

HKEx LISTING DECISION

Cite as HKEx-LD23-3 (March 2001) (Updated in September 2009 and withdrawn in January 2024)

[This listing decision is withdrawn.]

Summary	
Name of Party	Company A - a listed company
Subject	Transaction involving an issue of shares by Company A - whether suspension necessary
Listing Rule	Chapter 6 and Practice Note 11
Decision	Immediate suspension necessary

Summary of Facts

Company A had executed an agreement with regard to a transaction involving an issue of shares by Company A. It promptly notified the Exchange and asked whether a suspension of trading in its securities was necessary pending the publication by it of a paid announcement in the newspapers¹ to inform the market.

Analysis

Any issue of shares, including the entering into of an agreement involving an issue of shares, by a listed company constitutes by its very nature price sensitive information due to the dilution effect of such an issue on the existing issued share capital of the company. In the absence of an appropriate announcement by the company, any trading in the securities of the company would be on an uninformed basis.

Consequently, trading in the securities of any listed company effecting an issue of shares or entering into an agreement involving an issue of shares should be suspended pending publication of a paid announcement in the newspapers¹ to inform the market. Therefore, in order to avoid a suspension, such agreements should be entered into after trading hours and an announcement in clearable form submitted to the Exchange for clearance² and publication by the company in the newspapers the following business day¹.

In the present case, because the agreement was executed during trading hours, the immediate suspension of trading in the securities of Company A was necessary.

Decision

Company A was advised accordingly and immediately requested a suspension.

Notes:

- 1. The requirement for publication of paid announcements in newspapers was abolished on 25 June 2007. After the rule amendment, issuers must publish their announcements required under the rules on the Exchange's website and their own*

website in accordance with Rule 2.07C as soon as possible. (Added in September 2009)

2. *We have amended the Listing Rules in January 2009 to remove the pre-vetting requirements for listed issuers' announcements. After the rule amendment, announcements on issue of securities are not subject to pre-vetting by the Exchange. (Added in September 2009)*