

1. What is a Corporate Action?

Corporate Action is any event that brings material change to a company and affects its shareholders in terms of the number of shares they hold, the amount of capital they have invested, or how and where the shares can be traded.

2. What types of Corporate Actions are there?

There are three types of corporate actions:

Mandatory: Mandatory corporate actions are enacted by a company's board of directors. A mandatory action – such as the issuance of a cash dividend – affects all of the company's shareholders. It is performed by the governing body of the company. No action is required from shareholders.

Mandatory (with choice): It's a mandatory corporate action for the shareholders but they are given options to choose from. In this case, shareholders may or may not submit their elections. In the event a shareholder does not submit their election, the default option will be applied.

For example, shareholders can choose to either get a cash dividend or stock dividend. In case shareholders don't submit their preference in the given time, then the default option is applied.

Voluntary – Voluntary corporate action requires decision by the shareholders, whether the shareholder is willing to participate or not. Some of the common examples of voluntary actions are Rights issues, Open offer, Tender offer, Takeover and Buy back.

All three types of Corporate Actions will be available in the Corporate action section of HSBC Singapore App and browser and any election required can be made online.

3. What are the examples of corporate actions?

Listed below are some common Corporate Actions (non-exhaustive list):

- Rights issues
- Dividend
- Stock split
- Buy back
- Warrant

4. What is meant by Rights issue?

When a company wants to raise capital, issue of fresh shares to the existing shareholders is one option available to the company. In such a case, existing shareholders have the right to buy a specified number of new shares of the company at a specified price within a specified time. Usually this price is below the market price.

5. What are the types of rights issue?

Renounceable rights: these rights are tradable on the market during the rights trading period. You may exercise your rights to subscribe for additional shares, oversubscribe for additional shares (typically if you have exercised all your rights), purchase additional rights in the market, sell your rights in the market, or let the rights lapse.

Non renounceable rights: these rights are not tradable on the market. You may exercise your rights, oversubscribe for additional shares (typically if you have exercised all your rights), or let your rights lapse.

6. What is meant by Dividend?

A Dividend is a payment made by a company to its shareholders. Simply defined, it is the portion of profit of a company, distributed to its shareholders

7. What are the type of Dividends?

Cash Dividend: Dividend distribution made in form of cash, usually in proportion to shareholders' equity holdings. Shareholders may be offered a choice of currency.

Stock Dividend: Dividend distribution made in the form of shares issued by the company.

Dividend option: Dividend distribution to shareholders where shareholders may choose to receive dividend in the form of cash or shares.

Dividend reinvestment: Dividend distribution where shareholders may choose to receive cash or have the cash reinvested by the issuer into additional shares of the issuing company.

8. What is meant by stock split and reverse stock split?

In stock split, the existing shares of the company are divided into multiple shares. For example, in a 2-for-1 stock split, every shareholder holding one share is given an additional share. In such a case, the face value of the share is reduced (say from 10 to 5 per share).

(Companies stock's price is also affected by a stock split. After a split, the stock price of the company reduces since the number of outstanding shares increases, however the market capitalization remains the same).

However, in Reverse stock split, the opposite happens, where the number of outstanding shares is reduced.

For example, in a 1-for-10 (1:10) reverse split, shareholders receive one share of the company's new stock for every 10 shares that they owned. In other words, a shareholder who held 1,000 shares would end up with 100 shares after the reverse stock split

9. What is meant by Buy back?

A Buy back is an arrangement where the company gives shareholders an offer to buy back shares or other securities convertible into shares from the existing shareholders at an attractive rate.

10. What is changing as part of Wealth Dashboard?

With effect from 21st March 2022(for Online banking) and 23rd March 2022 (for HSBC Singapore App), you will be able to see a new section in the Wealth Dashboard – Corporate Actions

11. What is the Corporate Actions feature available on HSBC Singapore App and Online banking?

You will be able to view details of voluntary and mandatory corporate action events related to your securities held with HSBC Online Trading, and submit, amend and cancel instructions on options available to you, via Online banking from 21st March 2022 and HSBC Singapore App from 23rd March 2022.

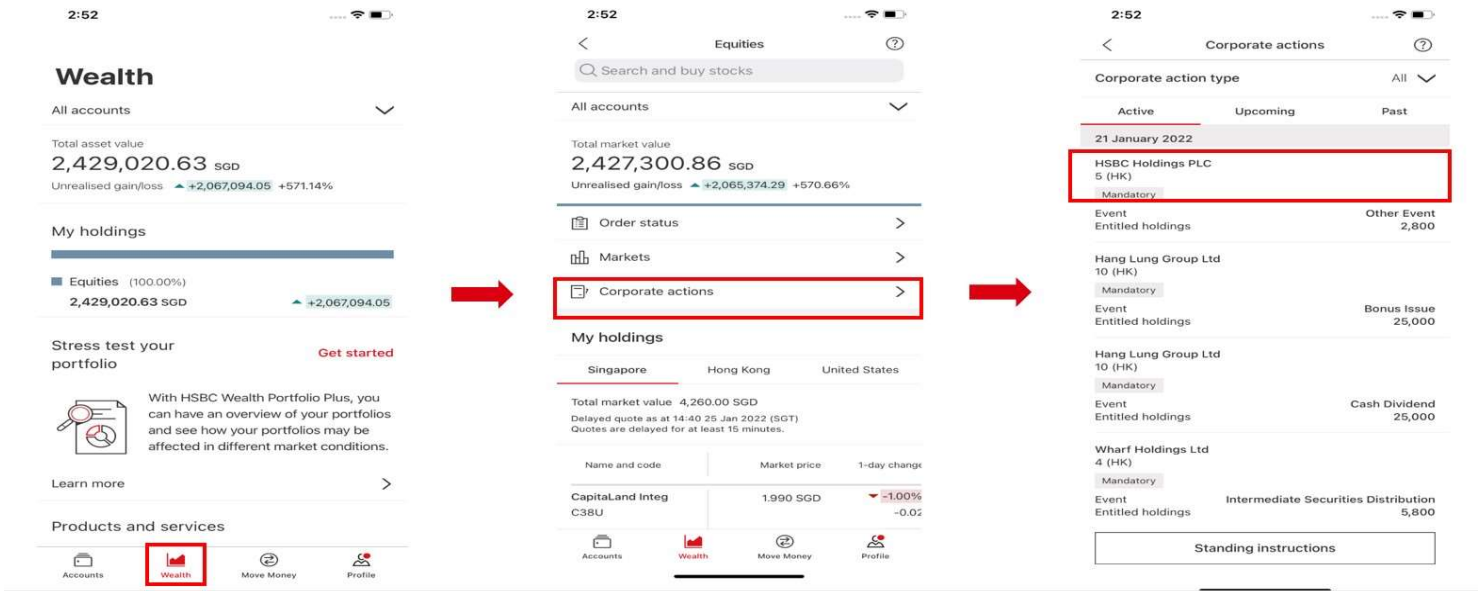
12. How can I access the Corporate Action features?

Entry points:

HSBC Singapore App → Wealth Dashboard → Investments → Equities → Corporate Actions

Customer can access the Active Corporate Action which are related to their Holding of stocks in the Wealth Dashboard

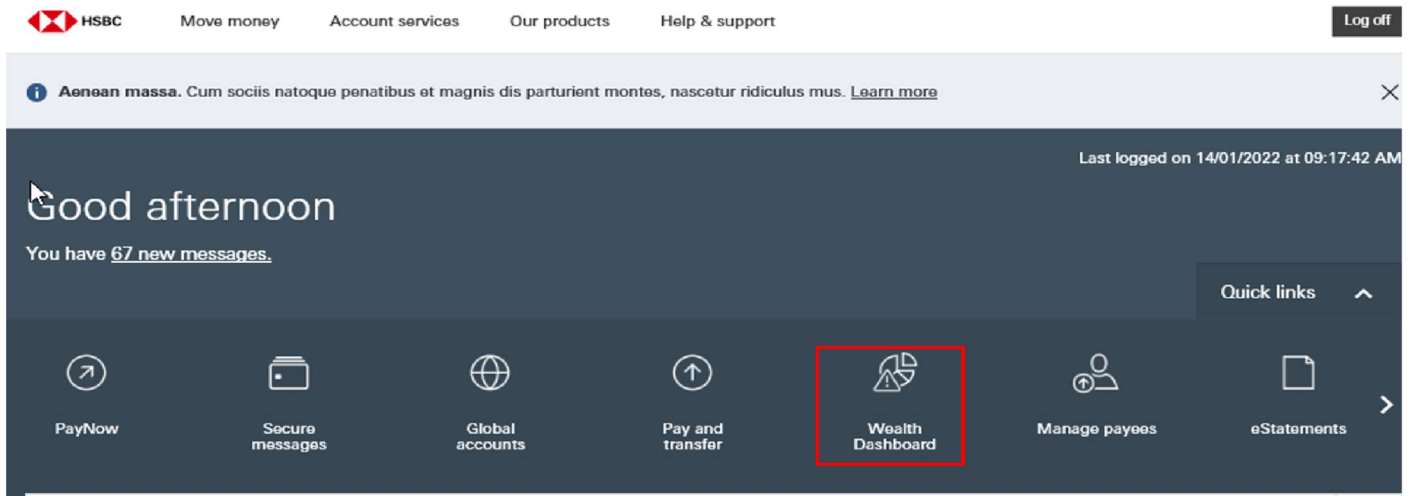
Customers logs in to HSBC Singapore App → Wealth → Investments → Equities → Corporate Actions



HSBC SG Online Banking → Wealth Dashboard → My Holdings → My Portfolio → Corporate Actions

Customer can access the Active Corporate Action which are related to their Holding of stocks in the Wealth Dashboard.

Customers logs in to HSBC SG Online banking → Wealth → My Holdings → Investments → Equities → Corporate Action



On click , it will take the user to below screen

Customers logs in to HSBC SG Online banking → Wealth → My Holdings → Investments → Equities → My Portfolio → Corporate Action

The screenshot shows the HSBC online banking interface. At the top, there is a navigation bar with 'Log Out' on the right and several menu items: 'Internet banking', 'My Portfolio' (with sub-item 'Holdings and performance'), 'Invest now' (with sub-items 'Open Investment Account' and 'Buy and sell'), 'Markets' (with sub-item 'News and insight'), and 'Document Centre' (with sub-item 'Submit or renew forms'). Below this is the 'My Holdings' section, which includes a sub-menu with 'My Portfolio', 'Watchlist', 'Analyse and Compare', 'Risk & Analysis', 'Realised Gain/Loss', and 'Transactions'. The 'Corporate actions' tab is highlighted with a red box. To the right of the sub-menu are icons for 'Print and download report', 'Quick Quote', and 'Contact Us'. Below the sub-menu, the total asset value is shown as 'SGD 790,742,862.73'. On the right, there is a 'Refresh' button and a timestamp: 'Last updated: 14 Jan 2022 13:49 (with delayed data*)'.

- On the Wealth Dashboard, user needs to select My Portfolio → Corporate actions
- On clicking Corporate action tab, it will take the user to Active, Upcoming and Past section as shown in next slide.



In the Corporate actions screen, 3 tabs will be displayed on screen - Active, Upcoming and Past.

Customers logs in to HSBC SG Online banking → Wealth → My Holdings → Investments → Equities → My Portfolio → Corporate Action → Active

The screenshot shows the 'Corporate actions' screen in HSBC online banking. At the top, there is a breadcrumb trail: 'Portfolio > Corporate actions'. Below this, there is a section for 'Corporate actions' with a 'Standing instructions (0)' button. There are two dropdown menus for 'Corporate action type' and 'Election status', both with 'Please select' as the current selection. Below these are 'Apply selection' and 'Reset' buttons. At the bottom, there are three tabs: 'Active', 'Upcoming', and 'Past'. The 'Active' tab is highlighted with a red box. Below the tabs is a table with the following data:

	Product name and product code	Date	Event	Entitled holdings	Election status
∨	Hang Lung Group Ltd Mandatory 10 (HK)	2022-01-14	Exchange	3,000	--
∨	Hang Lung Group Ltd Mandatory 10 (HK)	2022-01-14	Exchange	3	--
∨	Johnson Electric Holdings Ltd Voluntary 179 (HK)	2022-01-14	Tender Offer	500	= Not elected

User can click on the upcoming tab to view the upcoming corporate actions related to customer's holdings

13. Can all users access the Corporate Action option?

No, only the users with Equity holdings will be able to see this option

14. **Will I be able to see upcoming and Previous corporate action in the HSBC Singapore App and Online Banking?**

Yes, you can see the corporate actions segregated into three tabs:

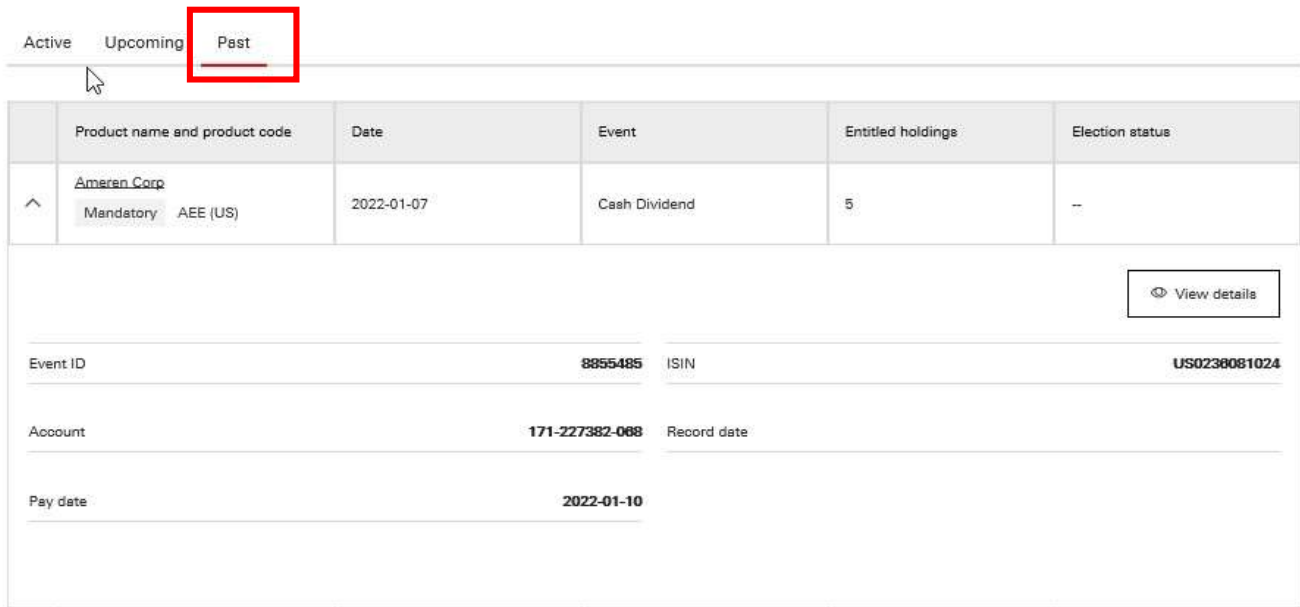
Active: This tab will display all the active Corporate Actions

Upcoming: This tab will display of the upcoming Corporate Actions (future)

Past: This tab will display the past Corporate Actions

Always refer to the corporate action module in the HSBC Singapore App and Online Banking [or the official websites of the respective Exchange] for the most up-to-date information on corporate action events.

Please note that certain corporate action events which may result in adjustments to your shareholdings are not updated on a real-time basis, as HSBC is reliant on its custodians to provide such updates on a timely basis. As such, your new shareholdings (post-the relevant corporate event) may not be updated or reflected in time before the start of trading after such corporate event. If you choose to sell any shares which result from these corporate action events, you are solely responsible for computing your entitlement correctly and any trades being executed in connection with such. Please trade with caution and be mindful that sudden sharp unexplained changes in share prices overnight may be due to corporate action events which affect your shareholdings.



Product name and product code	Date	Event	Entitled holdings	Election status
Ameren Corp Mandatory AEE (US)	2022-01-07	Cash Dividend	5	--

[View details](#)

Event ID	8855485	ISIN	US0238081024
Account	171-227382-068	Record date	
Pay date	2022-01-10		

You can click on past tab to view previous corporate events.

15. **How can I elect or amend my election in the Corporate action section?**

The election option will be available for all voluntary events. Upon selection of a voluntary event, you will be taken to the Event details screen. At the bottom of this screen there will be an option → Elect. Upon clicking →, you will be taken to the election screen where you can enter the Amount details and confirm your election. Upon confirmation, a message will be displayed as “We’ve have received your election”.

There will also be an option to amend the submitted election in this screen.

Johnson Electric Holdings Ltd

00179 (HK)

 Elect

Event details

Event

Tender Offer

Event ID

8855495

Corporate action type

Voluntary

ISIN

BMG5150J1577

Event status

Active

Election status

Not elected

Entitled holdings

500

Account

HSBC Premier Investment account

171-226988-068

Event dates

Record date

2022-01-17

Ex-date

2022-01-14

Effective date

Reply deadline

Pay date

Election options

Minimum quantity to sought

Maximum quantity to sought

1311432



Portfolio > Corporate actions > Event details > Election

Johnson Electric Holdings Ltd

00179 (HK)

Entitled holdings
500

Reply deadline

Pay date

Take No Action (Default)

Minimum amount to instruct

Maximum amount to instruct

Minimum multiple to instruct

Amount

Please enter the amount



Cash

Minimum amount to instruct

1

Maximum amount to instruct

Minimum multiple to instruct

1

Amount

Please enter the amount

Confirm

Cancel

[You can refer to the disclaimers for more details.](#)

On entering the amount and clicking confirm, the election is successfully completed

16. How do I know if I need to provide instructions for any new corporate action?

You will have to login into Online Banking or HSBC Singapore App and go to active and upcoming tabs of Corporate action section to check for any new corporate action

17. What happens if I miss the deadline for issuing instructions for Voluntary and Mandatory with choice Corporate action events by the deadline?

If you haven't issued any instruction(s) by the deadline, the default option will be applied. The default option varies depending on the Corporate Action Event and the issuer, In the case of optional Dividends, for example, it may mean "Settlement in cash", but in the case of tender offers, it may mean "No action to be taken". After the deadline, the default option that has been applied can be seen in the "Past" tab. On clicking "view details", you will be able to see event status as "Past" in the event details screen.

18. Can I submit instructions after the stipulated response deadline?

No, you will not be able to submit or amend your instructions after the stipulated response deadline. If your instruction is not submitted by the stipulated response deadline, the default option for the corporate action event will be applied.

19. Can I submit a corporate action response through HSBC Online Banking and Mobile Banking/Mobile App available 24 hours a day, 7 days a week?

No, this service is only available from Monday 00:01 hours until Saturday 07:59 hours.

20. Why is my instruction submitted for a voluntary corporate action event or a mandatory with choice corporate action event on the Corporate Actions section showing as "adjusted" / "cancelled"? There may be instances where your instruction submitted for a voluntary corporate action event or a mandatory with choice corporate action event will be adjusted or cancelled. These instances include but are not limited to situations where you have transferred or sold the securities that you are required to hold in order for us to process your selected option for the voluntary corporate action event or the mandatory with choice corporate action event

21. What are the key dates to look out for?

Ex-date: The date on which you must own the stock, in order to be eligible for the Corporate Actions. For example, in Dividend-related Corporate Actions, you must purchase the share before the ex-Dividend ("exdiv") date to be entitled to the Dividend.

Record date: The date the company determines the shareholders on record who are eligible for the Corporate Actions.

Payment date: The date the Corporate Actions entitlements (e.g. cash, stocks) are credited to the shareholders' account.

22. Is there an option to create Standing instructions?

Yes, there is an option to create Standing instructions.

23. How can I create a Standing instructions?

You can create standing instructions but only for Corporate Action Events where you have a “Dividend Option”. The steps are set out below:

There will be an option at the bottom of the screen of Corporate Actions → Standing instructions.

Click on Standing Instructions to open a new screen where there is an option to “Add Standing Instruction”.

You can search and select your stock by clicking the “Product” option

Once the stock is selected, you need to select one of the following options a. Cash

b. Securities

Next step → Click apply

There will be a message on the top of the screen: We’ve received your instruction. This means that the Standard Instructions is successfully created

The screenshot shows the HSBC Corporate Actions interface. At the top left is the HSBC logo. Below it, the breadcrumb 'Portfolio > Corporate actions' is visible. The main heading is 'Corporate actions'. In the top right corner, a button labeled 'Standing instructions (0)' is highlighted with a red box. Below the heading, there are two dropdown menus for 'Corporate action type' and 'Election status', both currently set to 'Please select'. To the right of these are 'Apply selection' and 'Reset' buttons. Below the filters, there are tabs for 'Active', 'Upcoming', and 'Past', with 'Past' being the active tab. A table with the following columns is displayed: Product name and product code, Date, Event, Entitled holdings, and Election status. The table contains three rows of data:

	Product name and product code	Date	Event	Entitled holdings	Election status
▼	Ameren Corp Mandatory AEE (US)	2022-01-07	Cash Dividend	5	--
▼	Ameren Corp Mandatory AEE (US)	2022-01-07	Cash Dividend	1	--
▼	Comfortdelpro Corporation ... Voluntary CS2 (SG)	2022-01-08	Dividend Option	1,000	Partially elected

Top right corner shows and option for Standing Instruction

On click, you will be able to see Standing Instructions page as shown in next screen



Standing instructions

[+ Add standing instructions](#)



There are no standing instructions at the moment.

This is the Standing instructions page which shows no Instructions added currently • To add instructions, customer can click on the Add standing instructions button



Select an account

HSBC Premier Investment Services 041-648809-177

Select a product

Tesla Inc TSLA (US)

Select an election instruction

- Receive cash
 Receive securities

Confirm

Cancel

On clicking confirm, standing instruction will be created and system will display the instruction detail as shown in next screen



Standing instructions

+ Add standing instructions

Product name and product code	Account	Election instruction	
Tesla Inc TSLA (US)	SGHBSP041648809177	Cash	Remove

24. How will I know if my instructions have been successfully created and is captured?

Upon submitting your instructions on the Corporate Actions section, an on-screen message “We’ve received your instruction” will be displayed. This means that the Standing instruction has been created successfully

25. Is there an option to delete/remove the existing Standing Instructions?

Yes, there is an option to remove the existing Standing instructions. In the Standing instructions screen where all existing Standard Instructions’ are listed, there is an option – “Remove”. Upon clicking, the selected Standing instruction will be deleted.

Standing instructions

+ Add standing instructions

Product name and product code	Account	Election instruction	
Tesla Inc TSLA (US)	SGHBSP041648809177	Cash	Remove



Are you sure you want to remove this instruction?

Remove

You can click on the Remove button on the pop up to remove the Standing Instruction.



Portfolio > Corporate actions > Standing instructions

Standing instructions

[+ Add standing instructions](#)



There are no standing instructions at the moment.

- Once confirmed, standing instruction will be removed

26. Will there be any impact on my trading activity during corporate action events?

Certain corporate action events (for example, stock splits and reverse stock splits) require customers' investment holdings to be adjusted to reflect the correct post-corporate action quantities. This enables customers to trade based on the correct quantities of that shareholding. During this period of adjustment, customers will not be able to enter orders for the affected shares through the HSBC Singapore App or Online banking)

27. What do I do if I received a request for election for a corporate action via reply slip?

In some circumstances, you may be requested to perform an election via a physical reply slip. This will likely happen for a short period during the initial transition to electronic corporate action election. If so, please continue to send the reply slip back to the Bank.