

Submitted via Qualtrics

Company/Organisation view

Question 1

Do you agree with the proposal to amend the Listing Rules to remove the requirement to cancel repurchased shares?

Yes

Please provide reasons for your views.

One of the reasons for an issuer repurchasing shares is the belief of its management that the shares are undervalued. By holding the repurchased shares in treasury for future resale when market conditions are favorable, issuers gain greater flexibility in adjusting their share capital quickly. This, in turn, may lead to a reduction in their cost of capital. Additionally, holding repurchased shares allows issuers to adjust their share capital to achieve optimum financial gearing and broaden their shareholder base without issuing new shares, thereby avoiding dilution effects on existing shareholders.

Question 2

Do you agree with the proposal to require a resale of treasury shares to be subject to the same requirements as an issue of new shares as described in Proposal (1)(a) to (c) above?

Yes

Please provide reasons for your views.

This approach is consistent with the approach adopted in major markets including the UK, NYSE and TSX. Adopting the same requirements as issuing new shares for the resales of treasury shares allows for a familiar approach, which would be welcome.

Question 3

Do you agree with the proposal to require a resale of treasury shares (whether on-market or off-market) to be subject to a moratorium period after a share repurchase?

Yes

Please provide reasons for your views.

It allows to lower the risk of market manipulation through repeatedly repurchase and resell the shares on market.

Question 4

Do you agree with the proposal to require an on-Exchange share repurchase to be subject to a moratorium period after an on Exchange resale of treasury shares?

Yes

Please provide reasons for your views.

Refer to the reply on Q3.

Question 5

Do you consider that the moratorium periods (in either direction) should be shorter than 30 days? If so, please share with us your views on the appropriate duration of the moratorium periods and the reason for your suggestion including your views on how the considerations in paragraph 68 should be addressed.

Yes

Question 6

Do you agree with the proposal that dealing restrictions described in paragraph 69 under Proposal (2)(b) above shall be imposed on a resale of treasury shares on the Exchange?

Yes

Please provide reasons for your views.

Refer to reply on Q5.

Question 7

Do you agree with the proposals for an on-market resale of treasury shares as described in paragraph 70 under Proposal (2)(b) above?

No

Please provide reasons for your views.

The proposal may result in possible confusion and/or misunderstanding on the part of shareholders or investors, given that it would necessitate them searching the next day disclosure return to properly assess the issuers' latest position.

Question 8

Do you agree with the proposal relating to new listing applicants as described in Proposal (3) above?

Yes

Please provide reasons for your views.

The extension of the application of Rule 10.08 of the Listing Rules to a resale of treasury shares is logical and consistent with the approach of treating new shares and treasury shares alike.

Question 9

Do you agree with the proposal to require issuers (being holders of treasury shares) to abstain from voting on matters that require shareholders' approval under the Listing Rules as described in Proposal (4)(a) above?

Yes

Please provide reasons for your views.

This would help with protection of minority shareholders and prevent controlling/substantial shareholders from using treasury shares as a means to consolidate its control of the issuer.

Question 10

Do you agree with the proposal to disregard treasury shares for calculating an issuer's issued shares and voting shares under the Rules as described in Proposal (4)(b) above?

Yes

Please provide reasons for your views.

Refer to reply on Q9.

Question 11

Do you have any comments regarding the different treatment of treasury shares when calculating an issuer's issued voting shares under the proposed Rules and Part XV of the SFO as described in paragraph 77 above?

We generally agree with the proposal. Voting rights attached to treasury

shares are temporarily suspended by laws, they are disregarded in the determination of various thresholds under the Codes. However, this will not result in major changes to the existing practices for disclosure of interests under Part XV of the SFO. A clear disclosure should be disclosed separately for the purpose of disclosure of interests.

Question 12

Do you agree with the proposal to require an issuer to disclose in the explanatory statement its intention as to whether the repurchased shares will be cancelled or kept as treasury shares as described in Proposal (4)(c) above?

Yes

Please provide reasons for your views.

This is reasonable and will ensure transparency for shareholders and investors to understand the potential impact of the proposed share repurchase and to vote.

Question 13

Do you agree with the proposal to clarify that a resale of treasury shares by an issuer or its subsidiary includes resale of treasury shares through their agents or nominees as described in Proposal (4)(d) above?

Yes

Please provide reasons for your views.