



20 November 2020

**To: Members of the Hong Kong Institute of CPAs
All other interested parties**

INVITATION TO COMMENT ON EXPOSURE DRAFT PRACTICE NOTE

ED Practice Note (PN) 730 (Revised) *Guidance for Auditors Regarding Preliminary Announcements of Results*

Comments to be received by 20 December 2020

The Hong Kong Institute of Certified Public Accountants' (Institute) Auditing and Assurance Standards Committee is seeking comments on the Exposure Draft Practice Note (PN) 730 (Revised) *Guidance for Auditors Regarding Preliminary Announcements of Results* (Exposure Draft) which has been posted on the Institute's website at: <https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Open-for-comment-documents/Auditing-and-Assurance>

PN 730 was first issued in 2005 to provide guidance for auditors on their responsibilities with regard to preliminary announcements of results for the financial year. It was last updated in 2017 to align with changes made by The Stock Exchange of Hong Kong Limited in relation to the revised Hong Kong Standards on Auditing.

Revisions are now proposed to PN 730 (Revised) to align with the latest regulatory requirements and provide additional guidance on the following:

- When the complete set of financial statements together with the auditor's report are included in the "preliminary" announcement of results, no separate reporting on the agreement of the preliminary announcement of results with auditors would be necessary (Proposed paragraph 10)
- Where the announcement of results is based on audited financial statements, it is acceptable for the listed issuer not to mention "preliminary" in the headline of the announcement and when describing the results of the financial year (Proposed paragraph 21)
- Guidance to auditors when the listed issuer publishes the preliminary announcement of results without obtaining its auditor's agreement, for example, the audit is not in an advanced stage (Proposed paragraph 43)

The revised PN will be effective upon issuance.

In order for readers to easily identify all the proposed changes, a marked-up version accompanies a clean version of the Exposure Draft.

Comments on the proposed changes should be supported by specific reasoning and should be submitted in written form. To allow your comments on the Exposure Draft to be considered, comments are requested by the due date shown above.



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Comments may be sent by mail, fax or e-mail to:

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37/F., Wu Chung House
213 Queen's Road East
Hong Kong

Fax number (+852) 2865 6776
E-mail: commentletters@hkipa.org.hk

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.

20 November 2020
Invitation to Comment

Response Due Date
20 December 2020

*Invitation to Comment
on Exposure Draft Practice Note*

ED Practice Note 730 (Revised)
***Guidance for Auditors Regarding
Preliminary Announcements of Annual
Results***



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

CONTENTS

Exposure Draft Practice Note 730 (Revised) *Guidance for Auditors Regarding Preliminary Announcements of Results*

The Invitation to Comment can also be found on the Institute's website at:
<https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Open-for-comment-documents/Auditing-and-Assurance>.



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

Effective upon issuance

Practice Note 730 (Revised)

Guidance for Auditors Regarding Preliminary Announcements of Annual Results

* PN 730 (Revised) has been updated for amendments to the Main Board Listing Rules and GEM Listing Rules issued by The Stock Exchange of Hong Kong Limited following the “Consultation Conclusions on Proposed Changes to Documentary Requirements relating to Listed Issuers and Other Minor Rule Amendments” which came into effect on 1 March 2019.



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

PRACTICE NOTE 730 (REVISED)

**GUIDANCE FOR AUDITORS REGARDING
PRELIMINARY ANNOUNCEMENTS OF ANNUAL RESULTS**

(Issued September 2015, revised March 2017, [] 2020*)

CONTENTS

	Paragraphs
Introduction	1 – 10
Main Board and GEM Listing Rule requirements.....	11 – 14
Terms of engagement	15 – 18
Procedures	19 – 38
Communication of agreement.....	39 – 47
Appendix 1 Example Report on Agreement with Preliminary Announcement of Results	
Appendix 2 Example Engagement Letter	
Appendix 3 Extract of Main Board Listing Rules	
Appendix 4 Extract of GEM Listing Rules	

Practice Note (PN) 730 (Revised), "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" should be read in the context of the "Amended Preface to the Hong Kong Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements" which sets out the application and authority of PNs.

Introduction

1. The purpose of this Practice Note, which has been prepared in consultation with The Stock Exchange of Hong Kong Limited (SEHK) and the Securities & Futures Commission (SFC), is to provide guidance for auditors on their responsibilities with regard to preliminary announcements of results for the financial year. This Practice Note:
 - (a) addresses the requirement for an issuer listed on the SEHK (listed issuer) to obtain its auditors' agreement with the listed issuer's preliminary announcement of results under Main Board (Rule 13.49(2)) or GEM (Rule 18.49) Listing Rules and provides guidance on the nature and scope of such an agreement; and
 - (b) emphasizes the need for auditors to consider the way in which additional information accompanying the preliminary announcement of results (for example: highlights, Chairman's Statement, narrative disclosures, management commentary, etc), is presented in the preliminary announcement of results before reporting their agreement in respect of the preliminary announcement of results.
2. Preliminary announcement of results plays a key part in the annual financial reporting cycle, being the first public communication of listed issuers' full year results and year-end financial position. Preliminary announcement of results is relied on to provide timely, sufficient and accurate information to ensure an orderly and efficient market. Preliminary announcement of results forms one of the focal points for investor interest, primarily because they confirm or update market expectations. Because of this, auditors have a legitimate and important role to play in the process leading to the release of the preliminary announcement of a listed issuer's results for the financial year.
3. Both the content and the preparation of the preliminary announcement of results are the responsibility of the listed issuer's directors. The directors of a listed issuer are required by the Main Board Listing Rule 13.49(2) or GEM Listing Rule 18.49 to publish a preliminary announcement of results for the financial year which shall have been agreed with its auditors before it is published.
4. The Main Board and GEM Listing Rules do not indicate what form the agreement with the auditors would take or the extent of work expected of auditors before they give their agreement. This Practice Note provides guidance on the procedures that would normally be carried out by auditors and on communicating the outcome of such procedures to the directors.
5. Taking into account the nature of the engagement, auditors would perform an agreed-upon procedures engagement. Accordingly, auditors will carry out their work in accordance with Hong Kong Standard on Related Services (HKSRs) 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information".
6. In addition to publishing the preliminary announcement of its results, a listed issuer is also required to provide additional information to accompany its preliminary announcement of results. In this regard, auditors are to note that they are not required to report on the additional information to accompany the preliminary announcement of results. However, the auditors' work in respect of the additional information accompanying the preliminary announcement of results would be carried out in accordance with the procedures set out in this Practice Note.
7. There is an expectation that the information in a preliminary announcement of results will be consistent with that in the audited financial statements as the audit would be at an advanced stage and that, subject only to unforeseen events, auditors expect to be in a position to issue their report on the financial statements once the outstanding matters have been resolved and that the results in the financial statements would be consistent with the amounts included in the preliminary announcement of results. However, the risk of later changes to the figures in the preliminary announcement of results is not completely extinguished unless the preliminary announcement of results is issued at the same time that the financial statements are approved by the directors and auditors have signed their opinion on them.

8. To help ensure that the draft preliminary announcement of results that has been agreed by auditors has in fact been approved by the directors without any further amendments or that auditors agree with the amendments, it is recommended that auditors carry out the following procedures:
- (a) Attend the board of directors' meeting at which the directors approve the preliminary announcement of results and the financial statements supporting that preliminary announcement of results. Alternatively, auditors obtain a copy of the board minutes approving the preliminary announcement of results and the financial statements supporting that preliminary announcement of results; and
 - (b) Attach a set of the financial statements supporting the preliminary announcement of results and the final version of the preliminary announcement approved by the directors to the auditors' letter to directors indicating their agreement with respect to the preliminary announcement of results.

This is recommended because, in the event that the board of directors at its meeting to approve the preliminary announcement of results decides to amend the preliminary announcement of results and the financial statements supporting that preliminary announcement of results, auditors would need to be made aware of the directors' decision to amend the preliminary announcement of results and be in a position to decide the additional work, if any, that may be required before auditors give their agreement with the revised preliminary announcement of results.

9. This Practice Note provides guidance to auditors on interpreting the expression "advanced stage".
10. There is no requirement for a preliminary announcement of results to include an auditors' report. This is considered appropriate, as it is unlikely that a communication that contains both a clear expression of opinion and sets out the information necessary for a proper understanding of that opinion, can be developed without producing a report of excessive length and complexity; which would be out of place in the context of the preliminary announcement of results as a whole. In this situation, the auditors would issue a letter to the directors of the listed issuer signifying their agreement of the preliminary announcement of results following this Practice Note (see Appendix 1). When the complete set of financial statements together with the auditors' report thereon are included in the preliminary announcement of results, no separate reporting on the agreement of the preliminary announcement of results with the auditors would be necessary¹.

Main Board and GEM Listing Rule requirements

Main Board

11. Appendix 3 sets out section 13.49 of the Main Board Listing Rules together with paragraphs 4, 45 and 45A of Appendix 16 in relation to Preliminary Announcement of Results – Full Financial Year.

GEM

12. Appendix 4 sets out sections 18.49 to 18.50 of the GEM Listing Rules in relation to preliminary announcement of results for the financial year.

Frequently Asked Questions

13. The SEHK and SFC update their frequently asked questions ("FAQ") from time to time and they are designed to help issuers to understand and comply with the Listing Rules, particularly in

¹ For Hong Kong incorporated companies, where the financial information provided in a preliminary announcement of results for a financial year is satisfied solely by meeting the requirements of Appendix 16, paragraph 45(1) of the Main Board Listing Rules or GEM Listing Rule 18.50(i), that financial information will constitute 'non-statutory accounts' for both the current and comparative years and the requirements set out in section 436 of the Hong Kong Companies Ordinance, Cap. 622 would apply. However, providing the full audited statutory financial statements for the current year (which include the financial statements for the preceding financial year as comparatives) with the auditor's report thereon in a preliminary announcement of results for the current financial year is not a form of 'non-statutory accounts'. See Accounting Bulletin 6 "[Guidance on the Requirements of Section 436 of the Hong Kong Companies Ordinance Cap. 622](#)".

situations not explicitly set out in the Listing Rules or where further clarification may be desirable. The issuers should apply the latest guidance in the FAQ in preparing the preliminary announcement of results.

14. FAQ 002-2017 and 003-2017 issued on 6 January 2017 relate to the audit terminology used in the Listing Rules with reference to the Hong Kong Standards of Auditing and they are relevant for preliminary announcements of results for period ended on or after 15 December 2016.

Terms of engagement

15. It is in the interests of both auditors and the listed issuer that the auditors' role in respect of preliminary announcement of results is set out in writing, typically by including relevant paragraphs in the engagement letter. To avoid misunderstanding, the engagement letter describes the process of "agreeing" the preliminary announcement of results.
16. In circumstances where the auditors are to agree to a preliminary announcement of results that in turn is based on financial statements on which their audit is not complete (which may often be the case in Hong Kong), the engagement letter includes cautionary language to the effect that there is an unavoidable risk that the company may wish to revise its preliminary announcement of results in the light of audit findings or other developments occurring before the completion of the audit.
17. Matters that may be dealt with in the engagement letter include:
- (a) the responsibility of the directors in preparing the preliminary announcement of results;
 - (b) the fact that auditors will conduct their work in accordance with HKSRS 4400 and with reference to this Practice Note;
 - (c) a statement as to whether auditors believe it is management's intention that the preliminary announcement of results will be based on audited financial statements or on draft financial statements upon which auditors have not issued a report or alternatively, that it is not certain as to which will be the case;
 - (d) a statement that auditors would issue a letter confirming their agreement to the preliminary announcement of results (subject to obtaining the necessary evidence and carrying out the work in accordance with HKSRS 4400 and with reference to this Practice Note); and
 - (e) a statement explaining the inherent limitations of the auditors' work.
18. An example engagement letter is set out in Appendix 2 for use as a guide only and will need to be varied according to individual requirements and circumstances.

Procedures

Planning

19. Where the preliminary announcement of results is to be based on draft financial statements, the company's timetable would allow auditors to have completed the audit other than for those matters set out in paragraph 24 below. Furthermore, the Board/Committee of the Board would formally approve the draft financial statements of the company supporting the preliminary announcement of results before auditors agree to the preliminary announcement of results. If the evidence of approval from the Board/ Committee of the Board is not available, auditors would obtain alternative evidence of the adoption by the listed issuer of the draft financial statements and preliminary announcement of results. In the absence of such evidence, auditors would refrain from issuing their agreement to the preliminary announcement of results.

Preliminary announcements of results based on audited financial statements

20. Arising from the requirements of the Listing Rules, there is an expectation on the part of the users that the information in a preliminary announcement of results will be consistent with that in the

audited financial statements. The only way of achieving absolute certainty of this is for the audit of the financial statements to have been completed and the contents of the preliminary announcement of results to have been extracted from audited financial statements that have been approved and signed by the directors and upon which auditors have issued their report on or before the date of the preliminary announcement of results.

21. Where the announcement of results is based on audited financial statements, it is acceptable for the listed issuer not to mention “preliminary” in the headline of the announcement and when describing the results of the financial year. For purposes of this Practice Note, the term “preliminary announcement of results” refers to both the situations where the financial results are based on audited financial statements (as set out in paragraph 20 above) or draft financial statements (as set out in paragraph 22 below).

Preliminary announcements of results based on draft financial statements

22. Where a preliminary announcement of results is based on draft financial statements, there are additional risks in these circumstances if further information comes to light during the course of finalization of the financial statements by the listed issuer or as a result of the auditors' further procedures that would be reflected in the financial statements and that may give rise to the need for a revised preliminary announcement of the listed issuer's results. Before agreeing to the preliminary announcement of results, therefore, the directors need to ensure they are satisfied that the information contained in the preliminary announcement of results will be consistent with the information that will be contained in the audited financial statements.

23. Auditors will need to be satisfied that any matters outstanding with respect to their audit will be unlikely to result in changes to the results contained in the preliminary announcement of results. This means that the audit of the financial statements would be at an advanced stage and that, subject only to unforeseen events, auditors expect:

- (a) to be in a position to issue their report on the financial statements once the outstanding matters have been resolved; and
- (b) that the results in the financial statements will be consistent with the amounts included in the preliminary announcement of results.

24. This means that the audit, including an Engagement Quality Control Review as described in HKSA 220, *Quality Control for an Audit of Financial Statements*, is completed subject only to the following:

- (a) clearing outstanding audit matters which auditors are satisfied are unlikely to have a material impact on the financial statements or disclosures in the preliminary announcement of results;
- (b) completing audit procedures on the details of disclosures in the notes to the financial statements that will not be expected to have a material impact on the primary financial statements;
- (c) completing their reading of other information in the annual report in accordance with HKSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*;
- (d) updating the subsequent events review to cover the period between the issue of the preliminary announcement of results and the date of the auditors' report on the financial statements; and
- (e) obtaining written representations, where relevant, from management and establishing that the financial statements have been reviewed and approved by the directors.

All preliminary announcements of results

25. The core procedure that auditors will normally carry out in relation to the preliminary announcement of results regardless of whether it is based on draft financial statements or extracted from audited financial statements is checking that the figures in the preliminary announcement of results have been accurately extracted from the audited or draft financial statements, and reflect the presentation to be adopted in the audited or draft financial statements.

26. In FAQ 002-2017 issued by the SEHK, it is stated that there is no specific requirement under the Main Board Listing Rules or the GEM Listing Rules for an issuer to provide in its preliminary announcement of results the details of the key audit matters included in the auditors' report. FAQ 002-2017 further states that for investors to better understand the financial statements and the audit that was performed, it is considered more appropriate that KAM should be read and considered together with the full audit report and the complete set of financial statements. Therefore, the issuer is recommended to publish its full annual report as soon as practicable after the preliminary results announcement has been issued.
27. Other ancillary procedures that auditors will normally carry out include:
- (a) considering whether the information (including the management commentary) is consistent with other expected contents of the annual report of which auditors are aware; and
 - (b) considering whether the information in the preliminary announcement of results is misstated. A misstatement exists when the information is stated incorrectly or presented in a misleading manner. A misstatement may arise, for example, as a result of an omission of a significant change of accounting policy disclosed or due to be disclosed in the audited financial statements.

If auditors encounter any inconsistency or misstatement, they seek to resolve the issues with the directors.

Additional information and management commentary

28. It is recognized that in some circumstances the presentation of additional financial information and narrative explanations in the preliminary announcement of results in addition to disclosing the results may help shareholders to understand better the financial performance of a listed issuer. However, there is concern that in some instances, such additional information has the potential to be misleading and shareholders may sometimes be misinformed by the manner in which additional information is included in the preliminary announcement of results with which auditors are associated. In those circumstances, it is believed that the potential for additional information to be misleading is considerable when inappropriate prominence is given to the additional information, when there is no description of the additional information or where the information is not consistent with the information set out in the draft or audited (as the case may be) financial statements.
29. In this context where the preliminary announcement of results includes additional information, before agreeing to the preliminary announcement of results, auditors consider whether:
- (a) additional financial information is clearly and appropriately described; and
 - (b) the additional information is not otherwise misleading in the form and context in which it appears.

If auditors do not believe that the additional information accompanying the preliminary announcement of results satisfies these conditions, they seek to resolve the issues with the directors.

30. Auditors read the management commentary and any other narrative disclosures and consider whether they are in conflict with the information that they have obtained in the course of their audit. If they become aware of any material inconsistencies with information obtained during their audit or with the draft or audited (as the case may be) financial statements, they seek to resolve them with the directors.
31. Auditors will also read the text, or draft thereof, if they are available, of any Chairman's Statement, operating and financial review or similar document to be included in the annual report from which the management commentary in the preliminary announcement of results will usually be derived. In event of disagreement, auditors communicate with the board of directors and the audit committee.

Prior period adjustments due to correction of material errors

32. Where there are prior period adjustments due to the correction of material errors, a listed issuer must include a statement of that fact. With respect to the financial information in relation to the prior period adjustments, auditors will normally check that the figures in the preliminary announcement of results have been accurately extracted from the audited or draft financial statements. With respect to the information (including the management commentary) describing the prior period adjustments due to correction of material errors, the procedures normally carried out by the auditors include considering whether such information:
 - (a) is consistent with the contents of the audited or draft financial statements;
 - (b) is clearly and appropriately described; and
 - (c) is not otherwise misleading in the form and context in which it appears.

If auditors encounter any inconsistency or misstatement, they seek to resolve the issues with the directors.

Inability to resolve matters

33. If the listed issuer is unable to resolve the matters set out in paragraphs 25 to 32 above to the auditors' satisfaction, auditors do not issue their agreement in respect of the preliminary announcement of results and send a letter to the board of directors setting out the reasons. It will be necessary to allow the listed issuer to provide a copy of the letter to the SEHK and SFC upon request.

Directors' approval of the preliminary announcement

34. It is recommended that the preliminary announcement of results states the date on which it was approved by the board of directors. Auditors do not agree to the preliminary announcement of results until its entire content has been formally approved by the board or by a duly authorized committee of the board. As recommended in paragraph 8 above, auditors therefore attend the board of directors' meeting approving the preliminary announcement of results and the financial statements supporting the preliminary announcement of results or obtain sufficient alternative evidence confirming these matters.

Modifications to the audit report

35. The Main Board and GEM Listing Rules require that, if the auditors are likely to issue a modified report on the listed issuer's annual financial statements, the preliminary announcement of results gives details of the modification.
36. In FAQ 002-2017 and 003-2017 issued by the SEHK, it is stated that the issuer needs to provide details in the preliminary results announcement for the following situations:
 - (a) where the audit opinion in the auditors' report is a "modified opinion" (i.e. a qualified opinion, an adverse opinion or a disclaimer of opinion); and/or

- (b) where the auditors' report contains any of the following without modifying the audit opinion: -
an emphasis of matter paragraph; and a material uncertainty related to going concern.
37. Where the auditors' report does, or is expected to, include a separate section on "Material Uncertainty Related to Going Concern", auditors do not issue their agreement in respect of the preliminary announcement of results unless the directors have adequately disclosed about the material uncertainty in the preliminary announcement of results. This is because the material uncertainty related to going concern would generally be regarded as a matter that is highly relevant to the reported financial position. There is, however, no need for the preliminary announcement of results to refer to the auditors in this context – it is for management to explain the relevant material uncertainty.
38. If the precise details of the matters giving rise to a modified opinion, an emphasis of matter paragraph or a material uncertainty related to going concern are critical to a full appreciation of the financial position/auditors' report, it is strongly recommended that auditors do not issue their agreement in respect of the preliminary announcement of results unless the matters are adequately disclosed in the preliminary announcement of results. Where reference is made in a preliminary announcement of results to a modified opinion, an emphasis of matter paragraph or a material uncertainty related to going concern, the directors would give adequate prominence to that information in the preliminary announcement of results and auditors would have to be satisfied in this regard. If auditors have concerns about the appropriateness of the wording of a statement referring to a modified opinion, an emphasis of matter paragraph or a material uncertainty related to going concern, they are encouraged to discuss their concerns with the audit committee of the listed issuer and seek their assistance to resolve their concerns or seek legal advice.

Communication of agreement

39. Auditors are encouraged to make explicit their agreement in respect of the preliminary announcement of results by sending a letter to the directors. An example of such a report is given in Appendix 1. The report will be addressed to the board of directors and will state the factual findings in accordance with HKSRS 4400. It will also state that no assurance engagement has been performed and accordingly, no assurance is expressed thereon by auditors.
40. Similarly, if auditors are not in agreement with the content of the preliminary announcement of results, they communicate this to the directors by sending them a letter setting out the reasons for their disagreement, advising the directors that it may be inappropriate for the listed issuer to publish the preliminary announcement of results.
41. The report is solely for the purpose for the listed issuer's information only, and is not to be used for any other purpose or to be distributed to any other parties and the report shall state this. However, it will be necessary to allow the listed issuer to provide a copy of the report to the SEHK and SFC upon request.
42. The auditors' agreement to the preliminary announcement of results may be mentioned in the listed issuer's public announcement. Auditors will normally agree to this provided that the scope of their work is clearly set out in the preliminary announcement of results. An example of such a disclosure can be found in Appendix 2.
43. In the exceptional circumstances where the listed issuer publishes the preliminary announcement of results without obtaining its auditors' agreement, for example, where the audit of the financial statements is not at an advanced stage, the listed issuer should follow the requirements under Main Board Listing Rules 13.49(3)(i)². The fact that the listed issuer has not yet agreed its preliminary results with its auditors should be clearly disclosed in the preliminary announcement of results. When the listed issuer makes an announcement in accordance with Main Board Listing Rules 13.49(3)(i)², the listed issuer will be required to publish a further announcement of results

² As stated in footnote 2 of the ["Joint Statement in relation to Results Announcements in light of Travel Restrictions related to the Severe Respiratory Disease associated with a Novel Infectious Agent"](#) issued by the SFC and SEHK on 4 February 2020, GEM listed issuers that are unable to publish audited financial statements on or before the reporting deadline should follow Main Board Listing Rules 13.49(3) and (4).

in accordance with Main Board Listing Rules 13.49(3)(ii) and 13.49(4)² as soon as the financial results have been agreed with its auditors.

44. Auditors may otherwise become aware that a listed issuer has released its preliminary announcement of results without first obtaining their agreement. There may be a number of reasons for this ranging from innocent oversight on the part of the directors to the directors knowingly releasing a preliminary announcement of results with which auditors disagree. The action that auditors take depends on the particular circumstances. In circumstances where a preliminary announcement of results is inadvertently released without the auditors' knowledge, but with which auditors do in fact agree, auditors may wish to remind the directors of their obligation under the Main Board or GEM Listing Rules to obtain the auditors' agreement.
45. However, at the other end of the spectrum where auditors become aware that the directors have released a preliminary announcement of results with which they disagree, they write to the audit committee regarding the discrepancies and request the audit committee to inform the regulators of such matter.
46. If auditors were to report the matter to the SEHK, they need to consider whether there might be a breach of confidentiality. Where the listed issuer has issued the preliminary announcement of results despite the auditor has not issued the letter confirming their agreement to the preliminary announcement of results, the auditor's course of action depends upon the auditor's legal rights and obligations. Consequently, the auditor may consider it appropriate to seek legal advice.
47. If auditors decide it necessary to report the fact that they had not agreed to the preliminary announcement of results to the SFC, they will be subject to the protection of sections 380 and 381 of the Securities and Futures Ordinance. Sections 380 and 381 of the Securities and Futures Ordinance provide immunity to a person who is or was an auditor of a corporation which is listed, or any associated corporation of the corporation, who reports to the SFC matters which come to his attention that suggest that at any time since the formation of the listed company, its shareholders have not been given all the information with respect to its affairs that they might reasonably expect. Auditors are advised to consult their lawyers before making such a report.

APPENDIX 1

EXAMPLE REPORT ON AGREEMENT WITH PRELIMINARY ANNOUNCEMENT OF RESULTS

Report of Factual Findings

To: Board of Directors
[XYZ Company Limited]

In accordance with our engagement letter dated [date], we have performed the procedures agreed with you which are set out below with respect to the preliminary announcement of results of [XYZ Company Limited] (the "Company") and its subsidiaries (the "Group") for the year ended [date] (the "Preliminary Announcement"), for which you are solely responsible.

Our engagement was conducted in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" ("HKSRs 4400") and with reference to Practice Note 730 (Revised) "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The procedures were performed solely to assist you in satisfying the requirement of Rule [13.49(2)]¹[18.49]² of the Rules Governing the Listing of Securities on [GEM of]² The Stock Exchange of Hong Kong Limited (the "SEHK").

For the purpose of this report, we obtained from the Company [a draft copy of] the Preliminary Announcement and the [draft/audited] consolidated financial statements of the Group for the year ended [date], copies of which are attached for reference, and compared the figures set out in the Preliminary Announcement in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto to the [draft/audited] consolidated financial statements of the Group for the year.

Based on the information and documents made available to us, we found the figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended [date] as set out in the Preliminary Announcement were in agreement with the amounts set out in the [draft/audited] consolidated financial statements of the Group for the year [as tabled for approval by the board of directors on [date]] [except for the following discrepancies set out below (*such discrepancies to be set out, if applicable*)]³.

Because the above procedures did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA (collectively referred to as Hong Kong assurance standards), we do not express any assurance on the Preliminary Announcement.

Had we performed additional procedures or had we performed an assurance engagement in respect of the Preliminary Announcement in accordance with Hong Kong assurance standards, other matters might have come to our attention that would have been reported to you.

¹ Applicable for Main Board listed issuers.

² Applicable for GEM listed issuers.

³ In general, the report should not be released if discrepancies between the amounts set out in the preliminary announcement and the financial statements were noted, unless the discrepancies were considered to be minor, e.g. typographical errors.

[Events or issues may arise during the course of finalising and issuing the audited consolidated financial statements of the Group that might result in the need to revise an amount[s] in the Group's consolidated financial statements or to [modify the draft auditors' report] / [further modify the auditors' report]⁴.

Our report is solely for the purpose set forth in the second paragraph of this report and is for your information only, and is not to be used for any other purpose or to be distributed to any other parties and we expressly disclaim any liability or duty to any other party in this respect. We agree that a copy of this report will be provided to the SEHK and Securities and Futures Commission upon their request without further comment from us. This report relates only to the items specified above and does not extend to the Preliminary Announcement [or the audited consolidated financial statements] taken as a whole.

ABC & Co.

Certified Public Accountants (Practising) [or Certified Public Accountants]

Date

⁴ To include if the auditors' report has not been issued as of the date of issuance of this report. Furthermore, if modification of the auditors' report is already anticipated, the auditors should have previously notified the listed issuer as paragraph 45(7) of Appendix 16 to the Main Board Listing Rules and GEM Listing Rule 18.50(8) require that where the auditors are likely to issue a modified report on the listed issuer's annual financial statements, details of the modification should be set out in the preliminary announcement.

APPENDIX 2

EXAMPLE ENGAGEMENT LETTER

The following engagement letter is for use as a guide only and will need to be varied according to individual requirements and circumstances⁵. This engagement letter can be issued at the same time as the engagement letter for the audit of the annual financial statements of the company.

To the Board of Directors of [XYZ Company Limited]:

The purpose of this letter is to set out the basis on which we assist you in satisfying the requirement of Rule [13.49(2)]⁶[18.49]⁷ of the Rules Governing the Listing of Securities on [GEM of]⁷ The Stock Exchange of Hong Kong Limited ("SEHK").

As your auditors, we are required to provide you with a report on our agreement with the preliminary announcement of results of [XYZ Company Limited] (the "Company") and its subsidiaries (the "Group") for the year ended [date] (the "Preliminary Announcement").

1. Responsibilities of directors

- 1.1 As directors of the Company, you are solely responsible for content and the preparation of the Preliminary Announcement.
- 1.2 You will make available to us for the purpose of preparing our report:
 - [a draft copy of] the Preliminary Announcement; and
 - [draft/audited] consolidated financial statements of the Group for the year ended [date].
- 1.3 You will provide us with such information and explanations as we consider necessary for the purposes of our work. We shall request sight of the Preliminary Announcement in sufficient time to enable us to complete our work. The Board/Committee of the Board will formally approve the Preliminary Announcement.
- [1.4 You will also make available to us the proposed text of the Company's annual report. The Board/Committee of the Board should also formally approve the draft consolidated financial statements of the Group supporting the Preliminary Announcement before we report on that Preliminary Announcement.]
- 1.5 You will also invite us to attend the Board of Directors' meeting at which the directors approve the Preliminary Announcement and the draft consolidated financial statements of the Group supporting that Preliminary Announcement. Alternatively, you will provide us with a copy of the board minutes approving the Preliminary Announcement and the draft consolidated financial statements of the Group.

2. Scope of our work

- 2.1 You have requested us to provide a report on our agreement with the Preliminary Announcement. The scope of our work will be limited to the procedures agreed with you as set out in this engagement letter. In carrying out our work, we will not in any way act as management. Your responsibilities as directors of the Company have been set out in section 1 above.

⁵ Auditors may consider it appropriate to include a limitation of liability clause in their engagement letter in accordance with their risk management policies.

⁶ Applicable for Main Board listed issuers.

⁷ Applicable for GEM listed issuers.

- 2.2 As agreed with you, we will perform the following procedures:

We will obtain from the Company [a draft copy of] the Preliminary Announcement and the [draft/audited] consolidated financial statements of the Group for the year ended [date] and will compare the figures set out in the Preliminary Announcement in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto to the [draft/audited] consolidated financial statements of the Group for the year. We will report to you our agreement with the Preliminary Announcement.

- 2.3 Our work will be carried out in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" ("HKSRS 4400") and with reference to Practice Note 730 (Revised) "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" ("PN 730") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").
- 2.4 The procedures that we will perform will not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and, consequently, no assurance will be expressed on the Preliminary Announcement.
- 2.5 Our engagement cannot be relied upon to identify or disclose whether fraud or errors, or illegal acts exist or have been undertaken. However, we will inform you of any such matters which come to our attention.

3 Reporting

- 3.1 Our report will be addressed to the Board of Directors of the Company and will state our factual findings in respect of obtaining from the Company [a draft copy of] the Preliminary Announcement and the [draft/audited] consolidated financial statements of the Group for the year ended [date] and comparing the figures set out in the Preliminary Announcement in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto to the [draft/audited] consolidated financial statements of the Group for the year, in accordance with HKSRS 4400 and with reference to PN 730. It will also state that we have not performed an assurance engagement on the Preliminary Announcement and accordingly express no assurance thereon. In addition, if when carrying out our work we are of the view that irregularities or differences of view arise in respect of the Preliminary Announcement, we will not issue our agreement in respect of the Preliminary Announcement and will send a letter to the Board of Directors of the Company setting out such irregularities and differences of view.
- 3.2 In accordance with HKSRS 4400, our report should not be distributed to any parties who have not agreed to the procedures to be performed. Accordingly, our report will state this. Consequently, our report will be for the information of the Board of Directors of the Company only and it should not be copied, referred to or disclosed in whole or in part to any other persons and we expressly disclaim any liability to any such party in this respect. However, we will allow you to disclose the contents and/or send a copy of the report to the SEHK and Securities and Futures Commission upon their request.
- 3.3 We understand that our name may be identified in the Company's public announcement in respect of our report on our agreement with the Preliminary Announcement. We will agree to this provided that our scope of work is made clear in the Preliminary Announcement. An example disclosure in this respect is as follows:

Scope of work of ABC & Co.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, [insert other statements if presented in the preliminary announcement] and the related notes thereto for the year ended [date] as set out in the preliminary announcement have been agreed by the Group's auditors, ABC & Co., to the amounts set out in the Group's [draft/audited] consolidated financial statements for the year. The work performed by ABC & Co. in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ABC & Co. on the preliminary announcement.

- 3.4 We will be entitled to review and comment on the appropriateness of, and object to, the contents of the Preliminary Announcement containing references to ABC & Co. prior to its issuance. The Company will take account of our comments and objections and the Company agrees that any references to our report on the Preliminary Announcement will not be finalised or published without having obtained our prior written consent. If a situation arises where the Preliminary Announcement is published without taking into account our comments and objections and without having obtained our prior written consent, we will write to your audit committee regarding the discrepancies and request the audit committee to inform the regulators of such matter.
- [3.5 You are to note that we will not provide you with our report on our agreement with the Preliminary Announcement until the audit is complete subject only to the following:
- (a) clearing outstanding audit matters which we are satisfied are unlikely to have a material impact on the consolidated financial statements or disclosures in the Preliminary Announcement;
 - (b) completing audit procedures on the details of disclosures in the notes to the consolidated financial statements that will not be expected to have a material impact on the primary financial statements;
 - (c) completing our reading of the other information in the annual report in accordance with HKSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information* issued by the HKICPA;
 - (d) updating the subsequent events review to cover the period between the issue of the Preliminary Announcement and the date of the auditors' report on the consolidated financial statements; and
 - (e) obtaining written representations, where relevant, from management and establishing that the consolidated financial statements have been reviewed and approved by the directors of the Company.

The scope of our work will be necessarily limited in that we will only be able to check the consistency of the Preliminary Announcement with draft consolidated financial statements of the Group on which our audit is incomplete. Accordingly, we shall not, at that stage, know whether further adjustments may be required to those draft consolidated financial statements of the Group. Consequently, there is an unavoidable risk that the Company may wish to revise its Preliminary Announcement in the light of audit findings or other developments occurring between the Preliminary Announcement being published and the completion of the audit.]

- 3.6 In the event that we disagree with the content of the Preliminary Announcement we will send you a letter setting out the reasons.

Yours faithfully,

ABC & Co.
Certified Public Accountants (Practising) [or Certified Public Accountants]
Date

We agree to the terms of this letter.

(Signed)
Director, for and on behalf of the Board of [XYZ Company Limited]

APPENDIX 3

EXTRACT OF MAIN BOARD LISTING RULES*

Preliminary Announcements of Results – Full Financial Year

- 13.49 (1) An issuer shall publish in accordance with rule 2.07C its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than three months after the end of the financial year.
- (2) The preliminary announcement shall be based on the issuer's financial statements for the financial year which shall have been agreed with the auditors.
- (3) (i) Where an issuer is unable to make an announcement of its preliminary results based on its financial statements in accordance with rules 13.49(1) and 13.49(2), it must make an announcement not later than three months after the end of the financial year.

The announcement must contain at least the following information:—

- (a) a full explanation for its inability to make an announcement based on financial statements which have been agreed with the auditors. Where there are uncertainties arising from the lack of supporting evidence or relating to the valuation of assets or liabilities, sufficient information to allow investors to determine the significance of the assets or liabilities;
- (b) the expected date of announcement of the financial results for the financial year which shall have been agreed with the auditors; and
- (c) so far as the information is available, results for the financial year based on financial results which have yet to be agreed with the auditors. Where possible, those results must have been reviewed by the issuer's audit committee. In the event that the audit committee disagreed with an accounting treatment which had been adopted or the particulars published in accordance with rule 13.49(3)(i)(a), full details of such disagreement.
- (ii) Where an issuer makes an announcement in accordance with rule 13.49(3)(i), then:
- (a) the issuer will be required to comply with the requirements set out in rule 13.49(2), as soon as the financial results for the financial year have been agreed with the auditors; and
- (b) where the financial results for the financial year which have been agreed by the auditors differ materially from the financial results published by the issuer in accordance with rule 13.49(3)(i)(c), full particulars of, and reasons for, the difference must be set out in the preliminary announcement of such agreed results.
- (4) The preliminary announcement of results (made in accordance with rule 13.49(2) or 13.49(3)) must comply with the provisions set out in Appendix 16 in relation to preliminary announcements of results for the full financial year.

Note: Issuers' attention is drawn to paragraphs 45 and 45A of Appendix 16.

* Consent has been obtained from the SEHK in relation to the publication of this section of the Main Board Listing Rules (as at [] 2020)) in this Practice Note.

(5) [Repealed 25 June 2007]

Paragraphs 4, 45 and 45A of Appendix 16 "Disclosure of Financial Information"

Basic Financial Information

4. Financial statements referred to in paragraph 2 shall include the disclosures required under the relevant accounting standards adopted and the information set out below. This information may be included in the notes to the financial statements. In the case of banking companies, the information on results and financial position set out in the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority must be provided in place of that set out in paragraph 4(1) and paragraph 4(2) as regards the disclosure requirements for preliminary announcements of results, interim reports, annual reports, listing documents and circulars.

(1) Statement of profit or loss and other comprehensive income

(a) profit (or loss) on sale of properties.

4.1 Where the item of information specified in sub-paragraph 4(1) is unsuited to a listed issuer's activities, appropriate adjustments should be made. Where the requirements of this appendix are unsuited to a listed issuer's activities or circumstances, the Exchange may require suitable adaptations to be made.

(2) Statement of financial position

(a) ageing analysis of accounts receivable; and

(b) ageing analysis of accounts payable.

4.2 The ageing analysis should normally be presented on the basis of the date of the relevant invoice or demand note and categorised into time-bands based on analysis used by an issuer's management to monitor the issuer's financial position. The basis on which the ageing analysis is presented should be disclosed.

(3) Dividends

Rates of dividend paid or proposed on each class of shares (with particulars of each such class) and amounts absorbed thereby (or an appropriate negative statement).

Information to accompany preliminary announcements of Results for the financial year

45. A listed issuer shall publish a preliminary announcement of its results in accordance with rule 2.07C as required under rule 13.49(1), which has been agreed with its auditors and which includes, as a minimum, the following:

(1) the information in respect of the statement of financial position and the statement of profit or loss and other comprehensive income as set out in paragraph 4 comprising statement of profit or loss and other comprehensive income for the financial year, with comparative figures for the immediately preceding financial year, and statement of financial position as at the end of the financial year, with comparative figures as at the end of the immediately preceding financial year. The listed issuer must include the notes relating to revenue, taxation, earnings per share, dividends and any other notes that the directors consider necessary for a reasonable appreciation of the results for the year. Directors of the listed issuer must ensure that the information contained in the preliminary announcement of results is consistent with the information that will be contained in the annual reports (see paragraph 45A);

45.1 [Repealed 31 December 2015]

- (2) particulars of any purchase, sale or redemption by the listed issuer, or any of its subsidiaries, of its listed securities during the relevant year or an appropriate negative statement;
- (3) a commentary covering the following:
 - (a) a fair review of the development of the business of the listed issuer and its subsidiaries during the financial year and of their financial position at the end of the year;
 - (b) details of important events affecting the listed issuer and its subsidiaries which have occurred since the end of the financial year; and
 - (c) an indication of likely future developments in the business of the listed issuer and its subsidiaries;
- (4) any supplementary information which in the opinion of the directors of the listed issuer is necessary for a reasonable appreciation of the results for the relevant year;
- (5) a statement as to whether the listed issuer meets the code provisions set out in the Corporate Governance Code contained in Appendix 14. The listed issuer must also disclose any deviations from the code provisions and give considered reasons for such deviations. To the extent that it is reasonable and appropriate, such information may be given by reference to the immediately preceding interim report or to the Corporate Governance Report in the immediately preceding annual report, and summarising any changes since that report. Any such references must be clear and unambiguous;
- (6) a statement as to whether or not the annual results have been reviewed by the audit committee of the listed issuer;
- (7) where the auditors are likely to issue a modified report on the listed issuer's annual financial statements, details of the modification;
- (8) where there are any significant changes in accounting policies, a statement of that fact must be made; and

45.2 A listed issuer should apply the accounting policies consistently except where the change in accounting policy is required by an accounting standard which came into effect during the financial year.

- (9) where there are prior period adjustments due to correction of material errors, a statement of that fact must be made.

45.3 The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.

GUIDANCE FOR AUDITORS REGARDING PRELIMINARY ANNOUNCEMENTS OF ANNUAL RESULTS

45A. Where, in exceptional circumstances, it becomes necessary to revise the information contained in the listed issuer's preliminary announcement of results in the light of developments arising between the date of publication of the announcement and the completion of the audit, the listed issuer must immediately notify the Exchange and publish an announcement in accordance with rule 2.07C to inform the public. The announcement must provide details of the changes made to the published preliminary announcement of results including any impact on the published financial information of the listed issuer and the reasons for such changes.

45A.1 The Exchange does not expect there to be any material or substantial difference between the information contained in the listed issuer's preliminary announcement of results and that contained in its audited results.

APPENDIX 4

EXTRACT OF GEM LISTING RULES*

Preliminary announcement of results for the financial year

Preliminary

- 18.49 A listed issuer must publish (in accordance with the requirements of Chapter 16) a preliminary announcement of the results for the financial year, which has been agreed with its auditors, on the GEM website as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board of its results. The issuer must publish such results not later than 3 months after the date upon which the financial year ended.

Note: The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.

Content of preliminary announcement

- 18.50 The preliminary announcement of results for the financial year must contain at least the following information in respect of the group:

- (1) the information in respect of the statement of financial position and the statement of profit or loss and other comprehensive income as set out in rule 18.50B comprising a statement of profit or loss and other comprehensive income for the financial year, with comparative figures for the immediately preceding financial year, and statement of financial position as at the end of the financial year, with comparative figures as at the end of the immediately preceding financial year. The listed issuer must include the notes relating to revenue, taxation, earnings per share, dividends and any other notes that the directors consider necessary for a reasonable appreciation of the results for the year. Directors of the listed issuer must ensure that the information contained in the preliminary announcement of results is consistent with the information that will be contained in the annual reports (see rule 18.50A);

Note: [Repealed 31 December 2015]

- (2) a commentary covering the following:
 - (a) a fair review of the development of the business of the listed issuer and its subsidiaries during the financial year and of their financial position at the end of the year;
 - (b) details of important events affecting the listed issuer and its subsidiaries which have occurred since the end of the financial year; and
 - (c) an indication of likely future developments in the business of the listed issuer and its subsidiaries;
- (3) [Repealed 31 December 2015]
- (4) particulars of any purchase, sale or redemption by the listed issuer or any of its subsidiaries, of its listed securities during the financial year, or an appropriate negative statement;

* Consent has been obtained from the SEHK in relation to the publication of this section of the GEM Listing Rules (as at [] 2020)) in this Practice Note.

- (5) any supplementary information which in the opinion of the directors of the listed issuer is necessary for a reasonable appreciation of the results for the relevant year;
- (6) a statement as to whether the listed issuer meets the code provisions set out in the Corporate Governance Code contained in Appendix 15. The listed issuer must also disclose any deviations from the code provisions and considered reasons for such deviations. To the extent that it is reasonable and appropriate, such information may be given by reference to the immediately preceding half-year report or to the Corporate Governance Report in the immediately preceding annual report, and summarising any changes since that report. Any such references must be clear and unambiguous;
- (7) a statement as to whether the annual results have been reviewed by the audit committee of the listed issuer;
- (8) where the auditors are likely to issue a modified report on the listed issuer's annual financial statements, details of the modification;
- (9) where there are any significant changes in accounting policies, a statement of that fact must be made; and

Note: A listed issuer should apply the accounting policies consistently except where the change in accounting policy is required by an accounting standard which came into effect during the financial year.

- (10) where there are prior period adjustments due to correction of material errors, a statement of that fact must be made.

Note: The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.

- 18.50A Where, in exceptional circumstances, it becomes necessary to revise the information contained in the listed issuer's preliminary announcement of results in the light of developments arising between the date of publication of the announcement and the completion of the audit, the listed issuer must immediately notify the Exchange and publish an announcement to inform the public. The announcement must provide details of the changes made to the published preliminary announcement of results including any impact on the published financial information of the listed issuer and the reasons for such changes.

Note: The Exchange does not expect there to be any material or substantial difference between the information contained in the listed issuer's preliminary announcement of results and that contained in its audited results.

- 18.50B The preliminary announcements of results for the half-year, preliminary announcements of results for the financial year, half-year reports and annual reports of a listed issuer must include the disclosures required under the relevant accounting standards adopted and contain the information set out below in respect of the group. This information may be included in the notes to the financial statements. In the case of banking companies, the information on results and financial position set out in the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority must be provided in place of that set out in rules 18.50B(1) and 18.50B(2).

- (1) Statement of profit or loss and other comprehensive income
 - (a) profit (or loss) on sale of properties;

(2) Statement of financial position, if applicable:

(a) ageing analysis of accounts receivable; and

(b) ageing analysis of accounts payable;

Note: The ageing analysis should normally be presented on the basis of the date of the relevant invoice or demand note and categorised into time-bands based on analysis used by an issuer's management to monitor the issuer's financial position. The basis on which the ageing analysis is presented should be disclosed.

(3) Dividends

Rates of dividend paid or proposed on each class of shares (with particulars of each such class) and amounts absorbed thereby (or an appropriate negative statement).

Notes: 1 Where the items of information specified in this rule are unsuited to the listed issuer's activities, appropriate adaptations should be made. Where the requirements of this rule are unsuited to the listed issuer's activities or circumstances, the Exchange may require suitable adaptations to be made.

2 The Exchange may authorise the omission from the preliminary announcement of any information if it considers:—

(a) such omission to be necessary or appropriate; or

(b) disclosure of such information would be contrary to the public interest or seriously detrimental to the issuer,

provided that such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the securities in question.

3 The issuer or its representatives will be responsible for the correctness and relevance of the facts on which any application for an exemption under Note 2 above is based.

18.50C Listed issuer must submit a copy of its annual report to the Exchange for publication on the GEM website as soon as reasonably practicable after the approval by or on behalf of the board of its audited financial statements and in any event not more than 3 months after the date upon which the financial year ended.

18.51 [Repealed 1 March 2019]

18.52 [Repealed 31 December 2015]

Effective upon issuance

Practice Note 730 (Revised)

Guidance for Auditors Regarding Preliminary Announcements of Annual Results

* PN 730 (Revised) has been updated for amendments to the Main Board Listing Rules and GEM Listing Rules issued by The Stock Exchange of Hong Kong Limited following the “Consultation Conclusions on Proposed Changes to Documentary Requirements relating to Listed Issuers and Other Minor Rule Amendments” which came into effect on 1 March 2019.

** PN 730 (Revised) has been updated for the Frequently Asked Questions issued by The Stock Exchange of Hong Kong Limited in relation to the new and revised Hong Kong Standards on Auditing which became effective for audits of financial statements for periods ended on or after 15 December 2016. *PN 730 (Revised) will be applicable for preliminary announcements of annual results and annual reports with accounting periods ending on or after 31 December 2015. — Early adoption of PN 730 (Revised) is permitted. However, auditors should not adopt PN 730 (Revised) prior to the effective date of Part 9 “Account and Audit” of the new Companies Ordinance (Cap. 622) (“new CO”), the provisions of which are applicable for the first financial reporting year beginning on or after 3 March 2014, the commencement date of the new CO.



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

PRACTICE NOTE 730 (REVISED)

GUIDANCE FOR AUDITORS REGARDING PRELIMINARY ANNOUNCEMENTS OF ANNUAL RESULTS

(Issued September 2015*, revised March 2017**, [] 2020*)

CONTENTS

	Paragraphs
Introduction	1 – 10
Main Board and GEM Listing Rule requirements.....	11 – 14
Terms of engagement	15 – 18
Procedures	19 – 378
Communication of agreement.....	389 – 457
Appendix 1 Example Report on Agreement with Preliminary Announcement of Results	
Appendix 2 Example Engagement Letter	
Appendix 3 Extract of Main Board Listing Rules	
Appendix 4 Extract of GEM Listing Rules	

Practice Note (PN) 730 (Revised), "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" should be read in the context of the "Amended Preface to the Hong Kong Standards on Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements" which sets out the application and authority of PNs.

Introduction

1. The purpose of this Practice Note, which has been prepared in consultation with The Stock Exchange of Hong Kong Limited (SEHK) and the Securities & Futures Commission (SFC), is to provide guidance for auditors on their responsibilities with regard to preliminary announcements of results for the financial year. This Practice Note:
 - (a) addresses the requirement for an issuer listed on the SEHK (listed issuer) to obtain its auditors' agreement with the listed issuer's preliminary announcement of results under Main Board (Rule 13.49(2)) or GEM (Rule 18.49) Listing Rules and provides guidance on the nature and scope of such an agreement; and
 - (b) emphasizes the need for auditors to consider the way in which additional information accompanying the preliminary announcement of results (for example: highlights, Chairman's Statement, narrative disclosures, management commentary, etc), is presented in the preliminary announcement of results before reporting their agreement in respect of the preliminary announcement of results.
2. Preliminary announcement of results plays a key part in the annual financial reporting cycle, being the first public communication of listed issuers' full year results and year-end financial position. Preliminary announcement of results is relied on to provide timely, sufficient and accurate information to ensure an orderly and efficient market. Preliminary announcement of results forms one of the focal points for investor interest, primarily because they confirm or update market expectations. Because of this, auditors have a legitimate and important role to play in the process leading to the release of the preliminary announcement of a listed issuer's results for the financial year.
3. Both the content and the preparation of the preliminary announcement of results are the responsibility of the listed issuer's directors. The directors of a listed issuer are required by the Main Board Listing Rule 13.49(2) or GEM Listing Rule 18.49 to publish a preliminary announcement of results for the financial year which shall have been agreed with its auditors before it is published. ~~This requirement is effective for preliminary announcements of annual results of listed issuers for accounting periods commencing on or after 1 July 2004.~~
4. The Main Board and GEM Listing Rules do not indicate what form the agreement with the auditors would take or the extent of work expected of auditors before they give their agreement. This Practice Note provides guidance on the procedures that would normally be carried out by auditors and on communicating the outcome of such procedures to the directors.
5. Taking into account the nature of the engagement, auditors would perform an agreed-upon procedures engagement. Accordingly, auditors will carry out their work in accordance with Hong Kong Standard on Related Services (HKSRs) 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information".
6. In addition to publishing the preliminary announcement of its results, a listed issuer is also required to provide additional information to accompany its preliminary announcement of results. In this regard, auditors are to note that they are not required to report on the additional information to accompany the preliminary announcement of results. However, the auditors' work in respect of the additional information accompanying the preliminary announcement of results would be carried out in accordance with the procedures set out in this Practice Note.
7. There is an expectation that the information in a preliminary announcement of results will be consistent with that in the audited financial statements as the audit would be at an advanced stage and that, subject only to unforeseen events, auditors expect to be in a position to issue their report on the financial statements once the outstanding matters have been resolved and that the results in the financial statements would be consistent with the amounts included in the preliminary announcement of results. However, the risk of later changes to the figures in the preliminary announcement of results is not completely extinguished unless the preliminary announcement of results is issued at the same time that the financial statements are approved by the directors and auditors have signed their opinion on them.

8. To help ensure that the draft preliminary announcement of results that has been agreed by auditors has in fact been approved by the directors without any further amendments or that auditors agree with the amendments, it is recommended that auditors carry out the following procedures:
- (a) Attend the board of directors' meeting at which the directors approve the preliminary announcement of results and the ~~draft~~ financial statements supporting that preliminary announcement of results. Alternatively, auditors obtain a copy of the board minutes approving the preliminary announcement of results and the ~~draft~~ financial statements supporting that preliminary announcement of results; and
 - (b) Attach a set of the ~~draft~~ financial statements supporting the preliminary announcement of results and the final version of the preliminary announcement approved by the directors to the auditors' letter to directors indicating their agreement with respect to the preliminary announcement of results.

This is recommended because, in the event that the board of directors at its meeting to approve the preliminary announcement of results decides to amend the preliminary announcement of results and the ~~draft~~ financial statements supporting that preliminary announcement of results, auditors would need to be made aware of the directors' decision to amend the preliminary announcement of results and be in a position to decide the additional work, if any, that may be required before auditors give their agreement with the revised preliminary announcement of results.

9. This Practice Note provides guidance to auditors on interpreting the expression "advanced stage".
10. There is no requirement for a preliminary announcement of results to include an auditors' report. This is considered appropriate, as it is unlikely that a communication that contains both a clear expression of opinion and sets out the information necessary for a proper understanding of that opinion, can be developed without producing a report of excessive length and complexity; which would be out of place in the context of the preliminary announcement of results as a whole. ~~However, to avoid possible misunderstanding and to make explicit the scope of their agreement to the preliminary announcement of results, in this situation, the auditors would issue a letter to the directors of the listed issuer signifying their agreement of the preliminary announcement of results following this Practice Note (see Appendix 1). When the complete set of financial statements together with the auditors' report thereon are included in the preliminary announcement of results, no separate reporting on the agreement of the preliminary announcement of results with the auditors would be necessary¹.~~

Main Board and GEM Listing Rule requirements

Main Board

11. Appendix 3 sets out section 13.49 of the Main Board Listing Rules together with paragraphs 4, 45 and 45A of Appendix 16 in relation to Preliminary Announcement of Results – Full Financial Year.

GEM

12. Appendix 4 sets out sections 18.49 to 18.54-50 of the GEM Listing Rules in relation to preliminary announcement of results for the financial year.

¹ For Hong Kong incorporated companies, where the financial information provided in a preliminary announcement of results for a financial year is satisfied solely by meeting the requirements of Appendix 16, paragraph 45(1) of the Main Board Listing Rules or GEM Listing Rule 18.50(i), that financial information will constitute 'non-statutory accounts' for both the current and comparative years and the requirements set out in section 436 of the Hong Kong Companies Ordinance, Cap. 622 would apply. However, providing the full audited statutory financial statements for the current year (which include the financial statements for the preceding financial year as comparatives) with the auditor's report thereon in a preliminary announcement of results for the current financial year is not a form of 'non-statutory accounts'. See Accounting Bulletin 6 "Guidance on the Requirements of Section 436 of the Hong Kong Companies Ordinance Cap. 622".

Frequently Asked Questions

13. The SEHK and SFC updates ~~their~~ its frequently asked questions ("FAQ") from time to time and they are designed to help issuers to understand and comply with the Listing Rules, particularly in situations not explicitly set out in the Listing Rules or where further clarification may be desirable. The issuers should apply the latest guidance in the FAQ in preparing the preliminary announcement of results.
14. ~~FAQ 001-2017~~, 002-2017 and 003-2017 issued on 6 January 2017 relate to the audit terminology used in the Listing Rules with reference to the Hong Kong Standards of Auditing and they are relevant for preliminary announcements of results for period ended on or after 15 December 2016.

Terms of engagement

15. It is in the interests of both auditors and the listed issuer that the auditors' role in respect of preliminary announcement of results is set out in writing, typically by including relevant paragraphs in the engagement letter. To avoid misunderstanding, the engagement letter describes the process of "agreeing" the preliminary announcement of results.
16. In circumstances where the auditors are to agree to a preliminary announcement of results that in turn is based on financial statements on which their audit is not complete (which may often be the case in Hong Kong), the engagement letter includes cautionary language to the effect that there is an unavoidable risk that the company may wish to revise its preliminary announcement of results in the light of audit findings or other developments occurring before the completion of the audit.
17. Matters that may be dealt with in the engagement letter include:
 - (a) the responsibility of the directors in preparing the preliminary announcement of results;
 - (b) the fact that auditors will conduct their work in accordance with HKSRS 4400 and with reference to this Practice Note;
 - (c) a statement as to whether auditors believe it is management's intention that the preliminary announcement of results will be based on audited financial statements or on draft financial statements upon which auditors have not issued a report or alternatively, that it is not certain as to which will be the case;
 - (d) a statement that auditors would issue a letter confirming their agreement to the preliminary announcement of results (subject to obtaining the necessary evidence and carrying out the work in accordance with HKSRS 4400 and with reference to this Practice Note); and
 - (e) a statement explaining the inherent limitations of the auditors' work.
18. An example engagement letter is set out in Appendix 2 for use as a guide only and will need to be varied according to individual requirements and circumstances.

Procedures*Planning*

19. Where the preliminary announcement of results is to be based on draft financial statements, the company's timetable would allow auditors to have completed the audit other than for those matters set out in paragraph ~~23-24~~ below. Furthermore, the Board/Committee of the Board would formally approve the draft financial statements of the company supporting the preliminary announcement of results before auditors agree to the preliminary announcement of results. If the evidence of approval from the Board/ Committee of the Board~~this is not available~~, auditors would obtain alternative evidence of the adoption by the listed issuer of the draft financial statements and preliminary announcement of results. In the absence of such evidence, auditors would refrain from issuing their agreement to the preliminary announcement of results.

Preliminary announcements of results based on audited financial statements

20. Arising from the requirements of the Listing Rules, there is an expectation on the part of the users that the information in a preliminary announcement of results will be consistent with that in the audited financial statements. The only way of achieving absolute certainty of this is for the audit of the financial statements to have been completed and the contents of the preliminary announcement of results to have been extracted from audited financial statements that have been approved and signed by the directors and upon which auditors have issued their report on or before the date of the preliminary announcement of results.
21. Where the announcement of results is based on audited financial statements, it is acceptable for the listed issuer not to mention "preliminary" in the headline of the announcement and when describing the results of the financial year. For purposes of this Practice Note, the term "preliminary announcement of results" refers to both the situations where the financial results are based on audited financial statements (as set out in paragraph 20 above) or draft financial statements (as set out in paragraph 22 below).

Preliminary announcements of results based on draft financial statements

- ~~21~~22. Where a preliminary announcement of results is based on draft financial statements, there are additional risks in these circumstances if further information comes to light during the course of finalization of the financial statements by the listed issuer or as a result of the auditors' further procedures that would be reflected in the financial statements and that may give rise to the need for a revised preliminary announcement of the listed issuer's results. Before agreeing to the preliminary announcement of results, therefore, the directors need to ensure they are satisfied that the information contained in the preliminary announcement of results will be consistent with the information that will be contained in the audited financial statements.
- ~~22~~23. Auditors will need to be satisfied that any matters outstanding with respect to their audit will be unlikely to result in changes to the results contained in the preliminary announcement of results. This means that the audit of the financial statements would be at an advanced stage and that, subject only to unforeseen events, auditors expect:
- (a) to be in a position to issue their report on the financial statements once the outstanding matters have been resolved; and
 - (b) that the results in the financial statements will be consistent with the amounts included in the preliminary announcement of results.
- ~~23~~24. This means that the audit, including an Engagement Quality Control Review as described in ~~paragraphs 19 to 21 of~~ HKSA 220, *Quality Control for an Audit of Financial Statements*, is completed subject only to the following:
- (a) clearing outstanding audit matters which auditors are satisfied are unlikely to have a material impact on the financial statements or disclosures in the preliminary announcement of results;
 - (b) completing audit procedures on the details of disclosures in the notes to the financial statements that will not be expected to have a material impact on the primary financial statements;
 - (c) completing their reading of other information in the annual report in accordance with HKSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*;
 - (d) updating the subsequent events review to cover the period between the issue of the preliminary announcement of results and the date of the auditors' report on the financial statements; and
 - (e) obtaining written representations, where relevant, from management and establishing that the financial statements have been reviewed and approved by the directors.

All preliminary announcements of results

~~24~~25. The core procedure that auditors will normally carry out in relation to the preliminary announcement of results regardless of whether it is based on draft financial statements or extracted from audited financial statements is checking that the figures in the preliminary announcement of results have been accurately extracted from the audited or draft financial statements, and reflect the presentation to be adopted in the audited or draft financial statements.

~~25~~26. In FAQ 002-2017 issued by the SEHK, it is stated that there is no specific requirement under the Main Board Listing Rules or the GEM Listing Rules for an issuer to provide in its preliminary announcement of results the details of the key audit matters included in the ~~auditors' auditor's~~ report. FAQ 002-2017 further states that for investors to better understand the financial statements and the audit that was performed, it is considered more appropriate that KAM should be read and considered together with the full audit report and the complete set of financial statements. Therefore, the issuer is recommended to publish its full annual report as soon as practicable after the preliminary results announcement has been issued.

~~26~~27. Other ancillary procedures that auditors will normally carry out include:

(a) considering whether the information (including the management commentary) is consistent with other expected contents of the annual report of which auditors are aware; and

~~(a)–~~

(b) considering whether the information in the preliminary announcement of results is misstated. A misstatement exists when the information is stated incorrectly or presented in a misleading manner. A misstatement may arise, for example, as a result of an omission of a significant change of accounting policy disclosed or due to be disclosed in the audited financial statements.

If auditors encounter any inconsistency or misstatement, they seek to resolve the issues with the directors.

Additional information and management commentary

~~27~~28. It is recognized that in some circumstances the presentation of additional financial information and narrative explanations in the preliminary announcement of results in addition to disclosing the results may help shareholders to understand better the financial performance of a listed issuer. However, there is concern that in some instances, such additional information has the potential to be misleading and shareholders may sometimes be misinformed by the manner in which additional information is included in the preliminary announcement of results with which auditors are associated. In those circumstances, it is believed that the potential for additional information to be misleading is considerable when inappropriate prominence is given to the additional information, when there is no description of the additional information or where the information is not consistent with the information set out in the draft or ~~final~~-audited (as the case may be) financial statements.

~~28~~29. In this context where the preliminary announcement of results includes additional information, before agreeing to the preliminary announcement of results, auditors consider whether:

(a) additional financial information is clearly and appropriately described; and

(b) the additional information is not otherwise misleading in the form and context in which it appears.

If auditors do not believe that the additional information accompanying the preliminary announcement of results satisfies these conditions, they seek to resolve the issues ~~arising~~ with the directors.

~~29~~30. Auditors read the management commentary and any other narrative disclosures and consider whether they are in conflict with the information that they have obtained in the course of their audit. If they become aware of any material inconsistencies with information obtained during their audit or with the draft or ~~final audited~~ (as the case may be) financial statements, they seek to resolve them with the directors.

~~30~~31. Auditors will also read the text, or draft thereof, if they are available, of any Chairman's Statement, operating and financial review or similar document to be included in the annual report from which the management commentary in the preliminary announcement of results will usually be derived. In event of disagreement, auditors communicate with the board of directors and the audit committee.

Prior period adjustments due to correction of material errors

~~34~~32. Where there are prior period adjustments due to the correction of material errors, a listed issuer must include a statement of that fact. With respect to the financial information in relation to the prior period adjustments, auditors will normally check that the figures in the preliminary announcement of results have been accurately extracted from the audited or draft financial statements. With respect to the information (including the management commentary) describing the prior period adjustments due to correction of material errors, the procedures normally carried out by the auditors include considering whether such information:

(a) is consistent with the ~~expected~~ contents of the audited or draft financial statements;

~~(b)~~ (b) is clearly and appropriately described; and

(c) is not otherwise misleading in the form and context in which it appears.

If auditors encounter any inconsistency or misstatement, they seek to resolve the issues with the directors.

Inability to resolve matters

~~32~~33. If the listed issuer is unable to resolve the matters set out in paragraphs ~~24-25~~ to ~~31-32~~ above to the auditors' satisfaction, auditors do not issue their agreement in respect of the preliminary announcement of results and send a letter to the board of directors setting out the reasons. It will be necessary to allow the listed issuer to provide a copy of the letter to the SEHK and SFC upon request.

Directors' approval of the preliminary announcement

~~33~~34. It is recommended that the preliminary announcement of results states the date on which it was approved by the board of directors. Auditors do not agree to the preliminary announcement of results until its entire content has been formally approved by the board or by a duly authorized committee of the board. As recommended in paragraph 8 above, auditors therefore attend the board of directors' meeting approving the preliminary announcement of results and the ~~draft~~ financial statements supporting the preliminary announcement of results or obtain sufficient alternative evidence confirming these matters.

Modifications to the audit ~~opinion~~ report

~~34~~35. The Main Board and GEM Listing Rules require that, if the auditors are likely to issue a modified report ~~s' report~~ on the listed issuer's annual financial statements ~~is likely to be qualified or modified (whether or not it is also likely to be qualified)~~, the preliminary announcement of results gives details of the ~~qualification or modification~~.

~~35~~36. In FAQ ~~003002-2017~~ 003-2017 issued by the SEHK, it is stated that the issuer needs to provide details in the preliminary results announcement for the following situations:

(a) where the audit opinion in the auditors' report is a "modified opinion" (i.e. a qualified opinion,

an adverse opinion or a disclaimer of opinion); and/or

- (b) where the auditors' report contains any of the following without modifying the audit opinion: -
 an emphasis of matter paragraph; and a material uncertainty related to going concern.

~~3637~~. Where the auditors' report does, or is expected to, include a separate section on "Material Uncertainty Related to Going Concern", auditors do not issue their agreement in respect of the preliminary announcement of results unless the directors have adequately disclosed about the material uncertainty in the preliminary announcement of results. This is because the material uncertainty related to going concern would generally be regarded as a matter that is highly relevant to the reported financial position. There is, however, no need for the preliminary announcement of results to refer to the auditors in this context – it is for management to explain the relevant material uncertainty.

~~3738~~. If the precise details of the matters giving rise to a modified opinion, ~~or an emphasis of matter paragraph or a material uncertainty related to going concern~~ are critical to a full appreciation of the financial position/auditors' report, it is strongly recommended that auditors do not ~~normally~~ issue their agreement in respect of the preliminary announcement of results unless the matters are adequately disclosed in the preliminary announcement of results. Where reference is made in a preliminary announcement of results to a modified opinion, an emphasis of matter paragraph or a material uncertainty related to going concern, the directors would give adequate prominence to that information in the preliminary announcement of results and auditors would have to be satisfied in this regard. If auditors have concerns about the appropriateness of the wording of a statement referring to a modified opinion, an emphasis of matter paragraph or a material uncertainty related to going concern, they are encouraged to discuss their concerns with the audit committee of the listed issuer and seek their assistance to resolve their concerns or seek legal advice.

Communication of agreement

~~3839~~. Auditors are encouraged to make explicit their agreement in respect of the preliminary announcement of results by sending a letter to the directors. An example of such a report is given in Appendix 1. The report will be addressed to the board of directors and will state the factual findings in accordance with HKSRS 4400. It will also state that no assurance engagement has been performed and accordingly, no assurance is expressed thereon by auditors.

~~3940~~. Similarly, if auditors are not in agreement with the content of the preliminary announcement of results, they communicate this to the directors by sending them a letter setting out the reasons for their disagreement, advising the directors that it may be inappropriate for the listed issuer to publish the preliminary announcement of results.

~~4041~~. The report is solely for the purpose for the listed issuer's information only, and is not to be used for any other purpose or to be distributed to any other parties and the report shall state this. However, it will be necessary to allow the listed issuer to provide a copy of the report to the SEHK and SFC upon request.

~~4142~~. The auditors' agreement to the preliminary announcement of results may be mentioned in the listed issuer's public announcement. Auditors will normally agree to this provided that the scope of their work is clearly set out in the preliminary announcement of results. An example of such a disclosure can be found in Appendix 2.

43. In the exceptional circumstances where the listed issuer publishes the preliminary announcement of results without obtaining its auditors' agreement, for example, where the audit of the financial statements is not at an advanced stage, the listed issuer should follow the requirements under Main Board Listing Rules 13.49(3)(i)². The fact that the listed issuer has not yet agreed its preliminary results with its auditors should be clearly disclosed in the preliminary announcement of results. When the listed issuer makes an announcement in accordance with Main Board Listing Rules 13.49(3)(i)², the listed issuer will be required to publish a further announcement of results in accordance with Main Board Listing Rules 13.49(3)(ii) and 13.49(4)² as soon as the financial results have been agreed with its auditors.
442. Auditors may otherwise become aware that a listed issuer has released its preliminary announcement of results without first obtaining their agreement. There may be a number of reasons for this ranging from innocent oversight on the part of the directors to the directors knowingly releasing a preliminary announcement of results with which auditors disagree. The action that auditors take depends on the particular circumstances. In circumstances where a preliminary announcement of results is inadvertently released without the auditors' knowledge, but with which auditors do in fact agree, auditors may wish to remind the directors of their obligation under the Main Board or GEM Listing Rules to obtain the auditors' agreement.
453. However, at the other end of the spectrum where auditors become aware that the directors have released a preliminary announcement of results with which they disagree, they write to the audit committee regarding the discrepancies and request the audit committee to inform the regulators of such matter.
464. If auditors were to report the matter to the SEHK, they need to consider whether there might be a breach of confidentiality. Where the listed issuer has issued the preliminary announcement of results despite the auditor has not issued the letter confirming their agreement to the preliminary announcement of results, the auditor's course of action depends upon the auditor's legal rights and obligations. Consequently, the auditor may consider it appropriate to seek legal advice.
475. If auditors decide it necessary to report the fact that they had not agreed to the preliminary announcement of results to the SFC, they will be subject to the protection of sections 380 and 381 of the Securities and Futures Ordinance. Sections 380 and 381 of the Securities and Futures Ordinance provide immunity to a person who is or was an auditor of a corporation which is listed, or any associated corporation of the corporation, who reports to the SFC matters which come to his attention that suggest that at any time since the formation of the listed company, its shareholders have not been given all the information with respect to its affairs that they might reasonably expect. Auditors are advised to consult their lawyers before making such a report.

² As stated in footnote 2 of the "Joint Statement in relation to Results Announcements in light of Travel Restrictions related to the Severe Respiratory Disease associated with a Novel Infectious Agent" issued by the SFC and SEHK on 4 February 2020, GEM listed issuers that are unable to publish audited financial statements on or before the reporting deadline should follow Main Board Listing Rules 13.49(3) and (4).

APPENDIX 1

EXAMPLE REPORT ON AGREEMENT WITH PRELIMINARY ANNOUNCEMENT OF RESULTS

Report of Factual Findings

To: Board of Directors
[XYZ Company Limited]

In accordance with our engagement letter dated [date], we have performed the procedures agreed with you which are set out below with respect to the preliminary announcement of results of [XYZ Company Limited] (the "Company") and its subsidiaries (the "Group") for the year ended [date] (the "Preliminary Announcement"), for which you are solely responsible.

Our engagement was conducted in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" ("HKSRs 4400") and with reference to Practice Note 730 (Revised) "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The procedures were performed solely to assist you in satisfying the requirement of Rule [13.49(2)]¹[18.49]² of the Rules Governing the Listing of Securities on ~~the Growth Enterprise Market~~ GEM of² The Stock Exchange of Hong Kong Limited (the "SEHK").

For the purpose of this report, we obtained from the Company [a draft copy of] the Preliminary Announcement and the [draft/audited] consolidated financial statements of the Group for the year ended [date], copies of which are attached for reference, and compared the figures set out in the Preliminary Announcement in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto to the [draft/audited] consolidated financial statements of the Group for the year.

Based on the information and documents made available to us, we found the figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended [date] as set out in the Preliminary Announcement were in agreement with the amounts set out in the [draft/audited] consolidated financial statements of the Group for the year [as tabled for approval by the board of directors on [date]] [except for the following discrepancies set out below (*such discrepancies to be set out, if applicable*)]³.

Because the above procedures did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA (collectively referred to as Hong Kong assurance standards), we do not express any assurance on the Preliminary Announcement.

Had we performed additional procedures or had we performed an assurance engagement in respect of the Preliminary Announcement in accordance with Hong Kong assurance standards, other matters might have come to our attention that would have been reported to you.

¹ Applicable for Main Board listed issuers.

² Applicable for GEM listed issuers.

³ In general, the report should not be released if discrepancies between the amounts set out in the preliminary announcement and the financial statements were noted, unless the discrepancies were considered to be minor, e.g. typographical errors.

[Events or issues may arise during the course of finalising and issuing the audited consolidated financial statements of the Group that might result in the need to revise an amount[s] in the Group's consolidated financial statements or to [modify the draft auditors' report] / [further modify the auditors' report]]⁴.

Our report is solely for the purpose set forth in the second paragraph of this report and is for your information only, and is not to be used for any other purpose or to be distributed to any other parties and we expressly disclaim any liability or duty to any other party in this respect. We agree that a copy of this report will be provided to the SEHK and Securities and Futures Commission upon their request without further comment from us. This report relates only to the items specified above and does not extend to the Preliminary Announcement [or the audited consolidated financial statements] taken as a whole.

ABC & Co.

Certified Public Accountants (Practising) [or Certified Public Accountants]

Date

⁴ To include if the auditors' report has not been ~~signed~~ issued as of the date of issuance of this report. Furthermore, if modification of the auditors' report is already anticipated, the auditors should have previously notified the listed issuer as paragraph 45(7) of Appendix 16 to the Main Board Listing Rules and GEM Listing Rule 18.50(8) require that where the auditors' ~~are likely to issue a modified~~ report on the listed issuer's annual financial statements ~~is likely to be qualified or modified~~, details of the ~~qualification or~~ modification should be set out in the preliminary announcement.

APPENDIX 2

EXAMPLE ENGAGEMENT LETTER

The following engagement letter is for use as a guide only and will need to be varied according to individual requirements and circumstances⁵. This engagement letter can be issued at the same time as the engagement letter for the audit of the annual financial statements of the company.

To the Board of Directors of [XYZ Company Limited]:

The purpose of this letter is to set out the basis on which we assist you in satisfying the requirement of Rule [13.49(2)]⁶[18.49]⁷ of the Rules Governing the Listing of Securities on [~~the Growth Enterprise Market~~GEM of]⁷ The Stock Exchange of Hong Kong Limited ("SEHK").

As your auditors, we are required to provide you with a report on our agreement with the preliminary announcement of results of [XYZ Company Limited] (the "Company") and its subsidiaries (the "Group") for the year ended [date] (the "Preliminary Announcement").

1. Responsibilities of directors

- 1.1 As directors of the Company, you are solely responsible for content and the preparation of the Preliminary Announcement.
- 1.2 You will make available to us for the purpose of preparing our report:
 - [a draft copy of] the Preliminary Announcement; and
 - [draft/audited] consolidated financial statements of the Group for the year ended [date].
- 1.3 You will provide us with such information and explanations as we consider necessary for the purposes of our work. We shall request sight of the Preliminary Announcement in sufficient time to enable us to complete our work. The Board/Committee of the Board will formally approve the Preliminary Announcement.
- [1.4 You will also make available to us the proposed text of the Company's annual report. The Board/Committee of the Board should also formally approve the draft consolidated financial statements of the Group supporting the Preliminary Announcement before we report on that Preliminary Announcement.]
- 1.5 You will also invite us to attend the Board of Directors' meeting at which the directors approve the Preliminary Announcement and the draft consolidated financial statements of the Group supporting that Preliminary Announcement. Alternatively, you will provide us with a copy of the board minutes approving the Preliminary Announcement and the draft consolidated financial statements of the Group.

2. Scope of our work

- 2.1 You have requested us to provide a report on our agreement with the Preliminary Announcement. The scope of our work will be limited to the procedures agreed with you as set out in this engagement letter. In carrying out our work, we will not in any way act as management. Your responsibilities as directors of the Company have been set out in section 1 above.

⁵ Auditors may consider it appropriate to include a limitation of liability clause in their engagement letter in accordance with their risk management policies.

⁶ Applicable for Main Board listed issuers.

⁷ Applicable for GEM listed issuers.

- 2.2 As agreed with you, we will perform the following procedures:

We will obtain from the Company [a draft copy of] the Preliminary Announcement and the [draft/audited] consolidated financial statements of the Group for the year ended [date] and will compare the figures set out in the Preliminary Announcement in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto to the [draft/audited] consolidated financial statements of the Group for the year. We will report to you our agreement with the Preliminary Announcement.

- 2.3 Our work will be carried out in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" ("HKSRS 4400") and with reference to Practice Note 730 (Revised) "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" ("PN 730") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").
- 2.4 The procedures that we will perform will not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and, consequently, no assurance will be expressed on the Preliminary Announcement.
- 2.5 Our engagement cannot be relied upon to identify or disclose whether fraud or errors, or illegal acts exist or have been undertaken. However, we will inform you of any such matters which come to our attention.

3 Reporting

- 3.1 Our report will be addressed to the Board of Directors of the Company and will state our factual findings in respect of obtaining from the Company [a draft copy of] the Preliminary Announcement and the [draft/audited] consolidated financial statements of the Group for the year ended [date] and comparing the figures set out in the Preliminary Announcement in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto to the [draft/audited] consolidated financial statements of the Group for the year, in accordance with HKSRS 4400 and with reference to PN 730. It will also state that we have not performed an assurance engagement on the Preliminary Announcement and accordingly express no assurance thereon. In addition, if when carrying out our work we are of the view that irregularities or differences of view arise in respect of the Preliminary Announcement, we will not issue our agreement in respect of the Preliminary Announcement and will send a letter to the Board of Directors of the Company setting out such irregularities and differences of view.
- 3.2 In accordance with HKSRS 4400, our report should not be distributed to any parties who have not agreed to the procedures to be performed. Accordingly, our report will state this. Consequently, our report will be for the information of the Board of Directors of the Company only and it should not be copied, referred to or disclosed in whole or in part to any other persons and we expressly disclaim any liability to any such party in this respect. However, we will allow you to disclose the contents and/or send a copy of the report to the SEHK and Securities and Futures Commission upon their request.
- 3.3 We understand that our name may be identified in the Company's public announcement in respect of our report on our agreement with the Preliminary Announcement. We will agree to this provided that our scope of work is made clear in the Preliminary Announcement. An example disclosure in this respect is as follows:

Scope of work of ABC & Co.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, [insert other statements if presented in the preliminary announcement] and the related notes thereto for the year ended [date] as set out in the preliminary announcement have been agreed by the Group's auditors, ABC & Co., to the amounts set out in the Group's [draft/audited] consolidated financial statements for the year. The work performed by ABC & Co. in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ABC & Co. on the preliminary announcement.

- 3.4 We will be entitled to review and comment on the appropriateness of, and object to, the contents of the Preliminary Announcement containing references to ABC & Co. prior to its issuance. The Company will take account of our comments and objections and the Company agrees that any references to our report on the Preliminary Announcement will not be finalised or published without having obtained our prior written consent. If a situation arises where the Preliminary Announcement is published without taking into account our comments and objections and without having obtained our prior written consent, we will write to your audit committee regarding the discrepancies and request the audit committee to inform the regulators of such matter.
- [3.5 You are to note that we will not provide you with our report on our agreement with the Preliminary Announcement until the audit is complete subject only to the following:
- (a) clearing outstanding audit matters which we are satisfied are unlikely to have a material impact on the consolidated financial statements or disclosures in the Preliminary Announcement;
 - (b) completing audit procedures on the details of disclosures in the notes to the consolidated financial statements that will not be expected to have a material impact on the primary financial statements;
 - (c) completing our reading of the other information in the annual report in accordance with HKSA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information* issued by the HKICPA;
 - (d) updating the subsequent events review to cover the period between the issue of the Preliminary Announcement and the date of the auditors' report on the consolidated financial statements; and
 - (e) obtaining written representations, where relevant, from management and establishing that the consolidated financial statements have been reviewed and approved by the directors of the Company.

The scope of our work will be necessarily limited in that we will only be able to check the consistency of the Preliminary Announcement with draft consolidated financial statements of the Group on which our audit is incomplete. Accordingly, we shall not, at that stage, know whether further adjustments may be required to those draft consolidated financial statements of the Group. Consequently, there is an unavoidable risk that the Company may wish to revise its Preliminary Announcement in the light of audit findings or other developments occurring between the Preliminary Announcement being published and the completion of the audit.]

- 3.6 In the event that we disagree with the content of the Preliminary Announcement we will send you a letter setting out the reasons.

Yours faithfully,

ABC & Co.
Certified Public Accountants (Practising) [or Certified Public Accountants]
Date

We agree to the terms of this letter.

(Signed)
Director, for and on behalf of the Board of [XYZ Company Limited]

APPENDIX 3

EXTRACT OF MAIN BOARD LISTING RULES*

Preliminary Announcements of Results – Full Financial Year

- 13.49 (1) An issuer shall publish in accordance with rule 2.07C its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than three months after the end of the financial year.
- (2) The preliminary announcement shall be based on the issuer's financial statements for the financial year which shall have been agreed with the auditors.
- (3) (i) Where an issuer is unable to make an announcement of its preliminary results based on its financial statements in accordance with rules 13.49(1) and 13.49(2), it must make an announcement not later than three months after the end of the financial year.

The announcement must contain at least the following information:—

- (a) a full explanation for its inability to make an announcement based on financial statements which have been agreed with the auditors. Where there are uncertainties arising from the lack of supporting evidence or relating to the valuation of assets or liabilities, sufficient information to allow investors to determine the significance of the assets or liabilities;
- (b) the expected date of announcement of the financial results for the financial year which shall have been agreed with the auditors; and
- (c) so far as the information is available, results for the financial year based on financial results which have yet to be agreed with the auditors. Where possible, those results must have been reviewed by the issuer's audit committee. In the event that the audit committee disagreed with an accounting treatment which had been adopted or the particulars published in accordance with rule 13.49(3)(i)(a), full details of such disagreement.
- (ii) Where an issuer makes an announcement in accordance with rule 13.49(3)(i), then:
- (a) the issuer will be required to comply with the requirements set out in rule 13.49(2), as soon as the financial results for the financial year have been agreed with the auditors; and
- (b) where the financial results for the financial year which have been agreed by the auditors differ materially from the financial results published by the issuer in accordance with rule 13.49(3)(i)(c), full particulars of, and reasons for, the difference must be set out in the preliminary announcement of such agreed results.
- (4) The preliminary announcement of results (made in accordance with rule 13.49(2) or 13.49(3)) must comply with the provisions set out in Appendix 16 in relation to preliminary announcements of results for the full financial year.

Note: Issuers' attention is drawn to paragraphs 45 and 45A of Appendix 16.

* Consent has been obtained from the SEHK in relation to the publication of this section of the Main Board Listing Rules (as at April 2015 [] 2020) in this Practice Note.

(5) [Repealed 25 June 2007]

Paragraphs 4, 45 and 45A of Appendix 16 "Disclosure of Financial Information"

Basic Financial Information

4. Financial statements referred to in paragraph 2 shall include the disclosures required under the relevant accounting standards adopted and the information set out below. This information may be included in the notes to the financial statements. In the case of banking companies, the information on results and financial position set out in the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority must be provided in place of that set out in paragraph 4(1) and paragraph 4(2) as regards the disclosure requirements for preliminary announcements of results, interim reports, annual reports, listing documents and circulars.

(1) Statement of profit or loss and other comprehensive income

(a) profit (or loss) on sale of properties.

4.1 Where the item of information specified in sub-paragraph 4(1) is unsuited to a listed issuer's activities, appropriate adjustments should be made. Where the requirements of this appendix are unsuited to a listed issuer's activities or circumstances, the Exchange may require suitable adaptations to be made.

(2) Statement of financial position

(a) ageing analysis of accounts receivable; and

(b) ageing analysis of accounts payable.

4.2 The ageing analysis should normally be presented on the basis of the date of the relevant invoice or demand note and categorised into time-bands based on analysis used by an issuer's management to monitor the issuer's financial position. The basis on which the ageing analysis is presented should be disclosed.

(3) Dividends

Rates of dividend paid or proposed on each class of shares (with particulars of each such class) and amounts absorbed thereby (or an appropriate negative statement).

Information to accompany preliminary announcements of Results for the financial year

45. A listed issuer shall publish a preliminary announcement of its results in accordance with rule 2.07C as required under rule 13.49(1), which has been agreed with its auditors and which includes, as a minimum, the following:

(1) the information in respect of the statement of financial position and the statement of profit or loss and other comprehensive income as set out in paragraph 4 comprising statement of profit or loss and other comprehensive income for the financial year, with comparative figures for the immediately preceding financial year, and statement of financial position as at the end of the financial year, with comparative figures as at the end of the immediately preceding financial year. The listed issuer must include the notes relating to revenue, taxation, earnings per share, dividends and any other notes that the directors consider necessary for a reasonable appreciation of the results for the year. Directors of the listed issuer must ensure that the information contained in the preliminary announcement of results is consistent with the information that will be contained in the annual reports (see paragraph 45A);

45.1 [Repealed 31 December 2015]

- (2) particulars of any purchase, sale or redemption by the listed issuer, or any of its subsidiaries, of its listed securities during the relevant year or an appropriate negative statement;
- (3) a commentary covering the following:
 - (a) a fair review of the development of the business of the listed issuer and its subsidiaries during the financial year and of their financial position at the end of the year;
 - (b) details of important events affecting the listed issuer and its subsidiaries which have occurred since the end of the financial year; and
 - (c) an indication of likely future developments in the business of the listed issuer and its subsidiaries;
- (4) any supplementary information which in the opinion of the directors of the listed issuer is necessary for a reasonable appreciation of the results for the relevant year;
- (5) a statement as to whether the listed issuer meets the code provisions set out in the Corporate Governance Code contained in Appendix 14. The listed issuer must also disclose any deviations from the code provisions and give considered reasons for such deviations. To the extent that it is reasonable and appropriate, such information may be given by reference to the immediately preceding interim report or to the Corporate Governance Report in the immediately preceding annual report, and summarising any changes since that report. Any such references must be clear and unambiguous;
- (6) a statement as to whether or not the annual results have been reviewed by the audit committee of the listed issuer;
- (7) where the auditors' ~~are likely to issue a modified report on the listed issuer's annual financial statements is likely to be qualified or modified (whether or not it is also likely to be qualified)~~, details of the ~~qualification or modification~~;
- (8) where there are any significant changes in accounting policies, a statement of that fact must be made; and

45.2 A listed issuer should apply the accounting policies consistently except where the change in accounting policy is required by an accounting standard which came into effect during the financial year.

- (9) where there are prior period adjustments due to correction of material errors, a statement of that fact must be made.

45.3 The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.

GUIDANCE FOR AUDITORS REGARDING PRELIMINARY ANNOUNCEMENTS OF ANNUAL RESULTS

45A. Where, in exceptional circumstances, it becomes necessary to revise the information contained in the listed issuer's preliminary announcement of results in the light of developments arising between the date of publication of the announcement and the completion of the audit, the listed issuer must immediately notify the Exchange and publish an announcement in accordance with rule 2.07C to inform the public. The announcement must provide details of the changes made to the published preliminary announcement of results including any impact on the published financial information of the listed issuer and the reasons for such changes.

45A.1 The Exchange does not expect there to be any material or substantial difference between the information contained in the listed issuer's preliminary announcement of results and that contained in its audited results.

APPENDIX 4

EXTRACT OF GEM LISTING RULES*

Preliminary announcement of results for the financial year

Preliminary

- 18.49 A listed issuer must publish (in accordance with the requirements of Chapter 16) a preliminary announcement of the results for the financial year, which has been agreed with its auditors, on the GEM website as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board of its results. The issuer must publish such results not later than 3 months after the date upon which the financial year ended.

Note: The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.

Content of preliminary announcement

- 18.50 The preliminary announcement of results for the financial year must contain at least the following information in respect of the group:

- (1) the information in respect of the statement of financial position and the statement of profit or loss and other comprehensive income as set out in rule 18.50B comprising a statement of profit or loss and other comprehensive income for the financial year, with comparative figures for the immediately preceding financial year, and statement of financial position as at the end of the financial year, with comparative figures as at the end of the immediately preceding financial year. The listed issuer must include the notes relating to revenue, taxation, earnings per share, dividends and any other notes that the directors consider necessary for a reasonable appreciation of the results for the year. Directors of the listed issuer must ensure that the information contained in the preliminary announcement of results is consistent with the information that will be contained in the annual reports (see rule 18.50A);

Note: [Repealed 31 December 2015]

- (2) a commentary covering the following:
- (a) a fair review of the development of the business of the listed issuer and its subsidiaries during the financial year and of their financial position at the end of the year;
 - (b) details of important events affecting the listed issuer and its subsidiaries which have occurred since the end of the financial year; and
 - (c) an indication of likely future developments in the business of the listed issuer and its subsidiaries;
- (3) [Repealed 31 December 2015]
- (4) particulars of any purchase, sale or redemption by the listed issuer or any of its subsidiaries, of its listed securities during the financial year, or an appropriate negative statement;

* Consent has been obtained from the SEHK in relation to the publication of this section of the GEM Listing Rules (as at April 2015 [] 2020]) in this Practice Note.

- (5) any supplementary information which in the opinion of the directors of the listed issuer is necessary for a reasonable appreciation of the results for the relevant year;
- (6) a statement as to whether the listed issuer meets the code provisions set out in the Corporate Governance Code contained in Appendix 15. The listed issuer must also disclose any deviations from the code provisions and considered reasons for such deviations. To the extent that it is reasonable and appropriate, such information may be given by reference to the immediately preceding half-year report or to the Corporate Governance Report in the immediately preceding annual report, and summarising any changes since that report. Any such references must be clear and unambiguous;
- (7) a statement as to whether the annual results have been reviewed by the audit committee of the listed issuer;
- (8) where the auditors' are likely to issue a modified report on the listed issuer's annual financial statements ~~is likely to be qualified or modified (whether or not it is also likely to be qualified)~~, details of the ~~qualification or modification pursuant to rule 18.54~~;
- (9) where there are any significant changes in accounting policies, a statement of that fact must be made; and

Note: A listed issuer should apply the accounting policies consistently except where the change in accounting policy is required by an accounting standard which came into effect during the financial year.

- (10) where there are prior period adjustments due to correction of material errors, a statement of that fact must be made.

Note: The term financial year refers to the period covered by a listed issuer's financial statements even where the period is not a calendar year.

- 18.50A Where, in exceptional circumstances, it becomes necessary to revise the information contained in the listed issuer's preliminary announcement of results in the light of developments arising between the date of publication of the announcement and the completion of the audit, the listed issuer must immediately notify the Exchange and publish an announcement to inform the public. The announcement must provide details of the changes made to the published preliminary announcement of results including any impact on the published financial information of the listed issuer and the reasons for such changes.

Note: The Exchange does not expect there to be any material or substantial difference between the information contained in the listed issuer's preliminary announcement of results and that contained in its audited results.

- 18.50B The preliminary announcements of results for the half-year, preliminary announcements of results for the financial year, half-year reports and annual reports of a listed issuer must include the disclosures required under the relevant accounting standards adopted and contain the information set out below in respect of the group. This information may be included in the notes to the financial statements. In the case of banking companies, the information on results and financial position set out in the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority must be provided in place of that set out in rules 18.50B(1) and 18.50B(2).

- (1) Statement of profit or loss and other comprehensive income
 - (a) profit (or loss) on sale of properties;

(2) Statement of financial position, if applicable:

- (a) ageing analysis of accounts receivable; and
- (b) ageing analysis of accounts payable;

Note: The ageing analysis should normally be presented on the basis of the date of the relevant invoice or demand note and categorised into time-bands based on analysis used by an issuer's management to monitor the issuer's financial position. The basis on which the ageing analysis is presented should be disclosed.

(3) Dividends

Rates of dividend paid or proposed on each class of shares (with particulars of each such class) and amounts absorbed thereby (or an appropriate negative statement).

Notes: 1 Where the items of information specified in this rule are unsuited to the listed issuer's activities, appropriate adaptations should be made. Where the requirements of this rule are unsuited to the listed issuer's activities or circumstances, the Exchange may require suitable adaptations to be made.

2 The Exchange may authorise the omission from the preliminary announcement of any information if it considers:—

(a) such omission to be necessary or appropriate; or

(b) disclosure of such information would be contrary to the public interest or seriously detrimental to the issuer,

provided that such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the securities in question.

3 The issuer or its representatives will be responsible for the correctness and relevance of the facts on which any application for an exemption under Note 2 above is based.

18.50C Listed issuer must submit a copy of its annual report to the Exchange for publication on the GEM website as soon as reasonably practicable after the approval by or on behalf of the board of its audited financial statements and in any event not more than 3 months after the date upon which the financial year ended.

18.51 ~~[Repealed 1 March 2019]~~ ~~In connection with the audit of the issuer's annual financial statements:—~~

~~(1) where the auditors' report is likely to be qualified, the preliminary announcement of results must include details of such qualification; and~~

~~(2) where the auditors' report is likely to be modified, whether or not it is also likely to be qualified, details of such modification, together with a full explanation of the circumstances leading to the modification, must be included in the preliminary announcement of results. Where the modifications in the auditors' report refer to specific notes to the financial statements, the information in the financial statements should also be included in the preliminary announcement.~~

18.52 [Repealed 31 December 2015]