

HKSCC Operational Procedures

Definitions

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

“Treasury Shares”

has the same meaning as “treasury shares” in the Exchange’s Listing Rules or the GEM Listing Rules, as the case may be;

“Treasury Units”

has the same meaning as “treasury units” in the Exchange’s Listing Rules or the GEM Listing Rules, as the case may be;

Section 8
Nominee Services

8.2 GENERAL PRINCIPLES

8.2.1 Scope and procedures

The scope of and the manner in which nominee and similar services in respect of (a) Eligible Securities deposited into or otherwise held or recorded in CCASS, (b) Electronic Applications for New Issue Shares and other electronic applications for securities and (c) Tender Instructions that will be provided by HKSCC to Participants will be as determined by HKSCC from time to time.

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Although HKSCC intends to provide fairly comprehensive nominee services to Participants in relation to corporate actions or other matters affecting Eligible Securities to the extent commercially reasonable and practicable, nothing in this Section 8 should be regarded as creating in any way an obligation on the part of HKSCC to provide nominee or other services to Participants except as provided in the Rules. Notwithstanding anything to the contrary in the Rules, HKSCC shall not be obliged to provide any nominee or similar services in respect of Treasury Shares or Treasury Units whose rights and entitlements are excluded by an issuer and are held or recorded in any Stock Account of a Participant, as notified to HKSCC by the relevant issuer or its agent. The Participant shall separately hold Treasury Shares and/or Treasury Units in a segregated Stock Account if so instructed by the relevant issuer.

8.2.4 Entitlements of Participants

Generally, a Participant's entitlement will be determined by HKSCC by reference to its holding of the relevant Eligible Securities credited to its Stock Account as at the last registration day before book-close or record date (the entitlements of HKSCC or the Nominee being also determined by reference to the same date), such day being the last day on which transfers of Eligible Securities can be submitted for registration in order to qualify for the entitlement. If a Participant holds or will hold any Treasury Shares or Treasury Units whose rights and entitlements are excluded by an issuer in its Stock Account as at such last registration day before book-close or record date, the Participant shall promptly notify HKSCC and disclose the identity of the relevant issuer, the total number of Treasury Shares and/or Treasury Units so held and such other information as HKSCC may prescribe from time to time as soon as practicable after such last registration day before book-close or record date.

8.2.7 Time limits for instructions from Participants etc.

In relation to certain types of corporate actions or activities affecting Eligible Securities (other than Foreign Securities), HKSCC may also prescribe time-limits on Participants for the giving of instructions or the taking of relevant actions (e.g. putting HKSCC in funds). Unless otherwise stated, the time-limits and procedures for the different types of corporate actions or activities specified in this Section 8 are prescribed on the basis that the deadlines for such corporate actions or activities fall on a Business Day. If the prescribed time-limit or procedures for any such corporate action or activity will be different as a result of the deadline being a non-Business Day, Participants will be notified of the relevant time-limit and procedures (if any) by such means as HKSCC deems appropriate.

Failure by a Participant to observe such time-limits may result in it not receiving nominee services provided by HKSCC in relation to the corporate actions or activities concerned.

Once Participants give instructions to HKSCC, they will be under an obligation to ensure that they have the relevant number of Eligible Securities (in respect of which instructions have been given) in their Stock Accounts, other than the Stock Collateral Control Accounts and where the Participants are TSF CCASS Participants, other than their TSF Accounts, if the instructions require submission of Eligible Securities, and, as the case may be, place HKSCC in funds by the appropriate date to give effect to the instruction. Without limiting the generality of the above, to the extent an issuer has excluded any Treasury Shares or Treasury Units from any actions, transactions or other matters affecting an Eligible Security, no instruction shall be given by the Participant in respect of such Treasury Shares or Treasury Units in its Stock Account. Failure to observe this obligation may result in HKSCC not giving effect to such instructions or taking other appropriate actions including the taking of disciplinary action to redress the position.

Further, where a Participant gives instructions to HKSCC with respect to any actions, transactions or other matters affecting or relating to any Eligible Securities or New Issue Shares, such instructions may not be amended or revoked by the Participant at any time after the time-limit prescribed by HKSCC for the amendment or cancellation of such instructions or, in the case of electronic applications for the issue and redemption of Units, once such instructions have been accepted for processing and/or effected by HKSCC.

8.2.9 Repurchased securities

If a Participant holds any securities repurchased by an issuer which are not Treasury Shares or Treasury Units, the Participant shall withdraw such securities from CCASS.

If a Participant has not withdrawn any such repurchased securities from CCASS as at the last registration day before book-close or record date, the Participant shall promptly notify HKSCC and disclose the identity of the relevant issuer, the total number of repurchased securities so held and such other information as HKSCC may prescribe from time to time as soon as practicable after such last registration day before book-close or record date.

The Participant acknowledges that the relevant issuer may exclude such repurchased securities from any actions, transactions or other matters affecting or relating to its securities and HKSCC may cease to render services in respect of such repurchased securities.