

Rules of the Exchange

CHAPTER 14A
CHINA CONNECT SERVICE - SHANGHAI

Interpretation

14A02. (2) In this Chapter, unless the context otherwise requires:

“Aggregate Quota”	means the aggregate quota of RMB 300 billion for Shanghai Hong Kong Stock Connect as announced by the CSRC and the Commission on 10 April 2014 or such revised amount as both regulators shall decide from time to time;
“Aggregate Quota Balance”	has the meaning ascribed to it in Rule 14A07(3);

Quotas on SSE-listed Securities as China Connect Securities

14A07. (1) Pursuant to the Exchange’s powers under Rules 1426 (discretion to prescribe quota limits and controls), 1427 (discretion to take actions to ensure compliance with quota controls) and 1428(2) (power to set price restrictions to block the input of artificial China Connect orders), ~~the Aggregate Quota,~~ the Daily Quota and quota monitoring and management provisions under Rules 14A07(2) to (14) shall apply.

~~**Aggregate Quota and Daily Quota**~~

(2) The ~~Aggregate Quota and~~ Daily Quota shall apply to the trading of China Connect Securities through the use of the China Connect Service.

~~**Aggregate Quota**~~

(3) ~~[Repealed] The Aggregate Quota limits the maximum net value of all the buy trades that can be executed by all the China Connect Exchange Participants in respect of all the China Connect Securities through the use of the China Connect Service while Shanghai Hong Kong Stock Connect is in operation. The Aggregate Quota Balance is calculated based on the following formula:~~

$\text{Aggregate Quota Balance} = \text{Aggregate Quota} - \text{aggregate value of China Connect Securities Buy Trades} + \text{aggregate value of China Connect Securities Sell Trades (calculated at the weighted average cost basis)}$
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- (4) ~~[Repealed] If the Aggregate Quota Balance at the end of a CSC trading day, as calculated in accordance with the above formula, is less than the Daily Quota, China Connect buy orders will not be accepted on the following CSC trading day and each subsequent CSC trading days unless and until the Aggregate Quota Balance is equal to or greater than the Daily Quota, in which event China Connect buy orders will be accepted on the following CSC trading day. Provided that the Aggregate Quota Balance at the end of a CSC trading day is the same as or higher than the Daily Quota, China Connect buy orders will be accepted on the following CSC trading day.~~
- (5) ~~[Repealed] At the end of each CSC trading day, the Exchange will publish the Aggregate Quota information on the HKEx website or through such other means as it considers appropriate.~~

Daily Quota

- (7) ~~[Repealed] Provided that the Aggregate Quota Balance is the same as or higher than the Daily Quota at the end of a CSC trading day, the full amount of Daily Quota will apply to the following CSC trading day. Where the Aggregate Quota Balance falls below the Daily Quota, Rule 14A07(4) applies.~~
- (8) The Daily Quota shall apply to each CSC trading day. Regardless of the level of the Daily Quota Balance at the end of a CSC trading day, the Daily Quota Balance will not be carried forward for utilization on the following or subsequent CSC trading days.
- (10) For the avoidance of doubt:
- (a) references in the formula in Rules ~~14A07(3) and~~ 14A07(6) to “China Connect buy orders”, “China Connect sell orders”, “China Connect Securities Buy Trades” and “China Connect Securities Sell Trades” do not include the value of any transaction fees, taxes, levies or stamp duties payable or collected in respect of such orders or trades; and
 - (b) only China Connect buy orders will be subject to quota controls under this Rule. Unless otherwise determined by the Exchange, China Connect sell orders will be accepted by the CSC during the operational hours of a CSC trading day and will not be affected by the level of ~~the Aggregate Quota Balance or~~ the Daily Quota Balance.