

Listing Decisions

Updated: 01/04/2000

HKEx LISTING DECISION

Cite as HKEx-LD13-1 (April 2000) **(Withdrawn in January 2024)**

[This listing decision is withdrawn.]

Summary	
Name of Party	Company A - a listed company
Subject	Need to ascertain whether, after its proposed spin-off of a subsidiary, Company A would continue to have a sufficient level of operations and sufficient assets to support its separate listing status
Listing Rule	Practice Note 15, paragraph 3(c)
Decision	Company A was required to provide the Exchange with the latest available management accounts and the latest pro forma management profit estimate for its remaining business before the spin-off proposal could proceed further

Summary of Facts

Company A proposed to spin-off a major subsidiary.

The profits attributable to the remaining business of Company A for the preceding three years would meet the track record requirement of Rule 8.05 of the Listing Rules. However, the financial climate at the time was such that one would expect the remaining business of Company A to undergo a severe downturn.

Analysis

Paragraph 3(c) of Practice Note 15 requires that, after the spin-off, the parent must retain a sufficient level of operations and sufficient assets to support its separate listing status.

Due to the adverse financial climate at the time, it was considered essential to obtain the latest available management accounts and the latest pro forma management profit estimate for the remaining business of Company A to assess whether it would retain a sufficient level of operations and assets to support its separate listing status.

Decision

Company A was required to provide the Exchange with the latest available management accounts and the latest pro forma management profit estimate for its remaining business before the spin-off proposal could proceed further.