

6 June 2023

Dear Valued Customer,

Amendment of rules in relation to restricting Mainland investors from Northbound Trading under Stock Connect

The China Securities Regulatory Commission (“CSRC”), Shanghai Stock Exchange (“SSE”) and Shenzhen Stock Exchange (“SZSE”) have announced their rule amendments (in Chinese only) in relation to restricting Mainland investors from Northbound Trading under Stock Connect. From 24 July 2023 (the Effective Date), mainland investors will be restricted trading under Stock Connect.

According to the circular (Ref No. CT/088/22) from Hong Kong Stock Exchange, **all Mainland investors shall not proactively buy any China Connect Securities** through Northbound Trading (including subscription for right issues), but excluding obtaining China Connect Securities passively as a result of corporate actions (such as distribution of stock dividends). Besides, existing China Connect Securities held by Mainland investors **could be sold by tagging the reserved value** prescribed by the Exchange.

“Mainland investors” include:

- (A) individuals that possess Mainland ID documents;
- (B) holders of a joint account if one of the holders is considered as Mainland investor under (a);
- (C) corporate or unincorporated entities which are registered in the Mainland.

The following investors will not be considered as “Mainland investors” and may continue to buy and sell China Connect Securities through Northbound Trading under Stock Connect:

- (A) (a) Any individual who holds a Permit for Proceeding to Hong Kong and Macao, i.e. One-way Permit or who has obtained an identity document as proof of permanent residence in a country or region outside Mainland China;
- (B) Any branch or subsidiary of a corporate or unincorporated entity registered in Mainland China which branch or subsidiary is lawfully registered in Hong Kong or overseas.

Should you have any enquiries, please send email to csdept@htisec.com or contact our Customer Service Hotline at (852) 3583 3388 / (86) 755 8266 3232.

For and on behalf of
Haitong International Securities Company Limited