

# The Stock Exchange of Hong Kong Limited

## Practice Note 8

to the Rules Governing the Listing of Securities  
(the "Exchange Listing Rules")

Issued pursuant to rule 1.06 of the Exchange Listing Rules

### INTRODUCTION OF CCASS AND EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING A TYPHOON AND/OR A BLACK RAINSTORM WARNING

#### 1. Definitions

Terms used in this Practice Note which are defined or interpreted in the Exchange Listing Rules shall have the same meaning as in the Exchange Listing Rules.

In this Practice Note, the following terms, save where the context otherwise requires, have the following meanings:

"Broker Participant" means a Participant admitted to participate in CCASS as a Broker Participant;

"CCASS" means the Central Clearing and Settlement System established and operated by HKSCC;

"HKSCC" means the Hong Kong Securities Clearing Company Limited including, where the context so requires, its agents, nominees, representatives, officers and employees;

"Participant" means a person admitted for the time being by HKSCC as a participant of CCASS.

#### 2. Introduction

With the implementation of CCASS the Exchange wishes to maintain the status quo as much as possible with respect to the distribution of shareholder communications by listed issuers. In addition, the Exchange wishes to ensure that investors in securities which have been designated by the HKSCC as eligible for deposit and settlement in CCASS are informed where they may obtain information regarding the effects of CCASS on dealings in those securities on the Exchange. This is to minimise disruptions to the market and to make the transition to CCASS for listed issuers and other market participants as smooth as possible. With the implementation of CCASS, it is also necessary to formalise the emergency share registration arrangements which will apply when a typhoon and/or a black rainstorm warning affects an ex-date or book-close date. At present ~~the standard form Listing Agreements set out in Parts A, B, H and I of Appendix 7 of the Exchange Listing Rules~~ and where applicable, the listing agreements specify that where a listed issuer changes its book close date due to exceptional circumstances, such as a typhoon, it shall notify the Exchange in writing and publish a notice in the newspapers as soon as practicable. With the implementation of the arrangements set out below, a listed issuer will only be required to notify the Exchange and make a further announcement where a change is made to the dividend payment date and/or the book closure period is extended.

#### 3. The Exchange's New Requirements

- (1) As from the date when a security issued by a listed issuer has been designated by the HKSCC as eligible for deposit and settlement in CCASS:
- a) an issuer incorporated or otherwise established in Hong Kong, outside Hong Kong or the PRC (other than authorised Collective Investment Schemes) which has signed a Part A, Part B or Part I Listing Agreement shall forward to each Participant, other than a Broker Participant, regardless of whether the Participant is a member of the issuer, one copy of each of the documents referred to in paragraph 21(1) of its Listing Agreement rule 13.54 which relates to those eligible securities, at the same time as they are despatched to the holders of those securities with registered addresses in Hong Kong. Wherever practicable an issuer should provide a Participant with such reasonable number of additional copies of these documents as the Participant requests in advance and undertakes to forward to its bona fide clients who have a beneficial interest in those eligible securities; and
  - b) an issuer shall include in every listing document issued by it which relates to those eligible securities a statement to the effect that dealings in those securities may be settled through CCASS and that investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

*Note: HKSCC will provide listed issuers with up to date lists of Participants other than Broker Participants.*

## **(2) Emergency Share Registration Arrangements During a Typhoon**

*Note: For the purposes of this paragraph 3(2) and the Table set out in Appendix A to this Practice Note only:-*

- (i) *references to "normal business hours" in respect of a Share Registrar means at least 9.30 am to 4 pm; and*
- (ii) *references to "trading day" shall have the same meaning as in the Rules of the Exchange.*

With the implementation of CCASS the Exchange has switched to a T+2 settlement system under which securities will trade ex-entitlement (an "ex-date") for two trading days prior to the advertised date on which a listed issuer's transfer books or register of members is to be closed (the "book-close date") preceding a record date; the two trading days prior to the book-close date being referred to in this Practice Note as the first and second ex-date, respectively. A typhoon occurring on either of the two ex-dates may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a typhoon the following arrangements will apply:

- (a) Where the No. 8 signal or above is hoisted or remains hoisted between 9 am and 12 noon on either the first or second ex-date and is not lowered at or before 12 noon on the relevant ex-date:-
  - i) the last time for accepting shares for registration shall be deferred to the next business day during normal business hours for each ex-date affected; and
  - ii) the book-close date shall be automatically postponed by the number of ex-dates affected;
- (b) Where the No. 8 signal or above is hoisted or remains hoisted between 12 noon and 3 pm on either the first or second ex-date:-

- i) the last time for accepting shares for registration shall be deferred to the next business day during normal business hours for each ex-date affected; and
  - ii) the book-close date shall be automatically postponed by the number of ex-dates affected;
- (c) Where the No. 8 signal or above is hoisted between 3 pm and 4 pm on the first ex-date, no changes will be made to the timetable for accepting shares for registration in respect of the reduced business hours on such ex-date;
- (d) Where the No. 8 signal or above is hoisted between 3 pm and 4 pm on the second ex-date but lowered at or before 9 am on the next business day:-
  - i) the last time for accepting shares for registration shall be deferred to 12 noon on the next business day; and
  - ii) if the original book-close date is not a business day, the book-close date shall be automatically postponed to the next business day;
- (e) Where the No. 8 signal or above is hoisted between 3 pm and 4 pm on the second ex-date but lowered after 9 am but at or before 12 noon on the next business day:-
  - i) the last time for accepting shares for registration shall be deferred to 5 pm on the next business day; and
  - ii) if the original book-close date is not a business day, the book-close date shall be automatically postponed to the next business day;
- (f) Where the No. 8 signal or above is hoisted between 3 pm and 4 pm on the second ex-date but not lowered until after 12 noon on the next business day:-
  - i) the last time for accepting shares for registration shall be deferred to 12 noon on the following business day; and
  - ii) the book-close date shall be automatically postponed to such date;
- (g) Where the No. 8 signal is lowered at or before 12 noon on the first ex-date, no changes will be made in respect of the time for accepting shares for registration or the book-close date in respect of the reduced business hours on such ex-date. On the other hand, where the No. 8 signal is lowered at or before 12 noon on the second ex-date, the time for accepting shares for registration shall be deferred to at least 5 pm on the same day but no change will automatically be made to the book-close date;
- (h) In each of the above cases, listed issuers may alter the stated book-closure period in accordance with any delays made to the book-close date so that the book-closure period remains the same;
- (i) Listed issuers shall not be required to notify the Exchange or make any announcements with respect to changes made to the ex-dates or the book-close date in accordance with this Practice Note. All investors and practitioners should be aware of these emergency share registration arrangements as any subsequent announcement given of date changes after a typhoon is not likely to assist them. On the other hand, if the deferments referred to above affect the dividend payment date or the end of the book-closure period, a listed issuer must notify the Exchange in writing and publish in the newspapers a notice of the new

dividend payment date and any extension in the book-closure period as soon as practicable;

- (j) Where any of the events referred to in sub-paragraphs (a) - (g) above occur on any deferred ex-dates or on a postponed book-close date, the same arrangements will apply mutatis mutandis;
- (k) Listed issuers are required to ensure that where a book-close date is automatically altered by virtue of these arrangements any reference to such date in a resolution, listing document, announcement or circular to shareholders will include such altered date.

For clarity, the proposed arrangements have been set out in tabular form and are attached hereto as Appendix A.

### **(3) Emergency Share Registration Arrangements During a Black Rainstorm Warning**

*Note: For the purposes of this paragraph 3(3) and the Table set out in Appendix B to this Practice Note only:-*

- (i) references to "normal business hours" in respect of a Share Registrar means at least 9.30 am to 4 pm; and
- (ii) references to "trading day" shall have the same meaning as in the Rules of the Exchange.

With the implementation of CCASS the Exchange has switched to a T+2 settlement system under which securities will trade ex-entitlement (an "ex-date") for two trading days prior to the advertised date on which a listed issuer's transfer books or register of members is to be closed (the "book-close date") preceding a record date; the two trading days prior to the book-close date being referred to in this Practice Note as the first and second ex-date respectively. A black rainstorm warning occurring on either of the two ex-dates may affect the ability of the purchaser to effect registration in time. Accordingly, in the event of a black rainstorm warning the following arrangements will apply:-

- (a) Where a black rainstorm warning is issued before 10 am and remains in effect at 12 noon:-
  - i) the last time for accepting shares for registration shall be deferred to the next business day during normal business hours for each ex-date affected; and
  - ii) the book-close date shall be automatically postponed by the number of ex-dates affected;
- (b) Where a black rainstorm warning issued before 10 am is discontinued at or before 12 noon on either the first or second ex-date, the time for accepting shares for registration shall be deferred to 5 pm on the same day but no change will automatically be made to the book-close date;
- (c) Where a black rainstorm warning is issued after 10 am, no changes will be made in respect of the time for accepting shares for registration or the book-close date as the share registrar will open to the public as normal;
- (d) In any of the above cases (if applicable), listed issuers may alter the stated book-closure period in accordance with any delays made to the book-close date so that the book-closure period remains the same;

- (e) Listed issuers shall not be required to notify the Exchange or make any announcements with respect to changes made to the ex-dates or the book-close date in accordance with this Practice Note. All investors and practitioners should be aware of these emergency share registration arrangements as any subsequent announcement given of date changes after a black rainstorm warning is not likely to assist them. On the other hand, if the deferrals referred to above affect the dividend payment date or the end of the book-closure period, a listed issuer must notify the Exchange in writing and publish in the newspapers a notice of the new dividend payment date and any extension in the book-closure period as soon as practicable.
- (f) Where any of the events referred to in sub-paragraphs (a)-(c) above occur on any deferred ex-dates or on a postponed book-close date, the same arrangements will apply mutatis mutandis.
- (g) Listed issuers are required to ensure that where a book-close date is automatically altered by virtue of these arrangements any reference to such date in a resolution, listing document, announcement or circular to shareholders will include such altered date.

For clarity, the proposed arrangements have been set out in tabular form and are attached hereto as Appendix B.

- 4. This Practice Note takes effect from 17th May, 1994.

Hong Kong, 17th May, 1994

Revised on 8th August, 2000

Revised on 31st March, 2004

**APPENDIX A TO PRACTICE NOTE 8  
EMERGENCY SHARE REGISTRATION ARRANGEMENTS FOR T + 2  
SETTLEMENT SYSTEM**

Event	Ex-entitlement Day (Ex-Date)	Typhoon Approach/Retreat		Registrar	Book-Close Date	Closure Period for Transfer Books or Register of Members	Announcements Required
		Time	Status of Signal	Time for Accepting Shares for Registration			
1	First	9 am – 12 noon	No. 8 Signal or higher is hoisted or remains hoisted and is not lowered at or before 12 noon	For each ex-date affected defer to the next business day (normal business hours)	Automatically postponed by number of ex-dates affected	The book-closure period may be extended in accordance with the delay to the book-close date so that the book-closure period remains the same	No announcements required unless:- i) the payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or ii) the book-closure period is extended, in both cases the listed issuer must notify the Exchange in writing and publish in the newspapers notice of such change as soon as practicable.
2	Second						
3	First	12 noon – 3 pm	No. 8 Signal or higher is hoisted or remains hoisted during this period				
4	Second						
5	First	3 pm – 4 pm	No. 8 Signal or higher is hoisted	No. deferment on first ex-date	No change	No change	No announcement required

Event	Ex-entitlement Day (Ex-Date)	Typhoon Approach/Retreat		Registrar	Book-Close Date	Closure Period for Transfer Books or Register of Members	Announcements Required
		Time	Status of Signal	Time for Accepting Shares for Registration			
6	Second	3 pm –4 pm	No. 8 Signal or higher is hoisted but lowered at or before 9 am on the next business day	Defer to 12 noon on the next business day	If the original book- close date is a business day – no change. Otherwise postponed to the next business day	The book-closure period may be extended in accordance with the delay to the book-close date so that the book-closure period remains the same	No announcements required unless:- iii) the payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or iv) the book-closure period is extended, in both cases the listed issuer must notify the Exchange in writing and publish in the newspapers notice of such change as soon as practicable.
7.	Second	3 pm –4 pm	No. 8 Signed or higher is hoisted but lowered after 9 am but at or before 12 noon on the next business day	Defer to 5 pm on the next business day	If the original book-close date is a business day – no change. Otherwise postponed to the next business day		
8	Second	3 pm – 4 pm	No. 8 Signal or higher is hoisted but not lowered until after 12 noon on the next business day	Defer to 12 noon on the business day following the next business day ("B day")	Automatically postponed to B day		

Event	Ex-entitlement Day (Ex-Date)	Typhoon Approach/Retreat		Registrar	Book-Close Date	Closure Period for Transfer Books or Register of Members	Announcements Required
		Time	Status of Signal	Time for Accepting Shares for Registration			
9	First	At or before 12 noon	No. 8 Signal is lowered	No deferment	No change	No change	No announcement required
10	Second	At or before 12 noon	No. 8 Signal is lowered	Extension to 5 pm			

N.B.: Where any of the above events happen on deferred ex-dates or on a postponed book-close date the relevant arrangements set out above will apply mutatis mutandis.

**APPENDIX B TO PRACTICE NOTE 8  
EMERGENCY SHARE REGISTRATION ARRANGEMENTS DURING A BLACK RAINSTORM WARNING**

Event	Ex-entitlement Day (Ex-Date)	Issue/discontinuation of a Black Rainstorm Warning		Registrar	Book-Close Date	Closure Period for Transfer Books or Register of Members	Announcements Required
		Time	Status	Time for Accepting Shares for Registration			
1	First	Before 10 am	A Black Rainstorm Warning is issued and remains in effect at 12noon	For each ex-date affected defer to the next business day (normal business hours)	Automatically postponed by number of ex-dates affected	The book-closure period may be extended in accordance with the delay to the book-close date so that the book-closure period remains the same	No announcements required unless:- i) the payment date is also deferred, in which case an announcement of the new payment date must be made by the listed issuer; or ii) the book-closure period is extended, in both cases the listed issuer must notify the Exchange in writing and publish in the newspapers notice of such change as soon as practicable.
2	Second						
3	First	Before 10 am	A Black Rainstorm Warning issued before 10 am but discontinued at or prior to 12 noon	Extension to 5 pm on the same day	No change	No change	No announcement required
4	Second						
5	First	After 10 am	A Black Rainstorm Warning issued after 10 am	No change	No change	No change	No announcement required
6	Second						

N.B.: Where any of the above events happen on deferred ex-dates or on a postponed book-close date the relevant arrangements set out above will apply mutatis mutandis.