

香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED

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

Our Ref: CRO20170714-039

14 July 2017

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

Dear Sirs

Publication of the Financial Statements Review Programme Report 2016

We have today published the Financial Statements Review Programme Report 2016. This is our eighth report of the series and the report is available on the HKEX website at:
<http://www.hkex.com.hk/eng/rulesreg/listrules/guidref/Documents/frm-16.pdf>.

We encourage directors and other persons responsible for financial reporting to take note of the matters discussed in this report, in particular:

- **Impact of key accounting standards that will soon become effective** – Implementation of key accounting standards (Hong Kong Financial Reporting Standard (HKFRS) 9 “Financial Instruments”, HKFRS 15 “Revenue from Contracts with Customers” and HKFRS 16 “Leases”) is not just an accounting exercise, but is expected to have a significant impact on some issuers, particularly on their information systems, internal controls and business contracting processes. Issuers should early consult their professional advisers and perform a detailed review of these standards as soon as practicable. They should also progressively provide more entity-specific qualitative and quantitative information in their interim and annual financial statements about the application of these standards; and
- **New auditors’ reporting** – Issuers and their audit committee should have in-depth conversations with their auditors regarding key audit matters, going concern issues and other significant events or transactions that occurred during the reporting period. They should also agree with the auditors on a timetable and ensure that the other information included in their annual report is complete and provided to the auditors prior to the date of the audit report.

If you have any questions on the above, please contact our case officers.

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

[Signed]

David Graham
Chief Regulatory Officer and Head of Listing