

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 believe that the arguments set out in paragraphs 17 to 21 of the consultation paper are legitimate. However, we understand that the Hong Kong market may at some stage consider it sensible to align its practices with those of other markets (as set out in Appendix II to the consultation paper).

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.

Presumably, the idea of a cum-trading day is to provide a chance for shares (with the entitlement) to be traded in the market. We agree that at least one cum-trading day be provided.

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.

Same rationale as our response to Q.2: to provide a chance for the trading of the shares (with the entitlement).

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.

If the proposals were to be implemented, they should apply to all conditional entitlements except for:

(a) declaration of final dividend recommended by the Board of Directors in relation to Section 129D of the Companies Ordinance; and

(Note: Although the final dividend approved by shareholders at annual general meeting may be substituted by an interim dividend declared by the Board of Directors so that a further book closure period may be avoided, shareholders will lose the opportunity to raise their comments on dividend policy when the resolution on declaring the final dividend is deliberated at the annual general meeting.)

(b) distribution in specie of existing shares in a spin-off company made pursuant to paragraph 3(f) of Practice Note 15 of the Listing Rules and conditional upon the listing of the spin-off company.

(Note: In order to enable the existing shareholders to receive their assured entitlements of shares distributed in specie and to deal in those shares on the date of listing of the spin-off company, the book closure period for such distribution and therefore ex-entitlement trading of the parent company shares have to be prior to the date of listing and therefore before such distribution becoming unconditional.)

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.

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