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## QUESTIONNAIRE ON PERIODIC FINANCIAL REPORTING

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The purpose of this questionnaire is to seek views and comments from market users and interested parties regarding the issues discussed in the Consultation Paper on Periodic Financial Reporting published by The Stock Exchange of Hong Kong Limited (the Exchange), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx), in August 2007.

Amongst other things, the Exchange seeks comments regarding whether the current Main Board Listing Rules and Growth Enterprise Market (GEM) Listing Rules (together, the Rules) should be amended.

A copy of the Consultation Paper and this questionnaire can be obtained from the Exchange or at <http://www.hkex.com.hk/consul/paper/consultpaper.htm>.

Please return completed questionnaires no later than **5 November 2007** by one of the following methods:

By mail or hand delivery to: Corporate Communications Department  
Re: Consultation Paper on Periodic Financial Reporting  
Hong Kong Exchanges and Clearing Limited  
12th Floor, One International Finance Centre  
1 Harbour View Street, Central  
Hong Kong

By fax to: (852) 2524-0149

By email to: [pfr@hkex.com.hk](mailto:pfr@hkex.com.hk)

The Exchange's submission enquiry number is (852) 2840-3844.

*Please indicate your preference by ticking the appropriate boxes.*

*Where there is insufficient space provided for your comments, please attach additional pages as necessary.*

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## Half-year reporting

*Question 1:* Do you agree that the time allowed for the release of half-year results announcements and reports should be shortened from three months to two months after the relevant financial period end?

Yes

No

Please state reasons for your views.

1. The consolidated reports include the results and breakdowns from various overseas subsidiaries. The new reporting deadlines will impose the time pressure on collecting the results and breakdowns from various overseas subsidiaries on time.
2. To shorten the time allowed for the release of results announcement and reports will affect the accuracy of reports.
3. The new reporting deadlines and requirements will impose an additional cost (e.g. staff cost, audit fee and printing cost...etc.) for the issuers.
4. The new reporting deadlines will increase the difficulties to comply some specific requirements by the current accounting standards such as the valuation report from the valuation company, audit confirmations from the third parties....etc.

*Question 2:* Do you agree that the new reporting deadlines should be introduced in phases; specifically:

(a) "large companies" (as defined pursuant to Question 3 below) being required to comply with the new Rules first; and

(b) to allow a transitional period of two years for other companies to meet the new deadlines?

Yes

No

Please state reasons for your views.

*Question 3:* Do you agree that "large companies" should mean companies with a market capitalisation of \$10 billion or more as at 31 December 2006 and, in the case of issuers that are newly listed after 1 January 2007, those with an initial market capitalisation of \$10 billion or more on the date of listing? (For more detail, please see paragraph 21 of the Consultation Paper.)

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Yes

No

Please state reasons for your views.

*Question 4:* Do you agree that the commencement dates for the accelerated reporting deadlines for half-year reporting for Main Board issuers should be:

(a) "large companies" – half-year accounting periods ending on or after 30 June 2008;

(b) other companies – half-year accounting periods ending on or after 30 June 2010?

Yes

No

Please state reasons for your views. Please also comment, including reasons, if you have other suggested commencement dates.

### **Annual reporting**

*Question 5:* Do you agree that the time allowed for the release of annual results announcements and reports should be shortened from four months to three months after the relevant financial period end?

Yes

No

Please state reasons for your views.

Please refer to Q1.

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*Question 6:* Do you consider that the new three month reporting deadline should be introduced in phases such that:

- (a) “large companies” (as defined pursuant to Question 7 below) would be required to comply with the new Rules first; and
- (b) there would be a transitional period of two years for other companies to meet the new deadline?

Yes

No

Please state reasons for your views.

*Question 7:* Do you agree that, for these purposes, “large companies” should have the same meaning set out in Question 3 above (and paragraph 21 of the Consultation Paper)?

Yes

No

Please state reasons for your views.

*Question 8:* Do you agree that the commencement dates for the accelerated reporting deadlines for annual reporting for Main Board issuers should be:

- (a) “large companies” – annual accounting periods ending on or after 31 December 2008;
- (b) other companies – annual accounting periods ending on or after 31 December 2010?

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Yes

No

Please state reasons for your views. Please also comment, including reasons, if you have other suggested commencement dates.

**Mandatory quarterly reporting for Main Board issuers**

*Question 9:* Do you agree that mandatory quarterly reporting should be introduced for Main Board issuers?

Yes

No

Please state reasons for your views.

Please refer to Q1.

*Question 10:* Do you agree that Main Board issuers should publish their quarterly reports within 45 days after the period end?

Yes

No

If you believe that a reporting deadline for quarterly reporting other than 45 days is more appropriate, please state your preference. Please also state reasons for your views.

*Question 11:* Do you agree that quarterly reports of Main Board issuers should include as a minimum all the information set out in Table 8 of the Consultation Paper?

Yes

No

Please state reasons for your views. Please also comment, together with reasons, on those items which you believe may be considered to be added to Table 8.

*Question 12:* Do you agree that a condensed consolidated income statement in a quarterly report should contain the following information, together with prior year comparatives:

- (a) current quarter results; and
- (b) cumulative year-to-date results?
  - Yes
  - No

Please state reasons for your views.

*Question 13:* Do you believe that the following information, together with prior year comparatives, should also be provided in the condensed consolidated income statement in the quarterly report for a third quarter (see paragraphs 60 and 61 of the Consultation Paper):

- (a) the first quarter results; and
- (b) immediately preceding quarter results?
  - Yes
  - No

Please state reasons for your views.

*Question 14:* Do you agree that printing and mailing of hard copies of quarterly reports to all shareholders and holders of the company's other securities should not be required but listed issuers

should be required to publish their quarterly reports on the HKEx website and the listed issuer's own website?

Yes

No

Please state reasons for your views.

*Question 15:* Do you agree that the new quarterly reporting requirements should be introduced in phases with:

(a) "large companies" (as defined pursuant to Question 3 above) being required to comply with the new Rules first; and

(b) other companies allowed a transitional period of two years to meet the new deadlines?

Yes

No

Please state reasons for your views.

*Question 16:* Do you agree that the commencement dates for the new quarterly reporting requirements for Main Board issuers should be:

(a) "large companies" – three months quarterly accounting periods ending on or after 30 September 2008; and

(b) other companies – three months quarterly accounting periods ending on or after 30 September 2010?

Yes

No

Please state reasons for your views. Please also comment, including reasons, if you have other suggested commencement dates.

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**Alignment of GEM Rules to proposed Main Board Rules on quarterly reporting**

*Question 17:* Do you agree that the same disclosure and publication requirements for quarterly reporting should apply to Main Board and GEM issuers?

- Yes  
 No

Please state reasons for your views.

*Question 18:* Do you agree that GEM issuers should be required to comply with the new disclosure requirements starting from their three months quarterly accounting periods ending on or after 30 September 2010?

- Yes  
 No

Please state reasons for your views.

*Question 19:* Do you agree that the reporting deadline for the new GEM quarterly reports should be the same as the reporting deadline for Main Board quarterly reports even if that means extending the reporting deadline for GEM quarterly reports?

- Yes  
 No

Please state reasons for your views.

*Question 20:* Do you have any other comments in respect of the issues discussed in the Consultation Paper? If so, please set out your additional comments.



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