

Terminal Operations

FUNCTION NAME: STI MAINTENANCE

WHEN TO USE:

- To transfer stock between a Participant's SSA with Statement Service or SPSA and its other Stock Accounts (including other SSA with Statement Service or SPSA but excluding Stock Collateral Control Account) in CCASS, the **Stock Segregated Account Transfer Instruction (STI)** is maintained using this function.

AVAILABLE MAINTENANCE FUNCTIONS:

- A. Add STI
To input details of STIs.
- B. Change STI
To change the details of a pending STI.
- C. Delete STI
To delete a pending STI.
- D. Authorise Pending STI
To authorise pending STIs.
- E. Enquire STI
To enquire on the details and current status of STIs.
- F. Revoke STI
To revoke an STI only when it is at 'Unaffirmed' or 'Pending for Transfer' status.

AVAILABLE FUNCTION TIME:

- For Input STI, Change STI, Delete STI, Authorise Pending STI and Revoke STI functions, the function available time for Hong Kong market, Shanghai market and Shenzhen market are as below:

For Hong Kong market (HKMK), there are two sessions:

- First session: 8:00 a.m. to 3:45 p.m.
- Second session: after Final Batch Settlement Run of Hong Kong market at approximately 4:00 p.m. (to be announced by a broadcast message) and closes at 7:30 p.m.

For Shanghai market (MAMK) / Shenzhen market (SZMK):

- Function available from 7:15 a.m. to 8:00 p.m.

- For Enquire STI function, the available function time is between 7:15 a.m. to 8:00 p.m.

FUNCTIONAL DESCRIPTIONS:

- STIs input by CCASS Participants may require the corresponding SSA Statement Recipients to affirm such STIs before stock transfers are effected:
 - (i) STI (Without Affirmation), STI input which meets the following criteria does not require affirmation by the SSA Statement Recipient:
 - (a) the 'Affirmation Requirement' of the involved SSA with Statement Service is set to 'No';
or
 - (b) the involved SSA with Statement Service is the receiving party (even its 'Affirmation Requirement' is set to 'Yes').
 - (ii) STI (With Affirmation), STI input for a SSA with Statement Service who is the delivering party and have the "Affirmation Requirement" set to 'Yes'. STI (With Affirmation) is not applicable to STI which involve Special Segregated Account (SPSA, a type of SSA opened by Custodian and non-EP GCP for holding China Connect Securities of institutional investors). No statement Services is available to SPSA
- STI can be settled on a 'Free of Payment' (FOP) or 'Delivery verse Payment' (DVP) basis. STI between SSA with Statement Service should be settled on a "Free of Payment" (FOP). DVP STI is only available to the transferring of Eligible Securities out from an SSA with Statement Service (i.e. with payment to be credited to the SSA Statement Recipient). Upon the completion of transfer of a DVP STI, HKSCC will issue EPI as normal to instruct the Designated Bank of the Participant to effect payment by crediting the payment amount to the receiving bank account of the SSA Statement Recipient. STI involving China Connect Securities in SPSA can only be settled on FOP basis.
- Maker-checker mechanism is applied to STI maintenance. After an STI is input by maker, the STI will become in 'Pending' status and require the checker to authorise via the AUTHORISE STI function.
- There is a special arrangement for STI related to SPSA in China Connect Securities. Delivery of China Connect Securities under an STI Transfer will be placed in the "Pending for Transfer" status if input and authorisation of an STI are made between 8:15 a.m. and the final CNS BSR.
- After an STI (With Affirmation) is successfully authorised by the checker, the status of STI (With Affirmation) will then become "Unaffirmed". After affirmed by the SSA Statement Recipient via CCASS phone system or CCASS internet system, if there are sufficient shares in the delivering account, shares will be transferred immediately. The status of such STI (With Affirmation) will be then become 'Transferred'. Otherwise, the status will be updated to 'Pending for Transfer'. STI (With Affirmation) is not applicable to STI involving SPSA.
- If there is insufficient stock holding in the delivering account for the STI transfer, the STI will be kept until the next STI Batch-run.
- For Hong Kong market, there are 6 STI Batch-runs at around 9:15 a.m., 10:00 a.m., 12:45 p.m., 3:30 p.m., 5:00 p.m. and 8:00 p.m. The STI Batch-runs after 3:30 p.m. will process those FOP STIs only.

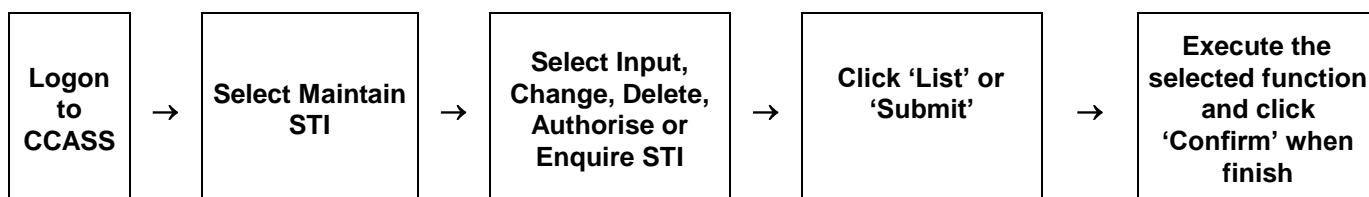
- For Shanghai / Shenzhen market, there are 11 STI Batch-runs as follows:-

	[1] 8:00 am	[2] 9:15 am	[3] 10:00 am	[4] 12:45 pm	[5] 3:30 pm	[6] 5:00 pm	[7] 5:30 pm	[8] 6:30 pm	[9] 7:00 pm	[10] 7:30 pm	[11] 8:00 pm
Shanghai/Shenzhen (exclude SPSA)	✓	✓	✓	✓	✓	✓	✓ ⁽¹⁾			✓	✓
Shanghai/Shenzhen (SPSA only)	✓ ⁽²⁾						✓ ⁽¹⁾⁽³⁾	✓ ⁽³⁾	✓ ⁽³⁾	✓ ⁽²⁾	✓ ⁽²⁾

Notes:

- (1) The STI Batch Run (SPSA only) at 5:30 p.m. will be processed before the STI Batch Run (exclude SPSA) which is scheduled for the same time
 - (2) The STI Batch Runs at 8:00 a.m., 7:30 p.m. and 8:00 p.m. allow the transfer of China Connect Securities to/from SPSAs
 - (3) The STI Batch Runs at 5:30 p.m., 6:30 p.m. and 7:00 p.m. only allow transfer of China Connect Securities from SPSAs to non-SPSA account
- For the above-mentioned special arrangement of “Pending for Transfer” status for STI for China Connect Securities related to SPSA, the transfer will be effective if there are sufficient securities in the delivering account in these SPSA STI Batch Run
- Broadcast message will be issued upon completion of each STI Batch-run of each market.
 - For STI to be settled on a DVP basis, it should be affirmed and transferred before 3:45 p.m. of a day in order to effect the money settlement on the same day.
 - For STI (With Affirmation) of Hong Kong market stocks which is affirmed after 7:00 p.m., the instruction will be kept in CCASS and process on the next business day at around 7:00 a.m. The STI status will be updated to 'Pending for processing'.
 - STI (With Affirmation) of China Connect Securities is NOT allowed to be affirmed after 7:00 p.m. SSA Statement Recipients can only affirm those STI (With Affirmation) between 7:15a.m. and 7:00 p.m. on each business day.
 - If there is a pending or unaffirmed STI associated with a stock having Corporate Action (CA) conversion on a day, e.g. splitting or consolidation, system will purge the STI record at day end and Participants are required to re-input the STI on the next business day. Moreover, the system will suppress the affirmation of STI (With Affirmation) on the day after:
 - 3:45 p.m. for DVP STI
 - 7:00 p.m. for FOP STI
 - Pending STI can be deleted using the ‘Delete STI’ function; whereas STI which is in ‘Pending for Transfer’ or ‘Unaffirmed’ status can be revoked using the “Revoke STI” function.

The access paths for the maintenance function of STI are:



STI MAINTENANCE – Sample Screen:

Section 8.1.7a

STI Maintenance

General Enquiries	Maintain Stock Segregated Account Transfer Instruction Site Map Broadcast Message Report Download Announcement Information Change Password Print Logout	B0108901																														
Enq Settlement Act / Status		SATA 02																														
Mtn Stk Segregated A/C with Strm Sev(SSA)		25-May-07 10:24																														
Mtn SSA Bank A/C																																
Delivery Instruction (DI)	Add Stock Segregated Account Transfer Instruction Detail																															
A/C Transfer Instr (ATI)	Stock :	193 YOSHIYA INT'L Input Date : 28-SEP-07																														
Stk Seg A/C Transfer Instr (STI)	ISIN :	HK0193000988																														
Settlement Instruction (SI)	STI Input Number :	S09469850																														
Hide Unmatched SI Content Cpty List	Available Balance :	<table border="1"> <thead> <tr> <th>Account</th> <th>Available Balance</th> <th>Account</th> <th>Available Balance</th> <th>Account</th> <th>Available Balance</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0</td> <td>2</td> <td>0</td> <td>3</td> <td>20,000,000,000</td> </tr> <tr> <td>4</td> <td>0</td> <td>5</td> <td>0</td> <td>6</td> <td>0</td> </tr> <tr> <td>7</td> <td>0</td> <td>8</td> <td>0</td> <td>9</td> <td>0</td> </tr> <tr> <td>10</td> <td>0</td> <td>20</td> <td>0</td> <td></td> <td></td> </tr> </tbody> </table>	Account	Available Balance	Account	Available Balance	Account	Available Balance	1	0	2	0	3	20,000,000,000	4	0	5	0	6	0	7	0	8	0	9	0	10	0	20	0		
Account	Available Balance	Account	Available Balance	Account	Available Balance																											
1	0	2	0	3	20,000,000,000																											
4	0	5	0	6	0																											
7	0	8	0	9	0																											
10	0	20	0																													
Investor Strm Instr (ISI)	Other Segregated Account Balance :	35,000,000,000																														
ISI (With Affirm) Cpty List	From Account :	3 Enquire Stock Account Balance																														
ISI (W/O Affirm) Cpty List	To Account :	21																														
Payment Instruction	Transfer Quantity :	10000																														
Cash Prepayment	Payment Instruction :	<input type="radio"/> DVP <input checked="" type="radio"/> FOP																														
Maintain Cash Prepayment Standing Instr	Money Value :	0.00 HKD																														
Stock Borrowing / Lending	Remarks :																															
SBL Bulletin Board		Submit Refresh																														
Login Withdrawal Order																																
Election Instruction																																
Subscription Instruction																																
Corp Voting Instruction																																
EIPO Application																																
Tender Instruction																																
Maintain Unit Order - Creation																																
Maintain Unit Order - Redemption																																
Maintain In Kind Creation / Redemption																																
Corp Communication																																

DESCRIPTION OF FIELDS:

<u>Field</u>	<u>Description/Format</u>
ISIN or STOCK CODE	<ul style="list-style-type: none"> - input the ISIN / stock code as a selection criterion. - can obtain the ISIN or stock code from the hyperlink of 'Enquire Stock List'. - from the prompt screen, type a valid stock code. The name of the stock is not required. - must not be a delisted stock. - CCASS overlooks leading zero(s); i.e. '17', '017', '0017' and '00017' are treated as the same. - display the ISIN code or stock code and short name of the stock being chosen at the list screen.
STATUS	- display the status of the STI.
INPUT DATE	<ul style="list-style-type: none"> - display the date the STI is created. - no entry is required.
STI INPUT NUMBER	<ul style="list-style-type: none"> - display the unique reference number generated by CCASS for the STI. - change is not allowed.

<u>Field</u>	<u>Description/Format</u>
AVAILABLE BALANCE	<ul style="list-style-type: none"> - display the balance (in number of shares) that is available for use in all valid stock accounts for the selected stock. '1' represents the Clearing Account. '2', '3', ... '17' represent segregated accounts and '20' for Stock Collateral Control Account. - for the Clearing Account, the available account balance may not be equal to the actual account balance because some of allocated shares from batch settlement runs may not be readily available for use for certain reasons. - change is not allowed.
OTHER STOCK SEGREGATED ACCOUNT BALANCE	<ul style="list-style-type: none"> - display the balance in total (in number of shares) that is available for use in all SSA with Statement Service. - click "Enquire Stock Account Balance" for the balance of each SSA with Statement Service. - change is not allowed.
FROM ACCOUNT	<ul style="list-style-type: none"> - type or select the account number from which stock will move. - must not be the Stock Collateral Control Account (20). - Either the 'FROM ACCOUNT' or 'TO ACCOUNT' or both must be a SSA with Statement Service (account starting from 21 onwards). - must not be the same as the 'TO ACCOUNT'. - CCASS overlooks leading zero(s); i.e. '5', '05' and '005' are treated as the same.
TO ACCOUNT	<ul style="list-style-type: none"> - type or select the account number to which stock will move. - must not be the Stock Collateral Control Account (20). - Either the 'FROM ACCOUNT' or 'TO ACCOUNT' or both must be a SSA with Statement Service (account starting from 21 onwards). - must not be the same as the 'FROM ACCOUNT'. - CCASS overlooks leading zero(s); i.e. '5', '05' and '005' are treated as the same.
TRANSFER QUANTITY	<ul style="list-style-type: none"> - type the quantity of shares to be transferred. - must be greater than zero. - either one of the following formats is accepted by CCASS: '3000' or '3,000'.
PAYMENT INSTRUCTION	<ul style="list-style-type: none"> - input or display the payment method; 'DVP' for delivery versus payment, 'FOP' for free of payment.
MONEY VALUE	<ul style="list-style-type: none"> - CCASS defaults to zero '0'. - type the money value if the payment instruction is 'DVP'. - leave as zero '0' if the payment instruction is 'FOP'. - either one of the following formats is accepted by CCASS: '2000' or '2,000'. - two decimal places are accepted if required.

Section 8.1.7a
STI Maintenance

<u>Field</u>	<u>Description/Format</u>
REMARKS	- optional field. - any text less than 40 characters in length.