

Listing Decisions

Updated: 01/06/1999

HKEx LISTING DECISION

Cite as HKEx-LD3-2 (June 1999) [\(Withdrawn in January 2024\)](#)

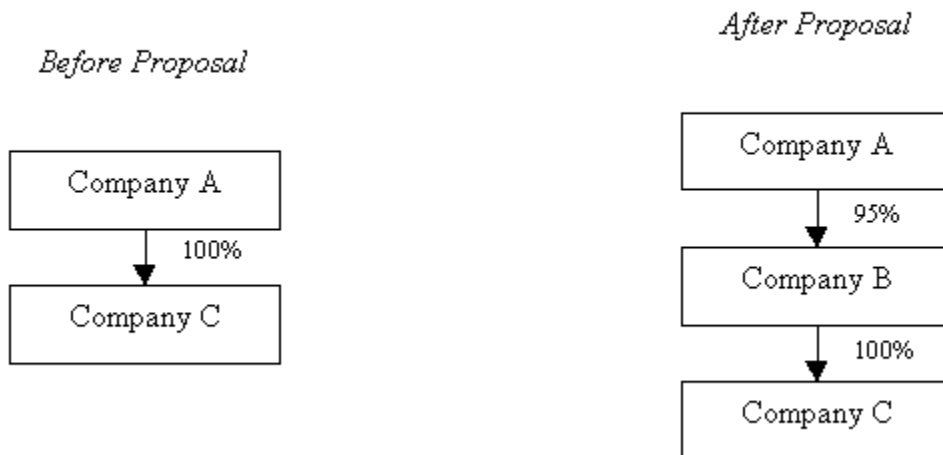
[\[This listing decision is withdrawn.\]](#)

Summary	
Name of Parties	Company A - a listed company Company B - an overseas-listed company Company C - a company incorporated in the jurisdiction of Company B's listing and a wholly-owned subsidiary of Company A
Subject	Whether the proposal of Company A constituted a spin-off under Practice Note 15 of the Listing Rules
Listing Rule	Practice Note 15
Decision	The proposal of Company A constituted a spin-off under Practice Note 15

Summary of Facts

Company A proposed to subscribe for new shares constituting 95% of Company B. Company B would subsequently acquire the entire issued share capital of Company C. Company A's attributable interest in Company C would thereby be reduced to 95%.

Shareholding structure:



There was no relationship between Company A and Company B before the proposal. The remaining 5% of Company B would be held by the public. Under the regulations of the jurisdiction of Company B's listing, there was no requirement for Company A to place down

after subscription for shares in Company B. It was, however, the intention of Company A to reduce its shareholding interest in Company B if market conditions permitted.

The transaction constituted a notifiable transaction for Company A under the Listing Rules as a result of the subscription of shares in Company B **and** the effective disposal of 5% of Company C. As only 5% of Company C was proposed to be disposed of, there would be no material dilution of a major subsidiary in this case.

Analysis

The proposal fell under Practice Note 15 of the Listing Rules as it was for the separate listing elsewhere of assets wholly owned within its existing group even though Company A did not directly spin off Company C but acquired Company B and effectively disposed of only 5% of Company C.

Decision

The proposal fell under Practice Note 15 and the relevant provisions of the Practice Note would apply.