

HKE_x LISTING DECISION

Updated: 19 November 2009 (Withdrawn in January 2013; Superseded by GL15-09)

Listing Decisions Series 14-3 - Payment of special dividend prior to listing (May 2000)

Summary	
Name of Party	Company A – an applicant for new listing
Subject	Payment of special dividend prior to listing
Listing Rule	2.13(2), 11.16 to 11.19
Decision	Full and prominent disclosure required in prospectus

Summary of Facts

Company A proposed to declare a special dividend payable to its pre-listing shareholders comprising substantially all of its distributable retained earnings up to the second business day prior to the commencement of dealings in its shares on the Exchange.

Analysis

The payment of a sizeable dividend (as in the present case) has a substantial impact upon a company's retained earnings and net current asset position.

Decision

Full and prominent disclosure of the special dividend was required in Company A's prospectus, including the amount, date of payment and method of financing.