

**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.**

Being dual primary listed on the London and Hong Kong stock exchanges, we fully support the proposed removal of the requirement to cancel repurchased shares and any other initiatives that support the efficacy of the Hong Kong exchange and enhance Hong Kong as a global centre for capital.

The proposal will support the increase in liquidity of the equity market and will put Hong Kong on a par with other major stock markets, which provide flexibility to listed issuers in their capital management as treasury shares may be used for acquisitions, employees' share incentives, and allow companies to adapt to changing market conditions and strategic objectives. We would welcome the process of waivers from the new Listing Rules requirements on a case-by-case basis to be retained, taking into account the specific circumstances of the issuer, without compromising principles of good governance and shareholder protections.

**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.**

We agree with the proposal, but the purpose of a sale or transfer of treasury shares out of treasury for the purpose of a scrip dividend distribution or for use under a share scheme should be exempted as those actions do not raise capital for the issuer. The use of treasury shares provides more flexibility to the issuer when offering shareholders an alternative to a cash dividend in the form of a scrip dividend distribution. Similarly, the use of treasury shares provides more flexibility to issuers to fulfill their obligations under share schemes in place of allotting newly issued shares: these are typically employee share schemes, but also many insurers will operate share schemes for their distribution agents. On that basis, we believe share schemes authorised by the issuer's shareholders and scrip dividend programmes should be exempted from the requirements to be treated as an issue of new shares under Rule 13.36.

**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?**

No

**Please provide reasons for your views.**

We do not agree with the proposal. Swift issuance may be attractive to issuers and, in our view, there should already be adequate protections against market abuse within relevant market abuse regulations or securities laws that will apply to issuers and their officers, without the need for further requirements to be set out in the Listing Rules.

**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?**

No

**Please provide reasons for your views.**

Please refer to the answer to 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?**

No

**Please provide reasons for your views.**

We do not agree with the proposal as, in our view, it would be more appropriate to provide protection against market abuse within relevant market abuse regulations or securities laws rather than in the Listing Rules.

**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.**

### **Question 8**

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

No

**Please provide reasons for your views.**

We do not consider that such a restriction is necessary and could be addressed, for example, in the listing prospectus so that investors are forewarned of the risks.

### **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.**

We fully support the proposal as it aligns with good governance practices that promote clarity and transparency. By disallowing voting rights for treasury shares, it ensures that listed issuers cannot wield disproportionate influence over important corporate decisions.

### **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.**

### **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 consider that it would be preferable for a consistent approach to be taken regarding the treatment of shares when calculating an issuer's voting shares and Part XV of the SFO. In our view, the approach proposed in the consultation to disregard treasury shares for such calculations, which is in line with the approach adopted in the UK, is preferred.

### **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.**

While we are supportive of the requirement to disclose the intention for the repurchased shares, it would be beneficial to provide clarity on the consequences or actions required where the intention may change during the year due to evolving circumstances.

**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.**

We are keen to support developments that reinforce and enhance Hong Kong's international competitiveness, and its position as a global centre for capital, at a time when other international financial centres are seeking to enhance their respective positions, including the proposed removal of the requirement to cancel repurchased shares.