

CCASS OPERATIONAL PROCEDURES**Section 9
Overview of Clearing and Settlement in CCASS****9.8 MONEY SETTLEMENT**

Each Participant must establish a General Purpose Designated Bank Account denominated in Hong Kong dollars with a Designated Bank for settlement of money obligations in respect of all its transactions in Eligible Securities in CCASS. Each Participant which wishes to settle money obligations in CCASS in an Eligible Currency other than Hong Kong dollars must maintain a Designated Bank Account in its own name and denominated in that Eligible Currency for the settlement of money obligations in CCASS. Each Participant must also authorise HKSCC to cause debits and credits to be made to its Designated Bank Account (or, if it has more than one, to each of them) for CCASS money settlement purposes.

**Section 10
Exchange Trades - CNS System****10.7 LATE DELIVERY : COMPULSORY STOCK BORROWING BY HKSCC****10.7.4 Batch Matching**

Each Compulsory Stock Borrowing Transaction shall remain outstanding until there is a redelivery or a payment of cash compensation in accordance with the Compulsory Stock Borrowing and Lending Regulations. For each day on which a Compulsory Stock Borrowing Transaction is outstanding, HKSCC will pay a Lender as the counterparty of the Compulsory Stock Borrowing Transaction a stock lending fee calculated at the annual percentage most recently announced by HKSCC via CCASS Terminals, Participant Gateways or circular divided by 365 and multiplied by the day-end nominal value (based on the stock price transmitted by the Exchange to HKSCC) of the borrowed securities under that Compulsory Stock Borrowing Transaction. For any day which is not a trading day, the last day-end nominal value (based on the stock price transmitted by the Exchange to HKSCC) of the borrowed securities under the Compulsory Stock Borrowing Transaction will be used. A one day stock lending fee will be paid if Eligible Securities are redelivered to the Lender on the same day on which the borrowed Eligible Securities are delivered to HKSCC. The fee is calculated and payable on a daily basis by DCI.

**Section 14
Money Settlement****14.2 DESIGNATED BANKS AND AUTHORISATION FORMS****14.2.1 Designated Bank Accounts**

For effecting CCASS money settlement, each Participant must maintain a General Purpose Designated Bank Account in its own name and denominated in Hong Kong dollars (which may be a current account or other account approved by HKSCC from time to time) with a Designated Bank. Each Participant which wishes to settle money obligations in CCASS in an Eligible Currency other than Hong Kong dollars must maintain a Designated Bank Account in its own name and denominated in that Eligible Currency for the settlement of money obligations in CCASS.

Section 21
Costs and Expenses

21.4 Repealed

21.7 OTHER MONEY SETTLEMENT FEES

- Money settlement fees for other miscellaneous amounts to be paid to or collected from Participants (eg. Marks, Contributions, application and refund monies under Electronic Application Instructions for New Issue Shares and Tender Instructions).

Note:

Fee debited on the day of money settlement.

HK\$1.20 for HKD items and HK\$3.50 for USD items for each DDI/DCI/EPI issued or each CPI settled by HKSCC

- Money settlement fee for Intra-day Payment Instruction.

HK\$12.80 for each Intra-day Payment Instruction issued by HKSCC.

Note:

Fee debited on the day of money settlement.

21.12 Repealed

Section 22
Tariff for Investor Participants

22.2 DEPOSITORY SERVICES

- Stock deposit fee for the deposits of certificates representing Eligible Securities into CCASS payable by Investor Participant.

NIL

Notes:

Stock deposit fee for initial/bulk deposit of eligible bearer Debt Securities will be nil.

Bearer debt securities will not be accepted for deposit into CCASS by Investor Participants except from the issuer or issuer's agent for initial issue.

- Stock withdrawal fee for registered Eligible Securities payable by Investor Participant.

HK\$3.50 per Board Lot, subject to a minimum fee of HK\$20 per withdrawal order. Odd lot also charged at HK\$3.50 each. Transfer deed stamp duty of HK\$5 for each certificate, if any, will be borne by the Investor Participant.

Notes:

Fee debited on the day of withdrawal.

Fee inclusive of the registration and transfer fee charged by HKSCC.

HKSCC may, on the written application of the Investor Participants, waive the registration and transfer fee included in the stock withdrawal fee levied on Investor Participants (who cease to participate in CCASS) due to business restructuring, cessation of business, liquidation or death of Participants (if an individual) to the extent that HKSCC has made such charge at the previous collection dates of the relevant Eligible Securities.

No waiver of the registration and transfer fee included in the stock withdrawal fee shall be allowed by HKSCC on any application by an Investor Participant if the Investor Participant has also applied for and HKSCC has granted the registration and transfer fee concession hereinafter mentioned as a result of such an application.

Fee not applicable to Eligible Securities which are Foreign Securities.

- Stock withdrawal fee for eligible bearer Debt Securities payable by Investor Participant.

HK\$100 per certificate, subject to a minimum fee of HK\$100 and maximum fee of HK\$3,000 per withdrawal order.

Notes:

Fee debited on the day of withdrawal.

Bearer debt securities withdrawn by Investor Participants are not allowed to be re-deposited into CCASS.

Fee not applicable to Debt Securities which are Foreign Securities.

- Stock withdrawal fee for other non-Eligible Securities or securities which have been discontinued as Eligible Securities, payable by Investor Participant.

HK\$1 per Board Lot for registered securities or HK\$1 per certificate for bearer securities, subject to a minimum fee of HK\$20 and maximum fee of HK\$3,000 per withdrawal order. Odd lot also charged at HK\$1 each.

Notes:

This may include uncertificated or delisted bearer securities.

Discontinued Eligible Securities by reason of delisting or expiry are also covered (e.g. expired warrants).

Fee debited on the day of withdrawal.

Fee not applicable to Foreign Securities.

- Stock withdrawal fee for securities entitlements which are non-Eligible Securities, payable by Investor Participant.

Notes:

Fee debited on the day of withdrawal.

Fee not applicable to Foreign Securities.

- Stock withdrawal fee for Foreign Securities.

Notes:

Fee debited on date of submission of instruction.

Fee applicable to the withdrawal of securities entitlements accruing from Foreign Securities which do not constitute Eligible Securities.

Out-of-pocket expenses incurred by HKSCC, if any, will be borne by the Investor Participant.

- Stock custody fee for the custody of securities representing registered securities held in CCASS payable by Investor Participant.

Notes:

Fee debited on the first day of the following calendar month.

For securities that have undergone automatic conversion (for share subdivisions or consolidations and stock conversions) in CCASS on the last Business Day of a month, the stock quantity balance and board lot before such automatic conversion will be used for calculation of the stock custody fee for that month.

Fee not applicable to Foreign Securities.

- Stock custody fee for the custody of securities in CCASS representing a) bearer Debt Securities, b) Exchange Fund Notes, c) Government Bonds, d) Specified Instruments and e) CMU Instruments payable by Investor Participant.

Notes:

Fee calculated on aggregate daily balance of nominal values of bearer Debt

HK\$1 per Board Lot for registered securities or HK\$1 per certificate for bearer securities, subject to a minimum fee of HK\$20 and maximum fee of HK\$3,000 per withdrawal order. Odd lot also charged at HK\$1 each.

HK\$600 per instruction.

HK\$0.012 per Board Lot subject to a minimum fee of HK\$20 per month and a maximum fee of HK\$3,000 per month per investor account. Odd lots also charged at HK\$0.012 each.

0.012% per annum on nominal values calculated on a daily basis, subject to a minimum fee of HK\$20 per month and a maximum fee of HK\$3,000 per month per investor account.

Securities, Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments in Investor Stock Account.

Fee debited on the first day of the following calendar month.

Fee not applicable to Foreign Securities.

- Stock maintenance fee for Foreign Securities.

HK\$0.25 per 100 shares. Odd lots also charged at HK\$0.25.

Notes:

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

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

Fee debited at end of each calendar month.

22.4 OTHER MONEY SETTLEMENT FEES

- Money settlement fees for other amounts to be paid to or collected from Investor Participants (e.g. warrants conversion, rights subscriptions, fees and application and refund monies under Electronic Application Instructions for New Issue Shares and Tender Instructions) payable by Investor Participant.

HK\$1.20 for HKD items and HK\$3.50 for USD items for each DDI/DCI/EPI issued or each CPI settled by HKSCC.

Notes:

Fee debited on the day of money settlement.

If the day end balance due for money settlement with HKSCC is less than HK\$10, the balance will be rolled over to the next day and no DDI/DCI will be issued on due date.

22.6 INVESTOR ACCOUNTS MAINTENANCE FEES

- Fee for opening, re-opening and closing of investor accounts payable by Investor Participants. NIL

Note:

A delinquent investor account holder (i.e. having unsettled money balance owing to HKSCC for more than 6 months) will be prohibited to open investor account either singly or jointly with others unless the Investor Participant has duly cleared and settled all amount owed to HKSCC.

- Fee for account maintenance and statement service payable by Investor Participant. NIL
- Fee for re-print of statements and reports by HKSCC payable by Investor Participant.

Note:

Fee debited on date of service.

HK\$10 per page for re-print of lost copies of statements and reports at Investor Participants' request, subject to a minimum fee of HK\$20 and a maximum fee of HK\$500 per request.