



# MEMBERS' HANDBOOK

## Update No. 307

(Issued 25 March 2024)

### VOLUME III

<b><u>Document Reference and Title</u></b>	<b><u>Instructions</u></b>	<b><u>Explanations</u></b>
<a href="#">Contents of Volume III</a>	Replace pages i to v with revised pages i to v.	Revised content page

**Section 1: Pronouncements currently effective (Note: To apply appropriate pronouncements in accordance with the respective effective dates as indicated)**

### HONG KONG STANDARDS ON INVESTMENT CIRCULAR REPORTING ENGAGEMENTS

<a href="#">HKSIR 200, Accountants' Reports on Historical Financial Information in Investment Circulars</a>	Discard HKSIR 200 revised in May 2022 and replace with the attached HKSIR 200 revised in March 2024 ,	Note 1, 2, 3, 4, 5, 6
<a href="#">HKSIR 500, Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness</a>	Replace cover page, pages 2, 3, 6, 7, and 15-18 with revised cover page, pages 2, 3, 6, 7, and 15-18.	Note 2, 5, 6

### PRACTICE NOTES

<a href="#">PN 730 (Revised), Guidance for Auditors Regarding Preliminary Announcements of Annual Results</a>	Replace cover page, pages 2, 3, 5, 14, 19-24 with revised cover page, pages 2, 3, 5, 14, 19-25.	Note 2, 6
<a href="#">PN 740 (Revised), Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules</a>	Discard PN 740 (Revised) revised in May 2022 and replace with the attached PN 740 (Revised) revised in March 2024.	Note 1, 6

Notes:

1. The paperless listing regime of The Stock Exchange of Hong Kong (“HKEX”) became effective on 31 December 2023. The new regime reduces the number of documents required to be submitted to the HKEX. HKSIR 200 and PN 740 are updated to remove requirements that are no longer applicable under the paperless regime.
2. In December 2023, the HKEX published the *Guide for New Listing Applicants* (the “Guide”), which consolidated and enhanced all currently effective guidance letters and listing decisions related to new listing. The Guide became effective on 1 January 2024. Accordingly, certain references to the HKEX guidance letters in HKSIR 200, HKSIR 500 and PN 730 have been updated to align with the new references used in the Guide.
3. Initial public offerings on the HKEX that fall under the scope of the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” issued by the China Securities Regulatory Commission (“CSRC”) are required to include, among others, the type of audit opinion from the accounting firm on the historical financial information of the applicant for the track record period in the filings with the CSRC. HKSIR 200 is updated to include illustrative wording in paragraph 89 to assist issuers on how to refer to the type of audit opinion in their filing with the CSRC.
4. The illustrative accountant’s report on historical financial information in HKSIR 200 has been updated as a result of the [narrow-scope amendments](#) made to HKAS 1, *Presentation of Financial Statements* which are effective for annual reporting periods beginning on or after 1 January 2023.
5. HKSIR 200 and HKSIR 500 are updated to provide clarification regarding the following matters:
  - HKSIR 200: The objective that the independent testing intended to achieve and nature of independent testing being required (paragraph 46).
  - HKSIR 500: The impact of audit modified opinion (e.g. disclaimer of opinion) related to going concern issued in the latest financial statements of the entity (paragraph 43).
6. Other housekeeping changes.

In order for readers to easily identify all the changes, a marked-up version is posted at:  
<https://www.hkicpa.org.hk/-/media/Document/SSD/handbookupdate/307mk.pdf>