

Hong Kong Depositary Receipts (HDRs)

With Citi's HDR services, we can provide issuers with unparalleled access to the Hong Kong and Mainland China investor community.

A Hong Kong Depositary Receipt (HDR) is a negotiable instrument issued by a depositary bank that evidences ownership of shares in a corporation organized outside Hong Kong. HDRs trade on the Hong Kong Stock Exchange (HKEx), thus enabling foreign issuers to tap the Hong Kong market and local investors to efficiently invest in quality international companies.

Why HDRs?

Expand your horizons

A Depositary Receipt (DR) program can help you access capital outside your home market, build visibility on an international basis and broaden and diversify your shareholder base.

Citi continues to evolve our DR product offering as the need for resourceful solutions in the ultra-competitive economic environment emerges. The HDR is an example of such a solution, and Citi's central involvement in its inception is a testament to our dedication to facilitating innovative opportunities for issuers.

Citi's expertise, experience and regional prominence in Asia make it the ideal depositary for an HDR program.

Why Hong Kong/HKEx?

Optimal location

The HKEx is strategically situated in a high-growth region. Hong Kong is one of the world's leading financial centers and an important location for international finance and trade. Moreover, it boasts the greatest concentration of corporate headquarters in the Asia Pacific region.

As a prestigious global financial center with an abundance of expertise, the HKEx provides a plethora of Asian and

multinational companies with capital-raising opportunities. In addition, the HKEx has grown exponentially in recent years in several key measures, including capital raising/IPOs, total market capitalization and total value of share trading.

Extensive investor access

Not only does the HKEx provide access to the investor community in Hong Kong, but also to flourishing Mainland China, where qualified domestic institutional investors (QDII) have been permitted to invest in Hong Kong since August 2007.

Free flow of capital

With no capital flow restrictions, numerous tax advantages, currency convertibility and the free transferability of securities, Hong Kong offers an attractive market for both issuers and investors alike.

Familiar regulatory environment

Hong Kong's regulatory control environment is well respected worldwide. With a legal system generally based on English common law principles and accounting requirements that include Hong Kong Reporting Standards, International Financial Reporting Standards and U.S. GAAP (in certain circumstances), investor confidence is well established. Furthermore, the HKEx's listing rules are on par with other international exchange standards.

Benefits at a Glance

- Access the Hong Kong and Mainland China investor community
- Capitalize on an attractive market for issuers and investors
- No capital flow restrictions, numerous tax advantages, currency convertibility and free transferability of securities
- With Citi's expertise, industry leadership and innovative approach, you can benefit from our focus on quality, consistency and superior client service

Why Citi?

Wealth of experience

Citi Depositary Receipt Services is a leader in bringing quality issuers to global capital markets and in promoting Depositary Receipts as an effective capital markets tool. Citi began offering DRs in 1928 and today is widely recognized for providing companies with access to the powerful global platform Citi has to offer.

Global reach, local market expertise

Citi is today's preeminent financial services company with approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions.

Regional recognition

Having received much recognition worldwide over the years, Citi was once again awarded with recognition as the Best ADR Bank in Asia for 2020 by *The Asset* magazine. Citi's DR platform is the market leader in Asia for market capitalization, capital raised, trading volume and client satisfaction.

Robust distribution network

Citi facilitates unmatched investor access through an extensive network of large and mid-tier institutional clients.

Innovative provider

Citi has enhanced the utilization of the Depositary Receipt product in order to provide issuers with resourceful solutions. Aside from our central involvement in the advent of HDRs, Citi was also the originator of Global Depositary Receipts (GDRs) and Global Depositary Notes (GDNs).

Investor relations support

Our in-house global investor relations team provides advice, strategic insight and practical counsel directly to issuers.

The power of Citi's custody network

When you partner with Citi, you benefit from our world-class, industry-leading proprietary global custody network. Citi delivers the highest standards of technology and processes, as well as a level of expertise, quality and consistency. Additionally, the market knowledge and relationships created by such a widespread global and local Asian presence enable Citi to develop new industry solutions and help lead the process of change in the securities marketplace.

About Citi Issuer Services

Issuer Services is a part of Citi Institutional Client Group that supports the issuance and administrative needs of global institutional clients through two key business segments, namely Agency and Trust and Depositary Receipt Services. We are a leading provider of transactional services with a unique blend of experience, global reach and superior services. Our Agency and Trust business administers approximately US\$8.3 trillion in assets under trust on behalf of approximately 3,000 clients worldwide. Our Depositary Receipt Services supports over 250 programs and helps companies connect to new markets and raise capital worldwide.

Contacts

Asia Pacific

Valentina Chuang
+852-2868-7959
valentina.chuang@citi.com

Europe, Middle East and Africa

Ayden Dagg
+44-20-7500-5709
ayden.dagg@citi.com

Latin America

Michael C. Morcom
+212-816-6653
michael.morcom@citi.com

North America

Ganesh A. Sarpotdar
+212-816-6783
ganesh.sarpotdar@citi.com

Website

citi.com/dr