Section 12B

Stamp Duty Payment Services for Participating Securities in Uncertificated Form

This Section 12B is only applicable to Stamp Authorized Persons.

12B.1 PURPOSE

This Section 12B provides details on the stamp duty payment services under which Stamp Authorized Persons may submit Stamp Duty Payment Requests with respect to SI Transactions of participating securities in uncertificated form, and the procedures relating to the submission, calculation and settlement of the stamp duty payments.

12B.2 STAMP DUTY PAYMENT REQUESTS

This service only serves as an alternative channel to facilitate Stamp Authorized Persons to make stamp duty payment within the stamping time limit to the Collector of Stamp Revenue. For transactions subject to any late stamping penalty, the responsible party shall make stamp duty payment directly to the Collector of Stamp Revenue.

12B.2.1 Submission of Stamp Duty Payment Requests

A Stamp Authorized Person can opt to submit a Stamp Duty Payment Request via CCASS instructing HKSCC to issue a request to the Collector of Stamp Revenue for the chargeable stamp duty in respect of its SI Transactions in participating securities in uncertificated form.

Stamp Authorized Person shall submit "Stamp Duty Payment Requests" in accordance with the CCASS Terminal User Guide to facilitate the Collector of Stamp Revenue to calculate and collect the stamp duty payment amount. HKSCC reserves the right to impose other requirements as may be requested by the Collector of Stamp Revenue from time to time. Stamp Authorized Person shall ensure they submit Stamp Duty Payment Requests in compliance with the requirements of the Collector of Stamp Revenue.

It shall be the Stamp Authorized Person's responsibility to imprint the amount of stamp duty paid on the contract notes after the generation of EPI pursuant to Section 12B.2.3. The Stamp Authorized Person is fully responsible for its transactions and shall ensure that the correct amount of stamp duty payments is being paid, contract notes are being prepared according to the requirements of the Collector of Stamp Revenue (including those in the Stamp Duty Ordinance) and that proper records are retained for the inspection by the Collector of Stamp Revenue.

Participants should refer to the CCASS Terminal User Guide for Participants for further information on the Stamp Duty Payment Request functions and the relevant reports.

12B.2.2 Calculation of Stamp Duty Payment amount

After a Stamp Authorized Person successfully submits a Stamp Duty Payment Request in CCASS, HKSCC shall transmit the request details to the Collector of Stamp Revenue for calculation of stamp duty payment. On the following Business Day, the Collector of Stamp Revenue will notify HKSCC of the calculated stamp duty payment amount for each received request. In case any requests are rejected by the Collector of Stamp Revenue, HKSCC shall update the status of the Stamp Duty Payment Request to "rejected". The Stamp Authorized

Person shall be responsible for checking the status of the submitted requests and should re-input a new request with valid details where necessary.

12B.2.3 Money Settlement for Stamp Duty Payment

On the Business Day following submission of a Stamp Duty Payment Request, based on the payment amount calculated by the Collector of Stamp Revenue and notified to HKSCC, HKSCC shall issue an EPI for each Stamp Duty Payment Request. Once the EPI is generated by HKSCC, the relevant details will be provided to the Collector of Stamp Revenue for information, and such stamp duty payment will be deemed to be paid by the Stamp Authorized Person that submitted the Stamp Duty Payment Request. The EPIs relating to Stamp Duty Payment Requests will be issued in accordance with Section 14 to the Designated Banks of the Participants concerned to effect payment to the Collector of Stamp Revenue and/or its agent. The relevant Designated Bank is required to issue a payment confirmation in accordance with Section 14.5.3 no later than 9:30 a.m. on the Business Day following the issuance of an EPI. Stamp Authorized Persons shall be responsible for checking and ensuring that they have sufficient funds in their General Purpose Designated Bank Account to fulfil any stamp duty payments, in addition to any other CCASS related money obligations.

Stamp Authorized Persons shall pay the money settlement fees for both the debit and credit EPIs issued by the HKSCC in relation to Stamp Duty Payment Requests.

In case there is any payment rejection of an EPI, HKSCC will notify and provide information in relation to the payment rejection to the Collector of Stamp Revenue.

12B.2.4 Purging of Stamp Duty Payment Requests

Any Stamp Duty Payment Request in the "pending status" shall be purged by HKSCC from CCASS at the end of the day on which such request is submitted. The purging of pending requests is initiated by HKSCC and not by Stamp Authorised Persons.

12B.3 HKSCC NOT RESPONSIBLE

Without limiting the generality of Chapter 21 of the Rules, HKSCC shall not be in any way responsible or liable in contract, tort or otherwise to a Participant, its clients or any other person for any act, omission, delay or failure on the part of HKSCC in connection with Stamp Duty Payment Requests and related payments. It is the responsibility of the Participant, its client or the relevant investor (as the case may be) to ensure that stamp duty, including any fine or penalty, in respect of a SI transaction is properly and timely paid to the Collector of Stamp Revenue.