

CCASS OPERATIONAL PROCEDURES

Definitions

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

“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;

“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 Equity Linked Instruments;

“Eligible Security”

means an issue of securities including but not limited to Foreign Securities, Debt Securities, Depositary Receipts, Structured Products, Exchange Fund Notes, Government Bonds, Specified Instruments, CMU Instruments and Units 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;

“Government Bonds”

means bonds which are (i) 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) and (ii) listed or to be listed on the Exchange;

“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;

“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);

“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;

**Section 1
Introduction**

1.3 MAIN CCASS SERVICES

The main services of CCASS are:

- (iv) nominee, clearing and settlement services in relation to issues of securities (including New Issues and issues of Units), such as receipt of and compliance with application instructions from Participants and the payment and receipt of refunds in respect of application moneys;
- (vi) nominee, clearing and settlement services in relation to issues of Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, such as receipt of and compliance with instructions from Participants to tender for Exchange Fund Notes or Specified Instruments or to apply for Government Bonds or CMU Instruments, and to pay moneys and receive refunds in respect of the tender or application (as the case may be);
- (vii) clearing and settlement services in relation to instructions to transfer Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments between Participants and (in the case of Exchange Fund Notes, Government Bonds and Specified Instruments) Recognized Dealers or (in the case of CMU Instruments) CMU Members;

**Section 5
Eligible Securities**

5.1 SECURITIES ACCEPTED AS ELIGIBLE SECURITIES

Eligible Securities include securities listed or admitted to trading on the Exchange. These may include :

- (vii) Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments;

Section 6
Operational and Service Schedule

6.2 DAILY PROCESSING AND SERVICE SCHEDULE

The daily processing and service schedule in CCASS below only sets out the available time of some CCASS events. For more details on service schedule and function availability in CCASS, please refer to CCASS Terminal User Guide for Participants.

Time	CCASS events
2:00 p.m.	<p>Third Batch-settlement-run.</p> <p>Deadline for submitting Transfer Instructions to HKSCC.</p> <p>Deadline for inputting Cash Prepayment Instructions with “CHATS” selected as the payment method.</p> <p>Deadline for submitting Tender Instructions to HKSCC in respect of an issue of Government Bonds or CMU Instruments whose application lists close on such day.</p>

Section 7
Depository and Related Services

7.10 EXCHANGE FUND NOTES, GOVERNMENT BONDS, SPECIFIED INSTRUMENTS AND CMU INSTRUMENTS

7.10.1 Custodian services in relation to Exchange Fund Notes and Government Bonds

Exchange Fund Notes and Government Bonds are scripless. They are held in computerized form by Recognized Dealers within the EFCS and are recorded in a Recognized Dealer’s CMU Account in book-entry form. HKSCC is a Recognized Dealer and maintains a CMU Account for the purpose of holding and settling transactions in Exchange Fund Notes and Government Bonds belonging to Participants. Physical deposit and physical withdrawal of Exchange Fund Notes and Government Bonds from the CCASS Depository are not available. Accordingly, Rules relating to physical deposit and withdrawal of securities are not applicable to Exchange Fund Notes and Government Bonds.

Exchange Fund Notes may be credited to and debited from a Participant's Stock Account as a result of (a) allocation following a tender for Exchange Fund Notes accepted by the HKMA, (b) clearing and settlement of transactions in Exchange Fund Notes effected on the Exchange, (c) clearing and settlement of Transfer Instructions and (d) the provision of any other CCASS services in relation to Exchange Fund Notes to the Participant.

Government Bonds may be credited to and debited from a Participant's Stock Account as a result of (a) allocation following an application for Government Bonds made

through HKSCC and accepted by the HKMA, (b) clearing and settlement of transactions in Government Bonds effected on the Exchange, (c) clearing and settlement of Transfer Instructions and (d) the provision of any other CCASS services in relation to Government Bonds to the Participant.

7.10.3 Legal title of Exchange Fund Notes and Government Bonds and interests in Specified Instruments and CMU Instruments

HKSCC has the legal title to Exchange Fund Notes and Government Bonds, and interest in Specified Instruments credited to its CMU Account. Save as otherwise provided in the Rules, HKSCC has no proprietary interests in those Exchange Fund Notes, Government Bonds and Specified Instruments to the extent that they are credited to the Stock Accounts of Participant.

Section 8 Nominee Services

8.2 GENERAL PRINCIPLES

8.2.2 HKSCC's role

HKSCC's role as provider of nominee services in relation to the four broad categories of corporate actions or activities affecting Eligible Securities and in relation to (a) Electronic Application Instructions for New Issue Shares, (b) Tender Instructions and (c) electronic applications for issue and redemption of Units can be summarised as follows:

- (vi) Tender Instructions: HKSCC's role will be to endeavour to obtain Tender Instructions from Participants and (a) to collect the moneys payable in respect of the tender or application by debiting the Participants' Money Ledgers, (b) to cause HKSCC or its nominee to tender or apply for Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments on their behalf, (c) to return moneys to the relevant Participants as soon as practicable if the tender or application is unsuccessful or partially successful and (d) upon allotment of the Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments, to cause them to be credited to the Stock Accounts of the relevant Participants; and

8.2.3 Scope of nominee services provided by HKSCC

Full nominee services will normally be provided by HKSCC in respect of the following types of corporate actions or activities :

- (xvi) bond, Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments redemption - Section 8.17;

8.3 CORPORATE ANNOUNCEMENT INFORMATION

8.3.1 Enquiry through CCASS Terminals or Participant Gateways or CCASS Phone System or CCASS Internet System

In the case of Electronic Application Instructions for New Issue Shares or corporate actions or activities affecting Eligible Securities which require or may require Participants to take steps in order to participate in such actions or activities via

CCASS, (e.g. voting, dividends, rights issues, etc.), if nominee services are to be provided, HKSCC will inform Participants other than Investor Participants via CCASS Terminals and Participant Gateways through the "Enquire Authorized EIPO Announcement" function (for Electronic Application Instructions for New Issue Shares) or the "Enquire Announcement Information" function (for corporate actions or activities affecting Eligible Securities) and, in the case of Investor Participants, via the CCASS Phone System and the CCASS Internet System. Investor Participants will be informed of any issue of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments available for tender or application via the CCASS Phone System and the CCASS Internet System whilst Participants other than Investor Participants can obtain such information via the "Enquire Authorized Tender Announcement" function of CCASS Terminals or Participant Gateways.

8.3.4 Entitlement Statement and activity statement

Other than the Book-Close Reminder and Corporate Action Reminder, the Entitlement Statement of Participants other than Investor Participants will in addition contain the following information :

- (v) details of receivables with respect to take-over offers, rights subscriptions and redemption of bonds, Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, etc; and

8.3.7 Information about Tender Instructions

- (i) Enquiry Function:

Information about Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments available for input of Tender Instructions in CCASS will be provided on the "Enquire Authorized Tender Announcement" screen of the main Participant menu. This is available to Participants (other than Investor Participants) via CCASS Terminals and Participant Gateways daily. For a detailed description of this screen, please see the CCASS Terminal User Guide.

- (ii) Information for Participants (other than Investor Participants):

The New Issues Entitlement Report for Participants (other than Investor Participants) has two sections relating to Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, the Reminder section and the Application section (Tendering).

The Reminder section (Tendering) contains a summary of all issues of Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments in respect of which Tender Instructions may be given. The following information on each issue of Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments will be shown:

- (a) stock code and stock name and/or ISIN;
- (b) application period;
- (c) tender date (the date on which HKSCC submits the Tender Instructions to the Issuer or its agent or arranger);

- (d) bid type (if applicable);
- (e) allotment date; and
- (f) refund date.

In respect of an issue of Exchange Fund Notes or Specified Instruments, the above information will usually be shown from four Business Days before the tender date as specified by the HKMA to one Business Day before the tender date. In respect of an issue of Government Bonds or CMU Instruments, such information will usually be shown from the commencement date of the subscription period as specified by the HKMA or Issuer (as the case may be) to the closing date of such subscription period.

The Application section (Tendering) contains information about allocation of Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments and refund of money in respect of unsuccessful or partially successful tenders or applications. For a detailed explanation of the New Issues Entitlement Report, please see the CCASS Terminal User Guide.

- (iii) Information for Investor Participants:

The Tender Allotment Result sub-section of the activity statement shows detailed information on the Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments issued and the refund of tender monies or application monies.

8.15 INTEREST PAYMENTS

8.15.1 Determination of interest

A Participant's entitlement to interest accruing to eligible Debt Securities will be determined by reference to the relevant eligible Debt Securities credited to its Stock Account at the date on which the entitlement of HKSCC (or the Nominee) is determined. This will normally be the last registration date set by the issuer. However, in the case of bearer securities, it will be the CCASS record date imposed by HKSCC and, in the case of Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, it will be one Business Day before the date on which interest is to be paid on them.

8.17 BOND, EXCHANGE FUND NOTES, GOVERNMENT BONDS, SPECIFIED INSTRUMENTS AND CMU INSTRUMENTS REDEMPTION

8.17.1 General

This section is concerned with (a) the redemption, either put or call in nature, of eligible Debt Securities such as bonds, (b) the redemption of Exchange Fund Notes, (c) the redemption of Specified Instruments, (d) the redemption of CMU Instruments, (e) the redemption of Government Bonds and (f) the distribution of the principal amount to Participants.

Bond redemption involves the surrendering of bond certificates in return for principal. The corporate activity can be effected at a bond's maturity, or at any time during its life cycle, according to the provisions stated in the issuing document.

The redemption of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments involves debiting them from the Participants' Stock Accounts and crediting the corresponding redemption amounts to the Participants' Money Ledgers. Redemption of Exchange Fund Notes or Government Bonds will occur on their maturity dates. Redemption of Specified Instruments or CMU Instruments will occur at or before their maturity dates, (and if before, either in whole or in part) in accordance with their terms and conditions.

8.17.4 Redemption of Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments

For redemption of Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, the following procedures will usually apply:

- (i) a Participant's redemption rights will be determined by reference to the relevant Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments credited to its Stock Account on the date on which the entitlement of HKSCC to redemption monies is determined (usually one Business Day before the maturity or other redemption date);
- (iii) on the date on which the entitlement of HKSCC to redemption monies is determined (usually one Business Day before the maturity or other redemption date, as the case may be), all the relevant Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments will be debited from Stock Accounts of the Participants concerned and the corresponding redemption monies will be recorded as receivable in the "Bond Redemption" sections of the Entitlement Statements of Participants other than Investor Participants;

8.19 TENDER INSTRUCTIONS FOR EXCHANGE FUND NOTES, GOVERNMENT BONDS, SPECIFIED INSTRUMENTS AND CMU INSTRUMENTS

8.19.1 A Participant may electronically instruct HKSCC to (a) tender for Exchange Fund Notes, Specified Instruments or apply for Government Bonds, CMU Instruments on its behalf and (b) arrange payment and, in the case of wholly or partially unsuccessful tenders or applications, refund of the tender money or application money. Refunds may also be made if the initial bid price for Exchange Fund Notes or Specified Instruments is greater than the final accepted price or when the application price of Government Bonds or CMU Instruments is greater than the subscription price.

Where Tender Instructions for Government Bonds or CMU Instruments are given, the Participant is deemed to have agreed with and confirmed to HKSCC the following:

- (i) Tender Instructions given by the Participant to HKSCC to apply for Government Bonds or CMU Instruments on its behalf must be for the minimum amount or one of the permitted multiple amounts specified in the terms and conditions of issue of Government Bonds or the CMU Instruments;
- (iv) (in the case of Government Bonds) the Participant declares that it has read the terms of the issue of the Government Bonds and all documents governing the issue of and application for the Government Bonds and agrees to be bound by them;

- (v) (in the case of CMU Instruments) the Participant declares that it has read the terms and conditions of the issue of the CMU Instruments, the terms and conditions and application procedures set out in the Prospectus and all documents governing the issue of and application for the CMU Instruments, and agrees to be bound by them;
- (vi) the Participant undertakes and agrees with HKSCC to accept the allocation to it of the Government Bonds or CMU Instruments applied for on its behalf or any lesser number allocated to it;
- (vii) the Participant undertakes to be bound by all market regulations that may be specified from time to time by the HKMA in relation to the Government Bonds or the Issuer in relation to the CMU Instruments and the provisions in the CMU Manual as referred to in Rule 703 and similar documents where applicable; and
- (viii) the Participant other than an Investor Participant agrees to check if any of its clients has made multiple applications and will reject as required under the terms and conditions of the issue of the Government Bonds or the CMU Instruments or any other document governing the issue of and application for the Government Bonds or the CMU Instruments.

8.19.2 Procedures

The following procedures will usually apply in relation to Tender Instructions for Government Bonds or CMU Instruments: -

- (iii) Participants other than Investor Participants can input Tender Instructions on any Business Day or Saturday (unless it is a public holiday) during the subscription period from 9:00 a.m. (if such day is the input commencement date) or 8:00 a.m. (if otherwise) to 7:00 p.m., Monday to Friday or 1:00 p.m. on a Saturday, except as mentioned below. Investor Participants can input Tender Instructions on an approximately 24 hours basis commencing from 9:00 a.m. on the input commencement date. The latest time for inputting Tender Instructions for Government Bonds and CMU Instruments is 2:00 p.m. on the closing date of the subscription period, or at such other period or time as specified in the terms of the issue of the Government Bonds or the Prospectus of the CMU Instruments;
- (v) based on the Tender Instructions of Participants, HKSCC will apply for Government Bonds or CMU Instruments on behalf of the Participants on the 2nd Business Day after the closing date of the subscription period or such other date and time as specified by the HKMA or the Issuer or its agent or arranger;
- (vi) upon receipt of the allotment results of any application for Government Bonds or CMU Instruments from the HKMA, the Issuer or its agent or arranger normally on the 3rd Business Day following the closing date of the subscription period, HKSCC will update the allotment result in CCASS at about 3:45 p.m. on the same day. HKSCC will refund excess application

moneys to the relevant Participants by DCI on the same day or as soon as practicable if the application is unsuccessful in whole or in part;

- (vii) where the application price is greater than the subscription price, HKSCC will refund application moneys to the relevant Participants on the date upon receipt of the allotment results or as soon as practicable. Where the application price is lower than the subscription price, the shortfall will be immediately due or payable by the relevant Participants to HKSCC and HKSCC will collect it from the relevant Participants by DDI on the date upon receipt of the allotment results or as soon as practicable. Unless otherwise agreed by HKSCC, interests in Government Bonds or CMU Instruments received by HKSCC will only pass to the relevant Participants after HKSCC is satisfied that it has received payment in full. Accordingly, until that time Participants may not transfer or otherwise deal with any of the Government Bonds or CMU Instruments. If a Participant does not pay any shortfall described above, without prejudice to any other rights HKSCC may have, HKSCC may but shall not be obliged to transfer to HKSCC's account and/or dispose (on or off the Exchange) of any or all Government Bonds or CMU Instruments allocated to the Participant and may apply the disposal proceeds to pay the amount due by the Participant to HKSCC together with interest for late payment and transaction costs. Any monies remaining after such application shall be refunded to the Participant. No Participant submitting an application for Government Bonds or CMU Instruments shall object on any grounds to the subscription price or its payment by HKSCC;
- (viii) upon receipt of the confirmation of the allotment of the Government Bonds or CMU Instruments to HKSCC by CMU, HKSCC will cause the Government Bonds or CMU Instruments to be credited to the Stock Accounts of the relevant Investor Participants and to the Entitlement Accounts of the relevant Participants other than Investor Participants at the end of the same day normally 4 Business Days following the closing date of the subscription period. Upon distribution of allocated Government Bonds or CMU Instruments by HKSCC, the Stock Movement Reports of the relevant Participants other than Investor Participants and the activity statements of the relevant Investor Participants will be updated;

8.19.3 Other procedures

HKSCC may agree with the HKMA, the Issuer or its agent the relevant procedures to be followed or observed by the Participants which may be different from and/or in addition to the procedures described in section 8.19.2 above. Participants will be advised of the applicable procedures to be followed/observed with respect to tendering for Exchange Fund Notes or Specified Instruments or application for Government Bonds or CMU Instruments on a case by case basis.

8.25 INTRA-DAY PAYMENT IN AN ELIGIBLE CURRENCY

8.25.1 Cash payments arising out of nominee services

Participants other than Investor Participants may request HKSCC to effect intra-day payment to the Participants of the following types of cash payments in an Eligible Currency arising out of nominee services on each Business Day:

- (vii) cash consideration under the redemption of bonds, Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments;

Section 9

Overview of Clearing and Settlement in CCASS

9.1 TRANSACTIONS ACCEPTED FOR SETTLEMENT IN CCASS

In brief, subject to the Rules, transactions in Eligible Securities accepted for settlement in CCASS will be (i) Exchange Trades between two Exchange Participants, or (ii) SI Transactions between any two Participants other than Investor Participants, or (iii) Clearing Agency Transactions between Clearing Agency Participants and Participants other than Investor Participants or, in the case of a GCP, including its NCPs or (iv) ISI Transactions involving Investor Participants, or (v) Compulsory Stock Borrowing Transactions between a Lender and HKSCC. Transfer Instructions to effect transfers of Exchange Fund Notes, Government Bonds or Specified Instruments between a Participant and a Recognized Dealer and Transfer Instructions to effect transfers of CMU Instruments between a Participant and a CMU Member are also accepted for settlement between CCASS and CMU. Cross-Border Transfer Instructions are accepted for settlement and/or clearance by HKSCC on a Free of Payment basis for the time being.

9.6 TRANSFER INSTRUCTIONS

A Participant must complete and submit a Transfer Instruction Form to HKSCC before a stipulated deadline on a Business Day to effect a transfer of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments between CCASS and CMU. Upon receipt of instructions, HKSCC will forward them to CMU. CCASS will update the Participant's Stock Account in CCASS by reference to the settlement results as advised by the CMU.

Section 12

Non-Exchange Trades - SI Transactions, Clearing Agency Transactions, ISI Transactions and Transfer Instructions

12.4 TRANSFER INSTRUCTIONS

12.4.1 Submission of Transfer Instructions

A Participant must complete a Transfer Instruction Form as set out in Appendix 4.21 and 4.22 (as appropriate) for each transfer of Exchange Fund Notes, Government Bonds or Specified Instruments between it and a Recognized Dealer and for each transfer of CMU Instruments between it and a CMU Member. Participants must submit the completed Transfer Instruction Form to HKSCC before 2:00 p.m. (or such other time as may be specified by HKSCC) on a Business Day if the transfer is to be effected in CMU on the same day. HKSCC reserves the right not to process any Transfer Instructions received after the deadline. In such circumstances, late Transfer Instructions will have to be re-submitted on the next Business Day.

A Participant that wishes to utilize Exchange Fund Notes, Government Bonds or Specified Instruments transferred from a Recognized Dealer's CMU Account or CMU Instruments transferred from a CMU Member's CMU Account to settle Exchange Trades and/or SIs must submit its Transfer Instructions to HKSCC at least one Business Day before the settlement day.

12.4.2 Settlement of Transfer Instructions in respect of which a Participant is to receive Exchange Fund Notes, Government Bonds or Specified Instruments from a Recognized Dealer or CMU Instruments from a CMU Member

Upon the receipt of the Transfer Instruction Form from a Participant, HKSCC will transmit the Transfer Instructions to CMU. If sufficient Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments (as the case may be) are available in the relevant CMU account of the counterparty to give effect to the Transfer Instructions, settlement of the Transfer Instructions will be executed in CMU immediately. If sufficient Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments (as the case may be) are not available in the relevant CMU account of the counterparty, the transaction will be processed at the end-of-day settlement processing by CMU starting from 3:30 p.m. Unsettled Transfer Instructions are purged by CMU at day end.

Upon receipt of settlement confirmation from CMU by HKSCC, HKSCC will cause the Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments (as the case may be) to be credited to the designated Stock Accounts of the relevant Participant. It will do this on the same day if the confirmation is received before 3:45 p.m. Otherwise, the crediting will be carried out in the morning session on the following Business Day. HKSCC will advise Participants whose Transfer Instructions are not settled. Participants will have to re-submit Transfer Instruction Forms to HKSCC in respect of unsettled Transfer Instructions.

12.4.3 Settlement of Transfer Instructions in respect of which a Participant is to deliver Exchange Fund Notes, Government Bonds or Specified Instruments to a Recognized Dealer or CMU Instruments to a CMU Member

Upon receipt of the Transfer Instruction Form from a Participant, HKSCC will check whether there are sufficient Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments (as the case may be) for delivery in the Participant's specified Stock Account before submitting the Transfer Instructions to CMU. If there are insufficient Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments (as the case may be), HKSCC will notify the Participant by phone. If there are sufficient Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments (as the case may be), HKSCC will debit the Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments in respect of the Transfer Instruction from the specified Stock Account of the Participant. HKSCC will then submit the Transfer Instructions to CMU for processing. Upon receipt of settlement confirmation from CMU, HKSCC will advise the Participant. Unsettled Transfer Instructions will be purged by CMU at day end. If HKSCC is advised before 3:45 p.m. that Transfer Instructions have not been settled in CMU, the Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments (as the case may be) debited from the Stock Accounts of the relevant Participants will be re-credited into their Stock Accounts by HKSCC on the same day. If HKSCC is so advised after 3:45 p.m., the re-crediting will be carried out in the morning session on the following Business Day. Participants will have to re-submit Transfer Instructions Forms to HKSCC in respect of unsettled Transfer Instructions if they wish HKSCC to process them.

Section 14
Money Settlement

14.3 INSTRUCTIONS BY HKSCC TO DESIGNATED BANKS

14.3.4 Amounts arising out of nominee services

The amounts to be debited or credited to Designated Bank Accounts of Participants in relation to nominee and similar transactions effected by HKSCC have been explained elsewhere (see Sections 8.7 to 8.21 and Section 8.25). In brief, they arise from the following types of corporate actions:

- (xi) for payment of tender monies or application monies in an Eligible Currency in respect of Tender Instructions, HKSCC will effect debit payments from the Participants' Designated Bank Accounts on the day which is two Business Days before the tender day of the relevant Exchange Fund Notes or Specified Instruments or on the closing date of the subscription period of relevant Government Bonds or CMU Instruments. Where the bids for Exchange Fund Notes or Specified Instruments are non-competitive and the initial bid price is lower than the final accepted price, HKSCC will effect debit payments for any shortfall of tender moneys from the relevant Participants' Designated Bank Accounts on the tender day. Where the application price is lower than the subscription price, HKSCC will effect debit payments for any shortfall of application moneys from the relevant Participants' Designated Bank Accounts on the date upon receipt of the allotment results. For refund of tender monies in respect of Tender Instructions for Exchange Fund Notes or Specified Instruments, HKSCC will effect credit payments to the Participants' Designated Bank Accounts on the day which is either one Business Day before the tender day if the HKMA or the relevant Issuer withdraws the tender invitation or if excess monies are to be refunded in respect of cancelled Tender Instructions and, in other cases, on the tender day or as soon as practicable. For refund of application monies in respect of Tender Instructions for Government Bonds or CMU Instruments, HKSCC will effect credit payments to the Participants' Designated Bank Accounts on the day the allotment result is received from the Issuer or its agent or arranger or one Business Day before the closing date if the relevant Issuer withdraws the offer or as soon as practicable;

Section 15
Enquiry Services

15.2 USE OF VARIOUS ENQUIRY FUNCTIONS AVAILABLE

The various enquiry functions that are available for access and the purpose of accessing each such function are set out below :

(i) Available to Participants other than Investor Participants:

- (ad) "Enquire Authorised Tender Announcement" function: to enquire about the details of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments in respect of which Tender Instructions may be given;

- (af) “Enquire Tender Result” function: to enquire about the results of tenders for Exchange Fund Notes or Specified Instruments or the results of applications for Government Bonds or CMU Instruments and about refunds;
- (ii) Available to Investor Participants via the CCASS Phone System:**
 - (i) “Tender Announcement Enquiry”: to enquire about the details of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments in respect of which Tender Instructions may be given;
 - (k) “Tender Result Enquiry”: to enquire about the details of results of tenders for Exchange Fund Notes, Specified Instruments or results of applications for Government Bonds or CMU Instruments and about refunds.
- (iii) Available to Investor Participants via the CCASS Internet System:**
 - (j) “Enquire Tender Announcement”: to enquire about the details of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments in respect of which Tender Instructions may be given;
 - (k) “Enquire Tender Instruction” function: to enquire about the details of Tender Instructions input by an Investor Participant on current day and the past 31 calendar days. When information is received from the issuer, the results of tenders for Exchange Fund Notes or Specified Instruments, the results of applications for Government Bonds or CMU Instruments and any refund information will also be provided via this function;

Section 17

Suspension of Services

17.2 TYPHOON

17.2.5 Nominee services

In relation to Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, if at any time before the deadline on the last day for inputting Tender Instructions by Participants, typhoon signal no. 8 or above is hoisted, the deadline for inputting such Tender Instructions may at the sole discretion of HKSCC be extended beyond the original deadline on that day. In such case, HKSCC shall notify Participants as to such extension through the Broadcast Message function via CCASS Terminals and Participant Gateways and through the CCASS Phone System and the CCASS Internet System.

In relation to corporate activities from which receivable items regarding interest accruing to Eligible Debt Securities (except Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments) will be generated, the following procedures will usually apply:

In relation to Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, if a typhoon signal no. 8 or above is hoisted at any time on the interest payment date or redemption date as specified by HKMA or the issuer of the Specified Instruments or the issuer of the CMU Instruments or the arranger of their issue (as the case may be), the payment of interest or, as the case may be, redemption monies plus interest will be made on the Business Day immediately succeeding the interest payment date or, as the case may be, redemption date which will then be deemed to be the interest payment date or redemption date, as the case may be. All subsequent interest payment and redemption dates for the issue will remain unchanged. Interest payable will, subject to its being so adjusted by the HKMA or the relevant issuer of the Specified Instruments or the relevant issuer of the CMU Instruments or the arranger of their issue (as the case may be), be adjusted to include interest accrued during the period from the originally expected date of payment to the actual date of payment.

17.3 “BLACK” RAINSTORM

17.3.5 Nominee services

If a black rainstorm warning is issued after 9:00 a.m., arrangements for tendering or application for, payment of interest on and redemption of Exchange Fund Notes, Government Bonds, Specified Instruments or CMU Instruments will proceed as usual. In the event of a black rainstorm warning being issued before 9:00 a.m., the procedures will follow those for typhoons as described above.

Section 21 Costs and Expenses

21.3A CLEARING AND SETTLEMENT OF TRANSFER INSTRUCTIONS

- | | |
|--|--|
| - Stock transfer fee for each TI relating to a transfer between a Participant and a Recognized Dealer or between a Participant and a CMU Member. | 0.002% of the gross value subject to a minimum fee of HK\$2 and maximum fee of HK\$100 |
|--|--|

Notes:

Gross value for Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments refers to their nominal value.

Fee debited on completion of the TI.

21.5 DEPOSITORY SERVICES

- 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. 0.012% per annum on nominal values calculated on a daily basis, subject to a maximum of HK\$300,000 per month per Participant.

Notes:

Fee calculated on aggregate daily balance of nominal values of bearer Debt Securities, Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments in Stock Accounts of each Participant.

Fee debited at end of each calendar month.

Fee not applicable to Foreign Securities.

21.6 NOMINEE SERVICES

- Handling fee for conversion, redemption and corporate actions of registered and bearer Debt Securities including Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments. HK\$30 per instruction/announcement

Notes:

Fee debited on input or event date.

Where there is automatic conversion or redemption of non-eligible registered or bearer Debt Securities including Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, the handling fee shall be payable.

Fee also applicable to Foreign Securities.

- Registration and transfer fee. HK\$1.50 per Board Lot on net increase in aggregate holdings in Board Lots of registered securities in balances in the Stock Accounts of a Participant since the date on which fee was last collected by HKSCC. Odd lots also charged at HK\$1.50 each.
- Notes:*
HKSCC may incur payments for re-registration of registered Eligible Securities as well as non-Eligible Securities and in relation to adjustments for entitlements in respect of late deliveries under the CNS System.
- NIL for Exchange Fund Notes, Government Bonds, Specified Instruments, CMU Instruments and Foreign Securities.

Section 22

Tariff for Investor Participants

22.1A CLEARING AND SETTLEMENT OF TI TRANSACTIONS

- Stock transfer fee for each TI relating to a transfer between an Investor Participant and a Recognized Dealer or between an Investor Participant and a CMU Member. 0.002% of the gross value subject to a minimum fee of HK\$2 and maximum fee of HK\$100.

Notes:
Gross value for Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments refers to their nominal value.

Fee debited on completion of the transfers.

22.2 DEPOSITORY SERVICES

- 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. 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.

Notes:
Fee calculated on aggregate daily balance of nominal values of bearer Debt 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.

22.3 NOMINEE SERVICES

- Handling fee for conversion, redemption and corporate actions of registered and bearer Debt Securities including Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, payable by Investor Participant.

HK\$30 per instruction / announcement

Notes:

Fee debited on affirmation by Investor Participant or event date.

Where there is automatic conversion or redemption of registered or bearer Debt Securities including Exchange Fund Notes, Government Bonds, Specified Instruments and CMU Instruments, the handling fee shall be payable.

Fee also applicable to Foreign Securities.

- Registration and transfer fee payable by Investor Participant.

HK\$1.50 per Board Lot on net increase in aggregate holdings in Board Lots of registered securities in balances in the Investor Stock Account since the date on which fee was last collected by HKSCC. Odd lots also charged at HK\$1.50 each.

Notes:

HKSCC may incur payments for re-registration of registered Eligible Securities as well as non-Eligible Securities and in relation to adjustments for entitlements in respect of late deliveries under the CNS System.

NIL for Exchange Fund Notes, Government Bonds, Specified Instruments, CMU Instruments and Foreign Securities.

Transfer Instruction Form

To : Hong Kong Securities Clearing Company Limited
 2/F Vicwood Plaza
 199 Des Voeux Road Central
 Hong Kong
 Attn: Depository Services (Fax No.: 2543-7910)

Instruction Date: _____

Dear Sirs,

**EXCHANGE FUND NOTES, GOVERNMENT BONDS, SPECIFIED INSTRUMENTS
 AND/OR CMU INSTRUMENTS
 RECEIVE FREE OF PAYMENT INSTRUCTION**

1. Please RECEIVE notes Free of Payment via CMU according to the following instruction for value on _____:			
DEBIT Counterparty (Account Code)	Beneficiary	Issue Number	Nominal Value (HK\$)
2. Please CREDIT my/our CCASS Stock Account Number _____ with the following holdings :			
Stock Code	Stock Name	Number of Units	

Participant ID : _____

Participant Name
(in block letters) : _____

Contact Person /
Telephone Number : _____

Fax Number : _____

 Authorized Signature of CCASS Participant
 (with Company Chop)

Note:

- Your instruction should reach us **Not Later Than 2:00 p.m.** for same day settlement.
- For Receive Free of Payment Instruction, your account will be credited upon receipt of EFN, Government Bonds, Specified Instruments and/or CMU Instruments from counterparty in CMU before 3:00 p.m. If EFN, Government Bonds, Specified Instruments and/or CMU Instruments are received after 3:00 p.m., your account will be credited on the next working day.
- Activities under CCASS are subject to the General Rules of CCASS and Operational Procedures and participant agreements in effect and any other relevant documents from time to time issued by HKSCC.

For Office Use Only					
Signature Verified	T. I. Input	T. I. Authorized	Account Updated	UML prepared / approved	Advice Issued

To : Hong Kong Securities Clearing Company Limited Instruction Date : _____
 2/F Vicwood Plaza
 199 Des Voeux Road Central
 Hong Kong
 Attn: Depository Services (Fax No.: 2543-7910)

Dear Sirs,

**EXCHANGE FUND NOTES, GOVERNMENT BONDS, SPECIFIED INSTRUMENTS
 AND/OR CMU INSTRUMENTS
 DELIVER FREE OF PAYMENT INSTRUCTION**

1. Please DEBIT my/our CCASS Stock Account Number _____ with the following holdings :			
Stock Code	Stock Name	Number of Units	
2. Please DELIVER notes Free of Payment via CMU according to the following instruction for value on _____ :			
CREDIT Counterparty (Account Code)	Beneficiary	Issue Number	Nominal Value (HK\$)

Participant ID : _____

Participant Name (in block letters) : _____

Contact Person / Telephone Number : _____

Authorized Signature of CCASS Participant
(with Company Chop)

Fax Number : _____

Note:

- Your instruction should reach us **Not Later Than 2:00 p.m.** for same day settlement.
- For Deliver Free of Payment, instruction will automatically lapse if the instruction is not settled in the CMU on the value day. You are obliged to submit a fresh instruction to us if you wish to settle the prescribed instruction on the next working day.
- Activities under CCASS are subject to the General Rules of CCASS and Operational Procedures and participant agreements in effect and any other relevant documents from time to time issued by HKSCC.

For Office Use Only					
Signature Verified	Account Updated	T. I. Input	T. I. Authorized	UML prepared / approved	Advice Issued