

### 3. Description of Services

#### 3.1 Enquire Stock Account Movement

Investors as SSA Statement Recipients can online enquire the stock movements of SSAs with Statement Service via the CCASS Internet System. It provides 31 calendar days' stock movements (including current day).

Stock movements may be due to different reasons. There are 19 stock movement types applicable to SSA with Statement Service:

- AT -- Mass STI, refers to the mass transfer of shares from the clearing account of his/her broker/custodian<sup>1</sup> to a SSA with Statement Service
- CC -- share consolidation
- CH -- shareholding removal, e.g., after delisting of a stock
- CR -- stock code conversion
- CS -- share splitting
- RD -- redemption, refers to share debit when a redemption instruction is input against the SSA with Statement Service (e.g., bond redemption)
- SN -- Continuous Net Settlement (CNS) position settlement, refers to share debit when a broker used the shares in the SSA with Statement Service to settle a CNS position in CCASS
- SO -- Investor Settlement Instruction (ISI (without affirmation)) position settlement, refers to the share transfer between the SSA with Statement Service and an Investor Account in CCASS
- SP -- Investor Settlement Instruction (ISI (with affirmation)) position settlement, refers to the share transfer between the SSA with Statement Service and an Investor Account in CCASS
- SS -- Settlement Instruction (SI) position settlement, refers to the share transfer between the SSA with Statement Service and a stock account of another broker/custodian in CCASS
- ST -- Isolated Trade settlement, refers to the share debit when a broker used shares in the SSA with Statement Service to settle an IT position in CCASS
- SU -- Investor Settlement Instruction (ISI) position unwind, refers to share credit when shares originally delivered to an Investor Account are returned due to unsettled fund
- TO -- Stock Segregated Account Transfer Instruction (STI (without affirmation)), refers to the share transfer between the SSA with Statement Service and another stock account of his/her broker/custodian through an STI (without affirmation)
- TW -- Stock Segregated Account Transfer Instruction (STI (with affirmation)), refers to the share transfer between the SSA with Statement Service and another stock account of his/her broker/custodian through an STI (with affirmation)
- WD -- counter deposit, refers to the share credit when share certificates are deposited into the SSA with Statement Service
- WJ -- counter adjustment, refers to share debit when problem is found with the share certificates previously deposited into the SSA with Statement Service
- WT -- inter-depository transfer instructions, refers to the share transfer between CCASS and another depository, e.g. transfer Exchange Fund Notes to an account in the Central Money Market Unit of the Hong Kong Monetary Authority
- WU -- underlying stock settlement of Exchange Traded Fund (ETF), refers to the share credit or debit of the underlying stocks of an ETF into/from the SSA with Statement Service after the input of a redemption or creation instruction against the SSA with Statement Service
- WW -- counter withdrawal, refers to the debiting of shares when share certificates are withdrawn from the SSA with Statement Service

<sup>1</sup> Broker(s) / custodian(s) which is/are CCASS Participant(s)

### **3.2 Enquire Stock Account Balance**

Investors as SSA Statement Recipients can online enquire about the stock balances of SSAs with Statement Service via the CCASS Internet System.

*To enquire Stock Account Balance via the CCASS Internet System :*

**Select ‘Enquire Stock Account Balance’ hyperlink from the Main Menu**



**View the Details**

### **3.3 Statements**

HKSCC provides Stock Segregated Account Activity Statements and Stock Segregated Account Monthly Balance Statements to investors who have been named by their brokers/custodians, for SSAs with Statement Service (SSA Statement Recipients). Through their brokers/custodians, investors as SSA Statement Recipients can choose to have English, Traditional Chinese or Simplified Chinese statements, and also select to receive the activity statements and/or monthly statements by mail. All SSA Statement Recipients can enquire the most recent 12 monthly statements and last 31 calendar days' activity statements via the CCASS Internet System.

#### **3.3.1 Stock Segregated Account Activity Statement**

Whenever there are stock movements in a SSA with Statement Service, a Stock Segregated Account Activity Statement will be generated at day end. Such statement will be sent to the SSA Statement Recipient (who selected to receive activity statement by mail) on the following business day. If there are stock movements on a Saturday, the movements will be reflected in the Stock Segregated Account Activity Statement generated on the first business day of the following week. No Stock Segregated Account Activity Statement will be generated on public holiday.

The activity statement will also show the Payment Summary, Affirm STI Activity, Voting Activity, Voting Reminder and Broadcast Message from HKSCC.

#### **3.3.2 Stock Segregated Account Monthly Balance Statement**

Monthly Balance Statement is generated at the end of each month. It records all stock movements of the SSA with Statement Service of the month, stock balances as of the statement date and the Broadcast Message from HKSCC. Such statement will be sent to the SSA Statement Recipient (who selected to receive monthly statement by mail) on the first business day of next month.

#### **3.3.3 Statement Re-print Procedure**

SSA Statement Recipients who want to request HKSCC to re-print their historical SSA statements should approach their brokers/custodians. The process normally takes 5 working days.

#### **3.3.4 Notification of Account Details**

In case there is change in the profile of a SSA with Statement Service (including change of address or designated bank account, or reset CCASS Primary password, etc.), a notification letter will be issued to the SSA Statement Recipient. SMS and/or email alert will also be sent to the SSA Statement Recipient who has selected to receive SMS and/or email alert.

### **3.4 Corporate Communications**

HKSCC can arrange for the direct distribution of corporate communications, such as notices and annual reports issued by the listed issuers to investors as SSA Statement Recipients. HKSCC will pass the names and addresses of the SSA Statement Recipients to the share registrars to facilitate their mailing of such corporate communications to the SSA Statement Recipients.

Investors as SSA Statement Recipients should inform their brokers/custodians whether they choose to receive corporate communications when they open the SSAs with Statement Service. SSA Statement Recipients can change their decision at anytime after account opening through their appointed brokers/custodians.

### 3.5 Short Message Services (SMS) and Email

Through their brokers/custodians, investors as SSA Statement Recipients can choose to receive from HKSCC alert messages via their mobile phones and/or email accounts when there are stock movements / STI reminder / voting notification / Issuer Announcement (via email only) in the SSAs with Statement Service. SSA Statement Recipients who have elected to receive alert messages via their mobile phones also need to register the SMS service with their mobile carriers.

SSA Statement Recipients can choose to receive:

- a) English, Traditional Chinese or Simplified Chinese messages;
- b) Either SMS or email alert messages, or both; and
- c) Alert messages for one or more than one of the following options:
  - Share debit movements;
  - Share credit movements;
  - Stock Segregated Account transfer instruction (STI);
  - Voting notification;
  - Issuer Announcement (via email only)

SSA Statement Recipients who have subscribed to the service will receive alert messages on the following 15 types of stock movements (please refer to section 3.1 above for detailed elaboration):

- AT -- Mass STI
- CH -- Shareholding removal
- SN -- Continuous Net Settlement (CNS) position settlement
- SO -- Investor Settlement Instruction (ISI (without affirmation)) position settlement
- SP -- Investor Settlement Instruction (ISI (with affirmation)) position settlement
- SS -- Settlement Instruction (SI) position settlement
- ST -- Isolated Trade settlement
- SU -- Investor Settlement Instruction (ISI) position unwind
- TO -- Stock segregated account Transfer Instruction (STI (without affirmation))
- TW -- Stock segregated account Transfer Instruction (STI (with affirmation))
- WD -- Counter deposit
- WJ -- Counter adjustment
- WT -- Inter-depository transfer instructions
- WU -- Underlying stock settlement of Exchange Traded Fund (ETF)
- WW -- Counter withdrawal

The alert messages are sent out according to the following schedule:

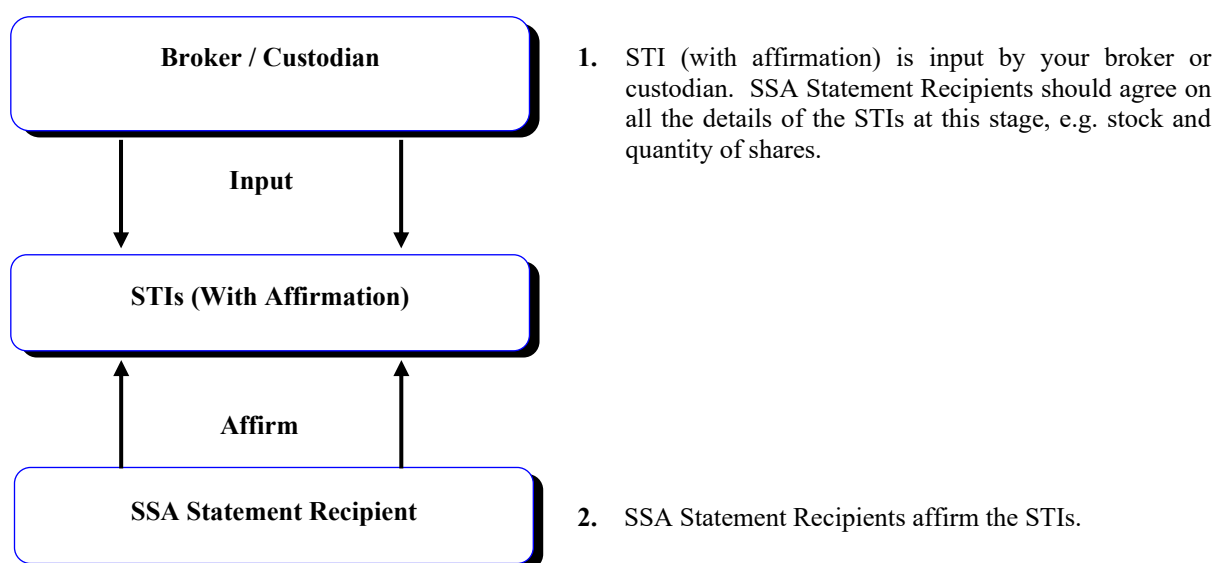
Alert Transaction	Day	Time
Stock Movement Transactions - Debit	Monday - Friday	09:30 - 20:30 (run every 15 mins)
Stock Movement Transactions - Credit	Monday - Friday	09:30 - 20:30 (run every 15 mins)
Stock Segregated Account Transfer Instruction (STI)	Monday - Friday	09:30 - 19:00 (run every 15 mins)
Voting Notification	Monday - Saturday	After 19:00 for Monday to Friday After 13:00 for Saturday
Issuer Announcement	Monday - Friday	At around 08:15, 09:45, 13:45, 17:15, 18:45, 20:00 and 22:00

**Important Notes :**

- All the SMS and Email alert messages sent by HKSCC are one-way transmission only and SSA Statement Recipients should not reply to such SMS messages and Email.
- SSA Statement Recipients should inform their brokers/custodians to update the profile of SSA with Statement Service if there is any change of mobile phone number, mobile carrier, or Email account.
- SSA Statement Recipients who have changed their mobile carriers and want to continue receive alert messages from HKSCC should subscribe the SMS service from their new mobile carriers.
- The SMS alert message service is currently supported by mobile carrier 1010. SSA Statement Recipients who have subscribed to the services of this mobile carrier will be able to enjoy the SMS alert message service provided by HKSCC.
- By terminating the subscription, SSA Statement Recipients will not receive any SMS and/or Email alert message from HKSCC thereafter.
- Email alert messages for Issuer Announcement will be sent to those SSA Statement Recipients which, at the close of previous day (excluding Sunday and public holiday), had holdings of the stock of which issuer announcement has been published on HKEX website.

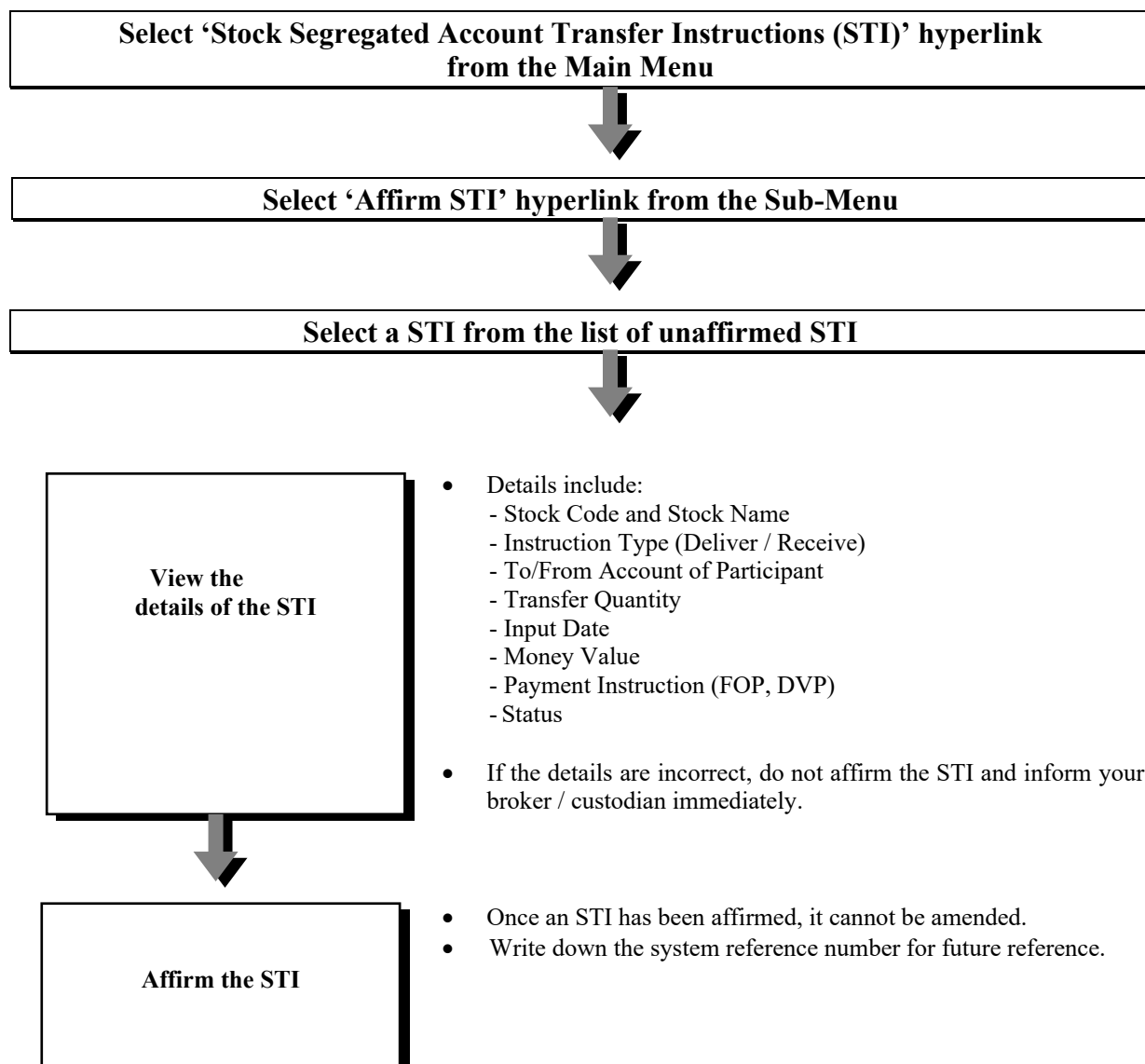
### 3.6 Stock Segregated Account Transfer Instruction (STI)

Stock Segregated Account Transfer Instructions (STIs) are used to initiate book-entry movements of Eligible Securities in CCASS between an SSA with Statement Service and its other Stock Accounts of a broker/custodian. There are 2 types of STI, namely STI (with affirmation) and STI (without affirmation). Both STI (with affirmation) and STI (without affirmation) are initiated by the broker/custodian of the SSA with Statement Service. SSA Statement Recipients can select to affirm STIs according to their selected choice. They should notify their brokers or custodians if they wish to affirm STI.



The eligible stock can be transferred via STI on a 'Free of Payment' (FOP) or 'Delivery versus Payment' (DVP) basis. An SSA Designated Bank Account in the name of an SSA Statement Recipient must be setup in advance in CCASS by his/her broker/custodian if the SSA Statement Recipient wishes to receive the fund via DVP STI.

*To affirm STI (with Affirmation) via CCASS Internet System :*





### **3.6.1 Money Settlement for STIs**

Both STI (without Affirmation) and STI (with Affirmation) can be input with either one of the following payment methods for money settlement:

- A. Free of Payment (FOP) - Money Settlement to Take Place Outside CCASS
- B. Delivery versus Payment (DVP)

#### *A. Free of Payment (FOP) – Money Settlement to Take Place Outside CCASS*

- Money settlement is taken place outside CCASS and HKSCC is not involved.
- SSA Statement Recipients should arrange with their brokers / custodians for money settlement outside CCASS (if required).

#### *B. Delivery versus Payment (DVP)*

- Only applicable to the STI with the SSA with Statement Service as the stock delivering party and the money receiving party must be the SSA with Statement Service
- Shares will be delivered from an SSA with Statement Service to the receiving broker/custodian before money settlement.
- Funds will then be credited to the SSA with Statement Service's designated bank account through the overnight interbank clearing process upon the shares are transferred on a business day.
- As Electronic Payment Instructions (EPIs) are generated after the shares are transferred, SSA Statement Recipients must monitor the receipt of payments when they are the delivering parties in the STI transactions.

#### **Important Notes :**

- SSA Statement Recipients are suggested to listen to the details carefully when they are affirming the STIs in order to comply with all the above conditions. HKSCC will not entertain any subsequent change and refund requests due to the erroneous input of STI by your broker or custodian.

## 3.6.2 Status of STIs

STIs can be in various statuses depending on which stage of the process they are up to. The status is very important as it indicates whether the shares have been transferred or not.

Status	Meaning
<b>Unaffirmed</b>	The STI (with affirmation) is input successfully by a broker/custodian and has not been affirmed by the SSA Statement Recipient.
<b>Pending for Transfer</b>	<p>The STI (without affirmation) is input successfully by a broker/custodian or STI (with Affirmation) is affirmed successfully by the SSA Statement Recipient, but relevant shares have not yet been transferred either because:</p> <ol style="list-style-type: none"> <li>1. the delivering party does not have sufficient shares; or</li> <li>2. the STI is re-applied by the system at around 07:00 on a business day; or</li> <li>3. DVP STI is affirmed by the SSA Statement Recipient between 15:45 and 19:00 from Monday to Friday.</li> </ol> <p>In the above cases, CCASS will process the STI in the next batch transfer run until the shares of the STI are transferred, the time of the batch transfer run are around 09:15, 10:00, 12:45, 15:30, 17:00 (for FOP STI only) and 20:00 (for FOP STI only) on a business day</p> <p>The un-transferred STI will be purged 14 calendar days from the affirmed date for STI (with affirmation) or input date for STI (without affirmation).</p>
<b>Pending for Processing</b>	<p>The STI is affirmed by the Statement Recipient during the following period:</p> <ol style="list-style-type: none"> <li>1. 00:00 to 07:00# and 19:00 to 00:00 from Monday to Friday; or</li> <li>2. Saturday, Sunday and public holiday.</li> </ol> <p>The STI input during the above period is only captured by the system and will be processed on next business day (at around 07:00). SSA Statement Recipients are advised to check against the Enquire STI function if such STI is accepted by HKSCC after 07:30 on next business day.</p> <p>Upon STI is processed on next business day (at around 07:00), the STI status will be changed to "Pending for Transfer". CCASS will process the stock and money settlement during the batch transfer run on the same day.</p>
<b>Transferred</b>	The stock of STI has been transferred successfully.

# HKSCC will process the system maintenance job from 05:00 to 06:00, Monday to Saturday and public holiday and from 00:00 to 07:00 on Sunday. During the period, there will be no service provided.

### Important Notes :

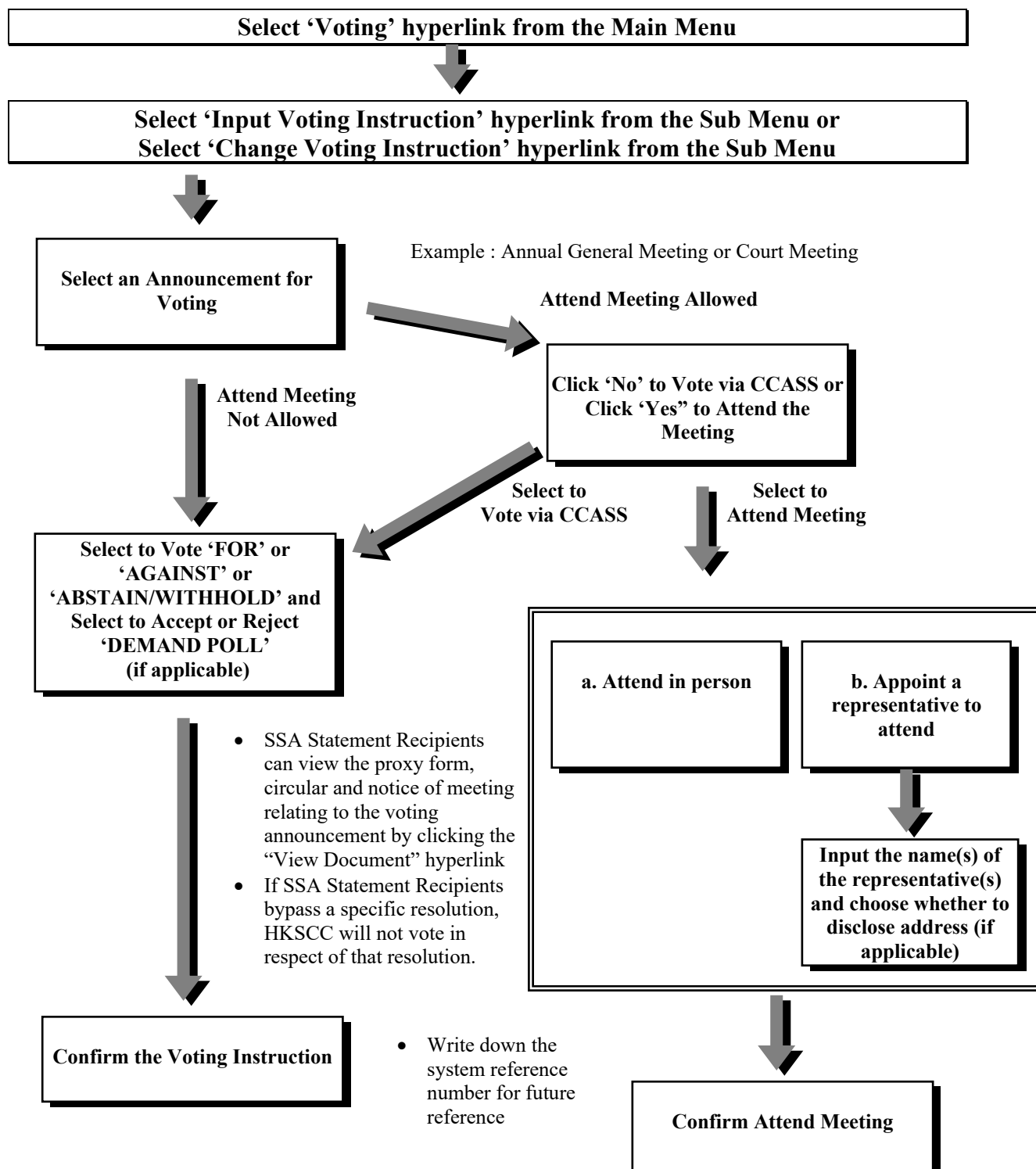
- SSA Statement Recipients should check the status of the STIs after affirmation through the Online Enquiry function.
- SSA Statement Recipients should also check their stock balance to ensure successful transfer through the Online Enquiry function.
- STIs that are not affirmed or transferred within 14 calendar days will be purged by the system.

- If there is corporate action conversion (e.g. Consolidation / Splitting) to the associated stock of an ‘Unaffirmed’ / ‘Pending for Transfer’ STI, the STI will be purged by the system on the day of the corporate action.
- The shares of the STI (with affirmation) will be transferred *immediately* upon affirmation if *all* of the following conditions are fulfilled:
  1. (a) the DVP STI is affirmed between 09:30 and 15:45 on CCASS day, or  
(b) the FOP STI is affirmed between 09:30 and 19:00 on CCASS day; and
  2. the delivering party has sufficient shares.
- The shares of the STI (without affirmation) will be transferred *immediately* upon input if *all* of the following conditions are fulfilled:
  1. the STI is input by your broker / custodian between 09:30 and 19:00 on CCASS date; and
  2. the delivering party has sufficient shares
- Even a SSA with Statement Service selected with the ‘Affirmation Requirement’ as ‘Yes’, all STIs with such SSA with Statement Service as the stock receiving account will become STIs (without Affirmation).
- A broker/custodian can revoke an STI in ‘Unaffirmed’ or ‘Pending for Transfer’ status if required. Once an STI was revoked, it can’t be enquired via the CCASS Internet System.

### **3.7 Voting**

SSA Statement Recipients can select to attend meeting or vote in respect of the stock balances held in SSA with Statement Service by inputting voting instructions via the CCASS Internet System on or before the voting deadline. SSA Statement Recipient can also appoint a representative to attend the meeting via the CCASS Internet System. However, SSA Statement Recipients can continue to ask their brokers or custodians to submit voting instructions on their behalf. SSA Statement Recipients should notify their brokers or custodians if they wish to submit voting instructions to HKSCC directly.

*To Input/Change Voting Instructions via the CCASS Internet System :*



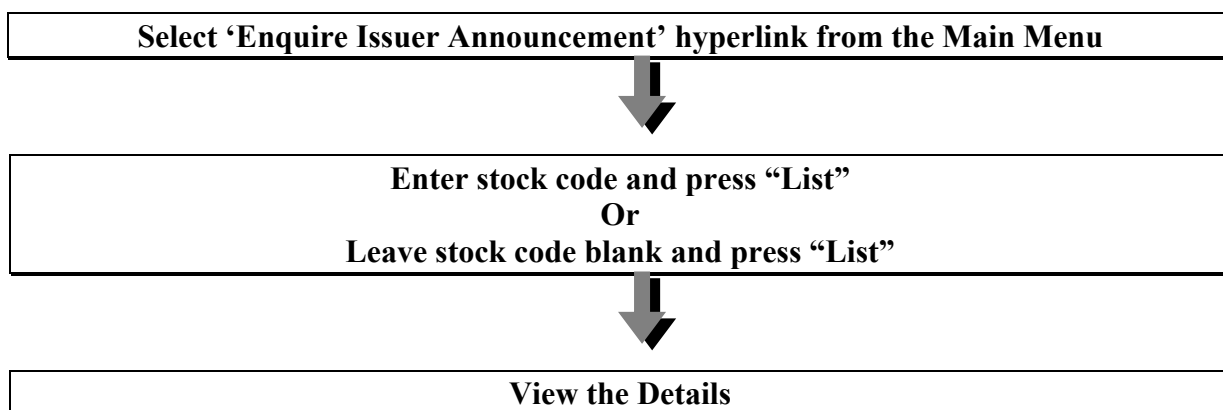
**Important Notes :**

- Under normal circumstances, the deadline for inputting Voting Instructions in respect of company meetings held in HK is usually one business day before the relevant meeting day, subject to the constitutive documents of the issuers & applicable laws. Otherwise, the deadline prescribed by HKSCC for the giving of instructions will be on a day which in the opinion of HKSCC would enable it to have sufficient time to submit the relevant instructions to the issuer or its authorised agent or representatives.
- Individual/Joint/Corporate SSA Statement Recipients can input voting instruction via CCASS Internet System before the CCASS voting deadline.
- Individual/Joint/Corporate SSA Statement Recipients can select to attend the meeting in person via CCASS Internet System before the CCASS voting deadline.
- Only one of the account holders for each Joint Account is allowed to attend and vote at the meeting if the Joint Investor Participants select to attend the meeting in person.
- If Individual/Joint/Corporate SSA Statement Recipients choose to appoint a representative to attend the meeting, they can input the name(s) of the representative(s) and address (if applicable) via CCASS Internet System before the CCASS voting deadline. A maximum of four representatives can be nominated but only one of them can attend and vote at the meeting.
- For inputting the full name of corporate representative/proxy to be appointed, please do not input any information (e.g. Hong Kong ID Number or Passport Number) other than the Name.
- Address field is an optional field and it is only applicable to the appointment of Proxy. The address of “HKSCC Nominees Limited” will be provided to the issuer or appointed agent if SSA Statement Recipients select not to disclose address.
- If SSA Statement Recipients select to attend and vote at the meeting themselves or to attend by appointed representatives, their names or the names of their representative and address (if applicable) together with their shareholdings will be disclosed to the listed company.
- For “Change Voting Instruction” via CCASS Internet System, the previous input of the voting instruction will be superseded.
- The voting rights of the SSA Statement Recipients in a poll or in a show of hands at the meeting will be governed by the Memorandum and Articles of Association (where applicable) or By-laws of the listed company or applicable laws.
- The proxy form, circular and notice of meeting are also available at CCASS Internet System. SSA Statement Recipients can view the proxy form, circular and notice of meeting by clicking the “View Document” hyperlink of the meeting via Input/Change/Enquire Voting Instruction function. The proxy form obtained from CCASS Internet System is for information only.
- For voting instructions input after 7:00pm on Friday and during the weekend, the activities will be printed on following business day’s (following Monday) Activity Statement.

### **3.8 Enquire Issuer Announcement**

Investors as SSA Statement Recipients can enquire the current day announcements published at HKEX websites of the stocks that there was holdings in the SSA with Statement Service as at the close of previous day (excluding Sunday and public holiday) using the “Enquire Issuer Announcement” via the CCASS Internet System.

*To enquire Issuer Announcement via the CCASS Internet System :*



Issuer Announcement information is extracted from the HKEX websites and may be disseminated with certain delay (about 15 minutes) via the CCASS Internet System. For the most up-to-date and historical information of all Issuer Announcements, SSA Statement Recipients are encouraged to visit the HKEX websites whenever necessary.