

CCASS OPERATIONAL PROCEDURES

Definitions

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

“China Connect Market Operator”

has the same meaning as defined in the Exchange Rules;

“non-trade transfer”

means, in relation to China Connect Securities, a transfer which involves a change in the beneficial ownership of the China Connect Securities and which is not conducted through the relevant Trading Link and executed on the relevant China Connect Market;

Section 6

Operational and Service Schedule

6.2 DAILY PROCESSING AND SERVICE SCHEDULE FOR PARTICIPANTS OTHER THAN INVESTOR PARTICIPANTS

6.2.2 Daily Processing and Service Schedule in relation to China Connect Securities

Time	CCASS Event
6:00 p.m. (around)	Second session of ATI/STI maintenance/upload services commence

Section 8

Nominee Services

8.10 RIGHTS ISSUES BY ISSUERS OF ELIGIBLE SECURITIES (OTHER THAN CHINA CONNECT SECURITIES AND OTHER SCRIPLESS SECURITIES)

8.10.1 General

Implementation of rights issues by issuers of Eligible Securities may involve several different stages including the initial announcements, approval by holders of Eligible Securities (if necessary), etc. This Section is only concerned with the following aspects of a rights issue by an issuer of Eligible Securities other than China Connect Securities and other scripless securities:

8.10A RIGHTS ISSUES RELATING TO CHINA CONNECT SECURITIES, OTHER SCRIPLESS SECURITIES AND NON-ELIGIBLE SECURITIES

8.10A.1 General

From time to time, rights issues may be made by issuers of China Connect Securities, other scripless securities and non-Eligible Securities to holders of such securities to subscribe for new shares. Sections 8.10A.2 and 8.10A.3 are concerned with rights issues by issuers of China Connect Securities to Participants holding such China Connect Securities through HKSCC and Section 8.10A.4 is concerned with rights issues by issuers of other scripless securities or non-Eligible Securities.

8.10A.2 Determination of entitlements

A Participant's entitlement to subscribe for new shares under a rights issue by an issuer of China Connect Securities will normally be determined by reference to the relevant China Connect Securities credited to its Stock Account as at the date on which the entitlement of HKSCC is to be determined.

8.10A.3 Procedures

The following procedures will usually apply to a rights issue in respect of China Connect Securities:

- (i) on the relevant date on which entitlements of Participants are determined by HKSCC, the quantity of rights that the relevant Participants are entitled to subscribe under the rights issue will be recorded as a receivable item in the "Benefit Entitlement" section of their respective Entitlement Statements;
- (ii) upon the rights entitlements being unconditionally credited to HKSCC's stock account maintained with the relevant China Connect Clearing House at or before 6:00 p.m. on a Mainland Business Day, HKSCC will usually cause such entitlements to be credited to the Stock Accounts of the relevant Participants on the same day in multiple batches in accordance with Section 6.2.2. Otherwise, HKSCC will credit the entitlements on the following

Mainland Business Day;

- (iii) Participants other than Investor Participants wishing to subscribe for new shares under the rights issue through HKSCC must input their subscription instructions via their CCASS Terminals or Participant Gateways to HKSCC. In general, no excess applications will be available. The deadline for giving subscription instructions to HKSCC is normally 7:00 p.m. on the Business Day immediately preceding the deadline date imposed by the issuer. Upon acceptance and processing by HKSCC of the relevant instructions input by Participants other than Investor Participants, debit entries for the appropriate subscription money will be posted to the Participants' Money Ledgers and will be automatically charged to the Participants' Designated Bank Accounts on the same Business Day via DDIs. Participants may cancel their subscription instructions any time before such time limit;
- (iv) upon capture of the subscription instructions from the Participants concerned to subscribe for new shares under the rights issue, HKSCC will debit the rights from the Stock Accounts of the Participants on the same day, and the new shares under the rights issue applied for will be recorded as separate receivable items in the "Rights Subscription" section of the Entitlement Statements of those Participants;
- (v) in accordance with the instructions of Participants, HKSCC will subscribe for new shares under the rights issue;
- (vi) upon receipt of confirmation from the China Connect Clearing House that the rights shares have been unconditionally credited to HKSCC's stock account maintained with that China Connect Clearing House at or before 6:00 p.m. on a Mainland Business Day, HKSCC will usually cause such rights shares to be credited to the Stock Accounts of the relevant Participants on the same day in multiple batches in accordance with Section 6.2.2. Otherwise, HKSCC will credit the entitlements on the following Mainland Business Day;
- (vii) upon crediting of the rights shares by HKSCC to Participants' Stock Accounts, the Entitlement Statements of the relevant Participants will be updated accordingly.

8.10A.4 Other scripless securities and non-Eligible Securities

Where any subscription under a rights issue involves scripless securities (other than China Connect Securities) or non-Eligible Securities, such rights issue will be dealt with by HKSCC in the same way as described in Section 8.8.5 for scripless entitlements and other non-Eligible Securities entitlements where applicable.

8.11 OPEN OFFERS RELATING TO ELIGIBLE SECURITIES OTHER THAN CHINA CONNECT SECURITIES

8.11.1 General

There are many variations to open offers and open offers may involve several different stages, including the initial announcement and approval by existing holders of securities (if necessary). This Section is only concerned with the subscription by Participants of “new shares” under open offers relating to Eligible Securities other than China Connect Securities and the distribution of new shares under such open offers to Participants.

8.11A OPEN OFFER RELATING TO CHINA CONNECT SECURITIES

8.11A.1 General

From time to time, open offers may be made by issuers of China Connect Securities to holders of such securities to subscribe for new shares. Generally, the subscription period is comparatively short, lasting for just one Mainland Business Day, and the subscription day usually falls on the day immediately after the record date imposed by issuer to determine the entitlements of the existing shareholders, including HKSCC.

HKSCC shall endeavour to take action, but shall not be liable for not taking any action for Participants in connection with any open offer relating to China Connect Securities held by HKSCC for Participants in its account with the relevant China Connect Clearing House.

8.11A.2 Determination of entitlements

A Participant's entitlement to subscribe for new shares under an open offer by an issuer of China Connect Securities will normally be determined by reference to the relevant China Connect Securities credited to its Stock Account as at the date on which the entitlement of HKSCC is to be determined.

8.11A.3 Procedures

To facilitate Participants other than Investor Participants to subscribe for new shares under an open offer within the extremely tight time limit, HKSCC will accept manual subscription instructions from Participants, unless otherwise specified by HKSCC. The following procedures will usually apply:

- (i) upon the relevant announcement being made by the issuer, HKSCC will notify Participants of the arrangement via the Broadcast Message Service as soon as practicable;
- (ii) Participants other than Investor Participants may submit a duly completed Subscription of Open Offers Form (as set out in Appendix 3.4a) to HKSCC no later than the time limit prescribed by HKSCC on the subscription day

stipulated by the issuer, together with proof of payment (such as the bank pay-in slip with details of the relevant Participant, including its Participant ID the relevant stock code and the subscription money paid);

- (iii) upon receipt of the Subscription of Open Offers Form and proof of payment from a Participant before the prescribed time limit, HKSCC will subscribe for the offer shares in accordance with the instructions of the Participant;
- (iv) upon receipt of confirmation from the China Connect Clearing House that the offer shares have been unconditionally credited to HKSCC's stock account maintained with that China Connect Clearing House at or before 6:00 p.m. on a Mainland Business Day, HKSCC will usually cause such offer shares to be credited to the Stock Accounts of the relevant Participant on the same day in multiple batches in accordance with Section 6.2.2. Otherwise, HKSCC will credit the entitlements on the following Mainland Business Day;
- (v) upon crediting of the new shares by HKSCC to Participants' Stock Accounts, Participants will be informed via Broadcast Message Service on the same day and separate manual advice will be made available for collection by the relevant Participants on the following Business Day for reconciliation purpose.

Section 10

Exchange Trades - CNS System

10.9 LATE DELIVERY: ADJUSTMENTS FOR ENTITLEMENTS

10.9.8 Rights issues

In relation to rights issues (other than rights issues relating to China Connect Securities), the following procedures will usually apply:

10.9.9 Open Offers

In relation to open offers (other than open offers relating to China Connect Securities), the following procedures will usually apply:

Section 12

Non-Exchange Trades – SI Transactions, Clearing Agency Transactions, ISI Transactions, Transfer Instructions and Non-Trade Transfers in China Connect Securities

12.6 NON-TRADE TRANSFERS IN CHINA CONNECT SECURITIES

12.6.1 General

In accordance with the requirements of the relevant governmental, regulatory or competent authority, Participants shall not effect any non-trade transfer in China Connect Securities. Exceptions to such requirements are set out in Rule 4110(iii). Where stamp duty is payable in respect of such non-trade transfers under the laws of Mainland China, HKSCC will assist in the collection in accordance with the procedure set out in this Section or such other procedure as may be notified to Participants and published on the HKEx website.

12.6.2 Procedure

A Participant who wishes HKSCC to submit the relevant stamp duty payable on a non-trade transfer to the relevant China Connect Clearing House for onward delivery to the relevant tax authority of Mainland China for the Participant or a client of the Participant must complete and submit to HKSCC a Non-Trade Transfer in China Connect Security Stamp Duty Declaration Form (see CCASS Terminal User Guide for Participants for the form), together with such supporting documents as may be specified by HKSCC. If a duly completed and signed form, together with the required supporting documents (if any) is received by HKSCC before 3:45 p.m. (or such other time as may be specified by HKSCC) on a Business Day, HKSCC will issue a debit entry of the stamp duty amount specified in the form (in RMB) to the Miscellaneous Account of the Participant's Money Ledger to be settled against the Participant's Designated Bank Account on the same day. The Participant must therefore maintain a Designated Bank Account in RMB for this purpose. Once HKSCC is satisfied that it has received from the Participant the required amount of payment, it will transmit the form, together with any required supporting documents and the relevant stamp duty payment to the relevant China Connect Clearing House. Upon receipt of the confirmation and stamp duty receipt from the relevant China Connect Clearing House, HKSCC will advise the Participant for collection of the stamp duty receipt.

12.6.3 HKSCC not responsible

HKSCC will not in any way be 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 or the relevant China Connect Clearing House in connection with the stamp duty payment collection, processing or other procedure relating to non-trade transfers in China Connect Securities. 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 non-trade transfer is properly and timely paid to the relevant tax authority of Mainland China.

Subscription of Open Offers Form
(For China Connect Securities only)

Nominees Section
Hong Kong Securities Clearing Company Limited (“HKSCC”)
Units 2505-6, 25/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong
Fax no.: 2815 2728

Date : _____

Dear Sirs,

Re: Open Offer for new shares of _____ (Company Name)
(Stock Code : _____) at _____ / _____ (currency / subscription price) per share

Please act on our behalf in respect of our holding as follows:-

Open Offer

Take up _____ new shares in respect of our entitlement under the Open Offer by reference to our holding as at _____ (record date). We will credit good funds of _____ / _____ (currency / amount) into the bank account of HKSCC Nominees Limited in accordance with HKSCC’s instructions.

We understand and acknowledge that:

- (1) *this form should reach HKSCC no later than the close of the subscription period as specified by HKSCC;*
- (2) *if HKSCC does not receive this form by the stated deadline, HKSCC is entitled (but not bound) to take such actions with respect to our entitlement as it may consider fit;*
- (3) *the new shares being taken up does not exceed our entitlement under the open offer; and*
- (4) *our request and instructions will only be effected or accepted by HKSCC subject to the General Rules of CCASS and the CCASS Operational Procedures as are in force from time to time.*

Authorized Signature of CCASS Participant
(with Company Chop)

Participant ID : _____
Name (in block letter) : _____
CCASS Stock A/C# : _____
Contact Tel No : _____
Contact Person : _____