

Rules of the Exchange

CHAPTER 1

INTERPRETATION

101. In these Rules, unless the context otherwise requires:-

“Binding Period” means a period (as may be renewed under Rule 364B(1C)(b)) which may be notified by the Exchange to Exchange Participants and for which an Exchange Participant which has successfully applied for a Dealing Desk undertakes to use the Dealing Desk and to pay the monthly user fee for it;

CHAPTER 3

EXCHANGE PARTICIPANTSHIP

- 364B (1C) (a) An Exchange Participant which has applied for the use of a Dealing Desk under Rule 364B(1A) undertakes and agrees with the Exchange to accept any Dealing Desk assigned, re-assigned, allocated or re-allocated to it by the Exchange and to use and pay the monthly user fee for the Dealing Desk for the whole of the Binding Period subject to Rule 364B(1D)(b) unless otherwise determined by the Exchange. In the event that the applying Exchange Participant transfers the relevant Stock Exchange Trading Right after the application, the proposed transferee or Exchange Participant to which the relevant Stock Exchange Trading Right is transferred shall assume all the rights and obligations of the applying Exchange Participant in respect of the application, the relinquishment of Seat and the use of the Dealing Desk subject to these Rules unless otherwise determined by the Exchange.
- (b) At any time prior to the expiry of any prevailing Binding Period, the Exchange may by notice to Exchange Participants renew the Binding Period for such period and on such terms as it may specify. In the event that an Exchange Participant does not wish to renew its use of a Dealing Desk, it may, prior to such date as may be specified, apply to the Exchange for either one of the following:
- (i) installation of an additional AMS terminal; or
 - (ii) an increase in the throughput rate of an order into the System through an Open Gateway of the Exchange Participant.
- 364C (1) Any Dealing Desk that may from time to time become available due to the cessation of Exchange Participantship of an Exchange Participant, the non-renewal of a Binding Period by an Exchange Participant or otherwise may be assigned, re-assigned, allocated or re-allocated by the Exchange to such Exchange Participant based on such criteria and on such terms and conditions as the Board thinks fit.

Without prejudice to the right of the Exchange to assign, re-assign, allocate or re-allocate as aforesaid, the Exchange may from time to time notify Exchange Participants of the availability of any such Dealing Desks and Exchange Participants may apply for the use of such Dealing Desks before such date and on such terms as may be specified by the Exchange.

- (2) An Exchange Participant whose application for the use of a Dealing Desk under Rule 364C(1) is granted by the Exchange undertakes and agrees with the Exchange to accept any Dealing Desk assigned, re-assigned, allocated or re-allocated to it by the Exchange, comply with such terms and conditions as the Board shall from time to time prescribe, and pay the monthly user fee for such Dealing Desk for the whole of the Binding Period, unless otherwise determined by the Exchange.
- (3) The right of an Exchange Participant to use any Dealing Desk assigned, re-assigned, allocated or re-allocated by the Exchange under this Rule 364C shall be non-transferable and non-assignable, irrespective of any transfer of Stock Exchange Trading Right by the Exchange Participant.

CHAPTER 8

PAYMENT OF FEES AND CHARGES

802. Without limitation to the generality of Rule 801 above, the Board may impose fees and charges in respect of:-

<u>Fee Type</u>	<u>Amount (HK\$)</u>
(16) monthly user fee for:	
(o) Dealing Desk;	6,500 for each Dealing Desk