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香港中央結算有限公司  
(香港交易及結算所有限公司全資附屬公司)

**HONG KONG SECURITIES CLEARING COMPANY LIMITED**  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

## 通告 CIRCULAR

**Subject: China Huarong Energy Company Limited (Stock Code: 1101)**  
**- Proposal of Share Consolidation and Change in Board Lot Size**

**Enquiry: Hotline at 2979 7111**

Pursuant to the share consolidation proposal of China Huarong Energy Company Limited ("Huarong Energy"), every 5 existing shares of HK\$0.10 each ("Existing Share") will be consolidated into 1 share of HK\$0.50 ("Consolidated Share"). Upon the Share Consolidation becoming effective, the board lot size in trading will be changed from 500 Existing Shares to 2,000 Consolidated Shares. Dealings in the Consolidated Shares are expected to commence on 29 March 2016.

For the convenience of CCASS Participants, HKSCC will carry out the conversions of actual holdings, transactions (including Settlement Instruction Transaction ("SI Transaction"), Investor Settlement Instruction Transaction ("ISI Transaction") and Compulsory Stock Borrowing Transaction ("CSB Transaction")) and/or unsettled stock positions (including Continuous Net Settlement Position ("CNS Position") and Isolated Trade Position ("IT Position")) of participants in CCASS to facilitate settlement of both Consolidated Shares and Existing Shares in Huarong Energy. A stock conversion schedule is attached herewith as per Appendix I.

The aforesaid conversion process would be carried out in the Depository and Common Nominees System ("DNS") automatically on the scheduled dates. However, for stock positions that remain unsettled between 14 April 2016 and 13 May 2016, the CCASS Participants concerned who need to effect the relevant conversion of their holdings for the purpose of settling their short positions should submit the Parallel Trading Conversion Instruction through CCASS Terminals during the above-mentioned period.

CCASS Participants who wish to deposit shares to or withdraw shares from the CCASS Depository are requested to note the following: -

### **(A) Deposit Arrangement**

1. From 31 March 2016 until 13 May 2016, Existing Share certificates representing shares of HK\$0.10 each (light green in colour) will be accepted for deposit under stock code: 2956 (Temp). Effective from 16 May 2016, Existing Share certificates representing shares of HK\$0.10 each will only be accepted for deposit for custody purpose under stock code: 1101 (New).

Effective from 13 April 2016, the CCASS Depository will accept deposit of Consolidated Share certificates representing shares of HK\$0.50 each (light yellow in colour) under stock code: 1101 (New).

2. For deposits of both Existing and Consolidated Share certificates of Huarong Energy under the same stock code, CCASS Participants are requested to use separate Transfer Deeds and Stock Deposit Forms to cover the Existing and Consolidated Share certificates respectively.
3. An example on how to complete the Stock Deposit Form in respect of deposits of Existing Shares is given as per Appendix III.

#### **(B) Withdrawal Arrangement**

1. With effect from 31 March 2016 until 14 April 2016, the CCASS Depository will only accept withdrawal of shares under the temporary stock code: 2956. If participants' holdings are recorded under stock code: 1101, they should apply in writing to the CCASS Depository to convert their holdings to the temporary stock code: 2956 for the purpose of withdrawal.

Upon acceptance of the withdrawal order, the CCASS Depository will effect delivery of either Existing Share certificates representing shares of HK\$0.10 each or Consolidated Share certificates representing shares of HK\$0.50 each subject to availability of the two types of share certificates.

2. With effect from 15 April 2016, the CCASS Depository will only accept withdrawal of Consolidated Shares under the new stock code: 1101. If participants' holdings are recorded under temporary stock code: 2956, they should submit the Parallel Trading Conversion Instruction through CCASS Terminals to convert their holdings to the new stock code: 1101 for the purpose of withdrawal.

Detailed schedule for accepting deposits and withdrawals under stock code: 1101 or the temporary stock code: 2956 is given as per Appendix II.

**APPENDIX I**

**CHINA HUARONG ENERGY COMPANY LIMITED**

**Corporate Events**

**Schedule of Stock Conversion**

Temporary Counter for Trading Stock Code 2956 (Temp)	Start of Parallel Trading Stock Code 1101 (New) Stock Code 2956 (Temp)	End of Parallel Trading		
29/03/16	13/04/16	04/05/16		
30/03/16 (day-end)	12/04/16 (day-end)	14/04/16 (day-end)	06/05/16 (day-end)	13/05/16 (day-end)

Conversion Cycle	1 <sup>st</sup> CA	2 <sup>nd</sup> CA	3 <sup>rd</sup> CA	4 <sup>th</sup> CA	5 <sup>th</sup> CA
Stock Conversion	1101 (Old) → 2956	1101 (Old) → 2956	2956 → 1101 (New)	2956 → 1101 (New)	2956 → 1101 (New)
Holding	Yes	Yes	Yes	Yes	Yes
Position	No	Yes (CNS and IT)	No	No	No
Transaction	Yes (SI, ISI & CSB)	Yes (SI, ISI & CSB)	Yes (SI, ISI & CSB)	Yes (SI, ISI & CSB)	Yes (SI, ISI & CSB)
Conversion Ratio	5 → 1	5 → 1	1 → 1	1 → 1	1 → 1

Note: 1101 (Old) - Existing Shares of HK\$0.10 each trading in board lots of 500 shares  
 2956 (Temp) - Temporary counter for trading in board lots of 100 Consolidated Shares  
 1101 (New) - Consolidated Shares of HK\$0.50 each trading in board lots of 2,000 shares  
 CA - Corporate Action  
 CNS - CNS Position  
 IT - IT Position  
 SI - SI Transaction  
 ISI - ISI Transaction  
 CSB - CSB Transaction

**APPENDIX II**

**CHINA HUARONG ENERGY COMPANY LIMITED**

Schedule for accepting deposit and withdrawal under stock codes 1101 or 2956 during the conversion cycle

Acceptance period for	29/03/16 to 30/03/16	31/03/16 to 12/04/16	13/04/16 to 14/04/16	15/04/16 to 06/05/16	09/05/16 to 13/05/16	From 16/05/16 Onwards
Deposit under stock code 1101	Yes (Existing Share quantity)	No	Yes (Consolidated Share certificate representing shares of HK\$0.50 each)	Yes (Consolidated Share certificate representing shares of HK\$0.50 each)	Yes (Consolidated Share certificate representing shares of HK\$0.50 each)	Yes
Deposit under stock code 2956	No	Yes	Yes	Yes	Yes	No
Withdrawal under stock code 1101	Yes	No	No	Yes	Yes	Yes
Withdrawal under stock code 2956	No	Yes	Yes	No	No	No

### APPENDIX III

Example on how to complete a Stock Deposit Form in respect of deposits of Existing Shares of HK\$0.10 each of China Huarong Energy Company Limited on and after the effective date of share consolidation:

A CCASS Participant presents the following Existing Shares of HK\$0.10 each of China Huarong Energy Company Limited to the CCASS Depository for deposit on or after 31 March 2016.

<u>Certificate Number</u>	<u>Existing Share quantity printed on each certificate</u>	<u>Existing Share quantity (HK\$0.10 each)</u>	<u>Consolidated Share quantity (HK\$0.50 each)</u>
1101 - 1102	500	1,000	200
1141	5,000	5,000	1,000
1142 - 1143	14	28	4#
Difference			1*
	<b>TOTAL:</b>	<b>6,028</b>	<b>1,205</b>

# Each Existing Share certificate of 14 shares of HK\$0.10 each represents 2 Consolidated Shares of HK\$0.50 each, which adds up to 4 Consolidated Shares of HK\$0.50 each.

\* The add up total of the Existing Share quantity of 6,028 shares of HK\$0.10 each divided by 5 amounts to 1,205 Consolidated Shares of HK\$0.50 each. The sum of individual certificate ranges added up to 1,204 Consolidated Shares (200 + 1,000 + 4). The CCASS Participant is requested to insert the difference of 1 share on the "No. of Shares" column to make up the total Consolidated Share quantity from 1,204 to 1,205 for processing by the CCASS Depository.

## CCASS Depository Services

*#Note: Existing Share certificate representing shares of HK\$0.10 each will only be accepted for deposit for custody purpose under stock code: 1101(New) with effect from 16 May 2016.*