NOTE: This draft is for indicative purposes only and is provided on a non-reliance basis. These amendments have not yet been implemented; the General Rules of HKSCC remain subject to change prior to the effective date of these amendments.

General Rules of HKSCC

PART A: RULES OF GENERAL APPLICATION

CHAPTER 1

INTERPRETATION

101. Definitions

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

"approved securities registrar" or "ASR"	has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance;
"ASR fees"	means fees charged by an ASR in relation to prescribed securities, and to be paid by Participants (other than Registrar Participants) in accordance with Sections 21.5B and 22.2A of the Operational Procedures;
"authenticated message"	has the meaning given by rule 15(1) of the USM Rules;
"Collector of Stamp Revenue"	means the Collector of Stamp Revenue appointed under section 3 of the Stamp Duty Ordinance;
"Electronic Payment Instruction" or "EPI"	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 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; (v) payment of money to the Collector of Stamp Revenue in accordance with Stamp Duty Payment Requests; or (vi) payment of ASR fees;
"messaging facilities"	means the messaging facilities provided by HKSCC as set out in Section 8A of the Operational Procedures;

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"New Certificate"	means, in relation to Eligible Securities in registered form, each certificate for such Eligible Securities which has been registered or ~~re-~~issued in the name of HKSCC or its nominee since it was last deposited with HKSCC by a Participant or, in the case of Eligible Securities newly issued, each certificate issued in the name of HKSCC or its nominees;
"Participant"	means a person admitted for the time being by HKSCC as a participant ~~of CCASS~~;
"Participant Agreement"	means the agreement in prescribed form between a Participant other than an Investor Participant and HKSCC regulating the terms and conditions of participation in CCASS or the agreement in prescribed form between a Registrar Participant and HKSCC;
"participating securities"	has the meaning given to it by rule 4 of the USM Rules;
"prescribed securities"	has the meaning given to it in section 101AA of the Securities and Futures Ordinance;
"Registrar Participant" or "RP"	has the meaning given to "registrar participant" in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance, being a Participant admitted to participate in HKSCC as a Registrar Participant under Rule 303;
"Registrar Participant Admission Criteria"	means the eligibility criteria in Rule 303 and any additional eligibility criteria which HKSCC may prescribe from time to time for a Registrar Participant to be, and to remain, admitted as a Registrar Participant as referred to in Rule 303;
"Registrar Participant Manual"	means the manual setting out the operational and technical standards, requirements, procedures and guidelines for Registrar Participants, as may be amended from time to time;
"securities registrar service"	has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance;
"Stamp Authorized Person"	means a Participant that has been authorised by the Collector of Stamp Revenue under section 5AA(2) of the Stamp Duty Ordinance and notified to HKSCC as such;
"Stamp Duty Payment Request"	means a request submitted by a Stamp Authorized Person to make stamp duty payments to the Collector of Stamp Revenue;

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"Uncertificated Eligible Security"	means an Eligible Security (other than a Foreign Security, ~~or~~ a China Connect Security or a participating security) issued by an Overseas Issuer in ~~uncertificated~~scripless form and designated by HKSCC as an "Uncertificated Eligible Security" for the purposes of the Rules;
"USI facility"	has the meaning given to "USI facility" in section 1.1 of the Commission's Code of Conduct for Approved Securities Registrars;
"USI Transfer Request"	means a request by a Stamp Authorized Person for the deposit or withdrawal of participating securities in uncertificated form into or out of the relevant Stock Account of the Stamp Authorized Person in CCASS by effecting a legal title transfer of such participating securities between HKSCC (or its nominee) and the holder of such securities with a USI facility with the relevant Registrar Participant, as referred to in Rules 801B and 812A;
"USM Rules"	means the Securities and Futures (Uncertificated Securities Market) Rules made by the Commission under the Securities and Futures Ordinance, as amended and in force from time to time;

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 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, providing HKSCC's services to Participants, administration of the activities of a System, the daily operations of a System, 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 System-related publications and other publications, facilitating despatch of information relating to Eligible Securities, such as 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.

105. Authorisation in relation to personal data

A Participant should ensure that it has all necessary authorisation (including obtaining written or other forms of express consents where necessary) from its individual clients or counterparts regarding the collection, storage, processing, use, disclosure and transfer of information, including the client's and counterpart's personal data, which:-

(i) allows the Participant to disclose and transfer the client's and counterpart's personal data (including names, addresses, email addresses, unique identification numbers etc) to

HKSCC in accordance with the rules and requirements of HKSCC in effect from time to time;

(ii) allows HKSCC to (a) collect, store, process and use their personal data for the purposes of providing Eligible Securities-related services; and (b) disclose and transfer such information to the relevant stakeholders, including but not limited to the issuers, issuer's agents, the regulators, such as the Commission and the Collector of Stamp Revenue; and

(iii) allows the Commission and the Collector of Stamp Revenue to: (a) collect, store, process and use their personal data for the performance of their statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (b) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements,

in each case in full compliance with all applicable laws including the Personal Data (Privacy) Ordinance and, to the extent permitted under applicable laws, ensure any subsequent purported withdrawal of authorization or consent by an individual client and counterpart will not affect the continued storage, processing, use, disclosure and transfer of personal data for the above purposes.

CHAPTER 3

ADMISSION OF PARTICIPANTS

302. Categories of Participants

There shall be the following categories of Participants:-

(i) Clearing Agency Participants;

(ii) Custodian Participants;

(iii) Direct Clearing Participants;

(iv) General Clearing Participants;

(v) Investor Participants;

(vi) Stock Lender Participants; ~~and~~

(vii) Stock Pledgee Participants; and

(viii) Registrar Participants.

303. Criteria for admission

An applicant for admission as a Participant must apply in the prescribed manner to HKSCC and must demonstrate to the satisfaction of HKSCC that it is of good financial standing, has the operational capability to satisfy at all times the requirements of HKSCC~~CCASS~~, including but

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not limited to each of the requirements set out in Chapter 17, and is otherwise a fit and proper person to be admitted as a Participant.

Each applicant must provide HKSCC with such certifications, declarations, representations, undertakings, documents and further information as HKSCC may require for dealing with the application.

In the case of an application to become a Registrar Participant, the applicant must:-

(i) be an approved securities registrar or provide satisfactory evidence that it will be an approved securities registrar by the time its application to become a Registrar Participant is approved;

(ii) be a corporation incorporated in Hong Kong or, if incorporated outside Hong Kong, (a) be a registered non-Hong Kong company as defined by section 2(1) of the Companies Ordinance and have a place of business in Hong Kong, and (b) where required by HKSCC, demonstrate in its application the capacity to satisfy the obligations of a Registrar Participant and provide legal opinions on the same;

(iii) demonstrate to the satisfaction of HKSCC that it has the capability to register HKSCC and/or its nominee as the holder of legal title to participating securities without title instruments and effect transfer of legal title to participating securities without instruments of transfer;

(iv) demonstrate to the satisfaction of HKSCC that it has established (or has the ability to establish) a linkage with HKSCC messaging facilities to communicate with HKSCC or its nominee, in accordance with the Rules; and

(v) undertake, if its application is successful, to sign a Participant Agreement and to restrict its participantship in HKSCC to activities relating to participating securities.

Each applicant must complete an application in the prescribed form and must undertake to comply with all applicable requirements specified therein and such other conditions and requirements as may be specified in writing from time to time by HKSCC.

In the case of an application to become a Joint Individual Investor Participant, only one application form needs to be submitted. However, each individual member comprising such applicant must undertake jointly and severally to comply with all applicable requirements specified therein and such other conditions and requirements as may be specified in writing from time to time by HKSCC.

HKSCC may waive such conditions and requirements applicable to an applicant as it sees fit and may also from time to time require an applicant to comply with additional conditions and requirements.

CHAPTER 4

TRANSACTIONS BY PARTICIPANTS

This Chapter 4 is not applicable to Registrar Participants.

CHAPTER 5

ELIGIBLE SECURITIES AND ELIGIBLE CURRENCIES

This Chapter 5 is not applicable to Registrar Participants.

CHAPTER 6

STOCK ACCOUNTS AND CCMS COLLATERAL ACCOUNTS

This Chapter 6 is not applicable to Registrar Participants.

CHAPTER 7

SERVICES – GENERAL

This Chapter 7 is not applicable to Registrar Participants.

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CHAPTER 8

DEPOSITORY AND CUSTODIAN SERVICES

This Chapter 8 is not applicable to Registrar Participants.

801. Deposit of Eligible Securities

In respect of Eligible Securities which are ~~uncertificated~~scripless or issued in global or bearer form, HKSCC shall be at liberty, and may develop rules or procedures, to restrict the deposit or re-deposit of such Eligible Securities into CCASS, to account for and provide services in respect of such Eligible Securities in such manner as it considers appropriate.

801A. Deposit of Eligible Securities in certificated form

Subject to the Rules, all instructions from Participants other than Investor Participants to effect deposits of Eligible Securities in certificated form into their Stock Accounts shall be given to HKSCC electronically via their CCASS Terminals, unless otherwise advised by HKSCC from time to time. In the case of participating securities, Participants other than Investor Participants should submit the instruction, together with a declaration in the form prescribed by HKSCC from time to time stating that such deposit does not involve any change in beneficial interest, to HKSCC electronically via their CCASS Terminals, unless otherwise advised by HKSCC.

An Investor Participant that wishes to deposit Eligible Securities in certificated form to its Stock Account shall submit to HKSCC a completed and duly signed instruction form in the form prescribed by HKSCC from time to time (stamped with the company chop, if applicable) at the Customer Service Centre.

801B. Deposit of participating securities in uncertificated form

In respect of participating securities in uncertificated form, only Stamp Authorized Persons may deposit such participating securities into their Stock Accounts by submitting a USI Transfer Request, together in each case with a declaration in the form prescribed by HKSCC from time to time stating that such deposit does not involve any change in beneficial interest, to HKSCC electronically via their CCASS Terminals, unless otherwise advised by HKSCC. HKSCC shall be entitled to rely and act on such declaration and shall not be responsible for any inaccuracies in such declaration.

An Investor Participant wishing to deposit participating securities in uncertificated form into CCASS shall request a Stamp Authorized Person to submit a USI Transfer Request on its behalf, and to transfer such securities from the Stock Account of the Stamp Authorized Person into the Stock Account of the Investor Participant after the deposit.

A Stamp Authorized Person must have measures in place to ensure that:-

(i) before any participating securities in uncertificated form are deposited into any of its Stock Accounts, the name and other particulars of the person(s) from whom such participating securities are to be transferred to HKSCC or its nominee match the name(s) and other particulars of the person(s) for whom such participating securities will be held immediately after such deposit; and

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(ii) before any declaration is made under this Rule 801B, such Stamp Authorized Person has checked or (where applicable) obtained its client's confirmation that such deposit does not involve any change in beneficial interest.

The Stamp Authorized Person shall keep sufficient records for a period of no less than 6 years after the expiration of the relevant time for stamping to demonstrate its compliance with (i) and (ii).

USI Transfer Requests submitted in accordance with this Rule will be sent by HKSCC to the respective Registrar Participants for registration of such participating securities in uncertificated form in HKSCC's own name or in the name of its nominee.

803. Eligible Securities deposited to be freely transferable

Unless otherwise approved by HKSCC in consultation with the Commission, Eligible Securities deposited into CCASS by a Participant shall be freely transferable or deliverable and shall be accompanied by ~~such certificates or evidence of title (duly endorsed as appropriate), instruments of transfer (duly executed, endorsed and stamped as appropriate) and~~ such ~~other~~ documents, acts, or things as may be required by HKSCC. Without limiting the generality of the foregoing, Eligible Securities in certificated form deposited into CCASS by a Participant shall be accompanied by such certificates or evidence of title (duly endorsed as appropriate) and instruments of transfer (duly executed, endorsed and stamped as appropriate) as may be required by HKSCC.

In the case of Eligible Securities issued in registered form, such Eligible Securities shall be deemed not to be freely transferable or deliverable if registration of a transfer of such Eligible Securities to HKSCC or its nominee (or if the Eligible Securities are already registered in the name of HKSCC or its nominee, the ~~re-issue~~issuance of new title instruments of such Eligible Securities in such name~~the name of HKSCC or its nominee, if applicable~~) is refused at any time for any reason by the registrar or transfer agent for such Eligible Securities.

In relation to Foreign Securities which are credited to a Participant's Stock Account, that Participant covenants, represents and warrants to HKSCC that~~:~~-

(i) in the case of a certificated security, (a) the certificate is genuine and has not been materially altered; (b) the Participant does not know of any fact that might impair the validity of the security; (c) there is no adverse claim to the security; and (d) there is no restriction on the transfer of such certificated security;

(ii) in the case of a~~n uncertificated~~scripless security, (a) there is no adverse claim to the security; and (b) there is no restriction on the transfer of such ~~uncertificated~~scripless security;

(iii) in the case of the Foreign Securities held in HKSCC's account with The Depository Trust Company or its successor or assignee, such Foreign Securities are Eligible U.S. Securities; and

(iv) it shall furnish HKSCC with any information as HKSCC may require in order to comply with any request made of it by any tax authority for information in connection with the preceding representations and warranties in this Rule 803 or any other matter required by applicable law.

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In relation to Uncertificated Eligible Securities which are credited to a Participant's Stock Account, including but not limited to Uncertificated Eligible Securities credited to a Participant's Stock Account directly by or from the relevant Overseas Issuer, a principal or branch ~~share~~securities registrar or such other authorized agents or representatives of the relevant Overseas Issuer or any other intermediaries having relevant authority to do so under applicable laws or arrangements (as the case may be), that Participant covenants, represents and warrants to HKSCC that:-

(iii) it shall furnish HKSCC with any information as HKSCC may require in order to:-

(d) comply with any request of the relevant Overseas Issuer, a principal or branch ~~share~~securities registrar or such other authorized agents or representatives of the relevant Overseas Issuer or any other relevant intermediaries (as the case may be) as required by applicable law or the applicable arrangement in relation to the provision of services in respect of Uncertificated Eligible Securities.

807. Registration ~~or re-issue~~ in name of HKSCC's nominee

Notwithstanding instructions to the contrary, HKSCC may, in respect of Eligible Securities in registered form deposited into CCASS by Participants, from time to time submit such Eligible Securities for registration ~~or re-issue~~ in its own name or in the name of its nominee or (if the securities are not participating securities and are already registered in such name) for the issuance of new title instruments.

The costs and expenses of effecting such registration or ~~re-issue~~issuance of new title instruments incurred by HKSCC shall be charged to Participants in such manner and at such times as are specified in the Rules.

808. Immediate credit for deposit of Eligible Securities in certificated form

Subject to the Rules, upon acceptance for deposit of Eligible Securities in certificated form 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 certificated and registered form by an Investor Participant, such Eligible Securities will not 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~~issuance of new title instruments 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 deposits of Eligible Securities in certificated form~~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~~issuance of new title instruments 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~~issuance of new title instruments in its name or in the name of its nominee, or in the name of the Appointed Depositary 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.

810. Withdrawal of Eligible Securities

Subject to the Rules (including but not limited to Chapter 42), each Participant shall be entitled to withdraw from CCASS or an Appointed Depositary via HKSCC Eligible Securities which are issued in registered form (except global registered form) in the Participant's Stock Accounts other than TSF Accounts (if the Participant is a TSF CCASS Participant, in respect of which the provisions of Chapter 12A shall apply). Unless otherwise determined by HKSCC or provided in the Rules, Participants are not entitled to withdraw from CCASS or an Appointed Depositary via HKSCC Eligible Securities which are ~~uncertificated~~scripless or issued in global form.

811. Limited withdrawal right of Stock Pledgee Participants

A Stock Pledgee Participant wishing to withdraw Eligible Securities must notify HKSCC in advance and each request for withdrawal shall be deemed to be a confirmation by the Stock Pledgee Participant that the withdrawal to be made is in relation to the enforcement of its rights under stock pledging transactions as aforesaid.

A Stock Pledgee Participant wishing to withdraw participating securities shall request a Stamp Authorized Person to submit a USI Transfer Request on its behalf in accordance with Rule 812A.

812. Withdrawal services ~~of Certificates~~in respect of Eligible Securities other than participating securities

Subject to the Rules, all instructions from Participants other than Investor Participants to effect withdrawal from CCASS of Eligible Securities other than participating securities in their Stock Accounts shall be given to HKSCC electronically via their CCASS Terminals, unless otherwise advised by HKSCC from time to time.

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An Investor Participant that wishes to withdraw Eligible Securities other than participating securities from its Stock Account shall submit to HKSCC a completed and duly signed instruction form in the form prescribed by HKSCC from time to time (stamped with the company chop, if applicable) at the Customer Service Centre or a duly completed withdrawal form electronically via the CCASS Internet System for processing by HKSCC.

Unless otherwise agreed by HKSCC, withdrawal of Eligible Securities other than participating securities in registered form by Participants from CCASS shall be in Board Lots or such other denominations as HKSCC may specify for an Eligible Security from time to time.

812A. Withdrawal services in respect of participating securities

Participating securities cannot be withdrawn from CCASS Depository in certificated form except where: (i) they are in the process of delisting as defined in Rule 2(2) of the USM Rules; or (ii) the Commission has granted an exemption from Rule 30 of the USM Rules pursuant to Rule 32 of the USM Rules, and subject to any procedure that HKSCC may prescribe from time to time.

Subject to the Rules, only Stamp Authorized Persons may withdraw participating securities in uncertificated form in their Stock Accounts by submitting a USI Transfer Request, together with a declaration in the form prescribed by HKSCC from time to time stating that the withdrawal does not involve any change in beneficial interest, electronically to HKSCC via their CCASS Terminals, unless otherwise advised by HKSCC from time to time. HKSCC shall be entitled to rely and act on such declaration and shall not be responsible for any inaccuracies in such declaration.

A Stock Pledgee Participant or Investor Participant wishing to withdraw participating securities in uncertificated form from CCASS shall transfer such securities from its Stock Account to the Stock Account of a Stamp Authorized Person, and request the Stamp Authorized Person to submit a USI Transfer Request.

A Stamp Authorized Person must have measures in place to ensure that:-

(i) before any participating securities in uncertificated form are withdrawn from any of its Stock Accounts, the name and other particulars of the person(s) to whom such participating securities are to be transferred from HKSCC or its nominee match the name(s) and other particulars of the person(s) for whom such participating securities were held immediately before such withdrawal; and

(ii) before any declaration is made under this Rule 812A, such Stamp Authorized Person has checked or (where applicable) obtained its client's confirmation that the withdrawal does not involve any change in beneficial interest.

The Stamp Authorized Person shall keep sufficient records for a period of no less than 6 years after the expiration of the relevant time for stamping to demonstrate its compliance with (i) and (ii).

USI Transfer Requests submitted in accordance with this Rule will be sent by HKSCC to the respective Registrar Participant for registration of such participating securities in uncertificated form from HKSCC's own name or the name of its nominee to the name of the holder of such

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securities with a USI facility as stated in the instruction given by the Stamp Authorized Person making the withdrawal.

812B. Defects affecting withdrawn Eligible Securities

In respect of any defects affecting the Eligible Securities withdrawn by a Participant, except as provided for in Rule 813 and subject to Rule 815, HKSCC shall be liable to a withdrawing Participant, but not to any other person, immediately upon a claim being established by such Participant to the satisfaction of HKSCC (including, without limitation, the return of the defective certificates to HKSCC), either to replace the defective Eligible Securities or if that is not possible or reasonably practicable, as determined by HKSCC, to make money compensation to the Participant by reference to the value of such Eligible Securities, as determined by HKSCC, at the time of payment of compensation by HKSCC (or the value at such other time as HKSCC shall consider fair and appropriate).

815. HKSCC's liability for defects

In respect of Eligible Securities in CCASS (other than Eligible Securities which are withdrawn by Participants) which are lost or defective (including where HKSCC determines that such Eligible Securities are stolen, mutilated or destroyed; or are forged, fraudulent or invalid; or if for any reason cannot be registered ~~or re-issued~~ or cannot be delivered or are unavailable for delivery), subject as provided in this Rule, HKSCC shall replace such Eligible Securities as soon as reasonably practicable provided that if a declaration of a Securities Loss is to be made by HKSCC as a result, HKSCC shall be liable to make money compensation to those Participants allocated or to be allocated the Securities Loss, by reference to the value of such Eligible Securities at the time of payment of compensation by HKSCC (or the value at such other time as HKSCC shall consider fair and appropriate). For the avoidance of doubt, HKSCC shall not be liable to replace Eligible Securities or make money compensation to Participants in the event that Eligible Securities are nationalized, expropriated or seized.

821. Custodian Services in relation to Foreign Securities

Most Foreign Securities are certificated and are physically held by an Appointed Depositary. (Those Foreign Securities which are ~~uncertificated~~scripless or issued in global form are represented by book entries in the records of the Appointed Depositary.) HKSCC has an account with that Appointed Depositary in order to enable HKSCC to assist the Participant in the holding of Foreign Securities and the settling of transactions relating to Foreign Securities.

HKSCC does not guarantee title to any Foreign Securities which is evidenced by any certificate which is physically withdrawn on the instructions of a Participant and is subsequently ~~re-~~registered in the name of a beneficiary. Physical withdrawal of Foreign Securities which are ~~uncertificated~~scripless or issued in global form from an Appointed Depositary via HKSCC is not available.

823. Custodian Services in relation to Uncertificated Eligible Securities

Where Uncertificated Eligible Securities of Participants are held through HKSCC in any manner, each Participant covenants, represents and warrants to HKSCC that:-

(a) it shall not raise any claims (whether in contract, tort or otherwise) against HKSCC arising from or relating to any form of tax, duty, fine or penalty imposed or levied on or in respect of the Uncertificated Eligible Securities under any applicable law or regulation, whether or not HKSCC is involved in any tax collection, withholding or related arrangement; and

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(b) unless HKSCC otherwise agrees, it shall only give voting or other instructions to HKSCC and not directly to the Overseas Issuer or its principal or branch ~~share~~securities registrar (if any).

824. Custodian services in relation to China Connect Securities

China Connect Securities are ~~uncertificated~~scripless securities. Physical deposit of China Connect Securities with and physical withdrawal of China Connect Securities from CCASS or the relevant China Connect Clearing House is not available. Accordingly, Rules relating to the physical deposit and withdrawal of securities are not applicable to China Connect Securities.

CHAPTER 9

CLEARING SERVICES

This Chapter 9 is not applicable to Registrar Participants.

CHAPTER 10

SETTLEMENT SERVICES

This Chapter 10 is not applicable to Registrar Participants.

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CHAPTER 11

NOMINEE SERVICES

This Chapter 11 is not applicable to Registrar Participants.

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:-

(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~~securities 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;

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 Depositary (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

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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~~securities 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~~securities 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~~securities 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.

1108. HKSCC not liable

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

(iii) any act, omission, default, failure, delay or inadequacy of performance of any of the agents, representatives or intermediaries of the Issuer of the Eligible Security (including its principal or branch ~~share~~securities registrar) or any entity it has entered into arrangement with for the purposes of provision of any services under the Rules; or

CHAPTER 12

MONEY SETTLEMENT SERVICES

This Chapter 12 is not applicable to Registrar Participants.

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:-

(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;

(xii) the payment of the money due in accordance with Stamp Duty Payment Requests effected by Stamp Authorized Persons in accordance with the Rules; and

(xiii) the payment of ASR fees.

1206B. Payments relating to Stamp Duty Payment Request

For payments in accordance with Stamp Duty Payment Requests, Chapter 12B shall apply.

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1209. Extent of obligations of HKSCC

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

The extent of involvement of HKSCC in relation to the payment of stamp duty in accordance with a Stamp Duty Payment Request is limited to: (i) the provision of information in relation to such request to the Collector of Stamp Revenue for the purpose of calculation of the stamp duty payable; (ii) the generation of an EPI from HKSCC relating to the General Purpose Designated Bank Account of the Stamp Authorized Person making such request to facilitate the collection of stamp duty payment by the Collector of Stamp Revenue and/or its agent; and (iii) the provision of information in relation to any payment rejection of the EPI to the Collector of Stamp Revenue.

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:-

(i) any delay by any Designated Bank in giving effect to HKSCC's instructions; ~~or if~~

(ii) HKSCC's ~~fails~~failure to give instructions to any Designated Bank in time on a Settlement Day to achieve payment for value the same day; ~~or for~~

(iii) 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~~

(iv) 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~~;

(v) any delay, error or failure in HKSCC transmitting, processing or doing any act in accordance with any Stamp Duty Payment Request;

(vi) any delay or failure by the Collector of Stamp Revenue and/or its agent in calculating or collecting any stamp duty payment including any payment in accordance with any Stamp Duty Payment Request from the General Purpose Designated Bank Account of any Stamp Authorized Person;

(vii) 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~~

(viii) 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.

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CHAPTER 12A

FOREIGN EXCHANGE SERVICES

This Chapter 12A is not applicable to Registrar Participants.

12A01. The TSF

HKSCC may, as TSF operator, provide FX Services to TSF Participants for the purpose of facilitating the purchase and sale of TSF Stocks traded on the Exchange based on the following principles:-

(v) TSF Stocks purchased with the support of the TSF shall be earmarked as such; held in TSF Accounts as prescribed by these Rules; and be subject to restrictions on transfer to other Stock Accounts and withdrawals ~~of share certificates~~ from CCASS;

12A03. Criteria for registration as TSF CCASS Participants

(ii) For the avoidance of doubt, the following categories of Participants shall not be eligible to apply for registration as TSF CCASS Participants:-

(a) Investor Participants;

(b) Stock Lender Participants;

(c) Stock Pledgee Participants; ~~and~~

(d) Clearing Agency Participants; and

(e) Registrar Participants.

12A09. Earmarking and De-earmarking of TSF Stocks

All TSF Stocks purchased through the TSF shall be earmarked as such and shall be held in ~~CCASS in either a~~ TSF ~~Principal Account or a TSF Segregated~~ Accounts. Earmark~~ed~~ing ~~of~~ TSF Stocks ~~restricts~~ may not be:-

(i) transferred to other non-TSF stock accounts within CCASS; or

(ii) ~~the physical~~ withdrawn~~al of share certificates of the TSF Stocks by TSF Participants~~ from CCASS.

CHAPTER 12B

STAMP DUTY PAYMENT SERVICES AND USI TRANSFER REQUESTS

This Chapter 12B is only applicable to a Stamp Authorized Person.

12B01. Agreement with the Collector of Stamp Revenue

HKSCC and the Collector of Stamp Revenue have entered into an agreement to facilitate the Stamp Authorized Persons to make: (i) a declaration that a transfer in the USI Transfer Request

does not involve any change in beneficial interest; and (ii) stamp duty payments with regard to participating securities in uncertificated form to the Collector of Stamp Revenue.

12B02. Stamp duty payment for SI Transactions of participating securities

A Stamp Authorized Person may submit a Stamp Duty Payment Request via CCASS to the Collector of Stamp Revenue in respect of chargeable stamp duty for its SI Transactions.

By submitting such Stamp Duty Payment Request, the Stamp Authorized Person unconditionally and irrevocably authorises HKSCC to submit its Stamp Duty Payment Request to the Collector of Stamp Revenue and to arrange payment of stamp duty in accordance with such request, in each case in accordance with the Operational Procedures.

The Stamp Authorized Person remains liable to the Collector of Stamp Revenue for the stamp duty payable in respect of its SI Transactions regardless of whether it opts to submit a Stamp Duty Payment Request. The Stamp Authorized Person shall keep complete and true records of information relating to its Stamp Duty Payment Requests for a period of no less than 6 years after the expiration of the relevant time for stamping.

12B03. Participants to authorise HKSCC

By submitting a USI Transfer Request to HKSCC, the Stamp Authorized Person unconditionally and irrevocably authorises HKSCC to submit its USI Transfer Request details, including the declaration that such request does not involve any change in beneficial interest, to the Collector of Stamp Revenue and/or its agent.

By submitting a Stamp Duty Payment Request to HKSCC, the Stamp Authorized Person unconditionally and irrevocably authorises HKSCC to disclose information relating to its Stamp Duty Payment Request to the Collector of Stamp Revenue and/or its agent.

CHAPTER 12C

REGISTRAR PARTICIPANTS FOR PARTICIPATING SECURITIES

12C01. Registrar Participants for participating securities

A Registrar Participant must, in relation to the participating securities registered or to-be-registered in the name of HKSCC or its nominee, establish a linkage with HKSCC according to the Registrar Participant Manual to access and use the messaging facilities for the transmission of messages with HKSCC or its nominee in accordance with the requirements set out in the Registrar Participant Manual.

Registrar Participants shall communicate with HKSCC in accordance with the Rules and the Registrar Participant Manual.

In the event of any conflict between the Rules or Operational Procedures and the Registrar Participant Manual, the Rules or Operational Procedures (as the case may be) shall prevail, unless HKSCC otherwise determines.

12C02. Continuing obligations of Registrar Participants

Without limiting the generality of Chapter 17, each Registrar Participant shall at all times:-

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(i) continue to comply with any Registrar Participant Admission Criteria;

(ii) use its best endeavours to have security measures in place to minimise any fraudulent transfer of participating securities;

(iii) perform such processes and make such communications as may be agreed between the Registrar Participant and HKSCC within the processing schedule as set out in the Registrar Participant Manual;

(iv) keep records of its communications with HKSCC or its nominee whether made through messaging facilities or otherwise for a period of no less than 7 years; and

(v) comply with and be bound by the Rules as in force from time to time and all procedures, requirements, regulations, conditions, guidance, orders, directions and practice notes issued or published by HKSCC pursuant to the Rules, in each case insofar as they relate to its participation in HKSCC or any System in respect of participating securities that are, have been or will be registered in the name of HKSCC or its nominee, including, without limiting the generality of the foregoing, all the obligations, conditions and operating procedures for the time being applicable to a Registrar Participant under or by virtue of:-

(a) the Participant Agreement;

(b) the Rules; and

(c) the Registrar Participant Manual.

12C03. Undertakings and Acknowledgements of Registrar Participants

Without prejudice to the generality of Rules 12C02 and 1703, each Registrar Participant undertakes to HKSCC that it:-

(i) will comply with the service level standards, processes and schedules applicable to Registrar Participants that are set out in the Registrar Participant Manual and will notify HKSCC without delay when it becomes aware that it cannot comply with such service level standards, processes and schedules;

(ii) will communicate with HKSCC using authenticated messages where practicable in accordance with the requirements set out in the Registrar Participant Manual and will notify HKSCC without delay if it becomes aware of any inaccuracy in the authenticated messages;

(iii) will make available to HKSCC such information and/or records as HKSCC may from time to time reasonably request for the purposes of carrying out its functions as a depository, a nominee and/or as a Recognized Clearing House and which relate to its participation as a Registrar Participant;

(iv) will duly maintain a linkage with HKSCC to access and use the messaging facilities pursuant to which it is able to send and receive authenticated messages;

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(v) will maintain, test and operate standby electronic systems and related standby and contingency arrangements in accordance with the Registrar Participant Manual; and

(vi) will notify HKSCC in writing no later than 3 months before it begins to act as the securities registrar for any participating securities, or as soon as reasonably practicable after it becomes aware of such appointment, whichever is the later.

12C04. Cease to act as a securities registrar of participating securities

Where a Registrar Participant intends to cease acting as a securities registrar of any participating securities, the Registrar Participant shall:-

(i) notify HKSCC in writing no later than 3 months before it ceases to act as the securities registrar for the relevant participating securities, or as soon as reasonably practicable after it becomes aware of such cessation, whichever is the later; and

(ii) take all reasonable steps to ensure an orderly handover of its role as securities registrar for the relevant participating securities and act in the best interests of the listed issuers of the relevant participating securities.

12C05. Contingency arrangements

A Registrar Participant must put in place:-

(i) appropriate system and data security controls to ensure the reliability and continued availability and maintaining the proper performance of its computer systems and facilities, to enable it to fulfil the agreed processes and schedules, as well as the integrity of data;

(ii) proper contingency plans for coping with emergencies and disruptions that would impact its ability to communicate with HKSCC or its nominee through messaging facilities in accordance with the Rules, the Registrar Participant Manual and any procedures, requirements or conditions as may be agreed between the Registrar Participant and HKSCC from time to time; and

(iii) contingency arrangements that enable it to resume its operations and communication with HKSCC or its nominee through messaging facilities within 4 hours following any system interruption.

In the event of any system fault, system interruption or site disaster which may adversely affect HKSCC or its nominee (including any interruption or delay relating to communications with HKSCC or its nominee), notice shall be given as soon as practicable in accordance with the Registrar Participant Manual.

12C06. No outsourcing of participating securities related operations and services by Registrar Participant

A Registrar Participant must not enter into any outsourcing arrangements with respect to its use of and access to the messaging facilities to communicate with HKSCC or its nominee.

12C07. Termination as Registrar Participant

Without prejudice to any other right HKSCC may have, including under Chapter 20 of the Rules, HKSCC may at any time terminate a Registrar Participant's participation in HKSCC by giving it not less than 3 months' notice in writing and with the consent of the Commission.

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A Registrar Participant may, by giving not less than 3 months' notice in writing to HKSCC and with the consent of the Commission, terminate its participation in HKSCC.

Upon giving a notice of termination or receiving such notice from HKSCC, the Registrar Participant must make appropriate arrangements to ensure an orderly exit and act in the best interests of the listed issuers of the relevant participating securities and the integrity of the market as a whole.

CHAPTER 13

BACK-UP CENTRE

This Chapter 13 is not applicable to Registrar Participants.

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CHAPTER 14

STATEMENTS AND REPORTS

This Chapter 14 is not applicable to Registrar Participants.

CHAPTER 17

CONTINUING OBLIGATIONS OF PARTICIPANTS

1702. Further assurances

Rule 1702 is not applicable to Registrar Participants.

HKSCC shall be entitled from time to time to require Participants to provide on demand assurances or additional assurances in such form, to such extent and in such manner as is determined by HKSCC to be appropriate by reference to, inter alia, the level of exposure of such Participants to HKSCC and such other matters as HKSCC shall consider relevant.

A Participant providing assurances to HKSCC, where applicable, represents and warrants in favour of HKSCC that it has title and authority to provide such assurances to HKSCC, free from all liens, charges, encumbrances, equities and all other third party rights of any nature whatsoever.

HKSCC may apply all or any of the assurances (including all rights and entitlements thereto, if any) at any time without prior notice to the Participant in or towards satisfaction of the obligations and liabilities (actual or contingent) of such Participant to HKSCC.

A Participant shall not create or permit to subsist any mortgage, charge or other encumbrance over all or any of the assurances. The assurances shall be in addition to and independent of any security which HKSCC may at any time hold for the obligations and liabilities of such Participants.

In respect of any sums received by HKSCC as assurances from a Participant, the only obligation of HKSCC to such Participant shall be to pay such Participant an amount equal to the balance after satisfaction of all obligations and liabilities (actual or contingent) of such Participant to HKSCC.

1703. Other responsibilities

Each Participant undertakes that:-

(v) it will keep records in sufficient detail of its use of any of the services and facilities of 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, provided that in the case of Registrar Participants, the records to be made available for inspection by HKSCC shall be limited to those records relating to participating securities that are, have been or will be registered in the name of HKSCC or its nominee;

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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.):-

(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 Eligible Securities deposited by the Participant by way of USI Transfer Requests) 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 (including, withdrawals by way of USI Transfer Requests), 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);

(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;

(xv) any actions or omissions by HKSCC, its agents, nominees, representatives, officers and employees under, arising out of, in connection with or otherwise relating to USI Transfer Requests and Stamp Duty Payment Requests given by a Stamp Authorized Person or a Participant purporting be a Stamp Authorized Person; and

(xvi) any communication to HKSCC or its nominee using any System including messaging facilities in respect of participating securities to which the Registrar Participant has connection and access.

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~~-~~:-

(ii) a failure to comply with any conditions or requirements for its continued participation in or use of any System as are from time to time imposed by HKSCC;

(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; and

(xviii) if the Participant is a Registrar Participant, a failure to comply with: (a) any Registrar Participant Admission Criteria or any conditions or requirements for its continued participation as a Registrar Participant; or (b) the Registrar Participant Manual with respect to any participating securities for which it is providing securities registrar services.

For the avoidance of doubt, paragraphs (xii) to (xvii) of this Rule 2001 do not apply to Registrar Participants.

2003A. Disciplinary actions against Registrar Participants

Notwithstanding anything to the contrary in the Rules, HKSCC shall not initiate disciplinary proceeding or take disciplinary action against Registrar Participants as set out in this Chapter 20 without the consent of the Commission.

2004. Expulsion of Participant

(i) Where HKSCC considers it appropriate in the circumstances to expel a Participant from participation in ~~CCASS~~HKSCC following any disciplinary proceedings against the Participant, such disciplinary action against the Participant shall have to be approved by the Board before such disciplinary action shall have effect.

(ii) No Participant who has been expelled from participation in ~~CCASS~~HKSCC shall be eligible for re-admission as a Participant, unless otherwise agreed by the Board in its absolute discretion.

(iii) A Participant that has been expelled from participation in ~~CCASS~~HKSCC shall not have any claim in respect of its Contributions, if any, to the Guarantee Fund and/or any other fees paid to HKSCC except as provided for in the Rules.

CHAPTER 21

DUTIES AND LIABILITIES OF HKSCC

2103. Force majeure

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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 services of HKSCC (or in the case of Foreign Securities held by an Appointed Depositary, with respect to any nominee, depository or other service provided by that Appointed Depositary, 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, a Registrar Participant or the Collector of Stamp Revenue.

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:-

(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~~securities registrar), or the insolvency of any of the foregoing;

(xxvi) any acts, omissions or delays of any user of FINI (including a FINI CP User) or any failure by any user of FINI (including a FINI CP User) to comply with the FINI Terms and Conditions or any requirements in the FINI User Guide; ~~and/or~~

(xxvii) any securities being identified by an issuer or its agent as (a) Treasury Shares, (b) Treasury Units or (c) securities repurchased by an issuer which are not Treasury Shares or Treasury Units;

(xxviii) any failure, omissions, errors, delays, malfunction, suspension or cessation of operation of any system or facility (including those provided or operated by the

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Collector of Stamp Revenue) upon which HKSCC is reliant for the provision of its Stamp Duty Payment Request related services;

(xxix) any failure, omissions, errors, delays, malfunction, suspension or cessation of operation of any USI facility or any other system or facility, including those provided or operated by the Registrar Participant in connection with its provision of participating securities-related services; and/or

(xxx) any acts, omissions or delays by any Registrar Participant or any failure by any Registrar Participant to comply with any requirements in the Rules or the Registrar Participant Manual.

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

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CHAPTER 22

TERMINATION OF CCASS PARTICIPATION

This Chapter 22 is not applicable to Registrar Participants.

CHAPTER 24

SECURITIES LOSSES

This Chapter 24 is not applicable to Registrar Participants.

2402. Eligible Securities deemed to be lost or unavailable

For the purpose of Rule 2401, HKSCC may deem one or more Eligible Securities to be lost or unavailable if~~:~~:-

(i) such Eligible Securities are lost or defective, including where Eligible Securities are stolen, mutilated or destroyed; or are forged, fraudulent or invalid; or if for any reason cannot be registered ~~or re-issued~~ or cannot be delivered or are unavailable for delivery; or

CHAPTER 25

GUARANTEE FUND

This Chapter 25 is not applicable to Registrar Participants.

PART B: EXCHANGE TRADES AND TRANSACTIONS BETWEEN PARTICIPANTS

Only Chapter 39 in this Part B is applicable to Registrar Participants.

CHAPTER 39

ACCESS ~~TO CCASS~~ FROM A FOREIGN JURISDICTION

3901. Obligations of Participants or Settlement Agents located in as foreign jurisdiction

A Participant that wishes (i) to install a CCASS Terminal at its or its Settlement Agent's office premises located in a foreign jurisdiction or (ii) to access and operate CCASS from a foreign jurisdiction must obtain HKSCC's prior written approval to do so. A Registrar Participant that wishes to directly access or use messaging facilities from a foreign jurisdiction must also obtain HKSCC's prior written approval to do so. Where approval is granted, such installation and/or connection shall be subject to the following Rules of this chapter and such conditions as prescribed by HKSCC from time to time.

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A Participant shall ensure that it is able to, and shall continue to, comply with all of its obligations as a Participant under the Rules despite the location from where it is accessing CCASS and despite its appointment of a Settlement Agent which accesses or operates from a foreign jurisdiction or despite the location from which it is communicating with HKSCC.

A Participant shall ensure that its money obligations arising from the operation of CCASS or other liabilities owing to HKSCC are settled in Hong Kong via one of the Designated Banks and that all money settlement is effected under Hong Kong business hours within the time and in accordance with the process specified under the Rules.

A Participant shall satisfy such other requirements and conditions in relation to its or its Settlement Agent's access to CCASS from a foreign jurisdiction, or in relation to its access to or use of messaging facilities from a foreign jurisdiction, as may from time to time be imposed by HKSCC. For the avoidance of doubt, in the event that any access to CCASS from a foreign jurisdiction, or access to or use of messaging facilities from a foreign jurisdiction, is determined by HKSCC to be inappropriate for CCASS, HKSCC or its nominee, HKSCC may discontinue such arrangement at any time by notifying the Participant in writing.

3902. Books and records

Rule 3902 is not applicable to Registrar Participants.

3902A. Books and records of a Registrar Participant

A Registrar Participant which accesses or uses messaging facilities from a foreign jurisdiction shall maintain in Hong Kong a set of books and records of its activities relating to participating securities registered or to be registered in the name HKSCC or its nominee, and ensure that it is kept up-to-date on a day to day basis. The duplicate set can be in hardcopy or electronic form. Upon HKSCC's request, a Registrar Participant shall make available the hardcopy of books and records for inspection by HKSCC. Such copy shall be certified by a director or the company secretary of the Registrar Participant that it is a true and complete copy of the original.

In the event that HKSCC, in its absolute discretion, considers it necessary to inspect the books, records or systems relating to a Registrar Participant's access to or use of messaging facilities from a foreign jurisdiction, the Participant shall grant HKSCC or its authorized persons or agents access to such books, records and systems and the Registrar Participant shall reimburse HKSCC all the costs incurred.

3903. Communication

A Participant shall provide a means of communication with HKSCC, so that HKSCC will not bear any additional cost or suffer from any inconvenience due to the location of the Participant's CCASS Terminal, ~~or~~ the location from where the Participant or its Settlement Agent access CCASS or the location from where the Registrar Participant directly accesses or uses messaging facilities. A Participant may be required to reimburse HKSCC against all costs incurred by HKSCC in connection with any communication or correspondence with the Participant and its Settlement Agent, employees or representatives outside Hong Kong. The Participant shall be available for contact during normal CCASS operation hours. Emergency contacts in the relevant foreign jurisdictions shall also be available for time outside normal CCASS operation hours.

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A Participant shall be responsible for all the costs and expenses in relation to the connection of communication links between the Hong Kong service provider and its or its Settlement Agent's office premises in a foreign jurisdiction.

3904. Legal liabilities

A Participant shall obtain from a reputable law firm of a foreign jurisdiction a legal opinion issued in favor of HKSCC confirming that~~.~~:-

(i) having the Participant's CCASS operation and the placement of the CCASS Terminal in a foreign jurisdiction;~~ and/or~~

(ii) appointing a Settlement Agent which accesses CCASS on the Participant's behalf from or has its operation in a foreign jurisdiction; and/or

(iii) the Registrar Participant's access to or use of messaging facilities from a foreign jurisdiction,

will not (a) subject HKSCC, the Exchange or a recognized exchange controller to any legal, regulatory, reporting, registration or other requirements of the foreign jurisdiction, (b) deem HKSCC, the Exchange or a recognized exchange controller to be carrying on any business in that jurisdiction; (c) have any tax implications on HKSCC, the Exchange or a recognized exchange controller; and (d) affect the right of inspection by HKSCC to books, records or systems relating to CCASS or transactions conducted through CCASS in that jurisdiction or (as the case may be) relating to a Registrar Participant's access to or use of messaging facilities from that jurisdiction. The legal opinion shall be issued in such form as may be required by HKSCC.

A Participant shall ensure that it complies with all applicable laws, regulations and requirements of the jurisdiction where its and its Settlement Agent's CCASS Terminals, office premises, ~~or~~ operations or facilities are located.

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