

Rules of the Exchange

CHAPTER 1

INTERPRETATION

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

- “BCAN-CID Mapping File” means a file compiled by a China Connect Exchange Participant or an Exchange Participant trading through a China Connect Exchange Participant which contains all the assigned BCANs and their corresponding CID, in such format as the Exchange may require from time to time;
- “Broker-to-Client Assigned Number” or “BCAN” means –
- (a) the code, number or identifier that is assigned by a China Connect Exchange Participant or an Exchange Participant trading through a China Connect Exchange Participant to uniquely and consistently identify each of its clients as required under Rule 1425A(1); or
 - (b) a standardized text, number or other code that is prescribed by the Exchange from time to time for a particular type of client, account, order or trading arrangement of a China Connect Exchange Participant or an Exchange Participant trading through a China Connect Exchange Participant;
- “Client Identification Data” or “CID” means the name, identity document type, identity document issuing country or jurisdiction and identity document number in relation to a client to whom a BCAN is assigned;
- “CSC trading day” means a day on which the China Connect Service is available for the routing of China Connect orders, as referred to in Rule 14A03(3) or 14B03(4);
- “GEM” means GEM operated by the Exchange;

CHAPTER 2

ADMINISTRATION

The Committees

212. The Board may establish Committees by whatever description as the Board may think fit including, without limitation, the following Committees:-
- (15) a Listing Appeals Committee to act as a review body in respect of decisions of:-
- (a) the Listing Committee (including the Listing (Review) Committee) in relation to those areas identified in the relevant rules governing the functions and powers of the Listing Appeals Committee set out in the Rules Governing the Listing of Securities on the Exchange (the "Main Board Listing Rules"); and
 - (b) the GEM Listing Committee (including the GEM Listing (Review) Committee) in relation to those areas identified in the relevant rules governing the functions and powers of the Listing Appeals Committee set out in the Rules Governing the Listing of Securities on GEM of the Exchange (the "GEM Listing Rules").

CHAPTER 5

TRADING

Operational Trading Rules

Disclosure of Information

- 569A. The Board shall regard information concerning a Participant as confidential. Disclosure of such information shall not be made to any person without the prior approval of the Participant except that the Board may disclose the information without such prior approval:
- (m) in respect of information concerning a China Connect Exchange Participant, to the relevant SEHK Subsidiary, China Connect Market Operator, China Connect Clearing House or governmental or regulatory bodies; and

Exchange Participants trading through China Connect Exchange Participants

590. (5) By providing instructions to a China Connect Exchange Participant as referred to in Rule 590(3), the Exchange Participant agrees and represents to the Exchange that it shall abide by all applicable laws with regard to the trading of China Connect Securities on the relevant China Connect Market, including but not limited to any provision in these Rules that applies to the use of the China Connect Service or the trading of China Connect Securities or on China Connect Markets, Chapter 14 of these Rules (except Rules 1404-1406A and 1410-1414), the applicable China Connect Service Special Rules and any regulations, requirements, conditions, restrictions, arrangements and other stipulations that may be made, issued or published pursuant to Chapter 14 or the applicable China Connect Service Special Rules, in the same manner as if it were a China Connect Exchange Participant trading on the relevant China Connect Market through the use of the China Connect Service.

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>
(29) Rules:	
(p) Rules Governing the Listing of Securities on GEM (English Version)	380
(q) Updating service fee in relation to the Rules Governing the Listing of Securities on GEM (English Version)	100/annum
(r) Rules Governing the Listing of Securities on GEM (Chinese Version)	380
(s) Updating service fee in relation to the Rules Governing the Listing of Securities on GEM (Chinese Version)	100/annum

CHAPTER 14

CHINA CONNECT SERVICE

Broker-to-Client Assigned Number (BCAN)

- 1425A. (1) (a) A China Connect Exchange Participant shall ensure that each of its clients who buys or sells China Connect Securities is assigned a BCAN.
- (b) If a client holds multiple accounts with a China Connect Exchange Participant, a single BCAN shall be assigned to identify such client, unless the other account(s) of the China Connect Exchange Participant are held by the client jointly with any other person in which case a separate BCAN in respect of the China Connect orders for such joint account shall be assigned.
- (c) If a China Connect Exchange Participant and/or any of its group companies will buy or sell China Connect Securities as principal or on a proprietary basis, the China Connect Exchange Participant shall assign a BCAN to identify itself and a separate BCAN to identify each of the relevant group companies as if they were clients of the China Connect Exchange Participant.
- (d) For the purposes of this Rule 1425A, “client” shall mean:
- (i) a direct client of a China Connect Exchange Participant; or
 - (ii) an indirect client whose BCAN may from time to time be required by the Exchange to be included in an order that is inputted by the China Connect Exchange Participant into the CSC, including without limitation and unless otherwise prescribed by the Exchange, any direct client of a group company of the China Connect Exchange Participant if the group company itself is a direct or, through any other group companies, an indirect client of the China Connect Exchange Participant.

If the China Connect Exchange Participant’s direct client is an Exchange Participant trading through the China Connect Exchange Participant pursuant to Rule 590, the China Connect Exchange Participant shall (i) provide sufficient BCANs to such Exchange Participant to enable it to assign a BCAN to each of its clients in accordance with this Rule 1425A(1)) and (ii) submit a list of such Exchange Participants so that they can provide the BCANs and CID of their clients in the form of a BCAN-CID Mapping File to the Exchange in accordance with Rule 1425A(2).

- (e) A China Connect Exchange Participant shall ensure that the BCAN assigned to a client will not be changed or re-used for another client unless such modification is necessary due to system upgrades or other exceptional cases and the Exchange's prior written approval is obtained.
- (2) In order to input a China Connect order into the CSC for the account of a client on a CSC trading day ("T day"), a China Connect Exchange Participant must on or before the previous CSC trading day, unless otherwise permitted by the Exchange ("T-1 day"), have provided the BCAN and CID of such client in the form of a BCAN-CID Mapping File to the Exchange for validation.
- (3) A China Connect Exchange Participant shall ensure that the CID in the BCAN-CID Mapping File is accurate and up to date. A China Connect Exchange Participant may report any correction or update of the CID to the Exchange in such manner and by such deadline as may be prescribed by the Exchange from time to time.
- (4) When inputting a China Connect order into the CSC, a China Connect Exchange Participant shall include the corresponding BCAN in such manner as the Exchange may from time to time prescribe. A China Connect order will be rejected if no BCAN is included or the BCAN included is invalid or deficient.
- (5) A China Connect Exchange Participant shall ensure that all necessary authorizations and written consents are obtained from each individual client regarding the collection, storage, use, disclosure and transfer of personal data in relation to such client's BCANs and CID, including authorizations and consents which:
 - (a) allow the China Connect Exchange Participant to (i) disclose and transfer the client's BCANs and CID to the Exchange and the relevant SEHK Subsidiary from time to time; and (ii) indicate the client's BCAN when inputting a China Connect order into the CSC which will be further routed to the relevant China Connect Market Operator on a real-time basis;
 - (b) allow each of the Exchange and the relevant SEHK Subsidiary to: (i) collect, use and store BCANs and CID and any consolidated, validated and mapped BCANs and CID information provided by the relevant China Connect Clearing House (in the case of storage, by any of them or via HKEX) for market surveillance and monitoring purposes and enforcement of these Rules; (ii) transfer such information to the relevant China Connect Market Operator (directly or through the relevant China Connect Clearing House) from time to time for the purposes stated in Rule 1425A(5)(c) and (d); and (iii) disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory

functions with respect to the Hong Kong financial markets;

- (c) allow the relevant China Connect Clearing House to: (i) collect, use and store the client's BCANs and CID to facilitate the consolidation and validation of BCANs and CID and the mapping of BCANs and CID with its own investor identification database and provide such consolidated, validated and mapped BCANs and CID information to the relevant China Connect Market Operator, the Exchange and the relevant SEHK Subsidiary; (ii) use the client's BCANs and CID for the performance of its regulatory functions of securities account management; and (iii) disclose such information to the Mainland regulatory authorities and law enforcement agencies having jurisdiction over it so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets; and
- (d) allow the relevant China Connect Market Operator to (i) collect, use and store BCANs and CID to facilitate its surveillance and monitoring of securities trading on the relevant China Connect Market through the use of the China Connect Service and enforcement of the rules of the relevant China Connect Market Operator; and (ii) disclose such information to the Mainland regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets,

in each case in full compliance with all applicable laws including the Personal Data (Privacy) Ordinance and such that any subsequent purported withdrawal of authorization or consent by an individual client will not affect the China Connect Exchange Participant's continued storage, use, disclosure and transfer of personal data for the above purposes in respect of trading in China Connect Securities conducted for the account of the individual client.

- (6) If the necessary authorizations and consents from a client in relation to the collection, storage, use, disclosure and transfer of the BCAN and CID as required under these Rules cannot be obtained by a China Connect Exchange Participant or are otherwise invalid or deficient, the China Connect Exchange Participant may, without prejudice to Rule 1425A(4), only input China Connect sell orders (but not any buy order) into the CSC for the account of such client. The Exchange may impose such criteria, conditions and requirements as the Exchange may in its sole discretion consider appropriate from time to time to determine the China Connect orders which may be allowed to be inputted into the CSC for such client under such circumstances.
- (7) A China Connect Exchange Participant which has included an incorrect BCAN when inputting a China Connect order into the CSC shall promptly cancel the China Connect order through the input of a cancellation request

into the CSC if such China Connect order has not been matched or executed by the relevant China Connect Market System. If such China Connect order has been matched or executed by the relevant China Connect Market System, the China Connect Exchange Participant shall report any correction of BCAN to the Exchange at such time and in such manner as the Exchange may prescribe from time to time.

- (8) In addition to any other powers that the Exchange may have under these Rules, the Exchange may at any time require a China Connect Exchange Participant to provide the Exchange with such information as it may request to assess whether there is, or the extent of, any non-compliance with the requirements set out in this Rule 1425A.
- (9) For the purpose of this Rule 1425A and without prejudice to Rule 590, unless the context otherwise requires, China Connect Exchange Participant includes an Exchange Participant, other than a China Connect Exchange Participant, who conducts or intends to conduct trading in China Connect Securities through the China Connect Service for the account of its clients through a China Connect Exchange Participant, whether directly or indirectly.

Compliance with Applicable Laws and the Rules

1436. The Exchange may at any time and on such terms as it thinks fit revoke or terminate an Exchange Participant's registration as a China Connect Exchange Participant, or suspend, restrict or terminate a China Connect Exchange Participant's access to or use of the China Connect Service in respect of any China Connect Market or any part thereof, or suspend or restrict a China Connect Exchange Participant from inputting China Connect orders under any specified BCAN where the Exchange considers it appropriate and reasonable to do so (including where the China Connect Exchange Participant fails to comply with these Rules). Before the revocation or termination of an Exchange Participant's registration as a China Connect Exchange Participant takes effect, the China Connect Exchange Participant shall continue to be bound by all relevant provisions of Chapters 14, 14A and 14B.

1437. In the event that the Exchange, an SEHK Subsidiary or HKSCC is notified by a China Connect Market Operator, China Connect Clearing House or a relevant governmental or regulatory body that there is reasonable cause to suspect or believe that a China Connect Exchange Participant or any of its clients has failed to comply with or has breached any applicable laws of Mainland China with regard to the trading of China Connect Securities on the relevant China Connect Market through the use of the China Connect Service, the Exchange shall, in addition to any other powers that it may have under these Rules, have the following powers:

- (1) require the relevant China Connect Exchange Participant to provide the Exchange with such information within such period as it may request

to assess, or to enable the relevant China Connect Market Operator, China Connect Clearing House or governmental or regulatory body to assess, whether there is any non-compliance or breach of the applicable laws or the extent of any non-compliance or breach, including but not limited to information regarding the relevant client, and where the client is an individual, the personal data of the client. The Exchange may require the relevant China Connect Exchange Participant to provide information on the identity, address and contact details of the person or entity (legal or otherwise) ultimately responsible for originating the instruction in relation to a China Connect Securities Trade (and the instruction given) and of the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the China Connect Securities Trade and/or bear its commercial or economic risk and such other information within such period as the Exchange may request;

- (2) require the relevant China Connect Exchange Participant to take such actions, steps or measures to stop and/or to remedy or rectify the breach, including but not limited to requiring the relevant China Connect Exchange Participant not to accept further instructions from or to act for the relevant client or not to accept or input China Connect orders under any BCAN; and
- (3) commence disciplinary action against the relevant China Connect Exchange Participant for its failure to comply with Rule 1432 or 1433.

Responsibilities of the Exchange and the SEHK Subsidiaries

1442. In allowing access to the CSC or making the China Connect Service available, the Exchange and the SEHK Subsidiaries are only providing the system connection arrangements and related services to facilitate the trading of China Connect Securities on the relevant China Connect Market System. The Exchange, HKEX and the SEHK Subsidiaries and their respective directors, employees and agents shall not be liable for any obligation with respect to a transaction concluded through the use of the China Connect Service, and all obligations in relation to or arising from any China Connect order or any transaction concluded through the use of the China Connect Service shall be borne by the China Connect Exchange Participant concerned. In addition to any indemnities given by a China Connect Exchange Participant as an Exchange Participant under these Rules, a China Connect Exchange Participant shall fully indemnify the Exchange, HKEX, the relevant SEHK Subsidiary and HKSCC and their respective directors, employees and agents and keep each of them indemnified against all third party claims, actions and proceedings in relation to or arising from, directly or indirectly, any China Connect order routed to a China Connect Market for execution, any transaction concluded through the use of the China Connect Service by the China Connect Exchange Participant or any non-compliance by the China Connect Exchange Participant with any provision of this

Chapter 14 and the applicable China Connect Service Special Rules and for all losses, damages, costs and expenses incurred by the Exchange, HKEX, the relevant SEHK Subsidiary and HKSCC and their directors, employees and agents in relation to such claims, actions and proceedings.

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:
- (1) a suspension, restriction or cessation of the China Connect Service or the CSC, any inability to access or use the CSC or the China Connect Service or any rejection of China Connect orders inputted under any BCAN;
 - (12) the taking of any action or the exercise of any discretion, or not doing so, by any China Connect Market Operator or any relevant governmental or regulatory body;
 - (13) the taking of any action or the exercise of any discretion, or not doing so, by the Exchange, HKEX or an SEHK Subsidiary pursuant to these Rules or otherwise; and
 - (14) the collection, storage, use, disclosure and transfer of BCANs and CID as provided for in these Rules.

CHAPTER 14A

CHINA CONNECT SERVICE - SHANGHAI

Interpretation

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

“Daily Quota” means the daily quota of RMB 52 billion for Shanghai-Hong Kong Stock Connect as announced by the CSRC and the Commission on 11 April 2018 or such revised amount as both regulators shall decide from time to time;

The definition of “CSC trading day” has been repealed.

Trading Arrangements

14A06. (1) Pursuant to the Exchange’s powers under Rules 1417 (power to determine the order types), 1418 (power to stipulate quotation requirements) and 1430 (conditions and restrictions on the use of the China Connect Service), Rules 14A06(2) to (12) shall apply to the use of the China Connect Service for the trading of China Connect Securities listed on SSE.

Quotation requirements and restrictions

(2) China Connect orders shall comply with the following:

Trading Mode	Automatic matching and execution through the SSE Market System
Trading Currency	RMB
Stock Code	6 digits
BCAN	As set out in Rule 1425A
Order Type	Only limit orders with a specified price are allowed: – China Connect buy orders may be executed at or lower than the specified price – China Connect sell orders may be executed at or higher than the specified price
Spread	RMB 0.01
Board Lot (applicable to China)	100 shares

Connect buy orders only)	
Odd Lots	Only China Connect sell orders are allowed subject to Rule 14A06(3)
Maximum Order Size	1,000,000 shares
Price Limit of the China Connect Market	±10% (and ±5% for shares of “ST companies” and “*ST companies”) based on the previous closing price
Additional Price Restrictions	As set out in Rules 14A07(12) and 14A07(13)
Turnaround Trading	Not allowed as set out in Rule 14A06(4)
Block Trades	Not allowed
Manual Trades	Not available in the SSE Market
Order Amendment	Not available in the SSE Market
Pre-trade Checking	Required as set out in Rule 14A06(5) to (10)
Naked Short Selling	Not allowed
Short Selling	Allowed subject to Rule 14A17
Margin Trading	Allowed subject to Rule 14A15
Stock Borrowing and Lending	Allowed subject to Rule 14A16

Compliance with applicable laws in Mainland China

14A10. As required by SSE, China Connect Exchange Participants shall:

- (3) acknowledge, and make appropriate arrangements to require their clients to acknowledge, that the Exchange has the power not to extend the China Connect Service to them, the power to require China Connect Exchange Participants not to accept instructions from them and the power to suspend or restrict China Connect Exchange Participants from inputting China Connect orders under any BCAN, if it is found that the China Connect Exchange Participant or any of its clients (as the case may be) has or may have committed any abnormal trading conduct set out in or fail to comply with the SSE Rules and the laws and regulations referred to in Rule 14A10(1);
- (4) acknowledge, and make appropriate arrangements to require their clients to acknowledge, that if the SSE Rules are breached, or if the disclosure and other obligations referred to in the listing rules of the

SSE or the SSE Rules are breached, SSE has the power to carry out investigations, and may, through the Exchange or the SEHK Subsidiary, require China Connect Exchange Participants to provide relevant information and materials (including the information and personal data of their clients and other persons referred to in Rules 537 and 1437) to assist in its investigation;

- (6) acknowledge, and make appropriate arrangements to require their clients to acknowledge, that the Exchange may (for the purpose of assisting SSE in its regulatory surveillance of the SSE Market and enforcement of the SSE Rules and as part of the regulatory cooperation arrangement between the Exchange, the SEHK Subsidiary and SSE), at the request of SSE, require China Connect Exchange Participants to provide information concerning their clients and other persons referred to in Rules 537 and 1437 with respect to any China Connect orders input or China Connect Securities Trades made or entered into by China Connect Exchange Participants on their behalf; and
- (7) for the purposes referred to in paragraphs (4) to (6), China Connect Exchange Participants shall authorize the Exchange (whether directly or through the SEHK Subsidiary) to disclose, transfer and provide information and personal data concerning their clients and other persons referred to in Rules 537 and 1437 to SSE upon request and shall make appropriate arrangements (including obtaining the relevant consents) to ensure that the relevant information and personal data may be disclosed, transferred and provided in compliance with applicable laws including the Personal Data (Privacy) Ordinance.

Record Keeping

- 14A13. To comply with applicable laws in Mainland China and the requirements of SSE, China Connect Exchange Participants shall keep proper books and records of the China Connect orders input and the China Connect Securities Trades executed by it and the related client instructions and account information (including the related BCAN and CID) for a period of not less than 20 years. Such books and records shall include all relevant information concerning the Margin Trading, Short Selling and Stock Borrowing and Lending of any China Connect Securities. For the avoidance of doubt, with respect to Margin Trading, proper books and records on the funds provided to and the relevant securities margin financing arrangement entered into with the clients shall also be kept.

CHAPTER 14B

CHINA CONNECT SERVICE - SHENZHEN

Interpretation

14B02. (2) In this Chapter, unless the context otherwise requires:

“Daily Quota” means the daily quota of RMB 52 billion for Shenzhen-Hong Kong Stock Connect as announced by the CSRC and the Commission on 11 April 2018 or such revised amount as both regulators shall decide from time to time;

The definition of “CSC trading day” has been repealed.

Trading Arrangements

14B06. (1) Pursuant to the Exchange’s powers under Rules 1417 (power to determine the order types), 1418 (power to stipulate quotation requirements) and 1430 (conditions and restrictions on the use of the China Connect Service), Rules 14B06(2) to (18) shall apply to the use of the China Connect Service for the trading of China Connect Securities listed on SZSE.

Quotation requirements and restrictions

(2) China Connect orders shall comply with the following:

Trading Mode	Automatic matching and execution through the SZSE Market System
Trading Currency	RMB
Stock Code	6 digits
BCAN	As set out in Rule 1425A
Order Type	Only limit orders with a specified price are allowed: – China Connect buy orders may be executed at or lower than the specified price – China Connect sell orders may be executed at or higher than the specified price
Spread	RMB 0.01
Board Lot	100 shares

(applicable to China Connect buy orders only)	
Odd Lots	Only China Connect sell orders are allowed subject to Rule 14B06(4)
Maximum Order Size	1,000,000 shares
Price Limit of the China Connect Market	±10% (and ±5% for shares of “ST companies” and “*ST companies”) based on the previous closing price
Additional Price Restrictions	As set out in Rules 14B07(8) and 14B07(9)
Turnaround Trading	Not allowed as set out in Rule 14B06(5)
Block Trades	Not allowed
Manual Trades	Not available in the SZSE Market
Order Amendment	Not available in the SZSE Market
Pre-trade Checking	Required as set out in Rules 14B06(6) to (12)
Naked Short Selling	Not allowed
Short Selling	Allowed subject to Rule 14B17
Margin Trading	Allowed subject to Rule 14B15
Stock Borrowing and Lending	Allowed subject to Rule 14B16

Compliance with applicable laws in Mainland China

14B10. As required by SZSE, China Connect Exchange Participants shall:

- (3) acknowledge, and make appropriate arrangements to require their clients to acknowledge, that the Exchange has the power not to extend the China Connect Service to them, the power to require China Connect Exchange Participants not to accept instructions from them and the power to suspend or restrict China Connect Exchange Participants from inputting China Connect orders under any BCAN, if it is found that the China Connect Exchange Participant or any of its clients (as the case may be) has or may have committed any abnormal trading conduct set out in or fail to comply with the SZSE Rules and the laws and regulations referred to in Rule 14B10(1);
- (4) acknowledge, and make appropriate arrangements to require their clients to acknowledge, that if the SZSE Rules are breached, or if the disclosure and other obligations referred to in the listing rules of the

SZSE (including the rules of the SZSE for stock listing on ChiNext) or the SZSE Rules are breached, SZSE has the power to carry out investigations, and may, through the Exchange or the SEHK Subsidiary, require China Connect Exchange Participants to provide relevant information and materials (including the information and personal data of their clients and other persons referred to in Rules 537 and 1437) to assist in its investigation;

- (6) acknowledge, and make appropriate arrangements to require their clients to acknowledge, that the Exchange may (for the purpose of assisting SZSE in its regulatory surveillance of the SZSE Market and enforcement of the SZSE Rules and as part of the regulatory cooperation arrangement between the Exchange, the SEHK Subsidiary and SZSE), at the request of SZSE, require China Connect Exchange Participants to provide information concerning their clients and other persons referred to in Rules 537 and 1437 with respect to any China Connect orders input or China Connect Securities Trades made or entered into by China Connect Exchange Participants on their behalf; and
- (7) for the purposes referred to in paragraphs (4) to (6), China Connect Exchange Participants shall authorize the Exchange (whether directly or through the SEHK Subsidiary) to disclose, transfer and provide information and personal data concerning their clients and other persons referred to in Rules 537 and 1437 to SZSE upon request and shall make appropriate arrangements (including obtaining the relevant consents) to ensure that the relevant information and personal data may be disclosed, transferred and provided in compliance with applicable laws including the Personal Data (Privacy) Ordinance.

Record Keeping

- 14B13. To comply with applicable laws in Mainland China and the requirements of SZSE, China Connect Exchange Participants shall keep proper books and records of the China Connect orders input and the China Connect Securities Trades executed by it and the related client instructions and account information (including the related BCAN and CID) for a period of not less than 20 years. Such books and records shall include all relevant information concerning the Margin Trading, Short Selling and Stock Borrowing and Lending of any China Connect Securities. For the avoidance of doubt, with respect to Margin Trading, proper books and records on the funds provided to and the relevant securities margin financing arrangement entered into with the clients shall also be kept.