

香港中央結算有限公司
(香港交易及結算所有限公司全資附屬公司)

HONG KONG SECURITIES CLEARING COMPANY LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Arrangements to hold or deposit treasury shares in CCASS
Enquiry: CCASS Hotline¹: +852 2979 7111 / E-mail: clearingps@hkex.com.hk

In accordance with the [Consultation Conclusions](#) on the “Proposed Amendments to Listing Rules Relating to Treasury Shares” issued by HKEX in April 2024, the relevant Listing Rules will be amended to remove the requirement to cancel all repurchased shares and to adopt a framework in the Listing Rules to allow listed issuers to hold repurchased shares in treasury and regulate the resale of these treasury shares starting from 11 June 2024. In April 2024, HKEX also published a [Guidance Letter](#) (HKEX-GL119-24 – effective from 11 June 2024) on the arrangements for listed issuers to hold or deposit treasury shares in CCASS. This Circular provides information to CCASS Participants (“Participants”) on the handling of treasury shares and other repurchased shares in CCASS to support the implementation of the new treasury share regime under the Listing Rules and the Guidance Letter. Unless stated otherwise, capitalized terms used herein shall have their same meanings as set out in the Consultation Conclusions. References to treasury shares and repurchased shares in CCASS in this circular shall include treasury units and repurchased units in CCASS respectively.

1. Arrangements to hold or deposit treasury shares in CCASS

Participants should note that, under the Listing Rules and the Guidance Letter, a listed issuer intending to resell any treasury shares on the Exchange may hold or deposit such shares with CCASS and must ensure that such shares are appropriately identified and segregated. It is expected that the listed issuer will instruct its Participant to hold such treasury shares in a segregated Stock Account in CCASS separately from securities belonging to other clients of the Participant. The listed issuer should also instruct its Participant to maintain a proper record of such treasury shares.

2. Shareholders’ rights and entitlements for treasury shares in CCASS

For any treasury shares deposited or otherwise held in CCASS which are not eligible for any rights and entitlements, Participants should note that the listed issuer should not exercise any shareholders’ rights or receive any entitlements.

¹ Calls to and from the CCASS Hotline may be recorded. HKEX Privacy Notice is available [here](#).

Voting Rights:

- (i) The listed issuer should procure its Participant not to give any instructions to Hong Kong Securities Clearing Company Limited (“HKSCC”) to vote at general meetings for the treasury shares deposited or held in CCASS.

Dividends and other distributions:

- (ii) Where the listed issuer is incorporated in a jurisdiction requiring treasury shares to be held in its own name, the listed issuer should withdraw the treasury shares from CCASS via its Participant, and either re-register them in its own name as treasury shares or cancel them.
- (iii) If there remains any treasury shares held in CCASS which are not entitled to the dividends or distributions on the last registration day before book-close or record date, the listed issuer and its Participant should promptly notify HKSCC the number of treasury shares held in CCASS and other information HKSCC may prescribe from time to time. HKSCC will exclude such treasury shares based on the notifications in allocating the dividends or distributions among the Participants. A prescribed form (CCASS - Form No. 119) is available on the HKEX website (Operations & Technical (hkex.com.hk)) for the purpose of notifying HKSCC of the treasury shares held in CCASS which are not eligible for any entitlements.
- (iv) For the avoidance of doubts, Participants are only required to notify HKSCC about the treasury shares in CCASS which are not eligible for any entitlements if so instructed by the listed issuer or its agents. For instance, notification to HKSCC is not required if the treasury shares in CCASS are eligible to receive bonus issue.

3. Repurchased shares which are not Treasury Shares

Participants should take note that, under the Listing Rules and the Guidance Letter, a listed issuer should promptly instruct its Participant to withdraw repurchased shares which are not treasury shares from CCASS so as to complete the cancellation process with its share registrar. The listed issuer should not exercise any shareholders’ rights to attend and/or vote at the general meetings or receive any dividends or distributions for such repurchased shares pending cancellation. If such repurchased shares have not been withdrawn from CCASS as at the last registration day before book-close or record date for the dividends or distributions, the listed issuer and its Participant should promptly notify HKSCC in accordance with paragraph 2(iii) above using the same prescribed form referred to in paragraph 2(iv) above.

The corresponding amendments to the General Rules of HKSCC and the HKSCC Operational Procedures are expected to come into effect on 11 June 2024, details of which will be set out in a separate circular.

For any enquiries, please contact CCASS Hotline¹: +852 2979 7111 / E-mail:
clearingps@hkex.com.hk.

Alan Chuen
Senior Vice President
Depository and Nominee Services

This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.