

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/consult/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.

We generally support the aim of minimising timeframes for all corporate events, and believe that five business days is sufficient for market participants.

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.

We partially support this proposal. We believe that in general the most important consideration is guaranteeing at least one full trading day in cum rights securities, therefore we support having two full trading days as proposed. However in some cases it is possible that an ex rights day may be declared and then pushed back such that the ex rights day now falls after a particular stock options expiry where previously it had fallen before that stock options expiry. This has the potential to have a negative impact on options trading market makers and other participants. One potential solution is not to allow the ex-rights day to move past an options expiry date, however there may be other ways to allay these concerns. We would request that the exchange considers this issue.

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.

Note (2) implies that the ex-date may only be postponed for typhoon or black rainstorm, however whilst these might be the two most likely causes they are not the only potential causes of a non-full trading day on the exchange. The rule should make it clear that a non-trading day caused by any event, not just typhoon or black rainstorm, will result in the ex-date being pushed back to allow two full days trading.

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.

We believe that in all circumstances business days are a better measure of time than calendar days for exchange related matters.

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.

We believe that in all circumstances business days are a better measure of time than calendar days for exchange related matters.

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.

This enforces the intent that five business days notice be required for a books closure date. If this were not the case then a company could announce a date 10 business days hence, and then amend it to only one day hence. This would not be acceptable.

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.

We believe that in all circumstances business days are a better measure of time than calendar days for exchange related matters.

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.

We believe that in all circumstances business days are a better measure of time than calendar days for exchange related matters.

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

Yes

No

If your answer is "Yes", please state below.

- End -