

Appendix 16

DISCLOSURE OF FINANCIAL INFORMATION

This appendix sets out the minimum financial information that a listed issuer shall include in its preliminary announcements of results, interim reports, summary interim reports, annual reports, summary financial reports, listing documents and circulars in relation to equity securities. The following requirements are supplementary to and do not supplant any other disclosures required by the Exchange Listing Rules. This appendix also sets out certain recommended disclosure items on discussion and analysis (see paragraph 52) that listed issuers are encouraged to include in their interim and annual reports. These recommended disclosure items are not obligatory, but merely items relating to good practice which are recommended for disclosure.

Definitions

1. Unless stated to the contrary references in this appendix to financial statements of a listed issuer or to the revenue, net income, profit or loss, activities, business, or assets of a listed issuer should be taken as referring to the consolidated financial statements of the listed issuer or the revenue, net income, profit or loss, activities, business or assets of the listed issuer as set out in its consolidated financial statements. Throughout this appendix, the following terms, save where the context otherwise requires, shall have the following meanings:

“banking company”	a bank, restricted licence bank and deposit taking company as defined in the Banking Ordinance
“entitled person”	a person who is entitled to be sent copies of the reporting documents for the financial year under section 430 of the Companies Ordinance
“Hong Kong issuer”	the same meaning as in Chapter 1 of the Exchange Listing Rules
“new applicant”	the same meaning as in Chapter 1 of the Exchange Listing Rules
“overseas issuer”	the same meaning as in Chapter 1 of the Exchange Listing Rules
“PRC issuer”	the same meaning as in Chapter 1 of the Exchange Listing Rules
“securities*”	any and all equity securities and, unless the context otherwise provides, debt securities issued from time to time by an issuer or if applicable, by any of its subsidiaries, whether or not listed on the Exchange

Requirement for all Financial Statements

2. Each set of financial statements presented in an annual report, listing document or circular shall provide a true and fair view of the state of affairs of the listed issuer and of the results of its operations and its cashflows.
- 2.1 *Annual financial statements of a listed issuer are required, subject to Notes 2.4 and 2.6, to conform with:—*
- (a) *Hong Kong Financial Reporting Standards (HKFRS); or*
 - (b) *International Financial Reporting Standards (IFRS); or*
 - (c) *China Accounting Standards for Business Enterprises (CASBE) in the case of a PRC issuer that has adopted CASBE for the preparation of its annual financial statements.*
- 2.2 *An issuer must apply one of the bodies of standards referred to in Note 2.1 consistently and shall not normally change from one body of standards to the other unless there are reasonable grounds to justify such a change. All reasons for any such change must be disclosed in the annual financial statements.*
- 2.3 *[Repealed 15 December 2010]*
- 2.4 *An overseas issuer, which has a secondary listing on the Exchange, may prepare annual financial statements drawn up in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP).*
- 2.5 *If an accounting estimate reported in prior interim period of the current financial year is changed during the subsequent interim period of the same financial year and has a material effect in that subsequent interim period, the nature and amount of a change in an accounting estimate that has a material effect in the current financial year or which is expected to have a material effect in subsequent periods should be disclosed. If it is impracticable to quantify the amount, this fact should be disclosed.*
- 2.6 *Where the Exchange, in exceptional circumstances, allows the annual financial statements of an overseas issuer to be drawn up otherwise than in conformity with accounting standards referred to in Note 2.1, the Exchange will normally require the annual financial statements to contain a statement of the financial effect of the material differences (if any) from either HKFRS or IFRS referred to in Note 2.1 above.*

- 2.7 *References to financial statements in a circular relate to circumstances where the Exchange Listing Rules require a listed issuer to provide financial statements in a circular to shareholders. There may be financial statements of the listed issuer or of other companies.*
- 2.8 *Where there have been material changes in group structure during the period covered by the accountants' report prior to the proposed listing date of a new applicant, the new applicant should consult with the Exchange at the earliest opportunity in respect of the contents and presentation of the cash flow statement in the listing document.*
3. If the financial statements do not give a true and fair view of the state of affairs of the listed issuer and of the results of its operations and its cashflows, more detailed and/or additional information must be provided.
- 3.1 *If a listed issuer is in doubt as to what more detailed and/or additional information should be provided, it should apply to the Exchange for guidance.*
- 3.2 *If a listed issuer is not required to draw up its financial statements so as to give a true and fair view (in accordance with any statutory provisions applicable in the listed issuer's place of incorporation or establishment) but is required to draw them up to an equivalent standard, the Exchange may allow its financial statements to be drawn up to that standard. Reference must, however, be made to the Exchange. If a listed issuer is in doubt as to what more detailed and/or additional information should be provided, it should contact the Exchange for guidance.*

Basic Financial Information

4. Financial statements referred to in paragraph 2 shall include the disclosures required under the relevant accounting standards adopted and the information set out below. This information may be included in the notes to the financial statements. In the case of banking companies, the information on results and financial position set out in the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority must be provided in place of that set out in paragraph 4(1) and paragraph 4(2) as regards the disclosure requirements for preliminary announcements of results, interim reports, annual reports, listing documents and circulars.
- (1) Statement of profit or loss and other comprehensive income
- (a) profit (or loss) on sale of properties.

4.1 *Where the item of information specified in sub-paragraph 4(1) is unsuited to a listed issuer's activities, appropriate adjustments should be made. Where the requirements of this appendix are unsuited to a listed issuer's activities or circumstances, the Exchange may require suitable adaptations to be made.*

(2) Statement of financial position

- (a) ageing analysis of accounts receivable; and
- (b) ageing analysis of accounts payable.

4.2 *The ageing analysis should normally be presented on the basis of the date of the relevant invoice or demand note and categorised into time-bands based on analysis used by an issuer's management to monitor the issuer's financial position. The basis on which the ageing analysis is presented should be disclosed.*

(3) Dividends

Rates of dividend paid or proposed on each class of shares (with particulars of each such class) and amounts absorbed thereby (or an appropriate negative statement).

5. In the accounting policies section a listed issuer shall state which body of accounting standards have been followed in the preparation of its financial statements. Where applicable, a listed issuer should include a statement by the directors as to the reasons for any significant departure from an accounting standard that forms part of this body of accounting standards.

Information in annual reports

6. A listed issuer shall include the information as set out in paragraphs 8 to 34A in its annual report. Unless stated to the contrary the financial information specified in these paragraphs may be included outside the financial statements and will therefore be outside the scope of the auditors' report on the financial statements. Banking companies shall, in addition, comply with the Guideline on the Application of the Banking (Disclosure) Rules or other regulations in relation to the contents of annual report issued or specified from time to time by the Hong Kong Monetary Authority.

- 6.1 *The Exchange may authorise the omission from an annual report of specified items of information if it considers that disclosure of such information would be contrary to the public interest or seriously detrimental to the listed issuer. The Exchange will only authorise such omission provided it is satisfied that the omission is not likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the securities in question. The listed issuer or its representatives will be responsible for the correctness and relevance of the facts on which any application for such exemption is based.*
- 6.2 *The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.*
- 6.3 *An annual report shall contain the following information required under other parts of the Listing Rules:*
- (a) competing business under rules 8.10(2)(b) and 8.10(2)(c);*
 - (b) a monthly breakdown of purchases of shares under rule 10.06(4)(b);*
 - (c) advance to an entity under rule 13.20;*
 - (d) pledging of shares by the controlling shareholder under rule 13.21;*
 - (e) loan agreements with covenants relating to specific performance of the controlling shareholder under rule 13.21;*
 - (f) breach of loan agreement by an issuer under rule 13.21;*
 - (g) financial assistance and guarantees to affiliated companies of an issuer under rule 13.22;*
 - (h) provision of information in respect of and by directors, supervisors and chief executives under rule 13.51B(1);*
 - (i) information required under rule 14.36B and/or rule 14A.63 about any guarantee regarding the financial performance of a company or business acquired;*
 - (j) share option schemes under rules 17.07, 17.08 and 17.09;*
 - (k) for an issuer involving in mining activities, continuing disclosure obligations arise under rules 18.14 to 18.17, where appropriate;*
 - (l) for investment companies, continuing disclosure obligations arise under rule 21.12(1);*

(m) *disclosure of interests information under Practice Note 5; and*

(n) *provision of information in respect of corporate governance code provisions B.1.5 (remuneration payable to members of senior management by band) and C.1.4 (discussion and analysis of group's performance) of Appendix 14 or explain reason for deviation.*

6.4 *Issuers must publish ESG reports in accordance with Rule 13.91 and the ESG Reporting Guide contained in Appendix 27.*

7. [Repealed 31 December 2015]

8. (1) In relation to connected transactions (including continuing connected transactions) that are not exempt from annual reporting requirement in Chapter 14A, a listed issuer shall include particulars of the transactions pursuant to rule 14A.71.

(2) Where a listed issuer includes in its annual report particulars of a related party transaction or continuing related party transaction (as the case may be) in accordance with applicable accounting standards adopted for the preparation of its annual financial statements, it must specify whether or not the transaction falls under the definition of "connected transaction" or "continuing connected transaction" (as the case may be) in Chapter 14A of the Exchange Listing Rules. The listed issuer must also confirm whether or not it has complied with the disclosure requirements in accordance with Chapter 14A of the Exchange Listing Rules.

9. A listed issuer shall include in its financial statements a statement showing:–

(1) the name of every subsidiary, its principal country of operation and its country of incorporation or other establishment, and, in the case of a subsidiary established in the PRC, the kind of legal entity it is registered as under PRC law (such as a contractual or cooperative joint venture); and

(2) particulars of the issued share capital and debt securities of every subsidiary.

9.1 *In the case of a subsidiary incorporated in the PRC, reference to securities shall mean and refer to securities*.*

9.2 *If a listed issuer has an excessive number of subsidiaries, the statement need only include details for subsidiaries which, in the opinion of the directors, materially contribute to the net income of the group or hold a material portion of the assets or liabilities of the group.*

10. In relation to transactions in its securities, or securities of its subsidiaries during the financial year a listed issuer shall include:-

- (1) details of the classes, numbers and terms of any convertible securities, options, warrants or similar rights issued or granted by the listed issuer or any of its subsidiaries, together with the consideration received by the listed issuer or any of its subsidiaries therefor;
- (2) particulars of any exercise of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted at any time by the listed issuer or any of its subsidiaries;
- (3) particulars of any redemption or purchase or cancellation by the listed issuer or any of its subsidiaries of its redeemable securities and the amount of such securities outstanding at the end of the relevant financial year; and
- (4) particulars of any purchase, sale or redemption by the listed issuer, or any of its subsidiaries, of its listed securities during the financial year, or an appropriate negative statement. Such statement must include the aggregate price paid or received by the listed issuer for such purchases, sales or redemptions and should distinguish between those securities purchased or sold:-
 - (a) on the Exchange;
 - (b) on another stock exchange;
 - (c) by private arrangement; and
 - (d) by way of a general offer.

Any such statement must also distinguish between those listed securities which are purchased by the listed issuer (and, therefore, cancelled) and those which are purchased by a subsidiary of the listed issuer;

10.1 In the case of a PRC issuer or a listed issuer with subsidiaries incorporated in the PRC, references to securities in sub-paragraphs 10(1) to 10(4) inclusive shall mean and refer to securities.*

11. In the case of any issue for cash of equity securities (including securities convertible into equity securities), a listed issuer shall disclose:-

- (1) the reasons for making the issue;
- (2) the classes of equity securities issued;

- (3) as respect each class of equity securities, the number issued, their aggregate nominal value, if any;
- (4) the issue price of each security;
- (5) the net price to the listed issuer of each security;
- (6) the names of the allottees, if less than six in number, and, in the case of six or more allottees, a brief generic description of them;
- (7) the market price of the securities concerned on a named date, being the date on which the terms of the issue were fixed; and
- (8) the total funds raised from the issue and details of the use of proceeds including:
 - (a) a detailed breakdown and description of the proceeds for each issue and the purposes for which they are used during the financial year;
 - (b) if there is any amount not yet utilized, a detailed breakdown and description of the intended use of the proceeds for each issue and the purposes for which they are used and the expected timeline; and
 - (c) whether the proceeds were used, or are proposed to be used, according to the intentions previously disclosed by the issuer, and the reasons for any material change or delay in the use of proceeds.

Note: Issuers are recommended to present the above information in tabular format to show separately the amounts used and the purposes for which they are used, and compare each of the actual or intended uses against the intention and expected timeframe previously disclosed by the issuer.

11.1 In the case of a PRC issuer, references to securities in this paragraph shall mean and refer to securities.*

- 11A. To the extent that there are proceeds brought forward from any issue of equity securities (including securities convertible into equity securities) made in previous financial year(s), the listed issuer shall disclose the amount of proceeds brought forward and details of the use of such proceeds as set out in paragraph 11(8).

12. A listed issuer should provide brief biographical details of its directors and senior managers. Such details will include name, age, positions held with the listed issuer and other members of the listed issuer's group, length of service with the issuer and the group and such other information (which may include business experience) of which shareholders should be aware, pertaining to the ability or integrity of such persons (which would include, without limitation, full particulars of any public sanctions made against them by statutory or regulatory authorities). Where a director has any former name or alias, such information should be disclosed. Where any of the directors or senior managers are related, having with any other director or senior manager any one of the relationships set out below, that fact should be stated. The relationships are spouse; any person cohabiting with the director or senior manager as a spouse; and any relative meaning a child or step-child regardless of age, a parent or step-parent, a brother, sister, step-brother or step-sister, a mother-in-law, a father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law. Where any director of the listed issuer is a director or employee of a company which has an interest in the shares and underlying shares of the listed issuer which would fall to be disclosed to the listed issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, that fact shall be stated.

12.1 It is the responsibility of the directors of the listed issuer to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries; heads of divisions, departments or other operating units within the group as, in the opinion of the listed issuer's directors, is appropriate.

12.2 In the case of a PRC issuer, references to directors and senior managers in this paragraph shall also mean and include supervisors.

12A. In relation to an independent non-executive director appointed by a listed issuer during the financial year, the listed issuer shall disclose the reasons why such an independent non-executive director was and is considered to be independent if he has failed to meet any of the independence guidelines set out in rule 3.13.

12B. A listed issuer must confirm whether it has received from each of its independent non-executive directors an annual confirmation of his independence pursuant to rule 3.13 and whether it still considers the independent non-executive directors to be independent.

13. A listed issuer shall include the information relating to interests of directors, the chief executive and others as follows:—

(1) subject to sub-paragraph 13(2), a statement as at the end of the relevant financial year showing the interests and short positions of each director and chief executive of the listed issuer in the shares, underlying shares and debentures of the listed issuer or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance):

(a) as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance; or

- (b) as otherwise notified to the listed issuer and the Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (which for purposes of this sub-paragraph shall be deemed to apply to the PRC Issuer's supervisors to the same extent as it applies to directors); or
- (c) if there is no such interest or right that has been granted or exercised, a statement of that fact,

provided that the Exchange may agree, in its sole discretion, that compliance with this sub-paragraph may be modified or waived in respect of any associated corporation if, in the opinion of the Exchange, the number of associated corporations in respect of which each director and chief executive is taken or deemed to have an interest or short position under Part XV of the Securities and Futures Ordinance is such that compliance with this sub-paragraph would result in particulars being given which are not material in the context of the group and are of excessive length;

- (2) the statement required by sub-paragraph 13(1) must specify the company in which the interests or short positions are held, the class to which those securities belong and the number of such securities held. The statement need not disclose:
 - (a) the interests of a director in the shares of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares;
 - (b) the non-beneficial interests of directors in the shares of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member;

13.1 Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.

- (3) a statement as at the end of the relevant financial year, showing the interests or short positions of every person, other than a director or chief executive of the listed issuer, in the shares and underlying shares of the listed issuer as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance and the amount of such interests and short positions, or if there is no such interests and short positions recorded in the register, a statement of that fact; and

13.2 For the purposes of sub-paragraphs 13(2) and (3) particulars should be given of the extent of any duplication which occurs.

13.3 In the case of a PRC issuer:–

- (a) references to director or chief executive in sub-paragraphs 13(1) to 13(3) inclusive shall also mean and include supervisors;*
- (b) references to securities in sub-paragraphs 13(1) to 13(3) inclusive shall mean and refer to securities*.*

14. A listed issuer shall include a statement as to the period unexpired of any service contract, which is not determinable by the employer within one year without payment of compensation (other than statutory compensation), of any director proposed for re-election at the forthcoming annual general meeting or, if there are no such service contracts, a statement of that fact.

14.1 In the case of a PRC issuer, reference to director under this paragraph shall also mean and include supervisor.

14A. [Repealed 1 October 2020]

15. A listed issuer shall include particulars (nature and extent) of any transaction, arrangement or contract of significance subsisting during or at the end of the financial year in which a director of the listed issuer or an entity connected with a director is or was materially interested, either directly or indirectly, or, if there has been no such transaction, arrangement or contract, a statement of that fact.

15.1 *In the case of a PRC issuer, reference to director under this paragraph shall also mean and include supervisor.*

15.2 *A “transaction, arrangement or contract of significance” is one where any of the percentage ratios (as defined under rule 14.04(9)) of the transaction is 1% or more.*

15.3 *Notwithstanding the percentage specified in Note 15.2, a transaction, arrangement or contract is regarded as a “transaction, arrangement or contract of significance” to a listed issuer if the omission of information relating to that transaction, arrangement or contract could have changed or influenced the judgement or decision of a person relying on the relevant information.*

15.4 *A reference to an entity connected with a director has the meaning given by section 486 of the Companies Ordinance.*

16. A listed issuer shall include:–

(1) particulars of any contract of significance between the listed issuer, or one of its subsidiary companies, and a controlling shareholder or any of its subsidiaries;

16.1 *For the purposes of this sub-paragraph and of sub-paragraph 16(2), the words “controlling shareholder” mean any shareholder entitled to exercise, or control the exercise of:–*

(i) *in the case of a PRC issuer, 30 per cent (or such other amount as may from time to time be specified in applicable PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise);*

(ii) *in other cases, 30 per cent (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer);*

or more of the voting power at general meetings of the listed issuer or one which is in a position to control the composition of a majority of the board of directors of the listed issuer.

(2) particulars of any contract of significance for the provision of services to the listed issuer or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

16.2 *See Notes 15.2 and 16.1*

17. A listed issuer shall include particulars of any arrangement under which a shareholder has waived or agreed to waive any dividends.
- 17.1 Where a shareholder has agreed to waive future dividends, particulars of such waiver(s) must be given together with those relating to dividends which were payable during the past financial year. Waivers of dividends of minor amount may be disregarded provided that some payment has been made on each share during the relevant calendar year.*
18. If net income shown in the financial statements differs materially from any profit forecast published by the listed issuer, the listed issuer must include an explanation of the difference.
19. A listed issuer shall include a summary, in the form of a comparative table, of the published results and of the assets and liabilities of the group for the last five financial years. Where the published results and statement of assets and liabilities have not been prepared on a consistent basis this must be explained in the summary.
20. An overseas issuer or a PRC issuer shall include a statement, where applicable, that no pre-emptive rights exist in the jurisdiction in which the listed issuer is incorporated or otherwise established.
- 20.1 Where the listed issuer's primary listing is or is to be on another stock exchange which does not impose pre-emptive rights and the listed issuer is not otherwise subject to such rights, the Exchange expects that issues for cash of shares or securities convertible into shares or options, warrants or similar rights to subscribe for any shares or such convertible securities, made by the overseas listed issuer or by a major subsidiary so as materially to dilute the percentage interests of the listed issuer's shareholders, will not be made on terms likely to detract significantly from the value of their interests. In the case of a PRC issuer, references to securities shall mean and refer to securities*.*
21. An overseas issuer or a PRC issuer shall include the information necessary to enable holders of its listed securities to obtain any relief from taxation to which they are entitled by reason of their holding of such securities.
22. In relation to loans and borrowings a listed issuer shall provide in its financial statements, except where the listed issuer is a banking company, an analysis as at the date of statement of financial position, firstly of bank loans and overdrafts and, secondly of other borrowings, showing the aggregate amounts repayable:–
- (a) on demand or within a period not exceeding one year;
 - (b) within a period of more than one year but not exceeding two years;

- (c) within a period of more than two years but not exceeding five years; and
- (d) within a period of more than five years.

23. Where any of the percentage ratios (as defined under rule 14.04(9)) of a listed issuer's properties held for development and/or sale or for investment purposes exceeds 5%, the listed issuer shall include the following information:-

- (1) in the case of property held for development and/or sale:-
 - (a) an address sufficient to identify the property, which generally must include the postal address, lot number and such further designation as is registered with the appropriate government authorities in the jurisdiction in which the property is located;
 - (b) if in the course of construction, the stage of completion as at the date of the annual report;
 - (c) if in the course of construction, the expected completion date;
 - (d) the existing use (e.g. shops, offices, factories, residential, etc.);
 - (e) the site and gross floor area of the property; and
 - (f) the percentage interest in the property.
- (2) in the case of property held for investment:-
 - (a) an address sufficient to identify the property, which generally must include the postal address, lot number and such further designation as is registered with the appropriate government authorities in the jurisdiction in which the property is located;
 - (b) the existing use (e.g. shops, offices, factories, residential, etc.); and
 - (c) whether the property is held on short lease, medium term lease or long lease or, if situated outside Hong Kong, is freehold.

If a listed issuer has an excessive number of the properties, the statement need only include details for properties which in the opinion of the directors are material.

24. An issuer must disclose in its financial statements details of director's and past director's emoluments, by name as follows:-

- (1) the directors' fees for the financial year;

- (2) the directors' basic salaries, housing allowances, other allowances and benefits in kind;
- (3) the contributions to pension schemes for directors or past directors for the financial year;
- (4) the bonuses paid or receivable by directors which are discretionary or are based on the listed issuer's, the group's or any member of the group's performance (excluding amounts disclosed in (5) and (6) below) for the financial year;
- (5) the amounts paid during the financial year or receivable by directors as an inducement to join or upon joining the listed issuer; and
- (6) the compensation paid during the financial year or receivable by directors or past directors for the loss of office as a director of any member of the group or of any other office in connection with the management of the affairs of any member of the group distinguishing between contractual and other payments (excluding amounts disclosed in (2) to (5) above).

24.1 Sub-paragraphs (2) to (6) above inclusive require an analysis of the amounts to be disclosed in the listed issuer's financial statements under the provisions of section 383(1)(a) to (c) (inclusive) of the Companies Ordinance.

24.2 Where a director is contractually entitled to bonus payments which are fixed in amount such payments are more in the nature of basic salary and accordingly must be disclosed under sub-paragraph (2) above.

24.3 In addition to discretionary bonus payments, all bonus payments to which a director is contractually entitled and which are not fixed in amount, together with the basis upon which they are determined, must be disclosed under sub-paragraph (4) above.

24.4 In the case of a PRC issuer, references to directors or past directors shall also mean and include supervisors and past supervisors (as appropriate).

24.5 References to "director" in paragraph 24 include a chief executive who is not a director.

- 24A. A listed issuer shall include particulars of any arrangement under which a director has waived or agreed to waive any emoluments.

24A.1 Where a director has agreed to waive future emoluments, particulars of such waiver must be given together with those relating to emoluments which accrued during the past financial year. This applies in respect to emoluments from the listed issuer or any of its subsidiaries or other person.

24B. A listed issuer shall include the following information in respect of the group's emolument policy:

- (1) a general description of the emolument policy and any long-term incentive schemes of the group; and
- (2) the basis of determining the emolument payable to its directors.

25. An issuer must disclose in its financial statements information in respect of the five highest paid individuals during the financial year. For this purpose amounts paid or payable by way of commissions on sales generated by the individual are to be ignored. Where all five of these individuals are directors and the information required by this paragraph has been disclosed in the emoluments of directors, this must be stated and no additional disclosure is required. Where the details of one or more of the individuals whose emoluments were the highest have not been included in the emoluments of directors, the following information must be disclosed:-

- (1) the aggregate of basic salaries, housing allowances, other allowances and benefits in kind for the financial year;
- (2) the aggregate of contributions to pension schemes for the financial year;
- (3) the aggregate of bonuses paid or receivable which are discretionary or are based on the issuer's, the group's or any member of the group's performance (excluding amounts disclosed in (4) and (5) below) for the financial year;
- (4) the aggregate of amounts paid during the financial year or receivable as an inducement to join or upon joining the issuer;
- (5) the aggregate of compensation paid during the financial year or receivable for the loss of any office in connection with the management of the affairs of any member of the group distinguishing between contractual payments and other payments (excluding amounts disclosed in (1) to (3) above); and
- (6) an analysis showing the number of individuals whose remuneration (being amounts paid under (1) to (5) above) fell within bands from HK\$nil up to HK\$1,000,000 or into higher bands (where the higher limit of the band is an exact multiple of HK\$500,000 and the range of the band is HK\$499,999).

25.1 It is not necessary to disclose the identity of the highest paid individuals, unless any of them are directors of the issuer.

26. A listed issuer shall include the following information in addition to the information required under the relevant accounting standard in respect of pension schemes:–
- (1) a brief outline of how contributions are calculated or benefits funded;
 - (2) in the case of defined contribution schemes, details of whether forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) may be used by the employer to reduce the existing level of contributions and if so, the amounts so utilised in the course of the year and available at the date of statement of financial position for such use; and
 - (3) in the case of defined benefit plans, an outline of the results of the most recent formal independent actuarial valuation (which should be as at a date not earlier than 3 years prior to the date of statement of financial position) or later formal independent review of the scheme on an ongoing basis. This should include disclosure of:–
 - (a) the name and qualifications of the actuary, the actuarial method used and a brief description of the main actuarial assumptions;
 - (b) the market value of the scheme assets at the date of their valuation or review (unless the assets are administered by an independent trustee in which case this information may be omitted);
 - (c) the level of funding expressed in percentage terms; and
 - (d) comments on any material surplus or deficiency (including quantification of the deficiency) indicated by (c) above.
27. If an issuer has valued any property interests (under Chapter 5) or has valued any other tangible assets and included such a valuation in the prospectus relating to its initial public offer and those assets are not stated at valuation (or at subsequent valuation) in its first annual financial statements published after listing, then the issuer is required to disclose the following additional information in its first annual report published after listing:–
- (1) the amount of such valuation of those properties or other tangible assets as included in the prospectus; and
 - (2) the additional depreciation (if any) that would be charged against the statement of profit or loss and other comprehensive income had those assets been stated at such valuation (or subsequent valuation).

28. A listed issuer (whether or not it is incorporated in Hong Kong) shall include disclosures required under the following provisions of the Companies Ordinance and subsidiary legislation:–

- (1) in financial statements
 - (a) Section 383 - Notes to financial statements to contain information on directors' emoluments etc.;
 - (b) Schedule 4 - Accounting Disclosures relating to:
 - (i) Part 1(1) Aggregate amount of authorized loans;
 - (ii) Part 1(2) Statement of financial position to be contained in notes to annual consolidated financial statements;
 - (iii) Part 1(3) Subsidiary's financial statements must contain particulars of ultimate parent undertaking;
 - (iv) Part 2(1) Remuneration of auditor; and
 - (c) Companies (Disclosure of Information about Benefits of Directors) Regulation; and
- (2) in directors' report
 - (a) Section 390 - Contents of directors' report: general;
 - (b) Section 470 - Permitted indemnity provision to be disclosed in directors' report;
 - (c) Section 543 - Disclosure of management contract;
 - (d) Schedule 5 - Content of Directors' Report: Business Review; and
 - (e) Companies (Directors' Report) Regulation.

28.1 Directors must prepare the directors' report which complies with section 388 of the Companies Ordinance and the directors' report must be approved and signed, which complies with section 391 of the Companies Ordinance.

28.2 Section 390(3)(b) of the Companies Ordinance requires a company to disclose the name(s) of the director(s) of its subsidiaries. Notwithstanding the disclosure provisions in sub-paragraph 2(a) above, a listed issuer not incorporated in Hong Kong is not required to disclose the name(s) of its subsidiaries' director(s).

29. A listed issuer shall include a statement of the reserves available for distribution to shareholders by the listed issuer as at the date of its statement of financial position:-
- (1) in the case of a Hong Kong issuer, as calculated under the provisions of sections 291, 297 and 299 of the Companies Ordinance; and
 - (2) in other cases, as calculated in accordance with any statutory provisions applicable in the listed issuer's place of incorporation or, in the absence of such provisions, with generally accepted accounting principles.
30. A listed issuer shall include details of any change in its auditors in any of the preceding three years.
31. A listed issuer shall include information in respect of its major customers (meaning, other than in relation to consumer goods or services, the ultimate customer, and in relation to consumer goods or services the ultimate wholesale or retailer as the case may be) and its major suppliers (meaning the ultimate supplier of items which are not of a capital nature) as follows:-
- (1) a statement of the percentage of purchases attributable to the largest supplier;
 - (2) a statement of the percentage of purchases attributable to the 5 largest suppliers combined;
 - (3) a statement of the percentage of revenue from sales of goods or rendering of services attributable to the largest customer;
 - (4) a statement of the percentage of revenue from sales of goods or rendering of services attributable to the 5 largest customers combined;
 - (5) a statement of the interests of any of the directors; their close associates; or any shareholder (which to the knowledge of the directors own more than 5% of the number of issued shares of the listed issuer) in the suppliers or customers disclosed under (1) to (4) above or if there are no such interests a statement to that effect;
 - (6) in the event that the percentage which would fall to be disclosed under (2) above is less than 30, a statement of that fact shall be given and the information required in (1), (2) and (5) (in respect of suppliers) may be omitted; and
 - (7) in the event that the percentage which would fall to be disclosed under (4) above is less than 30, a statement of that fact shall be given and the information required in (3), (4) and (5) (in respect of customers) may be omitted;

31.1 Paragraph 31 applies to all listed issuers whose businesses comprise, in whole or in part, the supply of goods or services of whatever nature, and in the case of service references to customers includes the clients of such listed issuers.

31.2 In relation to consumer goods, references to customers are to the ultimate wholesaler or retailer, except when the listed issuer's business incorporates the wholesaling or retailing operation. In all other cases references to customers are to ultimate customer.

31.3 References to suppliers are primarily to those who provide goods or services which are specific to a listed issuer's business and which are required on a regular basis to enable the listed issuer to continue to supply or service its customers. Suppliers of goods and services which are freely available from a range of suppliers at similar prices or which are otherwise freely available (such as utilities) are excluded. In particular, it is recognised that an obligation on listed issuers who are providers of financial services (such as banks and insurance companies) to give information about suppliers would be of limited or no value, and there is therefore no disclosure requirement in respect of suppliers to such listed issuers.

31.4 The Exchange must be consulted if there is any doubt about the application of paragraph 31.

32. A listed issuer shall include in its annual report a discussion and analysis of the group's performance during the financial year and the material factors underlying its results and financial position. It should emphasize trends and identify significant events or transactions during the financial year under review. As a minimum the directors of the listed issuer should comment on the following:-

- (1) the group's liquidity and financial resources. This may include comments on the level of borrowings at the end of the period under review, the seasonality of borrowing requirements, and the maturity profile of borrowings and committed borrowing facilities. Reference may also be made to the funding requirements for capital expenditure commitments and authorisations;
- (2) the capital structure of the group in terms of maturity profile of debt and obligation, type of capital instruments used, currency and interest rate structure. The discussion may cover:
 - (a) funding and treasury policies and objectives in terms of the manner in which treasury activities are controlled;
 - (b) the currencies in which borrowings are made and in which cash and cash equivalents are held;

- (c) the extent to which borrowings are at fixed interest rates;
 - (d) the use of financial instruments for hedging purposes; and
 - (e) the extent to which foreign currency net investments are hedged by currency borrowings and other hedging instruments;
- (3) the state of the group's order book (where applicable) and prospects for new business including new products and services introduced or announced;
 - (4) significant investments held, their performance during the financial year and their future prospects;
- (4A) a breakdown of its significant investments (including any investment in an investee company with a value of 5 per cent. or more of the issuer's total assets as at the year end date):
 - (a) details of each investment, including the name and principal businesses of the underlying company, the number and percentage of shares held and the investment costs;
 - (b) the fair value of each investment as at the year end date and its size relative to the issuer's total assets;
 - (c) the performance of each investment during the year, including any realised and unrealised gain or loss and any dividends received; and
 - (d) a discussion of the issuer's investment strategy for these significant investments;
- (5) details of material acquisitions and disposals of subsidiaries, associates and joint ventures in the course of the financial year;
 - (6) comments on segmental information. This may cover changes in the industry segment, developments within the segment and their effect on the results of that segment. It may also include changes in the market conditions, new products and services introduced or announced and their impact on the group's performance and changes in revenue and margins;
 - (7) where applicable, details of the number and remuneration of employees, remuneration policies, bonus and share option schemes and training schemes;
 - (8) details of charges on group assets;
 - (9) details of future plans for material investments or capital assets and their expected sources of funding in the coming year;

32.1 It is the responsibility of the directors of the listed issuer to determine what investment or capital asset is material in the context of the listed issuer's business, operations and financial performance. The materiality of investment or capital asset varies from one listed issuer to another according to its financial performance, assets and capitalisation, the nature of its operations and other factors. An event that is "material" in the context of a smaller listed issuer's business and affairs is often not material to a large listed issuer. The directors of the listed issuer are in the best position to determine materiality. The Exchange recognises that decisions on disclosure require careful subjective judgements, and encourages listed issuers to consult the Exchange when in doubt as to whether disclosure should be made.

(10) gearing ratio;

32.2 The basis on which the gearing ratio is computed should be disclosed.

(11) exposure to fluctuations in exchange rates and any related hedges; and

(12) details of contingent liabilities, if any.

32.3 If the above information required in this paragraph has been disclosed in a business review in the directors' report as set out in paragraph 28, no additional disclosure is required.

33. [Repealed 31 December 2015]

34. An issuer must include, in respect of the group, a separate Corporate Governance Report prepared by the board on its corporate governance practices. The report must, as a minimum, contain the information required under paragraphs G to Q of Appendix 14 regarding the accounting period covered by the annual report. To the extent that it is reasonable and appropriate, the issuer may incorporate by reference information in its annual report into the Corporate Governance Report. Any such references must be clear and unambiguous and the Corporate Governance Report must not contain only a cross-reference without any discussion of the matter.

34A. A listed issuer shall include a statement of sufficiency of public float. The statement should be based on information that is publicly available to the listed issuer and within the knowledge of its directors as at the latest practicable date prior to the issue of the annual report.

35. [Repealed 31 December 2015]

36. [Repealed 31 December 2015]

Information to accompany interim reports

37. A listed issuer shall prepare an interim report in respect of the first six months of its financial year, unless that financial year is of six months or less. Banking companies shall, in addition, comply with the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority as regards the disclosure requirements for an interim report.
- 37.1 If a change in the financial year is proposed, the Exchange should be consulted as to the period or periods to be covered by the interim report.*
- 37.2 A listed issuer should apply the same accounting policies in its interim financial statements as are applied in its annual financial statements except where the change in accounting policy is required by an accounting standard which came into effect during the interim period. Accounting policies which have been consistently applied and which were disclosed in the listed issuer's most recent published audited financial statements or for a newly listed issuer in its recent prospectus may be omitted from the interim report. Any significant changes in accounting policies, including those required by an accounting standard, should be disclosed together with the reason for changing the accounting policy.*
38. Except where a change in accounting policy is required by an accounting standard issued during the interim period, a listed issuer must prepare its interim report in accordance with the same accounting standards that it adopted in the preparation of its most recent published annual financial statements or for a newly listed company in its prospectus. Where there have been any significant departure from such accounting standards, then the listed issuer shall include a statement setting out particulars of, and reasons for, the departure. A listed issuer should comply with the relevant standard on interim reporting in respect of its half-year reports in accordance with the requirements under HKFRS, IFRS or CASBE which is adopted for the preparation of its annual financial statements.
- 38.1 The figures in the interim report are the sole responsibilities of the directors and they must ensure that the accounting policies and methods of computation applied to the figures are consistent with those applied to annual financial statements. If those policies or methods have been changed, the listed issuer must include in the interim report a description of the nature and effects of the change. Where it is not possible to quantify the effects of the change in the accounting policies, or the effects are not significant, this shall be stated.*
39. A listed issuer's audit committee must review the interim report. In the event that the audit committee disagreed with an accounting treatment which had been adopted or the statement made in accordance with paragraph 38 above, full details of such disagreement must be disclosed in the interim report;

39.1 *It is the responsibility of the audit committee of the listed issuer to determine the scope and extent of the review. In reviewing an interim report, the audit committee may refer to relevant statements of auditing standards and auditing guidelines in relation to review of interim financial reports for guidance.*

40. A listed issuer shall include in its interim report:–

- (1) the disclosures required under the relevant accounting standards adopted and the information as set out in paragraph 4;

40.1. [Repealed 31 December 2015]

- (2) a discussion and analysis of the group's performance in the interim period covering all those matters set out in paragraph 32. The discussion should include any significant information needed for investors to make an informed assessment of the trend of its activities and profit (or loss). It should identify and explain any special factor which has influenced its activities and its profit (or loss) during the period. It should provide a comparison with the corresponding period of the preceding financial year and must also, as far as possible, give an indication of the listed issuer's prospects for the current financial year. Such discussion may focus only on the significant changes in the group's performance since the most recent published annual report. Where the current information in relation to those matters set out in paragraph 32 has not changed materially from the information disclosed in the most recent published annual report, a statement to this effect may be made and no additional disclosure is required; and

- (3) any supplementary information which is necessary for a reasonable appreciation of the interim results.

40.2 The Exchange may authorise the omission from an interim report of specified items of information if it considers that disclosure of such information would be contrary to the public interest or seriously detrimental to the listed issuer. The Exchange will only authorise such omission provided it is satisfied that the omission is not likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the securities in question. The listed issuer or its representatives will be responsible for the correctness and relevance of the facts on which any application for such exemption is based. The Exchange may authorise the omission from an interim report of any other information either on the grounds referred to above or if it considers such omission otherwise necessary or appropriate.

40.3 *An interim report shall contain the following information required under other parts of the Listing Rules:*

- (a) *advance to an entity under rule 13.20;*
- (b) *pledging of shares by the controlling shareholder under rule 13.21;*
- (c) *loan agreements with covenants relating to specific performance of the controlling shareholder under rule 13.21;*
- (d) *breach of loan agreement by an issuer under rule 13.21;*
- (e) *financial assistance and guarantees to affiliated companies of an issuer under rule 13.22;*
- (f) *provision of information in respect of and by directors, supervisors and chief executives under rule 13.51B(1);*
- (g) *share option schemes under rules 17.07 and 17.08;*
- (h) *for a Mineral Company, continuing disclosure obligation arises under rule 18.14;*
- (i) *for investment companies, continuing disclosure obligations arise under rule 21.12(2); and*
- (j) *disclosure of interests information under Practice Note 5.*

41. An interim report shall contain:–

- (1) particulars of any purchase, sale or redemption by the listed issuer, or any of its subsidiaries of its securities during the interim period as set out in paragraph 10(4);

41.1 In the case of a PRC issuer or a listed issuer with subsidiaries incorporated in the PRC, references to securities in sub-paragraph 10(4) shall mean and refer to securities.*

- (2) details of interests in the equity or debt securities of the listed issuer or any associated corporation at the end of the interim period for each of the persons as set out in paragraph 13.

41.2 In the case of a PRC issuer:–

- (a) *references to director or chief executive in paragraph 13 shall also mean and include supervisors;*

(b) *references to securities in paragraph 13 shall mean and refer to securities**.

- 41A. A listed issuer shall include in its interim report the information in relation to any issue for cash of equity securities (including securities convertible into equity securities) during the interim period as set out in paragraph 11, and where applicable, the information required under paragraph 11A.
42. [Repealed 31 December 2015]
43. Where the accounting information given in an interim report has not been audited that fact must be stated. If the accounting information contained in an interim report has been audited by the listed issuer's auditor, the report thereon shall be reproduced in full in the interim report.
44. A listed issuer shall include in its interim report the following information in respect of the group:
- (1) a statement in relation to the accounting period covered by the interim report on whether the listed issuer meets the code provisions set out in the Corporate Governance Code contained in Appendix 14. Where there are any deviations from the code provisions in the Code, the listed issuer must give considered reasons for the deviations from the code provisions, either by:
 - (a) giving considered reasons for each deviation; or
 - (b) to the extent that it is reasonable and appropriate, by referring to the Corporate Governance Report in the immediately preceding annual report and providing details of any changes together with considered reasons for any deviation not reported in that annual report. Any such references must be clear and unambiguous and the interim report must not only contain a cross-reference without any discussion of the matter;
 - (2) in respect of the Model Code set out in Appendix 10, a statement in relation to the accounting period covered by the interim report on:
 - (a) whether the listed issuer has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code;
 - (b) having made specific enquiry of all directors, whether its directors have complied with, or whether there has been any non-compliance with, the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions; and

- (c) in the event of any non-compliance with the required standard set out in the Model Code, details of such non-compliance and an explanation of the remedial steps taken by the listed issuer to address such non-compliance;
- (3) details of non-compliance (if any) with rules 3.10(1) and 3.10(2) and an explanation of the remedial steps taken by the listed issuer to address such non-compliance relating to appointment of a sufficient number of independent non-executive directors and an independent non-executive director with appropriate professional qualifications, or accounting or related financial management expertise, respectively; and
- (4) details of non-compliance with rule 3.21 (if any) and an explanation of the remedial steps taken by the listed issuer to address such non-compliance relating to establishment of an audit committee.

**Information to accompany preliminary announcements of
Results for the financial year**

45. A listed issuer shall publish a preliminary announcement of its results in accordance with rule 2.07C as required under rule 13.49(1), which has been agreed with its auditors and which includes, as a minimum, the following:

- (1) the information in respect of the statement of financial position and the statement of profit or loss and other comprehensive income as set out in paragraph 4 comprising statement of profit or loss and other comprehensive income for the financial year, with comparative figures for the immediately preceding financial year, and statement of financial position as at the end of the financial year, with comparative figures as at the end of the immediately preceding financial year. The listed issuer must include the notes relating to revenue, taxation, earnings per share, dividends and any other notes that the directors consider necessary for a reasonable appreciation of the results for the year. Directors of the listed issuer must ensure that the information contained in the preliminary announcement of results is consistent with the information that will be contained in the annual reports (see paragraph 45A);

45.1 [Repealed 31 December 2015]

- (2) particulars of any purchase, sale or redemption by the listed issuer, or any of its subsidiaries, of its listed securities during the relevant year or an appropriate negative statement;
- (3) a commentary covering the following:
 - (a) a fair review of the development of the business of the listed issuer and its subsidiaries during the financial year and of their financial position at the end of the year;

- (b) details of important events affecting the listed issuer and its subsidiaries which have occurred since the end of the financial year; and
 - (c) an indication of likely future developments in the business of the listed issuer and its subsidiaries;
- (4) any supplementary information which in the opinion of the directors of the listed issuer is necessary for a reasonable appreciation of the results for the relevant year;
 - (5) a statement as to whether the listed issuer meets the code provisions set out in the Corporate Governance Code contained in Appendix 14. The listed issuer must also disclose any deviations from the code provisions and give considered reasons for such deviations. To the extent that it is reasonable and appropriate, such information may be given by reference to the immediately preceding interim report or to the Corporate Governance Report in the immediately preceding annual report, and summarising any changes since that report. Any such references must be clear and unambiguous;
 - (6) a statement as to whether or not the annual results have been reviewed by the audit committee of the listed issuer;
 - (7) where the auditors are likely to issue a modified report on the listed issuer's annual financial statements, details of the modification;
 - (8) where there are any significant changes in accounting policies, a statement of that fact must be made; and

45.2 A listed issuer should apply the accounting policies consistently except where the change in accounting policy is required by an accounting standard which came into effect during the financial year.

- (9) where there are prior period adjustments due to correction of material errors, a statement of that fact must be made.

45.3 The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.

45A. Where, in exceptional circumstances, it becomes necessary to revise the information contained in the listed issuer's preliminary announcement of results in the light of developments arising between the date of publication of the announcement and the completion of the audit, the listed issuer must immediately notify the Exchange and publish an announcement in accordance with rule 2.07C to inform the public. The announcement must provide details of the changes made to the published preliminary announcement of results including any impact on the published financial information of the listed issuer and the reasons for such changes.

45A.1 The Exchange does not expect there to be any material or substantial difference between the information contained in the listed issuer's preliminary announcement of results and that contained in its audited results.

Information to accompany preliminary announcements of Interim results

46. A listed issuer shall publish a preliminary announcement of its results in accordance with rule 2.07C for the first six months of each financial year as required under rule 13.49(6), which shall include, as a minimum, the following information:–

- (1) the information in respect of the statement of financial position and the statement of profit or loss and other comprehensive income as set out in paragraph 4 comprising statement of profit or loss and other comprehensive income for the current interim period, with comparative figures for the comparable period of the immediately preceding financial year, and statement of financial position as at the end of the interim period, with comparative figures as at the end of the immediately preceding financial year. The listed issuer must include the notes relating to revenue, taxation, earnings per share, dividends and any other notes that the directors consider necessary for a reasonable appreciation of the results for the financial period. The statement of profit or loss and other comprehensive income and statement of financial position shall be as they appear in the listed issuer's full interim report;

46.1 [Repealed 31 December 2015]

- (2) particulars of any purchase, sale or redemption by the listed issuer or any of its subsidiaries of its listed securities during the relevant period, or an appropriate negative statement;
- (3) a commentary covering the following:
 - (a) a fair review of the development of the business of the listed issuer and its subsidiaries during the financial period and of their financial position at the end of the period;

- (b) details of important events affecting the listed issuer and its subsidiaries which have occurred since the end of the financial period; and
- (c) an indication of likely future developments in the business of the listed issuer and its subsidiaries, including the listed issuer's prospects for the current financial year; or

where there have been no material changes in respect of such matters since the publication of the latest annual report, an appropriate negative statement in that regard;

- (4) a statement as to whether the listed issuer meets the code provisions set out in the Corporate Governance Code contained in Appendix 14. The listed issuer must also disclose any deviations from the code provisions and give considered reasons for such deviations. To the extent that it is reasonable and appropriate, such information may be given by reference to the Corporate Governance Report in the immediately preceding annual report, and summarising any changes since that annual report. Any such references must be clear and unambiguous;
- (5) any supplementary information which is necessary for a reasonable appreciation of the results for the six month period;
- (6) a statement as to whether or not the interim results have been reviewed by external auditors or the audit committee of the listed issuer;
- (7) full details of any disagreement by the auditors or the audit committee with the accounting treatment adopted by the listed issuer;
- (8) where the accounting information contained in a preliminary interim results announcement has been audited by the listed issuer's auditor and the auditor is likely to issue a modified report on the listed issuer's interim financial statements, details of the modification;
- (9) where there are any significant changes in accounting policies, a statement of that fact must be made; and

46.2 A listed issuer should apply the same accounting policies in its interim financial statements as are applied in its annual financial statements, except where the change in accounting policy is required by an accounting standard which came into effect during the interim period.

- (10) where there are prior period adjustments due to correction of material errors, a statement of that fact must be made.

Information to accompany listing documents

47. In those cases where listing is sought for securities of a listed issuer no part of whose share capital is already listed, listing documents shall, in addition to those items specified in Part A of Appendix 1, contain:–

- (1) financial statements as set out in paragraph 2; and

47.1 Where there have been material changes in group structure during the period covered by the accountants' report and thereafter prior to the proposed listing date of a new applicant, the new applicant should consult with the Exchange at the earliest opportunity in respect of the contents and presentation of the cash flow statement in the listing document.

- (2) a discussion and analysis of the group's performance during the period covered by the accountants' report covering all those matters set out in paragraph 32.

Information to accompany circulars

48. Subject to rules 11.09, 14.67, 14.69, and 14A.64, the circular shall, in addition to those items specified in Part B of Appendix 1, contain:–

- (1) financial statements as set out in paragraph 2; and

48.1 Where there have been material changes in group structure of the business or company acquired during the period covered by the accountants' report, the listed issuer should consult with the Exchange at the earliest opportunity in respect of the contents and presentation of the cash flow statement in the circular.

- (2) a discussion and analysis of the performance of the business or company acquired during the period covered by the accountants' report covering all those matters set out in paragraph 32.

49. [Repealed 31 December 2015]

Summary financial reports

50. Summary financial reports of issuers must comply with the disclosure requirements set out in the Companies (Summary Financial Reports) Regulation. An issuer must also disclose the following information in its summary financial report:–
- (1) particulars of any purchase, sale or redemption by the listed issuer, or any of its subsidiaries, of its listed securities during the financial year or an appropriate negative statement; and
 - (2) a separate Corporate Governance Report prepared by the board on its corporate governance practices. The report must, as a minimum, contain the information required under paragraphs G to Q of Appendix 14 regarding the accounting period covered by the annual report. To the extent that it is reasonable and appropriate, this Corporate Governance Report may take the form of a summary of the Corporate Governance Report in the annual report and may also incorporate information by reference to its annual report. Any such references must be clear and unambiguous and the summary must not contain only a cross-reference without any discussion of the matter. The summary must contain, as a minimum, a narrative statement indicating overall compliance with and highlighting any deviation from the Corporate Governance Code in Appendix 14.

Summary interim reports

51. Summary interim reports of listed issuers shall include, as a minimum, the following information in respect of the listed issuers:
- (1) the information required under paragraphs 46(1) to (10);
 - (2) details of non-compliance (if any) with rules 3.10(1) and 3.10(2) and an explanation of the remedial steps taken by the listed issuer to address such non-compliance relating to appointment of a sufficient number of independent non-executive directors and an independent non-executive director with appropriate professional qualifications, or accounting or related financial management expertise, respectively;
 - (3) details of non-compliance with rule 3.21 (if any) and an explanation of the remedial steps taken by the listed issuer to address such non-compliance relating to establishment of an audit committee;
 - (4) where the accounting information contained in a summary interim report has been audited by the listed issuer's auditors, an opinion from the auditors as to whether the summary interim report is consistent with the full interim report from which it is derived;

- (5) names of the director(s) who have signed the full interim report on behalf of the board of directors of the listed issuer;
- (6) a statement to the effect that the summary interim report only gives a summary of the information and particulars contained in the listed issuer's full interim report;
- (7) a statement as to how an entitled person may obtain free of charge a copy of the listed issuer's full interim report from which the summary interim report is derived; and
- (8) a statement as to the manner in which an entitled person may in future notify the listed issuer of his wishes to receive a copy of a summary interim report in place of a copy of the full interim report from which it is derived.

Recommended additional disclosure

52. Issuers are encouraged to disclose the following additional commentary on discussion and analysis in their interim and annual reports:
- (i) efficiency indicators (e.g. return on equity, working capital ratios) for the last five financial years indicating the bases of computation;
 - (ii) industry specific ratios, if any, for the last five financial years indicating the bases of computation;
 - (iii) a discussion of the listed issuer's purpose, corporate strategy and principal drivers of performance;
 - (iv) an overview of trends in the listed issuer's industry and business;
 - (v) a discussion on the listed issuer's policies and performance on community, social, ethical and reputational issues; and
 - (vi) receipts from, and returns to, shareholders.

52.1 Issuers should also note the recommended disclosures set out in paragraphs R to T of Appendix 14.

53. [Repealed 1 January 2016]