

HKE_x LISTING DECISION

Cite as HKE_x-LD17-2 (September 2000) **(Withdrawn in January 2024)**

[This listing decision is withdrawn.]

Summary	
Name of Party	Company A - a listed company
Subject	No assured entitlements in spin-off - whether minority shareholders' approval necessary
Listing Rule	Paragraph 3(f) of Practice Note 15
Decision	Minority shareholders' approval necessary

Summary of Facts

Company A proposed to spin off a group comprising major operating subsidiaries. After the spin-off, Company A would continue to hold a 70% interest in the spin-off company.

Paragraph 3(f) of Practice Note 15 of the Listing Rules provides that, in any spin-off, a company must offer to its shareholders assured entitlements to shares in the spin-off company. Paragraph 3(f) further provides that a company would need to obtain a waiver from its minority shareholders by resolution in general meeting if it did not propose to offer to its shareholders such assured entitlements. Company A did not propose to offer to its shareholders any such assured entitlements, nor did it wish to seek such a waiver from its minority shareholders.

Company A therefore applied to the Exchange for a waiver from paragraph 3(f) of Practice Note 15.

Analysis

Although the interest of Company A's controlling shareholder in the spin-off would not be any different from that of the minority shareholders, there were no grounds for denying the minority shareholders a chance to consider whether or not to waive the requirement of assured entitlements in a general meeting.

Decision

The waiver application was rejected and, accordingly, Company A would need to obtain a waiver from its minority shareholders by resolution in general meeting if it proposed not to offer assured entitlements to its shareholders.