

香港聯合交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: **SHENZHEN CONNECT - REMINDER ON INVESTOR ELIGIBILITY
REQUIREMENT FOR TRADING OF CHINEXT SHARES**

Enquiry: **Participant General Enquiry Hotline (Tel : 2840 3626 E-mail : trd@hkex.com.hk)**

Since the launch of Shenzhen Connect on 5 December 2016, the Exchange noted that certain Exchange Participants had inadvertently executed orders for ChiNext shares for clients which are not Institutional Professional Investors (“IPIs”).

The Exchange would like to remind Exchange Participants that currently, trading of ChiNext shares is permitted for IPIs only. With reference to Rules 14B06(16) to (18) of the Rules of the Exchange, a China Connect Exchange Participant (“CCEP”) shall not accept any instruction to buy ChiNext shares or input any buy order for ChiNext shares for any clients unless it is reasonably satisfied that the client is an IPI.

The Exchange would further remind CCEPs that:

- CCEPs should already have appropriate controls in place to prevent non-compliance with the relevant requirements and necessary measures to rectify breaches;
- CCEPs should have prior arrangements with their clients, including but not limited to requesting the non-IPIs to unwind positions of ChiNext shares as soon as possible; and
- As is the case of any violation of any rule of HKEX and/or the Exchange, CCEPs should report the relevant incident to the Exchange as soon as possible (no specific form available).

The Exchange takes any breaches of rules seriously and will review and follow up on each reported incident. Follow-up actions may include issuing warning letters, conducting further enquiries, commencing an investigation and reporting the matter to the SFC and the relevant Mainland regulator and/or exchanges.

Garbo Cheung

Head

Market Surveillance and Monitoring

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