



香港交易所

**The Stock Exchange of Hong Kong Ltd.**

*(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)*

**PRIVATE & CONFIDENTIAL**

Our Ref.: LD20051115-00003

17 November 2005

To : All listed issuers

Attn : Authorised Representatives

Dear Sirs,

**Guidance on Dissemination of Results Announcements by Issuers**

Issuers frequently seek the Listing Division's guidance on the regulatory implications of the arrangements they make for the dissemination of results and associated media and analyst briefings. The Listing Division recently prepared an article on this subject and it was published in the October 2005 edition of the Exchange Newsletter.

The practice and guidance we set out in the article should assist you in your planning for the arrangements for the release of results. We enclose a copy of the article for your ease of reference.

Yours faithfully,  
For and on behalf of  
The Stock Exchange of Hong Kong Limited

A handwritten signature in black ink, appearing to be 'Richard Williams'.

Richard Williams  
Head of Listing

Encl.

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# Dissemination of Results Announcements by Issuers

## Introduction

Issuers frequently seek the Listing Division's guidance on the regulatory implications of the arrangements they make for the dissemination of results and associated media and analyst briefings. The timing of the release of such financial information, whether through HKEx's systems or via any other means such as by way of press conferences, analysts' meetings, issuers' own websites or newswire services, is important and requires careful consideration.

The purpose of this article is to reinforce the current requirements and practice relating to the timing of releasing results and to assist issuers by providing guidance and practical recommendations about arrangements for the release of results.

## Current Requirements and Practice

The principal function of the Stock Exchange is to provide a fair, orderly and efficient market for the trading of securities. To this end, the Listing Rules require issuers to make, among other things, timely public disclosure of price-sensitive information, including in particular financial information of issuers. Further, the disclosure of such information must be made in such a way that it does not place any person in a privileged dealing position and allows time for the market to price the concerned security to reflect the latest available information.

Under the Listing Rules, issuers are required to inform the Exchange immediately after approval by or on behalf of their boards of directors of any decision on dividends and results. They are also required to publish the results announcements in full on the next business day after the approval. In practice, when issuers inform the Exchange of decisions on results, they do so by completing a results announcement form (the Summary Form) for release on HKEx's systems. The Summary Form contains a few key profit and loss items, dividends (if any), book close date and other explanatory notes that an issuer may wish to include. The information stated in the Summary Form together with any explanatory notes provided by an issuer will be released by the Exchange on the market.

Very often, issuers also arrange for other means to release their results in addition to release through the Exchange's systems. For example, they may give briefings on their results by way of press conferences or analysts' meetings or publish their results on their own websites or through newswire services.

The timing of board meetings is a matter for the convenience and judgment of individual boards. However, to enable the Exchange to release the information outside of trading hours on HKEx's systems, issuers are required to inform the Exchange of decisions on dividends and results (by way of Summary Forms/results announcements) between 12:30 pm and 1:30 pm (the Morning Break) or after the market closes.

## Submission of Summary Forms/results announcements during the Morning Break

The following are some practical guidelines to observe:

- To allow time for the market to absorb the information and to price the concerned security to reflect the latest available information, the Exchange will normally stop publishing any Summary Forms or results announcements one hour prior to commencement of the trading session in the afternoon, ie 1:30 pm.

- While the Exchange will use its best endeavours to release all Summary Forms or results announcements it receives during the Morning Break, it cannot guarantee that all such information can be released before 1:30 pm. For example, the information may be received minutes before 1:30 pm or there are obvious mistakes that require clarification by an issuer.
- It is the responsibility of directors of issuers to ensure that any unpublished price-sensitive information, including any decision on dividends and results, is kept in strict confidence until the same is properly released. It is therefore prudent for issuers to check whether their results have been released through HKEx's systems before initiating the next steps on their agenda to disclose the results during the ensuing afternoon trading session. Issuers are of course welcome to contact the Exchange staff for confirmation.
- Until the results are released through HKEx's systems, issuers should not publicise their results via any other means whether by way of press conferences or analysts' meetings or publication on their own websites or through newswire services. If, for whatever reasons, confidentiality cannot be maintained, or is in fact breached before the results are released through HKEx's systems, issuers should notify the Exchange immediately and, if necessary, request a suspension in the trading of their securities until the results announcement is made.
- If the results are released through HKEx's systems during the Morning Break, the Exchange recommends that issuers conduct any media or analysts' briefings after the ensuing afternoon trading session. This approach minimises the risk of selective dissemination of unpublished price-sensitive information during trading hours, which may occur when the issuer responds to questions raised at media or analysts' briefings.
- Issuers who choose to hold media and analysts' briefings during trading hours must exercise great caution in ensuring the materials they distribute and the comments they make in such briefings do not include any unpublished price-sensitive information that has not been included in the Summary Forms or results announcements released through HKEx's systems.

### **Submission of Summary Forms/results announcements after the market closes**

There have been concerns about the timing of releasing results immediately after the securities market closes at 4:00 pm. Since the stock index futures and options markets close at 4:15 pm, to minimise the risk of disorder the timing of releasing results (whether through HKEx's systems or otherwise) should only be after 4:15 pm.

As a consequence, issuers who schedule to submit their Summary Forms/results announcement after the market closes should note the following:

- Any Summary Forms/results announcements submitted after 4:00 pm and before 4:15 pm will only be released on HKEx's systems after 4:15 pm at the earliest, that is, after the stock index futures and options markets close.
- In line with the above arrangement issuers should not release their results via any other means before 4:15 pm, whether orally (such as in discussions with analysts or journalists) or through distribution of any presentation materials (although press conferences or analysts' briefings are held after 4:15 pm) or by way of publication on their own websites or through any newswire service.

## **Conclusion**

Issuers should be mindful of the practical points noted above in scheduling the release of results announcements. Issuers are welcome to contact the Listing Division staff for further guidance.