



4 February 2020

**Joint Statement in relation to Results Announcements  
in light of Travel Restrictions related to the Severe Respiratory  
Disease associated with a Novel Infectious Agent**

The Securities and Futures Commission (SFC) and The Stock Exchange of Hong Kong Limited (the Exchange) are issuing this statement to provide guidance to listed companies and their auditors in relation to the disclosure of financial information in view of travel and other restrictions that have arisen in response to the outbreak of the Severe Respiratory Disease associated with a Novel Infectious Agent (SRD).

**Reporting Requirements under the Listing Rules**

Travel and other restrictions that have arisen in connection with the recent SRD outbreak may disrupt the reporting or audit processes of certain issuers. If a listed issuer believes there is a real possibility that, as a result of the SRD restrictions, it will be unable to publish a preliminary announcement of results (or, as the case may be, issue audited financial statements) in accordance with the relevant requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules)<sup>1</sup>, it should contact the Exchange as early as possible to discuss the situation.

The impact of the SRD outbreak on a listed issuer and its auditors' work will vary according to their individual circumstances. An affected issuer should provide the Exchange with, to the extent possible, (1) a description of the travel and other restrictions which have affected its auditing or reporting process, (2) where available, an account of why these restrictions have meant that it is unable to comply with the relevant reporting requirements set out in the Listing Rules, (3) the financial information that it is nevertheless still able to report on, and (4) explain whether the accuracy, completeness and presentation of the financial information available is believed to have been adversely affected and, if so, to what extent.

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<sup>1</sup> See Main Board Rules 13.49 (1) and (2) and GEM Rule 18.49 for requirements to publish financial results. The GEM Rules also require, in addition to the publication of preliminary results, the publication of audited financial statements within three months after the financial year end.

Where an issuer is unable to obtain agreement from its auditors but is otherwise in all respects able to publish its preliminary results in full compliance with the other reporting requirements set out in the Listing Rules, it should publish such preliminary results (without the agreement with its auditors)<sup>2</sup> on or before the deadline. In such cases, the Exchange will normally allow trading in the securities of the issuer to continue.

In all other cases, the issuer should consult with the Exchange as soon as possible on the financial information that it is able to report on. The Exchange, in consultation with the SFC, will assess whether publication of this information will be sufficient to maintain an orderly, informed and fair market so that trading in the securities of the listed issuer can continue. The issuer should therefore be reasonably satisfied that this information is accurate and complete in all material respects. For example, where there are uncertainties relating to the valuation of assets or liabilities, the issuer should describe what those uncertainties are and state how they may affect the valuation of such items in order to allow investors to evaluate their significance. It is the overall objective of the Exchange and the SFC to minimize disruptions to trading while ensuring that the investing public continues to receive sufficient information to make informed investment decisions. In making their assessment, the Exchange and the SFC will consider the views of the issuer's audit committee on the unaudited financial information available to the issuer.

The Exchange reminds listed issuers to engage with their auditors<sup>3</sup> to discuss their audit plans and timetables, and to closely monitor any new developments.

### **Disclosure of Inside Information**

The Securities and Futures Ordinance provides that, subject to specified exceptions, a listed corporation must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose the information to the public. If a listed issuer's business operations, reporting controls, systems, processes or procedures are materially disrupted by the SRD outbreak and/or the related travel restrictions, management should assess whether any inside information has arisen and, if so, make a separate announcement as soon as reasonably practicable, independent of any applicable Listing Rule requirement.

**Ends**

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<sup>2</sup> See Main Board Rules 13.49(3) and (4). Issuers should include appropriate caution statements. GEM issuers that are unable to publish audited financial statements on or before the deadline should follow Main Board Rules 13.49(3) and (4).

<sup>3</sup> Under the Corporate Governance Code section C.3, the Audit Committee of a listed issuer should discuss with the auditor the nature and scope of the audit and reporting obligations and to monitor the integrity of the issuer's financial statements.