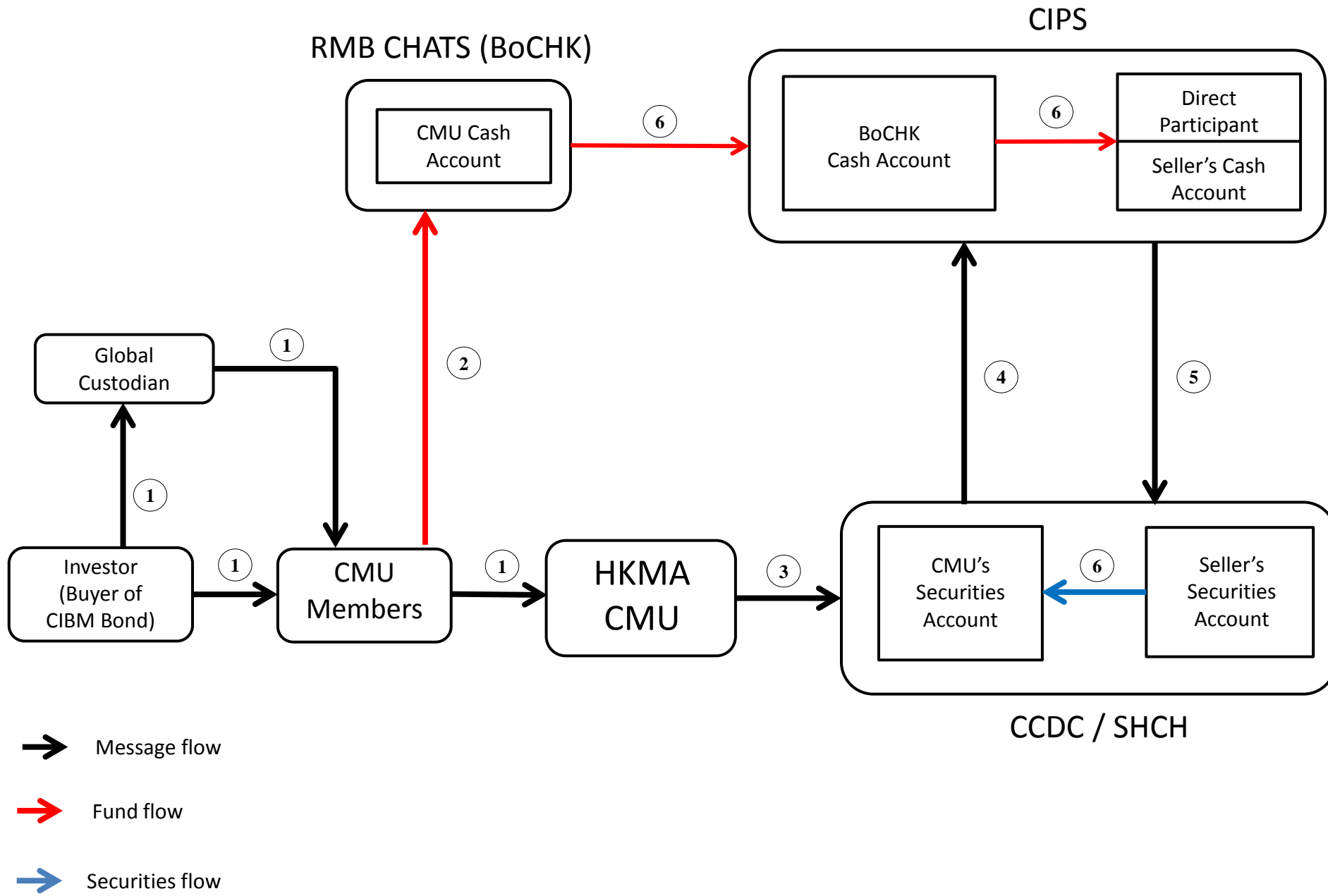


High Level CIPS II DvP Flow



1 Investor (buyer of CIBM bond) send settlement instruction to CMU through CMU members

2 CMU members made payment to CMU cash account maintained in BoCHK, which is the Clearing Bank of RMB CHATS in Hong Kong

3 CMU confirms the settlement generated by CCDC/SHCH in their systems after trade was completed and recorded in CFETS system

4 Upon locking up the relevant bond position in the seller's securities account, CCDC/SHCH will generate a payment instruction to CIPS

5 Through the securities system interface between CIPS and CCDC/SHCH 5 , payment will be made in CIPS and Securities transfer will be done simultaneously in systems of CCDC/SHCH 6

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