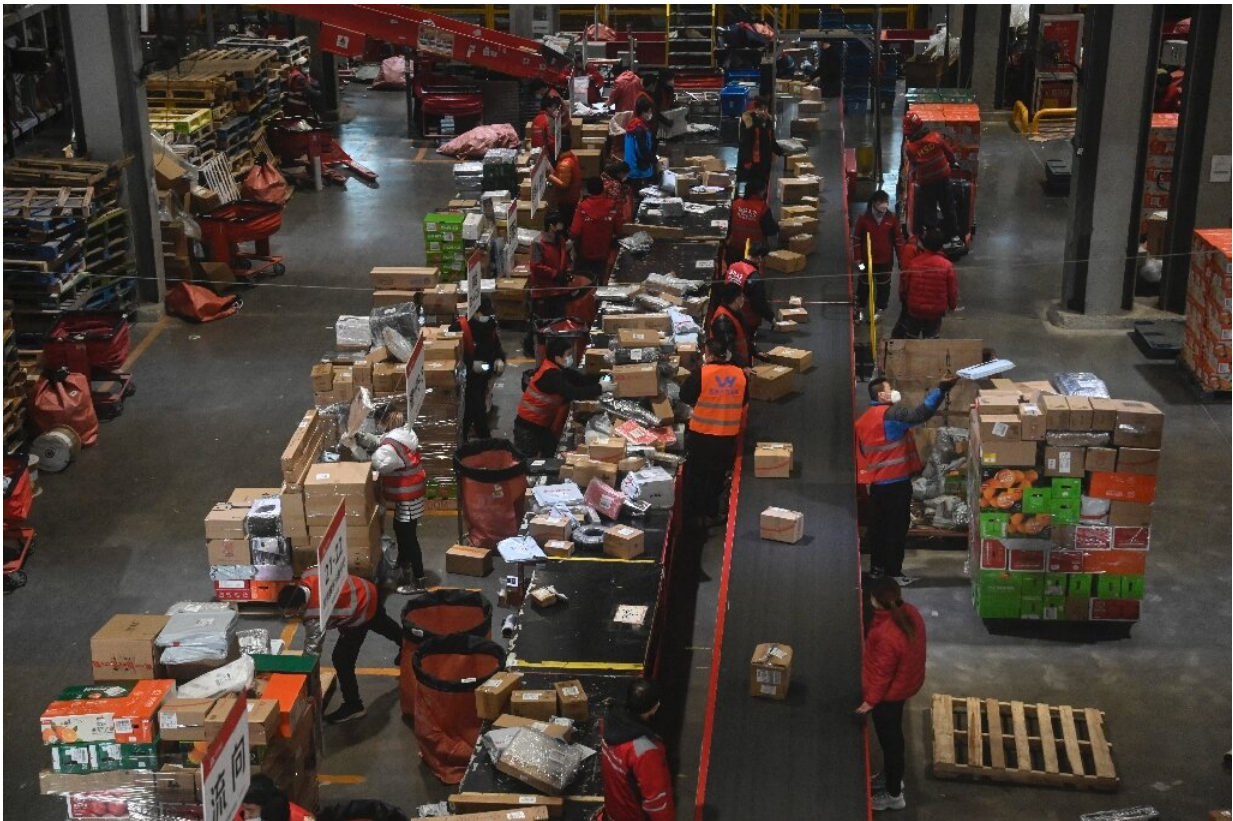


China's JD to spin-off two units, list in Hong Kong

March 31 2023



Shares in JD.com soared in Hong Kong following news of the planned listings.

E-commerce giant JD.com will spin off its industrial and property units and take both of them public, the company said, in the latest reorganization of a major Chinese tech firm.

One of China's largest retailers, JD.com's fortunes were hit hard by heightened scrutiny of big tech by the state as well as a COVID-induced sales slump in recent years.

The [company](#) said in filings with the Hong Kong stock exchange Thursday that its property and industrial arms will be spun-off and taken public, though the [parent company](#) will retain a controlling stake in both.

JD Property operates [construction projects](#) across China and dozens of overseas infrastructure works, according to its website. JD Industrials specializes in supplying [mechanical components](#) and [electronic products](#) to carmakers and other manufacturers.

The firm gave no timeline for taking the two companies public, and the size of the share offerings has not been finalized.

Shares in JD.com soared more than seven percent in Hong Kong in early trading Friday following the announcement.

The firm previously spun off its logistics arm in 2017, later allowing third-party companies to invest in its delivery and warehousing business.

The news comes days after rival Alibaba said it planned to split itself into six different business units, in one of the most significant overhauls of a leading Chinese tech firm to date.

The move was widely seen as a sign that the broad crackdown on tech firms—instigated in 2020—was easing, as well as an effort by Alibaba to help insulate parts of the business from future scrutiny.

Alibaba has said the new units will be free to pursue public listing plans, with Bloomberg citing people familiar with the matter as saying logistics arm Cainiao is already in discussion with banks for a Hong Kong IPO.

The firm—currently valued at more than \$20 billion—is looking to go public before the end of this year, Bloomberg reported.

Alibaba said it will retain a controlling stake of the new units, and will decide whether to cede control once they go public.

© 2023 AFP

Citation: China's JD to spin-off two units, list in Hong Kong (2023, March 31) retrieved 10 April 2024 from <https://techxplore.com/news/2023-03-china-jd-spin-off-hong-kong.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.