

Notice on Scope of Underlying Securities and Qualified Securities Representing Margin in Initial Stage of Piloting Margin Trading and Securities Lending

All member units,

We hereby notify the scope of underlying securities and the qualified securities representing margin in the initial stage of piloting the margin trading and securities lending, the conversion rates and relevant issues as follows:

1. To do a good job in the pilot of margin trading and securities lending, considering the requirements of pilot at present, the condition that “the daily turnover rate shall not be lower than 20% of that of the benchmark index” in Item 4 of Article 23 of the "Rules for Implementation of Pilot Margin Trading and Securities Lending in Shanghai Stock Exchange (SSE)" (hereinafter referred to as the “Implementation Rules”) will not be implemented for the moment according to Article 24 of the “Implementation Rules”. In the initial stage of the pilot, the underlying securities consist of 50 stocks, same with the scope of constituents of the SSE 50 Index. For details, please refer to Attachment 1;
2. Except for the circumstances stipulated in Articles 27 and 28 of the “Implementation Rules”, the scope of underlying securities and the constituents of the SSE 50 Index will be simultaneously adjusted in the initial stage of pilot, and the SSE will announce the adjustment result;
3. In the initial stage of pilot, the qualified securities representing margin include A shares, funds and bonds listed at the auction trading system of the SSE. For detailed scope and the conversion rates, please refer to Attachment 2. The SSE will publish the list of qualified securities representing margin through the trading system and on its website before opening on each trading day.

Shanghai Stock Exchange
February 12, 2010

Attachment 1

List of Underlying Securities in Margin Trading and Securities Lending

No.	Constituents of SSE 50 Index	
	Stock Code	Ticker Symbol
1	600000	Shanghai Pudong Development Bank Co., Ltd.
2	600005	Wuhan Iron and Steel Company Limited

3	600015	Hua Xia Bank Co., Limited
4	600016	China Minsheng Banking Corp., Ltd.
5	600018	Shanghai International Port (Group) Co., Ltd.
6	600019	Baoshan Iron & Steel Co., Ltd.
7	600028	China Petroleum & Chemical Corporation
8	600029	China Southern Airlines Company Limited
9	600030	CITIC Securities Co., Ltd.
10	600036	China Merchants Bank Co., Limited
11	600048	Poly Real Estate Group Co., Ltd.
12	600050	China United Network Communications Limited
13	600089	TBEA Co., Ltd.
14	600104	SAIC Motor Corporation Limited
15	600320	Shanghai Zhenhua Port Machinery Co., Ltd.
16	600362	Jiangxi Copper Co., Ltd.
17	600383	Gemdale Corporation
18	600489	Zhongjin Gold Corporation, Limited
19	600519	Kweichow Moutai Co., Ltd.
20	600547	Shandong Gold Mining Co., Ltd.
21	600550	Baoding Tianwei Baobian Electric Co., Ltd.

22	600598	Heilongjiang Agriculture Company Limited
23	600739	Liaoning Chengda Co., Ltd.
24	600795	GD Power Development Co., Ltd.
25	600837	Haitong Securities Company Limited
26	600900	China Yangtze Power Co., Ltd.
27	601006	Daqin Railway Co., Ltd.
28	601088	China Shenhua Energy Company Limited
29	601111	Air China Limited
30	601166	Industrial Bank Co., Ltd.
31	601168	Western Mining Co., Ltd.
32	601169	Bank of Beijing Co., Ltd.
33	601186	China Railway Construction Corporation Limited
34	601318	Ping An Insurance (Group) Company of China, Ltd.
35	601328	Bank of Communications Co., Ltd.
36	601390	China Railway Group Limited
37	601398	Industrial and Commercial Bank of China Limited
38	601600	Aluminum Corporation of China Limited
39	601601	China Pacific Insurance (Group) Co., Ltd.
40	601628	China Life Insurance Company Limited

41	601668	China State Construction Engineering Corporation Limited
42	601727	Shanghai Electric Group Company Limited
43	601766	China South Locomotive & Rolling Stock Corporation
44	601857	PetroChina Company Limited
45	601898	China Coal Energy Company Limited
46	601899	Zijin Mining Group Co., Ltd.
47	601919	China COSCO Holdings Company Limited
48	601939	China Construction Bank Corporation
49	601958	Jinduicheng Molybdenum Co., Ltd.
50	601988	Bank of China Limited

Attachment 2

Scope and Conversion Rates of Qualified Securities Representing Margin in Margin Trading and Securities Lending

Type of Qualified Securities Representing Margin		Conversion Rate
A shares	Constituents of SSE 180 Index	Not more than 70%
	Non-constituents of SSE 180 Index	Not more than 65%
	A shares with special treatment or listing suspension imposed on them	0%
Funds	Exchange traded funds (ETF)	Not more than 90%
	Other listed funds	Not more than 80%
Bonds	Treasury bonds	Not more than 95%

	Other listed bonds	Not more than 80%
Warrants	Warrants	0%