

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please make your comments by replying to questions below against proposed changes discussed in the Consultation Paper at the hyperlink: http://www.hkex.com.hk/consul/paper/cp200907_e.pdf.

Where there is insufficient space provided for your comments, please attach additional pages.

Consultation Questions on Notice Period for Book Closure

1. Do you agree to our proposal to shorten the notice period for book closure for a rights issue or an open offer from 14 calendar days to five business days?

Yes

No

Please provide reasons to support your view.

The reduced notice period for book closure could speed up a rights issue or an open offer process and would reduce the risk of changes in market and financial conditions.

2. In the case of a rights issue or an open offer, do you agree to our proposal to require extension of the notice period by postponing the book closure date, if necessary, to provide the market with a minimum of two uninterrupted trading days for trading in cum-rights securities during the notice period if, for examples, trading on the Exchange is interrupted due to typhoon and/or a black rainstorm warning or trading of the issuer's securities is suspended?

Yes

No

Please provide reasons to support your view.

The postponement of the book close date can provide the market with a minimum of two uninterrupted trading days for trading in cum-rights securities during the notice period if trading on the Exchange is interrupted due to typhoon and/or a black rainstorm warning or trading of the issuer's securities is suspended

3. If your answer to question 2 is “Yes”, do you agree that the proposed draft rule amendments in Appendix II will implement our proposal(s)?

Yes

No

Please provide reasons to support your view.

We agree with the proposed amendments above for the same reasons as stated in the Consultation Paper.

4. Do you agree to our proposal to amend the notice period for book closure (in cases other than a rights issue or an open offer) from 14 calendar days to 10 business days?

Yes

No

Please provide reasons to support your view.

The proposed change is welcomed since it is more appropriate that the notice period for book closure should last for ten business days, rather than 14 calendar days; this difference is significant where offers are run over extended bank holiday periods such as Chinese New Year, Easter and Christmas.

5. Do you agree to our proposal to amend the notice period for alteration of book closure date from six calendar days to five business days?

Yes

No

Please provide reasons to support your view.

The proposed change is welcomed since it is more appropriate that the notice period for alteration of book closure date should last for five business days, rather than six calendar days; this difference is significant where offers are run over extended bank holiday periods such as Chinese New Year, Easter and Christmas.

6. Do you agree to our proposal to clarify the rule that if an issuer changes the book closure date, it must give notice at least five business days before the originally announced closure or the newly proposed closure, whichever is earlier?

Yes

No

Please provide reasons to support your views.

We agree with the proposed amendments above for the same reasons as stated in the Consultation Paper.

7. Are there any other comments you would like to make?

Yes

No

If your answer is “Yes”, please state below.

Consultation Questions on Subscription Period

8. Do you agree to our proposal to amend the minimum subscription period for rights issues and open offers from 14 calendar days to 10 business days?

Yes

No

Please provide reasons to support your view.

The reduced subscription period would give listed issuers the opportunity to speed up the process of rights issue and open offers and would reduce the risk of changes in market and financial conditions. It also brings Hong Kong in line with the revised minimum subscription period of 10 business days under the UK Listing Rule 9.5.6.

9. Do you agree to our proposal to amend the maximum subscription period for rights issues and open offers (over which the issuer must consult the Exchange) from 21 calendar days to 15 business days?

Yes

No

Please provide reasons to support your view.

It provides sufficient time for investors to consider the rights issue or open offer and make their investment decision.

10. Are there any other comments you would like to make?

Yes

No

If your answer is “Yes”, please state below.

As the Consultation Paper acknowledges, the move to a shorter subscription period means that retail investors have to respond quickly to the documentation received from the listed issuer in respect of a rights issue or an open offer. Brokers and custodians have a responsibility to ensure such retail investors act quickly and it would be helpful if the HKEx could actively alert the public/retail investors of the changes assuming the proposals are agreed.

- End -