

Terminal Operations

FUNCTION NAME: ELECTION INSTRUCTION MAINTENANCE

WHEN TO USE:

- The election instruction maintenance is used for inputting election instructions when
 - (1) benefit entitlement for a particular stock is announced with various options available, e.g. HKD cash dividend with scrip option or HKD cash dividend with foreign currency option; or
 - (2) auto-exercise of a structured product with payment option to elect the form of payment to be received at maturity, e.g. option to elect to receive payment at maturity in the form of cash and/ or scrip (i.e. securities).
- Inputting of election instructions using the CHANGE ELECTION INSTRUCTION function is available during the election period which is specified in the details of the Corporate Announcement, and can be retrieved by clicking the announcement number displayed under the detail screen.

AVAILABLE MAINTENANCE FUNCTIONS:

- A. Change Election Instruction
To change election instruction.
- B. Enquire Election Instruction
To make enquiries on the details and current status of election instruction.
- C. Authorise Election Instruction
 - To authorise a pending election instruction entered via the CHANGE ELECTION INSTRUCTION function.
 - To change an authorised election instruction from “authorised” or “system processed” status to “pending” status, for updating of the election instruction detail during the election period.

AVAILABLE FUNCTION TIME:

- The Enquire Election Instruction function is available between 8:00 a.m. and 8:00 p.m. Monday to Friday (except holidays). All other election instruction maintenance functions are available daily between 8:00 a.m. and 7:00 p.m. Monday to Friday (except holidays).
- For benefit entitlement with option, on election end date imposed by CCASS (same end date imposed by the relevant issuer), election instruction must be maintained before 12:00 noon on the day.
- For structured products with payment option, on election end date determined by CCASS, election instruction must be maintained before 5:00 p.m. on the day.

Section 8.2.2

Election Instruction Maintenance

FUNCTIONAL DESCRIPTIONS:

- Election instructions are generated by CCASS with a unique Election Instruction Number. Participants are only required to input the election quantity to the instructions, i.e. the holdings allocated to each option.
- There are three types of election instructions: Benefit Entitlement with elect before book-close and elect after book-close; and Structured Products with payment option to elect before the announcement effective date:

Benefit Entitlement with option

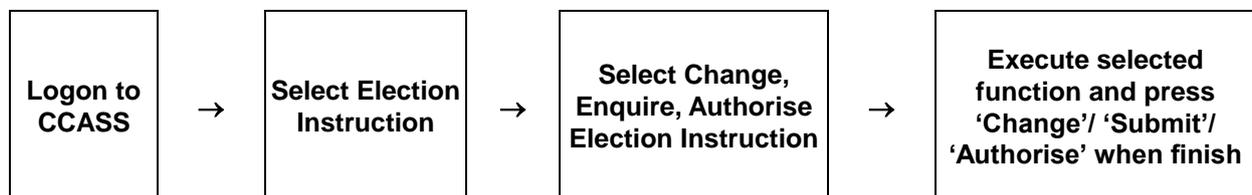
- 1) For election of options input before book-close, instructions are generated for all participants. During the election period, participants can allocate holdings of any quantity to the options (represented by events). The election quantity is validated on election deadline, against the holding as of Last Registration Day. Adjustments are made, as required, to the election quantity based on the holding.
- 2) For election of options input after book-close, instructions are generated for four types of participants: those with holdings of the originating stock as of the day before book-close, those with long positions of the originating stock as of the day before book-close, those with lending positions of the originating stock as of the day before book-close, and those with outstanding receivable of the originating stock as of the day before book-close, which receivable was due from warrant/bond conversion. When participants input the election details during the election period, the total elected quantity MUST equal the electable quantity contained in each instruction. The electable quantity is the share quantity of the originating stock held by the participant as of the relevant Last Registration Day.

Structured Products with payment option

- 3) For election of options input before announcement effective date, instructions are generated for all participants. During the election period, participants can allocate holdings of any quantity to each option (represented by events). The election quantity is validated on election deadline, against the holding as of election end day. HKSCC will scale-down the elected quantity of the participants according to their holdings immediately after the election period ends if their total elected quantity is greater than their holdings.
- In the absence of specific election instructions as to participants' election, participants will be treated as having chosen the 'default' option specified by the listed issuer or the issuer of the structured product or if no 'default' option is specified by the issuer, the option selected by HKSCC.
 - Input is required in the following field of the CHANGE ELECTION INSTRUCTION DETAIL screen:
 - * Elected Quantity for each option
 - After input, an election instruction will have a "Pending" status. Participants can change the details of the instruction within the election period before the instruction is authorised. Pending election instructions are required to be authorised through AUTHORISE ELECTION INSTRUCTION function before it is updated to "Authorised" status.

- Once an election instruction is authorised, it is processed by the system at the end of the day, at which point the status is updated to “System Processed”. Within the election period, participants can amend any election instruction with status “Authorised” or “System Processed” through AUTHORISE ELECTION INSTRUCTION function, by changing the status of the election instructions from “Authorised” or “System Processed” to “Pending”, and then use the CHANGE ELECTION INSTRUCTION function to amend the election detail, followed by authorisation via AUTHORISE ELECTION INSTRUCTION function.
- The ENQUIRE ELECTION INSTRUCTION can be used to make enquiries on the details of election instructions, including the instructions’ status which identifies the stage of election instruction’s processing. However, data cannot be changed or entered with this function. Enquiry of “Pending” election instructions is available up to ten days after the last update to the instruction or until the election deadline, whichever is sooner. “Authorised” and “System Processed” election instructions are available for enquiry up to 31 days after payment of the elected option.

The access path for election instruction maintenance function is:



ELECTION INSTRUCTION MAINTENANCE – Sample Screen:

<ul style="list-style-type: none"> General Enquiries Enq Settlement Act / Status Delivery Instruction (DI) A/C Transfer Instr (ATI) Settlement Instruction (SI) Hide Unmatched SI Content Cpty List Investor Stm Instr (ISI) ISI (With Affirm) Cpty List ISI (W/O Affirm) Cpty List Payment Instruction Cash Prepayment Stock Borrowing / Lending SBL Bulletin Board Login Withdrawal Order Election Instruction Subscription Instruction Corp Voting Instruction EIPO Application Tender Instruction Maintain Unit Order - Creation Maintain Unit Order - Redemption Corp Communication Upload Batch File Mtn CCASS-To-CCMS Stock Transfer Mtn General to Specific Stock Collateral Mtn Specific to General Stock Collateral Enquire Collateral Account Balance Enquire Collateral Inventory 	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 3px;">Maintain Election Instruction</div> <div style="font-size: 0.8em;"> Site Map Broadcast Message Report Download Announcement Information Change Password Print Logout </div> <div style="text-align: right; font-size: 0.8em;"> B0440101 NBEE 03 22-Jun-05 14:33 </div> </div> <div style="background-color: #0056b3; color: white; padding: 5px; border-radius: 3px; margin-top: 5px;">Enquire Election Instruction Detail</div> <div style="margin-top: 5px;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Election Instruction Number :</td> <td style="width: 35%;">R 00000836</td> <td style="width: 10%;">Status :</td> <td style="width: 25%;">PENDING</td> </tr> <tr> <td>Announcement Number :</td> <td colspan="3">A 00000387 I/D USD0.2/SH-USD/HKD W/ SCRIP</td> </tr> <tr> <td>Stock :</td> <td colspan="3">391 MEI AH ENTER</td> </tr> <tr> <td>ISIN :</td> <td colspan="3">BMG5964A1036</td> </tr> <tr> <td>Market :</td> <td colspan="3">HK MARKET</td> </tr> <tr> <td>Holding Type :</td> <td colspan="3">HOLDING</td> </tr> <tr> <td>Electable Quantity :</td> <td colspan="3"></td> </tr> <tr> <td>Lending Position Number :</td> <td colspan="3"></td> </tr> </table> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #f2f2f2;"> <th style="text-align: center;">Event Number</th> <th style="text-align: left;">Event Summary</th> <th style="text-align: right;">Elected Quantity</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">01</td> <td>I/D - USD0.2/SH (-HKD1.47)</td> <td style="text-align: right;">100</td> </tr> <tr> <td style="text-align: center;">02</td> <td>I/D - USD0.2/SH (USD OPT)</td> <td style="text-align: right;">200</td> </tr> <tr> <td style="text-align: center;">03</td> <td>I/D-USD0.2/SH, REINV PR: USD11.91</td> <td style="text-align: right;">300</td> </tr> <tr style="background-color: #f2f2f2;"> <td colspan="2" style="text-align: right;">Total Elected Quantity :</td> <td style="text-align: right;">600</td> </tr> </tbody> </table> <div style="text-align: right; margin-top: 10px; font-size: 0.8em;"> Enquire Another Instruction Go To List Help </div> </div>	Election Instruction Number :	R 00000836	Status :	PENDING	Announcement Number :	A 00000387 I/D USD0.2/SH-USD/HKD W/ SCRIP			Stock :	391 MEI AH ENTER			ISIN :	BMG5964A1036			Market :	HK MARKET			Holding Type :	HOLDING			Electable Quantity :				Lending Position Number :				Event Number	Event Summary	Elected Quantity	01	I/D - USD0.2/SH (-HKD1.47)	100	02	I/D - USD0.2/SH (USD OPT)	200	03	I/D-USD0.2/SH, REINV PR: USD11.91	300	Total Elected Quantity :		600
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Section 8.2.2
Election Instruction Maintenance

DESCRIPTION OF FIELDS:

<u>Field</u>	<u>Description/Format</u>
ELECTION INSTRUCTION NUMBER	<ul style="list-style-type: none"> - display the unique reference number assigned by CCASS upon generation of the election instruction record. - display as 'T.B.A.' (to be assigned) for elect before book-close and elect before effective date, election instruction number will only be assigned upon successful input of a election instruction. - the Election Instruction number is a 9-digit code beginning with the character 'R'. The system automatically displays the 'R' prefix. Type the remaining eight digits. e.g. for Election Instruction Number 'R 11234567', enter only '11234567' - leave blank when the Election Instruction Number is not used as a selection criterion.
ANNOUNCEMENT NUMBER	<ul style="list-style-type: none"> - type the corporate announcement number for the election instruction associated with the corporate announcement. - the corporate announcement number can be obtained from the ENQUIRE ANNOUNCEMENT INFORMATION function. (Refer to Section 9.2.1). - the ANNOUNCEMENT NO is a 9-digit code beginning with the character 'A'. The system automatically displays the 'A' prefix. Type the remaining eight digits. e.g. for Announcement Number 'A20123456', only enter '20123456'. - leading zeros do not need to be entered. e.g. '00000123" can be entered as '123'. - leave blank if not used as the selection criterion. - the 9 digit code with prefix 'A' announcement number will appear as hyperlink under detail screen, upon clicking the announcement number, respective announcement details will be shown in a pop-up window for information .
STOCK	<ul style="list-style-type: none"> - display the stock code and stock short name of the stock for the election instruction
ISIN	<ul style="list-style-type: none"> - display the International Securities Identification Number of the stock for the election instruction to be updated.

<u>Field</u>	<u>Description/Format</u>
ISIN OR STOCK CODE	<ul style="list-style-type: none"> - input the ISIN / stock code for display of a particular stock for the election instruction to be updated. - can obtain the ISIN or stock code from the hyperlink of 'Enquire Stock List'. - must not be a delisted stock. - CCASS overlooks leading zero(s); i.e. '17', '017', '0017', and '00017' are treated as the same.
MARKET	<ul style="list-style-type: none"> - select the market code assigned by HKSCC via pull down menu. - display the market code and market short name of the market being enquired.
HOLDING TYPE	<ul style="list-style-type: none"> - indicate the type of the holding for the originating stock. Holding types includes: <ul style="list-style-type: none"> - Holding - Long Position - Lending - Receivable
ELECTABLE QUANTITY	<ul style="list-style-type: none"> - system generated amount showing the holding quantity eligible for election of options. - the ELECTABLE QUANTITY is reflected for elect after book-close instructions. The field is blank for elect before book-close and elect before effective date instructions.
LENDING POSITION NUMBER	<ul style="list-style-type: none"> - display the lending position number for outstanding lending position.
STATUS	<ul style="list-style-type: none"> - display the status of the election instructions. The status for the election instructions appearing in the CHANGE ELECTION INSTRUCTION LIST and DETAIL screen is 'Pending'.
EVENT NUMBER	<ul style="list-style-type: none"> - identify the Event Number of the benefit entitlement option or payment option of structured products. - each Event Number represents an entitlement option or payment option of structured products.
EVENT SUMMARY	<ul style="list-style-type: none"> - provide a description of the benefit entitlement option or payment option of structured products.
ELECTED QUANTITY	<ul style="list-style-type: none"> - input is required. - for inputting the holding allocated to each option.
TOTAL ELECTED QUANTITY	<ul style="list-style-type: none"> - display the system calculated sum of the amounts input to the ELECTED QUANTITY field. - for elected after book-close instructions, the TOTAL ELECTED QUANTITY must equal the ELECTABLE QUANTITY in order for the election instruction to be accepted by CCASS.