

Launch of the Green Bond Channel: Bringing Chinese securities to international investors

- The Shanghai Stock Exchange (SSE) and Luxembourg Stock Exchange (LuxSE) launch the Green Bond Channel.
- It gives international investors access to data and information on Chinese domestic green bonds listed in Shanghai.
- Information about 18 green bonds listed on SSE, representing 11 Chinese corporate issuers, will be available in English via the Luxembourg Stock Exchange.
- Access to the green bonds listed in Shanghai is routed via existing execution channels.

The cooperation between the Luxembourg Stock Exchange and the Shanghai Stock Exchange focuses on providing relevant information in English about Chinese green bonds to offshore investors. The initiative dates back to September 2017 when the Shanghai Stock Exchange and the Luxembourg Stock Exchange signed an addendum to an existing MoU.

China boasts one of the world's largest bond markets, valued at USD 9 trillion, with a production of green and sustainable bonds in excess of RMB 250 billion (approx. EUR 33 billion). However, the market may appear off-limits to the international investor community due to the difficulties of accessing the right level of information on the traded bonds.

"The Green Bond Channel is an information channel which aims to bridge this information gap. Our key focus is on helping to enhance investment channels between China and Europe. Stock exchanges can support the mobilisation of investor demand for investment. By receiving enhanced visibility, issuers are exposed to a far wider segment of potential investors and a deeper pool of investment capital," commented Robert Scharfe, CEO of LuxSE, at the official launch of the cooperation announced at the Public Meeting of the World Federation of Exchanges and the SSE on June 8.

China's USD 9 trillion bond market is the second largest in the world, but only 2% of Chinese bonds are foreign-owned. The agreement will improve efficiency in connecting

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issuers and international investors. The Chinese-listed green bonds can be traded via existing execution channels.

In March 2018, LuxSE extended the same display service to the Chinese Interbank Market and welcomed the first bond from a Chinese policy bank, the Agriculture Development Bank of China (ADBC).

Key advantages of the Green Bond Channel for issuers and investors:

- Enhanced visibility of securities
- Increased investor base
- Better information connectivity among China and international investors
- Comprehensible information in English available to offshore investors
- Increased transparency of bond information by way of free access to security cards displaying details about the planned use of proceeds, external opinions, among others.

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About the Luxembourg Stock Exchange (LuxSE)

The Luxembourg Stock Exchange (LuxSE) is the gateway to access international investors. With more than 35,000 listed securities, including some 26,000 bonds, from 3,000 issuers in 100 countries, LuxSE is the world's number one exchange for the listing of international securities and offers a unique full service throughout listing, trading and reporting.

LuxSE is also the first exchange in the world to operate a platform dedicated entirely to green, social and sustainable securities. We have been involved in the development of the sustainable finance market since the European Investment Bank issued its first climate awareness bond 10 years ago and listed it in Luxembourg. In 2016, LuxSE launched the Luxembourg Green Exchange (LGX) and built it based on the fundamental need for transparency. The platform is dedicated exclusively to green, social and sustainable securities and funds. LGX has become a meeting place for sustainability-focused issuers and investors, displaying half of the world's listed green bonds.

LuxSE also operates a specialist subsidiary, Fundsquare, which provides services to substantially support and standardize cross-border distribution of investment funds.

For more information visit www.bourse.lu

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