

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes and provide reasons to support your view. Where there is insufficient space, please attach additional pages as necessary.

1. Do you agree shares should be traded ex-entitlement (for conditional entitlements) only after shareholder approval?

Yes

No

Please provide reasons to support your view.

We are of the view that shares should be traded ex-entitlement only after shareholder approval for the same reason as stated in paragraph 24 of the consultation paper.

We would also like to point out that the practice of making capital adjustments on the ex-date (whether or not the relevant corporate action has been approved by shareholders or otherwise become unconditional) applies to all equity derivative products. Banning shares from trading ex-entitlement before shareholder approval will reduce the risk of uncertainty not only for the Exchange's related derivatives products, but also for equity derivative products generally.

2. If the shares are required to be traded ex-entitlement after shareholder approval, do you agree the record date should be set at least 3 business days after the date of shareholder approval (i.e. at least one cum-trading day be provided)?

Yes

No

If your answer is "No", please suggest the minimum period between the record date and the date of shareholder approval. Please provide reasons to support your view.

We have no views on the proposed arrangement.

3. If the issuer fails to publish its voting results via HKExnews website by 11pm on the date of the general meeting, do you agree the last cum-trading day should be extended to at least the second business day after the general meeting?

Yes

No

Please provide reasons to support your view.

We have no views on the proposed arrangement.

4. Should any requirement to trade shares ex-entitlement only after shareholder approval has been given be applied to all conditional entitlements?

Yes

No (only to some of the conditional entitlements)

If your answer is “No”, please specify the types of entitlements that should be traded ex-entitlement after shareholder approval. Please provide reasons to support your view.

5. Do you have any other comments in relation to the ex-entitlement arrangements?

Yes

No

If your answer is “Yes”, please state and provide reasons to support your view.

- End -