

CCASS OPERATIONAL PROCEDURES

Definitions

- (b) When used in the Operational Procedures, the following expressions shall have the following meanings unless the context otherwise requires:

"Cash Prepayment Instruction"

means an instruction in such details as HKSCC may prescribe from time to time, given by a Clearing Participant to HKSCC via the "Cash Prepayment Instruction" maintenance functions of its CCASS Terminal ~~or Participant Gateway~~ or generated pursuant to a Cash Prepayment Standing Instruction, to effect payment in same day available funds to HKSCC to release Eligible Securities received under a Buy-in as referred to in Section 10.8.8 or Securities-on-hold as referred to in Section 10.12.4 or Section 10A.14.5;

"Night Settlement"

means the money settlement for SI Transactions in China Connect Securities in RMB starting at around 9:30 p.m. through the Clearing House of HKAB;

Section 6
Operational and Service Schedule

6.1 PROCESSING AND SERVICE

In general, CCASS offers processing and servicing facilities to Participants other than Investor Participants between the hours of 7:15 a.m. and ~~8~~9:30 p.m., Monday to Friday (except public holidays) and for enquiry and report retrieval services and certain other services and functions specified by HKSCC, also between the hours of 8:00 a.m. to 1:00 p.m. on Saturday (except public holiday). In general, services and facilities provided to Investor Participants for use and access to SSA with Statement Service provided to SSA Statement Recipients via the CCASS Phone System and the CCASS Internet System are usually available on an approximately 24 hours basis.

6.2.1 Daily Processing and Service Schedule in relation to Eligible Securities Other than China Connect Securities

Time	CCASS events
7:15 p.m.	Close of SI upload function
7:30 p.m.	Close of ATI/STI maintenance and <u>SI upload</u> Mass ATI/STI maintenance functions
<u>7:45 p.m.</u>	<u>Close of Mass ATI/STI maintenance function</u>

8:00 p.m. (after)	Generation of DDIs, DCIs and EPIs by HKSCC for settlement on the next Business Day
8:30 p.m.	Electronic Application Instructions for New Issue Shares maintenance, <u>and</u> CCMS enquiry, report retrieval and Enquire Broadcast Message functions close
<u>8:30 p.m. (around)</u>	<u>Generation of DDIs, DCIs and EPIs by HKSCC for settlement on the next Business Day</u>
<u>9:30 p.m.</u>	<u>Report retrieval and Enquire Broadcast Message functions close</u>

6.2.2 Daily Processing and Service Schedule in relation to China Connect Securities

Time	CCASS events
4:00 p.m. (after)	Commencement of Cash Prepayment service—Instruction Maintenance and DI input functions (for settlement of CNS stock positions only)
<u>4:05 p.m. (around)</u>	<u>Generation of EPIs by HKSCC for same day settlement</u>
6:00 p.m.	Deadline for <u>inputting</u> Cash Prepayment service <u>Instructions</u>
8:00 p.m.	Close of all enquiries through CCASS Terminals and Participant Gateways, except for <u>CCMS enquiry, Enquire Sellable Balance Adjustment Request and</u> Enquire Broadcast Message functions
8:00 p.m. (after)	Generation of DDIs, DCIs and EPIs by HKSCC for settlement on the next Business Day
<u>8:05 p.m. (around)</u>	<u>Generation of EPIs by HKSCC for same day Night Settlement</u>
8:30 p.m.	<u>Close of</u> CCMS enquiry, report retrieval and Enquire Broadcast Message functions close
<u>8:30 p.m. (around)</u>	<u>Generation of DDIs, DCIs and EPIs by HKSCC for settlement on the next Business Day</u>
<u>9:00 p.m.</u>	<u>Close of Enquire Sellable Balance Adjustment Request function</u>

9:00 p.m. (after)	Snapshot taking of total sellable balance of China Connect Securities of China Connect Clearing Participants and their NCPs for pre-trade checking
9:30 p.m.	Report retrieval and Enquire Broadcast Message functions close
9:30 p.m. (after)	Snapshot taking of total sellable balance of China Connect Securities of China Connect Clearing Participants and their NCPs for pre-trade checking

6.3 DAILY SERVICE SCHEDULE FOR DESIGNATED BANKS

Time	CCASS events
7:15 a.m.	Commencement of report retrieval and Enquire Broadcast Message functions
8:30 a.m.	Commencement of enquiry and report retrieval functions Commencement of the session for inputting DDI/DCI/EPI payment confirmation for DDIs/DCIs/EPIs in the DDI/DCI/EPI Listing for Designated Bank generated on the previous day for settlement on the current day (see Note (i) below)
9:30 a.m.	Close-Deadline of the session for inputting DDI/DCI/EPI payment confirmation for DDIs/DCIs/EPIs in the DDI/DCI/EPI Listing for Designated Bank generated on the previous day for settlement on the current day (see Note (ii) below)
12:00 noon	Commencement of the session for inputting DDI/debit EPI payment confirmation for DDIs/debit EPIs in the DDI/DCI/EPI Listing for relating to Investor Participants <u>IP Related Transactions (see Note (iii) below)</u> Deadline for CPI confirmations and paying HKSCC in good funds for CPIs contained in the Electronic CHATS Payment Instruction Report generated at 9:30 a.m. (after) in respect of money settlement of China Connect Securities Trades between HKSCC and Participants (see Note (ix) below) <u>and issuing by facsimile or telephone to HKSCC a confirmation regarding each such CPI for which payment has not been or cannot be effected</u>
2:30 p.m.	Close-Deadline of the session for inputting DDI/debit EPI payment confirmation for DDIs/debit EPIs in the DDI/DCI/EPI Listing for IP Related Transactions relating to Investor Participants (see Note (iv) below)

4:20 p.m. (after)	Commencement of the first session for inputting DDI/DCI/EPI payment confirmation <u>for DDIs/DCIs/EPIs in the DDI/DCI/EPI Listing for Designated Bank generated on the current day for settlement on the same day, excluding those DDIs, DCIs and EPIs contained in the DDI/DCI/EPI Exception Report (see Note (v) below)</u>
5:45 p.m.	Close-Deadline of the first session for inputting DDI/DCI/EPI payment confirmation <u>for DDIs/DCIs/EPIs in the DDI/DCI/EPI Listing for Designated Bank generated on the current day for settlement on the same day</u> (see Note (vi) below)
5:45 p.m. (around)	CCASS Funding Projection Report (Night Settlement) for Designated Bank (for funding projection as of the completion of the second SI Batch-settlement-run for China Connect Securities) available
6:00 p.m. (after)	Commencement of the second session for inputting DDI payment confirmation <u>for DDIs in the DDI/DCI/EPI Listing for Designated Bank generated on the current day for settlement on the same day, excluding those DDIs contained in the DDI/DCI/EPI Exception Report and those DDIs in relation to which payment confirmation has been inputted in the first session (see Note (vii) below)</u>
7:15 p.m. (around)	CCASS Funding Projection Report (Night Settlement) for Designated Bank (for funding projection as of the completion of the third SI Batch-settlement-run for China Connect Securities) available
8:00 p.m.	Close-Deadline of the second session for inputting DDI payment confirmation <u>for DDIs in the DDI/DCI/EPI Listing for Designated Bank generated on the current day for settlement on the same day, excluding those DDIs contained in the DDI/DCI/EPI Exception Report and those DDIs in relation to which payment confirmation has been inputted in the first session (see Note (viii) below)</u> Close of the Enquire DDI/DCI/EPI Rejection function
8:00 p.m. (around)	CCASS Funding Projection Report (Night Settlement) for Designated Bank (for funding projection as of the completion of the final SI Batch-settlement-run for China Connect Securities) available
8:05 p.m. (after)	DDI/DCI/EPI Listing for Designated Bank (for EPIs generated on the current day for same day Night Settlement) available
8:30 p.m.	Close of report retrieval and Enquire Broadcast Message functions
8:20 p.m. (after)	DDI/DCI/EPI Exception Report available

	<u>Commencement of inputting payment confirmation for EPIs in the DDI/DCI/EPI Listing for Designated Bank generated on the current day for same day Night Settlement, excluding those EPIs contained in the DDI/DCI/EPI Exception Report</u>
<u>9:20 p.m.</u>	<u>Deadline for inputting payment confirmation for EPIs in the DDI/DCI/EPI Listing for Designated Bank generated on the current day for same day Night Settlement</u>
<u>9:20 p.m. (after)</u>	<u>DDI/DCI/EPI Rejection Listing (for EPI payment confirmation inputted in the session) available</u> <u>Close of the Enquire DDI/DCI/EPI Rejection function</u>
<u>9:30 p.m.</u>	<u>Close of the report retrieval and Enquire Broadcast Message functions</u>

Note(s):

- ~~(i) The session is for the input of payment confirmation for DDIs, DCIs and EPIs contained in the DDI/DCI/EPI Listing for Designated Bank (for DDIs/DCIs/EPIs generated on the previous day for settlement on the current day).~~
- ~~(ii) This is the deadline for inputting payment confirmation for DDIs, DCIs and EPIs contained in the DDI/DCI/EPI Listing for Designated Bank (for DDIs/DCIs/EPIs generated on the previous day for settlement on the current day).~~
- ~~(iii) The session is for the input of payment confirmation for DDIs and debit EPIs contained in the DDI/DCI/EPI Listing for IP Related Transactions.~~
- ~~(iv) This is the deadline for inputting payment confirmation for DDIs and debit EPIs contained in the DDI/DCI/EPI Listing for IP Related Transactions.~~
- ~~(v) The first session is for the input of payment confirmation for DDIs, DCIs and EPIs contained in the DDI/DCI/EPI Listing for Designated Bank (for DDIs/DCIs/EPIs generated on the current day for settlement on the same day), excluding those DDIs, DCIs and EPIs contained in the DDI/DCI/EPI Exception Report.~~
- ~~(vi) This is the deadline for inputting payment confirmation for DDIs, DCIs and EPIs contained in the DDI/DCI/EPI Listing for Designated Bank (for DDIs/DCIs/EPIs generated on the current day for settlement on the same day) in the first session, as referred to in Note (v) above. Where a Designated Bank should input a payment confirmation in the first session for any DDI contained in the aforesaid DDI/DCI/EPI Listing for Designated Bank but fails to do so, notwithstanding this deadline, the Designated Bank may input a payment confirmation in the second session commencing at 6:00 p.m. (after), as referred to in Note (vii) below.~~
- ~~(vii) The second session is for the input of payment confirmation for DDIs contained in the DDI/DCI/EPI Listing for Designated Bank (for DDIs/DCIs/EPIs generated on the current day for settlement on the same day), excluding those DDIs contained in the~~

~~DDI/DCI/EPI Exception Report and those DDIs in relation to which payment confirmation has been inputted in the first session, as referred to in Note (v) above.~~

~~(viii) This is the deadline for inputting payment confirmation for DDIs contained in the DDI/DCI/EPI Listing for Designated Bank (for DDIs/DCIs/EPIs generated on the current day for settlement on the same day), excluding those DDIs contained in the DDI/DCI/EPI Exception Report and those DDIs in relation to which payment confirmation has been inputted in the first session, in the second session, as referred to in Note (vii) above.~~

~~(ix) This (i.e. 12:00 noon) is the deadline for issuing by facsimile and telephone to HKSCC a confirmation regarding each CPI for money settlement of China Connect Securities Trades contained in the Electronic CHATS Payment Instruction Report for which payment has not been or cannot be effected (“CPI Confirmation”).~~

Section 8 Nominee Services

8.6 VOTING

8.6.3 Corporate actions subject to book-close period or record date

- (i) for administrative convenience, the voting rights of Participants will usually be determined by HKSCC by reference to the relevant Eligible Securities credited to their Stock Accounts as at the last registration day before the relevant book-close or record date (although HKSCC reserves the right to use another date for such purpose). Where a Clearing Participant or a Custodian Participant has authorised its SSA Statement Recipient to give voting instructions in relation to the holdings of Eligible Securities in the SSA with Statement Service for the account of the Participant, the Participant itself shall not exercise the voting rights or give voting instructions in relation to those Eligible Securities. The relevant dates may be enquired by Participants other than Investor Participants via the Enquire Announcement Information function available through CCASS Terminals ~~or Participant Gateways~~;
- (ii) shortly after the announcements of the relevant corporate actions or activities, or from the relevant book-close or record date, HKSCC will generate voting instructions advices to relevant Participants via CCASS Terminals, ~~Participant Gateways~~, the CCASS Phone System and the CCASS Internet System. HKSCC will also generate voting instructions advices to relevant SSA Statement Recipients via the CCASS Phone System and the CCASS Internet System;
- (iii) Investor Participants wishing to give voting instructions must give their instructions via the CCASS Phone System or the CCASS Internet System, or at the Customer Service Centre. Participants other than Investor Participants wishing to give voting instructions must input their instructions in a CCASS Terminal ~~or a Participant Gateway~~. In each case, Participants must give or input details such as the number of Eligible Securities concerned and ~~whether or not voting is in favour of, or against, their voting instructions in respect of the~~ stated matters or

resolutions by the stated deadline (as specified in Section 8.6.2 above). SSA Statement Recipients giving voting instructions in relation to SSA with Statement Service for the accounts of Clearing or Custodian Participants must give their instructions via the CCASS Phone System or the CCASS Internet System by the stated deadline (as specified in Section 8.6.2 above) and may change their voting instructions at any time before such stated deadline. Participants may change their voting instructions at any time before such stated deadline;

- (iv) based on the instructions of Participants, HKSCC will consolidate all voting instructions (other than voting instructions to be acted upon by the person nominated by the Participant to attend and vote at the meeting directly) and cause votes to be cast at the relevant meetings. If the total number of Eligible Securities in respect of which any voting instruction is given by a Participant to HKSCC is more than the holding of the Participant as at the last registration day before the relevant book-close or record date concerned, the following will normally apply:
- (a) if the last registration day before the relevant book-close or record date falls before the stated deadline (as specified in Section 8.6.2), the ~~relevant~~ voting instructions will be ~~adjusted-rejected with reference to its holding as of the last registration day before the relevant book-close or record date~~. Participants other than Investor Participants should refer to the “Participant Voted Quantity Exception Report – Before Voting Deadline” available ~~between~~ the last registration day before the relevant book-close or record date ~~and one day before the stated deadline (both days inclusive)~~ and, if applicable, ~~confirm shall re-input~~ any ~~adjusted~~ voting instructions on or before the stated deadline ~~with reference to to ensure that the total number of Eligible Securities in respect of which voting instructions are given to HKSCC does not exceed~~ their holdings of such Eligible Securities as of the last registration day before the relevant book-close or record date. Exception details of the voting instructions inputted by SSA Statement Recipients in relation to SSA with Statement Service for the account of Participants will also be shown in the “Participant Voted Quantity Exception Report – Before Voting Deadline”; and
- (b) if the last registration day before the relevant book-close or the record date falls on the stated deadline (as specified in Section 8.6.2), the total number of votes cast in ~~respect of the stated matters or resolutions favour of a proposal or against it~~ will be scaled down by reference to the holding of the relevant Eligible Securities of the Participant in CCASS as at the last registration day before the relevant book-close or record date. Participants other than Investor Participants should refer to the “Participant Voted Quantity Exception Report – On Voting Deadline” available after the stated deadline (as specified in Section 8.6.2 above) for scale down information. Exception details of the voting instructions inputted by SSA Statement Recipients in relation to SSA with Statement Service for the account of Participants will also be shown in the “Participant Voted Quantity Exception Report – On Voting Deadline”.

- (v) Participants other than Investor Participants wishing to nominate a person to attend a meeting must input their instructions in a CCASS Terminal ~~or a Participant Gateway~~ before the stated deadline (as specified in Section 8.6.2 above). The Corporate Representative/Proxy Information Batch File Transfer facility is also available for the input of such instructions. After input of such instructions, the number of Eligible Securities which are the subject of such instructions will be deducted from the holdings (as of the last registration day before the relevant book-close or record date) of the relevant Participants in respect of their input of voting instructions to HKSCC (as described in (iii) above). If such instructions are changed by the Participants before the stated deadline, the number of Eligible Securities deducted from the holdings as of the last registration day before the relevant book-close or record date of the Participants will be adjusted accordingly;
- (vii) where appropriate instructions have been received by HKSCC from a Participant and HKSCC has not received further instructions from the Participant to change the original instruction before the stated deadline (as specified in Section 8.6.2 above), HKSCC will complete and submit a proxy form or a letter of appointment of corporate representatives to appoint the Participant or the person nominated by the Participant to attend and vote at the meeting at his/her discretion, as the case may be, unless the Participant specifically inputs instructions to HKSCC to vote in respect of the holding of Eligible Securities to which the proxy form relates by submitting the prescribed form at the Customer Service Centre or via a CCASS Terminal ~~or a Participant Gateway~~, as the case may be, in which case the proxy will have already indicated his/her voting preference. In respect of Uncertificated Securities (where applicable or where the applicable laws, rules or regulations so permit or require), HKSCC will communicate or pass on any voting or other instructions, proxy nominations or appointments or all other authorizations, declarations, requests or information received from Participant to the Overseas Issuer or its authorized agents or representatives including the Issuer's principal or branch share registrar.

8.6.4 Corporate action not subject to book-close period or record date

- (i) If voting is required in respect of corporate actions or activities which are not subject to a book-close period or there is no record date for determining entitlements, similar procedures as those set out in Section 8.6.3 will normally apply, except that the voting rights of Participants, for administrative convenience, will be determined by reference to the Eligible Securities credited to their Stock Accounts as at the stated deadline (as specified in Section 8.6.2 above). The deadline and other relevant dates may be enquired by Participants other than Investor Participants via the "Enquire Announcement Information" function available through CCASS Terminals ~~or Participant Gateways~~. Where a Clearing Participant or a Custodian Participant has authorised its SSA Statement Recipient to give voting instructions in relation to the holdings of Eligible Securities in the SSA with Statement Service for the account of the Participant, the Participant itself shall not exercise the voting rights or give voting instructions in relation to those Eligible Securities.

- (iii) HKSCC will consolidate all voting instructions (other than voting instructions to be acted upon by the person nominated by the Participant to attend and vote at the meeting directly) from Participants. If the total number of Eligible Securities in respect of which any voting instruction is given by a Participant is more than the subsequent holding of the Participant as at the stated deadline (as specified in Section 8.6.2), it will scale down such votes cast in respect of the stated matters or resolutions favour of a proposal or against it as appropriate by reference to its subsequent holding of Eligible Securities on the stated deadline and cause such scaled down votes to be cast at the relevant meeting, unless the Participant specifically instructs otherwise. Similarly HKSCC may scale down as appropriate by reference to the subsequent holding of Eligible Securities as at the stated deadline in respect of the holding of Eligible Securities represented by the person nominated by the Participant to attend the meeting. Participants other than Investor Participants should refer to the “Participant Voted Quantity Exception Report – On Voting Deadline” available after the stated deadline for scale down information. This report will include the exception details of voting instructions input by SSA Statement Recipients.

8.6.5 Demand poll request

~~For~~~~in respect of~~ the voting instructions given by ~~of~~ Participants ~~to vote in favour of or against~~ ~~in respect of~~ any stated matter or resolution (other than voting instructions to be acted upon by the persons nominated by the Participants to attend and vote at the meeting directly), HKSCC may from time to time receive requests of Participants for HKSCC to make a demand for a poll to be taken in respect of such stated matter or resolution to be voted on at the relevant meeting. In deciding whether to receive demand poll requests of Participants, HKSCC may consider the constitutive documents of the issuer of the Eligible Securities, the proceedings of the relevant meeting, the applicable laws and other relevant matters in the opinion of HKSCC. For the avoidance of doubt, HKSCC will not receive demand poll requests of Participants where the relevant meeting is to be held outside Hong Kong or at a place which in the opinion of HKSCC is not easily accessible. If HKSCC, in respect of any stated matter or resolution to be voted on at the relevant meeting, agrees to receive demand poll requests from Participants that gives voting instructions to HKSCC, the following procedures will normally apply:

- (i) ~~for in respect of~~ each instruction to vote in respect of favour of or against a stated matter or resolution given by a Participant in accordance with Section 8.6.3 or Section 8.6.4 (other than voting instructions to be acted upon by the person nominated by the Participant to attend and vote at the meeting directly), the Participant may, if it wishes that votes in respect of that stated matter or resolution be taken by poll at the relevant meeting, request HKSCC to demand that a poll be taken in respect of that stated matter or resolution put to the vote of members at the relevant meeting. Each such demand poll request must be made simultaneously with the voting instruction to which it relates and shall be adjusted, where required, simultaneously with changes made to such voting instruction by the relevant Participant. Participants may change their demand poll requests at any time before the stated deadline and SSA Statement Recipients may change their demand poll request for the account of Participants at any time before the stated deadline;

- (ii) Participants other than Investor Participants wishing to give demand poll requests as aforesaid should input such requests through its CCASS Terminal ~~or Participant Gateway~~. SSA Statement Recipients wishing to give demand poll requests as aforesaid for the account of Participants should make such requests via the CCASS Phone or the CCASS Internet System. Investor Participants wishing to give demand poll requests as aforesaid should make such requests via the CCASS Phone System or the CCASS Internet System, or at the Customer Service Centre;
- (ix) Participants other than Investor Participants may enquire whether it may input demand poll request in respect of a specific stated matter or resolution in the notice of meeting via the “Enquire Resolution Description” function available through CCASS Terminals ~~or Participant Gateways~~, and Investor Participants and relevant SSA Statement Recipients may enquire the same through the CCASS Internet System.

8.6.6 Voting by show of hands or by way of a poll

- (ii) In relation to voting at meetings by way of a poll, in accordance with the instructions of Participants (other than voting instructions to be acted upon by the person nominated by the Participant to attend and vote at the meeting directly), HKSCC will normally cause the relevant number of Eligible Securities to be voted for and/or against a proposal and/or voted as abstain/withhold (if applicable).

Section 9

Overview of Clearing and Settlement in CCASS

9.8 MONEY SETTLEMENT

In general, for transactions in Eligible Securities ~~other than China Connect Securities~~ to be settled on a DVP basis in CCASS, payment will follow delivery of Eligible Securities ~~other than China Connect Securities~~ in CCASS; whereas for those transactions to be settled on an RDP basis in CCASS, Eligible Securities other than China Connect Securities will be delivered upon receipt of confirmation of payments of such transactions from the Clearing House of HKAB.

Section 10

Exchange Trades - CNS System

10.8.9 Procedures

The following is a brief description of the procedures relating to cash prepayment on each Settlement Day:

- (a) Cash Prepayment Instructions with “CHATS” set as the payment method
 - (i) Participants that wish to make prepayments by means of CPIs shall select “CHATS” as the payment method when creating a Cash Prepayment Instruction via a CCASS Terminal ~~or a Participant Gateway~~ from 8:00 a.m.

to 2:00 p.m. or such other time specified by HKSCC from time to time or when creating a Cash Prepayment Standing Instruction via a CCASS Terminal ~~or a Participant Gateway~~ from 8:00 a.m. to 7:00 p.m. or such other time specified by HKSCC from time to time;

- (b) Cash Prepayment Instructions with “OTHERS” set as the payment method
 - (i) Participants that wish to make prepayments by other means must indicate “OTHERS” as the payment method when creating a Cash Prepayment Instruction via a CCASS Terminal ~~or a Participant Gateway~~ from 8:00 a.m. to 2:30 p.m. or such other time specified by HKSCC from time to time or when creating a Cash Prepayment Standing Instruction via a CCASS Terminal ~~or a Participant Gateway~~ from 8:00 a.m. to 7:00 p.m. or such other time specified by HKSCC from time to time;

10.12.5 Procedures

The following is a brief description of the procedures relating to cash prepayment on each Settlement Day:

- (a) Cash Prepayment Instructions with “CHATS” set as the payment method
 - (i) Participants that wish to make prepayments by means of CPIs shall select “CHATS” as the payment method when creating a Cash Prepayment Instruction via a CCASS Terminal ~~or a Participant Gateway~~ from 8:00 a.m. to 2:00 p.m. or such other time specified by HKSCC from time to time or when creating a Cash Prepayment Standing Instruction via a CCASS Terminal ~~or a Participant Gateway~~ from 8:00 a.m. to 7:00 p.m. or such other time specified by HKSCC from time to time;
- (b) Cash Prepayment Instructions with “OTHERS” set as the payment method
 - (i) Participants that wish to make prepayments by other means must indicate “OTHERS” as the payment method when creating a Cash Prepayment Instruction via a CCASS Terminal ~~or a Participant Gateway~~ from 8:00 a.m. to 2:30 p.m. or such other time specified by HKSCC from time to time or when creating a Cash Prepayment Standing Instruction via a CCASS Terminal ~~or a Participant Gateway~~ from 8:00 a.m. to 7:00 p.m. or such other time specified by HKSCC from time to time;

Section 10A **China Connect Securities Trades - CNS System**

10A.14 RISK MANAGEMENT: SECURITIES-ON-HOLD OF CHINA CONNECT SECURITIES

10A.14.5 Procedures

The following is a brief description of the procedures relating to cash prepayment on each Settlement Day:

- (i) China Connect Clearing Participants which wish to make prepayments must ~~makecreate~~ their Cash Prepayment Instructions requests to HKSCC by with “OTHERS” as the payment method via a CCASS Terminal from 4:00 p.m. to 6:00 p.m. phone or electronic transmission, with payment details;
- (ii) To avoid undue concentration of HKSCC’s exposure to a bank appointed by HKSCC as receiving bank for cash payment, cash prepayment is subject to the concentration limit pre-determined by HKSCC in respect of each appointed receiving bank. HKSCC will only accept or generate Cash Prepayment Instructions within the predetermined concentration limit of the appointed receiving bank. China Connect Clearing Participants must liaise closely with their banks to ensure that same day available funds are transferred to HKSCC’s specified bank account before 6:00 p.m., or such other time prescribed by HKSCC from time to time.
- (iii) China Connect Clearing Participants must ensure that same day available funds are transferred to HKSCC’s specified bank account no later than 6:00 p.m. or such other time prescribed by HKSCC from time to time. For China Connect Clearing Participants using the same bank as HKSCC, they can make use of the internal account transfer function of the bank or electronic banking services to transmit available funds. For others, they can payinstruct their banks to make payment to HKSCC via inter-bank transfer with CHATS payment (see CCASS Terminal User Guide for Participants for details);
- ~~(iii) Before 5:45 p.m. or such other time as from time to time determined by HKSCC, China Connect Clearing Participants must send by facsimile or electronic transmission the supporting documents (see CCASS Terminal User Guide for Participants for details) to HKSCC. In preferred sequence, HKSCC accepts China Connect Clearing Participants’ payment instructions to their banks, Electronic Banking Payment Authorizations, etc.;~~
- (iv) Based on the details of Cash Prepayment Instructions~~With full payment details~~, HKSCC will follow up the funds with its appointed receiving bank and the relevant China Connect Clearing Participants. Only when available funds are confirmed will HKSCC update the relevant China Connect Clearing Participants’ Settlement Accounts of Money Ledger to reduce their corresponding monetary obligations due to HKSCC and as a result, release equivalent discounted market value of Securities-on-hold (see Section 10A.14.3). China Connect Clearing Participants’ Statements of Money Ledger will show the relevant entries. China Connect Clearing Participants can check the status of a Cash Prepayment Instruction via the CCASS enquiry function of “Enquire Cash Prepayment Instruction”;
- (vii) Acceptance of the prepayment requests will be at HKSCC’s full discretion. If China Connect Clearing Participants fail to follow the procedures, and/or for any other reason the requests are subsequently turned down by HKSCC, then the funds received will only be refunded the following Settlement Day without interest; ~~and~~

- (viii) In the event of default of payment (e.g., for any transfers subsequently reversed by the Clearing House of HKAB), HKSCC shall have recourse against the relevant China Connect Clearing Participant;
- (ix) In case cash remittance is made by a China Connect Clearing Participant to HKSCC as cash prepayment not pursuant to any Cash Prepayment Instruction, HKSCC reserves the right not to effect the updating of the China Connect Clearing Participant's Money Ledger on the same day. Such cash payment will be refunded without interest to the China Connect Clearing Participant by crediting the cash payment amount to its Money Ledger on the next Settlement Day; and
- (x) In case the relevant cash payment under a Cash Prepayment Instruction input on a Settlement Day is not received by HKSCC, the Cash Prepayment Instruction will be purged from CCASS at the end of the Settlement Day.

Section 12

Non-Exchange Trades – SI Transactions, Clearing Agency Transactions, ISI Transactions, Transfer Instructions and Non-Trade Transfers in China Connect Securities

12.1.6 Settlement of SI Transactions

(vi) China Connect Securities

- (d) DIs can only be effected to settle SIs relating to China Connect Securities after completion of the final CNS Batch-settlement-run shortly after 7:00 p.m. until 7:~~30~~45 p.m.; and

12.1.7 Money Settlement for SI Transactions

For SI Transactions relating to Eligible Securities other than China Connect Securities to be settled in CCASS on a DVP basis, upon settlement in CCASS, HKSCC will issue EPIs in the normal way to the Designated Banks of the Participants concerned to effect payment between them. HKSCC's role is merely as a facilitator. The Settlement Reports of the Participants will show the relevant entries and details of the relevant EPIs.

For SI Transactions relating to China Connect Securities to be settled on a DVP basis, upon settlement in CCASS, HKSCC will issue EPIs in the normal way to the Designated Banks of the Participants concerned to effect payment between them for value on the same day. For SIs settled in the first SI Batch-settlement-run, Designated Banks are required to issue payment confirmation on those EPIs generated in Eligible Currencies by no later than 5:45 p.m. on the same day. For SIs settled in the second, third or final SI Batch-settlement-run, (i) in respect of EPIs generated in RMB, Designated Banks which provide Night Settlement services are required to issue payment confirmation by no later than 9:20 p.m. on the same day in respect of each EPIs where the paying or receiving Designated Bank provides Night Settlement services; (ii) in respect of other EPIs generated in other Eligible Currencies or in RMB but not included in same day Night Settlement, Designated Banks are required to issue payment confirmation by no later than 9:30 a.m. on the following Business Day. HKSCC's role is merely as a

facilitator. The Settlement Reports of the Participants will show the relevant entries and details of the relevant EPIs.

12.1.9 SI Batch File Transfer Service

(iii) Hours of service

The SI batch file transfer service is available for use on each Business Day between the hours of 7:15 a.m. and 7:~~30~~⁴⁵ p.m.

Section 14

Money Settlement

14.5.3 Payment confirmation by Designated Banks

(iii) The following paragraphs summarise the key obligations of Designated Banks in relation to the issue of payment confirmations relating to EPIs for Participants' information. In paragraphs (a) and (b) below, "EPIs" only covers those EPIs issued by HKSCC to effect money settlement in relation to Isolated Trades and/or SI Transactions on a DVP basis.

(b) For EPIs issued by HKSCC for settlement by a Participant other than an Investor Participant on the same Business Day that the EPIs are issued, if any payment to be debited from or credited to the Designated Bank Account of the Participant ~~have~~^{has} not been or cannot be effected by a Designated Bank, the Designated Bank is required to issue to HKSCC a payment confirmation in accordance with the timing and other requirements set out in Section 6.3, and in any event by no later than 5:45 p.m. or, where Night Settlement applies, by no later than 9:20 p.m. on that Business Day. Where a payment confirmation is issued to HKSCC by a Designated Bank as mentioned in this paragraph (b), it has been agreed between HKSCC and the Clearing House of HKAB that the Clearing House shall not, in respect of a debit EPI, make the relevant payment; and in respect of a credit EPI, receive the relevant payment. Where no payment confirmation is issued to HKSCC by a Designated Bank in respect of a debit EPI or a credit EPI by 5:45 p.m. or, where Night Settlement applies, by 9:20 p.m. on the same Business Day, the Designated Bank of the Participant will be bound, in respect of a debit EPI, to make the relevant payment; and in respect of a credit EPI, to receive the relevant payment.

Section 15

Enquiry Services

15.2 USE OF VARIOUS ENQUIRY FUNCTIONS AVAILABLE

(i) Available to Participants other than Investor Participants:

(ay) "Enquire Inter-counter Transfer/Conversion Instruction" function: to enquire about the status and details of any Multi-counter Transfer / Parallel Trading Conversion Instruction maintained on current day; ~~and~~

(az) “Enquire Confirmed EIPO Application” function: to enquire about the status and details of any Electronic Application Instruction for New Issue Shares input by a Participant for making application confirmation; and

(ba) “Enquire Sellable Balance Adjustment Request” function: to enquire about the details of any sellable balance adjustment request due to SPSA Delivery Failure input by a China Connect Clearing Participant on current day.

15.3 HOURS WHEN SERVICES ARE AVAILABLE

The enquiry services provided by CCASS for Participants other than Investor Participants are usually available for use by such Participants between the hours of 7:15 a.m. and 8:00 p.m., Monday to Friday (except public holiday), except for the CCMS enquiry function which closes at approximately 8:30 p.m., Enquire Sellable Balance Adjustment Request function which closes at approximately 9:00 p.m., and the report retrieval and Enquire Broadcast Message Enquiry functions which close at approximately 9:30 p.m., and also between the hours of 8:00 a.m. and 1:00 p.m. on Saturday (except public holiday). These services hours are subject to change as HKSCC may from time to time specify. Enquiry services may be limited when each Batch-settlement-run is in process (see the daily CCASS processing and service schedule set out in Section 6.2).

The enquiry services provided by CCASS for Designated Banks are usually available between the hours of 8:30 a.m. and 8:00 p.m., Monday to Friday (except public holiday), except for the report retrieval and Enquire Broadcast Message functions which close at approximately 9:30 p.m., and also between the hours of 8:30 a.m. and 1:00 p.m. on Saturday (except public holiday). These service hours are subject to change as HKSCC may from time to time specify.

Section 16 Statements and Reports

16.6 REPORTS AND STATEMENTS FOR PARTICIPANTS

16.6.1 Reports and Statements for Participants other than Investor Participants

Report ID	Report name	Frequency	Time available
<u>CSEMS08/</u> <u>CSEMA08</u>	Statement of Money Ledger	Twice-d Daily	<u>CSEMS08:</u> from the time when the report retrieval function is available (for previous day’s Money Ledger movements); <u>and</u> <u>CSEMA08:</u> around 4:30 p.m. (for current day’s Money Ledger movements)
<u>CSEMS28/</u> <u>CSEMA28/</u> <u>CSEMN28</u>	DDI/DCI/EPI Summary for Participant	Twice-d Daily	<u>CSEMS28:</u> from the time when the report retrieval function is available (for DDIs/DCIs/EPIs generated on the

			previous day); and <u>CSEMA28: around 4:05 p.m. (for DDI/DCI/EPIs generated on the current day <u>for same day settlement</u>); and</u> <u>CSEMN28: around 8:15 p.m. (for EPIs generated on the current day for same day Night Settlement)</u>
<u>CSEMS29/</u> <u>CSEMA29/</u> <u>CSEMN29</u>	Settlement Related EPI Listing	Twice-d Daily	<u>CSEMS29: from the time when the report retrieval function is available (for EPIs generated on the previous day for settlement on the current day in relation to money obligations of Isolated Trades, SI Transactions and ISI Transactions on a DVP basis); and</u> <u>CSEMA29: around 4:05 p.m. (for EPIs generated on the current day for <u>same day</u> settlement on the same day in relation to money obligations of Isolated Trades and SI Transactions on a DVP basis); and</u> <u>CSEMN29: around 8:15 p.m. (for EPIs generated on the current day for same day Night Settlement)</u>
CCNPT03	Participant Voted Quantity Exception Report - On Voting Deadline	Around 4:15 p.m. on voting deadline	shortly after the 4:15 p.m. voting validation run (for voting instructions being scaled down <u>or cancelled</u>) for Eligible Securities other than China Connect Securities)
		Daily	from the time when the report retrieval function is available (for voting instructions being scaled down for China Connect Securities)
<u>CSEMP04</u>	<u>CCASS Funding Projection Report (Night Settlement) for Participant</u>	<u>Three times a day</u>	<u>around 5:45 p.m., 7:15 p.m. and 8:00 p.m. (for funding projection as of the completion of the second, third and final SI Batch-settlement-runs for China Connect Securities)</u>

16.7 REPORTS AND STATEMENTS FOR DESIGNATED BANKS

Report ID	Report Name	Frequency	Time available
CSEMS03	DDI/DCI/EPI Listing	<u>Three times</u>	from the time when the report

	for Designated Bank	a day <u>Twice-daily</u>	retrieval function is available (for DDIs/DCIs/EPIs generated on the previous day for settlement on the current day), and after 4:05 p.m. (for DDIs/DCIs/EPIs generated on the current day for <u>same day settlement</u> on the same day) and <u>after 8:05 p.m. (for EPIs generated on the current day for same day Night Settlement)</u>
CSEMS05	DDI/DCI/EPI Rejection Listing	Three <u>Four</u> times a day	after 9:30 a.m. (for payment confirmation of previous day's DDIs/DCIs/EPIs); after 5:45 p.m. (for payment confirmation of current day's DDIs/DCIs/EPIs inputted in the first session <u>for same day settlement</u> , as referred to in Section 6.3); and after 8:00 p.m. (for payment confirmation of current day's DDIs inputted in the second session, as referred to in Section 6.3); and <u>after 9:20 p.m. (for payment confirmation of current day's EPIs inputted in the session for same day Night Settlement, as referred to in Section 6.3)</u>
CSEMX01	DDI/DCI/EPI Exception Report	Twice d <u>Daily</u>	after 4:20 p.m. (for DDIs / DCIs / EPIs that have been excluded from same day money settlement by the Clearing House of HKAB for the relevant Eligible Currency) and <u>after 8:20 p.m. (for EPIs that have been excluded from same day Night Settlement)</u>
<u>CSEMP03</u>	<u>CCASS Funding Projection Report (Night Settlement) for Designated Bank</u>	<u>Three times a day</u>	<u>around 5:45 p.m., 7:15 p.m. and 8:00 p.m. (for funding projection as of the completion of the second, third and final</u>

Section 17

Suspension of Services

17.2.1 General principles

In general, in the event that a Typhoon Signal No. 8 or above is hoisted on any Business Day at or after 9:00 a.m., all CCASS services and facilities in relation to China Connect Securities available to Participants will be terminated by HKSCC within fifteen minutes except as provided below.

- (ii) the maintenance functions of and relating to SIs, ATIs ~~and~~, STIs, ~~and~~ DIs, Cash Prepayment Instructions and SPSA Delivery Failure will continue to be available for use in accordance with their normal service hours;
- (iii) the SI, ATI, STI, Cash Prepayment Instruction, Sellable Balance Adjustment Request and Intra-day Payment Summary enquiry functions, Enquire Broadcast Message function and such other enquiry functions as HKSCC may from time to time specify will continue to be available for use in accordance with their normal service hours; and

17.2.10 Money settlement services

In relation to cash prepayment for Eligible Securities other than China Connect Securities, if a Typhoon Signal No. 8 or above is hoisted at any time between 8:00 a.m. and 9:00 a.m. and is not lowered by 12:00 noon on a Business Day, any Cash Prepayment Instruction or Cash Prepayment Standing Instruction for an Eligible Security other than a China Connect Security already input by a Clearing Participant or Clearing Agency Participant at any time between 8:00 a.m. and 9:00 a.m. on the day will be ignored by HKSCC and a Clearing Participant or Clearing Agency Participant will have to re-input its Cash Prepayment Instructions and Cash Prepayment Standing Instruction from the time of resumption of the “Cash Prepayment Instruction” and “Cash Prepayment / TSF Payment Standing Instruction” maintenance functions. If the Clearing Participant or Clearing Agency Participant does not re-input its Cash Prepayment Instruction or Cash Prepayment Standing Instruction, any cash prepayment received by HKSCC will be refunded without interest to the Clearing Participant or Clearing Agency Participant after receiving written request for repayment supported by evidence of such payment from the Clearing Participant or Clearing Agency Participant.

In relation to cash prepayment for China Connect Securities, if a Typhoon Signal No. 8 or above is hoisted at or after 9:15 a.m. on a Business Day, any Cash Prepayment Instruction input by a China Connect Clearing Participant at any time between 4:00 p.m. and 6:00 p.m. on the day will continue to be processed by HKSCC as usual.

Contact Tel No. : _____

Contact Person : _____

Authorized Signature of CCASS Participant
(with Company Chop)

Notes:

(1) Please tick the appropriate box(es).

(2) Please insert the relevant number of shares/warrants held under the applicable voting instructions. Please check the relevant proxy form of the meeting to ensure that voting instructions in respect of "For", "Against" or "Abstain/Withhold" are applicable to the relevant resolution (e.g. some resolutions may not have "Abstain/Withhold"). Any number of shares/warrants inserted under an inapplicable voting instruction will be considered as invalid and HKSCC will not take any action to vote on your behalf in respect of such voting instruction, and insert the number of shares/warrants. If no number of shares/warrants is inserted, your instruction to vote shall be deemed to be on your total shares eligible for voting based on the records of HKSCC as at the record date/relevant date.

We understand and acknowledge that:

- (1) this form should reach HKSCC no later than the close of the voting period as specified by HKSCC in the relevant CCASS corporate announcement;
- (2) if HKSCC does not receive this form by the stated deadline, HKSCC is entitled (but not bound) to take such actions with respect to our securities as it may consider fit; and
- (3) our request and instructions will only be effected or accepted by HKSCC subject to the General Rules of CCASS and the CCASS Operational Procedures as are in force from time to time.

Participant ID : _____
Name : _____
Contact Tel No. : _____
Contact Person : _____

Authorized Signature of CCASS Participant
(with Company Chop)

Notes:

- (1) Please tick the appropriate box(es).
- (2) ~~Please insert the relevant number of shares/warrants held under the applicable voting instructions. Please check the relevant proxy form of the meeting to ensure that voting instructions in respect of "For", "Against" or "Abstain/Withhold" are applicable to the relevant resolution (e.g. some resolutions may not have "Abstain/Withhold"). Any number of shares/warrants inserted under an inapplicable voting instruction will be considered as invalid and HKSCC will not take any action to vote on your behalf in respect of such voting instruction and insert the number of shares/warrants. If no number of shares/warrants is inserted, your instruction to vote shall be deemed to be on your total shares eligible for voting based on the records of HKSCC as at the record/relevant date.~~