

Chapter 37

DEBT SECURITIES

SELECTIVELY MARKETED SECURITIES

37.29 The listing document must contain the items of information specified in rule 37.28 and those paragraphs of Part C of Appendix 1 listed in rule 37.30 subject to the following modifications and exceptions:—

- (1) the responsibility statement referred to in paragraph 2 of Part C of Appendix 1 may be given by another person or persons considered appropriate by the Exchange, including the corporate declaration customarily adopted for selective marketings;
- (2) (a) in substitution for the accountants' report required by paragraph 42 of Part C of Appendix 1, a statement (which may be in the form of a comparative table) will normally be permitted setting out the following financial information about the issuer and the guarantor, in the case of a guaranteed issue:—
 - (i) profit and loss accounts in respect of each of the two completed financial years immediately preceding the issue of the listing document, or in respect of each of the financial years since incorporation or other establishment of the issuer or guarantor, if this occurred less than two years prior to such issue, and if the latest information is in respect of a period ending on a date earlier than three months before such issue, a statement that no accounts have been made up since that date;
 - (ii) the latest balance sheet, including any explanatory notes and a statement of accounting principles adopted and comparative figures at the preceding balance sheet date;
 - (iii) the full text of the auditors' report accompanying the last accounts referred to in the statement. If audited accounts have not yet been prepared, the auditors should prepare a report in the format normally adopted for these circumstances for inclusion in the listing document; and
 - (iv) any interim financial statement published since the end of the last financial year which need not be a consolidated statement if the issuer or the guarantor has in the past always published interim statements on another basis;

An issuer which has existing debt securities listed on the Exchange may omit the information required by paragraph 42 of Part C of Appendix 1 and the above information;

- (b) the statement should be prepared on a consolidated basis for the purpose of the listing document unless the issuer or guarantor has in the past always published accounts on another basis. The issuer's or guarantor's own accounts should also be included if they provide significant additional information;

- (c) the Exchange will retain the right to enquire of the issuer and the guarantor, in the case of a guaranteed issue, (in the case of issues proposed to be made by issuers other than States, Supranationals, State corporations, banks or international issuers listed on another regulated, regularly operating, open stock market recognised by the Exchange) as to whether internationally recognised accounting principles have been applied and as to the standing of the auditors within the accounting profession of the country where they practice;
 - (d) the issuer's auditors must be independent both of the issuer and of any other company concerned; and
 - (e) where the Exchange allows reports to be drawn up otherwise than in conformity with ~~accounting standards approved by the Hong Kong Society of Accountants—Hong Kong Financial Reporting Standards~~ or ~~the International Financial Reporting Accounting—Standards Committee~~, the Exchange may, having regard to the jurisdiction in which an overseas issuer is incorporated or otherwise established, require the report to contain a statement of the financial effect of the material differences (if any) from either of those standards;
- (3) compliance with paragraph 37(1) of Part C of Appendix 1 may take the form of a description of the general nature of the business of the issuer or the group;
 - (4) the capitalisation statement required by paragraph 39 of Part C of Appendix 1 should be made up to the most recent practicable date and need not include an indebtedness statement;
 - (5) in order to comply with paragraph 48 of Part C of Appendix 1 only the registered office need be included;
 - (6) compliance with paragraph 49(1) of Part C of Appendix 1 may take the form of a statement of the total of the interests of the directors in the share capital, together with any options in respect of such share capital;
 - (7) the particulars of contracts pertaining to the issue required by paragraph 52 of Part C of Appendix 1 may be restricted to those contracts directly concerning the issue; for example, the trust deed, the guarantee and the fiscal or paying agency and subscription or underwriting agreements;
 - (8) in particular cases, the Exchange may require additional documents to be offered for inspection; and
 - (9) overseas issuers which are subject to public reporting and filing obligations in their country of incorporation or other establishment (or listing, if different) may be permitted to incorporate in listing documents relevant documents so published.