



PTI Newsletter

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In this, the May 2007 issue of the PTI Newsletter, we inform Post Trade Integration members about additional details and updates on corporate actions such as shareholder book closing, dividend/interest payment, right exercise, new warrant issuance, capital increase, change in trading market, delisting from trading, delisting from depository, NVDR – TTF redeem, par change and capital decrease.

Corporate Actions

Book Closing

Book Closing Process is a process, which prepares the names list of shareholders and the balance of securities held by each shareholder in order for Corporate Actions to determine the shareholders who are entitled to obtain benefits and rights from the issuer. For securities, which Bank of Thailand is not a securities registrar, PTI members must send names of shareholders within 14.30 hr. of the book closing date. For securities, which Bank of Thailand is a securities registrar, PTI members must send names of shareholders within 18.30 hr. of a day before the book closing date.

Change/New

- To provide a function for preparing shareholders' names list on the book closing date. PTI members can upload the information to PTI system, change or correct shareholders' information on the PTI system and approve the shareholders' name list. To approve the name list is considered to be the information submission to the TSD. The PTI system will verify securities total, assign ID and instantly announce the submission of a name list on the computer screen.

Dividend/Interest Payment

Change/New

- To receive clients' dividend/interest payment through PTI members' e-Dividend accounts. The clients must send an instruction letter directly to TSD in case that TSD is a securities registrar of those securities.

Right Exercise

Change/New

- To deposit right exercise back to the original account in case of withdrawing right exercise slip but not submitting the slip for right exercise. This process will be applied when a securities registrar finds that these securities are not expired yet.

New Warrant Issuance

In case that securities issuers process any corporate actions resulting in lesser benefits of warrant holders such as change in par value from common share splitting or consolidation, new common share issuance with the price lower than the market price, etc. The securities issuers must adjust the rate or price to exercise warrant of these securities. Normally, securities issuers indicate warrant exercise rate at 1 warrant : 1 share. The exercise rate adjustment effects warrant exercise rate, for example, 1 warrant : 10 shares or 1 warrant : 1.xxx shares. As a result, the price calculation is difficult as well.

For that reason, securities issuers can adjust warrant rights by issuing new warrant to increase more warrants units to meet the original exercise rate at 1 warrant : 1 share.

Change/New

- To provide direct function to issue new warrant: "Add Warrant". Currently, members use par change function: "Split/Consolidate".

Capital Increase and Capital Increase from Right Exercise

After receiving information from a securities registrar, the PTI system will credit securities to members' credit accounts and send files on names of those clients to each member.

Change/New

- To change a file format by including details on corporate actions to provide PTI members the information on account crediting.

Change in Trading Market

When the securities get approval to change from one market to another market, PTI system will adjust information on all related systems on the effective date. The adjusted information on change in trading market is, for example, securities information, trading transactions in a process of clearing and settlement, etc. On trading day (T), securities X is still listed on Market for Alternative Investment (Mai). Then, on the next day (T+1), securities X changes its trading market to The Stock Exchange of Thailand. Securities X will be listed on The Stock Exchange of Thailand to be under the process of clearing and settlement.

Change/New

- To adjust information on related systems in response to news update.

Delist from Trading

When securities are delisted from trading, clearing and settlement system will adjust the delisted securities information. Also, the system will redeem NVDR and TTF with these underlying delisted securities before the effective date.

Change/New

- To receive news update through PTI system. PTI system will automatically process relevant transactions in accordance with delisted securities information.

Delisting from Depository

When securities are authorized to be delisted from Securities Depository Center, PTI members will send the book-closing list on the book closing date. On the effective date of delisting from depository, system will generate the withdrawal transactions for withdrawing securities in scripless to be securities in scrip and debit securities from members' deposit accounts (Delist from Depository).

Change/New

- To provide "Delist from Depository" as a withdrawal function.

Redeeming NVDR-TTF

For NVDR/TTF redemption, there are 2 different situations included.

Firstly, investors deliver NVDR/TTF late and deliver common shares on the settlement date instead. When investors deliver NVDR/TTF after the settlement date, investors are able to redeem and receive those common shares back. The system will detect the NVDR/TTF delivery default first, and then receive delivery of common shares on the clearing and settlement timeline (8 days after trading date). NVDR/TTF delivery may occur from buying transactions under a process of settlement. PTI members will process redeeming transactions through Allocation function and redeem NVDR/TTF units in the account with this function as well.

Secondly, redeeming NVDR/TTF for tender offer purpose, the system will verify and redeem from NVDR/TTF outstanding balance within the tender offer period

Change/New

New functionality

- For Late Settlement in allocation
- For Late Settlement (Promptly redeem)
- For tender Offer Period

Splitting/Consolidation

Splitting and consolidation is also called "Par Change". Splitting and consolidation is the process of splitting or consolidating shares. When splitting shares, par value is decreased, number of shares is increased, and the registered capital remains same. On the contrary, when consolidating shares, par value is increased, number of shares is decreased, and the registered capital remains same. Normally, the issuer splits shares to increase liquidity of the stock. Consolidation rarely occurs.

Change/New

- To clearly set decimal increase/decrease standards.

Capital Decrease

There are two methods of registered capital decrease:

1. Capital decrease by decreasing par value (number of shares is unchanged)
2. Number of shares is decreased (the same par value)

Change/New

- To increase new functionality