

Rules of the Exchange

CHAPTER 1
INTERPRETATION

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

- ~~“Backup China Connect Open Gateway”~~ means ~~a China Connect Open Gateway installed for backup purposes pursuant to Rule 1410(2);~~
- ~~“China Connect Central Gateway transitional period”~~ means ~~a period which may be notified by the Exchange to Exchange Participants during which both the China Connect Open Gateway and the China Connect Central Gateway session could be used as a communications interface with the CSC but after which only the China Connect Central Gateway session could be used;~~
- ~~“China Connect Open Gateway”~~ means ~~the hardware and software component operated by a China Connect Exchange Participant, which provides the communications interface between the CSC, the BSS of the China Connect Exchange Participant and other devices;~~
- “China Connect order” means an order input into the CSC ~~via a China Connect Open Gateway or~~ via a China Connect Central Gateway session of a China Connect Exchange Participant for routing to a China Connect Market System to buy or sell China Connect Securities (including an order to sell Special China Connect Securities), and the terms “China Connect buy order” and “China Connect sell order” shall be construed accordingly;
- “Exchange Traded Fund” means any ~~passively managed and~~ open-ended fund, unit trust or similar investment arrangement that is listed and/or traded on the Exchange;
- ~~“standard China Connect throttle rate”~~ means ~~the standard throughput rate of a China Connect order into the CSC via a China Connect Open Gateway, as determined by the Exchange from time to time;~~

CHAPTER 8

PAYMENT OF FEES AND CHARGES

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

<u>Fee Type</u>	<u>Amount (HK\$)</u>
(16) [Repealed] monthly user fee for:	
(a) [Repealed]	
(b) a China Connect Open Gateway, a Backup China Connect Open Gateway;	1,250
(c) [Repealed]	
(d) [Repealed]	
(e) [Repealed]	
(f) [Repealed]	
(g) [Repealed]	
(h) [Repealed]	
(i) [Repealed]	
(j) [Repealed]	
(k) [Repealed]	
(l) [Repealed]	
(la) standard China Connect throttle rate(s) assigned to a Backup China Connect Open Gateway;	480 for each standard China Connect throttle rate assigned
(m) [Repealed]	
(ma) an increase in the throughput rate of a China Connect order into the CSC through an existing China Connect Open Gateway;	960 for each standard China Connect throttle rate
(n) [Repealed]	
(na) standard China Connect throttle rate(s) assigned to a China Connect Open Gateway or a new	960 for each standard China Connect

~~China Connect Open Gateway~~

~~throttle rate assigned~~

~~(o) [Repealed]~~

- (16J) ~~[Repealed] application for the throughput rate of a China Connect Open Gateway or application for an increase in the throughput rate of a China Connect Open Gateway;~~ 50,000 for each standard China Connect throttle rate

CHAPTER 14

CHINA CONNECT SERVICE

The China Connect Service

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

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

1410. (1) In order to access the CSC or use the China Connect Service, a China Connect Exchange Participant must apply to the Exchange in the prescribed form for:
- (a) ~~[Repealed]one or more China Connect Open Gateways, and in respect of each China Connect Open Gateway applied for, a single standard China Connect throttle rate or multiples of a standard China Connect throttle rate for assignment to the China Connect Open Gateway, provided that during the China Connect Central Gateway transitional period, the Exchange may only approve such application by a China Connect Exchange Participant which already has one or more China Connect Open Gateways; and/or~~
 - (b) [Repealed]
 - (c) one or more China Connect Central Gateway sessions, and in respect of each China Connect Central Gateway session applied for, a single standard China Connect Central Gateway throttle rate or multiples of a standard China Connect Central Gateway throttle rate for assignment to the China Connect Central Gateway session.
- (2) ~~A China Connect Exchange Participant which has connected a China Connect Open Gateway with its BSS to access the CSC in accordance with Rule 1411(1) may, subject to Rule 1414(1), apply to the Exchange in the prescribed form for a Backup China Connect Open Gateway to backup such China Connect Open Gateway.~~ A China Connect Exchange Participant which has connected its BSS with the China Connect Central Gateway via its China Connect Central Gateway session in accordance with Rule 1411(1) may, subject to Rule 1414(1), apply to the Exchange in the prescribed form for a Backup China Connect Central Gateway session to backup such China Connect Central Gateway session.
1411. (1) Upon approval of an application made under Rule 1410(1) or Rule 1413(5), a China Connect Exchange Participant may, ~~as applicable:~~
- (a) ~~[Repealed]connect its BSS with the China Connect Open Gateway and connect the China Connect Open Gateway with the CSC; or~~
 - (b) [Repealed]
 - (c) connect its BSS with the China Connect Central Gateway via its China Connect Central Gateway session.
- (2) Where an application for ~~a Backup China Connect Open Gateway or a Backup China Connect Central Gateway session~~ under Rule 1410(2) is approved, ~~the Backup China Connect Open Gateway or~~ the Backup China Connect Central Gateway session shall be used for backup purposes in accordance with Rule 1414.

- (3) A China Connect Exchange Participant shall comply with all such terms and conditions and pay all such fees and charges as the Exchange may prescribe from time to time with respect to the use of ~~a China Connect Open Gateway, a standard China Connect throttle rate, a Backup China Connect Open Gateway,~~ a China Connect Central Gateway session, a standard China Connect Central Gateway throttle rate and/or a Backup China Connect Central Gateway session.
1412. (1) Notwithstanding Rules 1411, 1413(5) and 1414, the Exchange has the right to suspend, withdraw or revoke a China Connect Exchange Participant's use of ~~a China Connect Open Gateway, a Backup China Connect Open Gateway,~~ a China Connect Central Gateway session or a Backup China Connect Central Gateway session or access to the CSC on such terms and for such period as the Exchange thinks fit, whether requested by the China Connect Exchange Participant or not.
- (2) A China Connect Exchange Participant may request the Exchange to suspend, withdraw or revoke its use of any ~~China Connect Open Gateway, Backup China Connect Open Gateway,~~ China Connect Central Gateway session, Backup China Connect Central Gateway session or access to the CSC any time.
- (3) ~~[Repealed] A China Connect Exchange Participant seeking to install a China Connect Open Gateway, a Backup China Connect Open Gateway or its BSS for the purpose of connecting it to a China Connect Open Gateway in any location must:~~
- ~~(a) provide prior written notification to the Exchange;~~
 - ~~(b) ensure at all times that the environment is suitable for the location of such facilities; and~~
 - ~~(c) comply at all times with such other requirements for the installation and operation of such facilities as the Exchange may prescribe from time to time.~~
- (4) A China Connect Exchange Participant shall ensure that only it or its Authorized Persons can operate or have access to ~~a China Connect Open Gateway, a Backup China Connect Open Gateway,~~ a China Connect Central Gateway session or a Backup China Connect Central Gateway session, and shall be solely responsible and liable for monitoring and supervising such grant of access and operation by it or its Authorized Persons. A China Connect Exchange Participant shall be fully liable for any consequences resulting from any unauthorized use of its ~~China Connect Open Gateway, Backup China Connect Open Gateway,~~ China Connect Central Gateway sessions or ~~a Backup China Connect Central Gateway sessions.~~

- (5) ~~[Repealed] A China Connect Exchange Participant shall not modify or attempt to modify a China Connect Open Gateway or Backup China Connect Open Gateway.~~
- (6) A China Connect Exchange Participant shall ensure that its BSS is operated in such a way as not to affect the proper functioning of the CSC.
- (7) A China Connect Exchange Participant shall submit to the Exchange a declaration in a form prescribed by the Exchange from time to time in relation to its BSS:
 - (a) prior to the connection or re-connection of its BSS ~~to the CSC via a China Connect Open Gateway or~~ to the China Connect Central Gateway via a China Connect Central Gateway session; and
 - (b) prior to the implementation of material changes to its BSS or at any time as required by the Exchange during any period that its BSS is connected to ~~the CSC or~~ the China Connect Central Gateway.

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

- 1413.
- (1) The Exchange may, upon the application of a China Connect Exchange Participant, approve the increase of the throughput rate of a China Connect order into the CSC via ~~a China Connect Open Gateway or~~ a China Connect Central Gateway session. An application for an increase in the throughput rate shall be for ~~a standard China Connect throttle rate, multiples of a standard China Connect throttle rate,~~ a standard China Connect Central Gateway throttle rate or multiples of a standard China Connect Central Gateway throttle rate.
 - (2) ~~The Exchange may, upon the application of a China Connect Exchange Participant that has more than one China Connect Open Gateway, approve the transfer of any standard China Connect throttle rate assigned to one of its China Connect Open Gateways to another China Connect Open Gateway of the China Connect Exchange Participant.~~ The Exchange may, upon the application of a China Connect Exchange Participant that has more than one China Connect Central Gateway session, approve the transfer of any standard China Connect Central Gateway throttle rate assigned to one of its China Connect Central Gateway sessions to another China Connect Central Gateway session of the China Connect Exchange Participant.
 - (3) ~~The Exchange may, upon the application of a China Connect Exchange Participant, approve the transfer of any standard China Connect throttle rate assigned to an existing China Connect Open Gateway of such China Connect Exchange Participant to a new China Connect Open Gateway of such China Connect Exchange Participant approved under Rule 1413(5).~~ The Exchange

may, upon the application of a China Connect Exchange Participant, approve the transfer of any standard China Connect Central Gateway throttle rate assigned to an existing China Connect Central Gateway session of such China Connect Exchange Participant to a new China Connect Central Gateway session of such China Connect Exchange Participant approved under Rule 1413(5).

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

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

- 1414.
- (1) ~~The number of Backup China Connect Open Gateways that a China Connect Exchange Participant may apply for under Rule 1410(2) must not exceed the total number of China Connect Open Gateways connected to the CSC at the time of the application. The number of standard China Connect throttle rates to be assigned to a Backup China Connect Open Gateway for the backup of a China Connect Open Gateway must be the same as the number of standard China Connect throttle rates assigned to that China Connect Open Gateway.~~ The number of Backup China Connect Central Gateway sessions that a China Connect Exchange Participant may apply for under Rule 1410(2) must not exceed the total number of China Connect Central Gateway sessions connected to the China Connect Central Gateway at the time of the application. The number of standard China Connect Central Gateway throttle rates to be assigned to a Backup China Connect Central Gateway session for the backup of a China Connect Central Gateway session must be the same as the number of standard China Connect Central Gateway throttle rates assigned to that China Connect Central Gateway session.
 - (2) ~~[Repealed] Upon installation of a Backup China Connect Open Gateway, a China Connect Exchange Participant shall keep it in the "non-trading" mode until such time as it is activated by the Exchange at the request of the China Connect Exchange Participant under Rule 1414(3).~~

- (3) ~~[Repealed] A China Connect Exchange Participant wishing to activate a Backup China Connect Open Gateway in case of failure of a China Connect Open Gateway must submit a request to the Exchange to disconnect the China Connect Open Gateway concerned from the CSC and to activate the corresponding Backup China Connect Open Gateway to the "trading" mode in such form and manner as prescribed by the Exchange from time to time.~~
- (4) ~~Notwithstanding anything to the contrary contained in these Rules, upon activation of a Backup China Connect Open Gateway, such Backup China Connect Open Gateway shall for the purposes of these Rules be deemed as a "China Connect Open Gateway" as defined and shall be used as such by the China Connect Exchange Participant until such time as it is returned by the Exchange to the "non-trading" mode.~~ Notwithstanding anything to the contrary contained in these Rules, upon activation of a Backup China Connect Central Gateway session by the China Connect Exchange Participant, such Backup China Connect Central Gateway session shall for the purposes of these Rules be deemed as a "China Connect Central Gateway session" as defined and shall be used as such by the China Connect Exchange Participant until such time as it is ~~de-activated~~ returned by the China Connect Exchange Participant ~~to the "non-trading" mode.~~
- (5) ~~[Repealed] A China Connect Exchange Participant wishing to de-activate its activated Backup China Connect Open Gateway and revert to using its corresponding China Connect Open Gateway for connection with the CSC must submit in the manner as prescribed by the Exchange from time to time:~~
- ~~(a) a request in the prescribed form in respect of the de-activation of the Backup China Connect Open Gateway; and~~
 - ~~(b) a declaration referred to in Rule 1412(7) in respect of the re-activation of the China Connect Open Gateway.~~

Order Input and Transactions Executed Through the China Connect Service

1416. For China Connect orders to be routed to a China Connect Market for automatic matching and execution, a China Connect Exchange Participant must input such China Connect orders into the CSC ~~via a China Connect Open Gateway and/or~~ via a China Connect Central Gateway session connected with its BSS. A China Connect Exchange Participant shall at all times be responsible for all the China Connect orders routed through ~~its China Connect Open Gateways and~~ its China Connect Central Gateway sessions to the relevant China Connect Market irrespective of whether the China Connect orders are executed on the China Connect Market System or not. Where China Connect orders are executed, a China Connect Exchange Participant shall bear responsibility for the China Connect Securities Trades.
1420. Unless the Exchange otherwise determines, all inputs into the CSC ~~via a China Connect Open Gateway and/or~~ via a China Connect Central Gateway session of a

China Connect Exchange Participant are valid and binding on the China Connect Exchange Participant subject to these Rules, and by inputting a China Connect order into the CSC, a China Connect Exchange Participant is deemed to have authorised the relevant SEHK Subsidiary to route such China Connect order through the China Connect Service to the relevant China Connect Market System for automatic matching and execution. A China Connect Exchange Participant shall be responsible for the accuracy of all information and messages input into the CSC ~~via a China Connect Open Gateway and/or~~ via a China Connect Central Gateway session of the China Connect Exchange Participant, and it is deemed to have authorised and have knowledge of all inputs that bear the China Connect Exchange Participant's unique identifier.

1422. A China Connect order input by a China Connect Exchange Participant may, subject to the rules of the relevant China Connect Market Operator that apply to the relevant SEHK Subsidiary (including without limitation any form of circuit breaker mechanism), be cancelled at the request of the China Connect Exchange Participant through the input of a cancellation request into the CSC ~~via a China Connect Open Gateway or~~ via a China Connect Central Gateway session provided that such China Connect order has not been matched or executed by the relevant China Connect Market System. No China Connect order is regarded as cancelled unless and until a cancellation confirmation has been issued by the relevant China Connect Market System. Neither the Exchange nor the relevant SEHK Subsidiary shall have any liability in the event that a China Connect order which a China Connect Exchange Participant has requested be cancelled is not cancelled for any reason whatsoever.
1443. The Exchange, HKEX and the SEHK Subsidiaries, and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by a China Connect Exchange Participant, its clients or any third parties arising from or in connection with the China Connect Service or the CSC including, without limitation, the following:
- (10) any consequences arising from unauthorized access to the CSC via ~~the China Connect Open Gateway, Backup China Connect Open Gateway, a~~ China Connect Central Gateway session or Backup China Connect Central Gateway session of a China Connect Exchange Participant;

CHAPTER 14A

CHINA CONNECT SERVICE – SHANGHAI

Operational Hours of the China Connect Service in relation to SSE

- 14A03. (2) The trading days and trading hours of SSE are set out below, which may be subject to change in accordance with the SSE Rules. Except (i) between 9:20 and 9:25; and (ii) between 14:57 and 15:00, SSE normally accepts order cancellation requests during its trading hours.

SSE trading days	Monday to Friday (“T”) except where T is a public holiday in Mainland China
Trading hours on an SSE trading day	Opening Call Auction session in the morning : 09:15 – 09:25 Continuous Auction session in the morning: 09:30 – 11:30 Continuous Auction session in the afternoon: 13:00 – 14:57:00 <u>Closing Call Auction session in the afternoon: 14:57 – 15:00</u>

- (3) The trading days of the China Connect Service and the operational hours are set out below, which may be subject to change in accordance with Rule 1415.

CSC trading days	Monday to Friday (“T”) except where: (a) T is a public holiday in Mainland China or Hong Kong; or (b) banking services are not available in Mainland China or Hong Kong on T+1, the corresponding money settlement day.
Operational hours	Morning session: 09:10 – 11:30 Afternoon session 12:55 – 15:00

- (a) If a CSC trading day falls on a day on which only half-day trading is available on the Exchange, the China Connect Service will remain available until the SSE Market closes on that day unless otherwise advised by the Exchange.
- (b) Unless otherwise determined or announced by the Exchange, China Connect Exchange Participants may input China Connect orders for transmission to the CSC on a CSC trading day starting from:

- (i) 9:10 in respect of the SSE Opening Call Auction session in the morning;
- (ii) 9:25 in respect of the SSE Continuous Auction session in the morning; ~~and~~
- (iii) 12:55 in respect of the SSE Continuous Auction session in the afternoon; and
- (iv) 14:57 in respect of the SSE Closing Call Auction session in the afternoon.

This means that the CSC will normally accept China Connect orders five minutes before commencement of each SSE trading session except for the SSE Closing Call Auction session. Processing of China Connect orders in the SSE Market System normally starts at the beginning of each SSE trading session, as referred to in Rule 14A03(2).

Quotas on SSE-listed Securities as China Connect Securities

Daily Quota

- 14A07. (9) In respect of each CSC trading day, if the Daily Quota Balance drops to zero or below (i.e. if the Daily Quota is fully utilized):
- (a) during the SSE Opening Call Auction session and before commencement of the SSE Continuous Auction session in the morning at 9:30, China Connect buy orders input after the time at which the Daily Quota Balance drops to zero or below will not be accepted by the CSC, but China Connect buy orders input before such time will not be affected and will be transmitted by the CSC to the SSE Market System for execution in the usual manner. Only if the Daily Quota Balance resumes to a positive level before commencement of the SSE Continuous Auction session in the morning will new China Connect buy orders be accepted by CSC; and
 - (b) after commencement of the SSE Continuous Auction session in the morning at 9:30 and before the end of the SSE Closing Call Auction session at 15:00, no China Connect buy orders will be accepted for the rest of the CSC trading day unless the Exchange otherwise determines, but China Connect buy orders input before the time at which the Daily Quota Balance drops to zero or below will not be affected and will be transmitted by the CSC to the SSE Market System for execution in the usual manner.

Quota Management

- (13) Unless otherwise determined by the Exchange:
- (a) during the SSE Opening Call Auction session and the five minutes before the commencement of the SSE Opening Call Auction session on each CSC trading day, the reference price referred to in Rule 14A07(12) shall be (i) the current bid price of the relevant China Connect Security; and (ii) where no current bid price is available, the previous closing price of the China Connect Security;

- (b) during the SSE Continuous Auction sessions (morning and afternoon) and the five minutes before the commencement of each SSE Continuous Auction session on each CSC trading day, the reference price referred to in Rule 14A07(12) shall be (i) the current best bid price of the relevant China Connect Security; (ii) where no current best bid price is available, the latest trade price of the relevant China Connect Security, and (iii) where the latest trade price is not available, the previous closing price of the relevant China Connect Security; ~~and~~

(ba) during the SSE Closing Call Auction session on each CSC trading day, the reference price referred to in Rule 14A07(12) shall be (i) the current bid price of the relevant China Connect Security; (ii) where no current bid price is available, the latest trade price of the relevant China Connect Security, and (iii) where the latest trade price is not available, the previous closing price of the relevant China Connect Security; and

- (c) where a SSE Circuit Breaker has been imposed, the reference price referred to in Rule 14A07(12) shall be (i) the current bid price of the relevant China Connect Security; (ii) where no current bid price is available, the latest trade price of the relevant China Connect Security, and (iii) where the latest trade price is not available, the previous closing price of the relevant China Connect Security.

Short Selling

Short Selling Order

- 14A17. (5) A Short Selling order shall only be input during the SSE Opening Call Auction session, ~~or~~ a SSE Continuous Auction session or the SSE Closing Call Auction session.