

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.

Removing the cancellation requirement allows listed issuers to manage their capital structure better and potentially reduce the cost of capital. Over 90% of listed issuers on the HKEX are already incorporated in jurisdictions that permit holding shares in treasury. Implementing controls and disclosure requirements can prevent abuse, ensuring a fair and orderly market. Shareholders' rights would still be suspended while shares are held in treasury, and resale would impact existing shareholders similar to a share issuance. This change increases flexibility without significant new risks.

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.

Requiring resale of treasury shares to comply with the same requirements as new share issuances ensures consistent treatment and protects existing shareholders. Shareholders' mandates and price discount limits safeguard their rights. Connected transaction rules prevent abuse, and disclosure requirements promote transparency. The proposed framework balances issuer flexibility with safeguards for shareholders and market integrity. It aligns with regulations in major markets, enhancing Hong Kong's competitiveness.

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.

Applying a moratorium period after share repurchases and treasury share resales helps address the risk of issuers unduly influencing share prices through such activities. It allows the market time to absorb the information without potential price impact. Overall it seems a reasonable safeguard to promote orderly trading.

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.

Same as 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.

Extending dealing restrictions to treasury share resales prevents market abuse and promotes fair markets.

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?

Yes

Please provide reasons for your views.

Not requiring announcements or placee info for on-market resales is reasonable.

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.

Applying the same lock-up period for treasury share resales as for new issuances is reasonable, protecting investors from dilution after listing.

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.

Prohibiting issuers from voting treasury shares on shareholder matters prevents control consolidation or influencing votes, aligning with suspended voting rights.

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.

Excluding treasury shares from threshold calculations makes sense due to their suspended rights, consistent with overseas jurisdictions and codes.

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?

Different treatments of treasury shares under the proposed Rules vs SFO are reasonable due to their distinct objectives, without major concerns.

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.

Requiring disclosure of intention to cancel/hold repurchased shares enhances transparency and aids shareholders' decision-making.

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.

Including agent/nominee resales in the new framework ensures clarity and prevents circumvention, contributing to a comprehensive and consistent regulatory approach.