

Submitted via Qualtrics

Personal view

Question 1

Do you agree with the proposal to amend Chapter 17 to also govern share award schemes involving the grant of new shares of listed issuers?

No

Please provide reasons for your views.

Since the grant shares is a kind of commercial decision and current listing rules are already covered the issues of new shares.

Question 2

Do you agree with the proposed definition of eligible participants to include directors and employees of the issuer and its subsidiaries (including persons who are granted shares or options under the scheme as an inducement to enter into employment contracts with these companies)?

Yes

Please provide reasons for your views.

The definition will be covered all possible types of participants.

Question 3

Do you agree with the proposal that eligible participants shall include Service Providers, subject to additional disclosure and approval by the remuneration committee?

No

Please provide reasons for your views.

We prefer to subject to the approval by the board of directors, due to the service fee of service providers is not remuneration and it will confuse the accounting treatment.

Question 4

Do you agree with the proposal that eligible participants shall include Related Entity Participants, subject to additional disclosure and approval by the remuneration committee?

No

Please provide reasons for your views.

Besides the remuneration committee, the board of directors of the issuer shall have the discretionary decision, due to the related entity participants might have their own set of remuneration package which might be different to those package of the holding company.

Question 5

Do you agree with the proposal to allow the scheme mandate to be refreshed once every three years by obtaining shareholders' approval?

No

Please provide reasons for your views.

Since the expiration of the period of a share award scheme in general is about 10 years or more, three years are too short for the scheme and will make extra burden and workload to the trustee or the issuer. It will be more flexible if it is not mandatory for the refreshment, and could be let the issuer to design the period.

Question 6

Do you agree with the proposal to allow the scheme mandate to be refreshed within three years from the date of the last shareholders' approval by obtaining independent shareholders' approval?

No

Please provide reasons for your views.

It is similar reason to the question 5. Since the expiration of the period of a share award scheme in general is about 10 years or more, three years are too short for the scheme and will make extra burden and workload to the trustee or the issuer. It will be more flexible if it is not mandatory for the refreshment, and could be let the issuer to design the period.

Question 7

Do you agree with the proposal to remove the 30% limit on outstanding options?

Yes

Please provide reasons for your views.

The board of directors of the issuer could have the right to choose their own percentage limit.

Question 8

Do you agree with the proposal to require a sublimit on Share Grants to Service Providers?

No

Please provide reasons for your views.

It is because it will be unfair to the service providers and will make extra burden and workload to the scheme administrator and the issuer.

Question 9

Do you agree with the proposal to require a minimum of 12-month vesting period?

No

Please provide reasons for your views.

It will limit the timeframe for the issuer to motivate the employees and service providers.

Question 10

Do you agree with the proposal that Share Grants to Employee Participants specifically identified by the issuer may vest within a shorter period or immediately if they are approved by the remuneration committee with the reasons and details disclosed?

Yes

Please provide reasons for your views.

It will motivate the secondary market.

Question 11a

Do you agree with the proposed disclosure requirements relating to performance targets?

No

Please provide reasons for your views.

It is quite confidential issue.

Question 11b

Do you agree with the proposed disclosure requirements relating to clawback mechanism?

No

Please provide reasons for your views.

It is quite confidential issue.

Question 12

Do you agree that it is not necessary to impose a restriction on the grant price of shares under share award schemes?

Yes

Please provide reasons for your views.

It will be more flexible if the issuer does contribute all costs.

Question 13

Do you agree with the proposal to apply the 1% Individual Limit to Share Grants (including grants of shares awards and share options) to an individual participant?

Yes

Please provide reasons for your views.

It will align with the current listed rules.

Question 14

Do you agree with the proposal to require approval from the remuneration committee instead of INEDs for all Share Grants to Connected Persons?

No

Please provide reasons for your views.

We suggest that it requires approval from both the board of directors and INEDS.

Question 15

Do you agree with the proposal to relax the current shareholder approval requirement for grants of share awards to a director (who is not an INED) or a chief executive set out in paragraph 65 of the Consultation Paper?

Yes

Please provide reasons for your views.

It will make the motivation easier.

Question 16

Do you agree with the proposal to also relax the current shareholder approval requirement for grants of share awards to an INED or substantial shareholder of the issuer set out in paragraph 68 of the Consultation Paper?

Yes

Please provide reasons for your views.

It will make the motivation easier.

Question 17

Do you agree with the proposal to relax the current shareholder approval requirement for grants of share awards to a controlling shareholder of the issuer set out in paragraph 69 of the Consultation Paper?

No

Please provide reasons for your views.

It might hurt the public interest.

Question 18

Do you agree with the proposal to remove the HK\$5 million de minimis threshold for grants of options to an INED or substantial shareholder of the issuer?

Yes

Please provide reasons for your views.

The Issuer could have own decision regarding the limitation of the scheme.

Question 19

Do you agree with the proposals to require disclosure of Share Grants to Related Entity Participants or Service Providers on an individual basis if the grants to an individual Related Entity Participant or Service Provider exceed 0.1% of the issuer's issued shares over any 12-month period?

No

Please provide reasons for your views.

It will make more unexpected complexity of the scheme.

Question 20

Do you agree with the proposed disclosure requirement for the grant announcement?

No

Please provide reasons for your views.

The current disclosure is already enough.

Question 21

Do you agree with the proposed disclosure requirements for Share Grants in an issuer's interim reports and annual reports?

No

Please provide reasons for your views.

The current disclosure is already enough.

Question 22

Do you agree with the proposal to require disclosure of matters reviewed by the remuneration committee during the reporting period in the Corporate Governance Report?

Yes

Please provide reasons for your views.

It is the responsibility and fiduciary duties of the remuneration committee for those matters related to remuneration package.

Question 23

Do you agree with the proposal to require changes to the terms of share award or option granted be approved by the remuneration committee and/or shareholders of the issuer if the initial grant of the award or option requires such approval?

No

Please provide reasons for your views.

It will make the approval process more complicated and might delay the whole process of launch of the scheme.

Question 24

Do you agree with the proposal to provide a waiver for a transfer of share awards or options granted under Share Schemes as described in paragraph 86 of the Consultation Paper?

Yes

Please provide reasons for your views.

It will give the participant to have more flexibility to choose their own vehicle for succession planning and tax planning.

Question 25

Do you agree with the proposal to restrict the voting rights of unvested shares held by the trustee of a Share Scheme and require disclosure of the number of such unvested shares in monthly returns?

No

Please provide reasons for your views.

The issuer should have the flexibility to decide whether the trustee shall have the voting rights and the disclosure on the monthly returns is unnecessary.

Question 26

Do you agree with the proposed disclosure requirements for Share Schemes funded by existing shares of listed issuers?

No

Please provide reasons for your views.

Currently, the issuers are already disclosed the source of contribution in the announcement and the annual report.

Question 27

Do you agree with the proposal to restrict the voting rights of unvested shares held by the trustee of a Share Scheme and require disclosure of the number of such unvested shares in monthly returns?

No

Please provide reasons for your views.

The issuers should have more flexibility to choose whether the trustee should have the voting rights.

Question 28

Do you agree with our proposal to amend Chapter 17 to also govern share award schemes funded by new or existing shares of subsidiaries of listed issuers?

No

Please provide reasons for your views.

It is unnecessary to limit the source of contribution(fund) to the share award scheme and will discourage the issuer to use the own source for contributing the share award scheme.

Question 29

Do you agree with the proposed exemption for Share Schemes of Insignificant Subsidiaries?

Yes

Please provide reasons for your views.

Due to it is insignificant.

Question 30

Do you agree with our proposal to amend Chapter 17 to also govern Share Schemes involving grants of shares or options through trust or similar arrangements for the benefit of specified participants?

Yes

Please provide reasons for your views.

The guideline makes the direction more clear to the public.

Question 31

Do you agree with our proposal to remove the recommended disclosure requirement for the fair value of options as if they have been granted prior to the approval of the scheme?

Yes

Please provide reasons for your views.

Since it is quite complicated for the issuer or the auditor to value the option.

Question 32

Do you agree with our proposals to amend the Rules described in paragraph 100 of the Consultation Paper?

Yes

Please provide reasons for your views.

It should align with the current listing rules of chapter 17.