

FAQ

1) Can I participate in trading securities from the Shanghai/Shenzhen Stock Exchange (“SSE Securities/SZSE Securities”) through Shanghai Connect/Shenzhen Connect?

Yes. Existing customer must maintain a bank account and securities account, including designated Renminbi (“RMB”) account. All SSE Securities/SZSE Securities transactions are settled through the RMB account.

New customer is welcome to visit our branches for opening the above accounts.

2) If I have already opened the above accounts, does it mean I can trade SSE Securities/SZSE Securities immediately?

Yes, please kindly call Fubon’s Securities Service Hotline at (852) 2842 6262, or visit Fubon Securities Services Centers for trading SSE Securities /SZSE Securities.

As SSE Securities /SZSE Securities transactions are settled in RMB, customer must have sufficient RMB in the RMB account before placing a buy order for SSE Securities/SZSE Securities. If there is insufficient fund in the RMB account, the buy order for SSE Securities/SZSE Securities will be rejected.

3) Can I buy all SSE Securities/SZSE Securities?

No, only eligible SSE Securities /SZSE Securities can be traded.

SSE eligible securities include:

1. all constituent stocks of the SSE 180 Index;
2. all constituent stocks of the SSE 380 Index, and
3. all the SSE-listed A shares that are not included as constituent stocks of relevant indices but which have corresponding H shares listed on SEHK, except SSE-listed shares which are not traded in RMB; and SSE-listed shares which are included in the “risk alert board.
4. shares that are listed on the STAR Market will be limited to institutional professional investors.
(Fubon does not provide STAR Market trading at this initial stage)

SZSE eligible securities include:

1. all constituent stocks of the SZSE Component Index;
2. all constituent stocks of the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion;
3. all the SZSE-listed A shares which have corresponding H shares listed on SEHK, except shares which are not traded in RMB and shares which are under risk alert or under delisting arrangement, and
4. shares that are listed on the ChiNext Board will be limited to institutional professional investors.
(Fubon does not provide ChiNext Board trading at this initial stage)

Please refer to the website of HKEx, www.hkex.com.hk, for the list of eligible SSE Securities /SZSE Securities.

4) Can I amend the buy / sell order instruction after order placement?

Order amendment for SSE securities/SZSE securities is not allowed.

If customer wants to amend the existing order, the original order must be cancelled first and then place a new order.

Please note that new buy order may not be accepted by SSE/SZSE when the Daily Quota Balance drops to zero or Daily Quota is exceeded.

5) Will I be restricted from buying SSE Securities/SZSE Securities?

Customer will be restricted from further buying SSE Securities/SZSE Securities under the following circumstances:

- a) The SSE Securities/SZSE Securities ceases to be a constituent stock of the relevant indices;
- b) The SSE Securities/SZSE Securities is under “risk alert” or under delisting arrangement (for SZSE securities);
- c) The corresponding H-share of the SSE Securities/SZSE Securities subsequently ceases to be traded on SEHK;
- d) The Daily Quota Balance drops to zero or Daily Quota is exceeded;

6) Can I subscribe for SSE Securities/SZSE Securities initial public offering (IPO)?

No. Customer can only participate in trading SSE Securities/SZSE Securities in the secondary market and cannot participate in SSE's/SZSE's initial public offering activities.

7) How is Daily Quota Work?

The Daily Quota will apply on a “net buy” basis. Under that principle, Customers are always allowed to sell their SSE Securities / SZSE Securities or input order cancellation requests regardless of the quota balance.

Once the Northbound Daily Quota balance drops to zero or the Daily Quota is exceeded, Customers may not be able to place buy orders for the remainder of the day.

8) Am I protected by the Investor Compensation Fund?

The current Investor Compensation Fund will not cover any Northbound activities. However, Hong Kong investors participating in the Shanghai Connect and Shenzhen Connect SEHK participants will continue to be protected by Hong Kong laws. Similar to any overseas investment which involves a sub-custody arrangement, investors will also be facing the counterparty risks of any additional parties along the value chain, and in this case ChinaClear which is the central registration company in the Mainland.

Similarly for the trading and settlement activities, Hong Kong investors will continue to deal with SEHK participants and be protected by the SFO.

9) Where can I obtain more information on Shanghai Connect and Shenzhen Connect?

Customer can obtain the information under the section of “Mutual Market” at HKEx’s website (www.hkex.com.hk).

Source: HKEx, Investor and Financial Education Council