

## **HKE<sub>x</sub> LISTING DECISION**

Cite as HKE<sub>x</sub>-LD29-3 (September 2001) (Updated for rule reference in September 2009) (Withdrawn in January 2023)

*[This Listing Decision is superseded by the Listing Decision HKE<sub>x</sub>-LD89-2015]*

<b>Summary</b>	
Name of Parties	Company A - a listed company Mr X - a director of Company A
Subject	Share options to director - whether fell within Chapter 14 [ <i>now Chapter 14A</i> ] or Chapter 17
Listing Rule	Chapters 14 [ <i>now Chapter 14A</i> ] and 17
Decision	Based on the specific facts, arrangement amounted to a one-man share option scheme governed by Chapter 17 rather than Chapter 14

### **Summary of facts**

Company A proposed to enter into an arrangement with Mr X whereby he would be eligible for the grant of options over shares in Company A at the discretion of the Company.

Company A enquired as to whether the arrangement would be governed by the provisions of Chapter 14 [*now Chapter 14A*] relating to connected transactions or the provisions of Chapter 17 relating to employee share option schemes.

### **Analysis**

Rule 17.01(1) states that the provisions of Chapter 17 apply, with appropriate modifications, to all schemes involving the grant by a listed issuer or any of its subsidiaries of options over new shares or other new securities of the listed issuer or any of its subsidiaries to, or for the benefit of, specified participants. It further provides that any arrangement involving the grant of options to participants over new shares or other new securities of a listed issuer or any of its subsidiaries which, in the opinion of the Exchange, is analogous to a share option scheme as described in that Rule must comply with the requirements of that Chapter.

The Exchange was of the view that, based on the information provided, the arrangement between Company A and Mr X was in the nature of a one-man share option scheme.

### **Decision**

The provisions of Chapter 17 should apply.

Since the arrangement would be governed by Chapter 17, it would not fall within Chapter 14 [*now Chapter 14A*].

It was noted that the decision was made having regard to the specific facts of this case.