

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.

While [REDACTED] (hereinafter, "we") is secondarily listed on the Exchange and thus exempted from complying with Rule 10.06(5), we respectfully suggest that the requirements to cancel repurchased shares (the "Requirement") be removed.

We, like all of the other secondary-listed companies on the Exchange, continuously assess the compliance costs associated with transitioning to a dual primary listing, including the costs of compliance with the current Rule 10.06(5) which constitutes an unnecessary impediment for all of the secondary-listed companies to convert to dual-primary.

As a substantial amount of the secondary-listed companies are incorporated in the Cayman Islands and primarily listed in the United States both of where treasury shares are not required to be cancelled upon repurchase, removal of the Requirement would substantially enhance the alignment of the legal requirements across different jurisdictions and simplify compliance efforts should a secondary-listed company decide to convert to dual-primary someday.

In general, removal of the Requirement would provide greater flexibility in managing a company's capital structure, reduce the time and monetary costs associated with capital management activities, and thus enable companies to respond quickly to market conditions and opportunities.

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.

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.

Provided that the current exemption available for subsequent issues after any share purchases under Rule 10.06(3) shall also apply to subsequent transfer or resale of treasury shares after a share repurchase because the exemption under Rule 10.06 (3) would confer us certain benefits under circumstances such as transfer or resale of treasury shares to employees pursuant to a pre-approved employee stock incentive plan.

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.

Current regulatory regime is robust enough to mitigate the risk of market manipulation. The proposed moratorium would be unnecessarily burdensome to the issuer conducting on-Exchange share repurchase without bringing any significant benefit to the market.

Additionally, to the best of our knowledge, New York Stock Exchange (“NYSE”), the stock exchange where we are primarily listed, does not impose similar restrictions upon issuers like us.

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.

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?

Yes

Please provide reasons for your views.

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.

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?

No comment.

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?

No

Please provide reasons for your views.

We respectfully advocate for a flexible approach that does not mandate disclosure of the intended treatment of repurchased shares in the explanatory statement.

Due to the temporal gap between the explanatory statement distributed to shareholders via circular announcement (which occurs approximately a month before an annual general meeting) and the exercise period of the repurchase mandate (which can extend up to approximately one year thereafter), rigid disclosure of a predetermined commitment on the treatment of the repurchased shares can inadvertently limit an issuer's ability to adapt to unforeseen circumstances and optimize capital allocation strategies.

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.

Currently, we, as a foreign private issuer primarily listed on NYSE, are equally permitted to repurchase shares through the listed parent company (the "ListCo") as well as through subsidiaries (including the respective agents or nominees, on behalf of the ListCo and/or its subsidiaries). This approach provides us with enhanced flexibility to optimize our capital allocation strategies. For example, there may be instances where the ListCo may not have sufficient funds readily available for repurchases, and in such cases, subsidiaries with surplus funds can efficiently execute the repurchase.

In light of the new rules proposed in the HKEX consultation paper, we respectfully advocate for the inclusion of provisions that (1) clearly state these new regulations should extend to the subsidiary of the ListCo (including any agent or nominee on behalf of the ListCo and/or its subsidiaries); and (2) the treasury shares repurchased thereby should be utilized equitably, whether it be as consideration in transactions or as part of employee stock incentive plans.

Such clarity would not only enhance the alignment with existing provisions for share repurchase and our current practice, but also ensure that treasury shares repurchased by

(i) subsidiary or (ii) agent or nominee on behalf of the Listco and/or its subsidiaries, are accorded the same treatment as those acquired directly by the ListCo as in practice the Listco may not have the means or expertise to execute resales efficiently or effectively merely by itself.