

**Listing Decisions Series 1-1 - Rule 14.24(6)(a) - 14 day period for a "top-up" placing (April 1999) (Withdrawn in September 2009)**

***[The principle underlying this Listing Decision was codified in Main Board Rule 14A.31(3)(d) in March 2004.]***

<b>Summary</b>	
Name of Parties	Company A - a listed company Company B - Company A's holding company
Subject	Whether the 14-day period for a "top-up" placing commences on the date of signing of the placing and subscription agreement or the date of completion
Listing Rule	Rule 14.24 (6)(a)
Decision	The 14-day period commences on the date of the placing and subscription agreement

**Summary of facts**

Company A entered into a "top-up" placing and subscription arrangement whereby Company B agreed to place out 5% of its holding in the issued share capital of Company A to independent institutional investors. Company B would then subscribe for shares in Company A (to be issued under Company A's general mandate) at a price equivalent to the placing price after adjusting for the expenses of the placing. After the subscription, Company B's holding of shares in Company A would remain the same as before the placing.

Under Rule 14.24(6)(a), the subscription would be exempted from connected transaction requirements if Company B subscribed for the new shares in Company A within 14 days after it reduced its percentage interest in the shares of Company A as a result of the placing. Company A sought clarification as to when the 14-day period would start to run.

**Analysis**

The 14-day period would commence on the date of the placing and subscription agreement, not the date of completion of the placing, as the reduction of Company B's percentage interest in the shares would be deemed to have occurred as soon as the agreement was signed.

**Decision**

The 14-day period referred to in Rule 14.24(6)(a) would commence on the date of signing of the placing and subscription agreement and not the date of completion of the placing.