

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 agree to this proposal as we consider that the advantage of creating an orderly market by removing the risk of uncertainty in case of shareholder approval not being obtained outweighs the inconvenience of having a slightly longer timetable. However, the Exchange may consider expressly reserving the power to grant waiver of this requirement in special circumstances, for example:

- where the company is in financial difficulty and the proposed requirement would unduly lengthen the timetable; or
- where major shareholders are not required to abstain for voting and the risk of not obtaining shareholder approval is low or non-existent.

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.

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.

While we agree to this proposal, we wonder if distinction should be made where the non-publication of the voting results is not due to the fault of the issuer or its agent (e.g. printer).

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.

Please, however, see our comments in Question 1. We are of the view that a uniform application of the requirement to all conditional entitlements subject to the Exchange’s power to grant waiver in individual cases is more preferable than an outright selective application to some of the 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.

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