

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.

Shortening the notice period for book closure in respect of a rights issue or an open offer will help reduce market risks. The proposed notice period is broadly in line with the requirements of comparable markets.

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

This will ensure sufficient time for settlement under the Exchange's T+2 system.

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.

Yes, to a large extent. However, it is not clear in the revised Rule 13.66 that if an issuer altered the book closure date to a date less than five business days before the originally announced closure or the new closure, it would not be possible for the issuer to give five business days notice for the altered closure. This could happen more likely in closure for declaration of dividends than in cases of right issue or open offer. In the event of this, it is desirable for the issuer to notify the Exchange in writing and publish a notice of altered closure in accordance with rule 2.07C as soon as practicable. Accordingly, it would be useful to spell this out in the revised Rule. This could fall into one of the exceptional circumstances. Perhaps, something like “or where there is less than five business days before the announced closure or the new closure” could be considered for adding as an example after the word “typhoon” in the 8th line of proposed revised Rule 13.66.

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.

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.

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.

Please also refer to the answer to Q3 above.

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

Yes

No

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

Please refer to the answer to Q3 above.

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 minimum subscription period seems appropriate.

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.

The maximum subscription period seems appropriate.

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

Yes

No

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

- End -