

HKEx GUIDANCE LETTER
Cite as HKEx-GL1-06 (April 2006)

(withdrawn in August 2015, superseded by GL82-15)

Summary	
Listing Rule	Main Board Listing Rule 8.06
Subject	Disclosure of financial information in IPO prospectuses where the new listing applicants are also listed on an overseas exchange and the applicable rules and regulations of such foreign exchange require the applicants to publish such financial information.
Contents	Extracts of a letter from the authorised signatory of the Stock Exchange of Hong Kong

[*/] September 2004

[Name and Address of Sponsor]

Dear Sirs

Re: Application for new listing of a Main Board listing applicant
(the “Company” together with its subsidiaries, the “Group”)

We refer to your enquiry regarding the inclusion of unaudited quarterly financial information in the prospectus in relation to the Company’s proposed initial public offering (the “Prospectus”). The Company is listed on the Shenzhen Stock Exchange and is required to publish quarterly financial statements under the applicable PRC regulations.

We would like to draw your attention that Rule 8.06 of the Listing Rules should continue to be strictly enforced. Therefore the latest audited financial period reported on by the reporting accountants in all cases must not have ended more than six months before the date of the listing document. In addition, the Listing Division considers that:

- (a) Unaudited interim financial information must be included in the Prospectus on a case specific basis when, as of the date of the Prospectus, the Company has published interim financial information that covers an interim period more recent than required by the Listing Rules, in accordance with the requirements of an exchange in another jurisdiction on which securities issued or guaranteed by the Company are listed;

- (b) The requirement to provide more current published financial information applies to any publication of financial information that includes, at minimum, revenue and income information, even if that information is not published as part of a complete set of financial statements;
- (c) Each of the financial statements may be in condensed form as long as it contains the major line items from the latest audited financial statements and includes the major components of assets, liabilities, and equity (in the case of the balance sheet); income and expenses (in the case of the income statement); and the major subtotals of cash flows (in the case of the cash flow statement);
- (d) The interim financial statements must include comparative statements for the same period of the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year end balance sheet;
- (e) The interim financial statements must include selected note disclosure that will provide an explanation of events and changes that are significant to an understanding of the changes in financial position and performance of the enterprise since the reporting date of the last audited financial information;
- (f) The interim financial statements included in the Prospectus must include a statement of the financial effect of material differences from either Hong Kong Financial Reporting Standards or International Financial Reporting Standards (“IFRS”), as contemplated by the Note to Main Board Listing Rule 19A.10, and must be either: (i) reviewed by an independent auditor in accordance with the standards established by the Hong Kong Institute of Certified Public Accountants or the International Auditing and Assurance Standards Board, and a copy of the auditor’s interim review report must be provided in the Prospectus; or (ii) presented in a separate part of the accountants' report in a manner conforming with applicable PRC accounting rules and regulations; and
- (g) Whenever such current interim financial information is provided, the Prospectus must:
 - (i) Describe any ways in which the accounting principles, practices and methods used in preparing that interim financial information vary materially from the principles, practices, and methods accepted in Hong Kong or under IFRS as the case may be; and
 - (ii) Quantify any material variations, unless they are already quantified because they occur in other financial statements included in the Prospectus.

We wish to emphasise that the Listing Division would assess every listing application on a case by case basis. The preliminary views were made by the Listing Division based on the special circumstances of this particular case and should not be treated as a precedent for future cases. The Exchange reserves the right to alter its views in the event of any change in the information provided or in the circumstances under which such views were made.

Please note that when the Company submits the information mentioned above, further comments may be raised by the Listing Division on the above matters during the review process

and additional conditions may be imposed. In any event, this letter should not be regarded as an indication that the Company's listing application will be approved or certain waivers must be granted to the Company.

[Portion of Letter Purposely Omitted]

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

[signed]

[Authorised Signatory]