

Listing Decisions

Updated: 01/12/1999

Listing Decisions Series 9 - Whether trading should continue with insufficient shares in public hands following a rights issue **(Withdrawn in January 2024)**

[This listing decision is withdrawn.]

Summary	
Name of Parties	Company A - a listed company Shareholder B - the controlling shareholder of Company A Shareholder C - a substantial shareholder of Company A
Subject	Whether trading in Company A's shares could continue with insufficient shares in public hands following a rights issue
Listing Rule	Rule 8.08
Decision	Having regard to the circumstances of the case, trading in Company A's shares could continue without suspension

Summary of Facts

Following the results of Company A's rights issue, Shareholder B and Shareholder C together held over 75% of Company A's issued share capital. Accordingly, the percentage of its shares in public hands had fallen below 25%, the minimum percentage prescribed under Rule 8.08.

Shareholder B had provided to the Exchange an undertaking that, in the event that the aggregate number of shares held by it and Shareholder C exceeded 75% of the issued shares of Company A, it would take measures to place out or procure the placing out of such shares to independent third parties within one month of the announcement of the results of the rights issue so as to ensure that not less than 25% of the issued shares were held by the public.

Analysis

Shareholder B had demonstrated a concrete, bona fide intention and commitment to restore the percentage of shares of Company A in public hands to the prescribed minimum within a reasonable time period.

It was also noted that, among other things, the public float was only marginally below 25% and the market capitalisation of the shares in public hands remained at an acceptable level.

Decision

In the circumstances, trading in Company A's shares could continue without suspension.