

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.

Neutral.

It is technically correct for shares to be traded ex-entitlement only after shareholder approval. Such arrangement leaves no room for any uncertainty in receiving the entitlement and is also in line with the practice of other leading overseas exchange. However, Hong Kong has allowed ex-entitlement trading before shareholder approval for many years and there is no controversy over the current practice.

In light of the above, we are neutral to the proposed change.

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.

The purpose of implementing the proposal is to ensure that shareholders would not face any uncertainty in receiving their entitlements.

In this light, to allow at least one cum-trading day is reasonable and potential investors would have sufficient time to make their trading decisions after the entitlement is ascertained.

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.

The arrangement would leave potential investors sufficient time to make their trading decisions after the entitlement is ascertained.

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.

If the proposal does not apply to all conditional entitlements, this may create more confusion for investors and market practitioners.

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 HKEx is to implement this proposal, we may see a trend for listed issuers to consider declaring interim dividend, instead of final dividend, to avoid delay in payment of dividend.

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