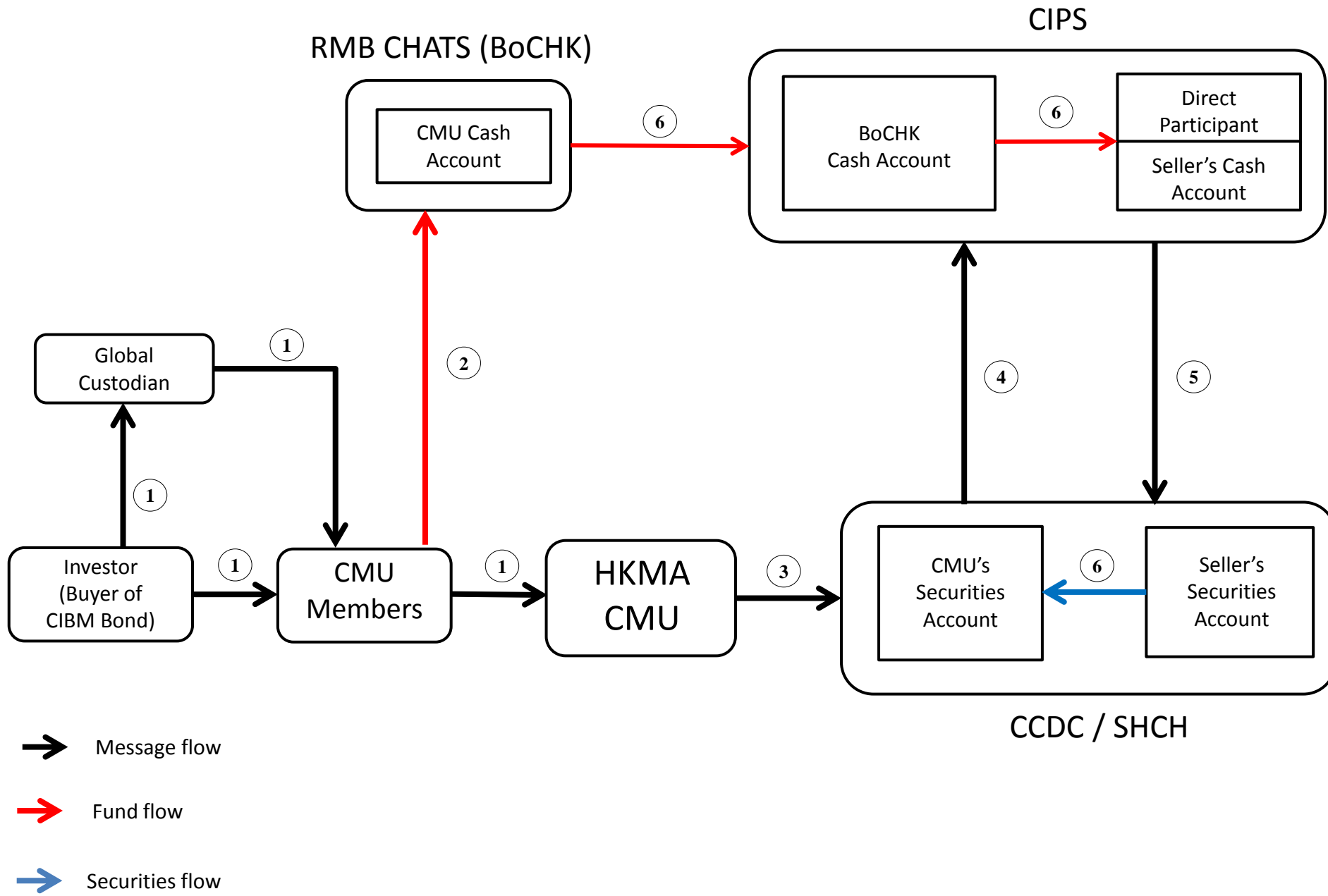


High Level CIPS II DvP Flow



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

+

6