

Terminal Operations

FUNCTION NAME: SUBSCRIPTION INSTRUCTION MAINTENANCE

WHEN TO USE:

- The subscription instruction maintenance is used for subscription instructions to corporate announcements. Subscription activities include the following:
 - * subscription to a rights offering
 - * subscription to an excess rights offering
 - * open offer subscription
 - * excess open offer subscription
 - * registered warrant subscription
 - * registered warrant subscription with bond conversion
 - * covered warrant subscription
 - * subscription to conditional takeover
 - * subscription to unconditional takeover
 - * bond/preference shares conversion
 - * partial bond redemption

- The period during which subscription instructions can be input by participants is called the subscription period. The subscription period varies for each type of corporate announcement and can be enquired through the ENQUIRE ANNOUNCEMENT INFORMATION function (refer to Section 9.2.1). Maintenance of subscription instructions can be performed during the subscription period of the corresponding corporate announcement.

- During the subscription period, subscription instructions concerning Hong Kong Market can be added for the different announcement types until 15:45, at which time CCASS performs a settlement processing run. Once the settlement processing run is completed, a broadcast message is displayed ("MAINT SUBSCRIPTION INSTR IS NOW AVAILABLE TO 19:00") to inform participants that subscription instruction input can be resumed until the time specified.

- There will be different subscription period concerning Shanghai / Shenzhen market depending on the listed status of the relevant shares due to pre-trade checking arrangement. For subscription announcement involving **Non-Listed** Shanghai / Shenzhen Market Shares (e.g. subscription of non-tradable rights shares under rights issue), subscription instruction(s) can be authorised from 08:00 until 19:45, or within any time limit as explicitly specified by HKSCC. For subscription announcement involving **Listed** Shanghai / Shenzhen Market Shares (e.g. acceptance of Takeover Offer of ordinary A shares), subscription instruction(s) can only be authorised shortly after 19:00 until 19:45. A broadcast message ("MAINT SUBSCRIPTION INSTR NOW AVAILABLE FOR A-SHARE") is displayed for both Shanghai / Shenzhen market to inform participants that subscription instruction(s) can be authorised until 19:45. For other subscription maintenance functions (Add / Change / Delete / Cancel), they can be performed from 08:00 until 19:45.

- Specifically for covered warrant subscriptions, two 'covered warrant' type announcements are available for each particular covered warrant. Each separate announcement indicates a different time at which the covered warrants are delivered to the registrar for subscription (either

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before 10:00 a.m. or after 10:00 a.m. on the following subscription day). Adding subscription instructions to the appropriate announcement will determine the certificate delivery time of the instructions. The appropriate announcement number can be obtained by clicking the “List Subscription Announcements by Stock” hyperlink displays in the prompt screen will allow users to input the relevant stock code for listing of all relevant subscription announcements for that particular stock. Then the subscription maintenance can be continued by clicking the required announcement number displayed in the list screen. If required, the announcement details can be retrieved by inputting the relevant announcement number, then click onto the “Announcement Details” displayed in the prompt screen.

AVAILABLE MAINTENANCE FUNCTIONS:

- A. Add Subscription Instruction
To add subscription instruction to corporate announcements.
- B. Change Subscription Instruction
To amend the details of a pending subscription instruction within the subscription period and prior to cut-off time.
- C. Delete Subscription Instruction
To delete the details of a pending subscription instruction within the subscription period and prior to cut-off time.
- D. Enquire Subscription Instruction
To enquire the details and current status of subscription instruction.
- E. Authorise Subscription Instruction
To authorise a pending subscription instruction within the subscription period and prior to cut-off time.
- F. Cancel Subscription Instruction
To cancel an authorized subscription instruction within the subscription period and prior to cut-off time.

AVAILABLE FUNCTION TIME:

For Hong Kong Market Shares:

- Except the ENQUIRE SUBSCRIPTION INSTRUCTION function, there are two sessions available for subscription instruction maintenance. The first session of subscription instruction maintenance must be performed between 8:00 a.m. and 3:45 p.m. Monday to Friday (except holidays) and the second session of subscription instruction maintenance must be performed between 4:00 p.m. and 7:00 p.m. Monday to Friday (except holidays). The ENQUIRE SUBSCRIPTION INSTRUCTION function must be performed between 8:00 a.m. and 8:00 p.m. Monday to Friday (except holidays).
- On subscription end date imposed by CCASS, subscription instruction end time and the payment method of the relevant subscription monies will be varies depending on the type of announcement as follows:

Subscription with Payment			
Ancm Type	Issuer End Date (IED) / Time	CCASS Deadline	
		Payment via DDI	Payment via CHATS payment
Covered Warrant	IED, 10:00 a.m.	IED-1, 7:00 p.m.	N/A
Open Offer	IED, 12:00 noon	IED-1, 7:00 p.m.	N/A
Other subscription requiring payment	IED, 4:00 p.m.	IED-1, 7:00 p.m.	IED, 11:00 a.m.
Subscription without Payment			
Ancm Type	Issuer End Date (IED) / Time	CCASS Deadline	
i) Conditional Take Over Offer ii) Unconditional Take Over Offer iii) Partial Redemption with No Specific Certificate	IED, 4:00 p.m.	IED, 11:00 a.m.	

For Shanghai / Shenzhen Market Shares:

- The ENQUIRE SUBSCRIPTION INSTRUCTION function is available between 8:00 a.m. and 8:00 p.m. Monday to Friday (except holidays).
- There will be different subscription period concerning Shanghai / Shenzhen market depending on the listed status of the relevant shares. For subscription announcement involving Non-Listed Shanghai / Shenzhen Market Shares (e.g. subscription of non-tradable rights shares under rights issue), subscription instruction(s) can be authorised from 8:00 a.m. until 7:45 p.m., or within any time limit as explicitly specified by HKSCC. For subscription announcement involving Listed Shanghai / Shenzhen Market Shares (e.g. acceptance of Takeover Offer of ordinary A shares), subscription instruction(s) can only be authorised shortly after 7:00 p.m. until 7:45 p.m..
- Other subscription maintenance functions (Add / Change / Delete / Cancel) can be performed from 8:00 a.m. until 7:45 p.m..
- Except the ENQUIRE SUBSCRIPTION INSTRUCTION function, all subscription maintenance functions can be performed on Monday to Friday (except Hong Kong or **PRC** holidays).

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FUNCTIONAL DESCRIPTIONS:

- When inputting a subscription instruction, participants are required to input the following mandatory fields:
 - * Announcement Number of the corporate announcement being subscribed to
 - * subscription stock quantity
 - * stock account from which the stock quantity is to be debited

- When subscribing to a registered warrant announcement where payment of subscription money can be covered through surrendering of a specified bond (i.e. registered warrant subscription with bond conversion), input to the following fields are also mandatory:
 - * bond quantity to be surrendered in payment of subscription money
 - * the account from which the bond quantity is to be debited

- In the case of subscription to a bond redemption announcement, an odd lot redemption quantity is allowed as input in the "Instruction Quantity" field, provided that odd lot withdrawal is also permitted for the bond being redeemed. Otherwise, the redemption quantity must be in multiples of the bond's board lot.

- Upon successful input of the subscription instruction, the instruction record is at 'Pending' status. The details of a `Pending` subscription instruction can be changed within the subscription period using the CHANGE SUBSCRIPTION INSTRUCTION function.

- The DELETE SUBSCRIPTION INSTRUCTION function can be used to delete subscription instructions which have not been authorised. Once a subscription instruction is deleted, the instruction details are removed from CCASS, and enquiry or retrieval of the subscription function is not available.

- `Pending` subscription instructions require authorisation using the AUTHORISE SUBSCRIPTION INSTRUCTION function in order for the status to be updated to `Authorised` and be recorded in CCASS. . Thereafter, the `Authorised` subscription instruction is processed by the end of day, at which point the status is updated to `System Processed`.

- Within the subscription period, subscription instructions in `Authorised` or System Processed` status may be cancelled via the CANCEL SUBSCRIPTION INSTRUCTION function; except for the following corporate announcements, which subscription instructions can only be cancelled within the subscription creation day:
 - * registered warrant subscription
 - * registered warrant subscription with bond conversion
 - * covered warrant subscription
 - * subscription to conditional takeover (multiple batch)
 - * subscription to unconditional takeover
 - * bond/preference shares conversion
 - * partial bond redemption

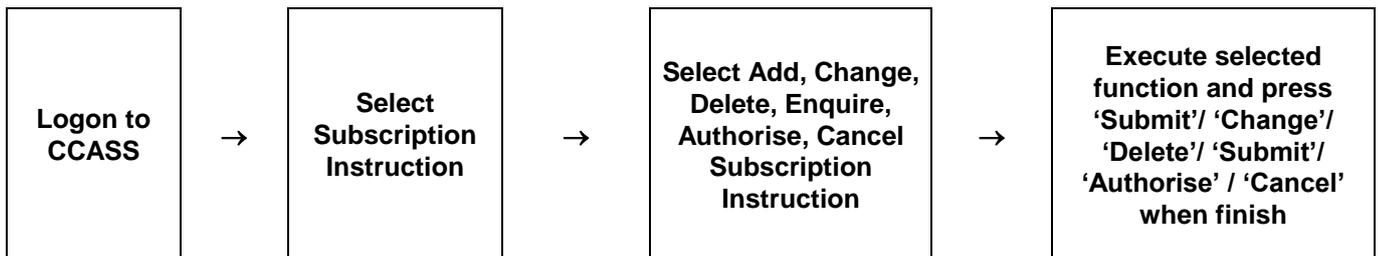
- The subscription money and other related charges are displayed upon successful input of the subscription instruction and debited from the Money Ledger Entitlements Account when the subscription instruction is authorised.

- In the case of registered warrant subscription with bond conversion, the equivalent value of the bond surrendered is deducted from the total subscription money and reflected on-line. In some

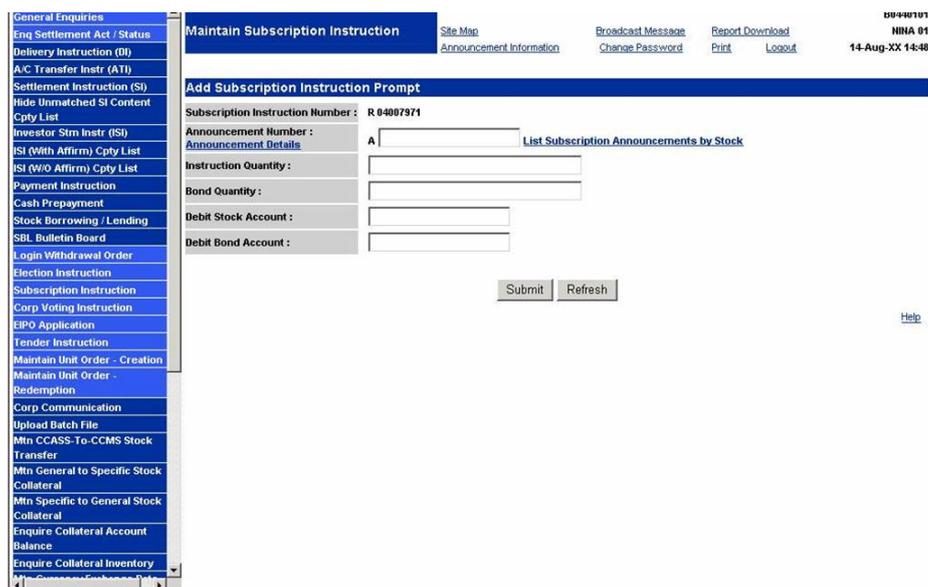
cases, the equivalent value of the bond surrendered completely covers the total amount of the subscription money. All charges are reflected in the Money Ledgers Entitlements Account.

- The ENQUIRE SUBSCRIPTION INSTRUCTION function is used for making enquiries on the details of subscription instructions. Enquiry of the instruction status is also available to identify the stage of the subscription instruction processing. Enquiry of subscription instructions at 'Pending' status is available up to ten days after the last update to the subscription instruction or until the subscription deadline, whichever is sooner. 'Authorised', 'System Processed' and 'Cancel' subscription instructions are available for enquiry up to thirty-one days after payment of the subscription instructions.

The access path for subscription instruction maintenance function is:



SUBSCRIPTION INSTRUCTION MAINTENANCE – Sample Screen (1) :



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SUBSCRIPTION INSTRUCTION MAINTENANCE – Sample Screen (2) :

DESCRIPTION OF FIELDS:

<u>Field</u>	<u>Description/Format</u>
SUBSCRIPTION INSTRUCTION NUMBER	<ul style="list-style-type: none"> - display the unique reference number assigned by CCASS when the ADD SUBSCRIPTION INSTRUCTION DETAIL screen is retrieved. - the Subscription Instruction Number is a 9-digit reference number beginning with the character `R'. - no entry is required.
SELECT	<ul style="list-style-type: none"> - click the check box for the particular subscription instruction to be authorised, deleted or cancelled. - click multiple check boxes for selection of multiple subscription instructions to be authorised, deleted or cancelled. - 'Select All' for all subscription instructions to be authorised, deleted or cancelled.

<u>Field</u>	<u>Description/Format</u>
ANNOUNCEMENT NUMBER	<ul style="list-style-type: none"> - the Announcement Number assigned to the subscription instruction. - the announcement number is a 9-digit code beginning with the character 'A'. The system automatically displays the `A' prefix. Input of the remaining eight digits of the Announcement Number is required. - 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.
ANNOUNCEMENT TYPE	<ul style="list-style-type: none"> - display the corporate announcement type of the subscription instructions being created for, which include: <ul style="list-style-type: none"> ➢ rights subscription ➢ excess rights subscription ➢ open offer ➢ excess open offer ➢ registered warrant subscription ➢ registered warrant subscription with bond conversion ➢ covered warrant subscription ➢ take-over offer (conditional) ➢ take-over offer (unconditional) ➢ bond/pref shs conversion ➢ partial redemption with no spec cert - input is NOT required.
SUBSCRIPTION BATCH NUMBER	<ul style="list-style-type: none"> - a CCASS generated reference number related to the grouping of subscription instructions depending on the timing of subscription instruction input. - applies only to subscription instructions for the following corporate announcement types: <ul style="list-style-type: none"> ➢ registered warrant subscription ➢ registered warrant subscription with bond conversion ➢ covered warrant subscription ➢ take-over offer (unconditional) ➢ bond/pref shs conversion ➢ partial redemption with no spec cert ➢ take-over offer (conditional) - the subscription batch number is an 9-digit code beginning with the character `B' - input is NOT required.
STOCK	<ul style="list-style-type: none"> - display the stock code and stock short name of the stock for the subscription instruction.
ISIN	<ul style="list-style-type: none"> - display the International Securities Identification Number of the stock for the subscription instruction.

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<u>Field</u>	<u>Description/Format</u>
ISIN OR ORIGINAL STOCK CODE	<ul style="list-style-type: none"> - input the ISIN / stock code for display of a particular stock for the subscription instruction. - 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.
BOND	<ul style="list-style-type: none"> - specific to Registered Warrant Subscription with Bond Conversion type announcements, displays the bond which is used as payment towards subscription money.
BOND ISIN	<ul style="list-style-type: none"> - specific to Registered Warrant Subscription with Bond Conversion type announcements, displays the International Securities Identification Number for the bond.
INSTRUCTION AUTHORISATION DATE	<ul style="list-style-type: none"> - the date the subscription instruction is authorised. The field is blank when the subscription instruction record is at 'Pending' status. - the date format appears as 'DDMMYY' e.g. (03-Jul-95) - input is not required.
INSTRUCTION QUANTITY	<ul style="list-style-type: none"> - input the number of shares being subscribed for the subscription activity. - formats accepted by CCASS include '2000' or '2,000'.
DEBIT STOCK ACCOUNT	<ul style="list-style-type: none"> - the stock account designated by the participant from which the subscription instruction's Instruction Quantity is to be debited. - CCASS overlooks leading zero(s); i.e. '7', '07' and '007' are treated as the same. - must not be a TSF Account ('17' or '18')
BOND QUANTITY	<ul style="list-style-type: none"> - input the bond quantity to be surrendered in lieu of payment of subscription money. - input is allowed only for Registered Warrant Subscription with Bond Conversion announcement type subscription instructions. - formats accepted by CCASS include '2000' or '2,000'.
DEBIT BOND ACCOUNT	<ul style="list-style-type: none"> - the stock account designated by the participant from which the Bond Quantity for Registered Warrant subscription is to be debited. - CCASS overlooks leading zero(s); i.e. '7', '07' and '007' are treated as the same. - must not be a TSF Account ('17' or '18')

<u>Field</u>	<u>Description/Format</u>
SUBSCRIPTION MONEY AND CHARGES	- show the cumulative amount of the subscription money and other related charges with corresponding currency code for the subscription instruction as calculated by the system.
SUBSCRIPTION MONEY AND CHARGES BREAKDOWN	<p>- show the breakdown of the charges with corresponding currency code which make up the SUBSCRIPTION MONEY AND CHARGES amount.</p> <p>- subscription to the following corporate announcement types involve the listed charges at the time of instruction input:</p> <ul style="list-style-type: none"> * Rights Subscription <ul style="list-style-type: none"> - Subscription money * Excess Rights Subscription <ul style="list-style-type: none"> - Subscription money * Open Offer <ul style="list-style-type: none"> - Subscription money - Transaction levy - Trading fee - Brokerage fee * Excess Open Offer <ul style="list-style-type: none"> - Subscription money - Transaction levy - Trading fee - Brokerage fee * Registered Warrant Subscription <ul style="list-style-type: none"> - Subscription money * Registered Warrant Subscription with Bond Conversion <ul style="list-style-type: none"> - Subscription money - Subscription money less amounts covered by the equivalent value of the bond surrendered * Covered Warrant Subscription <ul style="list-style-type: none"> - Subscription money - T/D stamp duty - Exercise fee - Scrip fee for new share certificate - Certificate cancellation fee * Take-over offer (Unconditional) <ul style="list-style-type: none"> - no subscription money charged * Take-over offer (Conditional) <ul style="list-style-type: none"> - no subscription money charged * Bond/Pref Shs Conversion <ul style="list-style-type: none"> - Subscription money # - Exercise fee # - Scrip fee for new certificate <p># (charge is optional at the discretion of the bond issuer)</p> * Partial Redemption with No Spec Cert <ul style="list-style-type: none"> - no subscription money charged

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<u>Field</u>	<u>Description/Format</u>
SUBSCRIPTION MONEY AND CHARGES BREAKDOWN <i>(Continued)</i>	Note: 1) Charges for each announcement type may vary depending on amendments made by the registrar. 2) Handling fee charged for the subscription instruction is not displayed in the SUBSCRIPTION MONEY AND CHARGES BREAKDOWN field, but reflected in the Money Ledger Billing Account. These include : a) Corporate Action Fee b) Bond Conversion Fee c) Bond Redemption Fee 3) Charges not collected at the time of instruction input (e.g. Ad Valorem Stamp Duty, bank charges related to the distribution of foreign currency, disbursement charges) are not displayed in the SUBSCRIPTION MONEY AND CHARGES BREAKDOWN field.
STATUS	<ul style="list-style-type: none"> - display the status of the subscription instruction. - a newly added subscription instruction prior to authorisation is at 'Pending' Status. An authorised instruction record is at 'Authorised' status. 'System Processed' is an authorised instruction record is processed at the end of day. 'Cancelled' is the authorized subscription record is cancelled.