\pm 20\%$  for some ETFs specified by SSE and SZSE) based on previous closing price.

\* The reference price will be the last traded price in the absence of current best bid, or previous closing price in the absence of both current best bid and last traded price

#### Note:

When we, HSBC (or its relevant broker) submits your order to an exchange, we do so in an orderly manner and in comply with any applicable local regulation/exchange trading rules/market requirements. Under certain circumstances, for example, if your order requested price is away from where the security is trading or if the order is particularly large to the market, we may need to reject the order without prior notice to you to ensure the market integrity and protect your interest. If your order is rejected, the order status will change to 'unexecuted' within the 'Order Status' enquiry. Please be reminded to check the latest order status.

In situations where we need to contact you to confirm the order details, we will not place your order to the exchange for execution until clarification is obtained.

#### Quota

Trading under Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect will each be subject to a Daily Quota.

The Daily Quota for each China Connect Eligible Securities market will apply on a "net buy" basis. Under that principle, investors will always be allowed to sell their cross-boundary securities or input order cancellation requests regardless of the quota balance. The balance of the Daily Quota for each China Connect Eligible Securities market will be disseminated on HKEx website at 1-minute intervals.

#### Daily Quota (RMB52 billion for each China A Share market)

Daily Quota Balance = Daily Quota – Buy Orders + Sell Trades + Adjustments

The Daily Quota for each China connect eligible securities market is calculated in real-time during trading hours. It limits the maximum net buy value of cross-boundary trades on the relevant China connect eligible securities market under Shanghai-Hong Kong or Shenzhen-Hong Kong Stock Connect (as the case may be) on each trading day. Once the Daily Quota Balance for the relevant China Connect Eligible Securities market drops to zero or is exceeded:

<b>During opening call auction</b>	New buy orders on the relevant China Connect Eligible Securities market are rejected until quota balance becomes positive (e.g. due to buy order cancellation). You can retry placing your buy orders at a later time on the same trading day.
<b>During continuous auction</b>	Buy orders on the relevant China Connect Eligible Securities market are suspended for the remainder of the trading day. You can retry placing your buy orders in the next trading day.
<b>During closing call auction (for Shenzhen only)</b>	Buy orders are suspended for the remaining of the trading day. (i.e. following the mechanism of continuous trading)

Buy orders already accepted will not be affected by the Daily Quota being used up and will remain on the order book of SSE or SZSE (as the case may be) unless otherwise cancelled by the customers or by the trading system of the SSE or SZSE (as the case may be).

#### Board Lot/Odd Lot Orders

All China A Shares are subject to the same board lot size, which is 100 shares (100 units for ETFs). Buy orders must be in board lot.

Please note odd lot trading in China Connect Eligible Securities is available only for sell orders. You must sell your available odd lots of the same stock in one single order, but not partial only. It is common that a board lot buy order may be matched with different odd lot sell orders, resulting in odd lot trades.

Unlike the trading of SEHK- listed shares in Hong Kong, board lot and odd lot of China Connect Eligible Securities are both matched on the same platform on SSE or SZSE (as the case may be) and are subject to the same share price.

#### Day Trading

Day trading in China Connect Eligible Securities is not permitted. If you buy shares on T day, you may be able to sell only on or after settlement of the buy trade has been completed (normally on T+1 day).

#### Shareholding Restriction

According to China's rules, all foreign investors' shareholding in the China A Shares of a China listed company is not allowed to exceed 30% of its total issued shares. When 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 5 trading days which may lead to gain or loss to investors.

The maximum shareholding of a single foreign investor in the A shares of a China listed company is 10%. If you hold or control up to 5% of a China listed company, you have the responsibility to disclose the holding and are not allowed to trade in the shares of that company within 3 working days.

#### For more information:

- ◆ Go to our website at [www.hsbc.com.hk](http://www.hsbc.com.hk)
- ◆ Call our investment product information hotline on (852) 2233 3733
- ◆ Visit any HSBC branch

## **(B) Order status and results**

### **Order Status**

You can check order status of your China Connect Eligible Securities holding for up to the last 10 calendar days on HSBC Mobile Banking.

The possible order statuses are:

	<b>Order Status</b>	<b>Description</b>
1.	Fully Executed	All order quantity is executed upon the order expiry date.
2.	Partially Executed	Part of the order quantity is executed upon the order expiry date.
3.	Unexecuted	Order cannot be executed upon the order expiry date.
4.	Fully Cancelled	Request of order cancellation is accepted by broker (without partial executions).
5.	Partially Cancelled	Request of order cancellation is accepted by broker (with partial executions).
6.	Pending Cancellation	Pending for broker's acceptance for the request of order cancellation, no further cancellation is allowed.
7.	Pending Dealing	Pending for order execution.
8.	Pending Capture	Orders placed after business hours and pending for validity checking. For orders with "pending capture" status, customers must check whether such orders have been successfully accepted by the Bank with a pending dealing" status or rejected due to insufficient funds or other reasons before 9.00am on the next business day.

### **Order Status and Execution Results Notification**

You are always suggested to check the latest order status via "My Order Status" to see if your instruction is accepted, after you submit a new order or cancellation request. We will also send you an email of the execution result. Furthermore, you will receive your stock order execution result via SMS if you have a valid personal mobile phone record maintained at HSBC.

## **(C) Settlement**

### **Settlement Currency**

Your China Connect Eligible Securities transactions will be settled in RMB. For your convenience, please reserve sufficient amount of RMB into your default settlement account (i.e. RMB foreign currency account) before the trading.

Note: For China A Shares trading, your default settlement account can be your HSBC Premier / HSBC One / Personal Integrated Account# RMB savings account.

### **Settlement Date**

China Connect Eligible Securities are settled on the trade date (T+0) whereas the cash is then settled on the following business day (i.e. a day when banks in Hong Kong and Shanghai (in the case of Shanghai-Hong Kong Stock Connect) or Hong Kong and Shenzhen (in the case of Shenzhen-Hong Kong Stock Connect), are open for business(T+1).

### **Multiple Price Execution**

Where your China Connect Eligible Securities are traded by way of multiple price execution, the Bank will follow market practice to calculate the gross consideration as well as cash debit based on the average price.

Example:

- ◆ 100 shares of stock A buy at RMB22.30, and
- ◆ 500 shares of stock A buy at RMB22.41

Average price

(for buy / sell orders with multiple price execution)

Rounding method: simple rounding at 4 decimal points

$(RMB22.30 \times 100 \text{ shares} + RMB22.41 \times 500 \text{ shares}) / 600 \text{ shares}$

i.e. Total 600 shares at average RMB22.391667

After rounding, the average price is RMB22.3917

Contract note including all executed prices will be sent to you within 48 hours from the trade date. Average price can be conveniently accessed via monthly statement and "transaction history" section in online channels.

### **Holiday Arrangement**

You will be allowed to trade China Connect Eligible Securities on days where both the relevant China Connect Eligible Securities market and the Hong Kong market are open for trading.

Example:

	<b>Mainland</b>	<b>Hong Kong</b>	<b>Open for Northbound trading?</b>
<b>Day-1</b>	Business Day	Business Day	Yes
<b>Day-2</b>	Business Day	Business Day	Yes
<b>Day-3</b>	Business Day	Public Holiday	No – HK market closes on trading day
<b>Day-4</b>	Public Holiday	Business Day	No – China market closes

## **(D) Corporate Actions**

The actual payment of bonus shares may be on the payment date or the day after the payment date, subject to the time when the Bank receives the scrip. You can only sell the shares after the share entitlement has been credited to your account.

Multiple proxies may not be available in the China market. Under the existing China rules and nominee structure, investors being the beneficial owners of China Connect Eligible Securities may not be able to attend meetings as proxy in person, as opposed to what you can do in Hong Kong if you hold SEHK-listed shares.

The Bank reserves the right to seek your consent to take action for voluntary corporate actions with short instruction deadlines if necessary.

If the share entitlements are not China Connect Eligible Securities that are eligible for Northbound trading, you are only allowed to sell such share entitlements.

## **(E) Tax**

Apart from withholding tax (where applicable), trading of China Connect Eligible Securities may have other China tax implications. You are fully responsible for all applicable Hong Kong and/or China taxes in respect of China Connect Eligible Securities. Please seek professional advice from independent tax and/or legal advisor as necessary beforehand.

## Key facts about Hong Kong Stock Connect Northbound Trading

	China A-Shares via Shenzhen - Hong Kong Stock Connect	China A-Shares via Shanghai - Hong Kong Stock Connect
Trading hours <sup>1</sup>	<p>A-Shares:                      Opening Call Auction: 9.15am – 9.25am                      Continuous Auction (Morning): 9.30am – 11.30am                      Continuous Auction (Afternoon): 1.00pm – 2.57pm                      Closing Call Auction: 2.57pm-3.00pm</p> <p>SZSE-listed ETFs: Same as above                      No Closing Call Auction for SSE-listed ETFs: Continuous Auction (Afternoon): 1.00pm – 3.00pm</p>	
Trading and Settlement Currency	RMB	
Stock code	A-Shares via Shenzhen: 6 digits (start with 00)	A-Shares via Shanghai: 6 digits (start with 60)
	ETFs: 6 digits, start with 5 for SSE; 6 digits, start with 1 for SZSE	
Board lot	100 shares per board lot ETFs: 100 units per board lot	
Tick size	A-Shares: RMB0.01 ETFs: RMB0.001	
Price limit	<p>A-Shares:                      ±10% against previous closing price or                      ±5% against previous closing price for stocks under risk warning                      In addition, buy orders with input prices 3% lower than the current best bid<sup>2</sup> will be rejected. According to the arrangement of HKEx, the price limit may be adjusted from time to time subject to market conditions.</p> <p>ETFs: ±10% (±20% for some ETFs specified by SSE and SZSE) based on previous closing price.</p>	
Order type	Limit price order only No order amendment; Only order cancellation is available	
Order expiry date	1 calendar day	
Order with odd lots	Odd lot orders are available for sell orders only. Investors must sell their available odd lots of the same stock in one single order, but not partial only. Board lot orders and odd lot orders are both matched on the same platform on SZSE and SSE (as the case may be). Therefore board lot buy orders can possibly match with odd lot sell orders.	
Maximum order size	A-shares: 1 million shares as per market practice; ETFs: 1 million units as per market practice If the limit is exceeded, HSBC will manually handle.	
Day trading	Not allowed. A-shares: Shares bought on T-day can only be sold on and after T+1; ETFs: Units bought on T-day can only be sold on and after T+1 After settlement of the buy trade has been completed in the evening of T-day, HSBC customers are allowed to place sell order which is effective on T+1	
Clearing and settlement cycle	A-Shares & ETFs: T+0 Money : T+1	
Issuing of corporate announcements	A-shares: Through SZSE and SSE websites for Shenzhen and Shanghai listed shares respectively and four officially appointed newspapers; ETFs: Through SZSE and SSE websites for Shenzhen and Shanghai listed units respectively and four officially appointed newspapers (Shanghai Securities News, Securities Times, China Securities Journal and Securities Daily)	
Language of corporate announcements	Simplified Chinese	
Physical scrip	Not available	
IPO	Not allowed	

1. Notes on trading hours of Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE):

- ◆ 9.20am – 9.25am and 2:57pm-3.00pm: SSE and SZSE will not accept order cancellation
- ◆ 9.10am – 9.15am; 9.25am – 09.30am; 12.55pm – 1.00pm: Orders and order cancellations can be accepted by SEHK but will not be processed by SZSE or SSE (as the case may be) until its market opens
- ◆ Orders that are not executed during the opening call auction session will automatically enter the continuous auction session

2. The reference price will be the last traded price in the absence of current best bid, or previous closing price in the absence of both current best bid and last traded price.

# Key Risks relating to Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect

Investment in China Connect Eligible Securities through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect involves risks. You should carefully consider whether any investment products or services mentioned herein are appropriate for you in view of your investment experience, objectives, financial resources and relevant circumstances. The price of securities may move up or down. Losses may be incurred and profits may be made as a result of buying and selling securities.

This Fact Sheet does not set out all the key risks to Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect. For further information, you should refer to the risk disclosures and other terms set out in the China Connect / Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Terms and Conditions.

## 1. Pre-Trade Checking

You must ensure that there are sufficient available shares in your account to cover any proposed sell order under Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect. Otherwise, your sell order may be rejected.

## 2. Settlement

Northbound trades will follow the China Connect Eligible Securities settlement cycle of the relevant China market, where settlement of shares will occur on T day free of payment, and settlement of funds will be effected on T+1 day.

Although the transfer of shares precedes the transfer of cash under Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, title to the shares will not be released until receipt of confirmation of payment (normally on T+1 day). Where the purchase is pre-funded (by way of a debit of cash in your account and a corresponding cash prepayment by the Bank to HKSCC), shares may be released on T day.

## 3. Quota Restrictions

As at May 2018, the Daily Quota (which limits the net value of Northbound buy trades on each trading day) is set at RMB 52 billion for each China A Share market. The Daily Quota may be revised by the China authorities from time to time without prior notice.

As a result of the quota restrictions, there is no assurance that a buy order can be successfully placed through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect.

## 4. Restriction on Day Trading

If you buy shares on T day, you may be able to sell only on or after settlement of the buy trade has been completed (normally on T+1 day).

## 5. Disclosure of Interests

If you hold or control 5% or more\* of the issued shares of a China listed company, you must disclose such interest.

If there is any change in your shareholding of 5% or more\*, or if a change results in your shareholding falling below 5%, you also have disclosure obligations.

## 6. Short Swing Profit Rule

If you own 5% or more\* of the issued shares of a China listed company, you must return to the company any profit made from a sale of shares within six months of the purchase thereof (or vice versa).

\* Calculated on an aggregate basis, i.e., across both domestically and overseas issued shares of the China listed company, whether the relevant holdings are through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, QFII/RQFII regime or other investment channels

## 7. Foreign Ownership Limits

A single foreign investor's shareholding in a China listed company must not exceed 10%. The aggregate of all foreign investors' shareholding in a China listed company must not exceed 30%.

The foreign ownership limits may have an adverse effect on the liquidity and performance of an investment in China A Shares. As a result, you may suffer losses through your trading or investment in China A Shares.

## 8. Taxation

You will be fully responsible for all applicable Hong Kong and/or China taxes in respect of China A Shares traded or held by you.

The Hongkong and Shanghai Banking Corporation Limited assumes no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect. You are strongly advised to consult your own tax advisers with respect to your possible tax consequences of any investment through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect.

### **9. Ownership of China Connect Eligible Securities**

HKSCC is the nominee holder of China Connect Eligible Securities traded through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect, and Hong Kong and overseas investors as the ultimate investors is recognised under China laws and regulations as having beneficial ownership in China Connect Eligible Securities traded through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect. Any beneficial owner who decides to take legal action is responsible for seeking its own independent legal advice to satisfy itself and HKSCC that a cause of action exists and the beneficial owner should be prepared to conduct the action and take up all costs in relation to the action, including providing HKSCC with indemnities and legal representation in proceedings.

### **10. Company Announcements on Corporate Actions**

You should note that SSE-listed and SZSE-listed issuers publish corporate documents only in Chinese and English translations will not be available. You will not be able to attend shareholders' meetings by proxy or in person.

### **11. Disclosure of Information**

The Stock Exchange of Hong Kong may require The Hongkong and Shanghai Banking Corporation Limited to provide information on your profile and the type and value of your orders and trades placed through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect.

### **12. No Off-Exchange Trading and Transfers**

You shall not trade or transfer any shares through any venue other than through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect.

### **13. Risk of Default by China Securities Depository and Clearing Corporation (CSDCC)**

If CSDCC defaults, HKSCC may (but shall have no obligation to) take any legal action or court proceeding to seek recovery of the outstanding China Connect Eligible Securities and monies from CSDCC through available legal channels and through CSDCC's liquidation process, if applicable. HKSCC will in turn distribute the China Connect Eligible Securities and/or monies recovered to clearing participants on a pro-rata basis. The Hongkong and Shanghai Banking Corporation Limited in turn will only be distributing the China Connect Eligible Securities and/or monies to the extent recovered directly or indirectly from HKSCC.

As CSDCC does not contribute to the HKSCC Guarantee Fund, the HKSCC Guarantee Fund will not be used to cover any residual loss as a result of closing out any of CSDCC's positions in the event of default by CSDCC.

In the event of default by CSDCC, there is no guarantee that The Hongkong and Shanghai Banking Corporation Limited will be able to fully recover any affected China A Shares and/or monies from CSDCC through HKSCC.

### **14. Risk of Default by Hong Kong Securities Clearing Company Limited (HKSCC)**

Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Eligible Securities and/or monies. As a result, you may suffer losses.

### **15. Client Error**

Quota restrictions (see Paragraph 3 above) and the restriction on off-exchange transfers (see Paragraph 12 above) may affect The Hongkong and Shanghai Banking Corporation Limited's ability to rectify an error trade or otherwise mitigate the consequences of an error trade.

### **16. China-related Risks**

Investing in the China, an emerging market, involves special considerations and risks, including but not limited to greater price volatility, less developed regulatory and legal framework, and economic, social and political instability.

### **17. Renminbi (RMB) Currency Risk**

There may be exchange rate risks if you choose to convert RMB payments made on the securities to your home currency.

### **18. ChiNext and STAR Shares**

ChiNext and STAR Shares involve a high investment risk. In particular, profitability and other financial requirements for listing on the ChiNext and STAR Board are less stringent than the Main Board and the SME Board of the SZSE and SSE. ChiNext and STAR Shares may also be very volatile and illiquid. You should make the decision to invest only after due and careful consideration and seek independent professional advice if you are uncertain of or have not understood the nature and risks involved in trading of ChiNext and STAR Shares.

#### **Risk disclosure:**

The Bank does not provide investment advice. Making available to you any advertisements, marketing or promotional materials is part of our Bank's ordinary course of securities dealing business. It shall not, by itself, constitute solicitation of the sale or recommendation of any investment products.

Investment involves risk. Notwithstanding the benefits of offer(s) mentioned herein, you should carefully consider the risks and features of any investment products (including but not limited to equities/exchange traded funds/exchange traded derivatives & structured products) or services mentioned herein to assess whether they are appropriate for you in view of your investment experience, objectives, financial resources and relevant circumstances. The price of investment products may move up or down. Losses may be incurred as well as profits made as a result of buying and selling investment products.

For Renminbi (RMB) products:

- ◆ There may be exchange rate risks if you choose to convert RMB payments made on the securities to your home currency
- ◆ RMB products may suffer significant losses in liquidating the underlying investments if such investments do not have an active secondary market and their prices have large bid/offer spreads
- ◆ In general, RMB equity products are exposed to the usual kind of default risks that might be associated with equity products denominated in other currencies.

## Glossary

### CCASS

CCASS stands for Central Clearing and Settlement System, which is operated by Hong Kong Securities Clearing Company Limited (HKSCC).

### CSRC

CSRC stands for China Securities Regulatory Commission, the main regulator of the securities industry in China.

### Default Settlement Account

Default Settlement Account is the account specified by you for settlement purpose. For China A Shares trading, your default settlement account can be your HSBC Premier / HSBC One / Personal Integrated Account<sup>#</sup> RMB savings account.

### HKEx

HKEx stands for the Hong Kong Exchanges and Clearing Limited.

### Risk Alert Board

According to the SSE and SZSE Listing Rules, any SSE/SZSE-listed company (other than a company listed on the ChiNext Board):

- ◆ which is in the delisting process, or
- ◆ whose operation is unstable due to financial or other reasons, to the extent that it is running the risk of being delisted or exposing investors' interest to undue damage, will be earmarked and traded on the "risk alert board".

### SAT

SAT stands for State Administration of Taxation, a ministerial-level department within China. It is responsible for the collection of taxes and enforces the state revenue laws.

### SEHK

SEHK stands for The Stock Exchange of Hong Kong Limited, the stock exchange in Hong Kong.

### SSE

SSE stands for Shanghai Stock Exchange, a major stock exchange in Shanghai.

### SZSE

SZSE stands for Shenzhen Stock Exchange, a major stock exchange in Shen

### Remarks:

<sup>#</sup> "Personal Integrated Account" is also named as 'SmartVantage'; Personal Integrated Account and SmartVantage are used interchangeably in customer communications including account statements, bank forms / advices, online banking platform etc.



## Securities Service Charge<sup>1</sup>

For securities trading, customers can either:

- ◆ opt into HSBC Trade25 (applicable to customers aged 18-25 (inclusive)) or
- ◆ opt into HSBC Top Trader Club (applicable to all customers) or
- ◆ use our standard tariff (applicable to all customers).

Service	Rate / Fee	Minimum/Maximum Charge
<b>Trade-related services (please choose either HSBC Trade25, HSBC Top Trader Club or Standard Brokerage Fees) Buying and selling securities</b>		
<b>HSBC Trade25 (applicable to customers aged 18-25 (inclusive))</b>		
<p>◆ <b>HSBC Trade25 Brokerage fees</b></p> <p>HSBC Trade25 applies to HK, US and China A markets - for full list of benefits, including brokerage fee and deposit transaction charge waiver, please see appendix for details</p> <ul style="list-style-type: none"> <li>• For the first HK\$250,000 trading volume in the month (via online channels only, i.e. HSBC Online Banking, HSBC HK Mobile Banking app, HSBC HK Easy Invest app)</li> <li>• For subsequent trading volume in the month (via online channels only, i.e. HSBC Online Banking, HSBC HK Mobile Banking app, HSBC HK Easy Invest app)</li> </ul>	<p>RMB0 (Deposit Transaction Charge waived)</p> <p>Standard Brokerage Fees (Please refer to below Standard Brokerage Fees session in this table) (Deposit Transaction Charge waived)</p>	<p>–</p> <p>–</p>
<p>◆ <b>HSBC Trade25 Monthly Fee</b></p> <ul style="list-style-type: none"> <li>• HSBC Global Private Banking, HSBC Premier Elite, HSBC Premier, HSBC One and Personal Integrated accounts<sup>3</sup></li> </ul>	<p>Monthly fee HK\$25 (Monthly fee is the safe custody fee, for each customer account which has securities transaction record(s) or securities holdings in the 1-month period on or before the 1st of the following month.)</p>	<p>–</p>
Or		
<b>HSBC Top Trader Club</b>		
<p>◆ <b>HSBC Top Trader Club Brokerage fees</b></p> <p>HSBC Top Trader Club applies to HK, US and China A markets - for full list of benefits, including time deposit rewards and deposit transaction charge waivers), please see appendix for details</p>	<b>Monthly Trading Volume (HKD)</b>	<b>Minimum charge per transaction</b>
	>1: 0.25%	HK\$100 / RMB100 / USD10
	>1M: 0.25%	HK\$100 / RMB100 / USD10
	>10M: 0.18%	HK\$8 / RMB8 / USD1
	>20M: 0.08%	HK\$8 / RMB8 / USD1
	>30M: 0.03%	HK\$8 / RMB8 / USD1
<p>◆ <b>Deposit Transaction Charge</b></p> <p>(for purchase transaction only. This fee will be shown as 'XACT COMM' on the contract note.) (Waived if customers have reached Trading Tier 3, please see appendix for details)</p>	RMB5 per board lot	<p>Min: RMB30 Max: RMB200</p>

Service	Rate / Fee	Minimum/Maximum Charge
Or		
<b>Standard Tariff</b>		
<b>◆ Standard Brokerage Fees</b> <ul style="list-style-type: none"> <li>trading through HSBC Online Banking / HK Mobile Banking app / HSBC HK Easy Invest app</li> <li>trading through manned Express Stock Order Placement Hotline (for HSBC Global Private Banking, HSBC Premier Elite, HSBC Premier and HSBC One customers only)</li> </ul>	0.25% of transaction amount  0.25% of transaction amount (will change to 0.50% from 3 April 2025 onwards)	RMB100  RMB100
<b>◆ Deposit Transaction Charge</b> (for purchase transaction only. This fee will be shown as 'XACT COMM' on the contract note.)	RMB5 per board lot	Min: RMB30 Max: RMB200
<b>Regulatory Fees (applicable to all customers)</b>		
<b>◆ Handling Fee</b> (collected for SSE/SZSE)	A-shares: 0.00341% of transaction amount ETFs: 0.004% of transaction amount	–
<b>◆ Securities Management Fee</b> (collected for CSRC)	A-shares: 0.002% of transaction amount ETFs: Waived	–
<b>◆ Transfer Fee</b> (collected for ChinaClear)	A-shares: 0.001% of transaction amount ETFs: Waived	–
<b>◆ Transfer Fee</b> (collected for HKSCC)	A-shares: 0.002% of transaction amount ETFs: 0.002% of transaction amount	–
<b>◆ Stamp Duty</b> (collected for SAT)	A-shares: 0.05% of transaction amount (for sell transaction only) ETFs: Waived	–
<b>Scrip handling and settlement-related services (applicable to all customers)</b>		
<b>◆ Free of payment through CCASS<sup>2</sup></b> <ul style="list-style-type: none"> <li>Receipt</li> <li>Delivery</li> </ul>	Free of Charge  RMB5 per board lot	–  Min: RMB30 per stock per transaction
<b>Account Maintenance Safe Custody Service (applicable to HSBC Top Trader Club and standard tariff customers)</b>		
<b>◆ HSBC Premier, HSBC Premier Junior Pack, HSBC One and Personal Integrated Accounts<sup>3</sup></b>	RMB25 monthly for each customer account which has securities transaction record(s) or securities holdings in the 1-month period on or before the 1st of the following month. (waived until 31 Dec 2025)	–
<b>Nominee service and corporate actions (applicable to all customers)</b>		
<b>◆ Collection of cash and scrip dividend</b>	0.5% of dividend amount	Min: RMB30 Max: RMB2,500
<b>◆ Collection of bonus issue</b>	RMB5 per board lot	Min: RMB30 Max: RMB200
<b>◆ Exercise rights</b>	RMB5 per board lot on received stocks resulting from exercising the right	Min: RMB30 Max: RMB200

Service	Rate / Fee	Minimum/Maximum Charge
◆ Shares consolidation/splitting	RMB5 per board lot on received stocks resulting from shares consolidation/splitting	Min: RMB30 Max: RMB200
◆ Cash offers and other corporate actions with cash consideration	0.5% on each cash consideration	Min: RMB30 Max: RMB2,500
<b>Online Information Service (applicable to all customers)</b>		
◆ Online real time price quote	<p><u>Free quote entitlement per month</u>                      HSBC Global Private Banking, HSBC Premier Elite and HSBC Premier customers: 1,000 quotes<sup>4</sup>                      Non HSBC Premier customers: 500 quotes</p> <p>An additional 200 quotes will be awarded in the following month for every RMB50,000 A share securities turnover</p> <p><u>Cost per additional quote</u>                      RMB0.1 per quote<sup>5</sup></p>	
◆ Investment order confirmation eAlerts	Free of charge	

- The securities service charges are applicable to HSBC Global Private Banking, HSBC Premier Elite, HSBC Premier, HSBC One customers and general securities account customers with account number ended with '380'.
- As China Connect Securities are issued in scripless form, physical deposit and withdrawal of China Connect into/from the CCASS Depository are not available. You can only transfer to the same capacity account within HSBC in Hong Kong or to other banks/brokers in Hong Kong. For shares in the progress to transfer in, you can only sell after the transfer in process is completed.
- The fee is due and payable on or before the 20th of the following month on a day determined by the Bank from time to time. If that day falls on the 1st of the month and is not a business day, the fee may be collected on the business day which immediately precedes that day, subject to the decision of the Bank. The fee is payable upon closure of accounts where the account is closed before the above payment dates.
- HSBC Global Private Banking, HSBC Premier Elite and HSBC Premier customers can enjoy 1,000 free quotes for any particular month if they maintain their HSBC Premier account until the last day of that month.
- The fee is due and payable on or before the fifth working day of the following month and is payable upon closure of accounts where the account is closed before the payment date. All unused quotes will be

carried forward up to a maximum of 99,999 quotes with no expiry date.

Notes:

- The Bank does not provide investment advice. Stock trading services provided through any channel involve no solicitation of the sale or recommendation of, or advice on, any product from us. All transactions involving the purchase and sale of shares that you enter into any channel are conducted on an execution-only basis and based on your own judgment; and are not in any way a confirmation or an endorsement from us that it is suitable for you. Stock trading services provided through any channel involve no solicitation of the sale or recommendation of, or advice on, any product from us. All transactions involving the purchase and sale of shares that you enter into any channel are conducted on an execution-only basis and based on your own judgment; and are not in any way a confirmation or an endorsement from us that it is suitable for you. The purchases and sales of securities involve an element of risk and securities prices are subject to upward and downward adjustments and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities. Full details of the terms and conditions of the above services are available on request.
- There may be other fees, charges, levies, tax and interest that apply to certain securities or particular security trading services provided by the Bank that are introduced and/or charged by the relevant service providers, government or regulatory bodies. You are fully responsible for such fees, charges, levies, tax and interest. Please make enquiry with the Bank for details.
- Charges are subject to revision without notice.

**Disclaimer**

All information contained in the Fact Sheet is based on materials published by the HKEx as of July 2022. Unless provided otherwise in this Disclaimer, the information and materials contained in the Fact Sheet are provided to you on an "as is" and "as available" basis and may be amended or changed pursuant to the implementation of Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect and the promulgation or preparation of the relevant rules, regulations, agreements and other documentation. The Fact Sheet does not necessarily deal with every important topic relating to Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect or cover every aspect of the topics with which it deals. The information contained in the Fact Sheet is only for reference and is subject to change without notice. The Hongkong and Shanghai Banking Corporation Limited assumes no responsibility to update the Fact Sheet as and when there are changes and developments to Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect. The Fact Sheet does not constitute any offer or invitation or a recommendation to enter into any transaction. It is not designed to provide legal or other advice and should not be relied on as such. You should always seek separate specific legal, tax or other advice about your specific circumstances before taking any action based on the Fact Sheet. The Hongkong and Shanghai Banking Corporation Limited and its affiliated companies shall not be responsible or liable for any direct, consequential, incidental, indirect or special loss or damage, howsoever caused, of any kind, arising from the use of or reliance upon any information or materials provided in the Fact Sheet, or for any errors, omissions or inaccurate information contained in the Fact Sheet. For details, please refer to the China Connect: Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Terms and Conditions.

## Appendix – HSBC Top Trader Club

The HSBC Top Trader Club is a pricing and loyalty programme that offers volume-based brokerage fees while earning you 10% on your un-invested cash.

By joining the Top Trader Club, you'll transfer from our Standard Brokerage fee to a simplified, volume-based brokerage fee structure for all your trading in Hong Kong Stocks, China A Shares (including ETFs) and US Stocks across all HSBC stock trading channels. As you trade more each month, and move up the Trading Tiers, your brokerage fees on future trades in the month will be discounted to as little as 0.01% (minimum HKD8 / RMB8 / USD1).

In addition, after placing just 1 trade each month, you'll be rewarded with special deposit rates of 10% p.a..

Depending on your monthly trading volume, you may prefer to remain in our standard pricing programme. Please read the Top Trader Club brokerage fee schedule and familiarise yourself with the illustrative examples within the HSBC HK Easy Invest App, on HSBC Online Banking and the HSBC Top Trader Club Public Website. You should consider carefully whether the Top Trader Club is right for you.

### Top Trader Club brokerage fee schedule

Trading Tier	Monthly trading volume (HKD) in the previous month	Brokerage fee	Minimum Brokerage Fee per transaction	Deposit Transaction Charge
1	1 - <1M	0.25%	HKD100 RMB100 USD10	HKD5/RMB5 per board (max. HKD200/RMB200)
2	1M - <10M			
3	10M - <20M	0.18%	HKD8 RMB8 USD1	Waived
4	20M - <30M	0.08%		
5	30M - <40M	0.03%		
6	40M or above	0.01%		

### Notes

- Trading Tiers are applied based on monthly cumulative trade amount summed across all stocks, warrants and ETF shares across Hong Kong Stocks, China A Shares and US Stocks. Investments made in RMB and USD will be converted to HKD when calculating the trading amount using HSBC's prevailing exchange rate at the time of execution to determine your Trading Tier. The exchange rates may fluctuate and will be refreshed every 15 minutes. Discounted brokerage fees are calculated and applied based on the highest Trading Tier achieved at the time of execution.
- By opting in to the HSBC Top Trader Club, the current U.S. Stock Trading tariff (flat fee of USD18 per transaction on 1st 1000 shares and USD0.015 per additional share over 1000 shares) will be replaced by the tariff stated in the Top Trader Club Brokerage Fee Schedule.
- For Hong Kong Stocks, China A Shares, and US Stocks, all other non-brokerage fees, such as stamp duty and exchange fees will remain unchanged.
- For Hong Kong Stocks, the standard deposit transaction charge is HKD5 / RMB5 per board lot (maximum charge is HKD200 / RMB200). For China A Shares, the standard deposit transaction charge is RMB5 per board lot (maximum charge is RMB200). Deposit transaction charges (for purchase transaction only. This fee will be shown as 'XACT COMM' on the contract note.) for Hong Kong Stocks and China A Shares will be waived once you hit Tier 3. There is no deposit transaction charge for US Stocks.
- Any trades placed via HSBC's Securities Margin Trading Service will not count towards the Top Trader Club programme.

**Top Trader Club time deposit rewards**

Trading Tier	Trading Volume	Preferential 1-month HKD time deposit rate (p.a.)	Maximum time deposit placement amount (HKD)
1	1 - <1M	10%	10k
2	1M - <10M		100k
3	10M - <20M		1M
4	20M - <30M		2M
5	30M - <40M		3M
6	40M or above		4M

**Notes**

1. To enjoy the 10% p.a. 1-month HKD time deposit rewards, customers need to make at least 1 trade per month. Interest rates are not guaranteed and may be subject to change as per prevailing market conditions.
2. You must maintain an eligible time deposit account or else you won't be entitled to the Top Trader Club time deposit rewards.

**Risk disclosure:**

It should be noted that frequent trading in securities will incur greater fees, in terms of brokerage and associated trading costs and this may impact your investment returns from trading.

## Appendix – HSBC Trade25

HSBC Trade25 provides young investors aged 18-25 (inclusive) \$0 commission trading across Hong Kong stocks, US stocks and China A shares (including ETFs). Deposit transaction charges are also waived in our commitment to help young investors build their wealth portfolios.

Just HK\$25 per month and young investors can benefit from:

- \$0 commission on HK stocks, US stocks and China A shares up to HK\$250,000 trading volume per month
- No hidden platform fees
- Free education modules provided by Trade25 Academy

The Trade25 Brokerage Fee Schedule applies to all purchase and sell transactions made through any HSBC online channels (i.e. transactions executed via HSBC Online Banking, HSBC HK Easy Invest app or HSBC HK Mobile Banking app) in HK Stocks (including ETFs, warrants and CBBCs), U.S. Stocks and China A Shares, with the exception of transactions made in respect of initial public offerings (IPOs), Stocks Monthly Investment Plans or any trades placed via HSBC's Securities Margin Trading Service.

You will be charged with standard brokerage fees once your trading volume reaches HK\$250,000 on any given month. You can refer to our standard tariff in the above Securities Service Charge table on this product fact sheet.

Your trading volume is reset at the beginning of every month, so you can continue to enjoy \$0 commission trading for as long as you remain part of Trade25. For more details of Trade25, please refer to Trade25 Conditions on HSBC Trade25 website.

### Trade 25 brokerage fee schedule

Cumulative Monthly Trading Volume <sup>1</sup>	Monthly Fee <sup>2</sup>	Brokerage Fee <sup>3</sup> for HK stocks, US stocks, China A Shares	Deposit transaction charge <sup>4</sup>
For the first HK\$250,000	HK\$25	Waived	Waived
Subsequent trading volume		As per standard tariff	

#### Notes

1. Investments made in RMB and USD will be converted to HKD when calculating the trading amount using HSBC's prevailing exchange rate at the time of execution to determine if you have reached the maximum monthly trading volume of HK\$250,000. The exchange rates may fluctuate and will be regularly refreshed. All subsequent transactions after the first HK\$250,000 trading turnover will be subject to standard brokerage fees (please refer to our standard tariff in the above Securities Services Charge table on this product fact sheet).
2. The monthly fee for HSBC Global Private Banking, HSBC Premier Elite, HSBC Premier, HSBC One and Personal Integrated accounts is HK\$25 and for General Securities Account (with account suffix 381) is HK\$30. Monthly fee (i.e. safe custody fee) is collected for each customer account which has securities transaction record(s) or securities holdings in the 1-month period on or before the 1st of the following calendar month. We will usually charge this fee on the 1st day of each month. If that day is not a business day, then we'll usually charge you on the final business day of the previous month. You will also be charged the Monthly Fee if you close your account before the above payment dates. Please note that charge dates may change subject to the decision of the Bank.
3. Brokerage fees are waived on all trades until the total monthly cumulative trading amount summed across all Hong Kong Stocks (including ETFs, warrants and CBBCs), China A Shares and U.S. Stocks exceeds HK\$250,000 per calendar month. This includes the first transaction on which the monthly threshold exceeds HK\$250,000 regardless of by how much. Other fees like scrip handling and settlement-related services fees, nominee services and corporate actions fees, online information services fees, and regulatory fees still apply (please refer to the Securities Services Charge table on this product fact sheet).
4. Deposit transaction charges (shown as "XACT COMM" on the contract note), which are only applicable

to HK stocks and China A Shares, are waived on all trades placed via HSBC online channels for Trade25 customers.

Illustrative example of an eligible customer for Trade25 who conducts the following transactions:

Trade Date	Stock Market	Transaction Amount (HKD equivalent)	Cumulative Monthly Trading Volume (HKD)	Brokerage Fee For This Trade	Brokerage Fee For Next Trade
4 Sep	HK	40K	40K	0	0
10 Sep	HK	60K	100K	0	0
12 Sep	US	30K	130K	0	0
16 Sep	China	50K	180K	0	0
20 Sep	US	80K	260K	0	As per standard tariff
26 Sep	HK	30K	290K	0.25% min HKD100	As per standard tariff
28 Sep	US	20K	310K	1st 1000 shares: USD18 Over 1000 shares: USD18 + USD0.015 per additional share	As per standard tariff

**Risk disclosure:**

It should be noted that frequent trading in securities will incur greater fees, in terms of brokerage and associated trading costs and this may impact your investment returns from trading.