



SCCC Legal Chapter

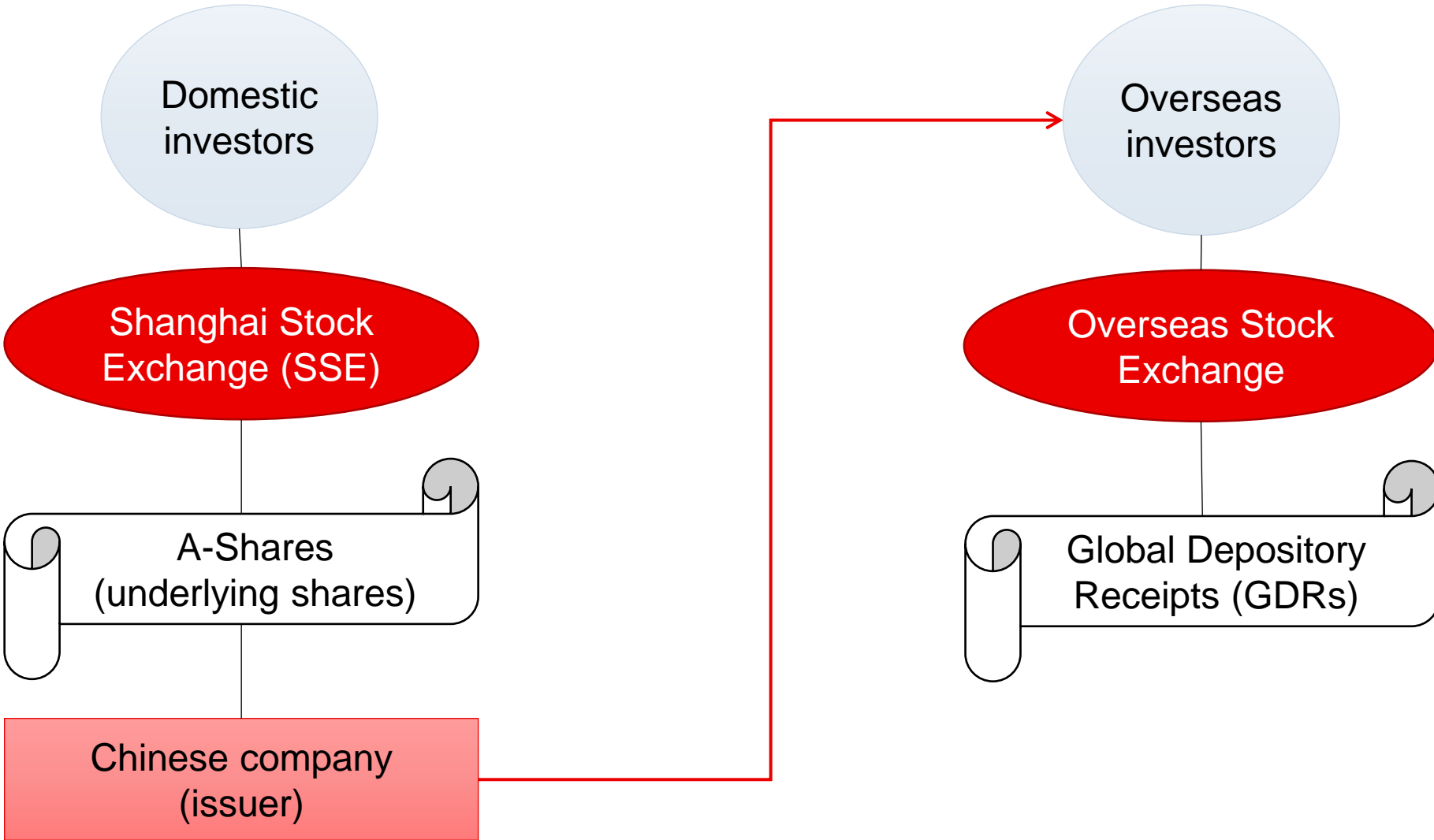
China-Switzerland Stock Connect

May-Si Hau
28 September 2022

Launch of the China-Switzerland Stock Connect on 28.07.2022



China Stock Connect Program



Background information on China Stock Connect Program

- 22.03.2018 Notice of the General Office of the State Council on forwarding the several opinions of the China Securities Regulatory Commission on launching the Pilot Program for Innovative Enterprises domestically issuing stocks or depository receipts
- 15.06.2018 Implementing measures of the Shanghai Stock Exchange for the listing and trading of Pilot Innovative Enterprises' stocks or depository receipts.
- 12.10.2018 Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange (for trial implementation) [original provisions]
- 17.12.2021 Consultation for the extension of the Shanghai-London Stock Connect Program
- 11.02.2022 Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchanges [amended provisions]

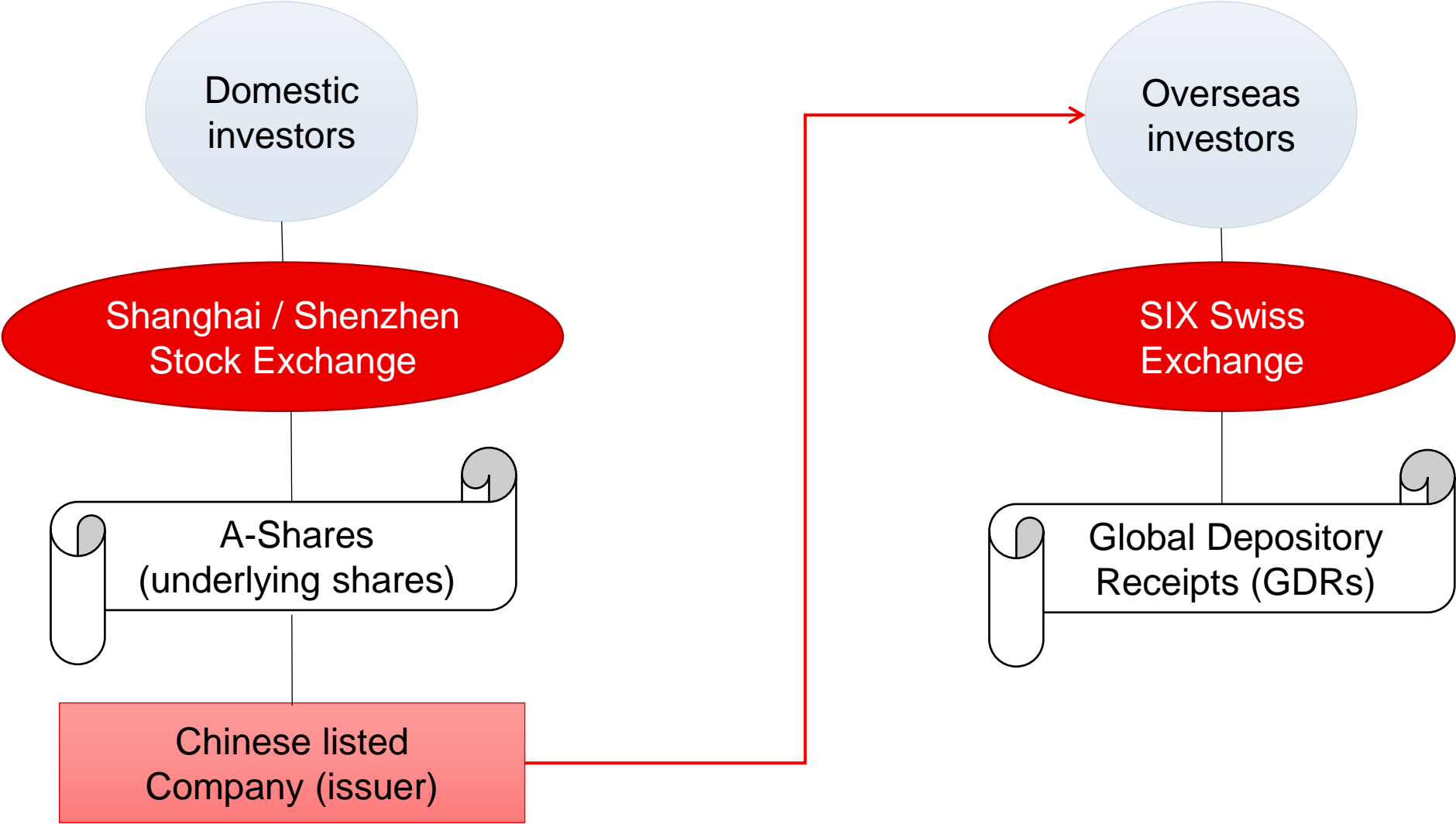
China-Switzerland Stock Connect

- 08.06.2015 Memorandum of Understanding of the collaboration between SIX Swiss Exchange and Shanghai Stock Exchange
- 23.04.2019 Renewal of the Memorandum of Understanding between the SIX Swiss Exchange and the Shanghai Stock Exchange
- 10.10.2019 Memorandum of Understanding between the SIX Swiss Exchange and the Shenzhen Stock Exchange
- 25.07.2022 Amendment of the Listing Rules (**LR**)

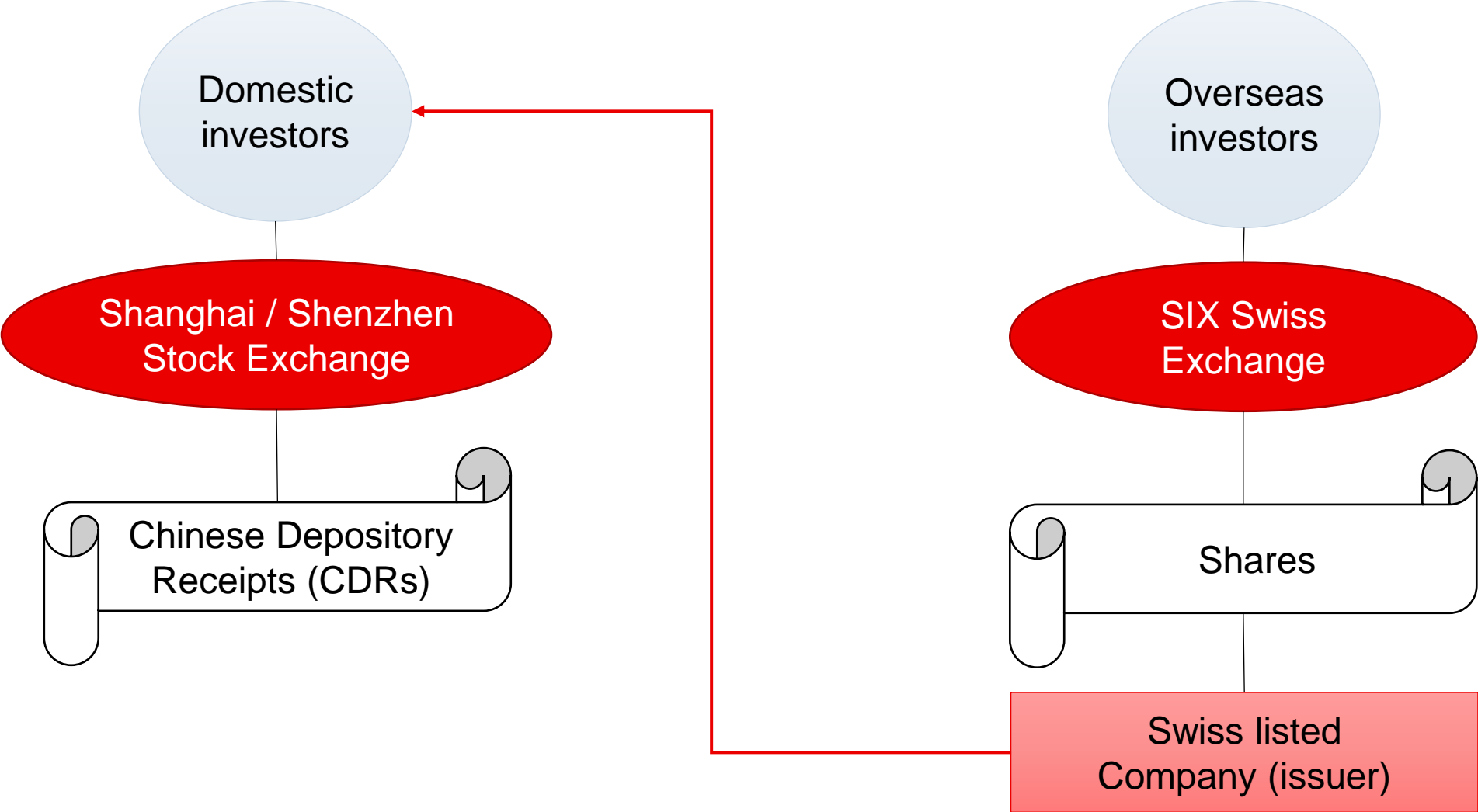
China-Switzerland Stock Connect

- 28.07.2022 Commencement of the listing and trading of GDRs of the following listed Chinese companies on the SIX Swiss Exchange:
 - Gotion High Tech. Co., Ltd.
 - GEM Co., Ltd.
 - Ningbo ShanShan Co., Ltd.
 - Keda Industrial Group Co., Ltd.
- 22.09.2022 Listing and trading of GDRs of Lepu Medical Tech. Co., Ltd
- 26.09.2022 Listing and trading of GDRs of Joincare Pharmaceutical Group

China-Switzerland Stock Connect



China-Switzerland Stock Connect



Global Depository Receipts

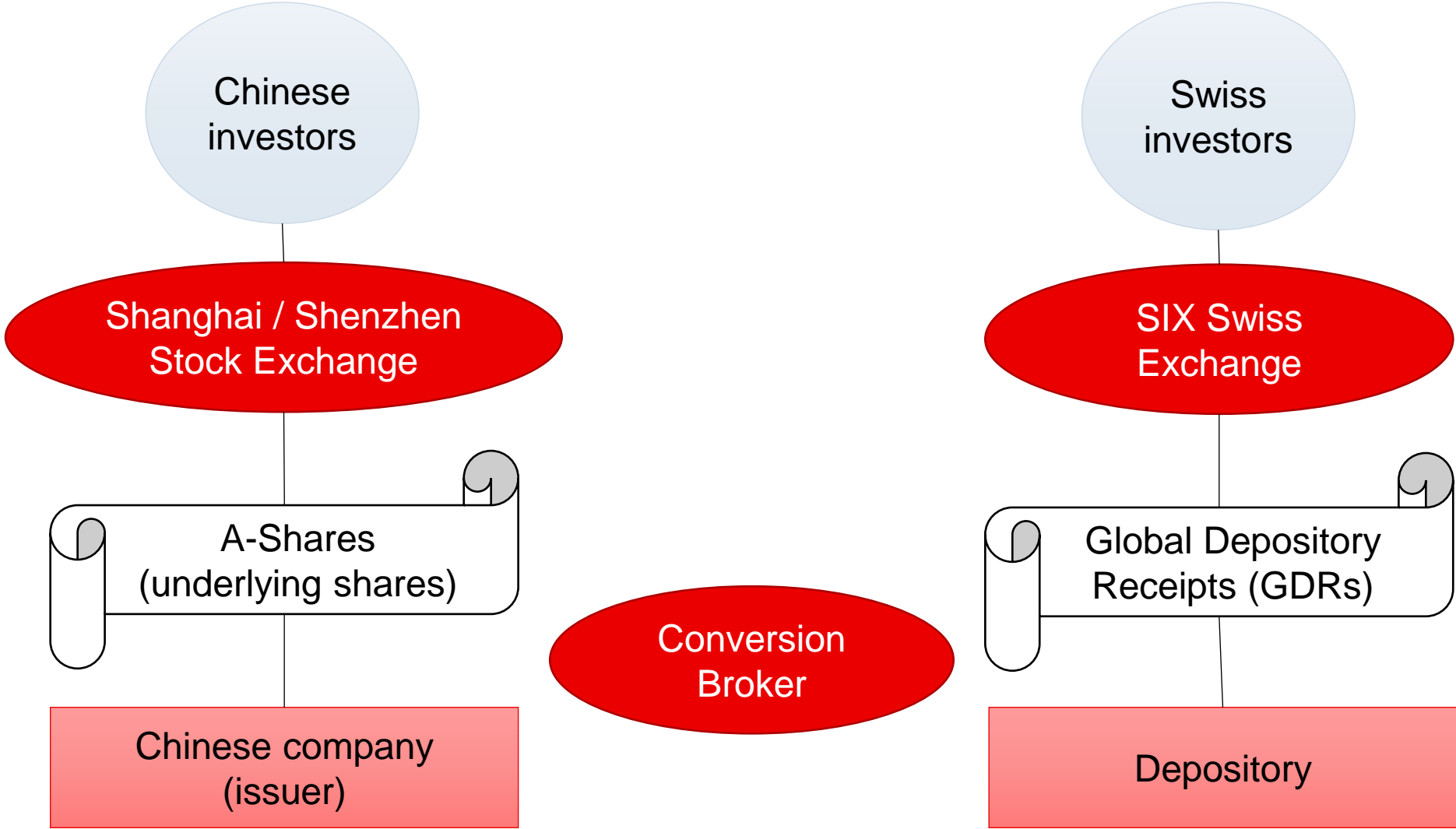
GDRs are tradable certificates that are issued to represent deposited equities securities.

They permits the (indirect) exercise of the membership and property rights attached to the deposited securities.

(Art. 90 para. 1 LR)



China-Switzerland Stock Connect



Legal Requirements



Swiss law | Listing Requirements for the Issuer

- Listing requirements (Art. 91 LR referring to Art. 10 – 16 LR)
 - Compliance of the establishment, the AoA or deed of partnership with the national law to which the issuer is subject
 - Track record: the issuer must have existed for 3 years
 - Annual financial statements as per applicable financial standard for the 3 years (ASBE)
 - Auditors / audit report stating that the financial statements have been established in accordance with the applicable financial standard
 - Capital resources: reported equity capital must be at least CHF 25 million
- Prospectus (art. 95 LR)
- Declaration of consent (art 98 LR)

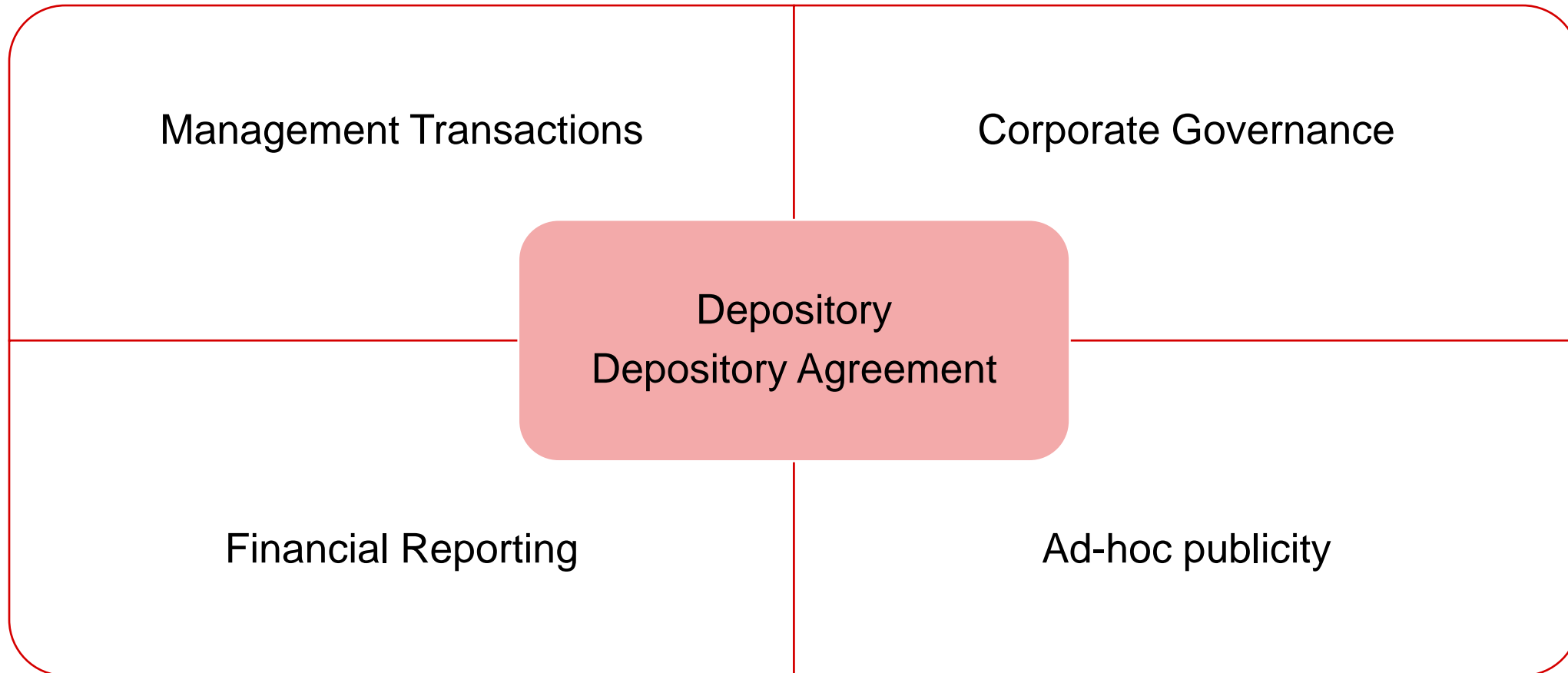
Swiss law | Listing Requirements for the Depository

- The depository (Art. 92 LR) is either:
 - a Swiss bank (as per Swiss Banking Act)
 - a Swiss securities firm (as per Financial Institutions Act), or
 - a depository subject to an equivalent foreign supervision.
- Depository Agreement (Art. 93 LR)
 - It must state that the depository held the underlying shares on a fiduciary basis on behalf of the investors (insolvency protection).
 - The depository must provide to the SIX Exchange Regulation or the Regulatory board information and documentation relating to the implementation of the depository agreement (number of underlying shares deposited and global depository receipts issued).

Swiss law | Listing Requirements for the GDRs

- Art. 94 LR, referring to Art. 17-26 LR
- Free Float
- Clearing and settlement systems

Swiss law | Maintaining Listing Requirements





May-Si Hau, LL.M.

Senior Associate, Geneva

may-si.hau@mll-legal.com

www.mll-legal.com

Thanks for your time and interest

We look forward to hearing from you



MLL MEYERLUSTENBERGER LACHENAL FRORIEP

Office Locations

Zurich

Schiffbaustrasse 2
Postfach
8031 Zurich
Switzerland
T +41 058 552 08 00

Geneva

65 rue du Rhône
P.O. Box 3199
1211 Geneva 3
Switzerland
T +41 58 552 01 00

Baar/Zug

Grabenstrasse 2
6340 Baar/Zug
Switzerland
T +41 058 552 06 00

Lausanne

1 rue du Grand-Chêne
Case postale 5379
1003 Lausanne
Switzerland
T +41 58 552 01 00

London

17 Godliman Street
London EC4V 5BD
UK
T +44 20 7236 6000

Madrid

Antonio Maura 10
28014 Madrid
Spain
T +34 91 523 77 90

