

## 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.

*Hong Kong is one of the major international financial centres whose market practice should be brought in line with international as well as Mainland practices.*

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.

*Yes, at least one day is required for cum-trading because the share price should fairly reflect the value of the share price after shareholder approval.*

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.

***Assuming that the market is efficient and that there is no information barrier, whether or not the issuer has failed to publish its voting results would not affect the fair value of the issuer's share prices. There is no need to extend the last cum-trading day.***

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.

***Same requirements must be applied to all conditional entitlements.***

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.

***Would the Stock Exchange please provide drafting for the revised Listing Rules as soon as possible once the proposal for banning trading ex-entitlement before shareholder approval is adopted.***

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