

## 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 would support this proposal for all HK listed securities and H shares, as it would provide consistency through which investors can base decisions pertaining to entitlement distribution, i.e. all issuers would need to provide similar timeline for critical dates. We would also suggest that the Exchange allows certain flexibility to listed companies in exceptional cases, e.g. time-sensitive deals, to allow ex-entitlement trading before shareholder approval.

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 support this proposal and concur that the record date should be at least 3 days after meeting confirmation. This would provide existing shareholders who disagree with entitlement distribution the option of selling shares prior to COB on record date. As the settlement cycle in HK is T+2, then the dates between meeting & record date needs to be more than 2 days to allow unwinding of positions.

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.

All listed companies should have obligation to update meeting results by 11pm. As Hong Kong stocks are traded globally so to ensure that all market participants have option to trade on meeting date +1 (to unwind), then information should be made available for US investors etc, so they can place order for market open on the next day. Failure to update results on website could result in delay to critical dates in order for all investors to have sufficient window for trading.

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.

If we are seeing increasing activity in Hong Kong issued Depositary Receipts, would this apply to DRs as well? This might be difficult to implement for DR.

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