NOTICE OF AUTHORIZATION TO PROVIDE AUTOMATED TRADING SERVICES

ISSUED TO CHINA SECURITIES DEPOSITORY AND

[redacted]

INTRODUCTION

1 On 15 November 2019, the China Securities Regulatory Commission (**CSRC**) announced a market-wide H-share full circulation initiative which would enable holders of unlisted shares in an H-share company (**Domestic Shares**) to convert such unlisted shares into H shares, and to thereafter: (i) hold them within Hong Kong Securities Clearing Company Limited (**HKSCC**)'s Central Clearing and Settlement System (**CCASS**); (ii) trade them on the Stock Exchange of Hong Kong Limited (**SEHK**); and (iii) acquire additional H shares in the same H-share company.

2 The scheme for implementing this initiative (**Scheme**) entails, among other things, that China Securities Depository and Clearing Corporation Limited (**CSDC**) and its wholly-owned subsidiary China Securities Depository and Clearing (Hong Kong) [redacted]

[redacted]

CONDITIONS

General

[redacted]

manner that is honest, fair and consistent with the principles, procedures and standards reflected in the SFC's *Guidelines on the Regulation of Automated Trading Services* (**Guidelines for the Regulation of ATS**).

Operations

6. CSDCHK may only provide ATS for the purposes of the Scheme

Reporting and disclosure requirements

[redacted]

10 In addition to any monthly reports, CSDCHK must provide to the SFC, within the time

[redacted]

and in the manner specified, such information and documents relating to: (i) its activities, business and operations (in so far as they relate to the Scheme, and whether conducted in Hong Kong or not); and to (ii) any transactions conducted under the Scheme, as the SFC may at any time and from time to time reasonably request.

[redacted]