

CCASS OPERATIONAL PROCEDURES

Definitions

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

"Non-Clearing Participant" or "NCP"

means: (i) an Exchange Participant; or (ii) a registered institution registered to carry on Type 1 regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) registered as a general clearing participant of The SEHK Options Clearing House Limited which, in either case, is not a Clearing Participant;

Section 19

Financial and Accounting Requirements

19.2.3 Information and returns

All GCPs which are not Exchange Participants, Clearing Agency Participants, Custodian Participants, Stock Lender Participants and Stock Pledgee Participants are required to submit to HKSCC their audited accounts as soon as they are available.

Further, HKSCC may by notice in writing from time to time require a Participant to supply to HKSCC information and to file returns in respect of matters relating to its use of the services and facilities of CCASS or for risk management purposes. Participants shall supply to HKSCC the required information or file the required returns in such manner and within such time period as may be specified by HKSCC.

In addition, all GCPs which are registered institutions under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) are required to submit the following to HKSCC:

- (i) audited financial statements and audited consolidated financial statements, including balance sheet and profit and loss accounts, with the auditor's report drawn up in accordance with applicable law and accounting standards within 120 days of the end of the GCP's fiscal year;
- (ii) quarterly balance sheet and profit and loss statements that are signed by authorized signatory or signatories of such GCP, drawn up in accordance with applicable law and accounting standards, within 30 days of its quarter-end date, together with evidence of signing authority and specimen signatures. Save and except for any changes made to a GCP's list of authorized signatory(ies), a

GCP is only required to provide evidence of signing authority and specimen signatures for the first time its quarterly balance sheet and profit and loss statements are delivered to HKSCC;

- (iii) copies of all financial returns made by a GCP to its regulator as soon as reasonably practicable following such returns having been submitted to the relevant regulator; and
- (iv) such financial or other relevant information which relates to the GCP's clearing activities or its exposure to general and financial risks, in addition to what is required by this Section 19.2.3, as may be requested by HKSCC at its reasonable discretion from time to time.