

GENERAL RULES OF CCASS

PART A: RULES OF GENERAL APPLICATION

CHAPTER 1

INTERPRETATION

101. Definitions

When used herein, the following expressions shall, unless the context otherwise requires, bear the following meanings:

“China Connect Market Operator” has the same meaning as defined in the Exchange Rules;

“non-trade transfer” means, in relation to China Connect Securities, a transfer which involves a change in the beneficial ownership of the China Connect Securities and which is not conducted through the relevant Trading Link and executed on the relevant China Connect Market;

CHAPTER 41

CHINA CONNECT CLEARING SERVICES

4110. Compliance with applicable laws and the Rules

iii. Restrictions on non-trade transfers

In accordance with the requirements of the relevant governmental, regulatory or competent authority, Participants shall not effect any non-trade transfer ~~or settlement of transactions~~ in China Connect Securities ~~in CCASS outside of the relevant Trading Link~~, other than any transfer ~~or settlement~~ as a result of or in connection with the following:

- (a) stock borrowing and lending as permitted under the Exchange Rules for the purpose of the short-selling of China Connect Securities;
- (b) stock borrowing and lending as permitted under the Exchange Rules for the purpose of enabling a client to sell China Connect Securities which the

client holds but which have not been transferred to the Stock Account of the relevant Participant in time for pre-trade checking;

- (c) the rectification of a trading error between an Exchange Participant and a client;
- (d) post-trade allocation of China Connect Securities to funds or sub-funds in different accounts by fund managers who have entered into China Connect Securities Trades for the collective account of funds or sub-funds under management;
- (e) succession;
- (f) divorce;
- (g) the dissolution, liquidation or winding-up of any company or corporation;
- (h) donation to a charitable foundation;
- (i) ~~or~~ assisting in any enforcement in connection with proceedings or action taken by any court, prosecutor or law enforcement agency; or
- (j) any other transfer as may be permitted by the relevant China Connect Market Operator, China Connect Clearing House and/or the China Securities Regulatory Commission.

For the avoidance of doubt, (i) any Stock Account transfer relating to China Connect Securities that does not involve any change in beneficial interest and (ii) the taking of security or collateral over China Connect Securities in a manner that does not involve non-trade transfer, shall not be affected or otherwise prevented.