

Definitions

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

“Account Transfer Instruction” or “ATI”

means an instruction of a Participant other than an Investor Participant, in such form as HKSCC may from time to time prescribe as being valid, to effect book-entry movements of Eligible Securities between different Stock Accounts (except the Stock Collateral Control Account and in the case of a Clearing Participant or a Custodian Participant, the SSA with Statement Service and Special Segregated Accounts) of the Participant in CCASS, as referred to in Rule 601;

“Afternoon Session”

means the period in the afternoon during which trading can be conducted on the Exchange pursuant to the Exchange Rules;

“Appointed Depository”

means a nominee of HKSCC or such other person whether appointed by HKSCC or otherwise which performs or assists in performing the depository, custodian and nominee services in respect of Eligible Securities held in CCASS, in accordance with Rule 817 or in respect of Foreign Securities;

“Assessments”

means additional contributions to the Guarantee Fund provided or required to be provided by a Clearing Participant pursuant to Rule 2508;

“automatic order matching”

has the same meaning as defined in the Exchange Rules;

“Back-Up Centre”

means a place where back-up facilities are provided by HKSCC to a Participant other than an Investor Participant, as referred to in Rule 1301;

“Banking (Capital) Rules”

means the Banking (Capital) Rules made by the HKMA under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong);

“Base Currency”

means Hong Kong dollars, or such other currency as designated by HKSCC and notified to Clearing Participants and Clearing Agency Participants from time to time;

“Basic Contribution”

means a contribution made or required to be made by a Clearing Participant to the Guarantee Fund pursuant to Rule 2502(i);

“Batch-settlement-run”

means the process adopted by HKSCC to effect settlement at stated times on a Settlement Day of certain transactions accepted for settlement in CCASS, whereby Eligible Securities will be automatically debited from the Stock Clearing Accounts/Stock Account of the delivering Participants and credited to the Stock Clearing Accounts/Stock Account of the receiving Participants, as referred to in Rule 1003;

“Board”

means the board of directors of HKSCC;

“Board Lot”

means, in relation to a listed Eligible Security, the standard number of such Eligible Securities constituting one lot for trading purposes and in relation to an unlisted Eligible Security, the standard number of such Eligible Securities constituting one lot for transferring purposes as specified in the offering documents;

“Broker Participant”

means a Participant admitted to participate in CCASS as a Broker Participant immediately before 3 December 2007 and whose Broker Participantship had not been terminated;

“Business Day”

means a day on which CCASS and CCASS Depository, and the Customer Service Centre are open for business to Participants (except Saturdays, Sundays and public holidays);

“Buy-in”

means a transaction as specified in paragraphs (iii) and (iv) of Rule 3501 or paragraph (ii) of Rule 3501A in relation to the CNS System or in paragraphs (iii) and (iv) of Rule 3402 in relation to the Isolated Trades System;

“Capped Liability Period”

means the period beginning from the date on which HKSCC declares a Clearing Participant or Clearing Agency Participant to be a defaulter for an Event of Default and ending on the 5th Business Day following such declaration, provided that each time another Clearing Participant or Clearing Agency Participant is declared a defaulter for an Event of Default during a prevailing Capped Liability Period, such Capped Liability Period shall be extended until the 5th Business Day following each such declaration and no new Capped Liability Period will be established for such declaration;

“CCASS”

means the Central Clearing and Settlement System operated by HKSCC, and unless otherwise stated or the context requires otherwise, references in the Rules to “CCASS” shall include RMS and CCMS;

“CCASS Depository”

means, one or more securities depositories for CCASS, providing safe-keeping facilities for Eligible Securities held in CCASS as well as to cater for withdrawals and deposits of Eligible Securities by Participants;

“CCASS Internet System”

means the website operated by HKSCC for enabling Investor Participants and, upon authorization by a Clearing Participant or a Custodian Participant, SSA Statement Recipients of that Clearing Participant or Custodian Participant to access CCASS in accordance with the Rules;

“CCASS Phone System”

means the interactive voice response system operated by HKSCC for enabling Investor Participants and, upon authorization by a Clearing Participant or a Custodian Participant, SSA Statement Recipients of that Clearing Participant or Custodian Participant to access CCASS in accordance with the Rules;

“CCASS Terminal”

means, in relation to a Participant other than an Investor Participant or a Designated Bank, a terminal which provides direct electronic linkage to the CCASS host computer of HKSCC, as referred to in Section 3.1.1 of the Operational Procedures, installed at the office premises

of the Participant, its Settlement Agent or the Designated Bank;

“CCASS Terminal User Guide” or “CCASS Terminal User Guide for Participants”

means the guide entitled "CCASS Terminal User Guide for Participants" of HKSCC in relation to CCASS, containing information on the use of CCASS Terminals by Participants other than Investor Participants, as from time to time in force;

“CCMS”

means the Common Collateral Management System, a common sub-system of CCASS and DCASS operated by HKSCC, HKFE Clearing Corporation Limited and The SEHK Options Clearing House Limited, which enables Participants to manage their collateral paid, provided or delivered to, or deposited with HKSCC;

“CCMS Collateral Account “

means any account established in CCMS for a Participant other than an Investor Participant for debiting and crediting collateral, as referred to in Rule 601A. For the purposes of the Rules and the Operational Procedures, unless otherwise specified, the term “CCMS Collateral Account” does not include an account established in CCMS for a Participant by another Recognized Clearing House under its rules;

“CCMS House Collateral Account “

means House Collateral Account 0001 established in CCMS for a Participant (other than an Investor Participant) or, in the case of a Clearing Agency Participant which is a China Connect Clearing House, for such Participant in respect of each Special Participant, as referred to in Rule 601A;

“Charged Property”

means the Collateral Securities and any Derived Assets of a Participant, as referred to in Rule 3608;

“CHATS”

means Clearing House Automated Transfer System operated by Hong Kong Interbank Clearing Limited ;

“CHATS Payment Instruction” or “CPI”

means a payment instruction generated by HKSCC and transmitted electronically (i) to a Designated Bank requesting that Designated Bank to effect a CCASS-related CHATS payment for a paying Participant or (ii) to a bank designated by HKSCC requesting that bank to effect a CCASS-related CHATS payment for HKSCC in accordance with the Rules;

“China Connect Clearing House”

means a clearing house in Mainland China acceptable to HKSCC and included in the list of China Connect Clearing Houses from time to time, as referred to in Rule 4105(b);

“China Connect Clearing Participant”

means a Clearing Participant which is registered as a China Connect Clearing Participant by HKSCC;

“China Connect Clearing Participant Registration Criteria”

means the eligibility criteria in Rule 4103 and any additional eligibility criteria which HKSCC may prescribe from time to time for a Participant to be, and to remain, registered as a China Connect Clearing Participant as referred to in Rule 4103;

“China Connect Clearing Services”

means the clearing, settlement, depository, nominee and other services that may be provided

by HKSCC to Participants other than Investor Participants for the purposes of or in connection with establishing and operating a Clearing Link as referred to in Rule 4102;

“China Connect Exchange Participant”

has the same meaning as defined in the Exchange Rules;

“China Connect Market”

has the same meaning as defined in the Exchange Rules;

“China Connect Market Operator”

has the same meaning as defined in the Exchange Rules;

“China Connect Securities”

has the same meaning as defined in the Exchange Rules. Unless the context otherwise requires, any reference in the Rules to “China Connect Securities” includes “Special China Connect Securities”;

“China Connect Securities Trade”

means a trade in China Connect Securities (including Special China Connect Securities) executed on a China Connect Market through an SEHK Subsidiary under a Trading Link;

“Clearing Agency Participant”

means a Participant admitted to participate in CCASS as a Clearing Agency Participant. Where applicable, references in the Rules to “Clearing Agency Participant” shall be construed to include the Clearing Agency Participant in its capacity as a China Connect Clearing House;

“Clearing Agency Transaction”

means a transaction other than an SI Transaction between (i) a Participant other than an Investor Participant or in the case of a GCP, including its NCP, and (ii) a Clearing Agency Participant for settlement in CCASS as referred to in Rule 902. For the avoidance of doubt, a Clearing Agency Transaction does not include an Exchange Trade, one of the parties to which has been substituted by a Clearing Agency Participant under Rule 901;

“Clearing Agreement”

means a written agreement between an NCCCP and a GCP made pursuant to Rule 4001 or between a Special Participant and a China Connect Clearing House made pursuant to Rule 4205;

“Clearing House of HKAB” or “Clearing House”

means the clearing house of The Hong Kong Association of Banks managed by Hong Kong Interbank Clearing Limited for the clearance of payment transactions between its members (which include the Designated Banks and HKSCC);

“Clearing Link”

means any cross-boundary arrangement that may be entered into by HKSCC with a China Connect Clearing House as referred to in Rule 4101 or Rule 4201;

“Clearing Links Agreement”

means an agreement that is or may be entered into by HKSCC with a China Connect Clearing House relating to one or more Clearing Links (as may be amended, restated and/or supplemented from time to time);

“Clearing Participant”

means a Participant admitted to participate in CCASS as a Direct Clearing Participant or a General Clearing Participant. Where applicable, references in the Rules to “Clearing

Participant” shall be construed to include the Clearing Participant in its capacity as a China Connect Clearing Participant;

“Clearing Service Termination Event”

means an event in relation to the winding down of clearing and settlement services by HKSCC in relation to Market Contracts pursuant to Rule 4301;

“Closing-out Contract”

means a contract entered into by HKSCC on behalf of a defaulting Clearing Participant or Clearing Agency Participant pursuant to Rule 3607;

“CMU”

means the Central Moneymarkets Unit of the HKMA;

“CMU Account”

means a custody account within the CMU in the name of a person who is a Recognized Dealer and/or a CMU Member recording the Exchange Fund Notes, Government Bonds, Specified Instruments and/or CMU Instruments (as the case may be) for the time being held by HKMA on behalf of that person within CMU, including any sub-account under it;

“CMU Instruments”

means those money market or capital market instruments (i) which are specified by the HKMA, and notified to CMU Members, as a CMU Instrument, (ii) which are listed or to be listed on the Exchange and (iii) (where the issuer is a company or a non-Hong Kong company, within the meaning of those terms in the Companies Ordinance) in respect of which a prospectus has been registered with the Registrar of Companies in Hong Kong;

“CMU Member”

means a person who has entered into a CMU membership agreement with HKMA regulating that person’s membership of the CMU Service;

“CMU Service”

means the service which HKMA offers through CMU providing a central depository for the custody of CMU Instruments, an electronic system for the recording of the transfer of CMU Instruments by book entry between CMU Members;

“Code”

means the United States Internal Revenue Code of 1986, as amended;

“Collateral”

means collateral, in such form as HKSCC may from time to time require, to be provided by a Participant pursuant to Rule 602, 806, 3501, 3501A or 3602 and additionally, to be provided by a TSF CCASS Participant pursuant to Rule 12A14 or a China Connect Clearing Participant pursuant to Rule 4107(iii) or 4107(viii);

“Collateral Security”

means an Eligible Security which is from time to time held by or deposited with HKSCC by a Participant for credit into the relevant CCMS Collateral Account of such Participant, in accordance with Rule 3601, 3601A, 3603 or 3608;

“Commission”

means the Securities and Futures Commission referred to in section 3(1) of the Securities and Futures Ordinance;

“Common Participant”

means a person admitted as a Participant of CCASS and duly registered as a participant of one or more of the other Recognized Clearing Houses and “Common Participantship” shall be construed accordingly;

“Compulsory Stock Borrowing and Lending Regulations”

means the regulations which appear at Appendix 6 to the Operational Procedures as amended from time to time;

“Compulsory Stock Borrowing Transaction”

means a transaction between a Lender and HKSCC which is contemplated by Rule 3503 and is entered into in accordance with section 2.2 of the Compulsory Stock Borrowing and Lending Regulations;

“Continuous Net Settlement System” or “CNS System”

means the method of settlement in relation to certain Exchange Trades, China Connect Securities Trades and Clearing Agency Transactions as referred to in Rules 3301 to 3308;

“Contributions”

means, in relation to a Clearing Participant, both the Basic Contribution and the Dynamic Contribution of the Clearing Participant;

“controller”

has the meaning assigned to it by section 18(1) of the Securities and Futures Ordinance;

“Corporate Investor Participant”

means an Investor Participant which is a corporation as referred to in Rule 302;

“Cross-Border Transfer Instructions”

means instructions given by a Participant to HKSCC (in such form as HKSCC may prescribe from time to time) in relation to the transfer of (i) Foreign Securities; or (ii) Uncertificated Eligible Securities, as referred to in Rule 907;

“Custodian Participant”

means a Participant admitted to participate in CCASS as a Custodian Participant;

“Customer Service Centre”

means the location specified by HKSCC from time to time at which Investor Participants may give instructions (in such form as HKSCC may require) in connection with the CCASS services available to them to HKSCC;

“DCASS”

means the Derivatives Clearing and Settlement System operated by HKFE Clearing Corporation Limited and The SEHK Options Clearing House Limited;

“de-earmark”

means the designation of earmarked TSF Stocks as not subject to earmarking, and “de-earmarking” shall be construed accordingly;

“Debt Securities”

means an issue of debenture or loan stock, debentures, bonds and notes (including Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments) and other securities or instruments, either interest bearing or non-interest bearing, acknowledging, evidencing or creating indebtedness whether secured or unsecured, options, warrants or similar rights to subscribe or purchase any of the foregoing and convertible debt securities, but excluding ELI (as defined in the Exchange Rules);

“Default Information”

means any information provided by HKSCC to a Receiving Clearing Participant relating to a Defaulter including any information given relating to any action carried out pursuant to Rule 3702;

“Delivery Instruction” or “DI”

means an instruction of a Participant in such form as HKSCC may from time to time prescribe as being valid to effect book-entry delivery of Eligible Securities in CCASS to another Participant or HKSCC in respect of transactions in Eligible Securities accepted for settlement in CCASS, as referred to in Rule 1003;

“Depository”

has the same meaning as “depository” in the Exchange’s Listing Rules;

“Depository Receipts”

has the same meaning as “depository receipts” in the Exchange’s Listing Rules;

“Derived Assets”

means all non-cash distributions, securities, rights, entitlements or other property which accrue or are offered or issued at any time (by way of bonus, rights, redemption, conversion, exchange, substitution, consolidation, subdivision, preference, warrant, option, purchase, takeover or otherwise) in respect of Collateral Securities;

“Designated Bank”

means, in relation to any Participant, any bank in Hong Kong designated by that Participant and approved by HKSCC for money settlement purposes;

“Designated Bank Account”

means, in relation to any Participant, any (or, as the context may require, each) bank account denominated in an Eligible Currency maintained by that Participant with its Designated Bank and approved by HKSCC for money settlement purposes in CCASS;

“Direct Clearing Participant” or “DCP”

means a Participant admitted to participate in CCASS as a Direct Clearing Participant or a Broker Participant which is deemed to be a Direct Clearing Participant under Rule 305;

“Direct Credit Instruction” or “DCI”

means a payment instruction generated by HKSCC and forwarded for processing to the Designated Bank of a Participant via the Clearing House of HKAB, to effect payment of sums owing by HKSCC to a Participant in respect of certain CCASS operations or services, including any risk management measures adopted by HKSCC;

“Direct Debit Instruction” or “DDI”

means a payment instruction generated by HKSCC and forwarded for processing to the Designated Bank of a Participant via the Clearing House of HKAB, to effect payment of sums owing by a Participant to HKSCC in respect of certain CCASS operations or services, including any risk management measures adopted by HKSCC;

“Disciplinary Appeals Committee”

means the committee designated by the Board consisting of one or more independent non-executive directors of HKEX and/or other persons co-opted by the Board;

“Disciplinary Committee”

means the committee of the Board designated as the Disciplinary Committee, consisting of one

or more directors of HKSCC and/or such other persons as the Board may appoint;

“Dynamic Contribution”

means (i) a contribution made or required to be made by a Clearing Participant to the Guarantee Fund pursuant to Rule 2502(ii) ; (ii) where any Assessment has been demanded by HKSCC, any Assessment provided or required to be provided by the Clearing Participant; and (iii) where any Voluntary Recap Amount has been requested by HKSCC, any Voluntary Recap Amount provided by the Clearing Participant which will not be refunded by HKSCC to such Clearing Participant in accordance with Rule 2509A(iv);

“Dynamic Contribution Credit”

means a credit limit in respect of Dynamic Contribution (other than any Assessment or Voluntary Recap Amount) that may be allowed to each Clearing Participant, as referred to in Rule 2502;

“E-mail”

means the electronic mail services for sending messages through electronic mail or other means specified by HKSCC to SSA Statement Recipients upon authorization by a Clearing Participant or a Custodian Participant;

“Early Termination Date”

means, in respect of a Market Contract registered in the name of a Clearing Participant or Clearing Agency Participant, the date determined as an Early Termination Date for such Market Contract in accordance with Rule 3705 or 3706, as the case may be. A Market Contract shall be terminated or novated with effect from the Early Termination Date relating to it;

“earmark”

means the designation of TSF Stocks as stocks purchased with the support of the FX Services, and “earmarking” shall be construed accordingly;

“earmarked TSF Stocks”

means TSF Stocks purchased with the support of the FX Services and which shall be held in a TSF Account unless otherwise provided in the Rules or determined by HKSCC;

“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);

“Electronic Payment Instruction” or “EPI”

means a payment instruction generated by HKSCC and forwarded for processing to the Designated Bank of a Participant via the Clearing House of HKAB, to effect (i) money settlement between two Participants in relation to Isolated Trades or SI or ISI Transactions in CCASS on a DVP basis; (ii) payment of application monies to Issuers and refund monies to Participants; (iii) payment of money by Clearing Participants or Custodian Participants to their SSA Statement Recipients in respect of STI Transfers on a DVP basis; (iv) payment of fees and expenses by Participants other than Investor Participants to HKSCC for CCASS services; or (v) redelivery to China Connect Clearing Participants of Collateral provided to HKSCC for the early release of China Connect Securities that are Securities-on-hold;

“Eligible Currency”

means a currency which is from time to time and for the time being accepted by HKSCC as being a currency in which an Eligible Security may be traded and settled;

“Eligible Security”

means an issue of securities including but not limited to China Connect Securities, Foreign Securities, Debt Securities, Depositary Receipts, Structured Products, Exchange Fund Notes, Government Bonds, Specified Instruments, CMU Instruments, warrants, options and Units and other rights under collective investment schemes, which is from time to time and for the time being accepted as eligible by HKSCC for deposit, clearance and settlement in CCASS, in accordance with Rule 501, and (a) where the context so requires shall include any particular security or securities of such an issue and (b) unless the context will not admit, shall include, upon their issue, all New Issue Shares so accepted as eligible;

“Eligible U.S. Securities”

means any U.S. securities that are regularly traded on (i) a national securities exchange which is registered under section 6 of the Securities Exchange Act of 1934 or (ii) the NASDAQ, provided that no such securities are (x) U.S. real property interests as defined in section 897 of the Code, (y) partnerships, trusts, or real estate investment trusts subject to withholding pursuant to Code section 1445(e), or (z) partnerships subject to withholding pursuant to Code section 1446;

“Entitlement Account”

means, in relation to each Participant other than an Investor Participant, that Stock Segregated Account (account number 02) of that Participant which is designated as its Entitlement Account;

“Exchange”

means The Stock Exchange of Hong Kong Limited;

“Exchange Fund Bills and Notes Clearing and Settlement System” or “EFCS”

means the Exchange Fund Bills and Notes Clearing and Settlement System established and operated by the HKMA;

“Exchange Fund Notes”

means notes which are (i) issued or to be issued by the HKMA on behalf of the Hong Kong Government under the Exchange Fund Ordinance (Cap. 66) for the account of the Exchange Fund established under that Ordinance and (ii) listed or to be listed on the Exchange;

“Exchange Participant”

has the same meaning as in the Exchange Rules and “Exchange Participants” should be construed accordingly;

“Exchange Rules”

means the Rules of the Exchange as from time to time in force;

“Exchange Trade”

means a trade in an Eligible Security (other than a China Connect Security) either reported to the Exchange by an Exchange Participant or effected on the Exchange;

“Exchange Traded Fund”

Means any open-ended fund, Unit Trust or similar investment arrangement that is listed and/or traded on the Exchange;

“Exchange Trading System”

means the automatic order matching and execution system as installed and operated by the Exchange for securities trading;

“Exchange's Listing Rules”

means the “Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited”, as from time to time in force;

“Executive Committee”

means the committee of the Board designated as the Executive Committee, consisting of one or more directors of HKSCC and/or such other persons as the Board may appoint;

“Expected Uncollateralised Loss”

means, in respect of a Clearing Participant, the net projected loss calculated under daily stress testing arising from all CNS stock positions of the Clearing Participant;

“Extreme Conditions”

means the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below;

“Event of Default”

means an event relating to a Clearing Participant or Clearing Agency Participant as referred to in Rule 3701;

“Failure to Pay Notice”

means a written notification provided by a Clearing Participant or Clearing Agency Participant to HKSCC pursuant to Rule 3705 upon the failure by HKSCC to make, when due, any payment to a Clearing Participant or Clearing Agency Participant (other than a defaulting Clearing Participant or Clearing Agency Participant) under a Market Contract;

“Financial Resources Rules”

means the Securities and Futures (Financial Resources) Rules made by the Commission under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and any amendments, supplements, variations or modifications thereto from time to time in force;

“Forced-Sale Notice”

means a notice which may from time to time be issued by HKSCC, the Exchange or an SEHK Subsidiary to a Participant or an NCCCP of the Participant, requiring the Participant or the NCCCP to reduce its or its clients’ relevant holdings in a China Connect Security in compliance with any foreign shareholding limit imposed under the applicable laws of Mainland China;

“Foreign Securities”

means the securities which are either listed both on the Exchange and on an overseas exchange (including NASDAQ or AMEX) or listed on an overseas exchange and admitted to trading on the Exchange, which may be held in an account in the name of HKSCC with an Appointed Depository and in respect of which HKSCC provides settlement and clearing services. For the avoidance of doubt, Foreign Securities do not include China Connect Securities;

“Former Clearing Participant”

means, at any time, a person who was a Clearing Participant but whose participantship had been terminated prior to such time;

“FX”

means foreign exchange;

“FX Services”

means, the foreign exchange services which may be provided by HKSCC as set out in Chapter 12A of the Rules;

“GEM Listing Rules”

means the “Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited”, as from time to time in force;

“General Clearing Participant” or “GCP”

means a Participant admitted to participate in CCASS as a General Clearing Participant;

“General Purpose Designated Bank Account”

means, in relation to any Participant, the General Purpose Designated Bank Account which it is required to maintain in accordance with Rule 1201;

“Government Bonds”

means bonds which are issued or to be issued by the Hong Kong Government acting through the HKMA under the Loans Ordinance (Chapter 61 of the Laws of Hong Kong) for the purpose of promoting the further development of the Hong Kong bond market and the proceeds of which will be credited to a special purpose fund established under the Public Finance Ordinance (Chapter 2 of the Laws of Hong Kong);

“Guarantee Fund”

means the fund referred to in Rule 2501;

“Guarantee Fund Contribution Balance”

means, on any Business Day, with respect to each Clearing Participant, the aggregate value of the Basic Contribution and Dynamic Contribution provided by the Clearing Participant, as reduced by payments out of the Guarantee Fund allocated to such Basic Contribution and/or Dynamic Contribution, as applicable, in accordance with Rule 2507;

“Guarantee Fund Expected Uncollateralised Loss”

has the meaning given to it in Section 10.11.3C of the Operational Procedures;

“Guarantee Fund Resources”

means the Guarantee Fund and any other amounts specified as forming part of the Guarantee Fund Resources in the Rules;

“Guarantee Fund Risk Collateral”

means collateral collected by HKSCC under Section 10.11.3C of the Operational Procedures;

“Guarantee Fund Risk Predefined Limit”

means an amount equal to 50% of the Guarantee Fund Threshold or such other percentage as HKSCC deems appropriate from time to time;

“Guarantee Fund Threshold”

means the Guarantee Fund size prescribed by HKSCC from time to time pursuant to Rule 2501;

“HKEX”

means Hong Kong Exchanges and Clearing Limited;

“HKEX website”

means the official website of HKEX at <http://www.hkex.com.hk> or at such other website address specified by HKEX from time to time;

“HKMA”

means the Monetary Authority appointed under Section 5A of the Exchange Fund Ordinance (Cap. 66) and includes, where the context admits or requires, the authority of the Government of Hong Kong known as the Hong Kong Monetary Authority;

“HKSCC”

means the Hong Kong Securities Clearing Company Limited including, where the context so requires, its agents, nominees, representatives, officers and employees;

“HKSCC Default Applicable Percentage”

means, in respect of an HKSCC Failure to Pay Event or an HKSCC Insolvency Event, a percentage applied by HKSCC to determine the HKSCC Default CP Receivable of a Clearing Participant and the amount payable by HKSCC in respect of its Guarantee Fund Contribution Balance pursuant to Section 17B.1 of the Operational Procedures;

“HKSCC Default CP Receivable”

means, in respect of an HKSCC Failure to Pay Event or an HKSCC Insolvency Event, the amount payable by HKSCC to each relevant Clearing Participant or Clearing Agency Participant pursuant to Section 17B.1.3(ii) of the Operational Procedures;

“HKSCC Default Final CP Payable”

means, in respect of an HKSCC Failure to Pay Event or an HKSCC Insolvency Event, the final net amount payable by each relevant Clearing Participant or Clearing Agency Participant to HKSCC, after taking into account the operation of Sections 17B.1.3(i)(a) and 17B.1.3(i)(b) of the Operational Procedures;

“HKSCC Default Interim CP Payable”

means, in respect of an HKSCC Failure to Pay Event or an HKSCC Insolvency Event, the amount payable by each relevant Clearing Participant or Clearing Agency Participant to HKSCC, after taking into account any Margin Balance applied pursuant to Section 17B.1.3(i)(a) of the Operational Procedures;

“HKSCC Failure to Pay Event”

means an event arising from the failure of HKSCC to make all relevant payments under a Market Contract to a Clearing Participant or Clearing Agency Participant by the end of the relevant HKSCC Failure to Pay Grace Period, provided that no such event shall occur if (1) such failure to pay arises as a result of technical or administrative reasons beyond the control of HKSCC; or (2) during the HKSCC Failure to Pay Grace Period, HKSCC has exercised its powers under Rules 3705(iii)(1) and/or 3705(iii)(2);

“HKSCC Failure to Pay Grace Period”

means the period from (but excluding) the day on which HKSCC receives a Failure to Pay Notice from a Clearing Participant or Clearing Agency Participant to (and including) the 21st Business Day following such day;

“HKSCC Insolvency Event”

means an event relating to the insolvency of HKSCC as referred to in Rule 3706;

“Hong Kong”

means the Hong Kong Special Administrative Region of the People's Republic of China;

“Hong Kong dollar”, “HKD” or “\$”

means Hong Kong dollar, the lawful currency of Hong Kong;

“Identified Market Contracts”

means the Market Contracts (including the unsettled Market Contracts of a defaulting Clearing Participant or Clearing Agency Participant and those of any non-defaulting Clearing Participants or Clearing Agency Participants so determined by HKSCC pursuant to Rule 3709, but excluding the Market Contracts between HKSCC and each China Connect Clearing Participant arising from China Connect Securities Trades) to be terminated under the contract termination process as referred to in Rule 3709;

“Individual Investor Participant”

means an Investor Participant who is an individual referred to in Rule 302;

“Initial Margin Calculation Guide”

means the guide entitled “Initial Margin Calculation Guide” of HKSCC in relation to RMS, containing information on the calculation of Margin under the CNS System, as from time to time in force;

“Input”

means a successful input into CCASS;

“Investor Participant”

means a person admitted to participate in CCASS as an Investor Participant who may be an individual or joint individuals or a corporation;

“Investor Settlement Instruction” or “ISI”

means an instruction relating to an Investor Participant, in such form as HKSCC may from time to time prescribe as being valid, relating to transactions in Eligible Securities (other than Exchange Trades, China Connect Securities Trades, Clearing Agency Transactions, Settlement Instructions, Transfer Instructions and Cross-border Transfer Instructions) to be settled in CCASS, as referred to in Rule 905;

“ISI Transaction”

means a transaction to be settled in CCASS between an Investor Participant and a Participant other than an Investor Participant as a result of (i) the input (and authorisation, if required) of an Investor Settlement Instruction (without affirmation) or (ii) the input (and authorisation, if required) of an Investor Settlement Instruction (with affirmation) affirmed by the Investor Participant concerned;

“Isolated Trade”

means, as the case may be, either, in relation to an Exchange Trade, a trade which is designated by the two counterparty Exchange Participants concerned to be settled under the Isolated Trades System or, in relation to a Clearing Agency Transaction, a trade which is reported by a Clearing Agency Participant to be settled under the Isolated Trade System or, such other trade or transaction between Participants (including an Exchange Trade and a Clearing Agency Transaction but excluding a SI Transaction) which is not accepted by HKSCC for settlement under the CNS System;

“Isolated Trades System”

means the method of settlement in CCASS between Participants in relation to Isolated Trades;

“Issuer”

means any company or other legal person (i) any of whose shares, warrants, Structured Products or Debt Securities, or (ii) whose shares are represented by Depositary Receipts of which or (iii) which is the trustee or manager of any Units and the Units in which, are the subject of an application for listing on the Exchange in connection with an initial public offering of those shares, warrants, Depositary Receipts, Structured Products, Debt Securities

or Units or are listed on the Exchange or are otherwise accepted by HKSCC as Eligible Securities;

“Joint Individual Investor Participant”

means an Investor Participant consisting of more than one but not more than four individuals as referred to in Rule 302;

“Lender”

means, in respect of any Compulsory Stock Borrowing Transaction, a Participant other than an Investor Participant which has lent Eligible Securities to HKSCC under that transaction;

“Limited Recourse Applicable Percentage”

means, in respect of a Clearing Service Termination Event, a percentage applied by HKSCC to determine the Limited Recourse CP Receivable of a Clearing Participant and the amount payable by HKSCC in respect of its Guarantee Fund Contribution Balance pursuant to Section 17A.1 of the Operational Procedures;

“Limited Recourse CP Receivable”

means, in respect of a Clearing Service Termination Event, the amount payable by HKSCC to each relevant Clearing Participant or Clearing Agency Participant pursuant to Section 17A.1.3(ii) of the Operational Procedures;

“Limited Recourse Final CP Payable”

means, in respect of a Clearing Service Termination Event, the final net amount payable by each relevant Clearing Participant or Clearing Agency Participant to HKSCC, after taking into account the operation of Sections 17A.1.3(i)(a) and 17A.1.3(i)(b) of the Operational Procedures;

“Limited Recourse Interim CP Payable”

means, in respect of a Clearing Service Termination Event, the amount payable by each relevant Clearing Participant or Clearing Agency Participant to HKSCC, after taking into account any Margin Balance applied pursuant to Section 17A.1.3(i)(a) of the Operational Procedures;

“Mainland Business Day”

means, in relation to a China Connect Market, a day on which the China Connect Clearing Services relating to the clearing and settlement of China Connect Securities Trades on the China Connect Market are available and CCASS is open for business to China Connect Clearing Participants (except a Saturday, Sunday or a public holiday in either Hong Kong or Mainland China);

“Mainland China”

means the People’s Republic of China, other than Hong Kong, the Macau Special Administrative Region and Taiwan;

“Mainland Security Deposit”

means an amount determined by HKSCC as Mainland Security Deposit required to be provided by a China Connect Clearing Participant pursuant to Rule 4107(i);

“Mainland Settlement Deposit”

means an amount determined by HKSCC as Mainland Settlement Deposit required to be provided by a China Connect Clearing Participant pursuant to Rule 4107(i);

“Margin”

means an amount determined by HKSCC as required to be provided by a Clearing Participant or Clearing Agency Participant pursuant to Rule 3601A;

“Margin Balance”

means, in respect of a Clearing Participant or Clearing Agency Participant, the aggregate value of Marks, Margin and other Collateral (including any excess Collateral but excluding the Mainland Settlement Deposit, Mainland Security Deposit, Marks and other Collateral provided for its China Connect Securities Trades) provided by such Clearing Participant or Clearing Agency Participant, in each case, as recorded in its CCMS Collateral Account;

“Margin Credit”

means a credit limit in respect of Margin that may be allowed to each Clearing Participant or Clearing Agency Participant, as referred to in Section 10.10A of the Operational Procedures;

“Marginable Position”

means the Mark-to-market value of the unsettled stock position of a Clearing Participant or Clearing Agency Participant under the CNS System, as determined by HKSCC for computation of Margin;

“Marks”

means an amount required to be provided by a Clearing Participant (including a Clearing Participant which is a China Connect Clearing Participant) or a Clearing Agency Participant to HKSCC pursuant to Rule 3601 or Rule 4107(ii);

“Mark-to-market”

means the evaluation of the extent, in money terms, to which the value of an unsettled position in Eligible Securities of a Clearing Participant or a Clearing Agency Participant has changed, in accordance with Rule 3601;

“Market Contract”

means (i) a contract between HKSCC and a Clearing Participant or a Clearing Agency Participant arising as a result of the Novation of an Exchange Trade to be settled under the CNS System, or (ii) a contract between HKSCC and a China Connect Clearing Participant arising as a result of the Novation of a China Connect Securities Trade to be settled under the CNS System, or (iii) a contract between HKSCC and a Participant arising as a result of the Novation of a Clearing Agency Transaction to be settled under the CNS System, as referred to in Rule 3301;

“Master SPSA Holder”

means an entity which has been assigned with a Master SPSA ID for using the services for Special Segregated Accounts mapped to the Master SPSA ID;

“Master SPSA ID”

means a 6-digit investor identification number in CCASS assigned to a Master SPSA Holder pursuant to the terms and conditions (as approved by the Commission from time to time) governing the use of the services for Special Segregated Accounts mapped to a Master SPSA ID;

“Morning Session”

means the period in the morning during which trading can be conducted on the Exchange pursuant to the Exchange Rules;

“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 Instruction”

means an instruction 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 Account, SSA with Statement Service and Special Segregated Accounts (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;

“Negative Confirmation of Payment” or “Negative Confirmation”

means, in relation to any DDI or debit EPI, a negative confirmation has been obtained if a Designated Bank concerned has not issued to HKSCC before the specified time a confirmation that payment will not be made in response to the DDI or debit EPI, and vice versa, as referred to in Sections 14.4.3 and 14.5.3 of the Operational Procedures;

“New Certificate”

means, in relation to Eligible Securities in registered form, each certificate for such Eligible Securities which has been registered or re-issued in the name of HKSCC or its nominee since it was last deposited with HKSCC by a Participant or, in the case of Eligible Securities newly issued, each certificate issued in the name of HKSCC or its nominees;

“New Issue”

means, in relation to any Issuer falling within paragraphs (i) and (ii) of the definition of that term in the Rules, the issue or sale of shares in the capital, warrants, Depositary Receipts, Structured Products or Debt Securities of that Issuer and in relation to any Issuer falling within paragraph (iii) of that definition, the first issue or sale of Units on the Exchange Traded Fund of which the Issuer is the manager or trustee, in each case in accordance with the terms and conditions of a Prospectus;

“New Issue Brokerage”

means, in relation to a New Issue, the brokerage in respect of a successful application for New Issue Shares to be passed on by an Issuer to an Exchange Participant under the Exchange’s Listing Rules or the GEM Listing Rules, as the case may be;

“New Issue Shares”

means, in relation to any New Issue, the shares, Depositary Receipts, warrants, Structured Products, Debt Securities or Units which are the subject of that New Issue;

“Nominee”

means HKSCC Nominees Limited or such other nominee company as may be used by HKSCC from time to time in relation to the provision of nominee services to Participants;

“Non-China Connect Clearing Participant” or “NCCCP”

means (i) an NCP or (ii) a Clearing Participant which is not a China Connect Clearing Participant and which has entered into a Clearing Agreement with a GCP for the clearing of its China Connect Securities Trades;

“Non-Clearing Participant” or “NCP”

means: (i) an Exchange Participant; or (ii) a registered institution registered to carry on Type 1 regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) registered as a general clearing participant of The SEHK Options Clearing House Limited which, in either case, is not a Clearing Participant;

“non-trade transfer”

means, in relation to China Connect Securities, a transfer which involves a change in the beneficial ownership of the China Connect Securities and which is not conducted through the relevant Trading Link and executed on the relevant China Connect Market;

“Notice of Assessment”

means a written notification provided by HKSCC to Clearing Participants of any demand for Assessments pursuant to Rule 2508;

“Novation”

means the legal process of novation, pursuant to which Market Contracts are made in accordance with Rule 3301 or, in the case of China Connect Securities Trades, Rule 4106;

“Old Certificate”

means, in relation to Eligible Securities in registered form, each certificate for such Eligible Securities which is not a New Certificate;

“Operational Procedures”

means the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force;

“Overseas Account”

means an overseas account from or to which Uncertificated Eligible Securities may be transferred, as referred to in Rule 823;

“Overseas Issuer”

means, in relation to Uncertificated Eligible Securities, an Issuer incorporated or otherwise established outside Hong Kong;

“Parallel Trading Conversion Instruction”

means an instruction given by a Participant other than an Investor Participant to HKSCC in such form as HKSCC may prescribe from time to time, to effect the conversion of its holdings in an Eligible Security subject to parallel trading arrangements, as referred to in Rule 816B;

“Participant”

means a person admitted for the time being by HKSCC as a participant of CCASS;

“Participant Admission Appeals Committee”

means the committee convened to hear any appeal against the decisions by HKSCC on any application to admit as a Participant other than an Investor Participant;

“Participant Agreement”

means the agreement in prescribed form between a Participant other than an Investor Participant and HKSCC regulating the terms and conditions of participation in CCASS;

“Participant Gateway” or “PG”

means, in relation to a Participant other than an Investor Participant, its Settlement Agent or a Designated Bank, an optional technical device which provides communication interface with CCASS in respect of particular functions specified by HKSCC from time to time, installed at the office premises in Hong Kong of the Participant, its Settlement Agent or the Designated Bank;

“Permitted Purpose”

means any purpose, the objective of which is to allow the Receiving Clearing Participant to assist HKSCC in any actions HKSCC chooses to take pursuant to Rule 3702;

“Pre-opening Session”

has the same meaning as defined in the Exchange Rules;

“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, Depository 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;

“Realtime Delivery versus Payment” or “RDP”

means, in relation to settlement of a stock position in CCASS by a Participant, the settlement of such a stock position in CCASS immediately following the settlement of the corresponding money position of such stock position by the Clearing House of the Hong Kong Association of Banks;

“Receiving Clearing Participant”

has the meaning as defined in Rule 3702A(i);

“Receiving Clearing Participant Affiliates”

means, in relation to a Receiving Clearing Participant, any subsidiary or holding company, or a subsidiary of a holding company of that Receiving Clearing Participant. For the purposes of this definition, the terms “holding company” and “subsidiary” shall bear the same respective meanings herein as in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

“Recognized Clearing House”

means Hong Kong Securities Clearing Company Limited, HKFE Clearing Corporation Limited or The SEHK Options Clearing House Limited;

“Recognized Dealer”

means a person appointed as such by the HKMA under the EFCS;

“recognized exchange controller”

has the meaning assigned to it by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance;

“Relevant Clearing Participant”

means, in relation to a Relevant Event, a Participant which participates in CCASS as a Clearing Participant on the date of occurrence of the Relevant Event, notwithstanding the subsequent cessation of its participation in CCASS of a Clearing Participant for whatever reason. For the purposes of the Rules and the Operational Procedures, unless otherwise specified, the term “Relevant Clearing Participant” includes the Clearing Participant in default (if applicable);

“Relevant CP Contracts”

means the Market Contracts of the relevant Clearing Participant or Clearing Agency Participant to be terminated under an HKSCC Failure to Pay Event as referred to in Rule 3705;

“Relevant Event”

means an event or circumstances, including but not limited to an Event of Default, which results in or, in the opinion of HKSCC, may result in payments out of the Guarantee Fund under Rule 2507 to satisfy the obligations and liabilities of HKSCC referred to in Rule 2506; and in the case of a Clearing Participant or Clearing Agency Participant being declared a defaulter because of an Event of Default, the date of occurrence of the Relevant Event refers to the date the Clearing Participant or Clearing Agency Participant is declared to be a defaulter;

“Risk Management Committee”

means the committee of the Board designated as the Risk Management Committee, consisting of one or more directors of HKSCC and/or such other persons as the Board may appoint;

“RMB”

means Renminbi, the lawful currency of the People’s Republic of China, for settlement in Hong Kong;

“RMB Buy Final FX Rate”

has the meaning as set out in Rule 12A10(iii);

“RMB Buy Indicative FX Rate”

has the meaning as set out in Rule 12A10(i);

“RMB Sell Final FX Rate”

has the meaning as set out in Rule 12A10(iv);

“RMB Sell Indicative FX Rate”

has the meaning as set out in Rule 12A10(ii);

“RMS”

means a sub-system of CCASS operated by HKSCC which enables Participants other than Investor Participants to conduct risk monitoring and risk management functions on their stock positions under the CNS System;

“RMS Guide”

means the guide entitled “RMS Guide” of HKSCC in relation to RMS, containing information on the use of RMS, the Initial Margin Calculation Guide, the Stress Test Value Calculation Guide and such other information as may be included by HKSCC as part of the RMS Guide from time to time;

“Rules”

means the General Rules of CCASS as set out herein and as may be amended or modified from time to time and where the context so permits, shall include the Operational Procedures;

“Scheme Effective Date”

means the date on which the Stock Exchange Scheme became effective, being the date on which an official copy of the order of the High Court of Hong Kong sanctioning the Stock Exchange Scheme together with the minute containing the particulars as required by section 61 of the Companies Ordinance were registered by the Registrar of Companies. For purposes herein, Stock Exchange Scheme means the scheme of arrangement between the Exchange and its shareholders under section 166 of the Companies Ordinance as set out in the Stock Exchange Scheme document dated 3rd September, 1999;

“Securities Loss”

means a loss of Eligible Securities, as referred to in Rule 2401;

“Securities-on-hold”

means the Eligible Securities allocated to a Stock Clearing Account of a Clearing Participant (including a Clearing Participant which is a China Connect Clearing Participant) or a Clearing Agency Participant which is a party to a Market Contract by HKSCC under the CNS System, as referred to in Rule 3604 or Rule 4107(viii);

“SEHK Securities”

has the same meaning as defined in the Exchange Rules;

“SEHK Subsidiary”

has the same meaning as defined in the Exchange Rules;

“SEOCH Participant”

has the same meaning as in the Exchange Rules;

“Settlement Agent”

means a person appointed by a Participant other than an Investor Participant, pursuant to Rule 3801 to access CCASS and conduct settlement and other activities in CCASS on behalf of the Participant;

“Settlement Day”

means (i) in relation to Eligible Securities other than China Connect Securities, a Business Day on which the settlement services of CCASS in respect of such Eligible Securities are open for use by Participants, and (ii) in relation to China Connect Securities, a day on which the China Connect Clearing Services of CCASS in respect of the clearing and settlement of such China Connect Securities are open for use by China Connect Clearing Participants;

“Settlement Instruction” or “SI”

means an instruction of a Participant, in such form as HKSCC may from time to time prescribe as being valid, relating to transactions in Eligible Securities (other than Exchange Trades, China Connect Securities Trades, Clearing Agency Transactions, Electronic Application Instructions for New Issue Shares, Investor Settlement Instructions, Transfer Instructions and Cross-border Transfer Instructions) to be settled in CCASS, as referred to in Rule 904;

“SI Transaction”

means a transaction to be settled in CCASS between two Participants other than Investor Participants as a result of the input of a Settlement Instruction, authorized, if required, by each of the Participants (such Settlement Instructions being matched in CCASS);

“SMS”

means the short message services for sending messages via mobile phone or fixed line phone or through other means specified by HKSCC to Investor Participants who have subscribed to the services and to SSA Statement Recipients upon authorization by a Clearing Participant or a Custodian Participant;

“Specific Cash Collateral”

means cash in the relevant Eligible Currency which is from time to time provided by a Participant to HKSCC in accordance with Rule 3601 or 3601A;

“Special China Connect Securities”

has the same meaning as defined in the Exchange Rules;

“Special Participant”

has the same meaning as defined in the Exchange Rules;

“Special Segregated Account” or “SPSA”

means a Stock Segregated Account within the range of account codes specified by HKSCC which is designated by a Custodian Participant or a GCP which is not an Exchange Participant for one of its clients for the purpose of maintaining holdings of China Connect Securities of this client and for facilitating the determination of the maximum amount of China Connect Securities that may be sold by this client on a particular Trading day;

“Special SEHK Securities”

has the same meaning as defined in the Exchange Rules. Unless the context requires otherwise, any reference in the Rules to “SEHK Securities” includes “Special SEHK Securities”;

“Specified Instruments”

means those capital market instruments (other than Exchange Fund Notes, Government Bonds and CMU Instruments) (i) which are for the time being specified as capable of being held in the EFCS, (ii) which are listed or to be listed on the Exchange and (iii) (where the issuer is a company or a non-Hong Kong company, within the meaning of those terms in the Companies Ordinance) in respect of which a prospectus has been registered with the Registrar of Companies in Hong Kong;

“SPSA ID”

means a 6-digit investor identification number assigned to a Special Segregated Account;

“SSA Statement Recipient”

means, in relation to a SSA with Statement Service of a Clearing Participant or a Custodian Participant, the person or persons named and/or maintained by such Participant in the manner prescribed by HKSCC in respect of that SSA with Statement Service, as referred to in Section 3.4A of the Operational Procedures. For the purposes of the Rules, such person or persons named and/or maintained by the Participant in respect of the SSA with Statement Service shall be treated as a single SSA Statement Recipient in respect of that SSA with Statement Service;

“SSA with Statement Service”

means a Stock Segregated Account of a Clearing Participant or a Custodian Participant in relation to which SSA Statement Recipient is named and/or maintained by such Participant;

“STI Transfer”

means a transfer to be effected in CCASS between an SSA with Statement Service or a Special Segregated Account and any other Stock Account (including any other SSA with Statement Service or Special Segregated Account but excluding the Stock Collateral Control Account and TSF Accounts) of a Clearing Participant or Custodian Participant as a result of (i) the input (and authorisation, if required) of a Stock Segregated Account Transfer Instruction (without affirmation) or (ii) the input (and authorisation, if required) of a Stock Segregated Account Transfer Instruction (with affirmation) affirmed by the relevant SSA Statement Recipient;

“Stock Account”

means, (i) in relation to each Clearing Participant or Clearing Agency Participant, each Stock Clearing Account, Stock Segregated Account, Stock Lending Account and Stock Collateral Control Account; (ii) in relation to each Investor Participant, each Stock Clearing Account; and (iii) in relation to each Participant other than a Clearing Participant, a Clearing Agency Participant or an Investor Participant, each Stock Clearing Account, Stock Segregated Account and Stock Lending Account, allocated to and operated by it in which Eligible Securities of such Participant are credited or debited, as referred to in Rule 601, and in

relation to a TSF CCASS Participant, means, additionally, each TSF Account allocated to it by HKSCC under Rule 12A08;

“Stock Clearing Account”

means, in relation to each Participant, the main Stock Account in CCASS of such Participant used for settlement purposes, as referred to in Rule 601;

“Stock Collateral Control Account”

means, in relation to each Clearing Participant or Clearing Agency Participant, the Stock Account in CCASS of such Participant which records (i) the Collateral Securities that have been transferred from Stock Accounts of that Participant to its CCMS Collateral Account(s), as referred to in Rule 601 and (ii) the Eligible Securities that have been transferred from Stock Accounts of that Participant to a collateral account established in CCMS for that Participant by another Recognized Clearing House under its rules;

“Stock Exchange Trading Right”

has the same meaning as in the Exchange Rules;

“Stock Lender Participant”

means a Participant admitted to participate in CCASS as a Stock Lender Participant;

“Stock Lending Account”

means, an account which has been designated by HKSCC, in accordance with Rule 601, as such for the purposes of the Compulsory Stock Borrowing and Lending Regulations;

“Stock Pledgee Participant”

means a Participant admitted to participate in CCASS as a Stock Pledgee Participant;

“Stock Release FX Transaction”

means a FX transaction relating to the sale of RMB by a TSF CCASS Participant to HKSCC as TSF operator arising from or generated by the submission of a Stock Release Request by such Participant, as referred to in Rule 12A12;

“Stock Release Request”

means a request submitted by a TSF CCASS Participant to HKSCC for the purpose of de-earmarking earmarked TSF Stocks, as referred to in Rule 12A12;

“Stock Segregated Accounts” or “SSA”

means, (i) in relation to each Clearing Participant or Clearing Agency Participant, the Stock Accounts in CCASS of such Participant other than its Stock Clearing Account, Stock Lending Account and Stock Collateral Control Account; and (ii) in relation to each Participant other than a Clearing Participant, a Clearing Agency Participant or an Investor Participant, the Stock Accounts in CCASS of such Participant other than its Stock Clearing Account and Stock Lending Account, as referred to in Rule 601, including but not limited to SSA with Statement Service and Special Segregated Accounts of the Participant, and in relation to a TSF CCASS Participant, TSF Accounts shall not be regarded as Stock Segregated Accounts;

“Stock Segregated Account Transfer Instruction” or “STI”

means an instruction of a Clearing Participant or Custodian Participant, in such form as HKSCC may from time to time prescribe as being valid, to effect book-entry movements of Eligible Securities between an SSA with Statement Service or a Special Segregated Account and any other Stock Account of the Participant in CCASS (including any other SSA with Statement Service or Special Segregated Account but excluding the Stock Collateral Control Account and where a Clearing Participant or a Custodian Participant is a TSF CCASS

Participant, excluding also the TSF Accounts), as referred to in Rule 601;

“Stress Test Value Calculation Guide”

means the guide entitled “Stress Test Value Calculation Guide” of HKSCC in relation to RMS, containing information on the calculation of stress test value under the CNS System, as from time to time in force;

“Structured Products”

means synthetic products, whether or not listed on the Exchange or any other exchange, whose investment returns are linked to the performance of the underlying assets and which include, but are not limited to, derivative warrants, ELI, Callable Bull/Bear Contracts (as these terms are defined in the Exchange Rules) and other equity linked investments;

“T-day”

means, in relation to a transaction in Eligible Securities other than China Connect Securities, the day of the transaction as reported by the Exchange, and in relation to a transaction in China Connect Securities, the day of the transaction as reported by the relevant SEHK Subsidiary, its designated person or the relevant China Connect Clearing House;

“T+2”

means the second Settlement Day following T-day;

“T+3”

means the third Settlement Day following T-day;

“Tax Information Exchange Framework”

means (i) (a) sections 1471 to 1474 of the Code, (b) any similar or successor legislation to (a) introduced by the United States, (c) any agreement described in section 1471(b) of the Code, (d) any regulations or guidance pursuant to any of the foregoing, (e) any official interpretations of any of the foregoing, (f) any intergovernmental agreement to facilitate the implementation of any of the foregoing (an “IGA”), or (g) any law implementing an IGA; or (ii) (a) Part 8A and any other relevant provisions of the Inland Revenue Ordinance (Cap.112 of the Laws of Hong Kong), (b) any similar or successor legislation to the immediately preceding (a) introduced by the Hong Kong Special Administrative Region Government, (c) any guidance pursuant to any of the foregoing in (ii), (d) any official interpretations of any of the foregoing in (ii), or (e) any agreement entered into between the Inland Revenue Department of the Hong Kong Special Administrative Region and the relevant competent authority of an overseas jurisdiction to facilitate the implementation of any of the foregoing in (ii);

“Tender Instructions”

means instructions by a Participant (in such form as HKSCC may from time to time prescribe) for (i) a tender or application to be made on its behalf for Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments and (ii) the payment and refund of tender moneys or application moneys (as the case may be), as referred to Rule 1101(vii);

“Termination Value Applicable Percentage”

means, under the contract termination process, a percentage applied by HKSCC to determine the Termination Value Receivable of a Clearing Participant pursuant to Section 10.16 of the Operational Procedures;

“Termination Value Payable”

means, under the contract termination process, the amount payable by each relevant Clearing Participant or Clearing Agency Participant to HKSCC pursuant to Section 10.16 of the

Operational Procedures;

“Termination Value Receivable”

means, under the contract termination process, the amount payable by HKSCC to each relevant Clearing Participant or Clearing Agency Participant pursuant to 10.16 of the Operational Procedures;

“Terms and Conditions”

means, the Terms and Conditions for Investor Participants governing the participation of Investor Participants in CCASS, as from time to time in force;

“Trade Amendment”

means, in relation to an Exchange Trade, errors relating to details of such Exchange Trade reported to HKSCC by the Exchange, the rectification of which have been approved by the Exchange in accordance with the Exchange Rules;

“Trading day”

means, in relation to securities and other products which are traded on the Exchange, a day on which trading is conducted on the Exchange and in relation to China Connect Securities which are traded on a China Connect Market, a day on which trading is conducted on the China Connect Market via the relevant Trading Link and the China Connect Clearing Services of CCASS in respect of the clearing and settlement of such China Connect Securities are open for use by China Connect Clearing Participants;

“Trading Links”

has the same meaning as defined in the Exchange Rules;

“Transfer Instructions” or “TIs”

means instructions by a Participant (in such form as HKSCC may from time to time prescribe) to effect a book-entry transfer of Exchange Fund Notes, Government Bonds or Specified Instruments between the Participant’s Stock Account in CCASS, and a Recognized Dealer’s CMU Account or a book entry transfer of CMU Instruments between the Participant’s Stock Account in CCASS and a CMU Member’s CMU Account, as referred to in Rule 906;

“TSF”

means the trading support facility in the form of FX Services which HKSCC may provide for the purposes of facilitating the purchase and sale of TSF Stocks. Where the FX Services are provided, HKSCC shall do so as TSF operator and not in its capacity as, or for the purposes of acting as, the central counterparty for the clearing of Exchange Trades; and unless the context otherwise requires, references in Chapter 12A to HKSCC shall be construed accordingly;

“TSF Account”

means the TSF Principal Account or the TSF Segregated Account, as the context may require;

“TSF Buy Exchange Trade”

means an Exchange Trade with respect to the purchase of TSF Stocks by a TSF Exchange Participant through the Exchange Trading System which is (i) supported by a TSF Buy FX Order prior to the effect of the Exchange Trade on the Exchange Trading System; and (ii) supported by a TSF Buy FX Transaction upon the effect of the Exchange Trade on the Exchange Trading System;

“TSF Buy FX Order”

means an order for the conversion of HKD to RMB by a TSF Exchange Participant to HKSCC as TSF operator through an input into the Exchange Trading System for the purpose of supporting an order to purchase TSF Stocks, which order shall, upon matching on the Exchange Trading System, constitute a TSF Buy Exchange Trade;

“TSF Buy FX Transaction”

means the FX transaction between HKSCC as TSF operator and a TSF Exchange Participant relating to a TSF Buy FX Order for the purpose of settlement of a TSF Buy Exchange Trade;

“TSF CCASS Participant”

means a TSF Clearing Participant or a TSF Custodian Participant, as the context may require;

“TSF Clearing Participant”

means a Direct Clearing Participant or a General Clearing Participant which has been accepted for registration and to remain registered as a TSF CCASS Participant by HKSCC;

“TSF Custodian Participant”

means a Custodian Participant which has been accepted for registration and to remain registered as a TSF CCASS Participant by HKSCC;

“TSF Exchange Participant”

means, in the context of trading of TSF Stocks, an Exchange Participant which has been accepted for registration and to remain registered as a TSF Exchange Participant by the Exchange;

“TSF Exchange Trade”

means a TSF Buy Exchange Trade or a TSF Sell Exchange Trade, as the context may require;

“TSF FX Order”

means a TSF Buy FX Order or a TSF Sell FX Order, as the context may require;

“TSF FX Transaction”

means a TSF Buy FX Transaction or a TSF Sell FX Transaction, as the context may require;

“TSF Participant”

means, a TSF Exchange Participant and/or a TSF CCASS Participant, as the context may require;

“TSF Participant Registration Criteria”

means the eligibility criteria which HKSCC may prescribe from time to time for Participants to be accepted for registration and to remain registered as TSF CCASS Participants for the purposes of providing clearing and settlement services in respect of TSF Exchange Trades and/or providing custodian services in respect of earmarked TSF Stocks;

“TSF Partner Bank”

means a financial institution which has entered into an agreement or arrangement with HKSCC for the purposes of providing RMB to HKD or HKD to RMB conversion services and/or liquidity to HKSCC as TSF operator;

“TSF Principal Account”

means a Stock Account established by HKSCC in the name of a TSF CCASS Participant principally for the purposes of facilitating the credit and debit of TSF Stocks for such Participant to earmark or de-earmark TSF Stocks;

“TSF Segregated Account”

means a Stock Account established by HKSCC in the name of a TSF CCASS Participant for the sole purpose of holding earmarked TSF Stocks of such Participant, whether as principal or as agent for its clients;

“TSF Sell Exchange Trade”

means an Exchange Trade with respect to the sale of TSF Stocks by a TSF Exchange Participant through the Exchange Trading System which is (i) supported by a TSF Sell FX Order prior to the effect of the Exchange Trade on the Exchange Trading System; and (ii) supported by a TSF Sell FX Transaction upon the effect of the Exchange Trade on the Exchange Trading System;

“TSF Sell FX Order”

means an order for the conversion of RMB to HKD by a TSF Exchange Participant to HKSCC as TSF operator through an input into the Exchange Trading System for the purpose of supporting an order to sell TSF Stocks, which order shall, upon matching on the Exchange Trading System, constitute a TSF Sell Exchange Trade;

“TSF Sell FX Transaction”

means the FX transaction between HKSCC as TSF operator and a TSF Exchange Participant relating to a TSF Sell FX Order for the purpose of settlement of a TSF Sell Exchange Trade;

“TSF Stocks”

means Eligible Securities which are included in the list of TSF Stocks by HKSCC from time to time under Rule 12A04;

“Unadjusted HKSCC Default CP Receivable”

means, in respect of an HKSCC Failure to Pay Event or an HKSCC Insolvency Event, the amount determined to be payable by HKSCC to each relevant Clearing Participant or Clearing Agency Participant, without taking into account any adjustment pursuant to Section 17B.1.3(ii) of the Operational Procedures;

“Unadjusted Limited Recourse CP Receivable”

means, in respect of a Clearing Service Termination Event, the amount determined to be payable by HKSCC to each relevant Clearing Participant or Clearing Agency Participant, without taking into account any adjustment pursuant to Section 17A.1.3(ii) of the Operational Procedures;

“Unadjusted Termination Value Receivable”

means, under the contract termination process, the amount payable by HKSCC to each relevant Clearing Participant or Clearing Agency Participant, without taking into account any adjustment pursuant to Section 10.16.3(ii) of the Operational Procedures;

“Uncertificated Eligible Security”

means an Eligible Security (other than a Foreign Security or a China Connect Security) issued by an Overseas Issuer in uncertificated form and designated by HKSCC as an “Uncertificated Eligible Security” for the purposes of the Rules;

“Unit”

means one undivided share or undivided beneficial interest in an Exchange Traded Fund, a fund or similar investment arrangement;

“Unit Trust”

means any arrangement made for the purpose, or having the effect, of providing facilities for

the participation by persons, as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of securities or any other property whatsoever; and

“USD”

means United States dollar, the lawful currency of the United States of America, for settlement in Hong Kong;

“Voluntary Recap Amount”

means a voluntary contribution to the Guarantee Fund, as requested by HKSCC pursuant to a Voluntary Recap Request Notice;

“Voluntary Recap Request Notice”

means a written notification provided by HKSCC pursuant to Rule 2509A to a Clearing Participant requesting for a Voluntary Recap Amount;

“Withholding Tax”

means any withholding or deduction pursuant to the Tax Information Exchange Framework.

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

“Access Level”

means, in relation to an Authorised User of a Participant other than an Investor Participant, the pre-determined level of CCASS functions or services to be made available to that Authorised User via the CCASS Terminal and/or RMS of that Participant, such level to be determined by that Participant from time to time, as referred to in Section 3.4;

“Administration Rights”

means the pre-determined security management functions available to Delegated Administrators via the CCASS Terminals and/or RMS of Participants other than Investor Participants, as referred to in Section 3.5.2;

“Afternoon FX Settlement Time”

means no later than 3:00 p.m. on T+2, being the deadline for settlement of a TSF Final FX Position by a TSF Clearing Participant, as referred to in Sections 12A.3.1(ii) and 12A.3.5;

“Allocated Positions”

means, in relation to a Market Contract, long stock positions under the CNS System of a Clearing Participant or a Clearing Agency Participant to which Eligible Securities have been allocated but monies payment obligations arising therefrom remain outstanding and are not covered in full by cash prepayment;

“Alternate Designated Officer”

means, in relation to a Participant other than an Investor Participant, a person designated by that Participant as being, in the absence of the Designated Officer of that Participant, the person to be contacted by HKSCC in respect of matters relating to that Participant's daily operations in CCASS, as referred to in Section 2.6;

“ATI Batch Input Control Report”

means, in relation to each Participant which is provided by HKSCC with facilities for ATI batch file transfer, a report provided by HKSCC to it (after each scheduled ATI batch validation run) showing the processing results of its ATI batch file transfers, as referred to in Section 16.6 (refer to the CCASS Terminal User Guide for Participants for details);

“Authorisation Code”

means in relation to a Delegated Administrator of a Participant who executes his/her Administration Rights in the capacity of a checker, a unique code assigned to that Delegated Administrator for his/her input in order to authorise a user administration transaction via the CCASS Terminal of that Participant;

“Authorised Signatories”

means, in relation to a Participant other than an Investor Participant, the persons authorised by that Participant in the manner prescribed by HKSCC as being authorised to give written instructions to HKSCC in connection with any matters relating to the Participant's participation and operations in CCASS, as referred to in Section 2.5;

“Authorised User”

means, in relation to a Corporate Investor Participant and a Participant other than an Investor Participant, a person approved by that Participant in the manner prescribed by HKSCC as being authorised to access CCASS on behalf of that Participant via its CCASS Terminal or its Participant Gateway or the CCASS Phone System or the CCASS Internet System, as referred to in Sections 3.4 and 3.10;

“Billing Account”

means, in relation to each Participant, a sub-account in the Money Ledger of that Participant which is used for billing purposes in CCASS, as referred to in Section 2.4.2;

“Book-Close Reminder”

means the section in the Entitlement Statement of a Participant other than an Investor Participant which provides information on corporate actions or activities affecting Eligible Securities, as referred to in Section 8.3.2;

“Broadcast Message Service”

means the service made available by HKSCC to Participants other than Investor Participants to provide certain types of information through their CCASS Terminals and Participant Gateways;

“Buy-in Notification Report”

means a report provided by HKSCC informing a Clearing Participant, Clearing Agency Participant or China Connect Clearing Participant of its overdue short stock positions under the CNS System which are subject to Buy-in and confirmations of Buy-in orders that have been executed, as referred to in Sections 10.8 and 10A.6 and the CCASS Terminal User Guide for Participants;

“CA ISO Message Service”

means a service under which subscribers may receive from HKSCC, information on corporate actions in the form of ISO Messages;

“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 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;

“Cash Prepayment Standing Instruction”

means a standing instruction in such details as HKSCC may prescribe from time to time, given by a Clearing Participant to HKSCC via the “Cash Prepayment / TSF Payment

Standing Instruction” maintenance functions of its CCASS Terminal, to authorize HKSCC to generate Cash Prepayment Instructions on behalf of the Clearing Participant;

“CCASS Funding Projection Report for Designated Bank”

means, in relation to a Designated Bank, a report provided by HKSCC to the Designated Bank showing the relevant funding projection, as referred to in Section 16.7 and the CCASS Terminal User Guide for Designated Banks;

“CCASS Funding Projection Report for Participant”

means, in relation to a Participant other than an Investor Participant, a report provided by HKSCC to the Participant showing the relevant funding projection, as referred to in Section 16.6 and the CCASS Terminal User Guide for Participants;

“CCASS Participant Contact List”

means a list containing the contact details of Participants other than Investor Participants which is provided by HKSCC to the issuers of Eligible Securities and their registrars, as referred to in Section 8.5.2;

“CCASS Phone Password”

means, (i) in relation to a person who is an Individual Investor Participant or an individual member of a Joint Individual Investor Participant or an Authorised User of a Corporate Investor Participant, a password provided by HKSCC to that person or as specified by that person and (ii) in relation to SSA Statement Recipient in respect of a SSA with Statement Service of a Clearing Participant or a Custodian Participant, a password provided by the Clearing Participant or Custodian Participant to that SSA Statement Recipient, the input of which is required to enable such person or SSA Statement Recipient to gain access to CCASS via the CCASS Phone System, or to register a set of Internet User ID and Internet User Password and/or his Hongkong Post e-Cert (as the case may be) with HKSCC for access to the CCASS Internet System, as referred to in Section 3.10.2;

“CCASS Phone User ID”

means, (i) in relation to a person who is an Individual Investor Participant or an individual member of a Joint Individual Investor Participant or an Authorised User of a Corporate Investor Participant, a unique identification number provided by HKSCC to that person and (ii) in relation to SSA Statement Recipient in respect of a SSA with Statement Service of a Clearing Participant or a Custodian Participant, a unique identification number provided by HKSCC to that SSA Statement Recipient via the Clearing Participant or Custodian Participant to enable such person or SSA Statement Recipient to gain access to CCASS via the CCASS Phone System, to register a set of Internet User ID and Internet User Password and/or his Hongkong Post e-Cert with HKSCC for access to CCASS via the CCASS Internet System, as referred to in Section 3.10.2;

“CCASS Record Date”

means the date(s) designated by HKSCC from time to time on which an entitlement to a declared payment or other benefit accruing to eligible Debt Securities in bearer form will be determined for Participants' Stock Account holdings in such Debt Securities in bearer form on that date;

“CCASS Terminal User Guide for Designated Banks”

means the guide entitled “CCASS Terminal User Guide for Designated Banks” of HKSCC in relation to CCASS, containing information on the use of CCASS Terminals by Designated Banks, as from time to time in force;

“Clearing House of HKAB” or “Clearing House”

means the clearing house of HKAB managed by the Hong Kong Interbank Clearing Limited

for the clearance of payment transactions between its members (which include the Designated Banks);

“Closing-out”

means the effecting of a Closing-out Contract (as defined in the Rules) in respect of an unsettled stock position of a defaulting Clearing Participant or a Clearing Agency Participant under the CNS System, as referred to in Sections 10.14 and 12.2.9(v) respectively;

“Collateral Security Batch-run”

means the process adopted by HKSCC to effect, at stated times, the provision of Collateral Securities by Clearing Participants or Clearing Agency Participants to HKSCC whereby Eligible Securities will be automatically debited from the Stock Accounts of the Clearing Participants or Clearing Agency Participants and credited to the CCMS Collateral Accounts of such Clearing Participants or Clearing Agency Participants for HKSCC’s waiver of computation of Marks and reduction of Marginable Position for computation of Margin, as referred to in Sections 10.10.3 and the Initial Margin Calculation Guide;

“Collateral Security Batch Input Control Report”

means, in relation to a Clearing Participant or Clearing Agency Participant which is provided with facilities for Collateral Security Batch-run, a report provided by HKSCC to the Clearing Participant or Clearing Agency Participant showing the processing results of its Collateral Security Batch-run, as referred to in Section 16.6 and the CCASS Terminal User Guide for Participants;

“Contract Currency Collateral”

means, in relation to a Clearing Participant, (i) cash payment made by the Participant to HKSCC pursuant to CPIs or DDIs issued by HKSCC in respect of the collection of Marks, Margin and/or Collateral pursuant to Section 14 of the Operational Procedures; (ii) cash balance transferred from the General Collateral Inventory of the CCMS House Collateral Account of the Participant and provided by the Participant as cover for Marks, Margin and/or Collateral and other obligations (actual or contingent) denominated in the same currency; and (iii) cash payment made by the Participant, in its capacity as a SEOCH Participant, to a Clearing Agency Participant to satisfy the Participant’s Marks, Margin and/or Collateral obligations relating to Clearing Agency Transactions, and transferred to HKSCC by the Clearing Agency Participant;

“corresponding CNS money position”

means, in relation to the settlement of TSF FX Transactions, the CNS money position of a TSF Clearing Participant in respect of a TSF Stock that corresponds to the TSF FX Position of the Participant in respect of the same TSF Stock (if any) as referred to in Section 12A.3.4(ii)(c);

“Daily Stock Balance Report”

means, in relation to a Participant other than an Investor Participant, a daily report provided by HKSCC to the Participant showing the balances and value by stock and the total portfolio value, as referred to in Section 16.6 and the CCASS Terminal User Guide for Participants;

“DDI/DCI/EPI Exception Report”

means, in relation to a Designated Bank, a report provided by HKSCC to the Designated Bank showing details of the DDIs, DCIs and EPIs to be excluded from settlement by the Clearing House of HKAB for the relevant Eligible Currency, if any, as referred to in Section 16.7 and the CCASS Terminal User Guide for Designated Banks;

“DDI/DCI/EPI Listing for Designated Bank”

means, in relation to a Designated Bank, a report provided by HKSCC to the Designated

Bank providing details of the DDIs, DCIs and EPIs which affect the Participants other than Investor Participants for which the Designated Bank acts, as referred to in Section 16.7 and the CCASS Terminal User Guide for Designated Banks;

“DDI/DCI/EPI Listing for IP Related Transactions”

means, in relation to a Designated Bank, a report provided by HKSCC to the Designated Bank providing details of the DDIs, DCIs and EPIs which affect the Investor Participants for which the Designated Bank acts, as referred to in Section 16.7 and the CCASS Terminal User Guide for Designated Banks;

“DDI/DCI/EPI Rejection Listing”

means, in relation to a Designated Bank, a report provided by HKSCC to the Designated Bank showing details of the payment status of DDIs, DCIs and EPIs, if any, as referred to in Section 16.7 and the CCASS Terminal User Guide for Designated Banks;

“DDI/DCI/EPI Summary for Participant”

means, in relation to a Participant other than an Investor Participant, a report provided by HKSCC to the Participant providing details of DDIs, DCIs and EPIs, as referred to in Section 16.6 and the CCASS Terminal User Guide for Participants;

“Delegated Administrator”

means in relation to a Participant (other than an Investor Participant), a person appointed by that Participant in a manner prescribed by HKSCC from time to time as being authorised to administer the access profile of an Authorised User of that Participant via the CCASS Terminal, as referred to in Section 3.3;

“Delivery versus Payment” or “DVP”

means, in relation to settlement of a stock position in CCASS by a Participant, the settlement of such a stock position in CCASS on the basis that settlement of the corresponding money position of such stock position will follow as part of the CCASS money settlement process;

“Designated Officer”

means, in relation to a Corporate Investor Participant and a Participant other than an Investor Participant, a person designated by that Participant as being the person to be contacted by HKSCC in respect of matters relating to that Participant's daily operations in CCASS, as referred to in Section 2.6;

“Designated Specialist”

has the same meaning as “Designated Specialist” in the Exchange Rules;

“Discounted Market Value”

means the value of a collateral in the CCMS House Collateral Account of the Clearing Participant, determined in accordance with Section 10.15.2 for the purpose of the collateralization process in Section 10.15.3;

“Ear-marked Value”

means (i) cash Ear-marked Value, being the collateralized amount of cash in other currencies (as referred to in Section 10.15.3(iii)) in the CCMS House Collateral Account of a Clearing Participant, as referred to in Section 10.15.3(c); and (ii) non-cash Ear-marked Value, being the collateralized value of the Non-cash Collateral in CCMS House Collateral Account of a Clearing Participant, as referred to in Section 10.15.3(a);

“EIPO”

means the arrangement in these Operational Procedures for instructions to be given electronically to HKSCC by Participants for (i) applications to be made on their behalf for

New Issue Shares and for the payment and refund of application moneys and (ii) (where applicable) confirmations to be made on their behalf of the applications for New Issue Shares made on their behalf, and for those instructions to be acted upon;

“Entitlement Account”

means, in relation to a Participant other than an Investor Participant, the Stock Segregated Account (account number 02) which is designated by HKSCC as its “Entitlement Account” and which is primarily used by such Participant for the purpose of receiving securities entitlements accruing to Eligible Securities, as referred to in Section 2.3.7;

“Entitlements Account”

means, in relation to each Participant, a sub-account in the Money Ledger of that Participant which is primarily used for receiving money entitlements accruing to Eligible Securities, as referred to in Section 2.4.2;

“Entitlement Statement”

means, in relation to a Participant other than an Investor Participant, a statement provided by HKSCC to such Participant showing the entitlements accruing to Eligible Securities which are receivable or payable by that Participant or paid by or distributed to that Participant by HKSCC, as referred to in Section 8.3.3;

“Evening FX Settlement Time”

means the time when the final Batch-settlement-run is completed on T+2, being the deadline for settlement of the TSF Final FX Position by a TSF Clearing Participant, as referred to in Sections 12A.3.1(ii) and 12A.3.5;

“Favourable Marks”

means Marks computed by the Mark-to-market of a stock position under the CNS System which are favourable to a Clearing Participant or Clearing Agency Participant, as referred to in Sections 10.10.2 and 10A.10;

“Fidelity Fund”

means the Fidelity Fund established by the Exchange in accordance with the Exchange Rules;

“Final Clearing Statement” or “FCS”

means, in relation to Exchange Trades or Clearing Agency Transactions executed or effected on T-day for clearing and settlement by a Clearing Participant or a Clearing Agency Participant, a statement issued by HKSCC to that Participant on T+1, the Business Day following the relevant day of the transaction, as referred to in Sections 10.2.3 and 12.2.2; and in relation to China Connect Securities Trades executed on T-day for clearing and settlement by a China Connect Clearing Participant, a statement issued by HKSCC to that Participant on T-day, as referred to in Sections 10A.1.4 and the CCASS Terminal User Guide for Participants;

“Free of Payment” or “FOP”

means, in relation to the settlement of a stock position in CCASS by a Participant, the settlement of such a stock position in CCASS which does not require the settlement of the corresponding money position of such stock position to be effected thereafter as part of the CCASS money settlement process (noting that money settlement may still take place outside CCASS);

“General Collateral Inventory”

means the inventory of cash, Collateral Securities and other Non-cash Collateral in a CCMS Collateral Account that, in the opinion of HKSCC, can be treated as, or be used as cover or to secure against Ear-marked Value;

“Guarantee Scheme”

means the Guarantee Scheme established by the Exchange in accordance with the Exchange Rules;

“H Shares”

means shares issued by an Issuer incorporated in the People's Republic of China which are the subject of an application for listing or are listed on the Exchange and are to be or are subscribed for and traded in Hong Kong dollars;

“HK Bank”

means The Hongkong and Shanghai Banking Corporation Limited;

“HKAB”

means The Hong Kong Association of Banks;

“HKSCC HKD RTGS Account”

means the Hong Kong dollar settlement account (including a CHATS ledger account) maintained by HKSCC with the HKMA;

“Input Transaction Limit”

means, in relation to an Authorised User of a Corporate Investor Participant and a Participant other than an Investor Participant, the pre-determined limit (in money terms) of that Authorised User above which certain instructions input into CCASS by that Authorised User will not be processed in CCASS by HKSCC, such limit to be determined by that Participant from time to time, as referred to in Section 3.4;

“Internet User ID and Internet User Password”

means a unique identification number and a password registered with HKSCC by an Individual Investor Participant or an individual member of a Joint Individual Investor Participant or an Authorised User of a Corporate Investor Participant or a SSA Statement Recipient in respect of a SSA with Statement Service for access to the CCASS Internet System, as referred to in Section 3.10.2;

“Intra-day Mainland Settlement Deposit Payable Report”

means a report provided by HKSCC to a China Connect Clearing Participant, showing the amount and computation of the intra-day Mainland Settlement Deposit payable by such Participant;

“Intra-day Payment”

means, in relation to an Intra-day Payment Standing Instruction of a Participant other than an Investor Participant, (i) the amount of cash payment in an Eligible Currency arising out of nominee services on a Business Day, as referred to in Section 8.25 and/or (ii) the amount of intra-day settlement of money obligations due to the Participant from HKSCC under the CNS System on a Settlement Day, as referred to in Section 10.5.8 and/or (iii) the amount of surplus cash arising from overpaid cash prepayment on a Settlement Day, as referred to in Section 10.12.8 (as the case may be) determined by HKSCC to be paid to the Participant via IPI pursuant to that Intra-day Payment Standing Instruction;

“Intra-day Payment Instruction” or “IPI”

means, for a Participant other than an Investor Participant, a payment instruction issued by HKSCC pursuant to an Intra-day Payment Standing Instruction and forwarded for processing (i) to the Designated Bank of a Participant; or (ii) for certain Hong Kong dollar money obligations, to the Clearing House of HKAB, to effect payment of the Intra-day Payment by HKSCC to that Participant during a Business Day or a Settlement Day, as the case may be;

“Intra-day Payment Standing Instruction”

means a standing instruction in such details as HKSCC may prescribe from time to time, given by a Participant other than an Investor Participant to HKSCC via the “Intra-day Payment Standing Instruction” maintenance functions of its CCASS Terminal, to request HKSCC to issue an Intra-day Payment Instruction in relation to Intra-day Payment on each Business Day and/or each Settlement Day;

“Investor Confirmation Report”

means, in relation to a Designated Bank, a report provided by HKSCC to the Designated Bank showing details of the payment status of DDIs and debit EPIs, if any, as referred to in Section 16.7 and the CCASS Terminal User Guide for Designated Banks;

“ISIN”

means an ISIN (International Securities Identification Number) code uniquely assigned to security by the relevant National Numbering Agencies in accordance with Association of National Numbering Agencies Regulation ISO 6166;

“ISO Message”

means an electronic message transmitted through SWIFT;

“Mainland Security Deposit Payable Report”

means, in relation to a China Connect Clearing Participant, a report provided by HKSCC to such Participant, containing details of the computation of Mainland Security Deposit payable by such Participant in respect of each China Connect Market with reference to the net settlement amount in China Connect Securities Trades of such Participant and its NCCCPs on that China Connect Market, as referred to in the CCASS Terminal User Guide for Participants;

“Mainland Settlement Deposit Payable Report”

means, in relation to a China Connect Clearing Participant, a report provided by HKSCC to such Participant, containing details of the computation of Mainland Settlement Deposit payable by such Participant in respect of each China Connect Market with reference to the buy turnover in China Connect Securities and overdue short CNS positions in China Connect Securities of such Participant and its NCCCPs on that China Connect Market and the sell turnover in China Connect Securities that are executed on that China Connect Market by such Participant and its NCCCPs for Special Segregated Accounts, as referred to in and the CCASS Terminal User Guide for Participants;

“Margin Multiplier”

means a parameter defined by HKSCC at individual Participant level for the purpose of computation of Margin requirement of that Participant, as referred to in Section 10.10A;

“Margin Rate”

means the percentage determined by HKSCC to be applied to Marginable Position in the computation of Margin, as referred to in Section 10.10A;

“Market Making Security”

has the same meaning as “Market Making Security” in the Exchange Rules;

“Marks and Margin Account”

means, in relation to a Clearing Participant or a Clearing Agency Participant, a sub-account in the Money Ledger of that Participant which is used to record Marks and Margin on all unsettled stock positions of that Participant under the CNS System, as referred to in Section 10.10.11 or 10.10A.8;

“Mass ATI”

means an instruction of a Participant other than an Investor Participant, in such a form as HKSCC may from time to time prescribe as being valid, to effect book-entry movements of Eligible Securities from the Stock Clearing Account to a designated Stock Segregated Account other than an SSA with Statement Service or a Special Segregated Account of the Participant in CCASS;

“Mass STI”

means an instruction of a Clearing Participant or a Custodian Participant, in such form as HKSCC may from time to time prescribe as being valid, to effect book-entry movements of Eligible Securities from the Stock Clearing Account to an SSA with Statement Service or a Special Segregated Account of the Participant in CCASS;

“Miscellaneous Account”

means, in relation to a Participant, a sub-account in the Money Ledger of that Participant which is used for recording miscellaneous money obligations between that Participant and HKSCC, as referred to in Section 2.4.2;

“Money Ledger”

means, in relation to a Participant, a statement of the outstanding money positions in CCASS between that Participant and HKSCC, as referred to Section 2.4;

“Monthly Stock Balance Report”

means, in relation to a Participant (other than an Investor Participant), a monthly statement provided by HKSCC to it showing the stock balances in each Eligible Security held in CCASS by the Participant as at the end of a month (as well as other securities entitlements which are not Eligible Securities) and the stock custody fee payable by the Participant for the month, as referred to in Section 16.6 (refer to the CCASS Terminal User Guide for Participants for details);

“Net Favourable Mark”

means, in relation to the relevant stock positions of a Clearing Participant or a Clearing Agency Participant under the CNS System, where the aggregate amount of the Favourable Marks in respect of such stock positions exceeds the aggregate amount of the Unfavourable Marks of such stock positions, the amount by which the aggregate amount of such Favourable Marks exceeds the aggregate amount of such Unfavourable Marks;

“Net Unfavourable Mark”

means, in relation to the relevant stock positions of a Clearing Participant or a Clearing Agency Participant under the CNS System, where the aggregate amount of the Unfavourable Marks in respect of such stock positions exceeds the aggregate amount of the Favourable Marks of such stock positions, the amount by which the aggregate amount of such Unfavourable Marks exceeds the aggregate amount of such Favourable Marks;

“Next Settlement Day Due/Overdue Position Report”

means, in relation to a Participant (other than an Investor Participant), a daily report provided by HKSCC to it showing the stock positions of the Participant which are due or overdue for settlement in CCASS on the current day, as referred to in Section 16.6 (refer to the CCASS Terminal User Guide for Participants for details);

“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;

“Nominee”

means HKSCC Nominees Limited or such other nominee company as may be used by HKSCC from time to time in relation to the provision of nominee services to or for the account of Participants;

“Nominee Payment (Evening) Standing Instruction”

means a standing instruction in such details as HKSCC may prescribe from time to time, given by a Participant other than an Investor Participant to HKSCC via the “Nominee Payment (Evening) Standing Instruction” maintenance functions provided by its CCASS Terminal, requesting HKSCC to issue a DCI on each Business Day to effect evening distribution of cash payments arising out of nominee services by HKSCC to the Participant;

“Non-cash Collateral”

means collateral not in the form of cash, including Collateral Securities, that is accepted by HKSCC for credit to the CCMS House Collateral Account of a Participant to cover the Marks, Margin, Collateral and other obligations (actual and contingent) of the Participant due to HKSCC under the CNS System;

“Non-cash Collateral Cap”

means a percentage of Marks, Margin, Collateral and other obligations (actual and contingent) of a Participant, as determined by HKSCC from time to time in order to calculate the maximum amount of Non-cash Collateral that may be allowed as cover for the Marks, Margin, Collateral and other obligations (actual and contingent) of the Participant due to HKSCC under the CNS System. For the avoidance of doubt, the provision of Collateral Security to cover a part or the whole of a short CNS stock position from a Clearing Participant or Clearing Agency Participant for HKSCC’s waiver of computation of Marks and reduction of Marginable Position for computation of Margin required from such Participant will not be included in such calculation of the maximum amount of Non-cash Collateral;

“Operating Guide for Investor Participants”

means the “Operating Guide for Investor Participants” of HKSCC in relation to CCASS, containing information on the use of CCASS services by Investor Participants, as from time to time in force;

“Participant Gateway Smartcard Password”

means, in relation to a Participant Gateway of a Participant or a Designated Bank, a password specified by that Participant or Designated Bank or provided by HKSCC to that Participant or Designated Bank, the input of which is required before the Participant or the Designated Bank is allowed access to CCASS via the Participant Gateway, as referred to in Section 3;

“Participant Supplied System” or “PSS”

means the system developed according to HKSCC’s specifications and operated by a Participant other than an Investor Participant or a Designated Bank for the purpose of conducting CCASS related activities, and includes any server, terminal and any other device connected to it;

“PC”

means a personal computer used by a Participant other than an Investor Participant as a CCASS Terminal or a Participant Gateway;

“Preferred Single Settlement Currency”

means an Eligible Currency selected by a Clearing Participant and accepted by HKSCC as the currency for cash settlement of the shortfall in Marks and Margin of the Clearing Participant after the collateralization process under Section 10.15.3 of the Operational Procedures;

“Provisional Clearing Statement” or “PCS”

means, in relation to Exchange Trades executed on T-day for clearing and settlement by a Clearing Participant or in relation to Clearing Agency Transactions for clearing and settlement by a Clearing Agency Participant or a Clearing Participant, a statement issued by HKSCC to that Participant on T-day, as referred to in Section 10.1.2;

“Recipient”

means, in relation to corporate communications, a person or company being a non-registered holder of Eligible Securities entitled under the Listing Rules and designated by a Participant to receive corporate communications, including but not limited to SSA Statement Recipient in respect of a SSA with Statement Service of a Clearing Participant or a Custodian Participant designated by that Participant;

“RMS Authorised User”

means, in relation to a Participant other than an Investor Participant, a person approved by that Participant in the manner prescribed by HKSCC from time to time as being authorised to access RMS on behalf of that Participant, as referred to in Section 3.4.2;

“RMS Delegated Administrator”

means, in relation to a Participant other than an Investor Participant, a person appointed by that Participant in a manner prescribed by HKSCC from time to time as being authorised to administer the access profile of a RMS Authorised User of that Participant via the RMS, as referred to in Section 3.3.2;

“Rule Enforcement Team”

means the division, department, section or unit of HKEX delegated from time to time by HKSCC with the responsibilities of, inter alia, investigating Participants’ compliance with the Rules and instigating disciplinary proceedings against Participants;

“Securities and Futures Ordinance”

means Chapter 571 of the laws of Hong Kong as in force from time to time, and unless the context otherwise requires, any subsidiary legislation made thereunder;

“Securities Market Maker”

has the same meaning as “Securities Market Maker” in the Exchange Rules;

“Settled Position Report”

means, in relation to a Participant (other than an Investor Participant), a daily report provided by HKSCC to it showing the stock positions in CCASS of the Participants which are settled on the day, as referred to in Section 16.6 (refer to the CCASS Terminal User Guide for Participants for details);

“Settlement Account”

means, in relation to a Clearing Participant or a Clearing Agency Participant, a sub-account in the Money Ledger of that Participant which is used for recording money obligations between that Participant and HKSCC arising from the settlement of stock positions under the CNS System, as referred to in Section 2.4.2;

“Settlement Position Number”

means a unique reference number assigned by HKSCC to each CNS stock position, Isolated Trade, SI Transaction and ISI Transaction;

“Settlement Related EPI Listing”

means, in relation to a Participant other than an Investor Participant, a report provided by HKSCC to the Participant showing details of EPIs issued by HKSCC for the settlement of money obligations in relation to Isolated Trades, SI Transactions and ISI Transactions on a DVP basis, as referred to in Section 16.6 and the CCASS Terminal User Guide for Participants;

“Settlement Report”

means, in relation to a Participant other than an Investor Participant, a daily report provided by HKSCC to the Participant showing (i) all of its stock positions which are settled on the previous day; (ii) its stock positions, if any, which are cancelled, purged or revoked in CCASS on the previous day; and (iii) all of its stock positions which remain unsettled as at the end of the previous day;

“S-day”

means, in relation to a transaction in Eligible Securities, the due date of settlement of such transaction;

“S-1”

means the Settlement Day immediately preceding S-day;

“S-2”

means the Settlement Day immediately preceding S-1;

“Shareholding Category Disclosure”

means, in relation to China Connect Securities, the disclosure required to be made by a Participant other than an Investor Participant to HKSCC in respect of votes on shareholder resolutions cast by its clients based on such categorization or other parameter as HKSCC may prescribe from time to time according to the requirements of the relevant issuers or applicable laws, rules or regulations;

“SI Activity Report”

means, in relation to a Participant (other than an Investor Participant), a daily report provided by HKSCC to it showing (i) details of all SI input activities of the Participant on the previous day, and (ii) details of its SIs that are matched, revoked or purged by CCASS before the end of the previous day, as referred to in Section 12.1.8 (refer to the CCASS Terminal User Guide for Participants for details);

“SI Batch Input Control Report”

means, in relation to a Participant (other than an Investor Participant) which is provided by HKSCC with facilities for SI batch file transfer, a report provided by HKSCC to it (after each individual SI batch validation run) showing the processing results of its SI batch file transfers, as referred to in Section 16.6 (refer to the CCASS Terminal User Guide for Participants for details);

“SI Input Number”

means a unique number assigned by HKSCC for each SI input by a Participant other than an Investor Participant;

“SI Status Report”

means, in relation to a Participant (other than an Investor Participant), a daily report provided by HKSCC to it showing its SIs which remain unmatched at the end of the previous day and its SIs that are matched but which are not yet due for settlement on the current day, as referred to in Section 12.8.3 (refer to the CCASS Terminal User Guide for Participants for details);

“Smartcard Password”

means, in relation to an Authorised User and a Delegated Administrator, a password specified by that Authorised User or Delegated Administrator or provided by HKSCC to that Authorised User or Delegated Administrator, the input of which is required before that Authorised User or Delegated Administrator is allowed access to CCASS via CCASS Terminal, as referred to in Section 3;

“SPSA Delivery Failure”

means the failed delivery of the relevant quantity of a China Connect Security from a Special Segregated Account to a China Connect Clearing Participant for CNS settlement on a settlement day;

“SSE Market”

has the same meaning as defined in Chapter 14A of the Exchange Rules;

“Statement of Money Ledger”

means, in relation to a Participant (other than an Investor Participant), a daily statement provided by HKSCC to it showing the debit and credit entries to each sub-account of its Money Ledger, as referred to in Section 14.4.2 (v) (refer to the CCASS Terminal User Guide for Participants for details);

“Statement of Stock Movement (By Account) Report”

means, in relation to a Participant (other than an Investor Participant), a daily report provided by HKSCC to it showing by account the debit and credit entries made to its Stock Accounts, as referred to in Section 16.6 (refer to the CCASS Terminal User Guide for Participants for details);

“Statement of Stock Movement (By Stock) Report”

means, in relation to a Participant (other than an Investor Participant), a daily report provided by HKSCC to it showing by stocks the debit and credit entries made to its Stock Accounts, as referred to in Section 16.6 (refer to the CCASS Terminal User Guide for Participants for details);

“STI Batch-run”

means the process adopted by HKSCC to effect at stated times STI Transfers accepted by CCASS whereby Eligible Securities will be automatically debited from the delivering Stock Accounts of the Clearing Participants or Custodian Participants and credited to the receiving Stock Accounts of the Clearing Participants or Custodian Participants;

“SWIFT”

means the secured messaging services platform and interface software provided by the Society for Worldwide Interbank Financial Telecommunication;

“SZSE Market”

has the same meaning as defined in Chapter 14B of the Exchange Rules;

“Trade for trade”

means, in relation to those transactions in Eligible Securities between Participants which are accepted for settlement in CCASS, those transactions which are not accepted for the settlement under the CNS System and settlement of each such transaction is processed in CCASS separately without any netting;

“T+1”

means the Settlement Day next following T-day;

“T+2”

means the second Settlement Day following T-day;

“T+3”

means the third Settlement Day following T-day;

“T+6”

means the sixth Settlement Day following T-day;

“TSF Confirmation Report”

means the report to be provided by HKSCC to a TSF CCASS Participant setting out information regarding TSF Exchange Trades, TSF FX Transactions, Stock Release FX Transactions and other related information as referred to in Section 12A.2.3;

“TSF Final FX Position”

means, in relation to the settlement of TSF FX Transactions, the final money positions in respect of TSF Stocks for settlement by a TSF Clearing Participant and HKSCC, as determined in accordance with 12A.3.5;

“TSF FX Position”

means, in relation to the settlement of TSF FX Transactions, the money positions in respect of a TSF Stock for settlement by a TSF Clearing Participant and HKSCC, as determined in accordance with Section 12A.3.2;

“TSF FX Transaction / Stock Release Activity / Status Report”

means, in relation to (i) the maintenance activities of Stock Release Requests performed by the TSF CCASS Participants; and (ii) the settlement status of TSF FX Transactions and Stock Release FX Transactions on the current Business Day, a daily report provided by HKSCC to that Participant as referred to in Section 16.6 (refer to the CCASS Terminal User Guide for Participants for details);

“TSF payment instruction”

means the payment instructions generated by HKSCC in respect of TSF Final FX Positions as referred to in Section 12A.4.1 or in respect of money positions arising from Stock Release FX Transactions, as referred to in Section 12A.6.3(i);

“TSF Payment Standing Instruction”

means the standing instruction set up by a TSF Clearing Participant for the payment of TSF payment instructions via CPIs, as referred to in Section 12A.4.1(i);

“TSF Share De-earmarking Process”

means the process adopted by HKSCC to de-earmark TSF Stocks for the settlement of TSF Sell Exchange Trades, as referred to in Rule 12A09 and Section 12A.5.6;

“TSF Share Earmarking Process”

means the process adopted by HKSCC to earmark TSF Stocks following the settlement of TSF Buy Exchange Trades, as referred to in Rule 12A09 and Section 12A.5.4;

“TSF stock position”

means the net long or net short stock position in respect of a TSF Stock, as referred to in Section 12A.5.3;

“Unfavourable Marks”

means Marks computed by the Mark-to-market of a stock position under the CNS System which are unfavourable to a Clearing Participant or Clearing Agency Participant, as referred to in Sections 10.10.2 and 10A.10; and

“User ID”

means, in relation to a Participant other than an Investor Participant, a unique identification number provided by HKSCC to an Authorised User of that Participant to enable him to gain access to CCASS via the CCASS Terminal of the Participant, as referred to in Section 3.3.1.

- (c) When used in the Operational Procedures, the masculine gender shall include the feminine and the neuter and the singular number shall include the plural and vice versa.

Reference herein to persons shall include individuals, partnerships and bodies corporate.

References herein to times and days are, unless otherwise stated, references to Hong Kong times and days.

References to any law or regulation in the Operational Procedures shall be construed as references to such law or regulation as in force from time to time.

Headings are provided for ease of reference only and shall not affect the interpretation or construction of the provisions of the Rules (which includes the Operational Procedures).

For the avoidance of doubt, if there is any conflict in meaning between the English version and Chinese version of a Rule (which includes a provision in the Operational Procedures), the English version shall prevail.