



### *1. What is Dual Tranche, Dual Counter (DTDC)?*

DTDC is a new RMB product development initiative introduced by HKEx.

Under the DTDC model, the same issuer can offer simultaneous initial public offer and listing of two tranches of shares in different trading currencies (i.e. RMB and HKD). Shares of both RMB tranche and the HKD tranche are of the same class. Shareholders under these two tranches are expected to be treated equally.

For a listed issuer with HKD-traded shares, it can raise fund in RMB via placing, rights issue/open offer or public offer, resulting in a new counter of RMB-traded shares, alongside with the existing counter of HKD-traded shares.

Upon listing, shares of the two tranches of the same listed company will be traded on the Stock Exchange of Hong Kong Limited under two separate counters and in two different currencies (i.e. one counter in RMB and the other in HKD) with different stock codes. Order placement of the stocks follows the existing process. A shareholder may transfer his/her shares from one counter to the other.

With effect from 12 Oct 2012, Exchanged Traded Fund (ETF) can also be issued in different currencies with different stock codes. (e.g. one counter in RMB and the other in HKD)

**The below information is applicable to trading stock and ETFs under the DTDC model unless specified otherwise.**

#### **About Trading Arrangement**

### *2. For the same listed company, are there different stock codes for trading in the RMB counter and the HKD counter respectively?*

The RMB-traded shares and HKD-traded shares of the same listed company will be traded under two separate counters with different stock codes. The stock code for the HKD counter is a 5-digit number following the existing allocation arrangement. For the RMB counter, its stock code will be a 5-digit starting with “8” and the last four digits of the two stock codes will be identical.



The stock short names for the two counters will also be different. For the RMB counter, the stock short name will end with –R to indicate that the shares are traded in RMB. There will be no specific marking in the stock short name of the HKD counter.

***3. How can I trade HKD-traded shares and RMB-traded shares under the DTDC model?***

HSBC is fully prepared and ready to support the trading of stocks under the DTDC model. Customers can buy or sell the shares via HSBC Personal Internet Banking, Stock Express, Mobile Banking , phonebanking or branch (for designated customers only).

For trading of stocks in the same currency and the same counter, you can simply follow the existing buy/sell process with the respective stock codes.

However, if you would like to trade the stocks in another currency and hence another counter, for example, selling your existing HKD-traded shares in the RMB counter, you will need to transfer your HKD-traded shares into RMB-traded shares prior to trading. You can only trade your stocks in different currency in another counter upon completion of the stock transfer. (Please refer to Q.8 for details of stock transfer)

***4. What are the charges for trading of stocks under DTDC?***

Prevailing charges of our securities trading services apply. For trading of HKD-traded shares, the transaction charges are collected in HKD. For trading of RMB-traded shares, brokerage commission and deposit transaction charge (if applicable) are charged in RMB while stamp duty, transaction levy and HKEx Trading Fee will be collected in RMB or HKD equivalent (according to official exchange rate ) as determined by the bank.

***5. What are the charges for transfer the HKD-traded shares to RMB-traded shares of the same listed company or vice versa ?***

To transfer between the two tranches of shares, a transfer fee of HKD100 per effected transfer will be charged.



**6. Should I open any account for trading of stocks under DTDC?**

Since RMB denominated share is involved in the DTDC trading, you need to activate the Integrated RMB Saving Account under the HSBC Premier/HSBC Advance/SmartVantage.

**7. Can I choose to debit my HKD account for buying stock under RMB counter or vice versa?**

No. For purchase of RMB denominated stocks, you need to have sufficient fund in your RMB settlement account. Similarly, buying HKD-traded shares requires settlement through your designated HKD account.

**About Transferability**

**8. Will HKD-traded shares and RMB-traded shares of the same listed company be transferrable?**

Yes, the two tranches of shares are transferrable. The transferred shares need to be settled before they can be traded. (Please see Q.9 for lead time on settlement of transferred stocks).

**9. How can I transfer the HKD-traded shares to RMB-traded shares of the same listed company or vice versa for trading? How long does it take?**

You can place your stock transfer instruction through our Phonebanking or branches. The following lead time is required for completion of the transfer.

<b>If customers want to transfer their</b>	<b>Instruction submitted on</b>	<b>Transfer completed on</b>
Settled stocks (available and settled) in one currency to another	T day (On / Before 5:00 pm, Exclude Sat, Sun and Public Holidays)	T+1

You can check your portfolio holding online or through phonebanking on the completion of the stock transfer. Trading can be done upon completion of the transfer.



Please note that the instruction of stock transfer between the HKD and RMB counter cannot be cancelled or amended once submitted.

***10. Can I have intra-day cross-counter trading?***

Since cross-counter trading of the DTDC stocks requires trading on the completely transferred stocks, intra-day cross-counter trading is not available in our bank at the moment. Please refer to the stock transfer lead time for the availability of stocks for cross-counter trading as listed in Q.9.

***11. Will the quantity of stock be changed when it is transferred from one currency to another?***

When you transfer the stock from one currency to another, the quantity of stocks will not be changed. For example: 1,000 shares of Stock A (HKD) will be transferred to exactly 1,000 shares of Stock A (RMB). The value of your stocks in different currencies will be reflected from the market price of the respective counters.

***12. Why do I need to have an integrated account with RMB savings account activated in order to trade RMB denominated shares ?***

To comply with RMB deposit account requirement, RMB denominated stock trading can only be done with the HSBC Premier/HSBC Advance/SmartVantage with RMB savings account activated.

**About Corporate Actions**

***13. Will holders of the RMB-traded shares and the HKD-traded shares be treated differently?***

As the shares of the two counters are the same class of shares, shareholders shall be entitled to identical shareholders rights.

***14. Will dividends be paid in HKD or RMB?***

Given that the shares of the two tranches are the same class of shares, the issuer may offer an option to all the shareholders to elect to take a dividend in the currency in which the dividend is declared or in an alternative currency or currencies, and set a different default currency for the respective tranches in the absence of an election by the shareholder. Customers are advised to refer to the disclosure in relation to dividend payment and currency options (if any) in the prospectus.

***15. Will bonus or scrip shares be issued in the form of RMB-traded shares or HKD-traded shares?***

It will be the issuer's option to decide. Similar to dividend payment, the issuer may offer an option to all shareholders to elect to receive RMB-traded shares or HKD-traded shares, and set a different currency for the respective tranches in the absence of an election by the shareholders.

**Others**

***16. Is RMB-traded shares applicable for Margin Trading?***

No. At present, we cannot provide RMB facility or loan to retail customers.

***17. Do I enjoy the secured credit facility and with what advance ratio when I transfer the stocks to RMB-traded shares?***

Depending on individual RMB stock, some may be eligible for secured credit facility in HKD.



For more details of trading stocks under the DTDC model, please visit the website of HKEx ([www.hkex.com.hk](http://www.hkex.com.hk)) and The Securities and Futures Commission ([www.sfc.hk](http://www.sfc.hk)).

**Disclaimers:**

Investment involves risk. The price of stocks may move up or down. Losses may be incurred as well as profits made as a result of buying and selling stocks.

There may be exchange rate risks if you choose to convert RMB received from RMB stocks into your home currency.

RMB is currently not freely convertible and subject to regulatory restrictions (which might be changed from time to time). For personal customers who are Hong Kong residents, conversions conducted through RMB deposit accounts with banks in Hong Kong are subject to the limit of up to RMB20,000 per person per day. Personal customers who are Hong Kong residents should allow time for conversion of RMB from/to another currency of an amount exceeding the daily limit. Non-Hong Kong residents are not required to observe the corresponding limits and requirements regarding Renminbi conversions for Hong Kong residents.