

GENERAL RULES OF CCASS

**CHAPTER 1
INTERPRETATION**

101. Definitions

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

“Electronic Application Instructions for New Issue Shares” means instructions by a Participant for an application to be made on its behalf for New Issue Shares and for the payment and refund of application moneys, and, where applicable, includes instructions by a Participant for a confirmation to be made on its behalf of the application for New Issue Shares made on its behalf, as referred to in Rule 1101(vi);

“Prospectus” means any prospectus, notice, circular or other document offering or calculated to invite offers by the public to subscribe for or purchase securities (including shares, warrants, Depositary Receipts, Debt Securities and Units) and includes, unless inconsistent with the context, its associated application form or forms and (where applicable) confirmation form or forms;

**CHAPTER 3
ADMISSION OF PARTICIPANTS**

303. Criteria for admission

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

- (i) (a) be an authorized institution under the Banking Ordinance (Chapter 155 of the laws of Hong Kong); or
- (b) be a trust company registered under the Trustee Ordinance (Chapter 29 of the laws of Hong Kong); or
- (c) be ~~or be deemed to be~~ a licensed corporation which is licensed to carry on Type 1 regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and which is not an Exchange Participant; or
- (d) be the Monetary Authority under the Exchange Fund Ordinance (Chapter 66 of the laws of Hong Kong).

CHAPTER 9

CLEARING SERVICES

906. Clearance of other transactions : TIs

Each Participant that wishes to effect electronic transfers of Exchange Fund Notes, Government Bonds or Specified Instruments between its Stock Account and the CMU Account of a Recognized Dealer or electronic transfers of CMU Instruments between its Stock Account and the CMU Account of a CMU Member must complete and sign ~~the appropriate instruction form~~ (and stamped with the company chop, if applicable) the appropriate instruction form in the form prescribed by HKSCC from time to time. Such completed and signed form must be submitted to HKSCC at the CCASS Depository or the Customer Service Centre for processing by HKSCC.

Transfer Instructions submitted by Participants will be subject to clearing and settlement in accordance with the Operational Procedures.

For the avoidance of doubt, HKSCC will not be responsible in any way for the failure or delay of a Participant, a Recognized Dealer or a CMU Member to settle a transfer of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments in accordance with Transfer Instructions. If one of the parties is in default, the other will have to pursue the party in default.

CHAPTER 11

NOMINEE SERVICES

1101. Scope and extent of nominee and similar services

Subject to the Rules, in respect of Eligible Securities held in custody or recorded in the CCASS Depository or in an Appointed Depository (as the case may be) 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 :

- (vi) the receipt of and compliance with electronic instructions (a) to cause the Nominee to apply for New Issue Shares on its behalf and (b) to arrange payment and refund of the money due on application, and (where applicable) the receipt of and compliance with electronic instructions to cause the Nominee to confirm on its behalf the application for New Issue Shares made on its behalf, in each case in accordance with the Operational Procedures;

1104. Time limit for deposit of Eligible Securities

HKSCC may assign a time-limit for the deposit by Participants of such Eligible Securities which are the subject of such actions, transactions or other matters and in respect of such Eligible Securities deposited into CCASS after such a time-limit, HKSCC shall be under no obligation to register them in the name of HKSCC or its nominee on or prior to the record or meeting date or the time limit.

1105. Time limit for instructions etc.

In respect of any actions, transactions or other matters affecting an Eligible Security, HKSCC may assign a time-limit by which instructions, payments and/or other actions required to be taken in relation thereto by Participants (including persons acting with the authority of or on behalf of or for the account of the Participants) must be received by HKSCC. HKSCC may assign a latest time for (a) the giving of Electronic Application Instructions for New Issue Shares by Participants, which shall

not be later than the latest time for lodging of application forms as described in the Prospectus or confirmation forms as described in the Prospectus as supplemented and amended, as the case may be, and (b) the giving of Tender Instructions, which shall not be later than (in the case of Exchange Fund Notes and Specified Instruments) two Business Days before the latest time for making the relevant tender or (in the case of Government Bonds and CMU Instruments) the latest time for application on the closing date of the subscription period. Save for the giving of Electronic Application Instructions for New Issue Shares, Investor Participants will normally be subject to a different time-limit for giving of instructions to HKSCC. Instructions from Participants with respect to any actions, transactions or other matters affecting Eligible Securities, Electronic Application Instructions for New Issue Shares and Tender Instructions shall be given to HKSCC electronically via CCASS Terminals or Participant Gateways, where applicable, unless otherwise prescribed by HKSCC from time to time. Investor Participants are required to input instructions to HKSCC via the CCASS Phone System or at the Customer Service Centre or the CCASS Internet System or by such other means as considered by HKSCC in its absolute discretion to be appropriate in the circumstances. SSA Statement Recipients are required to input voting instructions to HKSCC via the CCASS Phone System or the CCASS Internet System or by such other means as considered by HKSCC in its absolute discretion to be appropriate in the circumstances.

CHAPTER 12

MONEY SETTLEMENT SERVICES

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:-

(ixa) the payment of the money received by HKSCC from CMU counterparty on settlement of Transfer Instructions on a delivery versus payment basis in CMU, the return of money paid by the Participant in excess of the actual settlement amount paid on settlement of Transfer Instructions and, the return of money paid by the Participant in respect of unsettled and cancelled Transfer Instruction;

In relation to entitlement payments for which HKSCC has credited the relevant Participants' Money Ledgers before receipt of payment and if, for whatever reason, the relevant entitlement payments are not received by HKSCC, HKSCC shall have the right either to arrange for an amount equivalent to that credited by HKSCC to be debited from the relevant Participants' Money Ledger or require the relevant Participants to immediately refund the amount to HKSCC either by bank draft, cheque or telegraphic transfer or in such other manner as HKSCC deems appropriate.

1205B. Payments relating to Transfer Instructions

In relation to a transfer of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instrument to be settled between CCASS and CMU, a Participant shall specify in its Transfer Instruction whether or not the transfer between CCASS and CMU is to be made against payment and if so, specify the amount and the currency of such payment, being the settlement amount and the settlement currency.

Where the transfer is to be effected between CCASS and CMU on a delivery versus payment basis in CMU with payment to be received by HKSCC, HKSCC is authorized to and it will, upon receipt of the settlement confirmation from CMU and the relevant settlement amount, issue a credit entry of the relevant amount to the Participants' Money Ledger to be settled against its Designated Bank Account in accordance with the Operational Procedures.

Where the transfer is to be effected between CCASS and CMU on a delivery versus payment basis in CMU with payment to be made to a Recognized Dealer or CMU Member, the Participant must pay the required amount of payment, being the aggregate of the settlement amount and an amount equivalent to the value determined by the CMU from time to time as the tolerance limit of settlement amount, to HKSCC before the specified deadline in accordance with the Operational Procedures to facilitate the settlement of the transfer between CCASS and CMU in accordance with the Transfer Instruction. Otherwise, the Transfer Instruction will not be effected. HKSCC is authorized to pay the required amount of payment received from the Participant or any part thereof to the relevant Recognized Dealer or CMU Member in respect of the settlement of the transfer between CCASS and CMU in accordance with the Operational Procedures and to return the remaining balance of the required amount of payment (if any) to the Participant. If the Transfer Instruction is not settled and cancelled, the required amount of payment received by HKSCC will be returned to the Participant. HKSCC is authorized to credit the Participant's Money Ledger with the relevant amounts in accordance with the Operational Procedures.