

HKEx LISTING DECISION

Cite as HKEx-LD13-3 (May 2000) (Withdrawn in January 2023)

[This Listing Decision is withdrawn following the amendments of Chapter 17 of the Rules to govern both share option schemes and share award schemes of issuers. The amended Rules became effective on 1 January 2023]

| Summary | |
|---------------|---|
| Name of party | Company A - a listed company |
| Subject | Whether Company A's proposed incentive share scheme for employees would be subject to Chapter 17 of the Listing Rules |
| Listing Rule | Chapter 17 |
| Decision | Scheme would not be subject to Chapter 17 |

Summary of Facts

Company A proposed to implement an incentive share scheme for employees of Company A and its subsidiaries and associated companies. Under the scheme, shares in Company A would be awarded to the employees at the discretion of Company A. Such shares would either be new shares or existing shares purchased by a custodian in the open market at market price. The scheme was designed to link part of the employees' future compensation to the creation of long-term value for shareholders. New shares to be awarded under the scheme would be issued pursuant to a specific mandate to be sought from the shareholders of Company A at a general meeting.

Analysis

Rule 17.01 of the Listing Rules states that Chapter 17 applies to all schemes involving the issue or grant of options over shares or other securities by listed issuers to, or for the benefit of, executives and/or employees and to schemes of all subsidiaries of listed issuers.

Company A's scheme did not involve the granting of any options. It was, in substance, merely a scheme providing for deferred compensation to employees as part of their remuneration package.

Decision

Chapter 17 only applies to employee share option schemes. Accordingly, Company A's scheme would not be subject to its requirements.