

香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED

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

Our Ref: CRO20190524-009

24 May 2019

To: Main Board Listed Issuers (Attn: Authorised Representatives)  
GEM Listed Issuers (Attn: Authorised Representatives)  
Market Practitioners

Dear Sirs or Madam

**Consultation Conclusions on the Proposal Relating to Listed Issuers with Disclaimer or Adverse Audit Opinion on Financial Statements**

We have today published Consultation Conclusions on the Proposal Relating to Listed Issuers with Disclaimer or Adverse Audit Opinion on Financial Statements.

The Consultation Conclusions represent the results of a public consultation held from 28 September to 30 November 2018. Taking into account the views of the respondents, the Exchange has made certain modifications to the proposal.

Under the new Listing Rules:

- (a) the Exchange will normally require suspension of trading in an issuer's securities if the issuer publishes a preliminary results announcement for a financial year and the auditor has issued, or has indicated that it will issue, a disclaimer or adverse opinion on the issuer's financial statements;
- (b) it may disapply the suspension requirement where (i) the disclaimer or adverse opinion relates solely to going concern; or (ii) the underlying issues giving rise to the audit modification have been resolved before the issuer publishes the preliminary results announcement;
- (c) the suspension will normally remain in force until the issuer has addressed the issues giving rise to the disclaimer or adverse opinion, provided comfort that a disclaimer or adverse opinion in respect of such issues would no longer be required, and disclosed sufficient information to enable investors to make an informed assessment of its financial position;
- (d) where the resolution of issues giving rise to the disclaimer or adverse opinion is outside the issuer's control, a longer remedial period may be allowed, with the duration of the period being determined on a case by case basis; and

- (e) as a transitional arrangement, the remedial period will be extended to 24 months for both Main Board and GEM issuers that are suspended solely due to a disclaimer or adverse opinion on the issuers' financial statements for the financial years commencing between 1 September 2019 and 31 August 2021.

The new Listing Rule will apply to issuers' preliminary annual results announcements for financial years commencing on or after 1 September 2019.

The Consultation Conclusions and copies of respondents' submissions are available on HKEX website at:

[https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/September-2018-Adverse-Audit-Opinion/Conclusions-\(May-2019\)/cp201809cc.pdf](https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/September-2018-Adverse-Audit-Opinion/Conclusions-(May-2019)/cp201809cc.pdf)

[https://www.hkex.com.hk/News/Market-Consultations/2016-to-Present/Responses\\_May\\_2019?sc\\_lang=en](https://www.hkex.com.hk/News/Market-Consultations/2016-to-Present/Responses_May_2019?sc_lang=en)

The amendments to the Listing Rules are available at:

[http://en-rules.hkex.com.hk/en/display/display\\_main.html?rbid=4476&element\\_id=2](http://en-rules.hkex.com.hk/en/display/display_main.html?rbid=4476&element_id=2)  
(Update No. 125)

[http://en-rules.hkex.com.hk/en/display/display\\_main.html?rbid=4476&element\\_id=49](http://en-rules.hkex.com.hk/en/display/display_main.html?rbid=4476&element_id=49)  
(Update No. 60)

A updated Guidance Letter on Long Suspension and Delisting which provides further guidance relating to the suspension requirement and circumstances which the Exchange may consider allowing a longer remedial period is available at:

[https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Interpretation-and-Guidance/Guidance-Letters/gl95\\_18\\_preversion.pdf](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Interpretation-and-Guidance/Guidance-Letters/gl95_18_preversion.pdf)  
(GL95-18)

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

*[Signed]*

David Graham  
Head of Listing