



羅兵咸永道

Corporate Communications Department
Hong Kong Exchanges and Clearing Limited
12/F, One International Finance Centre
1 Harbour View Street, Central
Hong Kong

21st October 2014

Dear Sirs,

Re: Consultation Paper on Review of Listing Rules on Disclosure of Financial Information with reference to the New Companies Ordinance and Hong Kong Financial Reporting Standards and Proposed Minor/Housekeeping Rule Amendments

We refer to the subject consultation paper (“the Paper”) and would like to put forward below our comments for your consideration. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Paper.

In general, we agree with the proposals in the Paper. We consider the proposals will help maintaining a level playing field for all listed issuers and enhance clarity of the Listing Rules.

Disclosure of company- level statement of financial position

We agree with the proposal to require all issuers to disclose company-level statement of financial position in consolidated financial statements as required by the New Companies Ordinance.

The above proposal is clearly reflected in paragraph 28 of Appendix 16 of Main Board Rules for annual financial statements of listed issuers.

However, for accountant’s reports, the current drafting of Chapter 4 of Main Board Rules seems to require the company-level statement of financial position to include more disclosures than those required by the New Companies Ordinance or paragraph 28 of Appendix 16 for annual financial statements. We consider the disclosure requirements for accountant’s reports should be consistent with that for annual financial statements and recommend the Exchange to clarify this in the consultation conclusion.

Disclosures of directors’ emoluments

We agree with the proposal to require all issuers to include disclosures as required by s383, “Notes to financial statements to contain information on directors’ emoluments etc.” of the New Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation.

We would like to take this opportunity to seek clarification on a related guidance set out in Guidance Letter GL62-13 on “Disclosure of Directors, Supervisors and Senior Management section in listing documents” issued by the Exchange. The Guidance Letter sets out that “*any references to directors which were not appointed during the track record period should not be included in the table of directors’ remuneration in the accountant’s report*”.



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We would like to highlight that the above guidance is inconsistent with the current market practice which discloses remunerations received by the listing applicant's directors from the group throughout the track record period even if the directors are appointed after the track record period. We consider it will be helpful if the Exchange could clarify the requirements.

Minor drafting comment

We consider paragraph 28A of Appendix 16 of Main Board Rules may not be necessary as the content required by paragraph 28A of Appendix 16 of Main Board Rules is the same as that required by Schedule 5 of the New Companies Ordinance and that has already been covered by paragraph 28 of Appendix 16 of Main Board Rules.

The above comments also apply to the equivalent GEM Rules.

We hope the above are helpful. If you would like to discuss any matters further, please do not hesitate to contact [REDACTED].

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written over a large, stylized initial 'P'.