

CCASS OPERATIONAL PROCEDURES

Section 21

Costs and Expenses

21.16 DEFAULT FEE FOR LATE DELIVERY UNDER THE CNS SYSTEM

- Fee for failure to settle CNS short stock position on the due date (i.e., T+2)

Notes:

Fee will be debited by DDI on T+2.

In respect of short stock position of which HKSCC has granted an exemption from a Buy-in, fee will be refunded by DCI on T+3 except that where an exemption is granted under Section 10.8.3(v), (x) and (xii) in respect of failed delivery being due to a Participant's clerical error or calculation error, fee may not be refunded at the discretion of HKSCC. However, fee may be debited again if an exemption is granted but delivery of sufficient Eligible Securities is not made on T+3.

Fee may be revised by HKSCC from time to time.

0.50% multiplied by the market value (based upon the closing price quoted on the Exchange on the due date) of the corresponding short stock position, subject to a maximum fee of HK\$100,000 for each corresponding short stock position.