

**Listing Decisions Series 1-2 - Rule 10.07(1) - Placing within six months of listing (April 1999) (Withdrawn in September 2009)**

*[The principle underlying this Listing Decision was codified in Main Board Rule 10.08 in March 2004.]*

Summary	
Name of Party	Company A - a listed company
Subject	Whether Company A could place new shares within 6 months from the date of its listing
Listing Rule	Rule 10.07(1)
Decision	No share placing within six months of listing

**Summary of Facts**

Company A proposed to do a placing of new shares within six months of being listed on the Exchange to independent third parties by utilising the general mandate granted by its shareholders.

**Analysis**

The Listing Rules contain restrictions on the disposal of shares by controlling shareholders following a new listing. Rule 10.07(1) states that "a controlling shareholder of the issuer shall not...in the period of 6 months from the date on which dealings in the securities of a new applicant commence on the Exchange, dispose of ... any of those securities of the issuer in respect of which he is ... shown by the listing document to be the beneficial owner ...".

The proposed placing would result in the dilution of interests of all shareholders of Company A, including the controlling shareholder, resulting in a deemed disposal by Company A's controlling shareholder which, occurring within six months of Company A's listing, would be in breach of Rule 10.07(1).

**Decision**

Company A should not proceed with its proposed share placing.