CCASS OPERATIONAL PROCEDURES

Definitions

(a) For the convenience of readers, the definitions contained in the Rules are repeated below.

"Multi-counter Eligible Securities"
means Eligible Securities of the same class of an Issuer which have been approved or accepted for listing and trading on the Exchange in different Eligible Currencies under separate stock code numbers in accordance with Rule 501, and a "Multi-counter Eligible Security" shall be construed accordingly;

"Multi-counter Transfer Instructions"
means instructions given by a Participant to HKSCC in such form as HKSCC may prescribe from time to time, to effect the transfer of Multi-counter Eligible Securities of an Issuer held in the Participant's Stock Accounts (except its Stock Collateral Control Accounts, SSA with Statement Service (in the case of a Clearing Participant or a Custodian Participant) and TSF Accounts (in the case of a TSF CCASS Participant)) from one relevant stock code to another relevant stock code, as referred to in Rule 816A;

Section 7

Depository and Related Services

7.13 PROCEDURES FOR TRANSFER OF MULTI-COUNTER ELIGIBLE SECURITIES

7.13.1 Submission of Multi-counter Transfer Instructions

A Participant other than an Investor Participant that wishes to effect a transfer of Multi-counter Eligible Securities in its Stock Accounts from one stock code of Multi-counter Eligible Securities of an Issuer to another stock code of Multi-counter Eligible Securities of the same Issuer should submit a Multi-counter Transfer Instruction to HKSCC electronically via the Participant's CCASS Terminal or through other means as specified by HKSCC from time to time. Participants are requested to refer to the CCASS Terminal User Guide for further information on the use of the Multi-counter Transfer Instruction function.

An Investor Participant that wishes to effect a transfer of Multi-counter Eligible Securities in its Stock Account from one stock code of Multi-counter Eligible Securities of an Issuer to another stock code of Multi-counter Eligible Securities of the same Issuer should submit a duly completed and signed Multi-counter Transfer Instruction Form (as set out in the Operating Guide for Investor Participants) to HKSCC or through other means as HKSCC may specify from time to time. The Form, stamped with the company chop of the Investor Participant (if applicable), should be submitted to the Customer Service Centre of HKSCC for processing.

7.13.2 Relevant CCASS Report

A Daily Multi-counter Eligible Securities Transfer Report recording the Multi-counter Transfer Instructions submitted by Participants other than Investor Participants is available daily from the time the report download function is available. For further details regarding the report, please refer to the CCASS Terminal User Guide.

Section 10

Exchange Trades - CNS System

10.8 LATE DELIVERY : BUY-IN

10.8.3 Exemption from Buy-in

HKSCC may grant an exemption from a Buy-in on behalf of a short Clearing Participant on T+3 if such Participant is able to provide HKSCC with satisfactory evidence in accordance with Section 10.8.4 that a ground for exemption as set out below applies:

(xi) in respect of transactions in Eligible Securities which are subject to parallel trading on the Exchange; or transfers of Multi-counter Eligible Securities as referred to in Rule 816A, the Participant applying for exemption or the delivering Participant has–: (a) long positions in Eligible Securities or Multi-counter Eligible Securities of the relevant issuer (as the case may be); or (b) sufficient Eligible Securities or Multi-counter Eligible Securities of the relevant issuer (as the case may be) in its Stock Account, which following conversions of such long positions or holdings of Eligible Securities (as applicable) or transfers of Multi-counter Eligible Securities in CCASS, are sufficient to settle the relevant short positions on T+2;

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
CCNDS04	Withdrawal Advice Report	Daily	from the time when the report retrieval function is available (for current day's lapsed/expired securities withdrawal)
	Overnight Report Distribution Summary Report	Daily (including Saturday)	printed overnight (for reports downloaded to the participants during the overnight report printing)
CCVTF01	Daily Multi-counter Eligible Securities– Transfer Report	Daily	from the time when the report retrieval function is available (for previous day's processed Multi-counter Transfer Instructions)
CCVWD04	Withdrawal Order Audit Trail Report	Daily	from the time when the report retrieval function is available (for previous day's withdrawal orders input activities)

Section 21

Costs and Expenses

21.5   DEPOSITORY SERVICES

–	Stock maintenance fee for Foreign Securities.	HK$0.25 per 100 shares. Odd lots also charged at HK$0.25.

Notes:
Fee calculated on daily average stock quantity balance of Foreign Securities in Stock Accounts of each Participant on a monthly basis.

For Foreign Securities that have undergone automatic conversion (for share sub-divisions or consolidations and stock conversions) in CCASS on any Business Day of a month, the stock quantity balance before such automatic conversion will be used for calculation of the daily average stock quantity balance for that month.

Fee debited at end of each calendar month

–	Multi-counter eligible securities transfer fee for the transfer of Multi-counter Eligible Securities of an Issuer from one stock code to another stock code.	HK$5 per instruction

Notes:
Fee debited on date of submission of instruction.

Section 22

Tariff for Investor Participants

22.2 DEPOSITORY SERVICES

–	Stock maintenance fee for Foreign Securities.	HK$0.25 per 100 shares. Odd lots also charged at HK$0.25.

Notes:
Fee calculated on daily average stock quantity balance of Foreign Securities in Stock Accounts of each Investor Participant on a monthly basis.

For Foreign Securities that have undergone automatic conversion (for share sub-divisions or consolidations and stock conversions) in CCASS on any Business Day of a month, the stock quantity balance before such automatic conversion will be used for calculation of the daily average stock quantity balance for that month.

Fee debited at end of each calendar month.

–	Multi-counter eligible securities transfer fee for the transfer of Multi-counter Eligible Securities of an Issuer from one stock code to another stock code.	HK$5 per instruction

Notes:
Fee debited on date of submission of instruction.

HKEx 香港交易所

To: Hong Kong Securities Clearing Company Limited
(Fax no. 2579 0111 / 2579 0033)

Date:

APPLICATION FORM FOR EXEMPTION OF BUY-IN

I. Participant's Particulars

Participant ID　　　:　_____　　Participant Name　:　_____

Contact Persons　: 1. _____　　2.　_____

Tel. No.　　　　:　_____　　　　_____

II. Failed Delivery Position

Stock Code　　　:　_____　　Stock Name　　:　_____

Settlement Pos No.　:　_____　　Settlement Date　:　_____

Outstanding Share Quantity : _____　Share Quantity Applied for Exemption: _____

III. Basis of Application

We wish to make application for exemption from Buy-in pursuant to the grounds stipulated in Section 10.8.3 of the CCASS Operational Procedures as follows:-

❒ Sufficient Eligible Securities are deposited with the CCASS Depository but not credited to our Stock Clearing Account or that of the delivering Participant as stated in Section 10.8.3(i)

❒ Defects in the instrument of transfer as stated in Section 10.8.3(ii)

❒ Contingencies such as fire & flood, etc as stated in Section 10.8.3(iv)

❒ Oversold trades due to clerical or calculation errors and the shortfall covered by purchase transactions on T+1 as stated in Section 10.8.3(v)

❒ Short positions result from exercise of call options and the shortfall covered by purchase transactions on T+1 as stated in Section 10.8.3(vi)

❒ Same day trades executed through different Exchange Participants or the delivering Participant has not been allocated with sufficient Eligible Securities which is due to be received from HKSCC as stated in Section 10.8.3(vii)

❒ Sufficient Eligible Securities are due from a delivering Participant via SI on T+2 and such Eligible Securities are credited to the delivering Participant's Stock Account in CCASS in the last Batch-settlement-run on T+2 as stated in Section 10.8.3(viii)

❒ Sufficient Eligible Securities are available from a creation or redemption of Units on T+2 as stated in Section 10.8.3(ix)

❒ Sufficient Eligible Securities in our Stock Account or that of the delivering Participant on T+2 but failed delivery due to clerical error as stated in Section 10.8.3(x)

❒ Sufficient Eligible Securities in our Stock Account or that of the delivering Participant on T+2 but failed delivery as a result of a systems limitation as stated in Section 10.8.3(x)

❒ Long positions or holdings in the relevant Eligible Securities or Multi-counter Eligible Securities (as the case may be) in our Stock Account or in that the Stock Account of the delivering Participant which if converted or transferred in CCASS, are sufficient to settle the relevant short positions on T+2 as stated in Section 10.8.3(xi)

❒ Due execution of Cross-Border Transfer Instructions by us as a Securities Market Maker but unable to cover the short position on T+2 due to clerical error as stated in Section 10.8.3(xii)

❒ Transfer of Eligible Securities to cover the short position resulting from our market making activities as a Securities Market Maker cannot be effected as a result of a holiday in the United States as stated in Section 10.8.3 (xiii)

❒ Relevant quantity of Eligible Securities had been lent by an approved lending agent as defined in the Securities and Futures (Disclosure of Interest – Securities Borrowing and Lending) Rules and a notice of recall has been duly executed as stated in Section 10.8.3(xiv)

IV. Remarks by Participant

_____

_____
Authorized Signature of CCASS Participant
(with Company Chop)

Note: (i)　Supporting documents as stipulated in Section 10.8.4 of CCASS Operational Procedures are required on or before T+6 unless otherwise notified by Hong Kong Securities Clearing Company Limited ("HKSCC").

(ii)　Any provision to HKSCC of false, misleading or inaccurate information or documents or a failure to deliver Sufficient Eligible Securities on T+3 in respect of an exemption from a Buy-in are acts of misconduct in respect of which HKSCC may take disciplinary action against the Participant.

(iii)　Application will be rejected if insufficient or inaccurate information is provided on the Application Form.

V. For HKSCC Use

Action	Reviewer	Remarks
Checked		
Rejected		