

GENERAL RULES OF CCASS

CHAPTER 1

INTERPRETATION

101. Definitions

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

<u>“Authorised User”</u>	<u>means in relation to a Corporate Investor Participant or a Participant other than an Investor Participant, a person approved by that Participant in the manner prescribed by HKSCC as being authorised to access CCASS on behalf of that Participant via its CCASS Terminal or its Participant Gateway or the CCASS Phone System or the CCASS Internet System, as referred to in Rule 704 and Sections 3.4 and 3.10 of the Operational Procedures;</u>
“Customer Service Centre”	means the location specified by HKSCC from time to time at which Investor Participants may give instructions (in such form as HKSCC may require) in connection with the CCASS <u>HKSCC</u> services available to them to HKSCC;
<u>“DB Nominee Account”</u>	<u>means in relation to any Participant, any (or, as the context may require, each) bank account denominated in an Eligible Currency maintained by that Participant’s Designated Bank in accordance with the requirements in the FINI Terms and Conditions and the FINI User Guide and approved by HKSCC for FINI money settlement purposes in respect of that Participant’s Electronic Application Instructions for New Issue Shares;</u>
“Designated Bank Account”	means in relation to any Participant, any (or, as the context may require, each) bank account denominated in an Eligible Currency maintained by that Participant with its Designated Bank and approved by HKSCC for money settlement purposes in CCASS;
“Electronic Application Instructions for New Issue Shares”	means instructions by a Participant <u>via FINI</u> for an application to be made on its behalf for New Issue Shares and for the payment and refund of application moneys, and, where applicable, includes instructions by a Participant for a

	<p>confirmation to be made on its behalf of the application for New Issue Shares made on its behalf, as referred to in Rule 1101(vi);</p>
<p>“Electronic Payment Instruction” or “EPI”</p>	<p>means a payment instruction generated by HKSCC and forwarded for processing to the Designated Bank of a Participant via the Clearing House of HKAB, to effect (i) money settlement between two Participants in relation to Isolated Trades or SI or ISI Transactions in CCASS on a DVP basis; (ii) payment of application monies to Issuers and refund monies to Participants; (iii) payment of money by Clearing Participants or Custodian Participants to their SSA Statement Recipients in respect of STI Transfers on a DVP basis; (iii) payment of fees and expenses by Participants other than Investor Participants to HKSCC for CCASS services; or (iv) redelivery to China Connect Clearing Participants of Collateral provided to HKSCC for the early release of China Connect Securities that are Securities-on-hold;</p>
<p><u>“FINI”</u></p>	<p><u>means “Fast Interface for New Issuance”, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all New Issues;</u></p>
<p><u>“FINI CP User”</u></p>	<p><u>means a Participant which is accepted by HKSCC to use FINI in its capacity as an “HKSCC Participant”;</u></p>
<p><u>“FINI PFR”</u></p>	<p><u>means the pre-funding requirement to be satisfied by a Participant in respect of its Electronic Application Instructions for New Issue Shares, as referred to in Section 8.18A.4 of the Operational Procedures;</u></p>
<p><u>“FINI Terms and Conditions”</u></p>	<p><u>means the terms and conditions governing the use of FINI, as from time to time prescribed by HKSCC;</u></p>
<p><u>“FINI User Guide”</u></p>	<p><u>means the “FINI User Guide” of HKSCC in relation to FINI, containing information on the use of FINI by FINI users, as from time to time in force;</u></p>
<p>“Operational Procedures”</p>	<p>means the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative <u>or other</u> requirements relating to <u>HKSCC’s services and the operations and functions of CCASS the Systems</u>, as</p>

	from time to time in force;
“Prospectus”	means any prospectus, notice, circular or other document offering or calculated to invite offers by the public to subscribe for or purchase securities (including shares, warrants, Depositary Receipts, Debt Securities and Units), <u>as supplemented or amended</u> , and includes, unless inconsistent with the context, its associated application form or forms and (where applicable) confirmation form or forms ;
“Rules”	means the General Rules of CCASS <u>HKSCC</u> as set out herein and as may be amended or modified from time to time and where the context so permits, shall include the Operational Procedures;
<u>“System”</u>	<u>means CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC;</u>

103. HKSCC may disapply Rules

HKSCC may, having notified the Commission, and in the interest of the efficient operation of CCASS a System and/or in the interest of a Participant waive the application of any Rule.

104. HKSCC's policy on personal information collection

In relation to the Personal Data (Privacy) Ordinance, HKSCC and its nominee's policy with respect to personal information collection relating to individuals in relation to CCASS HKSCC's functions and services are as follows:

- (i) The information provided with respect to such persons may be used for the purposes of admitting Participants and their continued participation in a System CCASS, providing CCASS HKSCC's services to Participants, administration of CCASS the activities of a System, the daily operations of CCASS a System, CCASS money settlement services, conducting risk management and compliance functions, ensuring ongoing credit worthiness of Participants, meeting the requirements under insurance policies purchased and maintained by HKSCC, designing new services for Participants, preparing CCASS System related publications and other publications, facilitating despatch of copies of Corporate Communications to recipients, meeting the requirements to make disclosure under the requirements of any laws binding on HKSCC and other purposes related thereto.
- (ii) Unless consent of the individual is obtained, personal information of an individual held by HKSCC will be kept confidential but HKSCC may release some of the information (including but not limited to information received from an Investor Participant and other information in connection with an Investor Participant) to external parties including but not limited to agents, contractors or third party service providers who provide administrative, telecommunications, computer, insurance, payment clearing or other services to HKSCC in connection with the operation of its

business, any other person under a duty of confidentiality to HKSCC (including by way of contract), the Commission, the Exchange, any recognized exchange controller, any company of which the recognized exchange controller which is the controller of HKSCC is the controller, other recognized clearing houses, central depositories, bodies of exchanges, overseas governmental or regulatory bodies, governmental departments and issuers of Eligible Securities authorized by law and/or pursuant to the Rules, notwithstanding that any such persons may be outside of Hong Kong.

- (iii) Subject to the exemptions under the Ordinance, individuals who have provided such information to HKSCC have the right to access and correction with respect to personal data held by HKSCC. Request for personal data access and correction should be in writing and addressed to the Personal Data Privacy Officer, Hong Kong Exchanges and Clearing Limited, 8/F., Two Exchange Square, 8 Connaught Place, Central, Hong Kong~~Personal Data Administrator, Hong Kong Securities Clearing Company Limited, 8th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.~~
- (iv) In accordance with the terms of the Ordinance, HKSCC shall impose a reasonable fee for processing a data access request.

CHAPTER 2

PROCEDURES

202. Orders, directions, practice notes

HKSCC may from time to time issue orders, directions or practice notes relating to any of its services or all or part of the operations and facilities of CCASSa System and such orders, directions or practice notes shall be binding on all Participants.

CHAPTER 4

TRANSACTIONS BY PARTICIPANTS

402. Participants to act as principals

So far as the rights and liabilities between HKSCC and each Participant are concerned, a Participant using any of the services of CCASSHKSCC, whether by the Participant itself or through a person acting or purported to be acting with the authority of, on behalf of and/or for the account of the Participant, shall be treated as acting as principal, and not as agent, and shall be liable to HKSCC as such.

In rendering its services, HKSCC shall be under no obligation to recognize any right or interest which any person, including SSA Statement Recipients and NCPs other than a Participant may have or claim to have in relation to all matters concerning CCASSa System or an Appointed Depository (including, without limitation, Eligible Securities deposited into CCASS or held by an Appointed Depository and transactions to be settled thereunder) and the operation thereof by HKSCC, provided that HKSCC may recognize any right or interest which a Recognized Clearing House may have or claim to have in relation to Eligible Securities deposited into CCASS by or for a Participant under or in connection with any

charge or security interest granted in favour of the Recognized Clearing House by the Participant in respect of such Eligible Securities.

403. Instructions in violation of laws etc.

Notwithstanding anything to the contrary in the Rules, HKSCC shall not be bound to effect any transaction or take any other action upon the instructions of a Participant if it would violate any applicable law, decree, court order, regulation, sanctions regime or order of any government or other competent authority or if HKSCC, in its absolute discretion, determines that it will not be in the interests of CCASSHKSCC or Participants to do so.

CHAPTER 7

SERVICES - GENERAL

701. Services

Subject to the Rules, HKSCC may supply to Participants the services referred to in the Rules and such other services as may from time to time be deemed appropriate by HKSCC.

In relation to those types of services supplied by HKSCC to a Clearing Participant or Custodian Participant in respect of the Participant's holdings in the SSA with Statement Service which HKSCC finds it appropriate to make available for use by SSA Statement Recipients for the account of the Participant as provided in the Rules, the Participant may, in such manner as HKSCC may from time to time prescribe, authorize any its SSA Statement Recipients to use any such services (including the giving of instructions in relation thereto) for the account of the Participant subject to the Rules. For the avoidance of doubt, the use of such services by SSA Statement Recipients for the account of the Participant as aforesaid shall, for the purposes of the Rules, be considered use of the services by the Participant which shall be liable therefor. Unless otherwise stated in the Rules, such authorization to SSA Statement Recipient is personal to that SSA Statement Recipient.

HKSCC may from time to time prescribe new or additional rules and procedures in relation to the provision of the services contemplated in the Rules.

Notwithstanding anything to the contrary in the Rules, HKSCC may decline in its discretion to provide one or more services or facilities or suspend or cease to provide any services or facilities with respect to any transaction or class of transactions, any Participant or category of Participants or SSA Statement Recipients, or any Eligible Security or class of Eligible Securities. In deciding whether to exercise such discretion, HKSCC may take into account any factors which it considers reasonable or relevant including, without limitation, any terms and conditions upon which an Eligible Security is issued or any restrictions, limitations, conditions or requirements under or imposed by any applicable law, rule or regulation of any relevant jurisdiction.

Participants other than Investor Participants or its Settlement Agent shall gain access to services of CCASS in accordance with these Rules and such conditions as prescribed by HKSCC from time to time.

Participants which are accepted by HKSCC as Synapse Users shall gain access to Synapse services in accordance with these Rules, the Synapse Terms and Conditions and such conditions as prescribed by HKSCC from time to time.

Participants which are accepted by HKSCC as FINI CP Users shall gain access to FINI services in accordance with these Rules, the FINI Terms and Conditions and such conditions as prescribed by HKSCC from time to time.

Investor Participants shall gain access to services of CCASS via the CCASS Phone System or the CCASS Internet System in accordance with these Rules and such conditions as prescribed by HKSCC from time to time.

703. Arrangements with other entities

HKSCC may from time to time, in its own right, as agent for Participants and/or in any other capacity, enter into or be required to enter into arrangements with other entities, or to obtain or receive the services or assistance of such entities in order to provide or otherwise to facilitate the provision of, any ~~HKSCC's CCASS~~ or other services and facilities to Participants upon such terms and conditions as it may agree with such entities. When using any such ~~CCASS or other~~ services and facilities, Participants shall comply with and be bound by, and all transactions relating to such ~~CCASS or other~~ services and facilities shall also be subject to, the terms and conditions of the relevant arrangements and all the other applicable rules, regulations, procedures, requirements and directions made, issued or prescribed under the arrangements, as notified to the Participants or otherwise set out in these Rules or the Operational Procedures. Where applicable, Participants shall upon request provide HKSCC, any entity it has entered into relevant arrangement with or such other persons as HKSCC may specify with such agreements, confirmations, acknowledgements, declarations or authorizations (i) as HKSCC may require for the provision of the relevant services; or (ii) as HKSCC may be required to obtain or provide under any terms and conditions relating to the relevant arrangement.

Without limiting the generality of the foregoing, a Participant, in using any ~~CCASS~~**HKSCC's** services and facilities in respect of CMU Instruments, shall be deemed to have provided to HKSCC -

- (i) an acknowledgement in favour of the HKMA and its servants and agents that the holding of CMU Instruments for the Participant on the CMU Account of HKSCC and all transactions over such CMU Account or otherwise in relation to facilities relating to HKSCC's membership of the CMU Service will be subject to all of the provisions of the Membership Agreement in respect of Central Moneymarkets Unit Service entered into between the HKMA and HKSCC ("CMU Membership Agreement") and to the CMU Rules (as defined in the CMU Membership

Agreement) and in particular (but without limiting the generality of the foregoing)-

- (a) that CMU Instruments are to be held in the CMU Service only if they have been purchased or are held on terms authorizing the holder to deal with them free from any proprietary or equitable interest (as defined in the CMU Membership Agreement) of any other person;
 - (b) that except as required by law the HKMA is not bound by or compelled to recognize any proprietary or equitable interest in or any other right in respect of any CMU Instrument other than an absolute right to the entirety of that CMU Instrument in the CMU Member to whose CMU Account that CMU Instrument is for the time being credited or for whose account that CMU Instrument is otherwise held for the time being, and that the Participant will not assert or permit any person claiming under or through it to assert any such proprietary or equitable interest or other right against the HKMA;
 - (c) that the HKMA and its servants and agents, with the limited exceptions expressly provided in the CMU Membership Agreement, are exempt from liability caused directly by or indirectly by the operation of the CMU Service and entitling the HKMA without liability to act without further enquiry on instructions or information or purported instructions or information received through the CMU Service or otherwise in accordance with the CMU Manual (as defined in the CMU Membership Agreement); and
- (ii) an authorization for HKSCC on behalf of the Participant to do all such acts and things and execute all such documents as may be required to enable HKSCC fully to observe and perform its obligations under the CMU Membership Agreement and the CMU Rules, and enter into any arrangement which HKSCC considers proper for the purpose of facilitating clearance of transactions effected on behalf of the Participant through the CMU Service.

Copies of the CMU Membership Agreement, CMU Rules and CMU Manual are available for inspection by Participants at the CCASS Depository service counter.

CHAPTER 8

DEPOSITORY AND CUSTODIAN SERVICES

808. Immediate credit

Subject to the Rules, upon acceptance for deposit of Eligible Securities from a Participant other than an Investor Participant, such Eligible Securities will be credited to the Stock Accounts designated by the Participant.

In the case of deposit of Eligible Securities in registered form by an Investor Participant, such Eligible Securities will not, ~~except where they are New Issue Shares allotted to the Nominee,~~ be immediately credited to the Investor Participant's Stock Account. Subject to the Rules, HKSCC shall credit such Eligible Securities upon registration or re-issue of such Eligible Securities in the name of HKSCC or its Nominee or at such time as HKSCC determines it would be in the interest of HKSCC to effect such credit. Eligible Securities which are not yet credited to the Investor Participant's account are not available for withdrawal and settlement. However, such Eligible Securities are eligible for nominee services to such extent as HKSCC considers appropriate.

HKSCC reserves the right at any time not to credit the Stock Accounts designated by a Participant in respect of Eligible Securities deposited if :

- (i) in the case of Eligible Securities in registered form, the Eligible Securities deposited are part of an issue the transfer of which is or may be, in HKSCC's absolute determination, subject to unreasonable delay (in which case, the Eligible Securities will only be credited to the designated Stock Accounts at such time as the registration or re-issue of such Eligible Securities in the name of HKSCC or its nominee has been effected);
- (ii) the Eligible Securities deposited are part of an issue which, in HKSCC's absolute determination, is or has been the subject of theft, forgery or other fraudulent activity (in which case, the Eligible Securities will only be credited to the designated Stock Accounts at such time as HKSCC is, in its absolute determination, satisfied that the Eligible Securities are no longer the subject of any such activity); or
- (iii) HKSCC considers, in its absolute determination, that it would not be in the interests of HKSCC or the Participants to do so (in which case, the Eligible Securities will only be credited to the designated Stock Accounts at such time as HKSCC determines that it would be appropriate to do so).

Pending credit to the Stock Accounts designated, a Participant may, subject to the Rules, withdraw the Eligible Securities actually deposited by it into CCASS unless such Eligible Securities are unavailable for whatever reason, including where HKSCC has submitted them for registration or re-issue in its name or in the name of its nominee, or in the name of the Appointed Depository or its nominee, as applicable.

If HKSCC exercises or proposes to exercise its right under this Rule with respect to a particular Eligible Security as aforesaid, HKSCC shall notify Participants accordingly.

824. Custodian services in relation to China Connect Securities

HKSCC provides services to Participants as set out in Chapters 8, 11 and 41 of the Rules and the related ~~CCASS~~ Operational Procedures to enable them and their clients (as appropriate) to exercise their rights as owners of proprietary interests in China Connect Securities,

including the right to receive dividends and other distributions and the power to exercise voting rights. Unless specifically provided for in the Rules, HKSCC will not exercise any right arising from or in relation to any China Connect Securities without the instruction of the Participants.

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:

- (i) the collection or receipt of dividends, interest payments, redemption proceeds, distributions, rights, entitlements, securities, and other properties and documents with respect to such Eligible Securities;
- (ii) the distribution or payment to Participants of dividends, interest payments, redemption proceeds, distributions, rights, entitlements, securities and other properties and documents received by HKSCC or its nominee with respect to such Eligible Securities and if practicable, the making of disposal arrangements in respect of distributions which would otherwise be difficult or impracticable for Participants to realize for the benefit of the relevant Participants;
- (iii) (a) the appointment of Participants or persons nominated by Participants as proxies or representatives of HKSCC or the Nominee for the purposes of attending and voting at meetings of holders of such Eligible Securities or other similar purposes, (b) in respect of Uncertificated Eligible Securities (where applicable and where the applicable laws, rules or regulations so permit or require), the communication or passing on of any voting or other instructions, proxy nominations or appointments or other authorizations, declarations, requests or information received from Participants to the Overseas Issuer or its authorized agents or representatives including the Issuer's principal or branch share registrar, and (c) in respect of China Connect Securities, where applicable and where the applicable laws, rules or regulations or constitutional documents of the relevant issuer so permit or require, the communication or passing on of any voting or other instructions, proxy nominations or appointments or other authorizations, declarations, requests or information received from Participants to the issuer or its authorized agents or representatives;

- (iv) the seeking of instructions from Participants with regard to the exercise of rights or entitlements accruing to such Eligible Securities or the participation in other actions, transactions or matters affecting them and the giving effect to instructions so received from Participants;
- (v) if practicable, the making of arrangements to enable Participants directly to enjoy rights or entitlements accruing to such Eligible Securities or to participate in other actions, transactions or matters affecting them;
- (vi) the receipt of and compliance with electronic instructions (a) to cause the Nominee to apply for New Issue Shares on its behalf and (b) to arrange payment and (where applicable) refund of the money ~~due on application, and (where applicable) the receipt of and compliance with electronic instructions to cause the Nominee to confirm on its behalf the application for New Issue Shares made on its behalf~~, in each case in accordance with the Operational Procedures;
- (vii) the receipt of and compliance with Tender Instructions (a) to cause HKSCC to tender or apply for Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments on its behalf and (b) to arrange payment and refund of the money due in respect of the tender or application (as the case may be), in each case in accordance with the Operational Procedures;
- (viii) the receipt of and compliance with electronic instructions (a) in respect of any application for the issue or redemption of Units / book-entry deposit or withdrawal of Units and (b) to arrange payment of moneys due, and transfers of securities to be made, on issue and redemption of Units / book-entry deposit or withdrawal of Units and to arrange refunds of moneys due, and retransfers of securities to be made, on cancellation or rejection of any such instructions, in each case in accordance with the Operational Procedures;
- (viiiia) the receipt of and compliance with instructions to cause the Nominee to submit a requisition to an Issuer in accordance with the Operational Procedures; and
- (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.

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:

- (i) the seeking of voting instructions with regard to such Eligible Securities from SSA Statement Recipients for the account of the Clearing Participants or Custodian Participants and the giving effect to voting instructions so received from them; and
- (ii) the appointment of SSA Statement Recipients or persons nominated by SSA Statement Recipients for the account of Clearing Participants or Custodian Participants as proxies or representatives of HKSCC or the Nominee for the purposes of attending and voting at meetings of holders of such Eligible Securities or other similar purposes, and in respect of Uncertificated Eligible Securities (where applicable or where the applicable laws, rules or regulations so permit or require), the communication or passing on of any voting or other instructions, proxy nominations or appointments or all other authorizations, declarations, requests or information received from SSA Statement Recipients to the Overseas Issuer or its authorized agents or representatives including the Issuer's principal or branch share registrar.

In respect of Uncertificated Eligible Securities, unless HKSCC otherwise agrees, a Participant shall only give voting or other instructions to HKSCC and not directly to the Overseas Issuer or its principal or branch share registrar (if any). Further, where appropriate arrangements have been put in place, the transmission of corporate and other communications in respect of Uncertificated Eligible Securities to Participants directly by the principal or a branch share registrar of an Overseas Issuer (or vice versa) may be made. Such procedures and arrangements are as set out in the Operational Procedures or as HKSCC may from time to time prescribe. HKSCC may also specify rules and procedures in relation to the treatment of and services available for Uncertificated Eligible Securities in light of the circumstances of a particular case and the applicable laws and regulations of the relevant jurisdiction.

HKSCC may from time to time provide nominee services to Participants in respect of Eligible Securities deposited into CCASS but not yet credited to the Stock Accounts of such Participants in such manner and to such extent and at such times as it considers appropriate. If HKSCC considers appropriate, the Participant may not use or withdraw any entitlements arising from the provision of such nominee services until completion of the registration of the Eligible Securities in the name of HKSCC or its Nominee. During this period if there is any failure by the Participant to perform its obligations to HKSCC or when HKSCC otherwise deems it necessary for its own protection, HKSCC may use, sell or apply any such entitlements without further reference to the Participant and the only obligation of HKSCC to such Participant in respect of the entitlements upon successful registration shall be to pay such Participant an amount equal to the balance and/or to return to such Participant the balance of the entitlements remaining after satisfaction of all obligations and liabilities (actual or contingent) of such Participant to HKSCC.

HKSCC may prescribe rules and procedures for the provision of such nominee services (including, without limitation, the determination by HKSCC of the entitlement of Participants to participate in actions, transactions or other matters affecting Eligible Securities) and shall be authorised to take such action as may be necessary to provide such nominee services to Participants. HKSCC may also take such other action as it may in its absolute discretion consider appropriate or desirable to safeguard the interests of Participants with respect to Eligible Securities deposited into CCASS.

HKSCC shall transmit to Participants other than Investor Participants via CCASS Terminals, FINI (for FINI CP Users only), SWIFT (for subscribers of the CA ISO Message Service only), or other means of communication notices of any actions, transactions or other matters affecting Eligible Securities including those that provide for action to be taken by Participants. Investor Participants will be informed of any actions, transactions or other matters affecting Eligible Securities including those that provide for action to be taken by Participants and SSA Statement Recipients will be informed of any actions affecting Eligible Securities in SSA with Statement Service that are to be voted upon. HKSCC will inform the Investor Participants and SSA Statement Recipients through the activity statement and/or the CCASS Phone System and/or the CCASS Internet System. HKSCC shall not be precluded from using other means of communication to advise Participants and SSA Statement Recipients of any such actions, transactions or matters.

If Eligible Securities credited to the Stock Account of a receiving Participant under an ISI Transaction are on hold, HKSCC may limit the extent of nominee services provided with respect to them. If an ISI Transaction settled on a DVP basis is cancelled by HKSCC because Negative Confirmation of Payment in respect to the relevant debit EPI has not been obtained and the receiving Participant's Designated Bank does not make the relevant payment, HKSCC may make adjustments to the receiving Participant's entitlements.

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 lodging of application forms as described in the Prospectus ~~or confirmation forms as described in the Prospectus as supplemented and amended, as the case may be,~~ 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. ~~Save for the giving of Electronic Application Instructions for New Issue Shares,~~ 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, ~~Electronic Application Instructions for New Issue Shares~~ 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, as the case may be, to enable HKSCC to effect such instructions relating to such actions, transactions or other matters affecting Eligible Securities or New Issue Shares.

If a Participant fails to comply with this undertaking, 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, 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.

CHAPTER 12

MONEY SETTLEMENT SERVICES

1201. Participants to have Designated Bank Accounts

Each Participant shall maintain a General Purpose Designated Bank Account in its own name and denominated in Hong Kong dollars for the settlement of money obligations in CCASS. Each Participant which wishes to settle money obligations in CCASS in an Eligible Currency other than Hong Kong dollars must maintain a Designated Bank Account in its own name and denominated in that Eligible Currency for the settlement of money obligations in CCASS.

Each China Connect Clearing Participant shall maintain a Designated Bank Account in its own name and denominated in RMB for the settlement of money obligations in respect of China Connect Securities Trades to be settled via CPIs and DDIs.

Each Participant other than an Investor Participant may, at its own discretion and with the approval of HKSCC, maintain in its own name two additional Designated Bank Accounts in Hong Kong dollars:-

- (i) a Designated Bank Account for the settlement of money obligations in respect of ISI Transactions settled on a DVP or RDP basis; and/or
- (ii) a Designated Bank Account for the settlement of money obligations in respect of CCASS transactions (other than ISI Transactions) to be settled via CPIs.

In the case of a Joint Individual Investor Participant, each such Account must be maintained in the name of all of the individuals comprising such Participant.

Save with the written approval of HKSCC, a Participant shall not close or change any of its Designated Bank Accounts or modify HKSCC's authority in respect thereof or change any of its Designated Banks. Without prejudice to the aforesaid, a Clearing Participant which is an Exchange Participant may, subject to the Rules, receive into its General Purpose Designated Bank Account New Issue Brokerage passed on to it.

A Clearing Participant or a Custodian Participant which wishes to make payment in Hong Kong dollars or an Eligible Currency other than Hong Kong dollars under STI Transfers on a DVP basis in CCASS to its SSA Statement Recipient shall provide HKSCC with the information of the receiving bank account of SSA Statement Recipient denominated in Hong Kong dollars or that Eligible Currency, as the case may be. The Clearing Participant or Custodian Participant shall ensure that such receiving bank account is maintained by and in the name of SSA Statement Recipient with a bank that has been approved by HKSCC as a Designated Bank, and that such receiving bank account shall not be closed or changed by SSA Statement Recipient save with the written approval of HKSCC. In providing such information of SSA Statement Recipient to HKSCC, the Clearing Participant or Custodian Participant undertakes to HKSCC that it has obtained the written consent of SSA Statement Recipient to provide the information to HKSCC and for HKSCC to release such information to other persons for the purpose of effecting payment to SSA Statement Recipient.

Each Participant which is a FINI CP User shall ensure that its Designated Bank is a Designated Bank which has been accepted by HKSCC to use FINI in the capacity as a "Bank User" as defined in the FINI Terms and Conditions. Such Designated Bank shall maintain a DB Nominee Account for holding the funds of all the Participants which have appointed the Designated Bank to facilitate their money settlement obligations with respect to their Electronic Application Instructions for New Issue Shares.

1202. Participants to authorise HKSCC

Each Participant shall authorise its Designated Bank or Designated Banks in writing in such form as is from time to time deemed acceptable by HKSCC to (i) give effect to instructions from HKSCC to debit and/or credit its Designated Bank Account(s) and cause payments to be made to its SSA Statement Recipients, HKSCC, other Participants or Issuers (or their receiving bankers), as directed by HKSCC, and (ii) give effect to CHATS Payment Instructions from HKSCC to the Designated Bank(s); and shall take such steps as shall be necessary to ensure this to be the case.

Each Participant which is a FINI CP User shall enter into an appropriate arrangement with its Designated Bank for the operation of the DB Nominee Account (including, without limitation, ensuring that direct debit authorizations are in place for giving effect to instructions generated by FINI to debit and/or credit such DB Nominee Account) to facilitate the Participant's compliance with its FINI PFR and money settlement obligations with respect to its Electronic Application Instructions for New Issue Shares.

Each Participant undertakes not to stop, countermand, or restrain the authority granted to HKSCC and further agrees to ratify and confirm all actions taken by HKSCC in relation to the matters contemplated in Rules 1202 to 1207, and where the Participant is a TSF CCASS Participant, additionally, in relation to the matters contemplated in Rules 12A13 and 12A15.

Each Clearing Participant which is an Exchange Participant is deemed to have authorised HKSCC to disclose information relating to its General Purpose Designated Bank Account to any Issuer and/or its agent subject to the Rules to enable such Issuer or its agent to pay the New Issue Brokerage, if any, into such General Purpose Designated Bank Account.

1203. Extent of HKSCC's authority

HKSCC shall be authorised to cause credits and debits to be made to the Designated Bank Accounts in relation to the following:-

- (i) the money obligations due to or from Clearing Participants by or to HKSCC under the CNS System and all other money payments in relation thereto;
- (ii) the money obligations due to or from Clearing Agency Participants by or to HKSCC under the CNS System and all other money payments in relation thereto;
- (iii) the money obligations, if any, between Clearing Participants in respect of the settlement of Exchange Trades under the Isolated Trades System stipulated to be made against payment in CCASS in accordance with the Rules;
- (iv) the money obligations, if any, between Participants in respect of the settlement of transactions arising out of matched Settlement Instructions stipulated to be made against payment in CCASS in accordance with the Rules;
- (v) the money obligations, if any, between Participants in respect of the settlement of Clearing Agency Transactions under the Isolated Trades System stipulated to be made against payment in CCASS in accordance with the Rules;
- (vi) the money obligations, if any, between a Participant other than an Investor Participant and an Investor Participant in respect of the settlement of transactions arising out of affirmed Investor Settlement Instructions stipulated to be made against payment in CCASS in accordance with the Rules;
- (vii) the provision of nominee services by HKSCC with respect to Eligible Securities deposited into or otherwise held or recorded in CCASS, including, but not limited to, the distribution by HKSCC of all interest or dividends received by HKSCC or its nominee in respect of such Eligible Securities and the collection of funds from Participants in relation to the provision of nominee services;
- (viii) the payments (except for Electronic Application Instructions for New Issue Shares)

and refunds of money referred to in paragraphs 1101 (vi) to (viii) (inclusive) of the Rules in respect of Electronic Application Instructions for New Issue Shares, Tender Instructions and the issue and redemption of Units;

- (ix) the payment of the money due in respect of Tender Instructions and the refund of money resulting from unsuccessful or partially unsuccessful tenders;
- (ixa) the payment of the money received by HKSCC from CMU counterparty on settlement of Transfer Instructions on a delivery versus payment basis in CMU, the return of money paid by the Participant in excess of the actual settlement amount paid on settlement of Transfer Instructions and, the return of money paid by the Participant in respect of unsettled and cancelled Transfer Instruction;
- (x) the payment or settlement of all other sums owing and obligations between HKSCC and Participants (including, without limitation, the fees and expenses payable hereunder) as contemplated in the Rules and all other sums which HKSCC may be authorised by Participants to collect from time to time; and
- (xi) the payment of money by Clearing Participants and Custodian Participants to their SSA Statement Recipients in respect of STI Transfers effected as a result of Stock Segregated Account Transfer Instructions stipulated to be made against payment in CCASS in accordance with the Rules.

Each Participant which is a FINI CP User shall procure that HKSCC shall be authorized by its Designated Bank to cause credits and debits to be made to the DB Nominee Account in relation to the payment of money due in respect of Electronic Application Instructions for New Issue Shares.

HKSCC reserves the right to debit or credit the Designated Bank Accounts to rectify erroneous payments made to or received from Participants and shall notify affected Participants if it exercises this right.

In relation to money obligations in respect of CCASS transactions to be settled via CPIs, HKSCC shall be authorised to generate CPIs in relation to such transactions to the Designated Banks of paying Participants in accordance with the Operational Procedures.

In relation to entitlement payments for which HKSCC has credited the relevant Participants' Money Ledgers before receipt of payment and if, for whatever reason, the relevant entitlement payments are not received by HKSCC, HKSCC shall have the right either to arrange for an amount equivalent to that credited by HKSCC to be debited from the relevant Participants' Money Ledger or require the relevant Participants to immediately refund the amount to HKSCC either by bank draft, cheque or telegraphic transfer or in such other manner as HKSCC deems appropriate.

In relation to the payment of the New Issue Brokerage into the General Purpose Designated

Bank Accounts of Clearing Participants which are Exchange Participants, HKSCC is deemed to have been authorised by the Clearing Participants to disclose to the Issuer and/or its agent information relating to the Clearing Participants' General Purpose Designated Bank Accounts. For the avoidance of doubt, all New Issue Brokerage paid into the General Purpose Designated Bank Accounts of Clearing Participants shall be subject to the rights and authorities of HKSCC in relation to the General Purpose Designated Bank Accounts under the Rules, including but not limited to HKSCC's right of set off under Rule 1207.

1209. Extent of obligations of HKSCC

The extent of HKSCC's obligation to provide money settlement services hereunder is limited to the giving of instructions (i) to the Designated Banks to cause debits and credits to be made to the Designated Bank Accounts of Participants or the DB Nominee Accounts maintained for Participants which are FINI CP Users as contemplated in the Rules and to endeavour to give such instructions to the Designated Banks in time to achieve payment for value the same day and (ii) the generating of CHATS Payment Instructions from HKSCC to the Designated Banks of paying Participants to facilitate money settlement in accordance with the Operational Procedures.

The extent of involvement of HKSCC in relation to the payment of the New Issue Brokerage to the General Purpose Designated Bank Accounts of Clearing Participants which are Exchange Participants is limited to the provision of information relating to the General Purpose Designated Bank Accounts to the Issuer and/or its agent to facilitate them to make payment into such General Purpose Designated Bank Accounts.

Without prejudice to any liability that HKSCC may have in respect of anything not done or not omitted to be done in good faith on its part, HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC shall not be liable for any delay by any Designated Bank in giving effect to HKSCC's instructions or if HKSCC fails to give instructions to any Designated Bank in time on a Settlement Day to achieve payment for value the same day or for any error, discrepancy, delay, default or failure by any Issuer and/or its agent in paying the New Issue Brokerage into the General Purpose Designated Bank Account of any Clearing Participant which is an Exchange Participant or for any delay or failure by HKSCC in providing information in time to facilitate payment of the New Issue Brokerage into the General Purpose Designated Bank Account or for any delay, error or failure in the transmission, receipt or execution of information or instructions due to a breakdown or failure of any communication or telecommunications network facilities or for any delay, error, omission or default on the part of, or of any operator of, any clearing house for any Eligible Currency or of any institution or person providing clearing and settlement services in any Eligible Currency or, without prejudice to the generality of the foregoing, for any defective or incorrect or incomplete messages received from any such clearing house, operator, institution or person or from any action taken or omitted by HKSCC in reliance on such messages.

CHAPTER 14

STATEMENTS AND REPORTS

1402. Participants to check

It shall be the responsibility of each Participant to promptly check and reconcile with its own records details of such advices, statements and reports and to promptly notify HKSCC in writing ~~and in respect of the Yellow Form Share Allotment Report in the notification of discrepancies form prescribed by HKSCC~~ of any error or omission contained in such advices, statements and reports (unless otherwise prescribed by HKSCC, in any event within one Business Day in the case of Participants other than Investor Participants and within ten Business Days in the case of Investor Participants ~~except in respect of the Yellow Form Share Allotment Report, Participants other than Investor Participants shall notify HKSCC of the error or omission before the deadline stipulated in the notification of discrepancies form~~). HKSCC reserves the right to rectify errors and omissions at any time.

1403. Advices, statements, reports to be conclusive

Unless otherwise stated in the Rules, any advice, statement or report provided by HKSCC shall, in the absence of manifest error (unless otherwise prescribed by HKSCC, and in any event after one Business Day of the availability of such advice, statement or report ~~(except in respect of the Yellow Form Share Allotment Report, after the deadline stipulated in the notification of discrepancies form)~~ in the case of Participants other than Investor Participants and after ten Business Days of the deemed receipt of such advice, statement or report in the case of Investor Participants), be conclusive as to its subject matter. Except as otherwise agreed by HKSCC, the failure of a Participant to inform HKSCC of any error or omission in any advice, statement or report promptly (unless otherwise prescribed by HKSCC, in any event within one Business Day ~~(except in respect of the Yellow Form Share Allotment Report, before the deadline stipulated in the notification of discrepancies form)~~ in the case of Participants other than Investor Participants and within ten Business Days in the case of Investor Participants) shall constitute a waiver in favour of HKSCC by such Participant of any right to require rectification.

HKSCC may in its absolute discretion entertain a late request by a Participant to rectify an error or omission, as aforesaid.

For the avoidance of doubt, HKSCC shall not be obliged to entertain any notification of error or omission in any advice, statement or report or any request to rectify any error or omission in any advice, statement or report from any person other than from a Participant or a Designated Bank.

CHAPTER 17

CONTINUING OBLIGATIONS OF PARTICIPANTS

1703. Other responsibilities

Each Participant undertakes that:-

- (i) it will comply with any law, decree, rule, regulation, or order of any government, regulatory authority, competent authority, court or tribunal anywhere in the world, applicable to it or to its status, the conduct of its business, the performance of its obligations as a Participant or its participation in CCASSany System, including, for the avoidance of doubt, all applicable laws, decrees, rules, regulations, and orders of any government, regulatory authority, competent authority, court or tribunal relating to the prevention of bribery, money laundering, tax evasion, financial crimes and terrorist financing;
- (ii) it will comply with the Rules and with any orders, directions or practice notes from time to time issued or prescribed by HKSCC in respect of the services and facilities of CCASSHKSCC, whether of a temporary or permanent nature;
- (iii) it will notify HKSCC of any change in the details supplied to HKSCC at the time of admission and thereafter, including but not limited to anything relating to such Participant, its directors or employees which would render inaccurate, incomplete or superseded a statement or information previously furnished by such Participant to HKSCC in connection with either (a) such Participant's application for admission to be a Participant or (b) the status of such Participant under the Tax Information Exchange Framework, the documentation previously furnished by such Participant on such status or the meeting by HKSCC under clause (vii) of any obligations relating to the Tax Information Exchange Framework;
- (iv) it will notify HKSCC forthwith upon it becoming aware of the presentation of any petition for its bankruptcy or winding-up or of any winding-up or bankruptcy order made against it, the convening of any meeting to consider a resolution for its voluntary winding-up or the passing of such a resolution, the appointment or purported appointment of a receiver in respect of any of its property, any change in its financial conditions which may lead to its bankruptcy, winding-up or the appointment of a receiver in respect of its property, or any other change in its circumstances material to its participation in CCASSany System;
- (v) it will keep records in sufficient detail of its use of any of the services and facilities of CCASS-HKSCC and upon HKSCC's request, make available for inspection by HKSCC all such records and in the case of Participants other than Investor Participants, allow HKSCC, during normal office hours, to enter its premises where such records are kept and inspect such records;

- (vi) it (which does not include an Investor Participant) will provide HKSCC with any information requested by an exchange, clearing house, regulatory authority or an organization (whether within or outside Hong Kong) with which HKEX, HKSCC or the Exchange has entered into an information sharing arrangement or agreement;
- (vii) it will provide HKSCC with sufficient information so as to enable HKSCC to determine whether any payments to be made by HKSCC under these Rules are withholdable payments pursuant to the Tax Information Exchange Framework and to enable HKSCC to meet any applicable obligations relating to the Tax Information Exchange Framework; and
- (viii) it (which does not include an Investor Participant) will provide to HKSCC:
 - (a) as soon as reasonably practicable subsequent to any reorganisation of its corporate group, an updated group organisation chart;
 - (b) on an annual basis, a list of each of its direct and indirect shareholders holding 10% or more of the share capital or voting rights of the Participant;
 - (c) as soon as reasonably practicable following a change (direct or indirect) of 10% or more in the share capital or voting rights of the Participant (including any change in the interest of an existing shareholder who holds an interest (direct or indirect) of 10% or more in the share capital or voting rights of the Participant and any new shareholder acquiring an interest (direct or indirect) of 10% or more in the share capital or voting rights of the Participant), the relevant information setting out such change; and
 - (d) within the time frame specified by HKSCC, such information as HKSCC may request from time to time including changes to its financial condition.

CHAPTER 19

INDEMNITY

1901. Scope of indemnity

Each Participant shall indemnify HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC and their respective agents, nominees, representatives, officers and employees and hold each of them harmless against all costs, fees, expenses, liabilities, taxes, assessments, losses, fines, penalties, and damages of any nature whatsoever (including the interest accrued to any such amount) suffered or incurred by any of them directly or indirectly as a result of or in connection with the following matters (except where HKSCC is guilty of anything not done or not omitted to be done in good faith on its part and is directly

responsible for the losses etc.):

- (i) the participation in CCASS-any System by the Participant and/or its activities in CCASS-any System, the provision of services by HKSCC to the Participant in respect of Eligible Securities held or recorded in CCASS or by an Appointed Depositary (as the case may be), the provision of Synapse services by HKSCC to the Participant if the Participant is a Synapse User, the provision of FINI services by HKSCC to the Participant if the Participant is a FINI CP User and the provision of the FX Services by HKSCC as TSF operator to the Participant if the Participant is a TSF CCASS Participant and all matters relating thereto as contemplated in the Rules;
- (ii) the failure by the Participant to comply with the provisions of the Rules and the Participant Agreement (including, without limitation, the representations and warranties contained therein) or to comply with any directions or regulations of HKSCC;
- (iii) the actions or omissions by HKSCC or its agents, nominees, representatives, officers and employees in reliance on instructions or communications believed in good faith by any of them to have been given by or on behalf of the Participant (including, but not limited to, the giving of effect to such instructions or communications by any of them) or the failure of the Participant to give instructions to HKSCC as contemplated in the Rules;
- (iv) the acceptance by HKSCC of Eligible Securities deposited by the Participant (including Eligible Securities deposited by the Participant for credit into the CCMS Collateral Account and TSF Accounts, and Eligible Securities held by an Appointed Depositary) and the giving of effect to transactions relating thereto by HKSCC in accordance with the Rules; and the withdrawal of Eligible Securities by the Participant;
- (v) the registration of Eligible Securities in the name of HKSCC or its nominee or in the name of an Appointed Depositary or its nominee (as the case may be) and the withdrawal of such Eligible Securities by the Participant (including, without limitation, all assessments, calls, taxes and charges in respect thereof; losses, liabilities and expenses arising from claims by third parties; and the inability of any person entitled to exercise or enjoy any rights, entitlements and benefits accruing thereto on a timely basis);
- (vi) the failure by the Participant to make payment or to deliver Eligible Securities, or to perform such other duties or obligations contemplated in the Rules;
- (vii) the failure of any Designated Bank to perform in relation to money settlement services in CCASS and other matters involving payments as contemplated in the Rules or (where applicable) to perform its duties or obligations as contemplated in the FINI Terms and Conditions in respect of the Participant's Electronic Application Instructions for New Issue Shares;

- (viii) anything done, omitted or suffered by HKSCC under, arising out of or in connection with the CMU Software Sub-license Agreement, the CMU Membership Agreement including the CMU Rules and CMU Manual referred to therein (as referred to in Rule 703) or the CMU Service, insofar as the same arises out of or is connected with or related to Tender Instructions or Transfer Instructions given by the Participant;
- (viiiia) anything done, omitted or suffered by HKSCC, its agents, nominees, representatives, officers and employees under, arising out of, in connection with or otherwise related to Cross-Border Transfer Instructions given by the Participant;
- (ix) any proceeding or investigation brought by or on behalf of any government, regulatory body, self-regulatory organization, or any other regulatory authority exercising disciplinary functions to which the Participant is subject;
- (x) any action by HKSCC or its agents, nominees, representatives, officers and employees in respect of Eligible Securities held or recorded in CCASS or by an Appointed Depository, taken in good faith to comply with any law, decree, regulation or order of any government, competent authority or any court or tribunal;
- (xi) any actions or omissions by HKSCC or its agents, nominees, representatives, officers and employees in relation to SSA Statement Recipients (including but not limited to any acts or omissions in reliance on or pursuant to the authorization of the Participant under Section 3.4A of the Operational Procedures) and all matters relating thereto as contemplated in the Rules;
- (xii) any actions taken or any transactions entered into by HKSCC, as TSF operator, to adjust, amend, or reverse any TSF FX Transactions or Stock Release FX Transactions in respect of or for a Participant which is a TSF CCASS Participant, whether such adjustment, amendment or reversal arises from a Trade Amendment or otherwise; ~~and~~
- (xiii) any actions taken by HKSCC, as the operator of Synapse, to effect any instruction in respect of or for a Participant which is a Synapse User; ~~and~~
- (xiv) any actions taken or any transactions entered into by HKSCC, as the operator of FINI, to effect any Electronic Application Instructions for New Issue Shares in respect of or for a Participant which is a FINI CP User.

CHAPTER 20

DISCIPLINARY ACTIONS

2001. Circumstances subject to disciplinary actions

Subject to Rule 2013, HKSCC may institute disciplinary proceedings against a Participant in respect of an act of misconduct committed or reasonably believed to have been committed by it. An act of misconduct includes :-

- (i) a breach of the Rules or the Participant Agreement (including, without limitation, in the case of a Clearing Participant, where the Clearing Participant fails to comply with its obligations to HKSCC or to other Clearing Participants (as the case may be) in relation to the due and punctual settlement under the CNS System or under the Isolated Trades System and matters relating thereto);
- (ii) a failure to comply with any conditions or requirements for its continued participation in ~~CCASS~~any System as are from time to time imposed by HKSCC;
- (iii) a failure to comply with any decision, requirement, condition or direction of HKSCC having binding effect;
- (iv) a failure to co-operate with HKSCC in matters relating to ~~CCASS~~any System or an Appointed Depository, whether or not relating to the Participant, which materially affects the interests of HKSCC or other Participants;
- (v) being subject to an adverse finding by any competent authority wherever situated including without limitation, any court of competent jurisdiction, the Commission or any committee or tribunal of the Commission, and/or the Exchange, any self-regulatory organization, recognized professional body, overseas regulatory body or other body exercising regulatory or disciplinary functions;
- (vi) errors, delays or other conduct detrimental to the operations of ~~CCASS~~any System or an Appointed Depository or conduct which in HKSCC's opinion is detrimental to the interests or reputation of HKSCC or other Participants;
- (vii) provision to HKSCC of information (including information for the purpose of becoming a Participant) which is false, misleading or inaccurate in a material particular;
- (viii) being knowingly concerned in, or improper conduct which causes or contributes to, an act of misconduct falling within sub-paragraphs (i) to (vii) of this Section by another person;

- (ix) failure to pay a fine or comply with any other disciplinary action or penalty imposed by HKSCC within the specified time;
- (x) conduct which leads to any disciplinary action being taken against HKSCC or which leads to HKSCC being in breach of the rules of an Appointed Depositary;
- (xi) failure to provide information requested by an exchange, clearing house, regulatory authority or an organization (whether within or outside Hong Kong) with which HKEX, HKSCC or the Exchange has entered into an information sharing arrangement or agreement (this act of misconduct does not apply to an Investor Participant) or pursuant to Rule 1703(iii) or (vii);
- (xii) if the Participant is a Common Participant, a default in payment of any sum payable to any other Recognized Clearing House or an event of default committed by the Participant under the rules of such Recognized Clearing House;
- (xiii) if the Participant is a TSF CCASS Participant, a failure to comply with any TSF Participant Registration Criteria or any other conditions or requirements for its continued registration as a TSF CCASS Participant, or a failure to comply with any provisions of, or any of its obligations under, Chapter 12A of the Rules, Section 12A of the Operational Procedures and other related provisions in the Operational Procedures;
- (xiv) if the Participant is a China Connect Clearing Participant, a failure to comply with any China Connect Clearing Participant Registration Criteria or any other conditions or requirements for its continued registration as a China Connect Clearing Participant, or a failure to comply with any provisions of, or any of its obligations under, Chapter 41 of the Rules, Section 10A of the Operational Procedures and other related provisions in the Rules and Operational Procedures;
- (xv) if the Participant is a China Connect Clearing House, a failure to comply with any China Connect Clearing House qualification requirements or any other conditions or requirements for its continued registration as a China Connect Clearing House, or a failure to comply with any provisions of, or any of its obligations under Chapter 42 of the Rules and other related provisions in the Rules and Operational Procedures, including those applicable to a Clearing Agency Participant which is a China Connect Clearing House; ~~and~~
- (xvi) if the Participant is a Synapse User, a failure to comply with any conditions or requirements as set out in the Synapse Terms and Conditions and the Synapse User Guide; ~~and~~
- (xvii) if the Participant is a FINI CP User, a failure to comply with any FINI PFR or any money settlement obligations with respect to its Electronic Application Instructions for New Issue Shares.

2003. Disciplinary actions

Without prejudice to any other right HKSCC may have, on each charge admitted by or proved against a Participant, the Disciplinary Committee may take no action or impose any one or more of the penalties set out below: -

- (i) expel the Participant from participation in CCASSany System;
- (ii) suspend the Participant from participation in CCASSany System;
- (iii) limit the Participant's activities or access to certain services and facilities provided by HKSCC (whether in respect of Eligible Securities held in CCASS or otherwise) on such terms and for such period as HKSCC shall consider to be appropriate;
- (iv) impose a fine on the Participant;
- (v) publicly censure the Participant (including its directors, partners, principals, officers, employees, trainees, agents and/or representatives);
- (vi) prohibit or otherwise limit the activities of the directors, partners, principals, officers, employees, trainees, agents and/or representatives of the Participant in relation to the operations of CCASSany System, ~~and/or~~ services or facilities provided by HKSCC, if the Disciplinary Committee determines that such directors, partners, principals, officers, employees, trainees, agents and/or representatives have engaged in conduct detrimental to the operations of CCASSsuch System, services or facilities provided by HKSCC or to the reputation of HKSCC or other Participants;
- (vii) notify the matter to any competent authority to which a Participant is subject;
- (viii) privately censure the Participant including any of its directors, partners, principals, officers, employees, trainees, agents and/or representatives;
- (ix) suspend the Participant's right to use any or all of the services and/or facilities provided by HKSCC (whether in respect of Eligible Securities held in CCASS or otherwise) and/or any or all of the ancillary services to which the Participant has access; and/or
- (x) take such other disciplinary action as the Disciplinary Committee shall consider appropriate in the circumstances.

2008. Summary Disciplinary Action and Summary Suspension

- (i) Notwithstanding any other provisions of the Rules, HKSCC shall have the right to,

and may proceed summarily against any Participant for any breach of the Rules or any act of misconduct as set out in Rule 2001, or if HKSCC is of the opinion that it would be in the interest of HKSCC and/or CCASSany System and/or Participants so to do.

- (ii) Notwithstanding Rules 2004, 2005 and Rule 2006, HKSCC may when proceeding summarily against any Participant:-
- (a) (1) suspend the Participant from participation in CCASSany System, or
- (2) limit the Participant's activities or access to the services and facilities in CCASSany System, and/or
- (b) summarily fine the Participant or impose on the Participant any other penalty, without prior notification to the Participant.
- (iii) HKSCC shall immediately notify the Participant in writing of any summary suspension and/or any limitation that has been imposed, the duration of the suspension and/or the limitation imposed, if any, and/or any summary penalty or fine (and the amount thereof) imposed, on the Participant.

CHAPTER 21

DUTIES AND LIABILITIES OF HKSCC

2102. Liability for anything not done in good faith

Except as otherwise expressly provided in the Rules, HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC shall not be liable to any Participant or to any other person in respect of anything done or omitted to be done by it in good faith in connection with the operations of CCASSany System, the provision of services and facilities available thereunder, and all other matters as contemplated in the Rules.

2103. Force majeure

HKSCC, the Exchange, and a recognized exchange controller which is the controller of HKSCC shall not be liable for any action taken or for any failure, hindrance or delay in the provision of services or for any failure to give effect to or delay in giving effect to any instructions from Participants with respect to any nominee, depository or other CCASS services of HKSCC (or in the case of Foreign Securities held by an Appointed Depository, with respect to any nominee, depository or other service provided by that Appointed Depository, or in the case of China Connect Securities, with respect to any China Connect Clearing Services) or for the suspension or cessation of the TSF or the failure to provide any FX Services or FX rates for the operation of the TSF or for the suspension or cessation of any

Clearing Link or the performance in whole or in part of its obligations under the terms of the Rules or under any Market Contract if such action, failure, hindrance or delay arises out of causes beyond its control.

Such causes may include, but shall not be limited to, acts of God or the public enemy, acts of a civil or military authority, embargoes, fires, floods, explosions, accidents, labour disputes, mechanical breakdowns, computer or system failures or other failures of equipment, failures of or defects in computer or system software, unavailability of or restrictions on any communication media for whatever reason (whether or not such media is used by Participants), interruptions (whether in whole or in part) of power supplies or other utility or service, any law, decree, regulation or order of any government, competent authority or any court or tribunal, and any other causes beyond HKSCC's control including, without limitation to the foregoing, any similar causes affecting the Exchange, Hong Kong Interbank Clearing Limited (whether or not specified in the Exchange Rules or the rules and regulations of Hong Kong Interbank Clearing Limited), the manager or trustee of any Exchange Traded Fund, an Appointed Depositary or a China Connect Clearing House.

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:-

- (i) a failure by a Participant to comply with the Rules;
- (ii) the taking by HKSCC of action authorised, permitted or contemplated in the Rules or in any of the arrangements under Rule 703;
- (iii) the insolvency of the Appointed Depositories, HKSCC's own banker, or any other sub-custodians, depositaries, entities or other clearing entities appointed or used by HKSCC in relation to Eligible Securities (provided that the selection by HKSCC of such persons shall not have been unreasonable);
- (iv) any delays, acts or omissions of any Designated Bank of, or of any operator of, any clearing house for an Eligible Currency or of any institution or person providing clearing and settlement services in any Eligible Currency or the insolvency of any of the foregoing;
- (v) the inability of HKSCC to perform as a result of the invalidity or, cancellation of any insurance or assurances effected by HKSCC or the insolvency of such insurers or assurers (provided that the selection of such insurance, assurances or insurers by HKSCC shall not have been unreasonable at the time of selection);
- (vi) the taking by HKSCC of any action or omission in accordance with the directions of any governmental or regulatory body, or an order made or directions given by a court in exercise of its proper jurisdiction, where it is required to do so by law;
- (vii) ~~[Repealed] any system used by HKSCC, or any third party system upon which~~

~~HKSCC is reliant in the operation of CCASS or the settlement and/or clearance of transactions involving Foreign Securities or Uncertificated Eligible Securities is not millennium compliant or is otherwise unable to exchange date information, a Participant fails to conduct appropriate tests of any system on its own or with other systems to ensure it is millennium compliant, or any failure by HKSCC to obtain appropriate warranties, certificates or other commitments from any system's supplier or a failure to take any steps to enforce the same. For these purposes millennium compliant means that the system can handle date information before, during and after 1 January 2000, the advent of the year 2000 and leap years and the new century does not cause the system to cease functioning accurately or to be interrupted and the system responds to two digit date and year input in a way that resolves any ambiguity as to century in a disclosed, defined and pre-determined manner;~~

- (viii) any acts or omissions of any Issuer, any agent of the Issuer or any other party involved in a New Issue, including any delay by any Issuer or its agents in notifying HKSCC of (a) the identity of Participants to whom New Issue Shares have been allocated and the number of New Issue Shares allocated to each of them or (b) the identity of Participants whose applications or tender have been unsuccessful in whole or in part and the amounts of the refunds due to each of them or any failure by any Issuer so to notify HKSCC or the insolvency of any Issuer, any agent of any Issuer or any such other party and/or any error, discrepancy, default, failure or delay by any Issuer or its agent in paying the New Issue Brokerage into the General Purpose Designated Bank Accounts of the Clearing Participants which are Exchange Participants or otherwise;
- (ix) any acts or omissions of the HKMA or the employees or agents of the HKMA including (a) termination or suspension of HKSCC's appointment as a Recognized Dealer or HKSCC's membership of the CMU Service, (b) closure, termination, suspension or freezing of HKSCC's CMU Account or any sub-account(s) under it, (c) cancellation, freezing or suspension of trading in any Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments credited to HKSCC's CMU Account, or tendered or applied for by HKSCC in response to Tender Instructions, (d) the conduct of any issue of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments, including the tendering or application process and any suspension or cancellation of the issue or the tendering or application process or (e) suspension, failure, malfunction, overload, variation or termination of the CMU Service whether wholly or partially or in a particular case or in respect of one or more processes or transactions;
- (x) any acts or omissions of the owners and licensees of all hardware and software operated or used by the HKMA or HKSCC for the purposes of or in connection with the CMU (including the CMT Terminal and the hardware referred to in and the software which is the subject of the CMU Software Sub-licence Agreement between Hong Kong Interbank Clearing Limited and HKSCC) (or any acts or omissions of the employees or agents of those owners and licensees) or any loss or damage whatsoever or howsoever caused arising directly or indirectly out of or in connection with the use of the CMT Terminal and any such hardware or software or any failure of or error or inaccuracy in the operation of the CMU;
- (xi) any acts, omissions or delays of the issuer of Exchange Fund Notes, Government Bonds, any Specified Instruments or any CMU Instruments, or any arranger, promoter or co-ordinator of any such issue (or any other person involved in any such issue) or the employees or agents of any of the foregoing;

- (xii) any acts, omissions or delays of the manager or trustee of any Exchange Traded Fund or the arranger or promoter of any issue of Units (or any other person involved in their issue) or the employees or agents of any of the foregoing;
- (xiii) any acts, omissions or delays of any Appointed Depositary or its employees or agents;
- (xiv) any proceeding or investigation brought by or on behalf of any government, regulatory body, self-regulatory organization, or other regulatory authority exercising any disciplinary functions to which the Participant is subject;
- (xv) any acts, omissions, defaults or delays of the Issuer of any Eligible Securities, or any other party involved in any Eligible Securities or the employees or agents, representatives or intermediaries of any of the foregoing (including an Issuer's principal or branch share registrar), or the insolvency of any of the foregoing;
- (xvi) the operation of the CMU Service or the taking by HKSCC of any action or omission in accordance with the provisions in the CMU Membership Agreement including the CMU Rules and CMU Manual (as referred to in Rule 703) including compliance with any notice or requirement of the HKMA not to make or allow any transfer, dealing or disposition of CMU Instruments in CMU Account or compliance with directions given by the HKMA thereunder;
- (xvii) any acts, omissions or delays of any entity, as referred to in Rule 823, with which an Overseas Account is maintained or with which HKSCC or its nominee has entered into relevant arrangements, or the insolvency of such entity;
- (xviii) any acts, omissions or delays of any Depositary or its employees or agents;
- (xix) in relation to the provision of FX Services, any acts, omissions, defaults, failure to perform obligations or delays of any TSF Partner Bank or any other person providing RMB to HKD and/or HKD to RMB conversion services and/or liquidity to HKSCC, as TSF operator, or the insolvency of any of the foregoing;
- (xx) the inability of HKSCC to settle any TSF FX Transactions or Stock Release FX Transactions due to any acts, omissions, defaults, failure to perform obligations or delays of any TSF Partner Bank or any other person providing RMB to HKD and/or HKD to RMB conversion services and/or liquidity to HKSCC, as TSF operator, or the insolvency of any of the foregoing;
- (xxi) any failure, omissions, errors, delays, malfunction, suspension or cessation of operation of any system used by HKSCC or any third party system upon which HKSCC is reliant in the operation of the TSF, publication of FX rates or the provision of FX Services (including any system used by a TSF Partner Bank);
- (xxii) any suspension of the FX Services, any failure to provide or publish any FX rates or the cessation of operation of the TSF;

- (xxiii) any defective, incorrect, incomplete or omission of information provided by the Issuer of any Eligible Securities or its employees or agents;
- (xxiv) any failure, omissions, errors, delays, malfunction, suspension or cessation of operation of SWIFT or any system upon which HKSCC is reliant for the provision of the CA ISO Message Service; ~~and/or~~
- (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.

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

CHAPTER 22

TERMINATION OF CCASS PARTICIPATION

CHAPTER 26

SUSPENSION OF SERVICES

2601. HKSCC may suspend services

If in the opinion of HKSCC the functioning of CCASSa System or the services and facilities that it provides in relation to the settlement and/or clearance of Foreign Securities held by an Appointed Depository is or is likely to be impaired by any event or circumstance, HKSCC may suspend the whole or any part of the operations of CCASSthe System or the relevant services and facilities ~~available thereunder~~ to Participants, for such duration as it sees fit.

HKSCC may also take such other action as it may deem necessary or appropriate in the interests of CCASSHKSCC and Participants.

2602. Notification of suspension

HKSCC shall notify Participants other than Investor Participants, the Exchange and the Commission as soon as practicable upon a decision to suspend any operation or service of any System~~CCASS~~ or any other service or facility relating to the settlement and/or clearance of Foreign Securities held by an Appointed Depository and shall also provide information as to any other action it proposes to take.

HKSCC shall notify Investor Participants as soon as practicable via the CCASS Phone System and the CCASS Internet System of any decision to suspend any operation or service of CCASS.

Notification of suspension of any operation or service of FINI will be given to users of FINI in accordance with the FINI Terms and Conditions and the FINI User Guide.

CHAPTER 27

INSURANCE

2701. HKSCC shall maintain insurance

HKSCC shall maintain insurance of such type and to such extent as it in its absolute discretion considers appropriate in relation to the operations of any System ~~CCASS~~ and the services and facilities available thereunder to Participants.

CHAPTER 28

DISCLOSURE

2802. Disclosure to Issuers or Depositories of Eligible Securities

HKSCC shall from time to time upon the written request of an issuer of Eligible Securities or a Depository in the case of Depository Receipts disclose to that issuer or Depository details of Participants' holdings of that Eligible Security in CCASS or in any Appointed Depository of the Eligible Securities concerned.

HKSCC may also disclose the details of names and addresses of recipients of copies of Corporate Communications from time to time to the Issuer of the relevant Eligible Securities or Depository in the case of Depository Receipts or to their registrars. Participants shall not release such details to HKSCC without first obtaining from the recipients written authorization authorizing such release of his/her details.

At the request of the HKMA or an Issuer of any Specified Instruments or an Issuer of any CMU Instruments, HKSCC may provide to the HKMA or any such Issuers or persons any

information held in CCASS relating to Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments, as the case may be, including any information about Tender Instructions or Transfer Instructions given by, or made by, any Participant.

Upon receiving the written request of an Issuer informing HKSCC that New Issue Brokerage is to be passed on to the General Purpose Designated Bank Accounts of Clearing Participants which are Exchange Participants, HKSCC may disclose, in such manner as HKSCC may from time to time determine, information relating to the General Purpose Designated Bank Accounts of the relevant Clearing Participants to the Issuer and/or its agent to facilitate the payment of the New Issue Brokerage. Such written request shall be in such form and include such provisions as HKSCC may from time to time require, and be received by HKSCC ~~at least three business days in advance~~ before the date of the Prospectus in respect of the relevant New Issue. HKSCC is deemed to have been authorised by the Clearing Participants which are Exchange Participants to disclose such information to the Issuer and/or its agent.

HKSCC may but is not obliged to release the information authorized to be disclosed under this Rule 2802 to an Issuer via the internet in accordance with the terms of any agreement as has been entered into between HKSCC and the Issuer.

2803. Disclosure to others

HKSCC may also disclose information at any time to the Exchange, any recognized exchange controller, any company of which the recognized exchange controller which is the controller of HKSCC is the controller, the Commission, any self-regulatory organization, overseas regulatory body, other body exercising regulatory and disciplinary functions, a competent authority to which a Participant other than an Investor Participant is subject, the Appointed Depositories and to other parties in relation to the entering into of contractual arrangements (including, but not limited to, insurance) in relation to the operations of ~~CCASS-any System~~ or to the services and facilities provided by HKSCC to Participants and issuers of Eligible Securities. HKSCC may disclose information in relation to the operations of ~~CCASS-any System~~ or to the services and facilities provided by HKSCC to Participants and issuers of Eligible Securities including information relating to Participants and/or their activities in ~~CCASSany System~~ to other clearing houses, central depositories, and exchanges in Hong Kong or elsewhere, if HKSCC considers such disclosure to be in the general interest of HKSCC or Participants.