

Listing Decisions

Updated: 01/02/2000

HKEx LISTING DECISION

Cite as HKEx-LD11-3 (February 2000) [Withdrawn in January 2024](#)

[*\[This listing decision is withdrawn.\]*](#)

Summary	
Name of Parties	Company A - a listed company Company B - a subsidiary of Company A
Subject	Whether Company A was required to have been listed on the Exchange for at least three years before an application to spin off Company B could be considered
Listing Rule	Practice Note 15
Decision	The proposed spin-off of Company B could not proceed as Company A had not yet been listed for at least three years on the Exchange

Summary of Facts

Company A, which had only been listed on the Exchange for two years, intended to spin off part of its direct investment business by effecting the separate listing of Company B on the Exchange. Company A submitted that the realisation of its direct investment business upon its maturity, whether by way of spin-off or otherwise, was a matter of policy for Company A alone to decide. Therefore, Company A claimed that the proposal should not be regarded as a "spin-off" for the purposes of Practice Note 15 and, in particular, that paragraph 3(b) which requires the parent to have been listed on the Exchange for at least three years was not applicable to its case.

Analysis

Under Practice Note 15, "spin-offs" are defined as proposals the effect of which constitutes the separate listing on the Exchange or elsewhere of assets or businesses wholly or partly within the issuers' existing groups. Company A's proposal clearly constituted a spin-off by Company A and all the requirements of Practice Note 15 therefore had to be complied with.

Decision

The proposed spin-off of Company B could not proceed as Company A had not yet been listed for at least three years on the Exchange as required under paragraph 3(b) of Practice Note 15.