CCASS OPERATIONAL PROCEDURES

Definitions

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

"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;

Section 7
Depository and Related Services

7.13   PROCEDURES FOR TRANSFER OF MULTI-COUNTER ELIGIBLE SECURITIES

7.13.1   Submission of Multi-counter Transfer Instructions
A Participant other than an Investor Participant that wishes to effect a transfer of Multi-counter Eligible Securities in its Stock Accounts from one stock code of Multi-counter Eligible Securities of an Issuer to another stock code of Multi-counter Eligible Securities of the same Issuer should submit a Multi-counter Transfer Instruction to HKSCC electronically via the Participant's CCASS Terminal or through other means as specified by HKSCC from time to time. Participants are requested to refer to the CCASS Terminal User Guide for further information on the use of the relevant maintenance function.

An Investor Participant that wishes to effect a transfer of Multi-counter Eligible Securities in its Stock Account from one stock code of Multi-counter Eligible Securities of an Issuer to another stock code of Multi-counter Eligible Securities of the same Issuer should submit a duly completed and signed Multi-counter Transfer Instruction Form (as set out in the Operating Guide for Investor Participants) to HKSCC or through other means as HKSCC may specify from time to time. The Form, stamped with the company chop of the Investor Participant (if applicable), should be submitted to the Customer Service Centre of HKSCC for processing.

7.13.2   Relevant CCASS Report
A report recording both the Multi-counter Transfer Instructions and Parallel Trading Conversion Instructions submitted by Participants other than Investor Participants is available daily from the time the report download function is available. For further details regarding the report, please refer to the CCASS Terminal User Guide.

7.13A PROCEDURES FOR CONVERSION OF HOLDINGS OF ELIGIBLE SECURITIES SUBJECT TO PARALLEL TRADING ARRANGEMENTS

7.13A.1 Submission of Parallel Trading Conversion Instructions

In relation to an Eligible Security which is subject to parallel trading arrangements and which has been assigned with separate stock codes for this purpose, as referred to in Section 8.14, HKSCC may provide conversion service for the Eligible Security.

A Participant other than an Investor Participant that wishes to effect the conversion of its holdings in an Eligible Security subject to parallel trading arrangements in its Stock Accounts from one relevant stock code to another relevant stock code on a one to one basis should, during the period specified by HKSCC, submit a Parallel Trading Conversion Instruction to HKSCC electronically via the Participant's CCASS Terminal or through other means as specified by HKSCC from time to time. Participants are requested to refer to the CCASS Terminal User Guide for further information on the use of the relevant maintenance function.

7.13A.2 Relevant CCASS Report
A report recording both the Multi-counter Transfer Instructions and Parallel Trading Conversion Instructions submitted by Participants other than Investor Participants is available daily from the time when the report download function is available. For further details regarding the report, please refer to the CCASS Terminal User Guide.

7.14   UNCERTIFICATED ELIGIBLE SECURITIES

7.14.1 Custodian Services in relation to Uncertificated Eligible Securities
Where Uncertificated Eligible Securities of Participants are held through HKSCC in any manner, each Participant covenants, represents and warrants to HKSCC that:

(a)   it shall not raise any claims (whether in contract, tort or otherwise) against HKSCC arising from or relating to any form of tax, duty, fine or penalty imposed or levied on or in respect of the Uncertificated Eligible Securities under any applicable law or regulation, whether or not HKSCC is involved in any tax collection, withholding or related arrangement; and

Section 8
Nominee Services

8.14   SUB-DIVISIONS, CONSOLIDATIONS ETC.

8.14.1 General
Sections 8.14.2 to 8.14.5 describe the position where parallel trading arrangements are in place for sub-divisions, consolidations and stock conversions. Section 8.14.6 describes the position where there are no parallel trading arrangements.

Sections 8.14.8 and 8.14.9 describe the procedures in CCASS for handling changes in the trading currencies of Eligible Securities. Section 8.14.8 describes the position where parallel trading arrangements are in place. Section 8.14.9 describes the positions where there are no parallel trading arrangements.

8.14.2 Parallel trading

In the case of a sub-division, a consolidation or a stock conversion affecting Eligible Securities which are subject to parallel trading on the Exchange, typically, the following stages are involved :

(v)   parallel trading will cease when the temporary trading counter for the Temporary Shares is closed on the Exchange; and

(vi)   usually from the time of the effective date of a sub-division, a consolidation, or a stock conversion until some specified time after the end of the parallel trading period, holders of original certificates representing Old Shares (or Temporary Shares) will be able to exchange such certificates for new certificates representing New Shares free of charge.

The Old Shares, the Temporary Shares and the New Shares will all be assigned stock codes by the Exchange and typically, the final stock code assigned by the Exchange to the New Shares will be the same stock code originally used for the Old Shares. HKSCC will normally adopt the same stock codes used by the Exchange for CCASS purposes.

8.14.3 Procedures for automatic conversions under parallel trading

For the convenience of Participants, HKSCC will at stated times (determined by reference to the effective date of the sub-division, consolidation or stock conversion, or the relevant parallel trading arrangements) carry out automatic conversions of actual holdings or unsettled stock positions of Participants in CCASS, from Old Shares into Temporary Shares by reference to the stated ratio of the sub-division, consolidation or stock conversion, and from Temporary Shares into New Shares on a one to one basis. Outstanding Settlement Instructions and Investor Settlement Instructions will also be automatically converted in CCASS.

8.14.4 Conversions by instructions of Participants under parallel trading

Participants other than Investor Participants that wish to settle short positions in Temporary Shares or New Shares will have the flexibility of not relying on the automatic conversions referred to in Section 8.14.3(iii)-(iv) or to override such automatic conversions, by submitting a Parallel Trading Conversion Instruction to effect the conversions of their actual holdings (but not their unsettled stock positions) of Temporary Shares in one stock code into holdings of New Shares in another stock code (or vice versa) on a one to one basis in accordance with Section 7.13A.

8.14.5 Deposits and withdrawals

Unless otherwise approved by HKSCC, the deposits and withdrawals of original certificates representing Old Shares into or out of CCASS by Participants will not normally be accepted by HKSCC from two Settlement Days after the end of the relevant parallel trading period (where the Eligible Securities are subject to parallel trading arrangements) or the date from which the certificates of Old Shares will cease to be valid for delivery, trading and settlement purpose or otherwise as set forth in the issuer's circular, as the case may be. Participants will then have to submit such original certificates to the registrars of issuers of Eligible Securities to exchange them for certificates for the New Shares.

Save as mentioned and subject to availability, withdrawals by Participants of Old Shares, Temporary Shares and New Shares will be allowed at any time.

8.14.8 Change in the trading currency of Eligible Securities subject to parallel trading

Where there is a change in the trading currency of Eligible Securities and the Eligible Securities are subject to parallel trading on the Exchange, typically, automatic conversions will be carried out in CCASS as follows :

(i)   at the end of the first Settlement Day following the effective date of the change in trading currency (if the effective time of the corporate action is upon market open on the effective date) or the second Settlement Day following the effective date (if the effective time is upon market close), the actual holdings of Participants in shares valued in the original trading currency will be automatically converted in CCASS into holdings in a temporary counter valued in the new trading currency applying the relevant conversion ratio;

(ii)   at the end of the Settlement Day before the day on which parallel trading commences, the actual holdings of Participants in shares valued in the original trading currency will be automatically converted in CCASS into holdings in a temporary counter valued in the new trading currency applying the relevant conversion ratio; and

(iii)   at the end of the second Settlement Day following the last day of parallel trading, (a) the actual holdings of Participants in the temporary counter will be automatically converted into holdings of shares valued in the new trading currency and (b) any outstanding Settlement Instructions and Investor Settlement Instructions relating to the temporary counter will be automatically converted into corresponding instructions relating to shares valued in the new trading currency, in each case on a one to one basis.

The Participants will be advised of the relevant stages to be involved with respect to the parallel trading arrangements and the details of the automatic conversions on a case by case basis.

Normally, the holdings in shares valued in the original trading currency, the holdings in a temporary counter valued in the new trading currency and the holdings of shares valued in the new trading currency, as above referred to, will all be assigned stock codes by the Exchange and HKSCC will adopt the same stock codes for CCASS purposes.

Participants other than Investor Participants will have the flexibility of not relying on the automatic conversion referred to in Section 8.14.8(iii) or to override such automatic conversion, by submitting a Parallel Trading Conversion Instruction to effect the conversion of their actual holdings in a temporary counter valued in the new trading currency under one stock code into the holdings of shares valued in the new trading currency under another stock code (or vice versa) on a one to one basis in accordance with Section 7.13A of the Operational Procedures.

8.14.9   Change in the trading currency of Eligible Securities not subject to parallel trading

Where there is a change in the trading currency of Eligible Securities and the Eligible Securities are not subject to parallel trading arrangements, HKSCC will, at the end of the Business Day prior to the effective date of the change in trading currency (if the effective time of the corporate action is upon market open on the effective date) or at the end of the effective date (if the effective time is upon market close), automatically convert the actual holdings and stock lending positions of shares valued in the original trading currency into holdings or positions held under a temporary stock code valued in the original trading currency applying the relevant conversion ratio.

All unsettled CNS and IT stock positions and all outstanding Settlement Instructions and Investor Settlement Instructions will, from the end of the Business Day prior to the effective date or from the end of the effective date of the change in trading currency, as the case may be, be held under a temporary stock code (being one which is not a listed stock code). This will enable them to be settled in their original trading currency. In effect, this is only a change of stock codes. No withdrawal of shares held under the temporary stock code will be allowed by HKSCC.

At the end of the first or second Settlement Day following the effective date of the change in trading currency, as the case may be, actual holdings and stock lending positions under the temporary stock code valued in the original trading currency will be automatically converted in CCASS into shares or positions valued in the new trading currency on a one to one basis.

Participants other than Investor Participants that wish to settle outstanding SI / ISI relating to shares valued in the original trading currency with shares valued in the new trading currency or vice versa may submit to HKSCC a completed and signed form as prescribed by HKSCC from time to time.

Following each automatic conversion, Participants other than Investor Participants will be informed of the results through their CCASS Terminals and Participant Gateways and Investor Participants will be informed through activity statements despatched or transmitted via the internet to such Participants. Participants are expected to monitor such automatic conversions and inform HKSCC of any errors or discrepancies found in the statements.

8.24   FORMS

Samples of the various forms to be used in connection with the nominee services provided to Participants in the event that instructions cannot be sent via CCASS Terminals and/or Participant Gateways or to supplement such electronic instructions are set out in Appendix 3.

Participants can make photocopies of these forms for use if necessary.

Section 12

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

12.1   SI TRANSACTIONS (BETWEEN PARTICIPANTS (OTHER THAN INVESTOR PARTICIPANTS))

12.1.2   Input SIs

    (i)   Details of SIs
    The data input fields of an SI are:

    (a)   Instruction type (D - deliver, or R - receive);

    (b)   Counterparty code;

    (c)   Settlement date (this must be a Settlement Day);

    (d)   ISIN and/or Stock code;

    (e)   Quantity of Eligible Securities;

    (f)   Stock settlement account;

    (g)   Payment instruction (DVP - Delivery versus payment, or FOP - free of payment, or RDP - Realtime Delivery versus Payment);

    (h)   Money value (if DVP/RDP);

    (ha)   Settlement currency

(i)   Client account number;

(j)   Client name;

(k)   Purpose of SI (C - broker-custodian transaction, L - new stock borrowing/lending, P - stock pledging, M - portfolio movement, R - return/recall of stock borrowing/lending transaction);

(l)   DI required to initiate settlement (Y - yes or N - no);

(m)   Internal transaction reference;

(n)   SI linkage reference;

(o)   Remarks;

(p)   Hold Matched SI required to hold settlement of a matched SI (Y – yes or N – no); and

(q)   Processing reference.

Items (a) to (e), item (g), item (h) and, insofar as portfolio movement transactions are concerned, item (i) are mandatory input and matching fields.

In relation to item (f), Participants may input the delivering or receiving Stock Account for settlement of a SI. If item (f) is not input by the delivering or receiving Participant, the Stock Clearing Account of the Participant will be used to make or take delivery of Eligible Securities for the purpose of settlement of the SI Transaction. If a TSF CCASS Participant inputs a TSF Account for item (f), notwithstanding the fact that the SI may be matched in accordance with Section 12.1.3, settlement of the SI Transaction will only take effect if the counterparty of the related SI has also input a TSF Account for item (f).

In relation to item (h), Participants may elect to accept a predefined tolerance limit determined by HKSCC whereupon two related SIs inputted with different money values but within the tolerance limit may still be matched by CCASS.

Item (ha) is a matching field. If a Participant does not elect an Eligible Currency as the settlement currency for item (ha), the settlement currency for matching will be the currency for trading of the relevant Eligible Security on the Exchange.

Insofar as broker-custodian transactions are concerned, item (i) is a matching field if both delivering and receiving Participants have inputted a client account number. Insofar as portfolio movement transactions are concerned, item (i) is a mandatory input and matching field.

For SIs to effect stock borrowing or lending transactions or return or redelivery of borrowed securities, Participants may input the relevant information into item (k) which is not a mandatory input and matching field.

In relation to item (l), unless the delivering Participant selects otherwise, the input of a DI by the delivering Participant will not be required (i.e. the SI Transaction will be included in the next Batch-settlement-run).

Item (n) is not a mandatory input and matching field. A Participant wishing to apply the on-hold mechanism to the Eligible Securities received upon the settlement of a SI Transaction for the specific purpose of settling the obligation to deliver under another SI Transaction (with identical details in respect of stock code, settlement date and stock settlement account) to which the Participant is the delivering party is required to assign an identical SI linkage reference to both SIs when the Participant inputs the instructions into CCASS.

In relation to item (p), unless the Participant selects otherwise, settlement of the SI Transaction will not be put on hold after successful matching (i.e. the SI Transaction will be included in the next Batch-settlement-run or settled by the input of a DI by the delivering Participant after successful matching).

Participants have to include details of the mandatory input and matching fields in an SI. Otherwise, an SI will not be accepted for input into CCASS by HKSCC. HKSCC reserves the right to impose other requirements for SIs from time to time.

For internal record-keeping purposes, a Participant may incorporate additional information into SIs by using the relevant input fields.

12.1.5   SI Functions Available for Use

Various SI functions are available for use by Participants through their CCASS Terminals and Participant Gateways. To access the relevant SI, a Participant will need to key into its CCASS Terminal or Participant Gateway the SI Input Number of such SI.

At any time before matching, all data input fields of an SI may be changed by a Participant through the "Change SI" function. Once matched, the only input data of an SI which can be changed are the DI requirement field (see item (l) of Section 12.1.2(i)) through the "Change DI Requirement" function (see further Section 13.2.3), the Hold Matched SI requirement field (see item (p) of Section 12.1.2(i)) through the "Change Hold Matched SI" function and certain non-matching input fields, namely, the stock settlement account, client name, internal transaction reference, SI linkage reference, remarks and Processing reference fields (see items (f), (j), (m), (n), (o) and (q) of Section 12.1.2(i)) through the "Change Matched/Settled SI" function.

At any time before a matched SI is settled, either the delivering or the receiving Participant may revoke the SI with matched or matched on-hold status through the "Revoke Matched SI" function. In the case of a SI Transaction which is to be settled on a RDP basis, where Eligible Securities have been put on hold in the delivering Participant's Stock Account (i.e. the SI Transaction status is "Shares On-Hold"), only the receiving Participant is allowed to revoke the SI, and where the SI Transaction status has been updated to "Payment Validated", neither the delivering nor the receiving Participant is allowed to revoke the SI.

Participants should refer to the CCASS Terminal User Guide for further information on the SI functions available for use by Participants.

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:

(aw) "Enquire Deleted SI" function: to enquire about the details of current day deleted SIs;

(ax) "Enquire Nominee Payment (Evening) Standing Instruction" function: to enquire about the status and details of any Nominee Payment (Evening) Standing Instruction of a Participant; and

(ay) "Enquire Inter-counter Transfer/Conversion Instruction" function: to enquire about the status and details of any Multi-counter Transfer / Parallel Trading Conversion Instruction maintained on current day.

Section 16
Statements and Reports

16.6   REPORTS AND STATEMENTS FOR PARTICIPANTS

16.6.1   Reports and Statements for Participants other than Investor Participants

Report ID	Report name	Frequency	Time available
CCVTF01	Inter-counter Transfer/Conversion Instruction Activities Report	Daily	from the time when the report retrieval function is available (for previous day's processed Multi-counter Transfer Instructions and Parallel Trading Conversion Instructions)
CCVTF03	Multi-counter Transfer Instruction Batch Input Control Report	After each batch validation	shortly after completion of each batch validation run on uploaded files containing Multi-counter Transfer Instructions scheduled at around 9:15 a.m., 10:15 a.m., 12:30 p.m. and 2:30 p.m. (for status of Multi-counter Transfer Instruction batch uploads)
CSETF13	TSF Exception Handling Fee Report	Daily	from the time when the report retrieval function is available (for previous day's TSF exception handling fee)

Appendix 3.8   [Repealed]

STOCK SEGREGATED ACCOUNT MAINTENANCE FORM – WITHOUT STATEMENT

To: Customer Service Centre
    Hong Kong Securities Clearing Company Limited
    2/F Infinitus Plaza
    199 Des Voeux Road Central
    Hong Kong
    Fax: (852) 2590-7000   CCASS Hotline: (852) 2979-7111

                                           CCASS

From: _____   Participant ID _____
    (Full Name of Participant)

I.   MAINTENANCE REQUEST

[ ] A – Add   [ ] C – Change   [ ] D – Delete

II.   PARTICULARS

Effective Date: |__|__| / |__|__| / |__|__| [DD / MM / YY]

a)   For Add, Change (New) or Delete account, please specify:

STOCK A/C NO.   SHORTNAME

__	__		__	__	__	__	__	__	__	__	__	__	__	__	__	__	__	__	__	__
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b)   For Change of account, please specify old account details below:

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_____
Authorized Signature(s) of CCASS Participant
(with Company Chop)

FOR OFFICE USE ONLY			
Signature verified and diary updated by:	Inputted by:	Checked by:	Report checked by:
Date:	Date:	Date:	Date:

Note：Each participant is allowed to open up to 14 Stock Segregated Accounts without statement services. Some possible names for Stock A/C No. 03 to No. 16 may include "Dealing A/C", "Investment A/C"