

**General Rules of HKSCC**

**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:

“Treasury Shares” has the same meaning as “treasury shares” in the Exchange’s Listing Rules or the GEM Listing Rules, as the case may be;

“Treasury Units” has the same meaning as “treasury units” in the Exchange’s Listing Rules or the GEM Listing Rules, as the case may be;

**CHAPTER 11**

**NOMINEE SERVICES**

**1101. Scope and extent of nominee and similar services**

Subject to the Rules, applicable laws and applicable regulatory approval, in respect of Eligible Securities deposited into or otherwise held or recorded in CCASS and credited to the Stock Accounts of Participants and in respect of New Issue Shares, HKSCC may from time to time provide nominee and similar services to Participants in such manner and to such extent and at such times as it considers appropriate. The services may include:

- (ix) such other services with respect to rights and entitlements accruing to such Eligible Securities or other actions, transactions, or matters affecting them as HKSCC considers appropriate.

Notwithstanding anything to the contrary in the Rules, HKSCC shall not be obliged to provide any nominee or similar services in respect of Treasury Shares or Treasury Units whose rights and entitlements are excluded by an issuer and are held or recorded in any Stock Account of a Participant, as notified to HKSCC by the relevant issuer or its agent.

If a Participant holds any securities repurchased by an issuer which are not Treasury Shares or Treasury Units, the Participant shall withdraw such securities from CCASS.

Subject to the Rules, a Clearing Participant or Custodian Participant may, in respect of Eligible Securities held in custody or recorded in the CCASS Depository or in an Appointed Depository (as the case may be) and credited to the SSA with Statement Service of the Participant, authorize its SSA Statement Recipient to use voting services and give voting instructions to HKSCC in relation to such Eligible Securities for the account of the Participant. Where the Participant has authorized its SSA Statement Recipient to give voting instructions in relation to such Eligible Securities as aforesaid, the Participant itself shall not give voting instructions in relation to such Eligible Securities. For these purposes, voting instructions include instructions to make demand poll requests and instructions to appoint person nominated by SSA Statement Recipient to attend meetings. HKSCC may from time to time provide the following voting services to SSA Statement Recipient for the account of the Clearing Participant or Custodian Participant in such manner and to such extent and at such times as HKSCC considers appropriate:

#### **1105. Time limit for instructions etc.**

In respect of any actions, transactions or other matters affecting an Eligible Security, HKSCC may assign a time-limit by which instructions, payments and/or other actions required to be taken in relation thereto by Participants (including persons acting with the authority of or on behalf of or for the account of the Participants) must be received by HKSCC. HKSCC may assign a latest time for (a) the giving of Electronic Application Instructions for New Issue Shares by Participants, which shall not be later than the latest time for submitting an application as described in the Prospectus and (b) the giving of Tender Instructions, which shall not be later than (in the case of Exchange Fund Notes and Specified Instruments) two Business Days before the latest time for making the relevant tender or (in the case of Government Bonds and CMU Instruments) the latest time for application on the closing date of the subscription period. Investor Participants will normally be subject to a different time-limit for giving of instructions to HKSCC. Instructions from Participants with respect to any actions, transactions or other matters affecting Eligible Securities and Tender Instructions shall be given to HKSCC electronically via CCASS Terminals and instructions from Participants in their capacity as FINI CP User shall be given to HKSCC electronically via FINI, where applicable, unless otherwise prescribed by HKSCC from time to time. Investor Participants are required to input instructions to HKSCC via the CCASS Phone System or at the Customer Service Centre or the CCASS Internet System or by such other means as considered by HKSCC in its absolute discretion to be appropriate in the circumstances. SSA Statement Recipients are required to input voting instructions to HKSCC via the CCASS Phone System or the CCASS Internet System or by such other means as considered by HKSCC in its absolute discretion to be appropriate in the circumstances.

The giving of instructions (other than Electronic Application Instructions for New Issue Shares and Tender Instructions) by a Participant will constitute an undertaking by that Participant to HKSCC that it will maintain not less than the number of the relevant Eligible Securities (in respect of which instructions have been given) in its Stock Accounts, (other than the Stock Collateral Control Account and if the Participant is a TSF CCASS Participant, the TSF Accounts) if the instructions require submission of Eligible Securities, on the record or similar date or the date on which the Participant gives the instruction to HKSCC, as the case may be. If any cash or other consideration is required to be paid or submitted under the action, transaction or matter in respect of which the Participant has given instructions (including Electronic Application Instructions for New Issue Shares and Tender Instructions), to give effect to the instructions, a Participant shall maintain sufficient funds in its Designated Bank Account or make available the other consideration or, in the case of Electronic Application Instructions for New Issue Shares, comply with its FINI PFR, to enable HKSCC to effect such instructions relating to such actions, transactions or other matters affecting Eligible Securities or New Issue Shares. Without limiting the generality of the above, to the extent an issuer has excluded any Treasury Shares or Treasury Units from any actions, transactions or

other matters affecting an Eligible Security, no instruction shall be given by the Participant in respect of such Treasury Shares or Treasury Units in its Stock Account.

If a Participant fails to comply with this undertaking obligation, HKSCC shall be entitled not to give effect to the Participant's instructions and/or to take such other action as HKSCC may consider appropriate, including the taking of disciplinary action, to redress the situation.

If a Participant fails to comply with the time-limit assigned by HKSCC, HKSCC shall be under no obligation to take any action in respect of the Eligible Securities in question in the Stock Accounts of the Participant but shall be authorised, in its absolute discretion, to take such action as it considers appropriate or desirable for the benefit of the Participant.

Participants giving instructions to HKSCC in relation to any actions, transactions or other matters affecting Eligible Securities or New Issue Shares are deemed to have read the offer or other similar documents issued by the Issuers in respect of such rights or entitlements or the Prospectus and/or announcements issued in respect of the New Issues Shares and to have complied with any requirements of the Issuers contained in such offer or similar documents or Prospectus and/or announcements including, without limitation, nationality and shareholding limitation requirements, if any.

Where a Participant gives instructions to HKSCC with respect to any actions, transactions or other matters affecting or relating to any Eligible Securities or New Issue Shares, such instructions may not be amended or revoked by the Participant at any time after the time-limit prescribed by HKSCC for the amendment or cancellation of such instructions or, in the case of electronic applications for the issue and redemption of Units / book-entry deposit or withdrawal of Units, once such instructions have been accepted for processing and/or effected by HKSCC.

Where for any reason a Participant provides HKSCC with instructions relating to any actions, transactions or other matters affecting any Eligible Securities with respect to more than the number of relevant Eligible Securities credited to its Stock Account on the record or similar date and/or with respect to any Treasury Shares or Treasury Units which are excluded by the relevant issuer, HKSCC shall be authorized to effect such instructions by making an adjustment to reflect the actual number of Eligible Securities with respect to which the Participant is entitled to provide instructions by the process of scaling down, unless the Participant specifically advises otherwise.

#### **1106. HKSCC may allocate rights among Participants**

Participants acknowledge that not all Eligible Securities held in CCASS or by an Appointed Depositary of an issue in registered form may be registered in the name of HKSCC or its nominee or in the name of the Appointed Depositary or its nominee (as the case may be) in time to allow for the exercise of rights or entitlements (including, without limitation, voting rights) or the participation in actions, transactions or other matters in respect of all such Eligible Securities at the relevant time. Participants further acknowledge that in certain circumstances, including, without limitation, as a result of applicable laws, it may be difficult, impracticable or not permissible for HKSCC or its nominee to exercise rights or entitlements or to participate in actions, transactions or other matters in respect of all Eligible Securities (including, without limitation, China Connect Securities).

Participants agree that in such a case and in all other cases where HKSCC or its nominee may not be able to exercise or participate in such rights, entitlements, actions or transactions in respect of all such Eligible Securities deposited into or otherwise held or recorded in CCASS, HKSCC shall be entitled to allocate the

exercise of or participation in such rights, entitlements, actions or transactions among Participants either pro-rata to the number of the relevant Eligible Securities in their Stock Accounts at the relevant time, or in such other manner as it shall consider fair, appropriate and practicable in the circumstances, or to refrain from taking any action or to make such arrangement as it shall consider fair, appropriate and practicable in the circumstances regarding such rights, entitlements, actions or transactions.

Participants further agree that in the event of actions, transactions or other matters in respect of an Eligible Security affecting some but not all of such Eligible Securities held in CCASS or by an Appointed Depository (including, but not limited to, the redemption or conversion of Eligible Securities by lot or other similar matters affecting an issue of Eligible Securities), HKSCC shall be entitled to allocate the consequence of such matters among Participants either pro-rata to the number of the relevant Eligible Securities in their Stock Accounts at the relevant time or in such other manner as it shall consider fair and appropriate in the circumstances.

In respect of any Treasury Shares and Treasury Units deposited into or otherwise held or recorded in CCASS, Participants acknowledge that HKSCC or its nominee may not be able to exercise or participate in any rights, entitlements, actions or transactions under applicable law or regulation (including, without limitation, the Exchange's Listing Rules or GEM Listing Rules, as the case may be). HKSCC shall be entitled to disregard such Treasury Shares and Treasury Units as may be notified by the relevant issuer or its agent held or recorded in any Stock Account of a Participant in allocating the exercise of or participation in such rights, entitlements, actions or transactions among Participants.

#### **1108. HKSCC not liable**

Without prejudice to any liability HKSCC may have in respect of anything not done or not omitted to be done in good faith on its part, if HKSCC or its nominee shall be unable to exercise rights or entitlements (including, without limitation, voting rights) or to participate in actions, transactions or other matters affecting all or any Eligible Securities deposited into or otherwise held or recorded in CCASS due to:

- (v) any limitations or restrictions that require HKSCC or its nominee to exercise such rights or actions in person at any place outside of Hong Kong without the option to exercise such right or actions by facsimile or electronic means; or;

(vi) any securities being identified by an issuer or its agent as Treasury Shares or Treasury Units.

HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC shall be under no obligation and shall be relieved from any further obligation whatsoever to provide for the exercise of or participation in such rights or actions to Participants and shall not be liable to Participants in any manner whatsoever.

**CHAPTER 21**

**DUTIES AND LIABILITIES OF HKSCC**

**2104. HKSCC not to be liable**

In the absence of anything not done or not omitted to be done in good faith on the part of HKSCC, HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC shall have no liability for any losses, costs (including legal costs), charges, assessments and damages of any nature whatsoever suffered or incurred directly or indirectly as a result of or in connection with the following matters:-

- (xxv) any acts, omissions or delays of any Synapse User or any failure by any Synapse User to comply with the Synapse Terms and Conditions or any requirements in the Synapse User Guide; ~~and/or~~
- (xxvi) any acts, omissions or delays of any user of FINI (including a FINI CP User) or any failure by any user of FINI (including a FINI CP User) to comply with the FINI Terms and Conditions or any requirements in the FINI User Guide; ~~and/or~~
- (xxvii) any securities being identified by an issuer or its agent as (a) Treasury Shares, (b) Treasury Units or (c) securities repurchased by an issuer which are not Treasury Shares or Treasury Units.

Nothing in this Rule 2104 shall operate to limit or restrict the operation of Rule 2103.