

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: Amendments to the Rules of the Exchange and the Disciplinary Procedures of The Stock Exchange of Hong Kong Limited

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

Holders of Stock Exchange Trading Rights and Exchange Participants are requested to note that the Securities and Futures Commission has approved amendments to the Rules of the Exchange and the Disciplinary Procedures of The Stock Exchange of Hong Kong Limited for the purpose of introducing the China Connect Central Gateway and for effecting house-keeping changes to remove the rules and references relating to the Open Gateway and the Special Participant Open Gateway and to reflect the corporate rebranding from “HKEx” to “HKEX”.

The amendments, as set out in Appendices I and II, will come into effect on Monday, 17 July 2017.

The marked-up version of the amendments can be downloaded from the following sections of the HKEX website:

- “Rule Update - Rules of the Exchange”
- “Rule Update - Disciplinary Procedures”

Ferheen Mahomed
Group General Counsel

Rules of the Exchange

CHAPTER 1

INTERPRETATION

101. In these Rules, unless the context otherwise requires:-

“Backup China Connect Central Gateway session”	means a China Connect Central Gateway session designated for backup purpose pursuant to Rule 1410(2);
“Backup China Connect Drop-Copy session”	means a backup connection to the China Connect Drop-Copy Service;
“China Connect Central Gateway”	means a hardware and software component operated by the Exchange, which provides the communications interface between the CSC and BSS of the China Connect Exchange Participants and other devices;
“China Connect Central Gateway message”	means a single instance of order or trade-related communication between a BSS and the China Connect Central Gateway;
“China Connect Central Gateway session”	means a connection to the China Connect Central Gateway for communication between a BSS and the China Connect Central Gateway;
“China Connect Central Gateway transitional period”	means a period which may be notified by the Exchange to Exchange Participants during which both the China Connect Open Gateway and the China Connect Central Gateway session could be used as a communications interface with the CSC but after which only the China Connect Central Gateway session could be used;
“China Connect Drop-Copy Service”	means the Exchange’s real-time reporting service in respect of China Connect orders and China Connect Securities Trades of an Exchange Participant that have been inputted into or recorded by the CSC;
“China Connect Drop-Copy session”	means a connection to the China Connect Drop-Copy Service;
“China Connect order”	means an order input into the CSC via a China Connect Open Gateway or via a China Connect Central Gateway session of a China Connect Exchange Participant for routing to a China Connect Market System to buy or sell China Connect Securities (including an order to sell

Special China Connect Securities), and the terms “China Connect buy order” and “China Connect sell order” shall be construed accordingly;

- “designated HKEX staff” means any HKEX staff as the Board may from time to time designate to exercise its powers or do such acts on its behalf pursuant to these Rules;
- “ECP” means the electronic communication platform built on the existing infrastructure of HKEX website to facilitate communications between Exchange Participants and/or holders of Stock Exchange Trading Rights (as the case may be) and the Exchange;
- “HKEX” means Hong Kong Exchanges and Clearing Limited;
- “HKEX staff” means staff of HKEX or staff of a company of which HKEX is a controller, including without limitation, staff of the Exchange;
- “HKEX website” means the official website of HKEX at <http://www.hkex.com.hk> or at such other website address specified by HKEX from time to time;
- “standard China Connect Central Gateway throttle rate” means the standard throughput rate of a China Connect Central Gateway message into the CSC through a China Connect Central Gateway session, as determined by the Exchange from time to time;
- “Throttle-on-Demand Scheme” means the scheme set out in Rule 365D that allows an Exchange Participant with a Central Gateway session to apply to the Exchange for a temporary increase in the throughput rate of an order or a Central Gateway message into the System;

107B. (1) [Repealed]

(2) [Repealed]

Notice

110. Unless otherwise provided in these Rules, all notices, requests, demands or other communications from the Exchange to holders of Stock Exchange Trading Rights, Exchange Participants and/or Special Participants may be given orally or in writing, in person or by post, by electronic or wire transmission, by telephone or facsimile, by posting on the HKEX website, or by any means of computer data transmission including, but in no way limited to, broadcast messages via HKATS or DCASS or e-mail or ECP.
111. Any communication disseminated via DCASS or HKATS or e-mail or ECP or posted on the HKEX website will constitute written notice for the purpose of these Rules.

CHAPTER 2

ADMINISTRATION

Employees

242. Any Participant which causes or attempts to cause or induces any employees or officers of the Exchange, HKEX, or a company of which HKEX is a controller to contravene Rule 240 above or which is privy to such contravention shall be guilty of improper conduct and may be subject to any disciplinary measure, including suspension and expulsion as the Board may consider appropriate in the circumstances.

CHAPTER 3

EXCHANGE PARTICIPANTSHIP

- 364A. [Repealed]

Trading Facilities

- 364B. (1A) Where the entitlement to the benefit of a Seat for any Stock Exchange Trading Right held by an Exchange Participant has ceased and extinguished with effect from the Cessation Date pursuant to Rule 305A and the Exchange Participant had not made any successful application to relinquish it for a Dealing Desk or any one of the following prior to the Cessation Date, the Exchange Participant may, in respect of such Stock Exchange Trading Right, still apply to the Exchange for the following, but not a Dealing Desk, on or after the Cessation Date:
- (b) [Repealed]
- (1B) Without prejudice to the entitlement under Rule 365(1), an Exchange Participant may, in respect of each Stock Exchange Trading Right conferred on or issued to it by the Exchange on or after the Cessation Date, apply to the Exchange for the following before such date as may be notified by the Exchange to Exchange Participants under this Rule 364B(1B):
- (b) [Repealed]
- (1C) (b) At any time prior to the expiry of any prevailing Binding Period, the Exchange may by notice to Exchange Participants renew the Binding Period for such period and on such terms as it may specify. In the event that an Exchange Participant does not wish to renew its use of a Dealing Desk, it may, prior to such date as may be specified, apply to the Exchange for the following:
- (ii) [Repealed]

- (3) (a) (i) [Repealed]
- (b) [Repealed]
- 365. (1) An Exchange Participant upon payment of a fee to be determined by the Board from time to time shall in respect of each Stock Exchange Trading Right held be entitled to:
 - (ii) [Repealed]
- (4) (a) [Repealed]
- (5) An Exchange Participant seeking to locate its BSS or NSTD in any address must:
- (6) An Exchange Participant shall be solely responsible and liable for the granting, monitoring and supervision of access to its BSS, NSTD and any Central Gateway session or Backup Central Gateway session designated to it.
- (7) An Exchange Participant shall ensure that only the Exchange Participant and its Authorised Persons, as the case may be, can have access to and operate any Central Gateway session or Backup Central Gateway session designated to it.
- (8) [Repealed]
- 365B. [Repealed]

Throttle-on-Demand Scheme

- 365D. (1) An Exchange Participant with a Central Gateway session may apply to the Exchange for a temporary increase in the throughput rate of an order or a Central Gateway message into the System on a daily or monthly basis (the “Throttle-on-Demand Scheme”) and such application shall be subject to the approval of the Exchange. Any temporary increase in the throughput rate shall be for a single or multiples of a standard Central Gateway throttle rate.
- (2) The Exchange may impose a maximum number of standard Central Gateway throttle rates that may be granted to an Exchange Participant under the Throttle-on-Demand Scheme.
- 366. [Repealed]

CHAPTER 4

**FINANCIAL RESOURCES RULES
AND ACCOUNTING REQUIREMENTS**

Right to Demand Documents

429. (1) Every Exchange Participant shall within 14 calendar days, or such other period as the Board or any designated HKEX staff may specify, of the receipt of a written demand from the Board or the designated HKEX staff, submit to the Board or any designated HKEX staff such books, records and other documents as the Board or any designated HKEX staff may demand.

Power to Carry Out Inspection

430. (1) Any designated HKEX staff or such persons appointed by the Board may from time to time inspect and copy the books, records and documents maintained by the Exchange Participant relating to its business and financial position. Every Exchange Participant shall provide or allow such designated HKEX staff or appointed persons access to its premises, books, records and documents necessary for the discharging of his or their duty whether such inspection is with or without prior notice.
- (3) An Exchange Participant shall not be entitled to claim against the Exchange, the Board, any designated HKEX staff or any appointed person for any loss or damages whatsoever relating to the inspection under Rule 430(1).

431. **Power and Obligation of the Person Authorized by the Exchange to Carry Out Inspection**

- (3) All accounts and other information obtained by the person who carries out the inspection under Rule 430(1) under these Rules shall be retained by the Exchange and shall be regarded as confidential and disclosure of information contained or derived therefrom shall not be made to any body or persons without the prior approval of the Exchange Participant except that the Board may disclose the information without such prior approval:-
- (l) to the chief executive or the chief operating officer of HKEX for the time being appointed or deemed to have been appointed in accordance with the Ordinance or, as the context may require, their designees; and
- (m) to any exchange, regulatory authority or any organization (whether within or outside Hong Kong) with which HKEX or the Exchange has entered into an information sharing arrangement or agreement.

CHAPTER 5

TRADING

Operational Trading Rules

Quotations

505. Rules 506, 506A, 507 and 507A do not apply to auction orders and such orders can only be input into the System during the Pre-opening Session subject to Rule 501G or the Closing Auction Session subject to Rule 501L. Limit orders, enhanced limit orders and special limit orders can only be input into the System during the trading hours prescribed in Rule 501(1) provided that, if applicable, such orders in respect of the Extended Trading Securities can also be input into the System during the Extended Morning Session. For the avoidance of doubt,
- (1) if an order is input into the System through the Central Gateway session designated to an Exchange Participant, the order is taken for all purposes under these Rules to have been input into the System by and with the knowledge of the Exchange Participant; and
 - (2) if an order is input into the System through the Special Participant Central Gateway session or Backup Special Participant Central Gateway session designated to a Special Participant, the order is taken for all purposes under these Rules to have been input into the System by and with the knowledge of the Special Participant.

Password, Access Card and Trading Records

529. It is the duty of every Exchange Participant and its Authorised Persons to keep confidential the password and to keep the Access Cards in safe custody. Under no circumstances shall the Exchange Participant distribute or disclose any password to any other person other than its Authorized Person.
530. Under no circumstances may an Exchange Participant enquire into another Exchange Participant's trading records, or use or attempt to use another Exchange Participant's password, Access Card, terminal, telephone or other equipment.

Disclosure of Information about Clients

537. (1) An Exchange Participant shall, upon the request of the Board or any designated HKEX staff disclose (or where appropriate, cause its clients to disclose) to the Board or such designated HKEX staff, all information regarding the identity of a client about which the Exchange Participant is required to be satisfied on reasonable grounds in accordance with the SFC Code of Conduct and the Client Identity Guidance Note, within such period as is specified in the Client Identity Guidance Note. Such information includes the identity, address and contact details of the person or entity (legal or otherwise) ultimately responsible for originating the instruction in relation to a transaction (and the instruction given)

and of the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the transaction and/or bear its commercial or economic risk and such other information as the Board or any designated HKEX staff may request.

TSF Stocks

- 563I. HKSCC may establish and maintain a list of TSF Stocks designated as eligible to be traded on the Exchange with the support of the TSF. The list of TSF Stocks may be amended by HKSCC from time to time in its absolute discretion. HKSCC may publish the list of TSF Stocks on the HKEX website or by such other means as it considers appropriate.

RMB FX Rates

- 563N. On any trading day when the FX Services are available and when the TSF has not been temporarily suspended or ceased to operate, the following rates will be published on the HKEX website or by such other means as HKSCC considers appropriate:

Temporary Suspension of TSF

- 563Q. (3) If HKSCC decides to suspend all or part of the FX Services, it shall publish an announcement, on the HKEX website and/or by such other means as HKSCC considers appropriate, stating which part of the FX Services will be suspended, whether any TSF Exchange Trade, TSF FX Transaction or Stock Release FX Transaction will be affected, the effective date and time of suspension and any other information as HKSCC shall consider appropriate.

Cessation of Operation of TSF

- 563R. HKSCC may, in its sole and absolute discretion, decide to cease the operation of the TSF permanently, with immediate effect or otherwise by publishing an announcement on the HKEX website or by such other means as HKSCC considers appropriate.

Power of the Board to Investigate and Demand Documents

569. (1) The Board shall designate any HKEX staff or authorize any other person from time to time when it thinks fit to carry out investigation at the registered business address of a Participant and any other locations at which it carries out its business of dealing in securities or order routing, as the case may be, and to make enquiries relating to the business of a Participant to determine whether or not the Participant has complied with the provisions of these Rules.

Disclosure of Information

- 569A. The Board shall regard information concerning a Participant as confidential. Disclosure of such information shall not be made to any person without the prior approval of the Participant except that the Board may disclose the information without such prior approval:

- (c) to any exchange, regulatory authority or any organization (whether within or outside Hong Kong) with which HKEX or the Exchange has entered into an information sharing arrangement or agreement;
 - (l) to the chief executive or the chief operating officer of HKEX for the time being appointed or deemed to have been appointed in accordance with the Ordinance or, as the context may require, their designees; and
- 569B. The Board may direct a Participant to provide it with any information requested by an exchange, regulatory authority or an organization (whether within or outside Hong Kong) with which HKEX or the Exchange has entered into an information sharing arrangement or agreement.

Emergency

572. If in the opinion of the Board or of the HKEX board the functioning of the Trading Hall or the System is, or is threatened or likely to be, severely and adversely affected by an emergency, including but not limited to fire, epidemic or other casualty or accident, typhoon, rainstorm, earthquake, natural disaster, power failures, communications breakdowns, computer malfunction, war, riot, civil commotion, labour strike, terrorist attack and other similar events, the Board shall have full authority to take such action as the Board may in its absolute discretion deem necessary or appropriate to deal with such emergency or as directed by HKEX board. Under no circumstances shall the Exchange or HKEX be responsible for damages arising from any such emergency or any action taken by the Exchange in respect thereto.

Exchange Participants trading through China Connect Exchange Participants

590. (2) An Exchange Participant who wishes to buy or sell China Connect Securities for the account of its clients through the use of the China Connect Service shall, in respect of each China Connect Market, submit to the Exchange a declaration in the form and manner prescribed by the Exchange from time to time confirming such matters as the Exchange may require, including the Exchange Participant's awareness of and ability and undertaking to comply with applicable laws in respect of the trading of China Connect Securities. The Exchange may prescribe different declaration forms with respect to different China Connect Markets. From time to time, the Exchange may, but is not obliged to, publish on the HKEX website or by such other means as it considers appropriate a list of Exchange Participants who have submitted declarations to the Exchange under this Rule 590(2). An Exchange Participant shall not provide instructions to a China Connect Exchange Participant, whether directly or indirectly, to buy or sell China Connect Securities for the account of its clients before its name is included in such published list of Exchange Participants.

CHAPTER 7

DISCIPLINARY

Disciplinary Powers

702. In addition to any other action that the Exchange may take, the Board may exercise any of the following disciplinary powers:-

- (14) to suspend, withdraw or revoke a Securities Market Maker's and/or a Structured Product Liquidity Provider's access to the System through a Market Making Central Gateway session on such terms and for such period as the Board shall think fit;

Situations Calling for Disciplinary Action

723. (2) Without prejudice to the generality of the foregoing, the Board and the Chief Executive may exercise their disciplinary powers against a Participant in the following instances, in such manner as they think fit, if the Participant:-

- (k) makes a material mis-statement to the Board, any Committee, the Chief Executive, the Exchange, an SEHK Subsidiary (if applicable), any designated HKEX staff, a recognized exchange controller which is the controller of the Exchange, or their respective employees or officers, where appropriate;
- (n) refuses to appear before the Board, any Committee, the Chief Executive, the Exchange, any designated HKEX staff or a recognized exchange controller which is the controller of the Exchange when being called upon;
- (p) refuses to grant access to its registered business address and any other locations, at which it carries out its business of dealing in securities or order routing, or make available all information, books, records and documents as may be required by any designated HKEX staff, appointed officers or employees of the Exchange, an SEHK Subsidiary (if applicable) or a recognized exchange controller which is a controller of the Exchange or any other authorized person in the course of any inspection provided for by these Rules;
- (q) makes use of or reveals any confidential information obtained by reason of participating in any investigative proceedings or hearing, or revealed to it confidentially by the Board, any Committee, the Chief Executive, any designated HKEX staff, employees or officers of the Exchange, an SEHK Subsidiary or a recognized exchange controller which is a controller of the Exchange;

- (cc) fails to provide information requested by an exchange, regulatory authority or an organization with which HKEX or the Exchange has entered into an information sharing arrangement or agreement;

CHAPTER 8

PAYMENT OF FEES AND CHARGES

802. Without limitation to the generality of Rule 801 above, the Board may impose fees and charges in respect of:-

<u>Fee Type</u>	<u>Amount (HK\$)</u>
(14) [Repealed]	
(16) monthly user fee for:	
(b) a China Connect Open Gateway, a Backup China Connect Open Gateway;	1,250
(c) [Repealed]	
(f) [Repealed]	
(g) [Repealed]	
(h) [Repealed]	
(i) [Repealed]	
(l) [Repealed]	
(m) [Repealed]	
(n) [Repealed]	
(16J) application for the throughput rate of a China Connect Open Gateway or application for an increase in the throughput rate of a China Connect Open Gateway;	50,000 for each standard China Connect throttle rate
(16K) [Repealed]	

- 802A. Without limitation to the generality of Rule 801 above, the Board may impose fees and charges in relation to the Central Gateway as follows:-

<u>Fee Type</u>	<u>Amount (HK\$)</u>
(1) administration fee for each Central Gateway session, Market Making Central Gateway session and Backup Central Gateway session applied for under Rule 365(1), 364B(3)(c), 365C(2), 364AA(1)(a), 364AA(1)(b), Rule 15(b) of the Fourteenth Schedule or Rule 5(b) of the Eighteenth Schedule	20,000 for each session
(3) in addition to any one-time fee specified above, a monthly fee for:	
(a) the use of a Central Gateway session, Market Making Central Gateway session or Backup Central Gateway session as follows depending on the number of standard Central Gateway throttle rates assigned, other than any standard Central Gateway throttle rates assigned under the Throttle-on-Demand Scheme:	
(i) low capacity	Central Gateway session: 2,000 for the first session for trading or backup, 7,500 for each additional session
- up to 20 standard Central Gateway throttle rates	Market Making Central Gateway session: 7,500 for each session for trading or backup

802B. Without limitation to the generality of Rule 801 above, the Board may impose fees and charges in relation to the China Connect Central Gateway as follows:-

<u>Fee Type</u>	<u>Amount (HK\$)</u>
(1) administration fee for each China Connect Central Gateway session and Backup China Connect Central Gateway session applied for under Rule 1410(1) or Rule 1413(5)	20,000 for each session
(2) an increase in the China Connect Central Gateway throughput rate applied for under Rule 1413	50,000 for each standard China Connect Central Gateway throttle rate
(3) in addition to any one-time fee specified above, a monthly fee for:	

- (a) the use of a China Connect Central Gateway session or Backup China Connect Central Gateway session as follows depending on the number of standard China Connect Central Gateway throttle rates assigned:
- | | | |
|-------|--|---|
| (i) | low capacity
- up to 20 standard China Connect Central Gateway throttle rates | China Connect Central Gateway session: 2,000 for the first session for trading or backup, 7,500 for each additional session |
| (ii) | standard capacity
- 21 to 60 standard China Connect Central Gateway throttle rates | 10,000 |
| (iii) | high capacity
- 61 to 100 standard China Connect Central Gateway throttle rates
- 101 to 150 standard China Connect Central Gateway throttle rates
- 151 to 200 standard China Connect Central Gateway throttle rates
- 201 to 250 standard China Connect Central Gateway throttle rates | 15,000
20,000
25,000
30,000 |
| (b) | an increase in the throughput rate of a message into the CSC through a new/an existing China Connect Central Gateway session under Rule 1413; | 960 for each standard China Connect Central Gateway throttle rate |
| (c) | China Connect Drop-Copy session or Backup China Connect Drop-Copy session | 4,500 for each session, except that there shall be no charge for the first session |

CHAPTER 14

CHINA CONNECT SERVICE

The China Connect Service

1403. (1) For the purposes of establishing and operating a Trading Link referred to in Rule 1401(1), the Exchange may enter into arrangements, upon such terms and conditions as the Exchange considers appropriate, with an SEHK Subsidiary pursuant to which the SEHK Subsidiary will provide services to China Connect Exchange Participants for the routing of China Connect orders to a China Connect Market System. Where such services are provided, China Connect orders input by a China Connect Exchange Participant into the CSC via a China Connect Open Gateway or via a China Connect Central Gateway session will, subject to these Rules, be routed to the relevant China Connect Market System by the SEHK Subsidiary for automatic matching and execution. Any reference in these Rules to “through the China Connect Service” or “through the use of the China Connect Service” shall, unless the context otherwise requires, be construed accordingly.

China Connect Exchange Participants and Eligibility Criteria for Registration

1406. (6) The Exchange may publish the China Connect Exchange Participant Registration Criteria and a list of the China Connect Exchange Participants registered from time to time on the HKEX website or by such other means as it considers appropriate.

China Connect Securities, Special China Connect Securities and China Connect Markets

1409. (1) The Exchange may establish and maintain the following lists and may publish them on the HKEX website or by such other means as it considers appropriate:

China Connect Open Gateway, Backup China Connect Open Gateway, China Connect Central Gateway Session and Backup China Connect Central Gateway Session

1410. (1) In order to access the CSC or use the China Connect Service, a China Connect Exchange Participant must apply to the Exchange in the prescribed form for:
- (a) one or more China Connect Open Gateways, and in respect of each China Connect Open Gateway applied for, a single standard China Connect throttle rate or multiples of a standard China Connect throttle rate for assignment to the China Connect Open Gateway, provided that during the China Connect Central Gateway transitional period,

the Exchange may only approve such application by a China Connect Exchange Participant which already has one or more China Connect Open Gateways; and/or

- (b) [Repealed]
 - (c) one or more China Connect Central Gateway sessions, and in respect of each China Connect Central Gateway session applied for, a single standard China Connect Central Gateway throttle rate or multiples of a standard China Connect Central Gateway throttle rate for assignment to the China Connect Central Gateway session.
- (2) A China Connect Exchange Participant which has connected a China Connect Open Gateway with its BSS to access the CSC in accordance with Rule 1411(1) may, subject to Rule 1414(1), apply to the Exchange in the prescribed form for a Backup China Connect Open Gateway to backup such China Connect Open Gateway. A China Connect Exchange Participant which has connected its BSS with the China Connect Central Gateway via its China Connect Central Gateway session in accordance with Rule 1411(1) may, subject to Rule 1414(1), apply to the Exchange in the prescribed form for a Backup China Connect Central Gateway session to backup such China Connect Central Gateway session.
1411. (1) Upon approval of an application made under Rule 1410(1) or Rule 1413(5), a China Connect Exchange Participant may, as applicable:
- (a) connect its BSS with the China Connect Open Gateway and connect the China Connect Open Gateway with the CSC; or
 - (b) [Repealed]
 - (c) connect its BSS with the China Connect Central Gateway via its China Connect Central Gateway session.
- (2) Where an application for a Backup China Connect Open Gateway or a Backup China Connect Central Gateway session under Rule 1410(2) is approved, the Backup China Connect Open Gateway or the Backup China Connect Central Gateway session shall be used for backup purposes in accordance with Rule 1414.
- (3) A China Connect Exchange Participant shall comply with all such terms and conditions and pay all such fees and charges as the Exchange may prescribe from time to time with respect to the use of a China Connect Open Gateway, a standard China Connect throttle rate, a Backup China Connect Open Gateway, a China Connect Central Gateway session, a standard China Connect Central Gateway throttle rate and/or a Backup China Connect Central Gateway session.
1412. (1) Notwithstanding Rules 1411, 1413(5) and 1414, the Exchange has the right to suspend, withdraw or revoke a China Connect Exchange Participant's use of a China Connect Open Gateway, a Backup China Connect Open Gateway, a

China Connect Central Gateway session or a Backup China Connect Central Gateway session or access to the CSC on such terms and for such period as the Exchange thinks fit, whether requested by the China Connect Exchange Participant or not.

- (2) A China Connect Exchange Participant may request the Exchange to suspend, withdraw or revoke its use of any China Connect Open Gateway, Backup China Connect Open Gateway, China Connect Central Gateway session, Backup China Connect Central Gateway session or access to the CSC any time.
- (4) A China Connect Exchange Participant shall ensure that only it or its Authorized Persons can operate or have access to a China Connect Open Gateway, a Backup China Connect Open Gateway, a China Connect Central Gateway session or a Backup China Connect Central Gateway session, and shall be solely responsible and liable for monitoring and supervising such grant of access and operation by it or its Authorized Persons. A China Connect Exchange Participant shall be fully liable for any consequences resulting from any unauthorized use of its China Connect Open Gateway, Backup China Connect Open Gateway, China Connect Central Gateway session or a Backup China Connect Central Gateway session.
- (7) A China Connect Exchange Participant shall submit to the Exchange a declaration in a form prescribed by the Exchange from time to time in relation to its BSS:
 - (a) prior to the connection or re-connection of its BSS to the CSC via a China Connect Open Gateway or to the China Connect Central Gateway via a China Connect Central Gateway session; and
 - (b) prior to the implementation of material changes to its BSS or at any time as required by the Exchange during any period that its BSS is connected to the CSC or the China Connect Central Gateway.

Increase and Transfer of China Connect Open Gateway Throughput Rate and China Connect Central Gateway Throughput Rate

- 1413.
- (1) The Exchange may, upon the application of a China Connect Exchange Participant, approve the increase of the throughput rate of a China Connect order into the CSC via a China Connect Open Gateway or a China Connect Central Gateway session. An application for an increase in the throughput rate shall be for a standard China Connect throttle rate, multiples of a standard China Connect throttle rate, a standard China Connect Central Gateway throttle rate or multiples of a standard China Connect Central Gateway throttle rate.
 - (2) The Exchange may, upon the application of a China Connect Exchange Participant that has more than one China Connect Open Gateway, approve the transfer of any standard China Connect throttle rate assigned to one of its China Connect Open Gateways to another China Connect Open Gateway of the China Connect Exchange Participant. The Exchange may, upon the

application of a China Connect Exchange Participant that has more than one China Connect Central Gateway session, approve the transfer of any standard China Connect Central Gateway throttle rate assigned to one of its China Connect Central Gateway sessions to another China Connect Central Gateway session of the China Connect Exchange Participant.

- (3) The Exchange may, upon the application of a China Connect Exchange Participant, approve the transfer of any standard China Connect throttle rate assigned to an existing China Connect Open Gateway of such China Connect Exchange Participant to a new China Connect Open Gateway of such China Connect Exchange Participant approved under Rule 1413(5). The Exchange may, upon the application of a China Connect Exchange Participant, approve the transfer of any standard China Connect Central Gateway throttle rate assigned to an existing China Connect Central Gateway session of such China Connect Exchange Participant to a new China Connect Central Gateway session of such China Connect Exchange Participant approved under Rule 1413(5).
- (4) The Exchange may, upon the application of a China Connect Exchange Participant, approve the transfer of any standard China Connect throttle rate assigned to a China Connect Open Gateway or any standard China Connect Central Gateway throttle rate assigned to a China Connect Central Gateway session of such China Connect Exchange Participant to a China Connect Open Gateway or a China Connect Central Gateway session, as applicable, of any of its group companies.
- (5) The Exchange may, upon the application of a China Connect Exchange Participant which already has a China Connect Open Gateway, approve the application of the China Connect Exchange Participant for a new China Connect Open Gateway. The Exchange may, upon the application of a China Connect Exchange Participant which already has a China Connect Central Gateway session, approve the application of the China Connect Exchange Participant for a new China Connect Central Gateway session.

Use of Backup China Connect Open Gateway and Backup China Connect Central Gateway session

1414. (1) The number of Backup China Connect Open Gateways that a China Connect Exchange Participant may apply for under Rule 1410(2) must not exceed the total number of China Connect Open Gateways connected to the CSC at the time of the application. The number of standard China Connect throttle rates to be assigned to a Backup China Connect Open Gateway for the backup of a China Connect Open Gateway must be the same as the number of standard China Connect throttle rates assigned to that China Connect Open Gateway. The number of Backup China Connect Central Gateway sessions that a China Connect Exchange Participant may apply for under Rule 1410(2) must not exceed the total number of China Connect Central Gateway sessions connected to the China Connect Central Gateway at the time of the application. The number of standard China Connect Central Gateway throttle rates to be assigned to a Backup China Connect Central Gateway session for the backup of a China Connect Central Gateway session must be the same as

the number of standard China Connect Central Gateway throttle rates assigned to that China Connect Central Gateway session.

- (4) Notwithstanding anything to the contrary contained in these Rules, upon activation of a Backup China Connect Open Gateway, such Backup China Connect Open Gateway shall for the purposes of these Rules be deemed as a “China Connect Open Gateway” as defined and shall be used as such by the China Connect Exchange Participant until such time as it is returned by the Exchange to the "non-trading" mode. Notwithstanding anything to the contrary contained in these Rules, upon activation of a Backup China Connect Central Gateway session by the China Connect Exchange Participant, such Backup China Connect Central Gateway session shall for the purposes of these Rules be deemed as a “China Connect Central Gateway session” as defined and shall be used as such by the China Connect Exchange Participant until such time as it is returned by the China Connect Exchange Participant to the "non-trading" mode.

Operational Hours of the China Connect Service

1415. (1) The Exchange has absolute discretion to determine from time to time the operational hours of the China Connect Service, including the arrangements relating to the hoisting and lowering of Typhoon Signals and the issuance and cancellation of Black Rainstorm Warnings. The Exchange will prescribe the operational hours and related arrangements of the China Connect Service by making rules or through publication on the HKEX website or such other means as the Exchange considers appropriate. Different operational hours and arrangements may be prescribed in respect of different China Connect Markets.
- (2) The Exchange has absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice, whether on a temporary basis, due to operational needs, inclement weather, under emergency situations or otherwise. Except in the case of emergency, changes will be announced on the HKEX website or through such other means as the Exchange considers appropriate.

Order Input and Transactions Executed Through the China Connect Service

1416. For China Connect orders to be routed to a China Connect Market for automatic matching and execution, a China Connect Exchange Participant must input such China Connect orders into the CSC via a China Connect Open Gateway and/or via a China Connect Central Gateway session connected with its BSS. A China Connect Exchange Participant shall at all times be responsible for all the China Connect orders routed through its China Connect Open Gateways and its China Connect Central Gateway sessions to the relevant China Connect Market irrespective of whether the China Connect orders are executed on the China Connect Market System or not. Where China Connect orders are executed, a China Connect Exchange Participant shall bear responsibility for the China Connect Securities Trades.
1417. The Exchange has absolute discretion to determine the types of China Connect orders that may be input by a China Connect Exchange Participant. Such order types may

differ for different China Connect Markets and/or different China Connect Securities. The Exchange will prescribe or change the order types to be used for a China Connect Market by making rules or through publication on the HKEX website or such other means as the Exchange considers appropriate.

1418. Without limiting Rule 1417, China Connect Exchange Participants must input China Connect orders in accordance with and subject to the scale of spreads, limitations on lot size, price limit, order size and other quotation requirements or restrictions (including but not limited to shareholding restrictions, restrictions on turnaround trading arrangements and any form of circuit breaker mechanism) set by the China Connect Market Operator for or otherwise applicable to the relevant China Connect Market from time to time. Different quotation requirements or restrictions may apply to different China Connect Markets and different China Connect Securities. The Exchange will set out such requirements or restrictions as are communicated to the Exchange by the relevant China Connect Market Operator by making rules or through publication on the HKEX website or such other means as it considers appropriate. The Exchange has the power to reject China Connect orders that do not comply with the relevant requirements and restrictions. Further, the Exchange has absolute discretion to prescribe additional quotation requirements or restrictions under Rule 1430.
1420. Unless the Exchange otherwise determines, all inputs into the CSC via a China Connect Open Gateway and/or via a China Connect Central Gateway session of a China Connect Exchange Participant are valid and binding on the China Connect Exchange Participant subject to these Rules, and by inputting a China Connect order into the CSC, a China Connect Exchange Participant is deemed to have authorised the relevant SEHK Subsidiary to route such China Connect order through the China Connect Service to the relevant China Connect Market System for automatic matching and execution. A China Connect Exchange Participant shall be responsible for the accuracy of all information and messages input into the CSC via a China Connect Open Gateway and/or via a China Connect Central Gateway session of the China Connect Exchange Participant, and it is deemed to have authorised and have knowledge of all inputs that bear the China Connect Exchange Participant's unique identifier.
1422. A China Connect order input by a China Connect Exchange Participant may, subject to the rules of the relevant China Connect Market Operator that apply to the relevant SEHK Subsidiary (including without limitation any form of circuit breaker mechanism), be cancelled at the request of the China Connect Exchange Participant through the input of a cancellation request into the CSC via a China Connect Open Gateway or via a China Connect Central Gateway session provided that such China Connect order has not been matched or executed by the relevant China Connect Market System. No China Connect order is regarded as cancelled unless and until a cancellation confirmation has been issued by the relevant China Connect Market System. Neither the Exchange nor the relevant SEHK Subsidiary shall have any liability in the event that a China Connect order which a China Connect Exchange Participant has requested be cancelled is not cancelled for any reason whatsoever.

Quotas on the Trading of China Connect Securities

1426. Relevant governmental or regulatory bodies may impose quotas on the trading of China Connect Securities from time to time depending on market conditions and readiness, the level of cross-boundary fund flows, stability of the markets and other factors and

considerations. Where quotas are imposed in respect of a China Connect Market, the Exchange will prescribe relevant details including the quota limit, level of quota utilisation, balance of available quota and the applicable restrictions and arrangements by making rules or through publication on the HKEX website or such other means as the Exchange considers appropriate.

Fees and Charges on the Trading of China Connect Securities

1429. China Connect Exchange Participants shall pay all fees, charges, levies and taxes payable in respect of the buying and selling of China Connect Securities as required by the relevant China Connect Market Operator and applicable laws from time to time. The Exchange will provide information on such fees, charges, levies and taxes payable in respect of a China Connect Market as are communicated to it by the relevant China Connect Market Operator and the manner of collection by making rules or through publication on the HKEX website or such other means as the Exchange considers appropriate.

Conditions and Restrictions on the Use of the China Connect Service

1430. The Exchange has absolute discretion to impose or amend conditions or restrictions for access to or the use of the China Connect Service from time to time for the purpose of ensuring that the trading of China Connect Securities will not contravene applicable laws or for any other reasons which the Exchange considers appropriate. To comply with applicable laws in Mainland China and the requirements of the relevant China Connect Market Operator, such conditions or restrictions may include requirements to comply with certain shareholding thresholds and disclosure obligations, any form of circuit breaker mechanism, conditions in conducting margin trading, stock borrowing and lending and short selling activities, restrictions in conducting off-exchange transactions, and obligations to alert investors of investment risk and their obligations to comply with applicable laws, and to communicate with investors on regulatory warnings or investigations. Different conditions or restrictions may be prescribed in respect of different China Connect Securities and China Connect Markets. The Exchange will prescribe the conditions or restrictions or change of such conditions or restrictions by making rules or through publication on the HKEX website or such other means as the Exchange considers appropriate. China Connect Exchange Participants shall comply with the conditions and restrictions in all respects.

Compliance with Applicable Laws and the Rules

1434. For informational purposes only, the Exchange may publish or make available on the HKEX website or through such other means as the Exchange considers appropriate a list of laws, rules and regulations of Mainland China which may be relevant to the trading of China Connect Securities on the relevant China Connect Market. Publication of such list by the Exchange shall be for ease of reference only and shall not be regarded as the giving of legal or professional advice by the Exchange to any China Connect Market Participants. The Exchange does not make any representations or warranties as to the accuracy, completeness, suitability or timeliness of any of the information included in such list and does not accept any liability for any person's reliance or use of the information. Each China Connect Exchange Participant shall be responsible on an ongoing basis for seeking its own advice with regard to compliance with applicable laws as may be in force from time to time.

Suspension, Restriction and Cessation of Operation of the China Connect Service, and Emergency Arrangements

1438. (3) If the Exchange or an SEHK Subsidiary decides to suspend or restrict the China Connect Service or any part thereof under Rule 1438(1), the Exchange shall (except in the case of emergency) publish an announcement on the HKEX website or by such other means as the Exchange considers appropriate, stating the nature of the suspension or restriction, the effective date and time of suspension or restriction and any other information as the Exchange considers appropriate.
1440. The Exchange or the relevant SEHK Subsidiary (with the agreement of the Exchange) may, in respect of any or all of the China Connect Markets (in the case of the Exchange) and in respect of the relevant China Connect Market (in the case of the SEHK Subsidiary), decide to cease the provision of the China Connect Service and the relevant part or parts of the operation of the CSC permanently, with immediate effect or otherwise by publishing an announcement on the HKEX website or through such other means as the Exchange considers appropriate. Subject to the requirements of the relevant governmental or regulatory bodies, the Exchange and the relevant China Connect Market Operator will cooperate to implement the winding-down arrangements in respect of the relevant Trading Link as the Exchange and the relevant China Connect Market Operator may from time to time agree.

Responsibilities of the Exchange and the SEHK Subsidiaries

1442. In allowing access to the CSC or making the China Connect Service available, the Exchange and the SEHK Subsidiaries are only providing the system connection arrangements and related services to facilitate the trading of China Connect Securities on the relevant China Connect Market System. The Exchange, HKEX and the SEHK Subsidiaries and their respective directors, employees and agents shall not be liable for any obligation with respect to a transaction concluded through the use of the China Connect Service, and all obligations in relation to or arising from any China Connect order or any transaction concluded through the use of the China Connect Service shall be borne by the China Connect Exchange Participant concerned. In addition to any indemnities given by a China Connect Exchange Participant as an Exchange Participant under these Rules, a China Connect Exchange Participant shall fully indemnify the Exchange, HKEX, the relevant SEHK Subsidiary and HKSCC and their respective directors, employees and agents and keep each of them indemnified against all third party claims, actions and proceedings in relation to or arising from, directly or indirectly, any China Connect order routed to a China Connect Market for execution or any transaction concluded through the use of the China Connect Service by the China Connect Exchange Participant and for all losses, damages, costs and expenses incurred by the Exchange, HKEX, the relevant SEHK Subsidiary and HKSCC and their directors, employees and agents in relation to such claims, actions and proceedings.
1443. The Exchange, HKEX and the SEHK Subsidiaries, and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by a China Connect Exchange Participant, its clients or any third parties arising from or in connection with the China Connect Service or the CSC including, without limitation, the following:

- (7) any delay or failure to execute, or any error in matching or executing any, China Connect order due to reasons beyond the control of the Exchange, HKEX or the SEHK Subsidiaries including but not limited to any action or decision taken or made, or not taken or made, by any China Connect Market Operator or a relevant governmental or regulatory body;
- (10) any consequences arising from unauthorized access to the CSC via the China Connect Open Gateway, Backup China Connect Open Gateway, China Connect Central Gateway session or Backup China Connect Central Gateway session of a China Connect Exchange Participant;
- (13) the taking of any action or the exercise of any discretion, or not doing so, by the Exchange, HKEX or an SEHK Subsidiary pursuant to these Rules or otherwise.

CHAPTER 14A

CHINA CONNECT SERVICE – SHANGHAI

Operational Hours of the China Connect Service in relation to SSE

- 14A03. (5) If Shanghai is or may be affected by severe weather conditions on a CSC trading day and an announcement on the adjustment of SSE trading hours is made by SSE, the Exchange will, as soon as practicable after SSE issues an announcement, publish a corresponding announcement on the HKEX website or through such other means as the Exchange considers appropriate, informing the market of the adjustment to the operational hours of the China Connect Service.

Suspension of trading on A shares and H shares

- 14A06. (11) Where any H shares with corresponding A shares accepted as China Connect Securities are suspended from trading on the Exchange but the China Connect Securities are not suspended from trading on the SSE, the China Connect Service will normally remain available for routing China Connect sell orders and China Connect buy orders for such China Connect Securities to the SSE Market System for execution. The Exchange, however, reserves its discretion to restrict or suspend the China Connect Service for trading in such China Connect Securities and will publish an announcement on the HKEX website or through such other means as it considers appropriate accordingly. For the avoidance of doubt, the Exchange will restrict or suspend the China Connect Service for trading in such China Connect Securities if it is so directed or required by a relevant governmental or regulatory body.

Quota Management

- 14A07. (14) If there is any change in the operational procedures relating to the quota limits and related arrangements as set out in this Rule 14A07, the Exchange will publish the details on the HKEX website or through such other means as the Exchange considers appropriate.

Fees and Taxes

- 14A11. (3) Where SSE, the relevant China Connect Clearing House, any relevant governmental or regulatory body or applicable law imposes any other fees, charges, levies or taxes on or in relation to the sale and purchase of China Connect Securities which are required to be paid or collected by the Exchange, the SEHK Subsidiary and/or HKSCC, China Connect Exchange Participants shall be responsible for paying (for themselves or on behalf of their clients) all such fees, charges, levies and taxes to the Exchange, the SEHK Subsidiary and/or HKSCC for onward payment to SSE, the relevant China Connect Clearing House or the relevant governmental or regulatory body. For the avoidance of doubt, where any China Connect Exchange Participant fails to pay any such fees, charges, levies or taxes, the indemnity referred to in Rule 1442 applies. The Exchange will provide relevant information regarding such fees, charges, levies and taxes (including, where applicable, the manner of payment, collection and the filing or registration requirements) as are communicated to it by SSE, the relevant China Connect Clearing House or the relevant governmental or regulatory body through publication on the HKEX website or such other means as the Exchange considers appropriate.

14A15. **List of Eligible SSE Securities for Margin Trading**

- (3) The Exchange will publish the List of Eligible SSE Securities for Margin Trading on the HKEX website or through such other means as it considers appropriate and may update or amend the list from time to time. Unless the Exchange otherwise determines, the List of Eligible SSE Securities for Margin Trading will be compiled by reference to SSE's list of eligible stocks for margin trading for the SSE Market, excluding Special China Connect Securities.

Suspension and Resumption of SSE Securities Margin Trading

- (4) Where the volume of margin trading activities in respect of any eligible China Connect Security exceeds the margin trading threshold prescribed by SSE, and SSE decides to suspend or has suspended margin trading activities in respect of that China Connect Security in the SSE Market, the Exchange may, as soon as practicable after being notified by SSE, require any or all China Connect Exchange Participants to stop or suspend carrying out any further Margin Trading in respect of that China Connect Security through the publication of a notice on the HKEX website or such other means as the Exchange considers appropriate. Margin Trading of the relevant China Connect Securities by China Connect Exchange Participants shall not resume until SSE has allowed margin trading activities on the relevant China Connect

Securities to resume in the SSE Market; after SSE has notified the Exchange of the resumption, and after the Exchange has published a notice to that effect. China Connect Exchange Participants shall comply with the restrictions set out in this Rule 14A15(4) and all relevant notices issued pursuant to this Rule. For the avoidance of doubt, China Connect buy orders involving Margin Trading of China Connect Securities (whether they have been executed on the SSE System prior to the suspension taking effect or not) will not be affected.

List of Eligible SSE Securities for Short Selling

- 14A17. (4) The Exchange will publish the List of Eligible SSE Securities for Short Selling on the HKEX website or through such other means as it considers appropriate and may update or amend the list from time to time. Unless the Exchange otherwise determines, the List of Eligible SSE Securities for Short Selling will be compiled by reference to SSE's list of eligible stocks for short selling for the SSE Market, excluding Special China Connect Securities.

Short Selling Ratio Limits

- (15) The Exchange will publish on the HKEX website or through such other means as the Exchange considers appropriate the following information:

Reporting Requirements

- (19) The reports referred to in each of Rules 14A17(17) and 14A17(18) shall be in a prescribed form and contain such particulars as the Exchange may require. The Exchange may publish on the HKEX website, or via other channels as it deems appropriate, any information submitted by China Connect Exchange Participants on an aggregate and no-names basis.

Suspension and Resumption of Short Selling Activities

- (21) Notwithstanding any other provision in this Rule 14A17, where SSE decides to suspend or has suspended short selling activities in respect of a Short Selling Security in the SSE Market, the Exchange may, as soon as practicable after being notified by SSE, require any or all China Connect Exchange Participants to stop inputting Short Selling orders, through the publication of a notice on the HKEX website or such other means as the Exchange considers appropriate. Short Selling of the relevant Short Selling Securities by China Connect Exchange Participants shall not resume and China Connect Exchange Participants shall not submit Short Selling orders until the Exchange are notified by SSE that short selling of the relevant Short Selling Securities will resume in the SSE Market, and after the Exchange has published a notice on the HKEX website to that effect. China Connect Exchange Participants shall comply with the restrictions set out in this Rule and all relevant notices issued pursuant to this Rule.

CHAPTER 14B

CHINA CONNECT SERVICE - SHENZHEN

Operational Hours of the China Connect Service in relation to SZSE

- 14B03. (6) If Shenzhen is or may be affected by severe weather conditions on a CSC trading day and an announcement on the adjustment of SZSE trading hours is made by SZSE, the Exchange will, as soon as practicable after SZSE issues an announcement, publish a corresponding announcement on the HKEX website or through such other means as the Exchange considers appropriate, informing the market of the adjustment to the operational hours of the China Connect Service.

Suspension of trading on A shares and H shares

- 14B06. (14) Where any H shares with corresponding A shares accepted as China Connect Securities are suspended from trading on the Exchange but the China Connect Securities are not suspended from trading on the SZSE, the China Connect Service will normally remain available for routing China Connect sell orders and China Connect buy orders for such China Connect Securities to the SZSE Market System for execution. The Exchange, however, reserves its discretion to restrict or suspend the China Connect Service for trading in such China Connect Securities and will publish an announcement on the HKEX website or through such other means as it considers appropriate accordingly. For the avoidance of doubt, the Exchange will restrict or suspend the China Connect Service for trading in such China Connect Securities if it is so directed or required by a relevant governmental or regulatory body.

Trading of ChiNext shares

- (16) The Exchange may from time to time, as it may determine or as directed by the Commission, prescribe, change, supplement or remove any requirements, conditions, restrictions and arrangements in relation to the use of the China Connect Service for trading ChiNext shares through publication on the HKEX website or such other means as the Exchange considers appropriate. China Connect Exchange Participants shall comply with the requirements, conditions, restrictions and arrangements in all respects.

Quota Management

- 14B07. (10) If there is any change in the operational procedures relating to the quota limits and related arrangements as set out in this Rule 14B07, the Exchange will publish the details on the HKEX website or through such other means as the Exchange considers appropriate.

Fees and Taxes

- 14B11. (3) Where SZSE, the relevant China Connect Clearing House, any relevant

governmental or regulatory body or applicable law imposes any other fees, charges, levies or taxes on or in relation to the sale and purchase of China Connect Securities which are required to be paid or collected by the Exchange, the SEHK Subsidiary and/or HKSCC, China Connect Exchange Participants shall be responsible for paying (for themselves or on behalf of their clients) all such fees, charges, levies and taxes to the Exchange, the SEHK Subsidiary and/or HKSCC for onward payment to SZSE, the relevant China Connect Clearing House or the relevant governmental or regulatory body. For the avoidance of doubt, where any China Connect Exchange Participant fails to pay any such fees, charges, levies or taxes, the indemnity referred to in Rule 1442 applies. The Exchange will provide relevant information regarding such fees, charges, levies and taxes (including, where applicable, the manner of payment, collection and the filing or registration requirements) as are communicated to it by SZSE, the relevant China Connect Clearing House or the relevant governmental or regulatory body through publication on the HKEX website or such other means as the Exchange considers appropriate.

List of Eligible SZSE Securities for Margin Trading

- 14B15. (3) The Exchange will publish the List of Eligible SZSE Securities for Margin Trading on the HKEX website or through such other means as it considers appropriate and may update or amend the list from time to time. Unless the Exchange otherwise determines, the List of Eligible SZSE Securities for Margin Trading will be compiled by reference to SZSE's list of eligible stocks for margin trading for the SZSE Market, excluding Special China Connect Securities.

Suspension and Resumption of SZSE Securities Margin Trading

- (4) Where the volume of margin trading activities in respect of any eligible China Connect Security exceeds the margin trading threshold prescribed by SZSE, and SZSE decides to suspend or has suspended margin trading activities in respect of that China Connect Security in the SZSE Market, the Exchange may, as soon as practicable after being notified by SZSE, require any or all China Connect Exchange Participants to stop or suspend carrying out any further Margin Trading in respect of that China Connect Security through the publication of a notice on the HKEX website or such other means as the Exchange considers appropriate. Margin Trading of the relevant China Connect Securities by China Connect Exchange Participants shall not resume until SZSE has allowed margin trading activities on the relevant China Connect Securities to resume in the SZSE Market; after SZSE has notified the Exchange of the resumption, and after the Exchange has published a notice to that effect. China Connect Exchange Participants shall comply with the restrictions set out in this Rule 14B15(4) and all relevant notices issued pursuant to this Rule. For the avoidance of doubt, China Connect buy orders involving Margin Trading of China Connect Securities (whether they have been executed on the SZSE System prior to the suspension taking effect or not) will not be affected.

List of Eligible SZSE Securities for Short Selling

- 14B17. (4) The Exchange will publish the List of Eligible SZSE Securities for Short Selling on the HKEX website or through such other means as it considers appropriate and may update or amend the list from time to time. Unless the Exchange otherwise determines, the List of Eligible SZSE Securities for Short Selling will be compiled by reference to SZSE's list of eligible stocks for short selling for the SZSE Market, excluding Special China Connect Securities.

Short Selling Ratio Limits

- (15) The Exchange will publish on the HKEX website or through such other means as the Exchange considers appropriate the following information:

Reporting Requirements

- (19) The reports referred to in each of Rules 14B17(17) and 14B17(18) shall be in a prescribed form and contain such particulars as the Exchange may require. The Exchange may publish on the HKEX website, or via other channels as it deems appropriate, any information submitted by China Connect Exchange Participants on an aggregate and no-names basis.

Suspension and Resumption of Short Selling Activities

- (21) Notwithstanding any other provision in this Rule 14B17, where SZSE decides to suspend or has suspended short selling activities in respect of a Short Selling Security in the SZSE Market, the Exchange may, as soon as practicable after being notified by SZSE, require any or all China Connect Exchange Participants to stop inputting Short Selling orders, through the publication of a notice on the HKEX website or such other means as the Exchange considers appropriate. Short Selling of the relevant Short Selling Securities by China Connect Exchange Participants shall not resume and China Connect Exchange Participants shall not submit Short Selling orders until the Exchange are notified by SZSE that short selling of the relevant Short Selling Securities will resume in the SZSE Market, and after the Exchange has published a notice on the HKEX website to that effect. China Connect Exchange Participants shall comply with the restrictions set out in this Rule and all relevant notices issued pursuant to this Rule.

CHAPTER 15

SPECIAL PARTICIPANTS

Special Participants and Order-routing Service for China Connect Market Participants

1503. A Special Participant shall at all times be fully responsible and liable for all the orders

routed to the System through any Special Participant Central Gateway session designated to it irrespective of whether they are executed or not. Where orders are executed on the System, a Special Participant shall bear full responsibility and liability for the relevant Exchange Trades.

Securities Eligible for the Order-routing Service of Special Participants

1505. (2) The Exchange will establish and maintain a list of SEHK Securities referred to in Rule 1505(1) in respect of each Special Participant and will publish it on the HKEX website or by such other means as it considers appropriate.

Application Procedure

1510. An applicant shall become a Special Participant when its name is included in the Register of Special Participants. The Exchange will publish the Register of Special Participants on the HKEX website or by such other means as it considers appropriate.

Special Participant Central Gateway session

1511. (1) In order to access the System for trading in the SEHK Securities, a Special Participant may apply to the Exchange for:
- (a) [Repealed]
- (2) (a) [Repealed]
- (3) Notwithstanding the approval of the application of a Special Participant Central Gateway session under Rule 1511(1)(b) by the Exchange, the Exchange has the right to suspend, withdraw, or revoke a Special Participant's use of a Special Participant Central Gateway session designated to it, or its access to the System on such terms and for such period as the Exchange thinks fit, whether requested by the Special Participant or not.

1512. [Repealed]

Backup Special Participant Central Gateway session

1513. (1) A Special Participant which has a Special Participant Central Gateway session or a Backup Special Participant Central Gateway session designated to it shall comply with such terms and conditions and pay such fees and charges as specified by the Exchange from time to time.
- (2) A Special Participant shall be solely responsible and liable for the granting, monitoring and supervision of access to any Special Participant Central Gateway session and Backup Special Participant Central Gateway session designated to it.
- (3) A Special Participant shall ensure that only the Special Participant and its Authorized Persons, as the case may be, can have access to and operate any Special Participant Central Gateway session and Backup Special Participant

Central Gateway session designated to it.

(4) [Repealed]

Continuing Obligations of Special Participants

1518. It is the duty of a Special Participant and its Authorized Person to keep confidential any passwords and any other credentials or access means to the Special Participant Central Gateway session and Backup Special Participant Central Gateway session.

Trading

1527. Unless the Exchange otherwise determines, all orders input or transmitted into the System through a Special Participant Central Gateway session or a Backup Special Participant Central Gateway session shall be deemed to be orders placed by a Special Participant and shall be valid and binding on the Special Participant.

Record Keeping, Disclosure of Information and Publication of Trade Information

1535. (2) A Special Participant shall, upon the request of the Board or any designated HKEX staff, disclose or cause the relevant China Connect Market Operator to disclose to the Board or such designated HKEX staff within such period as is specified by the Board, information regarding a China Connect Market Participant whose instruction the Special Participant has acted on in the placing of an order. Such information includes the identity, address and contact details of:

(d) such other information as the Board or any designated HKEX staff may request.

FOURTEENTH SCHEDULE

SECURITIES MARKET MAKER REGULATIONS ("REGULATIONS")

MARKET MAKING CENTRAL GATEWAY SESSION

(15) (a) [Repealed]

(15A) [Repealed]

(16A) A Securities Market Maker shall be responsible and liable for the granting, monitoring and supervision of access to any Market Making Central Gateway sessions designated to it.

(17) [Repealed]

- (17A) A Market Making Central Gateway session shall be assigned with a standard Central Gateway throttle or multiples of a standard Central Gateway throttle (as the case may be) as determined by the Board from time to time for use by the Securities Market Maker for entering market making orders and/or other orders as the Board may from time to time determine into the System.
- (17B) A Securities Market Maker shall use a Market Making Central Gateway session for entering market making orders into the System in such manner as the Board may from time to time determine. The Board may from time to time determine orders or activities a Securities Market Maker may enter or carry out using a Market Making Central Gateway session subject to such conditions and in such manner as the Board may from time to time determine.

SUSPENSION, REVOCATION AND SURRENDER

- (19A) Upon suspension, withdrawal, revocation or surrender of the Securities Market Maker permit of a Securities Market Maker, the Exchange shall terminate the access of any Market Making Central Gateway sessions designated to it to the System.
- (19B) The Exchange has absolute discretion at any time to suspend, withdraw or revoke a Securities Market Maker's access to the System through any Market Making Central Gateway session on such terms and for such period as the Board shall think fit without giving any reason or notice and the decision of the Board shall be final and conclusive. Without prejudice to the aforesaid general power, the Exchange shall have the right to suspend, withdraw or revoke a Securities Market Maker's access in such capacity of any Market Making Central Gateway session to the System on such terms and for such period as the Board shall think fit if he or it fails to comply with these Regulations or if it has been suspended, expelled or for any reason ceases to be an Exchange Participant. The decision of the Board shall be final and conclusive. For the avoidance of doubt, the Exchange Participant shall remain liable for his or its failure to comply with these Regulations and for any monies due and payable under these Regulations as if his or its access in the capacity as a Securities Market Maker has not been suspended, withdrawn or revoked.

EIGHTEENTH SCHEDULE

STRUCTURED PRODUCT LIQUIDITY PROVIDER REGULATIONS ("REGULATIONS")

TRADING DEVICES FOR STRUCTURED PRODUCT LIQUIDITY PROVIDER

- (5) (a) [Repealed]
- (6) A Structured Product Liquidity Provider shall use a Market Making Central Gateway session to input Structured Product liquidity orders in accordance with the issuer's listing document relating to the relevant Structured Product and to report all transactions other

than those concluded by automatic order matching with respect to the Structured Product concluded in its capacity as a Structured Product Liquidity Provider for the account of the issuer or its associates in such manner as the Board may from time to time determine. The Board may from time to time determine orders and/or activities a Structured Product Liquidity Provider may enter and/or carry out using a Market Making Central Gateway session subject to such conditions and in such manner as the Board may from time to time determine.

- (7) [Repealed]
- (8) A Structured Product Liquidity Provider shall be responsible and liable for the granting, monitoring and supervision of access to any Market Making Central Gateway sessions designated to it.
- (9) A Market Making Central Gateway session shall be assigned with a standard Central Gateway throttle or multiples of a standard Central Gateway throttle (as the case may be) as determined by the Board from time to time for use by the Structured Product Liquidity Provider for inputting Structured Product liquidity orders and reporting transactions in accordance with Regulation (6) of this Schedule, and/or for inputting other orders into the System and carrying out other activities as the Board may from time to time determine.
- (11) [Repealed]

SUSPENSION AND TERMINATION

- (12) The Exchange has absolute discretion at any time to prohibit any Exchange Participant from being appointed or acting as a Structured Product Liquidity Provider and/or to suspend, withdraw or revoke a Structured Product Liquidity Provider's access to the System through any Market Making Central Gateway session, on such terms and for such period as the Board shall think fit without giving any reason or notice and the decision of the Board shall be final and conclusive. Without prejudice to the aforesaid general power, the Exchange shall have the right to prohibit any Exchange Participant from being appointed and/or acting as a Structured Product Liquidity Provider and shall have the right to suspend, withdraw or revoke its access in the capacity as a Structured Product Liquidity Provider of any Market Making Central Gateway session, to the System on such terms and for such period as the Board shall think fit if it fails to comply with these Regulations or if it has been suspended, expelled or for any reason ceases to be an Exchange Participant. The decision of the Board shall be final and conclusive. For the avoidance of doubt, the Exchange Participant shall remain liable for its failure to comply with these Regulations and for any monies due and payable under these Regulations as if its access in the capacity as a Structured Product Liquidity Provider has not been suspended, withdrawn or revoked.
- (13) Upon termination of the appointment of a Structured Product Liquidity Provider, the Exchange shall terminate the access to the System of all Market Making Central Gateway sessions provided or designated to it in that capacity.

Disciplinary Procedures

INTRODUCTION

"Disciplinary Section" means the division, department, section or unit of the Exchange or HKEX delegated from time to time with the responsibilities and functions set out in Clause 1 of Part I of the Disciplinary Procedures.

"Enforcement Section" means the division, department, section or unit of the Exchange or HKEX delegated from time to time with the responsibilities and functions set out in Clause 2 of Part I of the Disciplinary Procedures.