

Presentation and Disclosure Checklist

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Publications

This guide is one of a series of publications intended to assist users in the preparation of financial information in accordance with accounting and regulatory requirements in Hong Kong. These include:

Hong Kong GAAP: A Practical Guide to Generally Accepted Accounting Practice	2 nd Edition. Written by Stephen Taylor and Norma Hall, Deloitte Touche Tohmatsu, Hong Kong. Published by Sweet & Maxwell Asia.
Hong Kong GAAP: A Guide for the Preparation of Interim Reports	2 nd Edition. Guidance on the requirements for interim reports for listed enterprises, including model interim report and disclosure checklist.
Implementing Hong Kong GAAP: Moving towards IFRS	Review of Hong Kong SSAPs effective in 2002 and later, and discussion of expected future developments.
Accounting for Income Taxes : A Guide to SSAP 12 (Revised)	A comprehensive publication addressing the implementation of SSAP 12 (Revised) <i>Income Taxes</i>
Comparison of Hong Kong GAAP and IFRS	Brief standard-by-standard comparison of Hong Kong GAAP and IFRS, and plans for future convergence.
Hong Kong GAAP – Update	Regular newsletter on accounting developments in Hong Kong.

Further details of these publications, and materials for download, can be found at:
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Deloitte Touche Tohmatsu publications intended to assist users in understanding International Financial Reporting Standards are listed on the inside back cover of this publication.

Presentation and Disclosure Checklist

The information in this publication is written in general terms. It is intended as a guide only and the application of its contents to specific situations will depend on the particular circumstances involved. It cannot be applied to a specific situation without appropriate professional advice. Accordingly, we recommend that readers seek such professional advice regarding their particular circumstances. This publication should not be relied on as a substitute for such professional advice. All offices of Deloitte Touche Tohmatsu would be pleased to advise you.

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ABBREVIATIONS

The following abbreviations have been used throughout this checklist:

App	Appendix to the Listing Rules
CBP	Code of Best Practice, Appendix 14 of the Listing Rules
GEM	Growth Enterprise Market of the SEHK
GR	Rules Governing the Listing of Securities on the GEM (the GEM Rules)
HKFRS	Hong Kong Financial Reporting Standard(s) issued by the HKSA
HKSA	Hong Kong Society of Accountants
IAS	International Accounting Standard(s)
IFRS	International Financial Reporting Standard(s)
INT	Interpretation issued by the UIISC
LR	Rules Governing the Listing of Securities on the SEHK (the Listing Rules)
MDA	Management Discussion and Analysis (Directors' Business Review)
PN	Practice Note to the Listing Rules
s	Section Reference, Hong Kong Companies Ordinance
SAS	Statement of Auditing Standards issued by the HKSA
Sch 10	Hong Kong Companies Ordinance, Tenth Schedule
SEHK	Stock Exchange of Hong Kong Limited (the Stock Exchange)
SFO	Securities and Futures Ordinance
SSAP	Statement of Standard Accounting Practice issued by the HKSA
UIISC	Urgent Issues and Interpretations Sub-Committee of the FASC

Disclosure requirements that are applicable only to enterprises listed on the Stock Exchange of Hong Kong Limited, whether on the Main Board or the Growth Enterprise Market, are shown in blue.

SECTION 1 INFORMATION ACCOMPANYING FINANCIAL STATEMENTS

Ref.	Requirement	Source
	ANALYSIS OF THE GROUP'S PERFORMANCE	
1001	<p>A separate statement is required, containing a discussion and analysis of the enterprise's performance during the year and the material factors underlying its results and financial position. The statement should emphasise trends and identify significant events or transactions during the year under review. As a minimum, the directors of the enterprise should address all of the following points:</p> <ul style="list-style-type: none"> a) the enterprise's liquidity and financial resources. This may include comments on the level of borrowings at the balance sheet date, the seasonality of borrowing requirements, and the maturity profile of borrowings and committed borrowing facilities. Reference may also be made to the funding requirements for capital expenditure commitments and authorisations; b) the capital structure of the enterprise in terms of maturity profile of debt and obligation, type of capital instruments used, currency and interest rate structure. The discussion may cover: <ul style="list-style-type: none"> i) funding and treasury policies and objectives in terms of the manner in which treasury activities are controlled; ii) the currencies in which borrowings are made and in which cash and cash equivalents are held; iii) the extent to which borrowings are at fixed interest rates; iv) the use of financial instruments for hedging purposes; and v) the extent to which foreign currency net investments are hedged by currency borrowings and other hedging instruments; c) the state of the enterprise's order book (where applicable) and prospects for new business, including new products and services introduced or announced; d) significant investments held, their performance during the year and their future prospects; e) details of material acquisitions and disposals of subsidiaries and associates in the course of the year; f) comments on segment information. This may cover changes in industry segments, developments within each segment and their effect on the results of that segment. It may also include changes in market conditions, new products and services introduced or announced and their impact on the enterprise's performance, and changes in turnover and margins; g) where applicable, details of the number and remuneration of employees, remuneration policies, bonus and share option schemes and training schemes; h) details of charges on group assets; 	<p>App 16.32 GR 18.41</p>

Ref.	Requirement	Source
	<p>i) details of future plans for material investments or capital assets and their expected sources of funding in the coming year;</p> <p><i>Note: It is the responsibility of the directors to determine what investment or capital asset are material in the context of the enterprise's business, operations and financial performance. The materiality of an investment or a capital asset varies from one enterprise to another according to its financial performance, assets and capitilisation, the nature of its operations and other factors.</i></p>	App 16 Note 32.1 GR 18.41 Note 1
	<p>j) gearing ratio;</p> <p><i>Note: The basis on which the gearing ratio is computed should be disclosed.</i></p>	App 16 Note 32.2 GR 18.41 Note 2
	<p>k) exposure to fluctuations in exchange rates and any related hedges; and</p> <p>l) details of contingent liabilities, if any.</p> <p><i>Notes:</i></p> <ol style="list-style-type: none"> Both Main Board and GEM listed enterprises are required to address each of the points listed at item 1001. Additional guidance on the recommended content for a MDA can be found in the HKSA's Corporate Governance Disclosure in Annual Reports - A Guide to Current Requirements and Recommendations for Enhancement and the Reference for Disclosures in Annual Reports issued by the SEHK. 	
	CONVERTIBLE AND REDEEMABLE SECURITIES	
1002	The enterprise should disclose details of the classes, numbers and terms of any convertible securities, options, warrants or similar rights issued or granted by the company or any of its subsidiaries during the year, together with the consideration received by the company or any of its subsidiaries.	App 16.10(1) GR 18.11
1003	The enterprise should disclose particulars of any exercise made during the financial year of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted at any time by the company or any of its subsidiaries.	App 16.10(2) GR 18.12
1004	The annual report should disclose particulars of any redemption or purchase or cancellation by the company or any of its subsidiaries, of the redeemable securities of the company, and the amount of such securities outstanding at the balance sheet date.	App 16.10(3) GR 18.13
1005	The annual report should disclose particulars of any purchase, sale or redemption by the company, or any of its subsidiaries, of the listed securities of the company during the year, or an appropriate negative statement.	App 16.10(4) GR 18.14
	<p><i>Notes:</i></p> <ol style="list-style-type: none"> The statement required by item 1005 should distinguish between those listed securities that are purchased by the company (and, for Hong Kong companies, therefore cancelled) and those that are purchased by a subsidiary of the company. 	App 16.10(4) GR 18.14

Ref.	Requirement	Source
	<p>2. <i>The statement required by item 1005 should include the aggregate price paid or received by the company for such purchases, sales or redemptions and should distinguish between those securities purchased or sold:</i></p> <ul style="list-style-type: none"> a) <i>on the SEHK;</i> b) <i>on another stock exchange;</i> c) <i>by private arrangement; and</i> d) <i>by way of a general offer.</i> 	App 16.10(4) GR 18.14
1006	<p>The annual report should:</p> <ul style="list-style-type: none"> a) make reference to purchases of shares made during the year and the reasons for them; and b) include a monthly breakdown of purchases of shares made during the year, showing the number of shares purchased each month and the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid by the company for such purchases. <p>DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES</p> <p><i>The Securities and Futures Ordinance (SFO) came into effect on 1 April 2003, and superseded the Securities (Disclosure of Interests) Ordinance. Part XV of the SFO deals with the notification of interests and short positions held by chief executives and directors, and substantial shareholders, to the listed enterprise concerned and to the SEHK, and with the requirements for the listed enterprise to keep registers of such interests and short positions. In order to bring the annual report disclosure requirements into line with the SFO, the Listing Rules and GEM Rules have been revised.</i></p> <p><i>For accounting periods ending on or after 1 April 2003, new disclosure requirements should be followed by listed enterprises. In particular, separate disclosure is required of:</i></p> <ul style="list-style-type: none"> a) <i>the interests and short positions in any shares, underlying shares and debentures of the company or any of its associated corporations, held by directors and chief executives at the end of the financial period;</i> b) <i>the interests and short positions in the voting shares and underlying voting shares of the company, held by substantial shareholders at the end of the financial period; and</i> c) <i>the interests and short positions notified to the company and to the SEHK by other persons in accordance with the requirements of the SFO.</i> 	LR 10.06(4)(b) GR 13.13(2)

Ref.	Requirement	Source
1007	<p><i>A statement is required at the end of the financial period showing:</i></p> <ul style="list-style-type: none"> a) the interests of each director and chief executive of the company in any shares, underlying shares and debentures of the company or any of its associated corporations; and b) the short positions of each director and chief executive of the company in any shares, underlying shares and debentures of the company or any of its associated corporations, <p>as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Companies for Main Board listed enterprises (for GEM listed enterprises - the minimum standards of dealing by directors as referred to in GR 5.40) <u>or, if there are no such interests or short positions, a statement of that fact.</u></p>	App 16.13(1) GR 18.15(1)
1008	The statement required under item 1007 should specify the company in which each interest or short position is held, the class to which the securities belong, and the number of such securities held.	App 16.13(2) GR 18.15(2)
1009	The statement required under item 1007 should describe the capacity in which each interest or short position is held, and the nature of the interest or short position, as disclosed in the prescribed form used by the director or chief executive when notifying the company and the SEHK of the interest or short position.	PN 5(3.2) GR 18.17
1010	<p>The following details are required to be disclosed for each director and chief executive:</p> <ul style="list-style-type: none"> a) the aggregate long position in any shares and underlying shares and in debentures, showing separately: <ul style="list-style-type: none"> i) interests in shares (other than interests held under equity derivatives); ii) interests in underlying shares held under equity derivatives (e.g. share options, warrants), specifying whether they are listed or unlisted, and whether they are to be settled by shares, by cash or by some other method; and iii) interests in debentures, including convertible bonds and other debt securities; and b) the aggregate short position in any shares, underlying shares and debentures, showing separately: <ul style="list-style-type: none"> i) short positions in respect of shares arising under a stock borrowing and lending agreement; and ii) short positions in underlying shares held under equity derivatives, specifying whether they are listed or unlisted, and whether they are to be settled by shares, by cash or by some other method. 	PN 5(3.3) GR 18.17A
1011	The information required by items 1010(a) and (b) is required to be separately disclosed for each entity in which an interest or a short position is held.	PN 5(3.3) GR 18.17A

Ref.	Requirement	Source
1012	The percentage of the issued share capital of the company or its associated corporation, which each interest in shares represents, should be disclosed.	PN 5(3.3)(1) Note 1 PN 5(3.3)(2) Note 1 GR 18.17A(1) Note 1 GR 18.17A(2) Note 1
1013	Where interests or short positions are held through corporations that are not wholly-owned by the director or chief executive, the percentage interests held by the director or chief executive in such corporations should be disclosed.	PN 5(3.2) GR 18.17
1014	Particulars should be given of the extent of any duplication that occurs, between the interests of directors, chief executives, substantial shareholders, and their associates.	PN 5(4) GR 18.16 Note
1015	Where interests arising from the holding of securities as qualifying shares are not disclosed pursuant to the exception allowed in App 16.13(2)/GR 18.15(2), a general statement should be made to indicate that the directors hold qualifying shares.	App 16.13(2) GR 18.15(2)
	<i>Note: App 16.13(2)/GR 18.15(2) allow that non-beneficial interests of directors and chief executives need not be disclosed if they are holdings of qualification shares or if the interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member and there is a legally enforceable declaration of trust in favour of the parent company of that subsidiary.</i>	
1016	Where share options are granted to directors and chief executives, particulars of the share options and movements as required under LR 17.07(1) and GR 23.07(1) (see item 1025 below) should be disclosed.	PN 5(3.3)(1) Note 3 GR 18.17A(1) Note 3
	<i>Notes:</i>	
	1. <i>For these purposes, a "director" includes a shadow director and any person occupying the position of director by whatever name called. A "shadow director" means a person in accordance with whose directions or instructions the directors of a company are accustomed to act.</i>	SFO Schedule 1
	2. <i>For these purposes, a "chief executive" means a person employed or otherwise engaged by a corporation who, either alone or together with one or more persons, is or will be responsible, under the immediate authority of the board of directors, for the conduct of the business of the corporation.</i>	SFO s308
	3. <i>"Associated corporation" means a corporation:</i>	SFO s308
	■ <i>which is a subsidiary or holding company of the company or a subsidiary of the company's holding company; or</i>	
	■ <i>(not being a subsidiary of the company) in which the company has an interest in the shares of a class of exceeding 20% of the nominal value of the issued shares of that class.</i>	
	4. <i>Interests and short positions of a director or a chief executive extend to include interests held by the following persons and trusts:</i>	SFO s344(1) SFO s344(2) SFO s344(3) SFO s344(4) SFO s346 SFO s345(4)(b) SFO s345(4)(a)
	■ <i>his or her spouse;</i>	
	■ <i>children under the age of 18;</i>	

Ref.	Requirement	Source
	<ul style="list-style-type: none"> ■ <i>their respective controlled companies (with control of management or one third of the voting rights, either directly or indirectly through another corporation in which they control one third of the voting rights);</i> ■ <i>persons having a joint interest or short position with him or her;</i> ■ <i>a trust, if he or she is a trustee of the trust (other than a trust where he or she is a bare trustee);</i> ■ <i>a discretionary trust, if he or she is a founder of the trust; and</i> ■ <i>a trust, if he or she is a beneficiary.</i> 	
	<p>5. <i>A long position under an equity derivative arises where a person is a party to an equity derivative, by virtue of which the person:</i></p> <ul style="list-style-type: none"> ■ <i>has a right to take the underlying shares; or</i> ■ <i>is under an obligation to take the underlying shares; or</i> ■ <i>has a right to receive money from another person if the price of the underlying shares increases; or</i> ■ <i>has a right to avoid or reduce a loss if the price of the underlying shares increases.</i> 	<p>PN 5(3.3)(1) Note 2 GR 18.17A(1) Note 2</p>
	<p>6. <i>A short position under an equity derivative arises where a person is the holder, writer or issuer of any equity derivative, by virtue of which the person:</i></p> <ul style="list-style-type: none"> ■ <i>has a right to require another person to take the underlying shares of the equity derivative; or</i> ■ <i>is under an obligation to deliver the underlying shares of the equity derivative to another person; or</i> ■ <i>has a right to receive money from another person if the price of the underlying shares declines; or</i> ■ <i>has a right to avoid or reduce a loss if the price of the underlying shares declines.</i> 	<p>PN 5(3.3)(2) Note 2 GR 18.17A(2) Note 2</p>
	<p>7. <i>Compliance with the requirements in respect of the interests and short positions of each director and chief executive in any associated corporation may be modified or waived if, in the opinion of the SEHK, full disclosure would result in particulars being given which are not material in the context of the enterprise and are of excessive length.</i></p>	<p>App 16.13(1) GR 18.15(1)</p>
	<p>SUBSTANTIAL SHAREHOLDERS</p>	
1017	<p>A statement is required, as at the end of the financial period, showing interests and short positions in the shares and underlying shares of the company, other than those of the directors and chief executives, as recorded in the register required to be kept under section 336 of the SFO, and the amount of such interests and short positions <u>or, if there is no such interest or short position recorded in the register, a statement of that fact.</u></p>	<p>App 16.13(3) GR 18.16</p>

Ref.	Requirement	Source
1018	The statement required under item 1017 should describe the capacity in which each interest or short position is held, and the nature of the interest or short position, as disclosed in the prescribed form used by the substantial shareholder when notifying the company and the SEHK of the interest or short position.	PN 5(3.2) GR 18.17
1019	<p>The following details are required to be disclosed for each substantial shareholder:</p> <p>a) the aggregate long position in the shares and underlying shares of the company, showing separately:</p> <p>i) interests in shares (other than interests held under equity derivatives); and</p> <p>ii) interests in underlying shares held under equity derivatives (e.g. share options, warrants) specifying whether they are listed or unlisted, and whether they are to be settled by shares or by cash; and</p> <p>b) the aggregate short position in shares and underlying shares of the company, showing separately:</p> <p>i) short positions in respect of shares arising under a stock borrowing and lending agreement; and</p> <p>ii) short positions in underlying shares under equity derivatives, specifying whether they are listed or unlisted, and whether they are to be settled by shares or by cash.</p>	PN 5(3.4) GR 18.17B
1020	The percentage of the issued share capital of the company, which each interest in shares represents, should be disclosed.	PN 5(3.4)(1) Note 2 PN 5(3.4)(2) Note 1 GR 18.17B(1) Note 1 GR 18.17B(2) Note 1
1021	Where interests or short positions are held through corporations that are not wholly-owned by the substantial shareholder, the percentage interests held by the substantial shareholder should be disclosed.	PN 5(3.2) GR 18.17
1022	Where share options are granted to substantial shareholders, particulars of the share options and movements as required under LR 17.07(1) and GR 23.07(1) should be disclosed (see item 1025 below).	PN 5(3.4)(1) Note 4 GR 18.17B(1) Note 3
Notes:		
1.	<i>A duty to disclose under this section arises where a person has a notifiable interest. A person has a notifiable interest at any time where he is interested in shares comprised in the relevant share capital of the company with an aggregate nominal value representing not less than 5%, or such other percentage prescribed by regulations, of the issued equity share capital.</i>	SFO s311(3) SFO s315(1)
2.	<i>A duty to disclose short positions arises where a person has a notifiable interest (as defined in the previous paragraph), and has a short position in shares comprised in the relevant share capital of the company, representing not less than 1%, or such other percentage prescribed by regulations, of the issued equity share capital.</i>	SFO s313(5) SFO s315(2)

Ref.	Requirement	Source
3.	<i>“Relevant share capital” means the company’s issued share capital of a class which carry rights to vote in all circumstances at general meetings of the corporation, including unissued shares in the company’s share capital of a class which, if issued, would carry rights to vote in all circumstances at general meetings of the company.</i>	SFO s308
4.	<i>“Issued equity share capital” means the company’s issued share capital of a class which carry rights to vote in all circumstances at general meetings of the company.</i>	SFO s308
5.	<i>A person’s interests and short positions in shares include those held by the following persons and trusts:</i>	
	■ <i>his or her spouse, or any child of his/hers under 18;</i>	SFO s316(1)
	■ <i>their respective controlled companies (with control of management or one third of the voting rights of such companies either directly or through another corporation in which they control one third of the voting rights);</i>	SFO s316(2)
	■ <i>parties to any agreement to acquire shares in the relevant share capital of the company, if (i) the agreement includes provisions imposing obligations or restrictions on the use, retention or disposal of their interest; (ii) the agreement provides for the making of a loan or the providing of security for a loan, by a controlling person or a director of the company to any person on the understanding or with the knowledge that such loan would be used for the acquisition of the interests; and (iii) any interest in the company’s shares is in fact acquired by any of the parties pursuant to an agreement;</i>	SFO s317
	■ <i>a trust, if he or she is a trustee of the trust, other than a trust where he or she is a bare trustee;</i>	SFO s323
	■ <i>a discretionary trust, where he or she is the founder of the trust; and</i>	SFO s322(4)(b)
	■ <i>a trust, where he or she is a beneficiary, other than a discretionary trust.</i>	SFO s322(4)(a)
	<i>Interests and short positions held by controlled companies on behalf of their customers in the ordinary course of their businesses as an investment manager, custodian or trustee are excluded, provided that specific conditions under section 316(5) of the SFO are met.</i>	
6.	<i>The circumstances in which a long position arises under an equity derivative are set out in Note 5 to the previous section “Directors’ and Chief Executives’ Interests in Shares”.</i>	PN 5(3.4)(1) Note 3 GR 18.17B(1) Note 2
7.	<i>The circumstances in which a short position arises under an equity derivative are set out in Note 6 to the previous section “Directors’ and Chief Executives’ Interests in Shares”.</i>	PN 5(3.4)(2) Note 2 GR 18.17B(2) Note 2

Ref.	Requirement	Source
	OTHER NOTIFIABLE INTERESTS	
1023	<p>A statement is required of other interests recorded in the register kept by the company under section 336 of the SFO.</p> <p><i>Note: Under the SFO, certain persons other than directors and chief executives, and substantial shareholders, are required to make notification of interests and short positions in shares and underlying shares of the company to the company and to the SEHK. To the extent that such interests and short positions are recorded in the company's register (kept under section 336 of the SFO), disclosures in the annual report are required. The disclosure requirements are the same as those set out in the previous section in relation to substantial shareholders.</i></p>	<p>App 16.13(3) PN 5(3.5) GR 18.16 GR 18.17C</p>
	SHARE OPTION SCHEMES	
	<p><i>Notes:</i></p> <ol style="list-style-type: none"> <i>The information listed at items 1024 to 1034 is required to be disclosed in respect of each share option scheme of the company and any of its subsidiaries.</i> <i>The information should be provided separately for (i) each of the directors, chief executives, substantial shareholders and, for GEM listed enterprises, management shareholders, and their respective associates; (ii) each participant with options granted in excess of the individual limit; (iii) aggregate for employees; (iv) aggregate for suppliers of goods or services; and (v) all other participants as an aggregate whole.</i> <i>SSAP 34, Employee Benefits, requires certain information in respect of equity compensation benefits (including share options) to be disclosed in the financial statements (see items 10205 to 10207 below).</i> 	<p>LR 17.07 GR 23.07</p> <p>LR 17.07 GR 23.07</p>
	Summary of scheme(s)	
1024	<p>The enterprise is required to include in its annual report a summary of each share option scheme approved by its shareholders, setting out:</p> <ol style="list-style-type: none"> the purpose of the scheme; the participants of the scheme; the total number of securities available for issue under the scheme, together with the percentage of the issued share capital that it represents as at the date of the annual report; the maximum entitlement of each participant under the scheme; the period within which the securities must be taken up under an option; 	<p>LR 17.09 GR 23.09</p>

Ref.	Requirement	Source
	<p>f) the minimum period, if any, for which an option must be held before it can be exercised;</p> <p>g) the amount, if any, payable on application or acceptance of the option, and the period within which payments or calls must or may be made or loans for such purposes must be repaid;</p> <p>h) the basis of determining the exercise price; and</p> <p>i) the remaining life of the scheme.</p> <p>Details of Options Outstanding and Movements in the Period</p>	
1025	<p>The annual report should disclose the following information:</p> <p>a) particulars of outstanding options at the beginning and at the end of the period, including the number of options, date of grant, vesting period, exercise period and exercise price;</p> <p>b) particulars of options granted during the period, including the number of options, date of grant, vesting period, exercise period, exercise price and the closing price of the shares immediately before the date on which the options were granted;</p> <p>c) the number of options exercised during the period, with the exercise price and the weighted average closing price of the securities immediately before the dates on which the options were exercised;</p> <p>d) the number of options cancelled during the period, together with the exercise price of the cancelled options; and</p> <p>e) the number of options which lapsed in accordance with the terms of the scheme during the period.</p> <p>Fair Value of Options Granted in the Period</p>	<p>LR 17.07 GR 23.07</p>
1026	The enterprise is <u>encouraged</u> to disclose in its annual report the value of options granted to participants during the period.	<p>LR 17.08 GR 23.08</p>
1027	The enterprise should disclose a description of the model and significant assumptions used to estimate the value of the options, taking into account factors such as risk-free interest rate, expected life, expected volatility and expected dividend, if applicable.	<p>LR 17.08 Note 1 GR 23.08 Note 1</p>
	<p><i>Notes:</i></p> <p>1. <i>In respect of the disclosure of the value of options in the annual report, the enterprise should use the Black-Scholes option pricing model, the binomial model or a comparable generally accepted methodology to calculate the value of options.</i></p> <p>2. <i>Where the calculation of the value is referable to a risk-free interest rate, such rate should be the rate prevailing on debt securities issued by the state, such as the Exchange Fund Notes in the case of Hong Kong based enterprises.</i></p>	<p>LR 17.08 Note GR 23.08 Note</p> <p>LR 17.08 Note 1(i) GR 23.08 Note 1(i)</p>
1028	The enterprise should disclose the measurement date, which should be the date on which the options were granted.	<p>LR 17.08 Note 2 GR 23.08 Note 2</p>

Ref.	Requirement	Source
1029	The enterprise should disclose the treatment of forfeiture prior to the expiry date.	LR 17.08 Note 3 GR 23.08 Note 3
1030	The enterprise should disclose a warning statement with regard to the subjectivity and uncertainty of the values of options to the effect that such values are subject to a number of assumptions and with regard to the limitations of the model.	LR 17.08 Note 4 GR 23.08 Note 4
1031	The listed enterprise should set out the expected volatility used in calculating the value, with an explanation of any deviations from the historical volatility of the securities. <i>Note: The listed enterprise may choose the period of time that it considers appropriate for calculating such historical volatility. However, such period may not be less than one year or, where securities have been listed for less than one year from the date of commencement of dealings in such securities, such period is to be from the date of commencement of such dealings to the date of the calculation.</i>	LR 17.08 Note 1(ii) GR 23.08 Note 1(ii)
1032	An explanation should be provided of any adjustments made to dividend estimates for publicly-available information indicating that future performance is reasonably expected to differ from past performance. <i>Note: Expected dividends should generally be based on historical dividends.</i>	LR 17.08 Note 1(iii) GR 23.08 Note 1(iii)
1033	The enterprise should disclose the accounting policy adopted for share options granted in the period.	LR 17.08 GR 23.08
1034	Where the enterprise considers that disclosure of the value of options granted during the period as encouraged by item 1026 is not appropriate, it should state the reason for such non-disclosure in its annual report.	LR 17.08 GR 23.08
	EQUITY ISSUES UNDER GENERAL MANDATE	
1035	In the case of any issue for cash of equity securities made otherwise than to the company's shareholders in proportion to their shareholdings, and which has not been specifically authorised by the company's shareholders, the enterprise should disclose: a) the reasons for making the issue; b) the classes of equity securities issued; c) in respect of each class of equity securities, the number issued, and their aggregate nominal value; d) the issue price of each security; e) the net price to the company of each security; f) the names of the allottees, if less than six in number, and, in cases of six or more allottees, a brief generic description of them; g) the market price of the securities concerned on a named date, being the date on which the terms of issue were fixed; and h) the use of the proceeds.	App 16.11 GR 18.32

Ref.	Requirement	Source
	DIRECTORS' BIOGRAPHICAL DETAILS	
1036	Brief biographical details should be provided in respect of the directors and senior managers of the enterprise. Such details will include name, age, positions held with the enterprise, length of service with the enterprise and such other information (which may include business experience) of which shareholders should be aware pertaining to the ability or integrity of such persons. <i>Notes:</i> 1. <i>Where any of the directors or senior managers are related, having with any other director or senior manager any one of the relationships set out below, that fact should be stated. The relationships are spouse; any person cohabiting with the director or senior manager as a spouse; and any relative, meaning a child or step-child regardless of age, a parent or step-parent, a brother, sister, step-brother or step-sister, a mother-in-law, a father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law.</i> 2. <i>Where any director of the company is a director or employee of a company which has an interest in the shares or underlying shares of the company which would fall to be disclosed to the company under Part XV of the Securities and Futures Ordinance, that fact should be stated.</i> 3. <i>It is the responsibility of the directors of the company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the company's directors, is appropriate.</i> 4. <i>In the case of a PRC issuer, references to directors and senior managers include supervisors.</i>	App 16.12 GR 18.39
	DIRECTORS' SERVICE CONTRACTS	
1037	A statement is required as to the period unexpired of any service contract, which is not determinable by the employer within one year without payment of compensation (other than statutory compensation), of any director proposed for re-election at the forthcoming annual general meeting or, if there are no such service contracts, a statement to that effect.	App 16.14 GR 18.24(1)
1038	Non-executive directors should be appointed for a specific term and that term should be disclosed in the annual report (see items 1052 and 1053).	CBP 7 GR 18.24(2)
	DIRECTORS' INTERESTS IN CONTRACTS	
1039	Particulars are required of any contract of significance subsisting during or at the end of the financial year in which a director of the company is or was materially interested, either directly or indirectly, or, if there has been no such contract, a statement of that fact.	App 16.15 GR 18.25

Ref.	Requirement	Source
	<p><i>Notes:</i></p> <p>1. A "contract of significance" is one which represents in amount or value a sum equal to 5% or more of:</p> <p>a) in the case of a capital transaction or a transaction of which the principal purpose is the granting of credit, the net tangible assets of the company; or</p> <p>b) in other cases, the total purchases, sales, payments or receipts, as the case may be, of the company.</p> <p>Where the company has subsidiaries, comparison should be made with the purchases, sales, payments, receipts or net tangible assets of the group on a consolidated basis.</p> <p>2. Notwithstanding the percentage specified in Note 1 above, a contract is regarded as a "contract of significance" to the enterprise if the omission of information relating to that contract could have changed or influenced the judgement or decision of a person relying on the relevant information.</p>	<p>App 16 Note 15.2 GR 18.25 Note 1</p>
	CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS	
1040	<p>The enterprise should disclose:</p> <p>a) particulars of any contract of significance between the reporting enterprise (or one of its subsidiaries) and a controlling shareholder (or any of its subsidiaries); and</p> <p>b) particulars of any contract of significance for the provision of services to the enterprise by a controlling shareholder or any of its subsidiaries.</p> <p><i>Notes:</i></p> <p>1. "Controlling shareholder" means any shareholder entitled to exercise, or to control the exercise of, 35% (30% in the case of a PRC enterprise) (or such lower amounts as are specified in the Takeover Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the company, or one which is in a position to control the composition of a majority of the board of directors.</p> <p>2. For this purpose, a contract of significance has the meaning set out in Note 1 to item 1039 above.</p>	<p>App 16.16(1) GR 18.26</p> <p>App 16.16(2) GR 18.27</p> <p>App 16 Note 16.1 GR 18.26 Note</p>
	WAIVER OF DIVIDEND	
1041	<p>The enterprise should disclose particulars of any arrangement under which a shareholder has waived or agreed to waive any dividends.</p> <p><i>Note: Where a shareholder has agreed to waive future dividends, particulars should be given together with those relating to dividends which were payable during the past financial year. Waivers of dividends of a minor amount may be disregarded provided that some payment has been made on each share during the relevant calendar year.</i></p>	<p>App 16.17 GR 18.31</p> <p>App 16 Note 17.1 GR 18.31 Note</p>

Ref.	Requirement	Source
	DIVERGENCE FROM PUBLISHED FORECASTS	
1042	The annual report should contain an explanation for the difference if net income shown in the financial statements differs materially from any profit forecast published by the enterprise.	App 16.18 GR 18.18
	FIVE YEAR SUMMARY	
1043	A summary should accompany the financial statements, in the form of a comparative table, of the published results and of the assets and liabilities of the enterprise, for the previous five financial years. Where they have not been prepared on a consistent basis, that fact should be explained.	App 16.19 GR 18.33
	<i>Note: In consolidated financial statements, the information required by item 1043 need only be presented in relation to the group. Separate parent company details are not required.</i>	
	PRE-EMPTIVE RIGHTS	
1044	A statement is required, where applicable, that no pre-emptive rights exist in the jurisdiction in which the company is incorporated or otherwise established (overseas and PRC companies only).	App 16.20
	<i>Note: Subject to specified exemptions, all GEM listed enterprises are required to give their shareholders pre-emptive rights to protect their proportion of the total equity by having the opportunity to subscribe for any new issue of equity. The restrictions also apply to new issues of equity by a major subsidiary (a subsidiary representing 15% or more of the consolidated net tangible assets or pre-tax trading profits of the group as shown in the enterprise's latest audited consolidated financial statements).</i>	GR 17.39 GR 17.27
	TAX RELIEF FOR SHAREHOLDERS	
1045	The enterprise is required to disclose the information necessary to enable holders of listed securities to obtain any relief from taxation to which they are entitled by reason of their holding of such securities (overseas and PRC companies only).	App 16.21 GR 24.19 GR 25.31
	DETAILS OF PROPERTIES	
1046	Where properties held for development and/or sale or for investment purposes either:	App 16.23 GR 18.23
	a) represent an amount in excess of 15% of the value of the company's net tangible assets (or, for a group, the consolidated net tangible assets); or	
	b) earn an amount in excess of 15% of the company's pre-tax operating profit (or, for a group, the consolidated pre-tax operating profit),	
	the following information should be shown:	
	i) in the case of property held for development and/or sale:	App 16.23(1) GR 18.23(1)
	■ an address sufficient to identify the property, which generally should include the postal address, lot number and such further designation as is registered with the appropriate government authorities in the jurisdiction in which the property is located;	

Ref.	Requirement	Source
	<ul style="list-style-type: none"> ■ if in the course of construction, the stage of completion and the expected completion date; ■ the existing use (e.g. shops, offices, factories, residential etc.); ■ the site and gross floor area of the property; and ■ the percentage interest in the property; and <p>ii) in the case of property held for investment:</p> <ul style="list-style-type: none"> ■ an address sufficient to identify the property, which generally should include the postal address, lot number and such further designation as is registered with the appropriate government authorities in the jurisdiction in which the property is located; ■ the existing use (e.g. shops, offices, factories, residential, etc.); and ■ whether the property is held on short lease, medium term lease or long lease or, if situated outside Hong Kong, is freehold. <p><i>Note: Where compliance with these disclosure requirements would result in particulars of excessive length being provided, disclosure is not required except in the case of properties which, in the opinion of the directors, are material.</i></p> <p>PENSION SCHEMES</p> <p><i>Note: The following disclosures may be combined with the disclosures mandated by SSAP 34, Employee Benefits, within the body of the financial statements (see items 10198 to 10204 below).</i></p>	<p>App 16.23(2) GR 18.23(2)</p> <p>App 16.23(2) GR 18.23(3)</p>
1047	<p>The following disclosures are required in respect of pension schemes:</p> <ul style="list-style-type: none"> a) the nature of the principal scheme or schemes operated by the enterprise (i.e. whether they are defined benefit plans or defined contribution plans); b) a brief outline of how contributions are calculated or benefits funded; c) the employer's pension cost charged to the income statement for the financial year; d) in the case of defined contribution schemes, details of whether forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) may be used by the employer to reduce the existing level of contributions and, if so, the amounts so utilised in the course of the year and available at the balance sheet date for such use; and e) in the case of defined benefit plans, an outline of the results of the most recent formal independent actuarial valuation (which should be as at a date not earlier than 3 years prior to the date to which the enterprise's financial statements are drawn up) or later formal independent review of the scheme on an ongoing basis. This should include disclosure of: <ul style="list-style-type: none"> i) the name and qualifications of the actuary, the actuarial method used and a brief description of the main actuarial assumptions; 	<p>App 16.26 GR 18.34</p>

Ref.	Requirement	Source
	<ul style="list-style-type: none"> ii) the market value of the scheme assets at the date of their valuation or review (unless the assets are administered by an independent trustee, in which case this information may be omitted); iii) the level of funding expressed in percentage terms; and iv) comments on any material surplus or deficiency (including quantification of the deficiency) indicated by (iii) above. 	
	VALUATION OF PROPERTIES	
1048	<p>If the enterprise has caused any property assets to be valued (in accordance with LR 5.01/GR 8.01) or has caused any valuation to be made of any other tangible assets and has included such a valuation in the prospectus relating to its initial public offering and those assets are not stated at such valuation (or at subsequent valuation) in its <u>first</u> annual financial statements published after listing, then the enterprise is required to disclose the following additional information in its first annual report published after listing:</p> <ul style="list-style-type: none"> a) the amount of such valuation of those properties or other tangible assets as included in the prospectus; and b) the additional depreciation (if any) that would be charged against the income statement had those assets been stated at such valuation (or subsequent valuation). 	App 16.27 GR 18.35
	STATEMENT OF DISTRIBUTABLE RESERVES	
1049	<p>Except where the company is a banking company, the annual report should include a statement of the reserves available for distribution to shareholders by the listed enterprise as at the balance sheet date :</p> <ul style="list-style-type: none"> a) in the case of a Hong Kong enterprise, as calculated in accordance with section 79B of the Companies Ordinance; and b) in other cases, as calculated in accordance with any statutory provisions applicable in the enterprise's place of incorporation or, in the absence of such provisions, with generally accepted accounting principles. 	App 16.29 GR 18.37 GR 24.21 GR 25.33
	CHANGE OF AUDITORS	
1050	A statement is required of any change in auditors of the enterprise in any of the preceding three years.	App 16.30 GR 18.42
	MAJOR CUSTOMERS AND SUPPLIERS	
1051	<p>The following information is required to be disclosed in respect of major customers and suppliers:</p> <ul style="list-style-type: none"> a) the percentage of purchases attributable to the enterprise's largest supplier; b) the percentage of purchases attributable to the enterprise's five largest suppliers combined; c) the percentage of turnover or sales attributable to the enterprise's largest customer; d) the percentage of turnover or sales attributable to the enterprise's five largest customers combined; 	App 16.31 GR 18.40

Ref.	Requirement	Source
	<p>e) the interests of any of the directors, their associates, or any shareholder (which to the knowledge of the directors owns more than 5% of the company's share capital) in the suppliers or customers disclosed under (a) to (d) above or, if there are no such interests, a statement to that effect;</p> <p>f) in the event that the percentage which would fall to be disclosed under (b) above is less than 30, a statement of that fact should be given and the information required by (a), (b) and (e) (in respect of suppliers) may be omitted; and</p> <p>g) in the event that the percentage which would fall to be disclosed under (d) above is less than 30, a statement of that fact should be given and the information required by (c), (d) and (e) (in respect of customers) may be omitted.</p> <p><i>Notes:</i></p> <p>1. <i>'Customer' for the purpose of this disclosure means, other than in relation to consumer goods or services, the ultimate customer and, in relation to consumer goods or services, the ultimate wholesaler or retailer. (If the enterprise's business incorporates the wholesaling or retailing operation, then customer refers to the ultimate customer.)</i></p> <p>2. <i>'Supplier' for the purpose of this disclosure means the ultimate supplier of items which are not of a capital nature. References to supplier are primarily to those who provide goods or services to the enterprise's business and which are required on a regular basis to enable the enterprise to continue to supply or service its customers. Suppliers of goods or services which are freely available from a range of suppliers at similar prices, or which are otherwise freely available (e.g. utilities), are excluded.</i></p> <p>3. <i>Disclosures under (e) above should specify if the interest disclosed is in the enterprise's single largest customer or supplier. Disclosure is required of the name of the interested director/associate/shareholder (which to the knowledge of the directors own more than 5% of the company's share capital), but not of the identity of the supplier or customer nor the percentage shareholding held.</i></p> <p>CORPORATE GOVERNANCE</p>	<p>App 16 Note 31.2 GR 18.40 Note 2</p> <p>App 16 Note 31.3 GR 18.40 Note 3</p>
1052	A statement is required as to whether or not the company has complied with Appendix 14 to the Listing Rules (Code of Best Practice) throughout the accounting period covered by the annual financial statements (for GEM listed enterprises, the equivalent reference is to GR 5.28 to GR 5.39).	App 16.34 GR 18.44(5)
1053	A company that has not complied with Appendix 14 (GR 5.28 to GR 5.39), or complied with only part of Appendix 14 (GR 5.28 or GR 5.39) or (in the case of requirements of a continuing nature) complied for only part of such period, should specify the paragraphs of Appendix 14 (GR 5.28 to GR 5.39) with which it has not complied and (where relevant) for what part of the period such non-compliance continued, and give reasons for any non-compliance.	App 16.34 GR 18.44(5)

Ref.	Requirement	Source
	<p><i>Note: Insofar as the company's statement of compliance relates to paragraph 6 of Appendix 14 (GR 5.30), which requires the disclosure of total remuneration paid to independent non-executive directors, such statement should be reviewed by the auditors.</i></p> <p>INTERESTS IN COMPETITORS</p> <p>Main Board Listed Enterprises</p> <p>1054 Where any of the directors (other than the independent non-executive directors) is interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the group, details of such interests and any changes therein should be prominently disclosed in the annual report.</p> <p>GEM Listed Enterprises</p> <p>1055 Disclosure is required of any directorship or ownership of an entity by any director, management shareholder or their respective associates, where that entity competes or may compete with the business of the enterprise and any other conflicts of interest which any such person has or may have with the enterprise. The disclosures made should include:</p> <ul style="list-style-type: none"> a) the name of each entity; b) the nature of its business; and c) details of the directorship and/or ownership of the enterprise's directors or management shareholders in such entity. <p><i>Note: For this purpose, a controlling shareholder is deemed to be a management shareholder.</i></p> <p>CONNECTED TRANSACTIONS</p> <p>1056 The following details of any connected transaction should be disclosed in the next annual report:</p> <ul style="list-style-type: none"> a) the date of the transaction, the parties thereto and a description of their connected relationship; b) a brief description of the transaction and the purpose of the transaction; c) the total consideration and the terms (including, where relevant, interest rates, length of repayment period and security, if any); and d) the nature and extent of the interest of the connected person in the transaction. 	<p>LR 8.10(2)(b)</p> <p>GR 11.04 GR 18.45 GR 11.04 Note 3</p> <p>GR 11.04 Note 1</p> <p>LR 14.25(1)&(2) GR 20.34</p>

Ref.	Requirement	Source
	EXPOSURE TO BORROWERS AND OTHER SPECIFIC CIRCUMSTANCES THAT MAY REQUIRE DISCLOSURE	
	Notes:	
	1. <i>PN 19/GR 17.14 to GR 17.24 give guidance on specific circumstances (see below) that may require timely public disclosure under the general disclosure obligation placed on the enterprise under paragraph 2 of the Listing Agreement (Rule 2)/GR 17.10. If any of the specified circumstances occurs, the enterprise is required to make a public announcement immediately. In addition, if the circumstances specified in PN 19/GR 17.15 to GR 17.21 continue to exist at the enterprise's financial year end, specific disclosures are required.</i>	
	2. <i>The specific circumstances addressed by PN 19/GR 17.15 to GR 17.21 include:</i>	
	a) <i>advances to an entity amounting to more than 25% of the enterprise's net assets and any subsequent increase of such amount accounting for 10% or more of the enterprise's net assets;</i>	PN 19 (3.2.1, 3.2.2) GR 17.15 GR 17.16
	b) <i>financial assistance and guarantees to affiliated companies amounting to more than 25% of the enterprise's net assets;</i>	PN 19 (3.3) GR 17.18
	c) <i>pledging of shares by the controlling shareholder to secure debts of the issuer or to secure guarantees or support other obligations of the enterprise;</i>	PN 19 (3.6) GR 17.19
	d) <i>loan agreements which include conditions imposing specific performance obligations on a controlling shareholder where breaches of such obligations will cause a default in respect of loans that are significant to the operations of the enterprise; and</i>	PN 19 (3.7.1) GR 17.20
	e) <i>breaches of the terms of a loan agreement by the enterprise such that the lender may demand immediate repayment of a significant loan.</i>	PN 19 (3.7.2) GR 17.21
	3. <i>In addition, GR 17.43 imposes disclosure obligations on GEM listed enterprises in respect of the pledging or charging of any interests in securities of the enterprise by any initial management shareholder or significant shareholder. If the circumstances continue to exist, disclosure is required in subsequent annual reports.</i>	GR 17.43
	4. <i>The expression "affiliated company" refers to a company which, in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Society of Accountants, is recorded using the equity method of accounting in an entity's financial statements. This includes associates and jointly controlled entities as defined in those Standards.</i>	PN 19 (1.2)
	5. <i>References to net assets (or, for GEM listed enterprises, net tangible assets) are to the aggregate of capital and reserves (excluding minority interests and intangibles) shown in the enterprise's latest published audited consolidated financial statements.</i>	PN 19 (1.3) GR 17.14 Note 2

Ref.	Requirement	Source
	Advances to an Entity	
1057	<p>Where the enterprise has been required to make disclosure during the period in respect of advances to an entity, and the circumstances giving rise to the disclosure continue to exist at the financial year end, the following information (as at the year end) should be included in the annual report:</p> <ul style="list-style-type: none"> a) details of the balances; b) the nature of events or transactions giving rise to the amounts; c) the identity of the debtor group; and d) interest rate, repayment terms and collateral. <p><i>Note: A general disclosure obligation arises where the relevant advance to an entity exceeds 25% of the enterprise's net assets. The expression 'relevant advance to an entity' refers to the aggregate of amounts due from and all guarantees given on behalf of:</i></p> <ul style="list-style-type: none"> a) an entity; b) the entity's controlling shareholders; c) the entity's subsidiaries; d) the entity's affiliated companies; and e) for GEM listed enterprise only, any other entity with the same controlling shareholder as the entity in question. 	<p>PN 19 (3.8, 3.2.3) GR 17.22 GR 17.17</p> <p>PN 19 (3.2.1, 1.4) GR 17.15 GR 17.14 Note 2</p>
	Financial Assistance and Guarantees to Affiliated Companies of the Enterprise	
1058	<p>Where the enterprise has been required to make disclosure during the period in respect of financial assistance and guarantees to affiliated companies, and the circumstances giving rise to the disclosure continue to exist at the financial year end, the annual report should include a proforma combined balance sheet of affiliated companies as of the latest practicable date.</p> <p><i>Notes:</i></p> <ol style="list-style-type: none"> 1. A general disclosure obligation arises where financial assistance given to affiliated companies of the enterprise, and guarantees given for facilities granted to affiliated companies, together in aggregate exceed 25% of the enterprise's net assets 2. The proforma combined balance sheet of affiliated companies should include significant balance sheet classifications and state the attributable interest of the enterprise in the affiliated companies. In cases where it is not practicable to prepare the proforma combined balance sheet of affiliated companies, the SEHK, on application from the enterprise, may consider accepting, as an alternative, a statement of the indebtedness, contingent liabilities and capital commitments as at the end of the period reported on by affiliated companies. 	<p>PN 19 (3.10) GR 17.24</p> <p>PN 19 (3.3) GR 17.18</p> <p>PN 19 (3.10) GR 17.24</p>

Ref.	Requirement	Source
1059	<p>Pledging of Shares by the Controlling Shareholder</p> <p>Where the enterprise has been required to make disclosure during the period because the controlling shareholder has pledged its interest in shares of the enterprise to secure debts of the enterprise, and the circumstances continue to exist at the date of the annual report, the following disclosures should be made in the annual report:</p> <ul style="list-style-type: none"> a) the number and class of shares pledged; b) the amount of debts, guarantees or other support for which the pledge is made; and c) any other details that are considered necessary for an understanding of the arrangements. <p><i>Note: A general disclosure obligation arises where the controlling shareholder of the enterprise has pledged its interest in shares of the enterprise to secure debts of the enterprise or to secure guarantees or support other obligations of the enterprise.</i></p>	<p>PN 19 (3.9, 3.6) GR 17.23 GR 17.19</p>
1060	<p>Loan Agreements Imposing Specific Performance on Controlling Shareholder</p> <p>Where the enterprise has been required to make disclosure during the period in respect of loan agreements with covenants relating to specific performance of the controlling shareholder, and breaches of such obligations will cause a default in respect of loans that are significant to the enterprise, and the circumstances continue to exist at the date of the annual report, the following disclosures should be made in the annual report:</p> <ul style="list-style-type: none"> a) the aggregate level of the facilities that may be affected by such a breach; b) the life of the facility; and c) the specific obligation imposed on any controlling shareholder. <p><i>Note: A general disclosure obligation arises where the enterprise (or any of its subsidiaries) has entered into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholder (e.g. a requirement to maintain a specified minimum holding in the share capital of the enterprise), and breach of such obligation will cause a default in respect of loans that are significant to the operations of the enterprise.</i></p>	<p>PN 19 (3.9, 3.7.1) GR 17.23 GR 17.20</p>
1061	<p>Breaches of Loan Agreements – General</p> <p>If disclosure has been required during the period of a breach of terms of a loan agreement by the enterprise, and the circumstances continue to exist at the date of the annual report, disclosure of the circumstances is also required in the annual report.</p> <p><i>Note: A general disclosure obligation arises where there is a breach of the terms of a loan agreement by the enterprise for a loan that is significant to the operations of the enterprise, such that the lender may demand immediate repayment of the loan and where the lender has not issued a waiver in respect of the breach.</i></p>	<p>PN 19 (3.9, 3.7.2) GR 17.23 GR 17.21</p>

Ref.	Requirement	Source
1062	<p>Pledging of Securities by an Initial Management Shareholder or Significant Shareholder (GEM Listed Enterprises Only)</p> <p>Where a GEM listed enterprise has been required to make disclosure during the period because an initial management shareholder or a significant shareholder has pledged or charged its interest in the securities of the enterprise, and the circumstances continue to exist at the date of the annual report, the following disclosures should be included in the annual report:</p> <ol style="list-style-type: none"> the number and class of securities pledged or charged; the purpose for which the pledge or charge is made; any other relevant details; and in the event that the pledgee or chargee has disposed of or intends to dispose of any securities, details of the same, including the number of securities affected or to be affected. <p><i>Note: A general disclosure obligation arises where an initial management shareholder or a significant shareholder has availed of the exemptions available under GR 13.18(1) or GR 13.18(4) to pledge or charge its interests in the securities of the enterprise at any time within the specified moratorium periods.</i></p> <p>ADDITIONAL DISCLOSURE REQUIREMENTS FOR FINANCIAL CONGLOMERATES</p> <p><i>Notes:</i></p> <ol style="list-style-type: none"> Items 1063 to 1066 relate only to financial conglomerates. A financial conglomerate is defined as an enterprise that: <ol style="list-style-type: none"> as at the end of the period, the net assets of its financial business represent more than 15% of the enterprise's consolidated net assets or, during the period under review, the net profit attributable to the shareholders of the financial business represents more than 15% of the net profit attributable to the shareholders of the enterprise; and as at the end of the period, its financial business has total assets of over HK\$1 billion or has customer deposits plus financial instruments held by the public of over HK\$300 million. For the purpose of these disclosure requirements, "financial business" includes, but is not limited to, the business of securities trading; giving advice in connection with securities; commodities trading; leveraged foreign exchange trading; insurance activities; and money lending. The information required by items 1063 to 1065, to be presented either on the face of the primary statements or in the notes, is considered to be part of the financial statements and therefore, where applicable, will be subject to audit. The information required by item 1066 will be presented outside the financial statements, generally as part of the director's business review. 	<p>GR 17.23 GR 17.43</p> <p>GR 17.43</p> <p>App 16.36 GR 18.37B</p> <p>App 16.35 GR 18.37A</p>

Ref.	Requirement	Source
1063	<p>The following items should be disclosed in the income statement of a financial conglomerate:</p> <ul style="list-style-type: none"> a) interest income; b) interest expense; c) gains less losses arising from dealing in foreign currencies; d) gains less losses on trading securities or other investments in securities; e) gains less losses from other dealing activities; f) gains less losses arising from derivative products; g) charge for bad and doubtful debts; h) gains less losses from disposal of investment securities or non-trading securities; i) provisions relating to held-to-maturity securities and investment securities, or provisions relating to held-to-maturity securities and non-trading securities; and j) operating profit by products and divisions. 	App 16.35(1) GR 18.37A(1)
1064	<p>The following items should be disclosed in the balance sheet of a financial conglomerate:</p> <ul style="list-style-type: none"> a) cash and short-term funds (with an analysis between cash and balances with banks and other financial institutions, money at call and short notice and treasury bills where applicable); b) trading securities or other investments in securities (the analysis of investments in securities should distinguish between equities and debt securities and they should also be analysed between those that are listed and those that are unlisted. The analysis should be provided separately for held-to-maturity securities, investment securities, other investments in securities, trading securities and non-trading securities where applicable. The market value for the listed securities as at the balance sheet date should also be disclosed); c) advances and other accounts (with an analysis between advances to customers, advances to banks and other financial institutions, accrued interest and other accounts, provisions for bad and doubtful debts and the related collateral security); d) held-to-maturity securities and investment securities or held-to-maturity securities and non-trading securities (with an analysis of held-to-maturity securities, investment securities, other investments in securities, trading securities and non-trading securities separately into those issued by central governments and central banks, public sector entities, banks and other financial institutions; corporate entities; and others. The market value of listed securities as at the balance sheet date should also be disclosed); 	App 16.35(2) GR 18.37A(2)

Ref.	Requirement	Source
	<p>e) issued debt securities;</p> <p>f) other accounts and provisions such as obligations under leases, sale and repurchase agreements, and forward contracts (with an analysis where material); and</p> <p>g) a maturity profile of the following assets and liabilities unless immaterial,</p> <p>Assets -</p> <ul style="list-style-type: none"> ■ advances to customers ■ placements with banks and other financial institutions ■ certificates of deposit held ■ debt securities (with an analysis into those included in held-to-maturity securities, trading securities or other investments in securities and investment securities or non-trading securities) <p>Liabilities -</p> <ul style="list-style-type: none"> ■ deposits and balances of banks and other financial institutions ■ current, fixed savings and other deposits of customers ■ certificates of deposit issued ■ issued debt securities 	
1065	<p>The following should be disclosed in respect of the off-balance sheet exposures of a financial conglomerate:</p> <p>a) contingent liabilities and commitments;</p> <p>b) derivatives (with an analysis into those related to exchange rate contracts and interest rate contracts. The aggregate notional amounts of each significant class of derivative instruments should also be analysed into those entered into for trading or hedging purposes);</p> <p>c) where applicable, the aggregate credit risk weighted amounts of its contingent liabilities and commitments, exchange rate contracts, interest rate contracts and other derivatives, if any; and</p> <p>d) the aggregate replacement costs of its exchange rate contracts, interest rate contracts and other derivative contracts, if any.</p>	App 16.35(3) GR 18.37A(3)
1066	<p>The following supplementary information is required in respect of financial conglomerates:</p> <p>a) Management of risks</p> <p>A description of the main types of risk arising out of its business, including, where appropriate, credit, interest rate, foreign exchange and market risks arising out of its trading book. It should also include a description of the policies, procedures (including hedging policies) and controls used for measuring, monitoring and controlling those risks and managing the capital required to support them.</p> <p>b) Segmental information</p> <p>Where a geographical segment of the financial business represents 10% or more of the enterprise's whole business, then that segment should be further analysed by industry sector.</p>	App 16.35(4) GR 18.37A(4)

Ref.	Requirement	Source
	ADDITIONAL DISCLOSURE REQUIREMENTS FOR GEM LISTED ENTERPRISES	
	Statement of Investment Risk	
1067	<p>The annual report and accounts should contain, in a prominent position, and in bold type, a statement about the characteristics of GEM, as follows:</p> <p><i>"Characteristics of the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Exchange").</i></p> <p><i>GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligations to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.</i></p> <p><i>Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.</i></p> <p><i>The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers."</i></p>	GR 2.20 GR 18.07 Note 2
	Progress of Business Plan	
1068	In the case of the annual financial statements for the financial year in which the enterprise's securities are first admitted to listing on GEM, and the annual financial statements for the two financial years thereafter, a detailed statement by the directors is required as to the progress of the enterprise by comparison of actual business progress to the information provided in the statement of business objectives (as set out in its listing document) for the equivalent period, together with an explanation of any material differences (including as to its use of proceeds, as indicated in the listing document).	GR 18.43
	Activities of Audit Committee	
1069	<p>The following information should be disclosed in respect of the enterprise:</p> <ul style="list-style-type: none"> a) the composition, by name, of the audit committee (which information should be included in the corporate information section of the annual report); b) the work undertaken by the audit committee during the financial year (which information should be included in the report of the directors or the review of operations); c) the number of times that the audit committee met during the financial year; and 	GR 18.44

Ref.	Requirement	Source
	<p>d) the full name and professional qualifications (if any) of :</p> <ul style="list-style-type: none"> i) the company secretary; ii) the qualified accountant responsible for the financial reporting procedures and the internal controls; and iii) the compliance officer responsible for compliance with the GEM Rules and liaison with the SEHK. <p>Sponsor's Interests</p>	
1070	<p>Disclosure is required of the interests (if any) of the Sponsor, and of its directors, employees and associates, as notified to the enterprise pursuant to GR 6.36.</p>	GR 18.45

SECTION 2 REPORT OF THE DIRECTORS

Ref.	Requirement	Source
2001	A report by the directors with respect to the profit or loss of the company for the financial year, and the state of the company's affairs at the end thereof, should be attached to every balance sheet laid before a company in general meeting.	s129D(1)
	PRINCIPAL ACTIVITIES	
2002	The report should state the principal activities of the company and of its subsidiaries in the course of the financial year and any significant change in those activities in the year.	s129D(3)(a)
	APPROPRIATIONS	
2003	The report should state the amount, if any, which the directors recommend should be paid by way of dividend.	s129D(3)(b)
2004	The report should state the amount, if any, which the directors propose to be carried to reserves.	s129D(3)(c)
	DONATIONS	
2005	If the company (or, in the case of a group, the company taken together with its subsidiaries) has made donations for charitable or other purposes, the total amount of those donations should be disclosed.	s129D(3)(d)&(e)
	Notes:	
	1. A company which is a wholly-owned subsidiary of a Hong Kong company need not disclose donations made.	
	2. For a company which is not itself a wholly-owned subsidiary of a Hong Kong company, and which has subsidiaries, disclosure is required if the company and its subsidiaries between them have made donations for charitable or other purposes of HK\$1,000 or more.	
	3. For a company which is not itself a wholly-owned subsidiary of a Hong Kong company, and which has no subsidiaries, disclosure is required if the company has made donations for charitable or other purposes of HK\$10,000 or more.	
	FIXED ASSETS	
2006	If significant changes in the fixed assets of the company or its subsidiaries have occurred during the financial year, the report should give details of those changes.	s129D(3)(f)
	SHARE CAPITAL AND DEBENTURES	
2007	If, in the financial year, the company has issued any shares, the report should state the reason for making the issue, the classes of shares issued and, in respect of each class of shares, the number issued and the consideration received by the company for the issue.	s129D(3)(g)

[illegible]

Ref.	Requirement	Source
2014	<p>Where advantage is taken of section 141C to show an item in the directors' report instead of in the financial statements, the directors' report should also disclose the corresponding amount for the immediately preceding financial year, except where that amount would not have had to be shown had the item been shown in the financial statements.</p> <p><i>Note: Section 141C permits that any information that is required by the Ordinance to be given in financial statements may be given in the directors' report instead of in the financial statements.</i></p>	s129E
2015	<p>APPROVAL OF THE DIRECTORS' REPORT</p> <p>The directors' report should be approved by the board of directors and signed on behalf of the board either by the chairman of the meeting at which it was approved or by the company secretary.</p>	s129D(2)

SECTION 3 REPORT OF THE AUDITORS

Ref.	Requirement	Source
3001	<p>Auditors are required to state in their report whether, in their opinion, a true and fair view is given:</p> <ul style="list-style-type: none"> a) in the balance sheet, of the state of the company's affairs at the end of the accounting period; b) in the profit and loss account (if not framed as a consolidated profit and loss account), of the company's profit or loss for the accounting period; and c) in the case of group financial statements, of the state of affairs and profit or loss of the company and its subsidiaries dealt with by those financial statements. <p><i>Note: SSAP 15, Cash Flow Statements, requires, with certain specified exemptions, that financial statements should include a cash flow statement. In addition, SSAP 1, Presentation of Financial Statements, requires the inclusion of a statement of changes in equity. Where required by the relevant HKFRSs, inclusion of such additional primary statements is normally necessary in order that the financial statements give a true and fair view, as required by the Companies Ordinance.</i></p>	s141
3002	<p>Where the auditors form a negative opinion on any of the following, that fact should be stated:</p> <ul style="list-style-type: none"> a) whether proper books of account have been kept and proper returns adequate for the audit have been received from branches not visited by them; b) whether the financial statements are in agreement with the accounting records and returns received from branches; c) whether they have received all the information and explanations necessary for the purposes of the audit; and d) whether the information given in the Report of the Directors and other information accompanying the financial statements is consistent with the financial statements. 	<p>s141(4)</p> <p>s141(4)</p> <p>s141(6)</p> <p>SAS 160(21)</p>
3003	<p>Auditors' reports on financial statements should include the following matters:</p> <ul style="list-style-type: none"> a) a title identifying the person or persons to whom the report is addressed; b) where applicable, the country or place of incorporation of the reporting entity; c) an introductory paragraph identifying the financial statements audited and the accounting principles adopted; d) separate sections dealing with the respective responsibilities of directors and auditors, the basis of the auditors' opinion, and the auditors' opinion on the financial statements; e) the signature of the auditors; and 	SAS 600(9)

Ref.	Requirement	Source
3004	<p>f) the date of the auditors' report.</p> <p>Auditors should distinguish between their responsibilities and those of the directors by including in their report:</p> <p>a) a statement that the financial statements are the responsibility of the reporting entity's directors; and</p> <p>b) a statement that the auditors' responsibility is to express an opinion on the financial statements.</p>	SAS 600(18)
3005	Inclusion of wordings to clarify to whom the auditors are responsible as a means of managing the risk of inadvertently assuming a duty of care to third parties.	Professional Risk Management Bulletin No. 2, Auditors' care to Third Parties and the Audit Report
3006	<p>Auditors should explain the basis of their opinion by including in their report:</p> <p>a) a statement as to their compliance or otherwise with Auditing Standards, together with the reasons for any departure therefrom;</p> <p>b) a statement that the audit process includes:</p> <p>i) examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements;</p> <p>ii) assessing the significant estimates and judgments made by the reporting entity's directors in preparing the financial statements; and</p> <p>iii) considering whether the accounting policies are appropriate to the reporting entity's circumstances, consistently applied and adequately disclosed;</p> <p>c) a statement that they planned and performed the audit so as to obtain reasonable assurance as to whether the financial statements are free from material misstatement and that they have evaluated the overall presentation of the financial statements; and</p> <p>d) a statement that the audit provides a reasonable basis for the opinion.</p>	SAS 600(23)
3007	If the disclosure requirements in respect of loans to officers (see items 10159 to 10160) and directors' remuneration (see item 10052) are not complied with, it is the duty of the auditors to give the required particulars, so far as they are reasonably able to do so, in their audit report.	s161(8) s161B(6)
3008	Where the company has opted to present information required by the Companies Ordinance in the directors' report, rather than in the financial statements, the scope of the auditors' report is extended to include such information.	s141C

SECTION 4 GENERAL PRINCIPLES OF PRESENTATION

Ref.	Requirement	Source
	COMPONENTS OF FINANCIAL STATEMENTS	
4001	<p>The financial statements should include the following components:</p> <ul style="list-style-type: none"> a) balance sheet; b) income statement; c) statement of changes in equity; d) cash flow statement; and e) accounting policies and explanatory notes. 	SSAP 1.7 App 16.2 GR 18.07
	TRUE AND FAIR VIEW AND COMPLIANCE WITH SSAPs	
4002	<p>The financial statements should disclose the fact that they comply with HKFRSs.</p> <p><i>Note: Financial statements should not be described as complying with HKFRSs nor as having been prepared in accordance with accounting principles generally accepted in Hong Kong unless they comply with all of the requirements of each applicable HKFRS and each applicable Interpretation of the UIISC.</i></p>	SSAP 1.11
4003	<p>In the extremely rare circumstances where management concludes that compliance with a HKFRS would be misleading, and therefore that departure is necessary to give a true and fair view, the following information should be disclosed:</p> <ul style="list-style-type: none"> a) the fact that management has concluded that the financial statements give a true and fair view of the enterprise's financial position, financial performance and cash flows; b) that applicable HKFRSs have been complied with in all material respects, except for a departure from a HKFRSs in order to give a true and fair view; c) <ul style="list-style-type: none"> i) the HKFRS from which the enterprise has departed; ii) the nature of the departure (including the treatment that the HKFRS would require); iii) the reason why that treatment would be misleading in the circumstances; and iv) the treatment adopted; and d) the financial impact of the departure on the enterprise's net profit or loss, assets, liabilities, equity and cash flows for each period presented. 	SSAP 1.13
4004	When, in accordance with the specific requirements in that Standard, a HKFRS is applied before its effective date, that fact should be disclosed.	SSAP 1.19
4005	A statement is required indicating which body of accounting standards has been followed in the preparation of the financial statements.	App 16.5 GR 18.19

Ref.	Requirement	Source
	<p><i>Notes:</i></p> <ol style="list-style-type: none"> Where the listed enterprise is a Hong Kong incorporated company, legal opinion has confirmed that the financial statements must comply with the requirements of Hong Kong GAAP. Therefore, the options to use IFRS or US GAAP set out in the Listing Rules/GEM Rules are not available to Hong Kong incorporated companies. All enterprises with a primary listing, or in the process of obtaining a primary listing, on either the Main Board or the GEM are permitted to use either Hong Kong GAAP or IFRS, provided that they applied the standards consistently. Overseas incorporated enterprises with a secondary listing, or in the process of obtaining a secondary listing, on the Main Board are permitted to use US GAAP. GEM registrants incorporated overseas and either already listed or being simultaneously listed on the New York Stock Exchange or the NASDAQ National Market are permitted to prepare their financial statements in accordance with US GAAP, subject to certain conditions. Enterprises listed on the Main Board adopting IFRS are required to disclose and explain significant differences between the financial statements presented and those that would have been presented under Hong Kong GAAP. A statement of the financial effect of material differences is required. However, this requirement for a reconciliation to Hong Kong GAAP does not apply to enterprises incorporated or otherwise established in the PRC (H-share enterprises), which have always been permitted to use IFRS. 	<p>App 16 Note 2.1 GR 18.04</p> <p>App 16 Note 2.4</p> <p>GR 18.05</p> <p>App 16 Note 2.1(b) App 16 Note 2.3</p>
4006	Where the enterprise changes from one basis of accounting to another, the reasons for such change should be disclosed in the financial statements.	App 16 Note 2.2 GR 18.04 Note
	<i>Note: The enterprise should not change from one basis of accounting to another unless there are reasonable grounds to justify such a change.</i>	
4007	The financial statements should include a statement by the directors as to the reasons for any significant departure from an applicable accounting standard.	App 16.5 GR 18.20
4008	If an accounting estimate reported in a prior interim period of the current financial year is changed during a subsequent interim period of the same financial year and has a material effect in that subsequent interim period, the nature and amount of a change in an accounting estimate that has a material effect in the current financial year or which is expected to have a material effect in subsequent periods should be disclosed. If it is impracticable to quantify the amount, that fact should be disclosed.	App 16 Note 2.5 GR 18.07 Note 3
4009	If the relevant annual financial statements do not show a true and fair view of the state of affairs, results of operations, or cash flows of the company or group, more detailed and/or additional information should be provided.	App 16.3 GR 18.47
	<i>Note: If the enterprise is in doubt as to what more detailed and/or additional information should be provided, it should apply to the SEHK for guidance.</i>	

Ref.	Requirement	Source
	APPLICATION OF HONG KONG COMPANIES ORDINANCE DISCLOSURE REQUIREMENTS TO OVERSEAS COMPANIES	
4010	<p>The Listing Rules and the GEM Rules require that overseas incorporated companies should provide the additional disclosures required under the following provisions of the Companies Ordinance:</p> <ul style="list-style-type: none"> a) the Tenth Schedule; b) s128 (details of subsidiaries); c) s129 (details of investments); d) s129A (details of ultimate holding company); e) s129D (contents of the directors' report); f) s161 (directors' remuneration); g) s161A (corresponding figures); h) s161B (loans to company officers); i) s162 (directors' interests in contracts); and j) s162A (management contracts). 	<p>App 16.28 GR 24.20 GR 25.32</p>
	GOING CONCERN	
4011	When management is aware, in making its assessment of the enterprise's ability to continue as a going concern, of any material uncertainties related to events or conditions that may cast significant doubt upon the enterprise's ability to continue as a going concern, those uncertainties should be disclosed.	SSAP 1.24
4012	When the financial statements are not prepared on a going concern basis, that fact should be disclosed, together with the basis on which the financial statements are prepared and the reason why the enterprise is not considered to be a going concern.	SSAP 1.24
	<i>Note: An enterprise should not prepare its financial statements on a going concern basis if management determines after the balance sheet date either that it intends to liquidate the enterprise or to cease trading or that it has no realistic alternative but to do so.</i>	SSAP 9.13
	CONSISTENCY OF PRESENTATION	
4013	<p>The presentation and classification of items in the financial statements should be retained from one period to the next, unless:</p> <ul style="list-style-type: none"> a) a significant change in the nature of the operations of the enterprise or a review of its financial statements presentation demonstrates that the change will result in a more appropriate presentation of events or transactions; or b) a change in presentation is required by a HKFRS or by an Interpretation of the UIISC. 	SSAP 1.28

Ref.	Requirement	Source
	MATERIALITY, AGGREGATION AND OFFSETTING	
4014	Each material item should be presented separately in the financial statements.	SSAP 1.30
4015	Immaterial items may be aggregated with amounts of a similar nature or function and need not be presented separately.	SSAP 1.30
4016	<p>Assets and liabilities should not be offset except when offsetting is required or permitted by another HKFRS or when, and only when, all of the following conditions are met:</p> <ul style="list-style-type: none"> a) the reporting enterprise and another party or parties owe each other determinable monetary amounts, denominated either in the same currency, or in different but freely convertible currencies; b) the reporting enterprise has the ability to insist on a net settlement; and c) the reporting enterprise's ability to insist on a net settlement is assured beyond doubt. <p><i>Notes:</i></p> <ol style="list-style-type: none"> 1. For the purpose of item 4016(a), a freely convertible currency is one for which quoted exchange rates are available in an active market that can rapidly absorb the amount to be offset without significantly affecting the exchange rate. 2. In determining the ability to insist on a net settlement, any right to insist on a net settlement that is contingent should be taken into account only if the reporting enterprise is able to enforce net settlement in all situations of default by the other party or parties. 3. It is essential that there is no possibility that the enterprise could be required to transfer economic benefits to another party while being unable to enforce its own access to economic benefits. For this to be the case, it is necessary that the debit balance matures no later than the credit balance. It is also necessary that the reporting enterprise's ability to insist on a net settlement would survive the insolvency of any or all of the parties involved. 	SSAP 1.34
4017	<p>Items of income and expense should be offset when, and only when:</p> <ul style="list-style-type: none"> a) a HKFRS requires or permits it; or b) immaterial gains, losses and related expenses arising from the same or similar transactions and events are aggregated. <p>COMPARATIVE INFORMATION</p>	SSAP 1.35
4018	Unless a SSAP permits or requires otherwise, comparative information should be disclosed in respect of the previous period for all numerical information in the financial statements.	SSAP 1.39 Sch 10:12(16)&17(5)
4019	Comparative information should be included in narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.	SSAP 1.39

Ref.	Requirement	Source
4020	<p>When the presentation or classification of items in the financial statements is amended:</p> <ul style="list-style-type: none"> a) comparative amounts should be reclassified, unless it is impracticable to do so; b) the reason for, and a description of the nature of, material reclassifications should be disclosed; and c) when it is not practicable to reclassify comparative amounts, the enterprise should disclose the reason for not doing so, as well as the nature of the changes that would have been made if amounts were reclassified. <p>STRUCTURE AND CONTENT</p>	SSAP 1.42
4021	The financial statements should be clearly identified and distinguished from other information in the same published document.	SSAP 1.46
4022	Each component of the financial statements should be clearly identified.	SSAP 1.48
4023	<p>The following information should be prominently displayed, and repeated when necessary for a proper understanding of the information presented:</p> <ul style="list-style-type: none"> a) the name of the reporting enterprise or other means of identification; b) whether the financial statements cover the individual enterprise or a group of enterprises; c) the balance sheet date or the period covered by the financial statements, whichever is appropriate to the related component of the financial statements; d) the reporting currency; and e) the level of precision used in the presentation of figures in the financial statements (e.g. in thousands or millions of units of the reporting currency). 	SSAP 1.48
4024	<p>When, in exceptional circumstances, the balance sheet date changes and annual financial statements are presented for a period longer or shorter than one year, the enterprise should disclose:</p> <ul style="list-style-type: none"> a) the period covered by the financial statements; b) the reason for a period other than one year being used; and c) the fact that comparative amounts for the income statement, statement of changes in equity, cash flows and related notes are not comparable. 	SSAP 1.51

SECTION 5 INCOME STATEMENT

Ref.	Requirement	Source
	<p><i>Note: If a holding company prepares a consolidated income statement which complies with the requirements of the Companies Ordinance, it is not required to include its own income statement in the consolidated financial statements. This exemption is dependent on disclosure in the consolidated financial statements of how much of the consolidated profit or loss for the year is dealt with in the income statement of the holding company (see item 10075).</i></p> <p>CONTENTS – GENERAL</p>	s123(5) s125(1)
5001	All items of income and expense recognised in the period should be included in the determination of the net profit or loss for the period, unless a HKFRS or, in the absence of a relevant HKFRS, the law requires or permits otherwise.	SSAP 2.6
5002	<p>The face of the income statement should include, where material, line items which present the following amounts:</p> <ul style="list-style-type: none"> a) turnover; b) other revenue; c) the results of operating activities; d) finance costs; e) share of profits and losses of associates accounted for using the equity method; f) share of profits and losses of joint ventures accounted for using the equity method; g) tax expense; h) profit or loss from ordinary activities; i) extraordinary items; j) minority interest; and k) net profit or loss for the period. 	SSAP 1.79 SSAP 2.9 SSAP 10.36 SSAP 21.48 SSAP 32.40 App 16.4(1) GR 18.50A(1)
5003	Additional line items, headings, sub-totals and further analysis of line items should be presented on the face of the income statement when required by a HKFRS, or when such presentation is necessary to give a true and fair view of the enterprise's financial performance.	SSAP 1.79
5004	The amount presented for turnover should consist of revenue arising from the principal activities of the enterprise and, therefore, should not usually include those items of revenue and gains that arise incidentally.	SSAP 1.80
5005	In respect of discontinuing operations, the amount of the pre-tax gain or loss recognised on the disposal of assets or settlement of liabilities attributable to a discontinuing operation should be disclosed on the face of the income statement.	SSAP 33.39

Ref.	Requirement	Source
	ANALYSIS OF EXPENSES	
5006	The financial statements should present, either on the face of the income statement or in the notes to the income statement, an analysis of expenses using a classification based on either the nature of the expenses (staff costs, depreciation etc.) or their function within the enterprise (cost of sales, distribution expenses, administrative expenses etc.). <i>Note: Enterprises are encouraged to present the analysis referred to in item 5006 on the face of the income statement.</i>	SSAP 1.83
	EARNINGS PER SHARE	
5007	Basic and diluted earnings (loss) per share should be presented on the face of the income statement (with equal prominence for all periods presented) for each class of ordinary shares that has a different right to share in the net profit for the period.	SSAP 5.46,47 App 16.4(1)(h) GR 18.50A(1)(m)
5008	The enterprise should disclose the following: a) the amounts used as the numerators in calculating basic and diluted earnings per share, and a reconciliation of those amounts to the net profit or loss for the period; and b) the weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, and a reconciliation of those denominators to each other.	SSAP 5.48
5009	If additional per share amounts are presented: a) where a reported component of net profit other than net profit or loss for the period attributable to ordinary shareholders is used as the numerator, the per share amounts should be calculated using the weighted average number of ordinary shares determined in accordance with SSAP 5; b) where the numerator is a component of net profit that is not reported as a line item in the income statement, a reconciliation should be provided between the component used and a line item that is reported in the income statement; and c) basic and diluted per share amounts should be presented with equal prominence.	SSAP 5.50
5010	The calculation of the basic and diluted earnings per share for all periods presented should be adjusted retrospectively for: a) any increases in the number of shares or potential ordinary shares outstanding during the period as a result of a capitalisation or bonus issue or share split; b) any decreases in the number of shares or potential ordinary shares outstanding during the period as a result of a reverse share split; c) any such increases or decreases that occur after the balance sheet date but before the issue of the financial statements; d) the effects of fundamental errors dealt with in accordance with SSAP 2, <i>Net Profit or Loss for the Period, Fundamental Errors and Changes on Accounting Policies</i> ;	SSAP 5.42

Ref.	Requirement	Source
5011	<p>e) adjustments resulting from changes in accounting policies dealt with in accordance with SSAP 2; and</p> <p>f) the effects of a business combination which is a merger.</p> <p>Where applicable, the fact should be disclosed that per share calculations have been adjusted retrospectively to reflect increases/decreases in the number of ordinary or potential ordinary shares outstanding arising from capitalisation issues or share splits/reverse share splits.</p>	SSAP 5.42

SECTION 6 BALANCE SHEET

Ref.	Requirement	Source
	<i>Note: Consolidated financial statements should include both a consolidated and a holding company balance sheet, each of which should comply with applicable disclosure requirements set out below.</i>	s123(5) s125(1)
	CURRENT/NON-CURRENT DISTINCTION	
6001	Fixed assets, current assets and assets that are neither fixed nor current should be clearly identified.	Sch 10:4(2)
6002	Each enterprise should determine, based on the nature of its operations, whether or not to present current and non-current assets, and current and non-current liabilities as separate classifications on the face of the balance sheet.	SSAP 1.55
6003	Where current and non-current assets, and current and non-current liabilities, are not presented as separate classifications on the face of the balance sheet, assets and liabilities should be presented broadly in order of their liquidity.	SSAP 1.55
6004	An asset should be classified as a current asset when it: <ul style="list-style-type: none"> a) is expected to be realised in, or is held for sale or consumption in, the normal course of the enterprise's operating cycle; or b) is held primarily for trading purposes or for the short-term, and is expected to be realised within 12 months of the balance sheet date; or c) is cash or a cash equivalent asset which is not restricted in its use. 	SSAP 1.60
6005	All assets, other than those meeting one of the criteria outlined in item 6004, should be classified as non-current assets.	SSAP 1.60
6006	A liability should be classified as a current liability when it: <ul style="list-style-type: none"> a) is expected to be settled in the normal course of the enterprise's operating cycle; or b) is due to be settled within 12 months of the balance sheet date. 	SSAP 1.63
6007	All liabilities, other than those meeting one of the criteria outlined in item 6006, should be classified as non-current liabilities.	SSAP 1.63
6008	An enterprise should continue to classify its long-term interest-bearing liabilities as non-current, even when they are due to be settled within 12 months of the balance sheet date, if: <ul style="list-style-type: none"> a) the original term was for a period of more than 12 months; b) it is intended to refinance the obligation on a long-term basis; and c) that intention is supported by an agreement to refinance, or to reschedule payments, which is completed before the financial statements are authorised for issue. 	SSAP 1.66
6009	The amount of any liability that has been excluded from current liabilities in accordance with item 6008 should be disclosed in the notes to the financial statements, together with information in support of this presentation.	SSAP 1.66

Ref.	Requirement	Source
6010	Irrespective of whether the enterprise presents current and non-current assets, and current and non-current liabilities separately, for each asset and liability item that combines amounts expected to be recovered or settled both before and after 12 months, the enterprise should disclose the amount expected to be recovered or settled after more than 12 months. CONTENTS – GENERAL	SSAP 1.56
6011	Reserves, provisions, liabilities and assets should be classified under headings appropriate to the business.	Sch 10:4(1)
6012	The face of the balance sheet should include, where material, line items which present the following amounts: a) property, plant and equipment; b) intangible assets; c) financial assets (excluding amounts shown under (d), (f) and (g)); d) investments accounted for using the equity method; e) inventories; f) trade and other receivables; g) cash and cash equivalents; h) trade and other payables; i) tax liabilities and assets; j) provisions; k) non-current interest-bearing liabilities; l) minority interest; and m) issued capital and reserves.	SSAP 1.69 App 16.4(2) GR 18.50A(2)
6013	Additional line items, headings and sub-totals should be presented on the face of the balance sheet where a HKFRS requires it, or when such presentation is necessary to give a true and fair view of the enterprise's financial position.	SSAP 1.70
6014	An enterprise should disclose, either on the face of the balance sheet or in the notes, further sub-classifications of the line items presented, classified by the nature of the items, in a manner appropriate to the enterprise's operations. INVESTMENTS	SSAP 1.75
6015	Investments in associates accounted for using the equity method should be classified as long-term investments and disclosed as a separate item in the balance sheet.	SSAP 10.36
6016	Interests in jointly controlled entities accounted for using the equity method should be classified as long-term assets and disclosed as a separate item in the balance sheet.	SSAP 21.48

Ref.	Requirement	Source
	PLEDGED CASH DEPOSITS	
6017	The amount of pledged cash, short-term deposits or cash equivalents classified as current assets by virtue of not being considered restricted in use should be shown as a separate line item on the face of the balance sheet with an appropriate description (e.g. pledged deposits).	INT 8.5
	<i>Note: Cash, short-term deposits or cash equivalents pledged as security for a current liability or an undrawn facility may be classified as current assets. However, such items pledged as security for a non-current liability should not be classified as current assets since they are considered to be restricted in use under SSAP 1.60 (c).</i>	INT 8.4
	RESERVES AND PROVISIONS	
6018	The aggregate amount of reserves and provisions should be stated under separate headings.	Sch 10:6
	MINORITY INTERESTS	
6019	Minority interests should be presented in the consolidated balance sheet separately from liabilities and the parent shareholder's equity.	SSAP 32.40
	APPROVAL OF FINANCIAL STATEMENTS	
6020	The enterprise should disclose the date when the financial statements were authorised for issue and who gave that authorisation.	SSAP 9.16
6021	If the enterprise's owners or others have the power to amend the financial statements after issuance, the enterprise should disclose that fact.	SSAP 9.16
6022	The balance sheet should be approved by the board of directors of the company and signed on behalf of the board by two of the directors.	s129B(1)
	<i>Note: In case of a private company having only one director, under the Companies (Amendment) Ordinance 2003, the balance sheet should be approved by the sole director.</i>	

SECTION 7 STATEMENT OF CHANGES IN EQUITY

Ref.	Requirement	Source
	<p><i>Note: SSAP 1 permits the enterprise to choose between three alternative formats for the statement of changes in equity. The alternatives available are:</i></p> <ul style="list-style-type: none"> ■ <i>a comprehensive equity reconciliation as a primary financial statement, which discloses all movements in equity;</i> ■ <i>a summary equity reconciliation as a primary financial statement, which discloses movements in total equity. Where this format is adopted, the detailed analysis of movements in capital and reserves is provided in the notes to the financial statements; and</i> ■ <i>a statement of recognised gains and losses as a primary statement. This includes only gains and losses in the primary statement, with other movements in equity disclosed in the notes to the financial statements.</i> <p><i>Whichever approach is adopted, a sub-total of the items specified by item 7001(b) below is required, in order to enable users to derive the total gains and losses arising from the enterprise's activities during the period.</i></p>	SSAP 1.99
7001	<p>An enterprise should present, as a separate component of the financial statements, a statement showing:</p> <ul style="list-style-type: none"> a) the net profit or loss for the period; b) each item of income and expense, gain or loss which, as required by other HKFRSs, is recognised directly in equity, and the total of those items; and c) the cumulative effect of changes in accounting policy and the correction of fundamental errors dealt with, in accordance with SSAP 2 <i>Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies</i>. 	<p>SSAP 1.94(a)</p> <p>SSAP 1.94(b)</p> <p>SSAP 1.94(c)</p>
7002	<p>The following items should be presented, either within the statement referred to in item 7001 above, or in the notes to the financial statements:</p> <ul style="list-style-type: none"> a) capital transactions with owners and distributions to owners; b) the balance of accumulated profit or loss at the beginning of the period and at the balance sheet date, and the movements for the period; and c) a reconciliation between the carrying amount of each class of equity capital, share premium and each reserve at the beginning and end of the period, separately disclosing each movement. <p><i>Note: The overall requirement for comparatives under SSAP 1.39 (see item 4018) overrides exemptions granted in the Companies Ordinance. Therefore, comparatives are required for movements in capital and reserves.</i></p>	<p>Sch 10:7</p> <p>SSAP 1.94(d)</p> <p>SSAP 1.94(e)</p> <p>SSAP 1.94(f)</p>

Ref.	Requirement	Source
7003	<p>The following amounts charged or credited directly to equity should be separately disclosed (as required by specific Standards):</p> <ul style="list-style-type: none"> a) the revaluation reserve arising on property, plant and equipment, indicating the movement for the period and any restrictions on the distribution of the balance to shareholders; b) the balance on the investment property revaluation reserve together with details of movements during the accounting period; c) the amount of the revaluation surplus that relates to intangible assets at the beginning and end of the period, indicating the changes during the period and any restrictions on the distribution of the balance to shareholders; d) movements in the investment revaluation reserve for the period and the nature of such movements; and e) the net movement on reserves that arises from exchange differences. 	<p>SSAP 17.75(g)</p> <p>SSAP 13.21(c)</p> <p>SSAP 29.113(b)</p> <p>SSAP 24.48(e)</p> <p>SSAP 11.36(c)</p>

SECTION 8 CASH FLOW STATEMENT

Ref.	Requirement	Source
	<p><i>Note:</i></p> <p><i>All enterprises are required to provide a cash flow statement except:</i></p> <p>a) <i>entities with revenue of less than HK\$20 million per annum. This exemption does not apply to an enterprise which:</i></p> <p>i) <i>is listed on a recognised stock exchange; or</i></p> <p>ii) <i>is a dealer registered under the Securities and Futures Ordinance; and</i></p> <p>b) <i>charities and non-profit making enterprises whose financial statements are prepared on a cash basis.</i></p>	SSAP 15.1
	GENERAL	
8001	The cash flow statement should be presented as an integral part of the financial statements for each period for which financial statements are presented.	SSAP 15.1
	CLASSIFICATION OF CASH FLOWS	
8002	The cash flow statement should report cash flows during the period classified by operating, investing and financing activities.	SSAP 15.9
8003	The enterprise should report cash flows from operating activities using either:	SSAP 15.17
	<p>a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or</p> <p>b) the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.</p>	
8004	Major classes of gross cash receipts and gross cash payments arising from investing and financing activities should be separately reported, except to the extent that they are specifically permitted by the SSAP to be presented on a net basis.	SSAP 15.20
	<p><i>Note:</i></p> <p><i>The following classes of cash flow may be reported on a net basis:</i></p> <p>a) <i>cash flows arising from the following operating, investing or financing activities:</i></p> <p>i) <i>cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the enterprise; and</i></p> <p>ii) <i>cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short; and</i></p>	SSAP 15.21

Ref.	Requirement	Source
	<p><i>b) cash flows arising from each of the following activities of a financial institution:</i></p> <p><i>i) cash receipts and payments for the acceptance and repayment of deposits with a fixed maturity date;</i></p> <p><i>ii) the placement of deposits with and withdrawal of deposits from other financial institutions; and</i></p> <p><i>iii) cash advances and loans made to customers and the repayment of those advances and loans.</i></p>	SSAP 15.23
	EXTRAORDINARY ITEMS	
8005	The cash flows associated with extraordinary items should be classified as arising from operating, investing or financing activities as appropriate and separately disclosed.	SSAP 15.28
	INTEREST AND DIVIDENDS	
8006	Cash flows from interest and dividends received and paid should each be disclosed separately.	SSAP 15.30
8007	Cash flows from interest and dividends received and paid should each be classified in a consistent manner from period to period as either operating, investing or financing activities.	SSAP 15.30
	TAXES ON INCOME	
8008	Cash flows arising from taxes on income should be separately disclosed.	SSAP 15.34
8009	Cash flows arising from taxes on income should be classified as cash flows from operating activities unless they can be specifically identified with financing or investing activities.	SSAP 15.34
	<i>Note: When tax cash flows are allocated over more than one class of activity, the total amount of taxes paid should be disclosed.</i>	SSAP 15.35
	ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND OTHER BUSINESS UNITS	
8010	The aggregate cash flows arising from acquisitions and from disposals of subsidiaries and other business units should be presented separately and classified as investing activities.	SSAP 15.37
8011	<p>The following information should be disclosed, in aggregate, in respect of both acquisitions and disposals of subsidiaries and other business units during the period:</p> <p>a) the total purchase or disposal consideration;</p> <p>b) the portion of the purchase or disposal consideration discharged by means of cash and cash equivalents;</p> <p>c) the amount of cash and cash equivalents in the subsidiary or business unit acquired or disposed of; and</p> <p>d) the amount of the assets and liabilities other than cash or cash equivalents in the subsidiary or business unit acquired or disposed of, summarised by each major category.</p>	SSAP 15.38

Ref.	Requirement	Source
	NON-CASH TRANSACTIONS	
8012	Investing and financing transactions that do not require the use of cash or cash equivalents should be excluded from the cash flow statement.	SSAP 15.41
8013	Investing and financing transactions that do not require the use of cash or cash equivalents should be disclosed elsewhere in the financial statements in a manner that provides all of the relevant information about those investing and financing activities.	SSAP 15.41
	OTHER DISCLOSURES	
8014	The components of cash and cash equivalents should be disclosed.	SSAP 15.43
8015	A reconciliation should be presented of the amounts of the components of cash and cash equivalents in the cash flow statement with the equivalent items reported in the balance sheet.	SSAP 15.43
8016	The enterprise should disclose the amount of significant cash and cash equivalent balances held by the enterprise that are not available for use by the group, together with a commentary by management.	SSAP 15.46

SECTION 9 ACCOUNTING POLICIES

Ref.	Requirement	Source
	GENERAL REQUIREMENTS	
9001	The notes to the financial statements should present information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and events.	SSAP 1.101(a)
9002	The accounting policies section of the notes should describe: <ul style="list-style-type: none"> a) the measurement bases used in preparing the financial statements; and b) each specific accounting policy that is necessary for a proper understanding of the financial statements. 	SSAP 1.107
	POLICIES REQUIRED TO BE DISCLOSED BY SPECIFIC STANDARDS	
9003	The following accounting policies should be disclosed, as required by specific HKFRSs: <ul style="list-style-type: none"> a) Subsidiaries <ul style="list-style-type: none"> ■ in the parent's separate financial statements, a description of the method used to account for subsidiaries b) Associates <ul style="list-style-type: none"> ■ the method used to account for investments in associates. c) Joint ventures <ul style="list-style-type: none"> ■ an investing party (venturer or investor) should disclose its accounting policy for the determination of the carrying amount of its interests in joint ventures. d) Goodwill <ul style="list-style-type: none"> ■ the amortisation period(s) adopted; ■ if goodwill is amortised over more than 20 years: <ul style="list-style-type: none"> i) the justification for rebuttal of the presumption that the useful life of goodwill will not exceed 20 years from initial recognition; and ii) a description of the factor(s) that played a significant role in determining the useful life of the goodwill; ■ if goodwill is not amortised on a straight-line basis, the basis used and the reason why that basis is more appropriate than the straight-line basis; and ■ the line item(s) of the income statement in which the amortisation of goodwill is included. 	<div>SSAP 32.45(c)</div> <div>SSAP 10.35</div> <div>SSAP 21.54</div> <div>SSAP 30.77(a)</div> <div>SSAP 30.77(b)</div> <div>SSAP 30.77(c)</div> <div>SSAP 30.77(d)</div>

Ref.	Requirement	Source
e)	Negative goodwill	
	■ the period(s) over which negative goodwill is recognised as income; and	SSAP 30.80(b)
	■ the line item(s) of the income statement in which negative goodwill is recognised as income.	SSAP 30.80(c)
f)	Revenue	
	■ the accounting policies adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving the rendering of services; and	SSAP 18.35(a)
	■ the method by which turnover is arrived at.	Sch 10:16(4)
g)	Construction contracts	
	■ the methods used to determine the contract revenue recognised in the period; and	SSAP 23.38(b)
	■ the methods used to determine the stage of completion of contracts in progress.	SSAP 23.38(c)
h)	Borrowing costs	
	■ the accounting policy adopted for borrowing costs.	SSAP 19.25(a)
i)	Government grants	
	■ the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements.	SSAP 35.40(a)
j)	Retirement benefit costs	
	■ for defined benefit plans, the enterprise's accounting policy for recognising actuarial gains and losses.	SSAP 34.120(a)
k)	Equity compensation plans	
	■ the accounting policy for equity compensation plans.	SSAP 34.147(b)
l)	Foreign currency	
	■ the basis on which other currencies have been converted into the currency in which the balance sheet is expressed, where the amount of assets or liabilities affected is material; and	Sch 10:12(14)
	■ the method used in the translation of the financial statements of foreign enterprises and the treatment accorded to exchange differences.	SSAP 11.35
m)	Taxation	
	■ the basis on which the amount, if any, set aside for Hong Kong Profits Tax is computed.	Sch 10:12(15)

Ref.	Requirement	Source
	<p>n) Property, plant and equipment</p> <ul style="list-style-type: none"> ■ the measurement bases used for determining the gross carrying amount of property, plant and equipment; ■ the depreciation methods used; ■ the useful lives or the depreciation rates used; ■ the accounting policy for the estimated costs of restoring the site of items of property, plant or equipment; and ■ the basis of calculation of any gain or loss arising from the retirement or disposal of property, plant and equipment. 	<p>SSAP 17.71(a)</p> <p>SSAP 17.71(b)</p> <p>SSAP 17.71(c)</p> <p>SSAP 17.72(b)</p> <p>SSAP 17.72(e)</p>
	<p>o) Investment properties – policies for:</p> <ul style="list-style-type: none"> ■ the frequency of valuations; ■ the determination of the carrying amount of investment properties; ■ the treatment of changes in value of investment properties carried at revalued amounts; and ■ the treatment of any revaluation surplus on the sale of a revalued investment property. 	<p>SSAP 13.21(a)</p> <p>SSAP 13.21(h)</p>
	<p>p) Intangible assets - for each class of asset, distinguishing between internally-generated intangible assets and other intangible assets:</p> <ul style="list-style-type: none"> ■ the useful lives or the amortisation rates used; ■ the amortisation methods used; ■ the line item(s) of the income statement in which the amortisation of intangible assets is included; ■ <i>if an intangible asset is amortised over more than 20 years:</i> <ul style="list-style-type: none"> i) the justification for rebuttal of the presumption that the useful life of an intangible asset will not exceed 20 years from the date when the asset is available for use; and ii) a description of the factor(s) that played a significant role in determining the useful life of the asset; and ■ for intangible assets acquired by way of a government grant and initially recognised at fair value, whether they are carried under the benchmark or the allowed alternative treatment for subsequent measurement. 	<p>SSAP 29.107(a)</p> <p>SSAP 29.107(b)</p> <p>SSAP 29.107(d)</p> <p>SSAP 29.111(a)</p> <p>SSAP 29.111(c)(iii)</p>
	<p>q) Investments in securities</p> <ul style="list-style-type: none"> ■ the policy for the determination of the carrying amount of investments; ■ the treatment of changes in fair value of securities carried at fair value; and 	<p>SSAP 24.48(a)</p>

Ref.	Requirement	Source
	<ul style="list-style-type: none"> ■ the treatment of a revaluation surplus on the sale of a revalued investment. <p>r) Inventories</p> <ul style="list-style-type: none"> ■ the accounting policies adopted in measuring inventories, including the cost formula used. 	SSAP 22.30(a)
	CHANGES IN ACCOUNTING POLICIES	
9004	<p>When a change in accounting policy has a material effect on the current period or any prior period presented, or may have a material effect in subsequent periods, the following should be disclosed:</p> <ul style="list-style-type: none"> a) the reasons for the change; b) the amount of the adjustment for the current period and for each period presented; c) the amount of the adjustment relating to periods prior to those included in the comparative information; and d) the fact that comparative information has been restated or that it is impracticable to do so. 	SSAP 2.49 Sch 10:17(6)(b)
	<p><i>Note: The enterprise is required to disclose separately the effect of prior period adjustments arising in (i) its associates and (ii) its jointly controlled entities.</i></p>	SSAP 10.36 SSAP 21.48

SECTION 10 EXPLANATORY NOTES

Ref.	Requirement	Source
	<p><i>Note: In consolidated financial statements, notes supplementing income statement information need to include information for the group only (if the holding company has taken advantage of the exemption from providing its own income statement). Notes supplementing balance sheet information should be provided for both the holding company and the group.</i></p>	
	GENERAL	
10001	<p>The following details should be disclosed in the financial statements:</p> <ol style="list-style-type: none"> a description of the nature of the enterprise's operations and its principal activities; and the name and country of incorporation of the ultimate parent enterprise of the group. 	SSAP 1.113 s129A
	<p><i>Note: Enterprises are also encouraged to disclose:</i></p> <ol style="list-style-type: none"> <i>the domicile and legal form of the enterprise;</i> <i>the country of incorporation of the enterprise; and</i> <i>the address of the enterprise's registered office (or its principal place of business, if different from the registered office).</i> 	SSAP 1.115
10002	<p>The notes to the financial statements should:</p> <ol style="list-style-type: none"> disclose the information required by HKFRSs that is not presented elsewhere in the financial statements; and provide additional information that is not presented on the face of the financial statements, but which is necessary for giving a true and fair view. 	SSAP 1.101(b) SSAP 1.101(c)
10003	<p>The notes to the financial statements should be presented in a systematic manner, with each item on the face of the balance sheet, income statement and cash flow statement cross-referenced to any related information in the notes.</p>	SSAP 1.102
	FUNDAMENTAL ERRORS	
10004	<p>The following should be disclosed for each separate fundamental error:</p> <ol style="list-style-type: none"> the nature of the fundamental error; the amount of the correction for the current period and for each prior period presented; the amount of the correction relating to periods prior to those included in the comparative information; and the fact that comparative information has been restated or that it is impracticable to do so. 	SSAP 2.36
	<p><i>Note: The enterprise is required to disclose separately the effect of prior period adjustments arising in (i) its associates and (ii) its jointly controlled entities.</i></p>	SSAP 10.36 SSAP 21.48

Ref.	Requirement	Source
	CHANGES IN ACCOUNTING ESTIMATES	
10005	The effect of a change in an accounting estimate should be included in the same income statement classification as was used previously for the estimate.	SSAP 2.27
10006	The nature and, unless it is impracticable to do so, the amount of a change in accounting estimate that has a material effect in the current period, or which is expected to have a material effect in subsequent periods, should be disclosed.	SSAP 2.29
10007	If it is impracticable to quantify the amount of a change in accounting estimate that has a material effect in the current period, or which is expected to have a material effect in subsequent periods, that fact should be disclosed.	SSAP 2.29
10008	If an estimate of an amount reported in an interim period is changed significantly during the final interim period of the financial year, but a separate report is not issued for that final interim period, the nature and amount of the change in estimate should be disclosed in a note to the annual financial statements for that financial year.	SSAP 25.26
	SEGMENT INFORMATION	
	<i>Note: The SEHK requires the disclosure of segment information to comply with SSAP 26.</i>	App 16.7(3) GR 18.08(2)
10009	The following disclosures should be made for each reportable segment based on the enterprise's primary reporting format:	SSAP 26.50
	a) segment revenue, separately distinguishing segment revenue from sales to external customers and segment revenue from transactions with other segments;	SSAP 26.51
	b) segment result;	SSAP 26.52
	c) the total carrying amount of segment assets;	SSAP 26.55
	d) segment liabilities;	SSAP 26.56
	e) the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment, and intangible assets);	SSAP 26.57
	<i>Note: This information should be presented on an accrual basis, not a cash basis.</i>	
	f) the total amount of expense included in segment result for depreciation and amortisation of segment assets for the period;	SSAP 26.58
	g) the total amount of significant non-cash expenses, other than depreciation and amortisation, that are included in segment expense and, therefore, deducted in measuring segment result;	SSAP 26.61
	h) the aggregate of the enterprise's share of the net profit or loss of associates, joint ventures or other investments accounted for under the equity method, if substantially all of those operations are within that single segment; and	SSAP 26.64

Ref.	Requirement	Source
	<p>i) where the group's share of results of associates and joint ventures is disclosed under (h) above, the aggregate investments in those associates and joint ventures.</p> <p><i>Notes:</i></p> <p>1. <i>Enterprises are encouraged, but not required, to disclose the nature and amount of any items of segment revenue and segment expense that are of such size, nature or incidence that their disclosure is relevant to explain the performance of each reportable segment for the period.</i></p> <p>2. <i>An enterprise that provides the segment cash flow disclosures that are encouraged by SSAP 26 need not also disclose depreciation and amortisation expenses nor non-cash expenses pursuant to (f) and (g) above</i></p>	<p>SSAP 26.66</p> <p>SSAP 26.59</p> <p>SSAP 26.63</p>
10010	<p>The enterprise should disclose the following for each reportable segment based on its primary format:</p> <p>a) the amount of impairment losses recognised in the income statement and directly in equity during the period; and</p> <p>b) the amount of reversals of impairment losses recognised in the income statement and directly in equity during the period.</p>	SSAP 31.116
10011	<p>The enterprise should present a reconciliation between the information disclosed for reportable segments and the aggregated information in the consolidated or enterprise financial statements, including:</p> <p>a) segment revenue reconciled to enterprise revenue from external customers (including disclosure of the amount of enterprise revenue from external customers not included in any segment's revenue);</p> <p>b) segment result reconciled to a comparable measure of enterprise operating profit or loss as well as to enterprise net profit or loss;</p> <p>c) segment assets reconciled to enterprise assets; and</p> <p>d) segment liabilities reconciled to enterprise liabilities.</p>	SSAP 26.67
10012	<p>If the enterprise's primary format for reporting segment information is business segments, it should also report the following information:</p> <p>a) segment revenue from external customers, by geographical area, based on the geographical location of its customers, for each geographical segment whose revenue from sales to external customers is 10% or more of total enterprise revenue from sales to all external customers;</p> <p>b) the total carrying amount of segment assets, by geographical location of assets, for each geographical segment whose segment assets are 10% or more of the total assets of all geographical segments; and</p> <p>c) the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment, and intangible assets), by geographical location of assets, for each geographical segment whose segment assets are 10% or more of the total assets of all geographical segments.</p>	SSAP 26.69

Ref.	Requirement	Source
10013	<p>If the enterprise's primary format for reporting segment information is geographical segments (whether based on location of assets or location of customers), it should also report the following segment information for each business segment whose revenue from sales to external customers is 10% or more of total enterprise revenue from sales to all external customers or whose segment assets are 10% or more of the total assets of all business segments:</p> <ul style="list-style-type: none"> a) segment revenue from external customers; b) the total carrying amount of segment assets; and c) the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment, and intangible assets). 	SSAP 26.70
10014	<p>If the enterprise's primary format for reporting segment information is geographical segments that are based on location of assets, and if the location of its customers is different from the location of its assets, then it should also report revenue from sales to external customers for each customer-based geographical segment whose revenue from sales to external customers is 10% or more of total enterprise revenue from sales to all external customers.</p>	SSAP 26.71
10015	<p>If the enterprise's primary format for reporting segment information is geographical segments that are based on location of customers, and if the enterprise's assets are located in different geographical areas from its customers, then it should also report the following segment information for each asset-based geographical segment whose revenue from sales to external customers or segment assets are 10% or more of related consolidated or total enterprise amounts:</p> <ul style="list-style-type: none"> a) the total carrying amount of segment assets by geographical location of the assets; and b) the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (property, plant, equipment, and intangible assets) by location of the assets. 	SSAP 26.72
10016	<p>If a business segment or geographical segment for which information is reported to the board of directors and chief executive officer is not a reportable segment because it earns a majority of its revenue from sales to other segments, but nonetheless its revenue from sales to external customers is 10% or more of total enterprise revenue from sales to all external customers, the enterprise should disclose:</p> <ul style="list-style-type: none"> a) the fact that these circumstances exist; b) the amount of revenue from sales to external customers; and c) the amount of revenue from internal sales to other segments. 	SSAP 26.74
10017	<p>For inter-segment transfers:</p> <ul style="list-style-type: none"> a) segment revenue from transactions with other segments should be measured and reported on the basis actually used to price those transfers; and b) the basis of pricing inter-segment transfers and any change therein should be disclosed. 	SSAP 26.75

Ref.	Requirement	Source
10018	Where changes in accounting policies are adopted for segment reporting that have a material effect on segment information: a) prior period segment information presented for comparative purposes should be restated unless it is impracticable to do so; and b) details of the change should be disclosed, including: i) a description of the nature of the change; ii) the reasons for the change; iii) the fact that comparative information has been restated or that it is impracticable to do so; and iv) the financial effect of the change, if it is reasonably determinable.	SSAP 26.76
10019	If the enterprise changes the identification of its segments and it does not restate prior period segment information on the new basis because it is impracticable to do so then, for the purpose of comparison, the enterprise should report segment data for both the old and the new bases of segmentation in the year in which it changes the identification of its segments.	SSAP 26.76
10020	If not otherwise disclosed in the financial statements or elsewhere in the financial report, the enterprise should indicate, for both primary and secondary segments: a) the types of products and services included in each reported business segment; and b) the composition of each reported geographical segment. REVENUE	SSAP 26.81
10021	The turnover for the year should be disclosed, except insofar as it is attributable to the business of banking. If an amount is omitted because it arises from the business of banking, that fact should be disclosed.	Sch 10:16(2)&(3)
10022	The enterprise should disclose the amount of each significant category of revenue recognised during the period, including revenue arising from: a) the sale of goods; b) the rendering of services; c) interest; d) royalties; and e) dividends.	SSAP 18.35(b)
10023	The enterprise should disclose the amount of revenue arising from exchanges of goods or services included in each significant category of revenue.	SSAP 18.35(c)
10024	The enterprise should disclose the amount of revenue arising from construction contracts recognised as revenue in the period.	SSAP 23.38(a)

Ref.	Requirement	Source
10025	If a substantial part of revenue consists of rents from land and buildings, the enterprise should disclose the amount thereof (after deduction of ground rents, rates and other outgoings).	Sch 10:13(1)(h)
10026	In the case of investment properties, the gross rental income from investment properties should be separately disclosed.	SSAP 13.21(f)
	DISCONTINUING OPERATIONS	
10027	<p>The following information should be disclosed relating to a discontinuing operation, beginning with the financial statements for the period in which the initial disclosure event occurs:</p> <ul style="list-style-type: none"> a) a description of the discontinuing operation; b) the business or geographical segment(s) in which it is reported in accordance with SSAP 26 <i>Segment Reporting</i>; c) the date and nature of the initial disclosure event; d) if known or determinable, the date or period in which the discontinuance is expected to be completed; e) the carrying amount, as of the balance sheet date, of the total assets and the total liabilities to be disposed of; f) the amounts of turnover, other revenue, expenses and pre-tax profit or loss from ordinary activities attributable to the discontinuing operation during the current financial reporting period, and the income tax expense relating thereto; and g) the amounts of net cash flows attributable to the operating, investing and financing activities of the discontinuing operation during the current financial reporting period. 	SSAP 33.27
10028	Where an initial disclosure event has occurred after the end of the enterprise's financial reporting period, but before the financial statements for that period are authorised for issue, the financial statements should include the disclosures specified in item 10027 above for the period covered by those financial statements.	SSAP 33.29
10029	<p>If the enterprise has disposed of assets or settled liabilities attributable to a discontinuing operation or entered into binding agreements for the sale of such assets or the settlement of such liabilities, the following information should be included in the financial statements when the events occur:</p> <ul style="list-style-type: none"> a) for any gain or loss that is recognised on the disposal of assets or settlement of liabilities attributable to the discontinuing operation: <ul style="list-style-type: none"> i) the amount of the pre-tax gain or loss; and ii) the income tax expense relating to the gain or loss; and b) for those net assets for which the enterprise has entered into one or more binding sale agreements: <ul style="list-style-type: none"> i) the net selling price or range of prices (which is after deducting the expected disposal costs); ii) the expected timing of receipt of those cash flows; and 	SSAP 33.31

Ref.	Requirement	Source
	iii) the carrying amount of those net assets.	
10030	In addition to the disclosures specified in items 10027 and 10029, the enterprise should include in its financial statements, for periods subsequent to the one in which the initial disclosure event occurs, a description of any significant changes in the amount or timing of cash flows relating to the assets and liabilities to be disposed of or settled, and the events causing those changes.	SSAP 33.33
10031	The disclosures required by items 10027 to 10030 should be continued in financial statements for periods up to and including the period in which the discontinuance is completed.	SSAP 33.35
	<i>Note: A discontinuance is completed when the plan is substantially completed or abandoned, although payments from the buyer(s) to the seller may not yet be completed.</i>	
10032	Where the enterprise abandons or withdraws from a plan that was previously reported as a discontinuing operation, that fact and its effect should be disclosed.	SSAP 33.36
10033	The specified disclosures should be presented separately for each discontinuing operation.	SSAP 33.38
10034	The disclosures specified in respect of discontinuing operations should be presented either in the notes to the financial statements or on the face of the financial statements [other than item 10029(a)(i) above, which is required to be presented on the face of the income statement]	SSAP 33.39
	<i>Note: The disclosures required by 10027(f) and 10027(g) are encouraged to be presented on the face of the income statement and cash flow statement respectively.</i>	SSAP 33.40
10035	Any income or expense relating to a discontinuing operation should be presented within ordinary activities and not as an extraordinary item.	SSAP 33.41
10036	The use of the term 'discontinuing operation' should be restricted to restructurings, transactions and events that meet the definition of a discontinuing operation under SSAP 33.	SSAP 33.43
10037	Comparative information for prior periods that is presented in financial statements prepared after the initial disclosure event, should be restated to segregate continuing and discontinuing assets, liabilities, income, expenses, and cash flows.	SSAP 33.45
	INVESTMENT INCOME	
10038	Income from investments (except subsidiaries) should be disclosed, analysed between income from listed and unlisted investments.	Sch 10:13(1)(g)
10039	The enterprise should disclose significant amounts included in income for: <ul style="list-style-type: none"> a) dividends and interest from investments in securities; b) the net realised gain or loss on disposal of investment securities, showing separately any amounts previously recognised in equity; c) the net realised and unrealised holding gain or loss on other investments; 	SSAP 24.48(b)

Ref.	Requirement	Source
	<ul style="list-style-type: none"> d) the net gain or loss from transfers of securities into the other investments category; and e) impairment losses. 	
	OTHER ITEMS OF INCOME AND EXPENDITURE	
10040	When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items should be disclosed separately.	SSAP 2.15 Sch 10:17(6)(a)
	Additional Analysis of Expenditure by Nature	
10041	When expenses are classified by function, additional information should be disclosed on the nature of expenses, including depreciation and amortisation expense, and staff costs.	SSAP 1.89
	Cost of Inventories	
10042	The financial statements should disclose either: <ul style="list-style-type: none"> a) the cost of inventories recognised as an expense during the period; or b) the operating costs, applicable to revenues, recognised as an expense during the period, classified by their nature. 	SSAP 22.32
	Finance Costs	
10043	Interest paid should be analysed between: <ul style="list-style-type: none"> a) interest on bank loans, overdrafts, and loans which are due for repayment on demand or wholly within five years of the balance sheet date; and b) interest on other loans. 	Sch 10:13(1)(b)
	<i>Note: A loan should be deemed to fall due for repayment and an instalment of a loan should be deemed to fall due for payment, on the earliest date on which the lender could require repayment if he exercised all options and rights available to him.</i>	Sch 10:31(e)
10044	The following should be disclosed: <ul style="list-style-type: none"> a) the total borrowing costs incurred during the period; b) the amount of borrowing costs capitalised during the period; and c) the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation. 	SSAP 19.25(b) SSAP 19.25(c) App 16.22(2) GR 18.22 SSAP 19.25(d)
	Exchange Differences	
10045	The net amount of exchange gains or losses on foreign currency borrowings less deposits should be disclosed, identifying separately: <ul style="list-style-type: none"> a) the amount offset in reserves under the requirements of SSAP 11 <i>Foreign Currency Translation</i>; and 	SSAP 11.36(a)

Ref.	Requirement	Source
	b) the net amount charged/credited to the income statement.	
10046	The enterprise should disclose the net amount of exchange gains or losses on forward contracts, together with any associated discount or premium on those contracts offset in reserves under the requirements of SSAP 11.	SSAP 11.36(b)
	Compensation Received	
10047	Monetary or non-monetary compensation recognised for the impairment or loss of items of property, plant and equipment should be disclosed separately.	INT 5.5
	Auditors' Remuneration	
10048	The enterprise should disclose the auditors' remuneration, including expenses.	Sch 10:15
	Depreciation and Disposal of Fixed Assets	
10049	The enterprise should disclose the amount charged to revenue as provision for depreciation, renewals or diminution in the value of fixed assets (other than shares in subsidiaries):	Sch 10:13(l)(a) Sch 10:18(2)(b)
	a) if the amounts charged by way of depreciation or diminution in value of any fixed assets (other than investments) have been determined otherwise than by reference to the balance sheet values, that fact should be stated; and	Sch 10:13(4)
	b) if, in the case of assets in respect of which provision has been made for depreciation or diminution in value, amounts have also been charged to revenue by way of provision for the renewal of the same assets, those amounts should be stated separately.	Sch 10:13(3)
10050	The following should be disclosed separately:	
	a) gains or losses arising from the retirement or disposal of property, plant and equipment;	SSAP 17.72(e)
	b) any gains or losses on disposal of investment properties; and	SSAP 13.21(e)
	c) any surplus or deficit on revaluation of investment properties taken to the income statement.	SSAP 13.21(d)
	Research and Development Costs	
10051	The financial statements should disclose the aggregate amount of research and development expenditure recognised as an expense during the period.	SSAP 29.115
	DIRECTORS' EMOLUMENTS	
10052	The following should be disclosed:	
	a) the aggregate amount of directors' emoluments, distinguishing between emoluments in respect of services as director, whether of the company or its subsidiary, and other emoluments;	s161(1)(a) s161(2)(b)
	b) the aggregate amount of directors' or past directors' pensions, distinguishing between pensions in respect of services as director, whether of the company or its subsidiary, and other pensions; and	s161(1)(b) s161(3)(b)

[illegible]

Ref.	Requirement	Source
	<p><i>Note: Where a director has agreed to waive future emoluments, particulars of such waiver should be disclosed together with those relating to emoluments which accrued during the past financial year. This applies in respect of emoluments from the company or any of its subsidiaries or other person.</i></p>	App 16 Note 24.1 GR 18.29 Note
10056	<p>Directors' fees, and any other reimbursements or emoluments, payable to independent non-executive directors should be separately disclosed.</p> <p>EMOLUMENTS OF THE FIVE HIGHEST PAID INDIVIDUALS</p>	CBP6
10057	<p>Equivalent information is to be provided in respect of those five individuals whose emoluments (excluding amounts paid or payable by way of commissions on sales generated by the individual) were the highest in the company or the group during the year.</p> <p>Where all five of the five highest-paid individuals are directors of the company and the information required to be disclosed by this paragraph has been disclosed in directors' remuneration above, a statement of that fact should be made and no additional disclosure is required.</p> <p>Where the details of one or more of the individuals whose emoluments were the highest have not been included in directors' remuneration above, the following information should be disclosed:</p> <ol style="list-style-type: none"> the aggregate of basic salaries, housing allowances, other allowances and benefits in kind for the financial year; the aggregate of contributions to pension schemes for the financial year; the aggregate of bonuses paid or receivable which are discretionary or are based on the company's, the group's or any member of the group's performance for the financial year; the aggregate of amounts paid during the financial year or receivable as an inducement to join or upon joining the company or the group; the aggregate of amounts paid during the financial year or receivable for loss of any office in connection with the management of the affairs of any member of the group, distinguishing between contractual payments and other payments; and an analysis showing the number of individuals whose remuneration (being amounts paid under (a) to (e) above) fell within bands from HK\$nil up to HK\$1,000,000 or into higher bands (where the higher limit of the band is an exact multiple of HK\$500,000 and the range of the band is HK\$499,999). <p>Notes:</p> <ol style="list-style-type: none"> <i>It is not necessary to disclose the identity of the highest paid individuals.</i> <i>Where, for example, four of the five highest paid individuals were directors, the disclosure of the emoluments of the highest paid non-director executive would involve disclosing separately the remuneration of that individual. If this is considered a breach of confidentiality, then disclosure could be made in aggregate for the five highest paid individuals, including directors, provided that the basis of the amounts presented in clearly disclosed.</i> 	App 16.25 GR 18.30
		App 16 Note 25.1 GR 18.30 Note 1

Ref.	Requirement	Source
	TAXATION	
10058	The enterprise should disclose any special circumstances which affect its liability in respect of taxation of profits, income or capital gains: <ul style="list-style-type: none"> a) for the year; and b) for succeeding financial years. 	Sch 10:17(4)
10059	The following should be disclosed: <ul style="list-style-type: none"> a) the amount charged to revenue for Hong Kong Profits Tax; b) the basis of computation of the amount disclosed under (a); c) if the amount charged would have been greater but for relief from double taxation, the amount which it would have been but for such relief; and d) the charge to taxation imposed outside Hong Kong on profits, income and (so far as charged to revenue) capital gains. 	Sch 10:13(1)(c) Sch 10:17(3) Sch 10:13(1)(c) Sch 10:13(1)(c)
10060	The investor's share of taxation of associates should be separately disclosed in the financial statements.	SSAP 10.36
10061	The venturer's share of taxation of interests in jointly controlled entities should be separately disclosed in the financial statements.	SSAP 21.48
10062	The major components of tax expense/income should be separately disclosed.	SSAP 12.79
10063	The tax expense (income) relating to extraordinary items recognised during the period should be separately disclosed.	SSAP 12.81(b)
10064	The aggregate current and deferred tax relating to items that are charged or credited to equity should be separately disclosed.	SSAP 12.81(a)
10065	An explanation should be provided of the relationship between the tax expense/income and the product of accounting profit multiplied by the applicable tax rate in either or both of the following forms: <ul style="list-style-type: none"> a) a numerical reconciliation between the tax expense/income and the product of accounting profit multiplied by the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed; and/or b) a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed. 	SSAP 12.81(c)
10066	The following should be disclosed: <ul style="list-style-type: none"> a) an explanation of changes in the applicable tax rate compared to the previous accounting period; and b) in respect of discontinuing operations, the tax expense relating to: <ul style="list-style-type: none"> i) the gain or loss on discontinuance; and 	SSAP 12.81(d) SSAP 12.81(h)

Ref.	Requirement	Source
	<p>ii) the profit or loss from the ordinary activities of the discontinuing operation for the period, together with the corresponding amounts for each prior period presented.</p>	
10067	For each type of temporary difference, and each type of unused tax losses and unused tax credits, the enterprise should disclose the amount of the deferred tax income or expense recognised in the income statement, where not readily apparent from the changes in the amounts recognised in the balance sheet.	SSAP 12.81(g)
	EXTRAORDINARY ITEMS	
10068	The nature and amount of each extraordinary item should be separately disclosed.	SSAP 2.10
10069	The investor's share of extraordinary items (if any) of associates should be separately disclosed in the financial statements.	SSAP 10.36
10070	The venturer's share of extraordinary items (if any) of jointly controlled entities should be separately disclosed in the financial statements.	SSAP 21.48
	DIVIDENDS	
10071	The enterprise should disclose the aggregate amount of dividends paid and proposed.	Sch 10:13(l)(j)
10072	The enterprise should disclose, either on the face of the income statement or in the notes, the amount of dividends per share, declared or proposed, for the period covered by the financial statements.	SSAP 1.92
10073	The enterprise should disclose, either on the face of the balance sheet as a separate component of equity or in the notes, the amount of dividends that were proposed or declared after the balance sheet date but before the financial statements were authorised for issue.	SSAP 1.77(c) SSAP 9.12
	<i>Note: Such dividends proposed or declared after the balance sheet date should not be recognised as a liability at the balance sheet date.</i>	SSAP 9.11
10074	The enterprise should disclose the amount of any cumulative preference dividends not recognised and the period for which the dividends are in arrears, separately for each class of shares affected.	SSAP 1.77(d) Sch 10:12(3)
	HOLDING COMPANY INCOME STATEMENT	
10075	Where the consolidated financial statements do not include an income statement for the holding company, the enterprise should disclose how much of the consolidated profit or loss is dealt with in the financial statements of the holding company.	s123(5)
	PROPERTY, PLANT AND EQUIPMENT	
10076	Items classified as property, plant and equipment in the financial statements should be limited to tangible assets that are both: <p>a) held by the enterprise for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and</p> <p>b) are expected to be used during more than one period.</p>	SSAP 17.6

Ref.	Requirement	Source
10077	<p>The following information should be disclosed for each major class of property, plant and equipment:</p> <ul style="list-style-type: none"> a) when more than one measurement basis has been used, the gross carrying amount included for each measurement basis in each category; b) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and c) a reconciliation of the gross carrying amount and the accumulated depreciation at the beginning and end of the period showing: <ul style="list-style-type: none"> i) additions; ii) disposals; iii) acquisitions through business combinations; iv) increases or decreases during the period resulting from revaluations and from impairment losses recognised or reversed directly in equity under SSAP 31 <i>Impairment of Assets</i> (if any); v) impairment losses recognised in the income statement during the period under SSAP 31 (if any); vi) impairment losses reversed in the income statement during the period under SSAP 31 (if any); vii) depreciation charge; viii) the net exchange differences arising on the translation of the financial statements of a foreign entity; ix) transfers between different types of assets; x) transfers between different classes of property, plant and equipment; and xi) other movements. <p><i>Note: Comparative information need not be provided for the reconciliation required by item 10077(c).</i></p> <p>Revalued Assets</p>	<p>SSAP 17.71(a)</p> <p>SSAP 17.71(d) Sch 10:5(1)</p> <p>SSAP 17.71(e) Sch 10:12(8)</p> <p>SSAP 17.71</p>
10078	<p>When items of property, plant and equipment are stated at revalued amounts, the following should be disclosed:</p> <ul style="list-style-type: none"> a) the basis used to revalue the assets; b) the effective date of the revaluation; c) the names and qualifications of persons making the revaluation; d) whether the valuer was independent of, or connected to, the enterprise concerned; e) the nature of any indices used to determine replacement cost; and 	SSAP 17.75

Ref.	Requirement	Source
10079	<p>f) the carrying amount of each class of property, plant and equipment that would have been included in the financial statements had the assets been carried at cost less accumulated depreciation and any accumulated impairment losses.</p> <p>For fixed assets included at a valuation, the following should be disclosed:</p> <p>a) the years in which the assets were severally valued;</p> <p>b) the several values; and</p> <p>c) in the case of assets valued during the year:</p> <p>i) the names or qualification of the valuers; and</p> <p>ii) the bases of valuation used.</p>	Sch 10:12(7)
10080	<p>Enterprises that carried property, plant and equipment at revalued amounts in financial statements relating to periods ended before 30 September 1995 are not required to make regular revaluations even if the carrying amounts of the revalued assets are materially different from the assets' fair values, provided that:</p> <p>a) those enterprises do not revalue their property, plant and equipment subsequent to 30 September 1995; and</p> <p>b) disclosure of reliance on this paragraph is made in the financial statements.</p> <p>Land and Buildings</p>	SSAP 17.80
10081	<p>Of the amount of fixed assets consisting of land, the enterprise should disclose how much is attributable to:</p> <p>a) land in Hong Kong:</p> <p>i) held on long lease - not less than 50 years unexpired;</p> <p>ii) held on medium-term lease - not less than 10 years but less than 50 years unexpired; and</p> <p>iii) held on short lease - less than 10 years unexpired;</p> <p><i>Note: In respect of a renewable government lease, the unexpired period means the term remaining unexpired plus the term, if any, for which the lessee is entitled to renew.</i></p> <p>b) land outside Hong Kong:</p> <p>i) freehold;</p> <p>ii) held on long lease - not less than 50 years unexpired;</p> <p>iii) held on medium-term lease - not less than 10 years but less than 50 years unexpired; and</p> <p>iv) held on short lease - less than 10 years unexpired.</p>	<p>Sch 10:12(9)</p> <p>Sch 10:31(c)</p>

Ref.	Requirement	Source
10082	The financial statements should disclose the existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities.	SSAP 17.72(a)
10083	The financial statements should disclose the amount of expenditures on account of and the amount of borrowing costs capitalised (showing separately interest and exchange differences) in property, plant and equipment in the course of construction.	SSAP 17.72(c)
	Enterprises are encouraged to disclose the following information:	SSAP 17.77
	<ul style="list-style-type: none"> a) the carrying amount of temporarily idle property, plant and equipment; b) the gross carrying amount of any fully depreciated property, plant and equipment that is still in use; c) the carrying amount of property, plant and equipment retired from active use and held for disposal; and d) where property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses, the fair value of the assets when this is materially different from the carrying amount. 	
	INVESTMENT PROPERTIES	
10084	Investment properties should be included under the classification of fixed assets in the balance sheet.	SSAP 13.20
10085	The following information should be disclosed:	
	a) the carrying amount of any investment properties; and	SSAP 13.21(b)
	b) significant restrictions on the realisability of investment properties, or the remittance of income and proceeds of disposal.	SSAP 13.21(g)
10086	For investment properties stated at revalued amounts, the following should be disclosed:	SSAP 13.21(h)
	<ul style="list-style-type: none"> a) the date of the latest revaluation; b) the names of the persons making the valuation, or particulars of their qualifications; and c) the bases of valuation used by the valuer. 	
	Notes:	
	1. <i>Charitable, government-subvented and non-profit making organisations, and banking and insurance companies, are exempted from compliance with SSAP 13, Investment Properties, provided that full disclosure of accounting policies is made.</i>	SSAP 13.1
	2. <i>Unlisted companies with investment properties, the estimated open market value of which in aggregate is less than HK\$50 million or less than 15% of the carrying amount of total assets of the enterprise, may carry those investment properties at cost (or at the most recently determined market value where they were carried at market value prior to the introduction of SSAP 13).</i>	SSAP 13.12

Ref.	Requirement	Source
	<p>3. <i>If the person making a valuation of an investment property is an employee or officer of the company or group which owns the asset, that fact should be disclosed.</i></p> <p>GOODWILL</p> <p>10087 The financial statements should provide a reconciliation of the carrying amount of goodwill at the beginning and end of the period showing:</p> <ul style="list-style-type: none"> a) the gross amount and the accumulated amortisation (aggregated with accumulated impairment losses), at the beginning of the period; b) any additional goodwill recognised during the period; c) any adjustments resulting from subsequent identification or changes in value of identifiable assets and liabilities; d) any goodwill derecognised on the disposal of all or part of the business to which it relates during the period; e) amortisation recognised during the period f) impairment losses recognised during the period under SSAP 31 <i>Impairment of Assets</i> (if any); g) impairment losses reversed during the period under SSAP 31 (if any); h) other changes in the carrying amount during the period (if any); and i) the gross amount and the accumulated amortisation (aggregated with accumulated impairment losses), at the end of the period. <p><i>Note: Comparative information need not be provided for the reconciliation of goodwill specified under item 10087.</i></p> <p>NEGATIVE GOODWILL</p> <p>10088 Negative goodwill should be presented as a deduction from the assets of the reporting enterprise, in the same balance sheet classification as goodwill.</p> <p>10089 To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquirer's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, the enterprise should disclose a description, the amount and the timing of the expected future losses and expenses.</p> <p>10090 The financial statements should provide a reconciliation of the carrying amount of negative goodwill at the beginning and end of the period showing:</p> <ul style="list-style-type: none"> a) the gross amount of negative goodwill and the accumulated amount of negative goodwill already recognised as income, at the beginning of the period; b) any additional negative goodwill recognised during the period; c) any adjustments resulting from subsequent identification or changes in value of identifiable assets and liabilities; d) any negative goodwill derecognised on the disposal of all or part of the business to which it relates during the period; 	<p>SSAP 13.21(h)</p> <p>SSAP 30.77(e) Sch 10:13(1)(a)</p> <p>SSAP 30.61</p> <p>SSAP 30.80(a)</p> <p>SSAP 30.80(d)</p>

Ref.	Requirement	Source
	<p>e) negative goodwill recognised as income during the period, showing separately the portion of negative goodwill recognised as income at the time the expected future losses and expenses are recognised (if any);</p> <p>f) other changes in the carrying amount during the period (if any); and</p> <p>g) the gross amount of negative goodwill and the accumulated amount of negative goodwill already recognised as income, at the end of the period.</p> <p><i>Note: Comparative information need not be provided for the reconciliation of negative goodwill specified under item 10090.</i></p> <p>INTANGIBLE ASSETS</p>	
10091	The written-down amount of goodwill, patents and trade marks should be disclosed.	Sch 10:9(1)(b)
10092	<p>The financial statements should disclose the following for each class of intangible assets, distinguishing between internally-generated intangible assets and other intangible assets:</p> <p>a) the gross carrying amount and the accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period; and</p> <p>b) a reconciliation of the carrying amount at the beginning and end of the period showing:</p> <p>i) additions, indicating separately those from internal development and through business combinations;</p> <p>ii) retirements and disposals;</p> <p>iii) increases or decreases during the period resulting from revaluations and from impairment losses recognised or reversed directly in equity under SSAP 31 <i>Impairment of Assets</i> (if any);</p> <p>iv) impairment losses recognised in the income statement during the period under SSAP 31 (if any);</p> <p>v) impairment losses reversed in the income statement during the period under SSAP 31 (if any);</p> <p>vi) amortisation recognised during the period;</p> <p>vii) net exchange differences arising on the translation of the financial statements of a foreign entity; and</p> <p>viii) other changes in the carrying amount during the period.</p> <p><i>Note: Comparative information need not be provided for the reconciliation specified under item 10092(b).</i></p>	<p>SSAP 29.107(c)</p> <p>SSAP 29.107(e) Sch 10:13(1)(a)</p>
10093	The financial statements should also disclose a description, the carrying amount and the remaining amortisation period of any individual intangible asset that is material to the financial statements of the enterprise as a whole.	SSAP 29.111(b)

Ref.	Requirement	Source
10094	For intangible assets acquired by way of government grant and initially recognised at fair value, the enterprise should disclose: <ul style="list-style-type: none"> a) the fair value initially recognised for those assets; and b) their carrying amount. 	SSAP 29.111(c)
10095	The financial statements should disclose the existence and carrying amounts of: <ul style="list-style-type: none"> a) intangible assets whose title is restricted; and b) intangible assets pledged as security for liabilities. 	SSAP 29.111(d)
10096	If intangible assets are carried at revalued amounts, the following details should also be disclosed by class of intangible assets: <ul style="list-style-type: none"> a) the effective date of the revaluation; b) the carrying amount of revalued intangible assets; and c) the carrying amount that would have been included in the financial statements had the revalued intangible assets been carried at cost less any accumulated amortisation and any accumulated impairment losses. <p><i>An enterprise is encouraged, but not required, to give the following information:</i></p> <ul style="list-style-type: none"> a) <i>a description of any fully amortised intangible asset that is still in use; and</i> b) <i>a brief description of significant intangible assets controlled by the enterprise but not recognised as assets because they did not meet the recognition criteria of SSAP 29 or because they were acquired or generated before SSAP 29 was effective.</i> <p>SUBSIDIARIES</p>	SSAP 29.113(a)
10097	The enterprise should disclose the aggregate amount of assets consisting of shares in subsidiaries (for consolidated financial statements, this applies to shares in subsidiaries not consolidated) and amounts owed by subsidiaries, distinguishing shares from indebtedness. <p><i>Note: Where material current trading balances exist, consider disclosing those balances as part of current assets so that current and non-current assets are separately disclosed.</i></p>	Sch 10:18(2) Sch 10:24(a)
10098	The consolidated financial statements should disclose a list of significant subsidiaries, including: <ul style="list-style-type: none"> a) the name of the subsidiary; b) its principal country of operation; c) its place/country of incorporation or other establishment; d) in the case of subsidiary established in the PRC, the kind of legal entity it is registered as under PRC law (such as a contractual or cooperative joint venture); 	s128(1)&(2) SSAP 32.45 (a) App 16.9(1) GR 18.10(1)

Ref.	Requirement	Source
	<p><i>Note: For GEM listed enterprises the requirement to disclose the form of legal entity applies to all subsidiaries, not just PRC subsidiaries.</i></p> <ul style="list-style-type: none"> e) the nature of its business; f) the proportion of ownership interest held; g) the proportion of voting power held (if different from the proportion of ownership interest held; and h) the identity and proportion of the nominal value of the issued shares of each class held by: <ul style="list-style-type: none"> i) the company and its nominees; and ii) subsidiaries and their nominees. <p><i>Note: The details should be provided for all subsidiaries except where, due to their number, it would result in particulars of excessive length being given. In such cases, details need only be provided in respect of subsidiaries which, in the opinion of the directors, principally affect the results or assets of the group, providing that a statement to that effect is made.</i></p>	<p>s128(4) s128(5) App 16 Note 9.2 GR 18.10</p>
10099	<p>Where a parent does not prepare consolidated financial statements because it is a wholly-owned subsidiary, the enterprise should disclose:</p> <ul style="list-style-type: none"> a) the reasons why consolidated financial statements have not been presented, together with the bases on which subsidiaries are accounted for in the parent's separate financial statements; and b) the name and registered office of its parent that publishes consolidated financial statements. 	<p>SSAP 32.10 s124(2)(b)</p>
10100	<p>The enterprise should disclose, where applicable:</p> <ul style="list-style-type: none"> a) the reasons for not consolidating a subsidiary; b) the accounting policy used for such excluded subsidiaries; c) the name of the subsidiary excluded; and d) the premium or discount on acquisition (the difference between the purchase consideration and the fair value of assets acquired) to the extent not written off to the income statement. 	<p>SSAP 32.45(b)(i) Sch 10:18(4)(a)</p>
10101	<p>The enterprise should disclose, where applicable:</p> <ul style="list-style-type: none"> a) the net assets of a subsidiary excluded from consolidation on the grounds of severe long-term restrictions; b) its profit or loss for the period; and c) the amounts included in the consolidated financial statements in respect of dividends and the changes in the carrying amount of such subsidiary. 	<p>SSAP 32.45(b)(ii)</p>
10102	<p>The enterprise should disclose, where applicable, the nature of the relationship between the parent and a subsidiary of which the parent does not own, directly or indirectly through subsidiaries, more than one half of the voting power.</p>	<p>SSAP 32.45(b)(iii)</p>

Ref.	Requirement	Source
10103	The enterprise should disclose, where applicable, the name of an enterprise in which more than one half of the voting power is owned, directly or indirectly through subsidiaries, but which, because of the absence of control, is not a subsidiary.	SSAP 32.45(b)(iv)
10104	The enterprise should disclose: <ul style="list-style-type: none"> a) the effect of the acquisition of subsidiaries on the financial position at the reporting date and the results for the reporting period; and b) the effect of the disposal of subsidiaries on the results for the reporting period and on the corresponding amounts for the preceding period. 	SSAP 32.45(b)(v) SSAP 32.45(b)(vi)
10105	The name and the accounting date of a subsidiary with a different accounting date and the reasons for using such a date should be disclosed.	SSAP 32.45(b)(vii) s126(2)(b) Sch 10:18 (6) Sch 10:25
10106	The length of the accounting period of a subsidiary that is not the same as that of the parent should be disclosed.	SSAP 32.45(b)(viii)
10107	When a Hong Kong incorporated company holds an investment in an enterprise that would be a subsidiary as defined in SSAP 32 paragraph 8, but which is not accounted for as a subsidiary because it does not meet the definition of a subsidiary under the Companies Ordinance, the company should disclose in the notes details of the effect on the consolidated financial statements had the investee enterprise been consolidated.	SSAP 32.46
10108	Where it is not practicable to use uniform accounting policies in preparing the consolidated financial statements, the reasons should be disclosed together with the proportions of the items in the consolidated financial statements to which the different accounting policies have been applied.	SSAP 32.35
10109	The Companies Ordinance requires the following additional information for subsidiaries omitted from group financial statements, or where group financial statements are not prepared: <ul style="list-style-type: none"> a) the net aggregate amount attributable to the holding company of the profits less losses of such subsidiaries, dealt with this year and not so far dealt with, in the company's financial statements, both for: <ul style="list-style-type: none"> i) the financial years of subsidiaries ending with or during the financial year of the company; ii) their previous financial years since acquisition; and b) any qualifications in the auditors' report and any note to the financial statements disclosing a matter which, in the absence of such disclosure, would have been referred to in an audit report qualification, to the extent that the matter is not referred to in the holding company's audit report and is material from the point of view of its members. <p><i>Note: This note should be included in the immediate holding company's accounts, and in any other holding company's accounts.</i></p>	Sch 10:18(4)(b),(c) Sch 10:18(5) Sch 10:18(4)(d)

Ref.	Requirement	Source
	BUSINESS COMBINATIONS	
	General	
10110	For all business combinations, the following disclosures should be made in the financial statements for the period during which the acquisition takes place: <ul style="list-style-type: none"> a) the names and descriptions of the acquirees; b) the effective date of the acquisition for accounting purposes; c) the percentage of voting shares acquired; and d) any operations resulting from the acquisition which the enterprise has decided to dispose of. 	SSAP 30.76
	Restructuring Provisions	
10111	In respect of restructuring provisions arising on acquisition: <ul style="list-style-type: none"> a) the disclosure requirements of SSAP 28 <i>Provisions, Contingent Liabilities and Contingent Assets</i> should be applied to provisions for terminating or reducing the activities of an acquiree; b) such provisions should be dealt with as a separate class of provisions for the purposes of such disclosure; and c) the aggregate carrying amount of such provisions should be disclosed for each individual acquisition. 	SSAP 30.81
	Cost of Acquisition	
10112	The enterprise should disclose the cost of acquisition and a description of the purchase consideration paid or contingently payable.	SSAP 30.76(d)
10113	When a published price for an equity instrument issued as purchase consideration exists at the date of exchange, but has not been used as the instrument's fair value in measuring the cost of acquisition, the enterprise should disclose: <ul style="list-style-type: none"> a) that fact; b) the reasons why the published price is not the fair value of the equity instrument; c) the method and significant assumptions applied in determining the fair value; and d) the aggregate amount of the difference between the published price and the amount determined to be the fair value of the equity instruments. 	INT 15.7
10114	When an equity instrument issued as purchase consideration does not have a published price at the date of exchange, the enterprise should disclose that fact and the method and significant assumptions applied in determining the fair value.	INT 15.8

Ref.	Requirement	Source
	Fair Values of Identifiable Assets and Liabilities	
10115	In an acquisition, if the fair values of the identifiable assets and liabilities or the purchase consideration can only be determined on a provisional basis at the end of the period in which the acquisition took place, this fact should be stated and reasons given.	SSAP 30.82
10116	a) When there are subsequent adjustments to the provisional fair values referred to in item 10115, those adjustments should be disclosed and explained in the financial statements of the period concerned. b) The amount of the adjustment which relates to prior and comparative periods should also be disclosed.	SSAP 30.82 INT 12.8
	Combinations after the Balance Sheet Date	
10117	For acquisitions effected after the balance sheet date, the information required by items 10110 to 10116 should be disclosed.	SSAP 30.84
10118	If it is impracticable to disclose any of the information required by item 10117, that fact should be disclosed.	SSAP 30.84
10119	When a Hong Kong incorporated company acquires an enterprise that would be a subsidiary as defined in SSAP 30, but which is not accounted for as a subsidiary because it does not fall within the definition of a subsidiary as set out in section 2(4) of the Companies Ordinance, the enterprise should disclose in the notes details of the effect on the consolidated financial statements had the investee enterprise been consolidated.	SSAP 30.87
	Group Reconstructions	
	<i>Note: A group reconstruction is a business combination resulting from transactions among enterprises under common control.</i>	SSAP 27.3
10120	An enterprise applying SSAP 27 in accounting for a group reconstruction using merger accounting should disclose in its consolidated financial statements the fact that merger accounting has been used.	SSAP 27.17
10121	For a business combination that is a group reconstruction, the enterprise should disclose in its consolidated financial statements significant details of the group reconstruction insofar as they affect the shareholders of the parent company.	SSAP 27.18
10122	Group reconstructions accounted for using acquisition accounting should disclose the information required under SSAP 30 <i>Business Combinations</i> and SSAP 32 <i>Consolidated Financial Statements and Accounting for Investments in Subsidiaries</i> , if applicable.	SSAP 27.19
	INVESTMENTS IN ASSOCIATES	
10123	The enterprise should disclose a listing and description of significant associates.	SSAP 10.34
10124	The disclosures required by item 10123 should include the following information for each significant associate: a) the name; b) the form of business structure, whether corporate or unincorporated;	SSAP 10.34

Ref.	Requirement	Source
	<ul style="list-style-type: none"> c) the principal place of operation and, for corporate associates, the place of incorporation; d) an indication of the nature of business; e) the proportion of ownership interest and, if different, the proportion of voting power held; and f) the profit-sharing arrangement, if different to the proportion of ownership interest. 	
10125	Where the investments in one or more associates are so material that more detailed information about them would assist in giving a true and fair view, further information should be given by separate disclosure of each of such associates' current assets, long-term assets, current liabilities, long-term liabilities, contingent liabilities, income and profits or losses.	SSAP 10.37
10126	If financial statements of associates not coterminous with those of the investor are used in applying the equity method, the names of those associates and their financial period end dates should be disclosed.	SSAP 10.38(b)
10127	Where an associate uses accounting policies that are inconsistent with those of the group, and it is impracticable to make adjustments to the financial statements of the associate for the purposes of equity accounting, that fact should generally be disclosed.	SSAP 10.18
10128	Where an associate is not accounted for using the equity method, the accounting policy used and the name of the associate so excluded should be disclosed.	SSAP 10.38(c)
10129	An investor (other than a wholly-owned subsidiary of another company) which does not present consolidated financial statements, because it does not have subsidiaries or for any other reasons, should disclose the aggregate amounts of its share of the net assets and results of the associates as if the equity method had been applied, as supplementary information in the notes to its separate financial statements.	SSAP 10.39
INTERESTS IN JOINT VENTURES		
10130	The enterprise should disclose a listing and description of interests in significant joint ventures.	SSAP 21.45
10131	<p>The disclosures required by item 10130 should include the following for each significant jointly controlled entity:</p> <ul style="list-style-type: none"> a) the name; b) the form of business structure, whether corporate or unincorporated; c) the principal place of operation and, for corporate jointly controlled entities, place of incorporation; d) an indication of the nature of business; e) the proportion of ownership interest and, if different, the proportion of voting power held; and f) the profit-sharing arrangement, if different to the proportion of ownership interest. 	SSAP 21.45

Ref.	Requirement	Source
10132	The enterprise should disclose the aggregate amounts of assets, liabilities, income and profits or losses recognised in its financial statements in relation to its interests in jointly controlled operations.	SSAP 21.46
10133	The enterprise should disclose the aggregate amounts of assets and liabilities recognised in its financial statements in relation to its interests in jointly controlled assets.	SSAP 21.47
10134	Where the interests in one or more jointly controlled entities are so material in the context of the enterprise's consolidated financial statements that more detailed information about these entities would assist in giving a true and fair view, further information should be given by separate disclosure of each of such entities' current assets, long-term assets, current liabilities, long-term liabilities, income and profits or losses.	SSAP 21.49
10135	If financial statements of jointly controlled entities not coterminous with those of the enterprise are used in applying the equity method, the names of those jointly controlled entities and their financial period end dates should be disclosed.	SSAP 21.53(b)
10136	Where a jointly controlled entity is not accounted for using the equity method, the accounting policy used and the name of the jointly controlled entity so excluded should be disclosed.	SSAP 21.53(c)
10137	An enterprise (other than a wholly-owned subsidiary of another company) which does not present consolidated financial statements, because it does not have subsidiaries or for any other reason, should disclose the aggregate amounts of its share of the net assets and results of the jointly controlled entities as if the equity method had been applied, as supplementary information in the notes to its separate financial statements.	SSAP 21.52
	<i>Note: Other disclosures required by SSAP 21 for joint ventures are also required to be presented in the separate financial statements of the venturer, where consolidated accounts are not prepared.</i>	
	INVESTMENTS IN SECURITIES	
	<i>Note: An enterprise that presents a classified balance sheet (one that distinguishes between current and non-current assets and liabilities) should report all held-to-maturity securities, debt securities classified as investment securities and other investments (including those for which the alternative treatment has been adopted) as either current or non-current, as appropriate, under the rules of SSAP 1, Presentation of Financial Statements. Equity securities which are classified as investment securities, by their nature, should be reported as non-current assets. Presentation of individual amounts for the three categories of investments on the face of the balance sheet is not required, provided that the information is presented in the notes.</i>	SSAP 24.46
10138	The following analyses of investments in securities are required: a) debt securities and equity securities; and b) listed investments and unlisted investments.	SSAP 24.49 Sch 10: 9(1)(a)
10139	The analyses specified by item 10138 should be provided separately for: a) held-to-maturity securities, investment securities and other investments (benchmark treatment); or	SSAP 24.49

Ref.	Requirement	Source
	b) held-to-maturity securities, trading securities and non-trading securities (alternative treatment).	
10140	Listed investments should be analysed between those that have been granted a listing on the Hong Kong Stock Exchange and those that have not.	Sch 10: 9(3)
10141	The enterprise should disclose the market value of listed investments if they are not carried at market value.	SSAP 24.48(c) Sch 10: 12(11)
10142	The enterprise should disclose the Stock Exchange value of the listed investments, if the market value is stated at a higher amount than their Stock Exchange value.	Sch 10: 12(11)
10143	The enterprise should disclose the cost or directors' valuation of unlisted investments.	Sch 10: 5(2)(c)
10144	The enterprise should disclose the aggregate amount of assets consisting of shares in fellow subsidiaries.	Sch 10: 19(1)
10145	The enterprise should disclose significant restrictions on the realisability of investments or the remittance of income or proceeds of disposal.	SSAP 24.48(d)
10146	For enterprises whose main business is the holding of investments, the enterprise should disclose an analysis of the portfolio of investments.	SSAP 24.48(f)
10147	For any sales of or transfers from debt securities classified as held-to-maturity, the amortised cost amount of the sold or transferred security, the related realised or unrealised gain or loss, and the circumstances leading to the decision to sell or transfer the security should be disclosed in the notes to the accounts.	SSAP 24.50
	<i>The following disclosures are also suggested to assist a reader's understanding of the financial statements:</i>	SSAP 24.51
	a) <i>the directors' assessment of the fair value of investments that are not marketable;</i>	
	b) <i>where investments are not marketable, the method of assessing value used for comparison with cost, where applicable; and</i>	
	c) <i>details of any single investment which represents a significant proportion of the reporting enterprise's assets.</i>	
10148	For each shareholding in companies where either, (i) the investing company's holding in any class of equity share capital of that company exceeds 20% of the nominal value of the issued shares of that class, or (ii) the aggregate amount of shareholdings in any one company exceeds 10% of the amount of its assets as stated in the investing company's balance sheet, the enterprise should disclose:	s129(1)&(2)
	a) the name of the company;	
	b) the country of incorporation;	
	c) the identity and proportion of the nominal values of the issued shares of each class held; and	
	d) a statement, where appropriate, that the information given deals only with the companies whose results principally affect the profit or loss or amount of assets of this company.	s129(4) s129(5)

Ref.	Requirement	Source
	ACCOUNTING FOR LEASES BY LESSORS	
	Finance Leases	
10149	<p>The following disclosures should be made in the financial statements for finance leases:</p> <ul style="list-style-type: none"> a) a reconciliation between the total gross investment in the lease at the balance sheet date, and the present value of minimum lease payments receivable at the balance sheet date; b) the total gross investment in the lease and the present value of minimum lease payments receivable at the balance sheet date, for each of the following periods: <ul style="list-style-type: none"> i) not later than one year; ii) later than one year and not later than five years; and iii) later than five years; c) unearned finance income; d) the unguaranteed residual values accruing to the benefit of the lessor; e) the accumulated allowance for uncollectible minimum lease payments receivable; f) contingent rents recognised in income; and g) a general description of the lessor's significant leasing arrangements. 	SSAP 14.42
	Operating Leases	
10150	<p>The following disclosures should be made in the financial statements for operating leases:</p> <ul style="list-style-type: none"> a) <i>the future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods:</i> <ul style="list-style-type: none"> i) not later than one year; ii) later than one year and not later than five years; and iii) later than five years; b) total contingent rents recognised in income; and c) a general description of the lessor's significant leasing arrangements. 	SSAP 14.53(b) SSAP 14.53(c) SSAP 14.53(d)
10151	<p>For each class of asset leased out under operating leases, the enterprise should disclose:</p> <ul style="list-style-type: none"> a) the gross carrying amount, the accumulated depreciation and accumulated impairment losses at the balance sheet date; 	SSAP 14.53(a)

Ref.	Requirement	Source
	<ul style="list-style-type: none"> b) the depreciation recognised in income for the period; c) impairment losses recognised in income for the period; and d) impairment losses reversed in income for the period. 	
	ARRANGEMENTS INVOLVING THE LEGAL FORM OF A LEASE	
10152	Where an arrangement involves the legal form of a lease but does not, in substance, involve a lease under SSAP 14 <i>Leases</i> , all aspects of the arrangement should be considered in determining the appropriate disclosures that are necessary to understand the arrangement and the accounting treatment adopted.	INT 14.10
10153	<p>The enterprise should disclose the following in each period in which an arrangement of the type described in item 10152 exists:</p> <ul style="list-style-type: none"> a) a description of the arrangement, including: <ul style="list-style-type: none"> i) the underlying asset and any restrictions on its use; ii) the life and other significant terms of the arrangement; and iii) the transactions that are linked together, including any options; and b) <ul style="list-style-type: none"> i) the accounting treatment applied to any fee received; ii) the amount recognised as income in the period; and iii) the line item of the income statement in which it is included. 	INT 14.10
	<i>Note: The disclosures required by item 10153 should be provided individually for each arrangement, or in aggregate for each class of arrangements (i.e. each grouping of arrangements with underlying assets of a similar nature).</i>	INT 14.11
	IMPAIRMENT OF ASSETS	
10154	<p>For each class of assets, the financial statements should disclose:</p> <ul style="list-style-type: none"> a) the amount of impairment losses recognised in the income statement during the period and the line item(s) of the income statement in which those impairment losses are included; b) the amount of reversals of impairment losses recognised in the income statement during the period and the line item(s) of the income statement in which those impairment losses are reversed; c) the amount of impairment losses recognised directly in equity during the period; and d) the amount of reversal of impairment losses recognised directly in equity during the period. 	SSAP 31.113
10155	If an impairment loss for an individual asset or a cash-generating unit is recognised or reversed during the period and is material to the financial statements of the reporting enterprise as a whole, the enterprise should disclose:	SSAP 31.117

Ref.	Requirement	Source
	<ul style="list-style-type: none"> a) the events and circumstances that led to the recognition or reversal of the impairment loss; b) the amount of the impairment loss recognised or reversed; c) <i>for an individual asset:</i> <ul style="list-style-type: none"> i) the nature of the asset; and ii) the reportable segment to which the asset belongs, based on the enterprise's primary format (as defined in SSAP 26 <i>Segment Reporting</i> if the enterprise applies SSAP 26); d) for a cash-generating unit: <ul style="list-style-type: none"> i) a description of the cash-generating unit (such as whether it is a product line, a plant, a business operation, a geographical area, a reportable segment as defined in SSAP 26 or other); ii) the amount of the impairment loss recognised or reversed by class of assets and by reportable segment based on the enterprise's primary format (as defined in SSAP 26, if the enterprise applies SSAP 26); and iii) if the aggregation of assets for identifying the cash-generating unit has changed since the previous estimate of the cash-generating unit's recoverable amount (if any), the enterprise should describe the current and former way of aggregating assets and the reasons for changing the way the cash-generating unit is identified; e) whether the recoverable amount of the asset (cash-generating unit) is its net selling price or its value in use; f) if recoverable amount is net selling price, the basis used to determine net selling price (such as whether selling price was determined by reference to an active market or in some other way); and g) if recoverable amount is value in use, the discount rate(s) used in the current estimate and previous estimate (if any) of value in use. 	
10156	<p>If impairment losses recognised (reversed) during the period are material in aggregate to the financial statements of the reporting enterprise as a whole, the enterprise should disclose a brief description of the following:</p> <ul style="list-style-type: none"> a) the main classes of assets affected by impairment losses (reversals of those impairment losses) for which no information is disclosed under item 10155; and b) the main events and circumstances that led to the recognition (reversal) of those impairment losses for which no information is disclosed under item 10155. 	SSAP 31.118
	<p><i>Note: An enterprise is encouraged to disclose the key assumptions used to determine the recoverable amount of assets (cash-generating units) during the period.</i></p>	SSAP 31.119
	GROUP INDEBTEDNESS	
10157	The enterprise should disclose separately the aggregate amounts due:	

Ref.	Requirement	Source
	<ul style="list-style-type: none"> a) from the company's subsidiaries (for consolidated financial statements, applies to subsidiaries not consolidated); and b) from the company's holding companies and fellow subsidiaries, distinguishing between debentures and otherwise. 	<p>Sch 10:18(2) Sch 10:24(a)</p> <p>Sch 10:19(1)</p>
	OTHER ASSETS	
10158	The enterprise should disclose the aggregate amount of outstanding loans made to trustees or employees (other than directors) for the acquisition of shares in the company, or its holding company, under the provisions of sections 47C(4)(b)&(c) of the Companies Ordinance.	Sch 10:9(1)(c)
10159	<p>For every relevant loan (see below) made by the company or a subsidiary, other than an authorised institution, after the commencement of the Companies (Amendment) Ordinance 1984 (i.e. August 31, 1984), the following should be disclosed:</p> <ul style="list-style-type: none"> a) the name of borrower and, where: <ul style="list-style-type: none"> i) the borrower is connected with a director of the company or of its holding company; or ii) the borrower is a body corporate, and a director or a person connected with him has held a controlling interest therein, the name of that director; b) the terms of the loan, including the interest rate and any security; c) the principal and interest outstanding at the beginning and end of the financial year and the maximum amount outstanding during the year; and d) the amount of interest which, having fallen due, remained unpaid and the amount of provision for non-repayment by the borrower in respect of principal and interest. <p><i>Note:</i></p> <p><i>"Relevant loan" means any loan made to:</i></p> <ul style="list-style-type: none"> a) <i>a person who, whether or not he was an officer ("officer" in relation to a body corporate includes a director, manager or secretary) of the company or a director of its holding company at the time the loan was made, was such an officer or director at any time during the financial year; or</i> b) <i>a body corporate in which a director of the company, at any time during the financial year, held a controlling interest, whether or not such controlling interest was so held at the time the loan was made; or</i> c) <i>in the case of a loan made by either a listed company or a company which is a member of a group containing a listed company, the definition is extended to include a loan to connected persons, including:</i> <ul style="list-style-type: none"> i) <i>the spouse of a director;</i> ii) <i>any children or step-children of a director provided that they are below the age of 18 years;</i> 	<p>s161B(1)&(4)</p> <p>s161B(7)</p>

Ref.	Requirement	Source
	<p>iii) <i>a person acting in his capacity as the trustee of any trust (other than an employee share scheme or pension scheme) which includes as beneficiaries, or which allows the trustee to exercise his powers for the benefit of, the director, his spouse, or any of his children or step-children below the age of 18 years; and</i></p> <p>iv) <i>a person acting in his capacity as a partner of a director or of any person who is connected to that director by virtue of (i), (ii) or (iii) above.</i></p>	
10160	<p>In respect of a relevant loan made by any person after August 31, 1984 in connection with which a guarantee is entered into or security is provided by the company other than an authorised financial institution, the enterprise should disclose:</p> <p>a) the name of borrower, and where:</p> <p>i) the borrower is connected with a director of the company or of its holding company; or</p> <p>ii) the borrower is a body corporate, and a director or a person connected with him has held a controlling interest therein,</p> <p>the name of that director;</p> <p>b) the maximum liability of the company under the guarantee or security both at the beginning and end of the financial year; and</p> <p>c) any amount paid and any liability incurred by the company for the purpose of fulfilling the guarantee or discharging the security (including any loss incurred by the company by reason of the enforcement of the guarantee or security).</p>	<p>s161B(2)</p> <p>s161B(3)</p>
	<p>Notes:</p> <p>1. <i>Disclosure of the items referred to in items 10159 and 10160 is not required where all of the conditions listed below apply:</i></p> <p>a) <i>the loan is made by the company or by a subsidiary to an employee of the company or of the subsidiary;</i></p> <p>b) <i>it does not exceed HK\$100,000;</i></p> <p>c) <i>it is certified by the directors of the company or subsidiary as having been made in accordance with the company's usual practice for loans to its employees or to the employees of the subsidiary; and</i></p> <p>d) <i>it is neither a loan made by the company under a guarantee from or on a security provided by a subsidiary nor, if the loan is from a subsidiary, is it guaranteed or secured by the company or any other subsidiary.</i></p> <p>2. <i>For loans to officers made before August 31, 1984, the financial statements are required to disclose in respect of such loans outstanding at the end of the year the particulars which, but for the Companies (Amendment) Ordinance 1984, would have had to be contained in the financial statements under the provisions of this section in force immediately before the commencement of that Ordinance, (i.e. the balances and repayments during the year).</i></p>	<p>s161B(5)</p> <p>s161B(10)</p>

Ref.	Requirement	Source
	Requirements under the Companies (Amendment) Ordinance 2003 (Not yet enacted)	
	<p><i>Notes: The Companies (Amendment) Ordinance 2003 was approved on 10 July 2003 and was enacted on 15 February 2004. A new section 161B is introduced which contains the disclosure requirements on the particulars of every transaction in relation to loans to officers, which includes, e.g. a credit transaction entered into between a company and a director of the company, or a body corporate in which such a director at any time during the financial year held a controlling interest. The disclosure requirements are similar to those under SSAP 20, Related Party Disclosures. References within this section refer to the revised section 161B.</i></p>	
	<p>1. <i>For every relevant transaction (see below) entered into by the company or a subsidiary, other than an authorised institution, after the commencement of Section 68 of the Companies (Amendment) Ordinance 2003, the enterprise should disclose:</i></p> <p><i>a) the name of borrower and, where:</i></p> <p><i>i) the borrower is connected with a director of the company or of its holding company; or</i></p> <p><i>ii) the borrower is a body corporate, and a director or a person connected with him has held a controlling interest therein,</i></p> <p><i>the name of that director;</i></p> <p><i>b) the terms of the relevant transaction, including the amounts payable thereunder (whether in a lump sum or instalments or by way of periodical payments or otherwise), the interest rate and any security;</i></p> <p><i>c) the principal and interest outstanding at the beginning and end of the financial year and the maximum amount outstanding during the year; and</i></p> <p><i>d) the amount of which, having fallen due, remained unpaid and the amount of provision for non-repayment by the borrower in respect of the principal and other amounts due.</i></p>	s161B(1) s161B(6)(a)

Ref.	Requirement	Source
2.	<p><i>For every relevant transaction which consists of quasi-loans or credit transactions entered into by the company or a subsidiary, other than an authorised institution, after the commencement of Section 68 of the Companies (Amendment) Ordinance 2003, in lieu of the disclosure required in note 1 above, the following should be disclosed:</i></p> <ul style="list-style-type: none"> a) <i>the name of the person;</i> b) <i>if the person is also a borrower, where:</i> <ul style="list-style-type: none"> i) <i>the borrower is connected with a director of the company or of its holding company; or</i> ii) <i>the borrower is a body corporate, and a director or a person connected with him has held a controlling interest therein,</i> <i>the name of that director;</i> c) <i>the aggregate amount of which, having fallen due, remained unpaid and the aggregate amount of provision for non-repayment by the person in respect of the principal and other amounts due.</i> <p><i>Definitions:</i></p> <p><i>“Relevant transaction” means any loan, quasi-loan made to, or any credit transaction entered into for –</i></p> <ul style="list-style-type: none"> a) <i>a person who, whether or not he was a director or other officer of the company or a director of its holding company at the time the loan, quasi-loan or credit transaction was made or entered into, is such an officer or director at any time during the financial year in respect of which the accounts are made up; or</i> b) <i>a body corporate in which a director of the company, at any time during the financial year, held a controlling interest, whether or not such controlling interest was so held at the time the loan, quasi-loan or credit transaction was made or entered into; and</i> c) <i>that the loan, quasi-loan or credit transaction is made or entered into during the financial year or, if made or entered into before it, is outstanding at any time during the financial year.</i> 	<p>s161B(2) s161B(7)(a) to (d)</p> <p>s161B(14)</p>

Ref.	Requirement	Source
	<p>d) <i>in the case of a loan or quasi-loan made to, or a credit transaction entered into by either a listed company or a company which is a member of a group containing a listed company, the definition is extended to include a loan or a quasi-loan made to, or a credit transaction entered into with connected persons, including:</i></p> <ul style="list-style-type: none"> i) <i>the spouse of a director;</i> ii) <i>any children or step-children of a director provided that they are below the age of 18 years;</i> iii) <i>a person acting in his capacity as the trustee of any trust (other than an employee's share scheme or pension scheme) which includes as beneficiaries, or which allows the trustee to exercise his powers for the benefit of, the director, his spouse, or any of his children or step-children below the age of 18 years; and</i> iv) <i>a person acting in his capacity as a partner of a director or of any person who is connected to that director by virtue of (i), (ii) or (iii) above.</i> <p><i>"Credit transaction" means a transaction between one party ("the creditor") and another party ("the borrower") under which the creditor:</i></p> <ul style="list-style-type: none"> a) <i>supplies goods to the borrower under a hire-purchase agreement;</i> b) <i>sells goods or land to the borrower under a conditional sale agreement;</i> c) <i>leases or hires goods or leases land to the borrower in return for periodical payments; or</i> d) <i>otherwise disposes of land or supplies goods or services to the borrower on the understanding that payment (whether in a lump sum or instalments or by way of periodical payments or otherwise) is to be deferred.</i> <p><i>"Quasi-loan" means:</i></p> <ul style="list-style-type: none"> a) <i>a transaction under which one party ("the creditor") agrees to pay otherwise than in pursuance of an agreement, a sum for another ("the borrower"):</i> <ul style="list-style-type: none"> i) <i>on terms that the borrower (or a person on his behalf) will reimburse the creditor; or</i> ii) <i>in circumstances giving rise to a liability on the borrower to reimburse the creditor; or</i> b) <i>a transaction under which one party ("the creditor") agrees to reimburse, or reimburses otherwise than in pursuance of an agreement, expenditure incurred by another for another ("the borrower"):</i> <ul style="list-style-type: none"> i) <i>on terms that the borrower (or a person on his behalf) will reimburse the creditor; or</i> ii) <i>in circumstances giving rise to a liability on the borrower to reimburse the creditor.</i> 	<p>s161B(15) s161B(16)</p>

Ref.	Requirement	Source
3.	<p><i>In respect of every relevant transaction made by any person in connection with which a guarantee is entered into or security is provided by the company or a subsidiary, other than an authorised financial institution, the enterprise should disclose:</i></p> <p><i>a) the name of borrower, and where:</i></p> <p><i>i) the borrower is connected with a director of the company or of its holding company; or</i></p> <p><i>ii) the borrower is a body corporate, and a director or a person connected with him has held a controlling interest therein,</i></p> <p><i>the name of that director;</i></p> <p><i>b) the maximum liability of the company under the guarantee or security both at the beginning and end of the financial year; and</i></p> <p><i>c) any amount paid and any liability incurred by the company for the purpose of fulfilling the guarantee or discharging the security (including any loss incurred by the company by reason of the enforcement of the guarantee or security).</i></p>	<p>s161B(3)</p> <p>s161B(4)</p> <p>s161B(6)(b)</p>
4.	<p><i>In respect of every relevant transaction, which consist of quasi-loans or credit transactions, made by any person in connection with which a guarantee is entered into or security is provided by the company or a subsidiary, other than an authorised financial institution, in lieu of the disclosure required in note 3 above, the following should be disclosed:</i></p> <p><i>a) the name of the person; and</i></p> <p><i>b) if the person is also a borrower, where:</i></p> <p><i>i) the borrower is connected with a director of the company or of its holding company; or</i></p> <p><i>ii) the borrower is a body corporate, and a director or a person connected with him has held a controlling interest therein,</i></p> <p><i>the name of the relevant director;</i></p> <p><i>c) the maximum liability of the company in respect of all guarantees or all securities both at the beginning and end of the financial year; and</i></p> <p><i>d) the aggregate amounts paid and the aggregate liabilities incurred by the company for the purpose of fulfilling the guarantees or discharging the security (including any loss incurred by the company by reason of the enforcement of the guarantee or security).</i></p>	<p>s161B(5)</p> <p>s161B(7)(e) to (f)</p>
5.	<p><i>Disclosure of the items referred to in notes 1 and 4 above is not required where all of the conditions listed below apply:</i></p> <p><i>a) the loan or quasi-loan made, or credit transaction entered into by the company or by a subsidiary is to an employee of the company or of the subsidiary;</i></p> <p><i>b) the principal amount does not exceed HK\$100,000;</i></p>	<p>s161B(11)</p>

Ref.	Requirement	Source
	<p>c) <i>it is certified by the directors of the company or subsidiary as having been made in accordance with the company's usual practice for loans to its employees or to the employees of the subsidiary; and</i></p> <p>d) <i>it is neither a loan or quasi-loan made, or credit transaction entered into by the company under a guarantee from or on a security provided by a subsidiary nor, if it is from a subsidiary, is it guaranteed or secured by the company or any other subsidiary.</i></p> <p>6. <i>For loans made, guarantee entered into or security provided to officers, the financial statements are required to disclose in respect of:</i></p> <p>a) <i>such loans outstanding at the end of the year;</i></p> <p>b) <i>such guarantee or security in respect of which the liability of the company or a subsidiary thereof has not been discharged before the beginning of the year;</i></p> <p><i>the particulars which, but for the Companies (Amendment) Ordinance 2003, would have had to be contained in the financial statements under the provisions of this section in force immediately before the commencement of that Ordinance, (i.e. the balances and repayments during the year).</i></p>	s161B(18)
	EXPENSES NOT WRITTEN OFF	
10161	<p>The following should be disclosed under separate headings, so far as they are not written off:</p> <p>a) preliminary expenses;</p> <p>b) expenses incurred in connection with any issue of share capital or debentures;</p> <p>c) sums paid by way of commission in respect of any shares or debentures;</p> <p>d) sums allowed by way of discount in respect of any debentures; and</p> <p>e) the amount of the discount allowed on any issue of shares at a discount.</p>	Sch 10:3
	INVENTORIES	
10162	<p>The financial statements should disclose:</p> <p>a) the total carrying amount of inventories and the carrying amount in classifications appropriate to the enterprise;</p> <p>b) the carrying amount of inventories carried at net realisable value;</p> <p>c) the amount of any reversal of any write-down that is recognised as income;</p> <p>d) the circumstances or events that led to the reversal of a write-down of inventories; and</p> <p>e) the carrying amount of inventories pledged as security for liabilities.</p>	<p>SSAP 22.30(b)</p> <p>SSAP 22.30(c)</p> <p>SSAP 22.30(d)</p> <p>SSAP 22.30(e)</p> <p>SSAP 22.30(f)</p>

Ref.	Requirement	Source
	CONSTRUCTION CONTRACTS	
10163	The enterprise should disclose each of the following for contracts in progress at the balance sheet date: <ul style="list-style-type: none"> a) the aggregate amount of costs incurred and recognised profits (less recognised losses) to date; b) the amount of advances received; and c) the amount of retentions. 	SSAP 23.39
10164	The enterprise should present: <ul style="list-style-type: none"> a) the gross amount due from customers for contract work as an asset; and b) the gross amount due to customers for contract work as a liability. 	SSAP 23.41
	ACCOUNTS RECEIVABLE	
10165	The financial statements should disclose the credit policy followed in respect of accounts receivable, and an aged analysis of accounts receivable.	App 16.4(2)(b)(ii) GR 18.50A(2)(b)(ii)
	PLEDGED CASH DEPOSITS	
10166	Additional information about the security and financing arrangements relating to pledged cash deposits classified as current assets (see item 6017) should be provided in the notes to the financial statements. The additional information should also take into consideration any subsequent events where appropriate.	INT 8.6
	SHARE CAPITAL	
10167	For each class of share capital, the following information should be disclosed, either on the face of the balance sheet or in the notes: <ul style="list-style-type: none"> a) the number of shares authorised; b) the number of shares issued and fully paid, and issued but not fully paid; c) par value per share, or that the shares have no par value; d) a reconciliation of the number of shares outstanding at the beginning and at the end of the period; e) the rights, preferences and restrictions attaching to that class, including restrictions on the distribution of dividends and the repayment of capital; f) shares in the enterprise held by the enterprise itself or by subsidiaries, joint ventures or associates of the enterprise; and g) shares reserved for issuance under options and sales contracts, including the terms and amounts. 	SSAP 1.77(a) Sch 10:2

Ref.	Requirement	Source
	<p><i>Notes:</i></p> <ol style="list-style-type: none"> <i>An enterprise without share capital (e.g. a partnership), should disclose information equivalent to that required by item 10167, showing movements during the period in each category of equity interest and the rights, preferences and restrictions attaching to each category of equity interest.</i> <i>SSAP 1 does not provide any exemption from disclosure of comparatives for movements in share capital. Therefore, comparative movements for the prior period will be required for the reconciliation specified in 10167, as well as for all other disclosures relating to share capital.</i> 	SSAP 1.77
10168	<p>For redeemable preference shares, the following should be disclosed:</p> <ol style="list-style-type: none"> the amount; the earliest and latest date on which the company has power to redeem them; whether they must be redeemed in any event or are liable to be redeemed at the option of the company; and the premium, if any, payable on redemption. 	Sch 10:2(a)
10169	The amount transferred to capital redemption reserve for redeemed shares should be disclosed.	s49H(1)
10170	Where interest has been paid out of capital during the year, the share capital and the rate of interest should be disclosed.	Sch 10:2(b)
10171	The enterprise should disclose the number, description and amount of the company's shares held beneficially by subsidiaries or their nominees.	Sch 10:18(3)
	SHARE OPTIONS	
10172	<p>For options to subscribe for any shares in the company, the enterprise should disclose:</p> <ol style="list-style-type: none"> the number, description and amount of shares involved; the period during which the option is exercisable; and the price to be paid or shares subscribed for. <p><i>Note: Detailed disclosure requirements in relation share options granted to employees are specified in items 10205 to 10207 below.</i></p>	Sch 10:12(2)
	RESERVES	
10173	<ol style="list-style-type: none"> The aggregate amount of reserves should be disclosed. The financial statements should include a description of the nature and purpose of each reserve within owners' equity, either on the face of the balance sheet or in the notes. 	<p>Sch 10:6</p> <p>SSAP 1.77(b)</p>

Ref.	Requirement	Source
	<p><i>Note: An enterprise without share capital (e.g. a partnership), should disclose information equivalent to that required by item 10173, showing movements during the period in each category of equity interest and the rights, preferences and restrictions attaching to each category of equity interest.</i></p>	SSAP 1.77
	Accumulated Profits of Associates and Jointly Controlled Entities	
10174	<p>The enterprise should disclose:</p> <ul style="list-style-type: none"> a) the aggregate amount of profits retained by associates included in the group's retained profits; and b) where there are significant restrictions on the ability of the associates to distribute their profits (other than those shown as non-distributable), the enterprise should also disclose the aggregate amount of retained profits so affected and a description of the nature of the restrictions. 	SSAP 10.38(a)
10175	<p>The enterprise should disclose:</p> <ul style="list-style-type: none"> a) the aggregate amount of profits retained by jointly controlled entities included in the group's retained profits; and b) where there are significant restrictions on the ability of the jointly controlled entities to distribute their profits (other than those shown as non-distributable), the enterprise should also disclose the aggregate amount of retained profits so affected and a description of the nature of the restrictions. 	SSAP 21.53(a)
	Restrictions on Distributions	
10176	<p>The enterprise should disclose:</p> <ul style="list-style-type: none"> a) the extent of any restrictions on the ability of the parent to distribute the retained profits of the group (other than those shown as non-distributable) because of statutory, contractual, exchange control or taxation restrictions; and b) the fact that retained profits of overseas subsidiaries would be subject to further tax on distributions, if applicable. 	SSAP 32.45(b)(ix)
	Amounts Set Aside	
10177	<p>The enterprise should disclose separately each of the amounts provided for the redemption of:</p> <ul style="list-style-type: none"> a) share capital; and b) loans. 	Sch 10:13(1)(d)
10178	<p>The following should be disclosed, if material:</p> <ul style="list-style-type: none"> a) amounts set aside to, or proposed to be set aside to, or withdrawn from, reserves; and b) amounts set aside to provisions (other than provisions for depreciation, renewals or diminution in value of assets) and the amounts withdrawn from such provisions if not applied for the purposes thereof. 	Sch 10:13(1)(e) Sch 10:13(1)(f)

Ref.	Requirement	Source
	Share Premium	
10179	The amount of the share premium account should be separately disclosed.	Sch 10:2(c)
	DEBENTURES, LOANS AND BANK OVERDRAFTS	
10180	The enterprise should disclose the aggregate amount of bank loans and overdrafts.	Sch 10:9(1)(d)
10181	The enterprise should disclose the aggregate amount of other loans, any part of which is repayable by instalments, or otherwise, more than five years after the balance sheet date.	Sch 10:9(1)(d)
10182	For each loan disclosed under item 10181, the following details should be stated: a) the terms on which it is repayable; and b) the rate of interest; or, if this results in disclosure which is excessively long, a general indication of the terms of repayment and interest rates.	Sch 10:9(4)
10183	For any of the company's debentures held by a nominee of or trustee for the company, the following should be disclosed: a) the nominal amount held; and b) the book value.	Sch 10: 11
10184	The enterprise should disclose the number, description and amount of the company's debentures held beneficially by subsidiaries or their nominees.	Sch 10: 18(3)
10185	The enterprise should disclose particulars of any redeemed debentures which the company has the power to reissue.	Sch 10: 2(d)
	ACCOUNTING FOR LEASES BY LESSEES	
	<i>Note: The disclosure requirements in respect of arrangements involving the legal form of a lease but which do not, in substance, involve a lease under SSAP 14, Leases, are set out in item 10152 and 10153 above. These apply equally to lessees' financial statements.</i>	
	Finance Leases	
10186	The following disclosures should be made in the financial statements for finance leases: a) for each class of asset, the net carrying amount at the balance sheet date; b) a reconciliation between the total of minimum lease payments at the balance sheet date, and their present value;	SSAP 14.23(a) SSAP 14.23(b)

Ref.	Requirement	Source
	<p>c) the total of minimum lease payments at the balance sheet date, and their present value, for each of the following periods:</p> <ul style="list-style-type: none"> i) not later than one year, ii) later than one year and not later than five years; and iii) later than five years; <p>d) contingent rents recognised in income for the period;</p> <p>e) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date; and</p> <p>f) a general description of the lessee's significant leasing arrangements including, but not limited to, the following:</p> <ul style="list-style-type: none"> i) the basis on which contingent rent payments are determined; ii) the existence and terms of renewal or purchase options and escalation clauses; and iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing. 	<p>SSAP 14.23(b)</p> <p>SSAP 14.23(c)</p> <p>SSAP 14.23(d)</p> <p>SSAP 14.23(e)</p>
	<p><i>Note: In addition to the requirements set out at item 10186, the requirements for disclosure under SSAP 17, Property, Plant and Equipment, apply to the amounts of leased assets under finance leases that are accounted for by the lessee as acquisition of assets.</i></p>	
	<p>Operating Leases</p>	
10187	<p>The following disclosure should be made in the financial statements for operating leases:</p> <p>a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:</p> <ul style="list-style-type: none"> i) not later than one year; ii) later than one year and not later than five years; and iii) later than five years; <p>b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;</p> <p>c) lease and sublease payments recognised in income for the period, with separate amounts for minimum lease payments, contingent rents, and sublease payments;</p>	<p>SSAP 14.30(a)</p> <p>SSAP 14.30(b)</p> <p>SSAP 14.30(c)</p>

Ref.	Requirement	Source
	<p>d) a general description of the lessee's significant leasing arrangements including, but not limited to, the following:</p> <ul style="list-style-type: none"> i) the basis on which contingent rent payments are determined; ii) the existence and terms of renewal or purchase options and escalation clauses; and iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing; and <p>e) the amount, if material, charged to revenue in respect of sums payable for the hire of plant and machinery</p>	<p>SSAP 14.30(d)</p> <p>Sch 10:13(1)(i)</p>
	BORROWINGS	
10188	<p>A statement is required, showing:</p> <ul style="list-style-type: none"> a) bank loans and overdrafts, and b) other borrowings of the group, <p>analysed over the following repayment terms:</p> <ul style="list-style-type: none"> i) on demand or within a period not exceeding one year; ii) within a period of more than one year but not exceeding two years; iii) within a period of more than two years but not exceeding five years; and iv) within a period of more than five years. 	<p>App 16.22(1) GR 18.21</p>
	SECURED LIABILITIES	
10189	The description 'secured' should be stated against any liabilities secured otherwise than by operation of law on any assets of the company or group.	Sch 10:10
	TAX ASSETS AND LIABILITIES	
10190	The enterprise should disclose the basis of computation of the amount set aside for Hong Kong profits tax.	Sch 10:12(15)
10191	The following principles should be applied in the presentation of tax assets and liabilities:	
	a) tax assets and tax liabilities should be presented separately from other assets and liabilities in the balance sheet;	SSAP 12.69
	b) current tax assets and liabilities should be distinguished from deferred tax assets and liabilities; and	SSAP 12.69
	c) when the enterprise distinguishes between current and non-current assets and liabilities in its financial statements, deferred tax assets (liabilities) should not be treated as current assets (liabilities).	SSAP 12.70
10192	Current tax assets and current tax liabilities should be offset if, and only if, both of the following conditions are satisfied:	SSAP 12.71
	a) there is a legally enforceable right to set off the recognised amounts; and	

Ref.	Requirement	Source
10193	<p>b) it is intended either to settle on a net basis, or to realise the asset and settle the liability simultaneously.</p> <p>Deferred tax assets and deferred tax liabilities should be offset if, and only if, both of the following conditions are satisfied:</p> <p>a) there is a legally enforceable right to set off current tax assets against current tax liabilities; and</p> <p>b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:</p> <p>i) the same taxable entity; or</p> <p>ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.</p>	SSAP 12.74
10194	<p>The following should be disclosed:</p> <p>a) the amount (and expiry date, if any) of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the balance sheet;</p> <p>b) the aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, for which deferred tax liabilities are not recognised; and</p> <p>c) the amount of the deferred tax assets and liabilities recognised in the balance sheet for each period presented in respect of each type of temporary difference, and in respect of each type of unused tax losses and unused tax credits.</p>	<p>SSAP 12.81(e)</p> <p>SSAP 12.81(f)</p> <p>SSAP 12.81(g)</p>
10195	When the utilisation of a deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the enterprise has suffered a loss in either the current or the preceding period in the tax jurisdiction to which the deferred tax asset relates, the amount of such asset and the nature of the evidence supporting its recognition should be disclosed.	SSAP 12.82
10196	<p>Where current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits, but the net income taxes payable will be affected if part of the retained earnings is paid out as a dividend to shareholders, the enterprise should disclose:</p> <p>a) the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders;</p> <p>b) the amounts of the potential income tax consequences that are practically determinable; and</p> <p>c) whether there are any potential income tax consequences that are not practically determinable.</p>	SSAP 12.82A
	ACCOUNTS PAYABLE	
10197	The financial statements should disclose an aged analysis of accounts payable.	App 16.4(2)(c)(ii) GR 18.50A(2)(c)(ii)

Ref.	Requirement	Source
	EMPLOYEE BENEFITS	
	Post-employment Benefits	
10198	For defined contribution plans, the enterprise should disclose the amount recognised as an expense in the period.	SSAP 34.46
10199	For defined benefit plans, the enterprise should disclose the total expense recognised in the income statement for each of the following, and the line item(s) of the income statement in which they are included: <ul style="list-style-type: none"> a) current service cost; b) interest cost; c) expected return on plan assets; d) expected return on any reimbursement right recognised as an asset under SSAP 34, paragraph 104A; e) actuarial gains and losses; f) past service cost; and g) the effect of any curtailment or settlement. 	SSAP 34.120(f)
10200	An asset relating to one retirement benefit plan should be offset against a liability relating to another plan when, and only when, the following conditions are satisfied: <ul style="list-style-type: none"> a) the enterprise has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and b) the enterprise intends either to settle the obligations on a net basis, or to realise the surplus on one plan and settle its obligations under the other plan simultaneously. 	SSAP 34.116
10201	The following information should be disclosed about defined benefit plans: <ul style="list-style-type: none"> a) a general description of the type of plan; b) a reconciliation of the assets and liabilities recognised in the balance sheet, showing at least: <ul style="list-style-type: none"> i) the present value at the balance sheet date of defined benefit obligations that are wholly unfunded; ii) the present value (before deducting the fair value of plan assets) at the balance sheet date of defined benefit obligations that are wholly or partly funded; iii) the fair value of any plan assets at the balance sheet date; iv) the net actuarial gains or losses not recognised in the balance sheet; v) the past service cost not yet recognised in the balance sheet; vi) any amount not recognised as an asset, because of the limit restrictions imposed by SSAP 34, paragraph 58(b); 	SSAP 34.120(b) SSAP 34.120(c)

Ref.	Requirement	Source
	<ul style="list-style-type: none"> vii) the fair value at the balance sheet date of any reimbursement right recognised as an asset under SSAP 34, paragraph 104A (with a brief description of the link between the reimbursement right and the related obligation); and viii) the other amounts recognised in the balance sheet; 	
	<ul style="list-style-type: none"> c) the amounts included in the fair value of plan assets for: <ul style="list-style-type: none"> i) each category of the reporting enterprise's own financial instruments; and ii) any property occupied by, or other assets used by, the reporting enterprise; 	SSAP 34.120(d)
	<ul style="list-style-type: none"> d) a reconciliation showing the movements during the period in the net liability (or asset) recognised in the balance sheet; 	SSAP 34.120(e)
	<ul style="list-style-type: none"> e) the actual return on plan assets, as well as the actual return on any reimbursement right recognised as an asset under SSAP 34, paragraph 104A and; 	SSAP 34.120(g)
	<ul style="list-style-type: none"> f) the principal actuarial assumptions used as at the balance sheet date, including, where applicable: <ul style="list-style-type: none"> i) the discount rates; ii) the expected rates of return on any plan assets for the periods presented in the financial statements; iii) the expected rates of return for the periods presented in the financial statements on any reimbursement right recognised as an asset under SSAP 34, paragraph 104A; iv) the expected rates of salary increases (and of changes in an index or other variable specified in the formal or constructive terms of a plan as the basis for future benefit increases); v) medical cost trend rates; and vi) any other material actuarial assumptions used. 	SSAP 34.120(h)
	<p><i>Notes:</i></p> <ol style="list-style-type: none"> 1. <i>The enterprise should disclose each actuarial assumption in absolute terms (for example as an absolute percentage) and not just as a margin between different percentages or other variables.</i> 2. <i>When an enterprise has more than one defined benefit plan, disclosures may be made in total, separately for each plan, or under appropriate groupings.</i> 	SSAP 34.122
10202	Where a multi-employer plan is accounted for as a defined benefit plan, the enterprise should disclose the information specified in item 10201.	SSAP 34.29
10203	Where a multi-employer plan is a defined benefit plan, but is accounted for as a defined contribution plan because sufficient information is not available to use defined-benefit accounting, the enterprise should disclose:	
	<ul style="list-style-type: none"> a) the fact that the plan is a defined benefit plan; 	SSAP 34.30(b)(i)

Ref.	Requirement	Source
	<ul style="list-style-type: none"> b) the reason why sufficient information is not available to enable the enterprise to account for the plan as a defined benefit plan; and c) to the extent that a surplus or deficit in the plan may affect the amount of future contributions: <ul style="list-style-type: none"> i) any available information about that surplus or deficit; ii) the basis used to determine that surplus or deficit; and iii) the implication, if any, for the enterprise. 	<p>SSAP 34.30(b)(ii)</p> <p>SSAP 34.30(c)</p>
10204	<p>On implementation of SSAP 34, the enterprise should determine its transitional liability for defined benefit plans in accordance with SSAP 34, paragraph 154. Where the enterprise elects to recognise any excess of the transitional liability over the liability that would have been arrived at under its previous accounting policy over a period of up to 5 years, rather than immediately, it should disclose at each balance sheet date:</p> <ul style="list-style-type: none"> a) the amount of the excess that remains unrecognised; and b) the amount recognised in the current period. <p>Equity Compensation Benefits</p> <p><i>Note: The most common form of equity compensation benefits in Hong Kong will be director/employee share option schemes. However, the disclosure requirements also apply to other arrangements such as employee share ownership plans, and bonus schemes where the amounts payable are dependent on the future price of equity financial instruments issued by the reporting enterprise.</i></p>	SSAP 34.155(b)
10205	<p>In respect of equity compensation benefits, the following should be disclosed:</p> <ul style="list-style-type: none"> a) the nature and terms (including any vesting rules) of equity compensation plans; b) the amounts recognised in the financial statements for equity compensation plans; c) the number and terms (including, where applicable, dividend and voting rights, conversion rights, exercise dates, exercise prices and expiry dates) of the enterprise's own equity financial instruments which are held by equity compensation plans (and, in the case of share options, by employees) at the beginning and end of the period, and the extent to which employees' entitlements to those instruments are vested at the beginning and end of the period; d) the number and terms (including, where applicable, dividend and voting rights, conversion rights, exercise dates, exercise prices and expiry dates) of equity financial instruments issued by the enterprise to equity compensation plans or to employees (or of the enterprise's own equity financial instruments distributed by equity compensation plans to employees) during the period and the fair value of any consideration received from the equity compensation plans or the employees; e) the number, exercise dates and exercise prices of share options exercised under equity compensation plans during the period; 	<p>SSAP 34.147(a)</p> <p>SSAP 34.147(c)</p> <p>SSAP 34.147(d)</p> <p>SSAP 34.147(e)</p> <p>SSAP 34.147(f)</p>

Ref.	Requirement	Source
	<p>f) the number of share options held by equity compensation plans, or held by employees under such plans, that lapsed during the period; and</p> <p>g) the amount, and principal terms, of any loans or guarantees granted by the reporting enterprise to, or on behalf of, equity compensation plans.</p> <p><i>Note: When an enterprise has more than one equity compensation plan, disclosures may be made in total, separately for each plan, or under appropriate groupings.</i></p>	<p>SSAP 34.147(g)</p> <p>SSAP 34.147(h)</p> <p>SSAP 34.149</p>
10206	<p>Unless it is impracticable to do so, the following additional items should be disclosed:</p> <p>a) the fair value, at the beginning and end of the period, of the enterprise's own equity financial instruments (other than share options) held by equity compensation plans; and</p> <p>b) the fair value, at the date of issue, of the enterprise's own equity financial instruments (other than share options) issued by the enterprise to equity compensation plans or to employees during the period.</p>	SSAP 34.148
10207	If it is not practicable to determine the fair value of the equity financial instruments specified for disclosure under item 10206, that fact should be disclosed.	SSAP 34.148
10208	Specific amendments to SSAP 34 regarding the change of accounting treatment of long service payments under the Employment Ordinance became effective for annual financial statements beginning on or after 1 January 2003. If earlier adoption of those amendments affects the financial statements, that fact should be disclosed.	SSAP 34.162
	PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS	
	Provisions	
10209	The aggregate amount of provisions should be disclosed (other than provisions for depreciation, renewals or diminution in value of assets).	Sch 10:6
10210	<p>The enterprise should disclose the following for each class of provision:</p> <p>a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;</p> <p>b) an indication of the uncertainties about the amount or timing of those outflows including, where necessary to provide adequate information, the major assumptions made concerning future events; and</p> <p>c) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.</p>	SSAP 28.85
10211	<p>For each class of provision, the enterprise should disclose:</p> <p>a) the carrying amount at the beginning and end of the period;</p> <p>b) additional provisions made in the period, including increases to existing provisions;</p> <p>c) amounts used (i.e. incurred and charged against the provision) during the period;</p>	<p>SSAP 28.84</p> <p>Sch 10:7</p>

Ref.	Requirement	Source
	<p>d) unused amounts reversed during the period; and</p> <p>e) the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.</p> <p><i>Note: Comparative information is not required for the disclosures specified in item 10211.</i></p> <p>Contingent Liabilities</p>	
10212	The enterprise should disclose particulars (including amounts) of any charge on the assets of the company to secure the liabilities of any other person.	Sch 10:12(4)
10213	Unless the possibility of any outflow in settlement is remote, the enterprise should disclose, for each class of contingent liability at the balance sheet date, a brief description of the nature of the contingent liability.	SSAP 28.86 Sch 10:12(5)
10214	<p>Where practicable, the following information should also be disclosed in respect of contingent liabilities:</p> <p>a) an estimate of the financial effect of the contingent liabilities, under the measurement rules specified in paragraphs 36 to 52 of SSAP 28;</p> <p>b) an indication of the uncertainties relating to the amount or timing of any outflow; and</p> <p>c) the possibility of any reimbursement.</p> <p><i>Note: Where a provision and a contingent liability arise from the same set of circumstances, the enterprise should make the disclosures required by items 10210 to 10214 in a way that shows the link between the provision and the contingent liability.</i></p> <p>Contingent Assets</p>	SSAP 28.86
10215	Where an inflow of economic benefits is probable, the enterprise should disclose a brief description of the nature of the contingent assets at the balance sheet date.	SSAP 28.89
10216	Where practicable, the enterprise should also disclose an estimate of the financial effect of the contingent asset, measured using the principles specified in paragraphs 36 to 52 of SSAP 28.	SSAP 28.89
10217	Where any of the information required by items 10213 and 10216 is not disclosed because it is not practicable to do so, that fact should be stated.	SSAP 28.91
10218	In the extremely rare case where information is not disclosed because disclosure of some or all of the information required by items 10210 to 10216 could be expected to prejudice seriously the position of the enterprise in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset, the enterprise should disclose the general nature of the dispute, together with the fact that, and the reason why, the information has not been disclosed.	SSAP 28.92
10219	<p>The enterprise should disclose the following contingent liabilities:</p> <p>a) its share of the contingent liabilities of an associate for which it is also contingently liable; and</p>	SSAP 10.33

Ref.	Requirement	Source
	<ul style="list-style-type: none"> b) the contingent liabilities that arise because the enterprise is severally liable for all of the liabilities of the associates. 	
10220	<p>The enterprise should disclose the aggregate amounts of the following contingent liabilities (unless the probability of loss is remote), separately from the amount of other contingent liabilities:</p> <ul style="list-style-type: none"> a) any contingent liabilities that the enterprise has incurred in relation to its interests in joint ventures and its share in each of the contingencies which have been incurred jointly with other venturers; b) its share of the contingent liabilities of the joint ventures themselves for which it is contingently liable; and c) those contingent liabilities that arise because the enterprise is contingently liable for the liabilities of the other venturers in a joint venture. 	SSAP 21.50
	COMMITMENTS	
10221	<p>The enterprise should disclose the amounts, if material, of capital expenditure:</p> <ul style="list-style-type: none"> a) authorised but not contracted for; and b) contracted for but not provided for. 	Sch 10:12(6)
10222	The amount of commitments for the acquisition of property, plant and equipment should be disclosed separately.	SSAP 17.72(d)
10223	The amount of commitments for the acquisition of intangible assets should be disclosed.	SSAP 29.111(e)
10224	The enterprise should disclose its share of the capital commitments of an associate for which it is also contingently liable.	SSAP 10.33(a)
10225	<p>An enterprise should disclose the aggregate amounts of the following commitments in respect of its interests in joint ventures separately from the amount of other commitments:</p> <ul style="list-style-type: none"> a) any capital commitments that the enterprise has incurred in relation to its interests in joint ventures and its share in each of the capital commitments that have been incurred jointly with other venturers; and b) its share of the capital commitments of the joint ventures themselves. 	SSAP 21.51
	GOVERNMENT GRANTS	
10226	<p>The following information should be disclosed in the financial statements:</p> <ul style="list-style-type: none"> a) the nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the enterprise has directly benefited; and b) unfulfilled conditions and other contingencies attaching to government assistance that has been recognised. 	<p>SSAP 35.40(b)</p> <p>SSAP 35.40(c)</p>

Ref.	Requirement	Source
	<p>c) grants related to income should be presented as a credit in the income statement either:</p> <ul style="list-style-type: none"> i) separately or under a general heading such as "other income"; or ii) deducted in reporting the related expense. <p>EVENTS AFTER THE BALANCE SHEET DATE</p>	SSAP 35.30
10227	If the enterprise receives information after the balance sheet date about conditions that existed at the balance sheet date, the enterprise should update disclosures that relate to those conditions, in the light of the new information.	SSAP 9.18
10228	<p>Where non-adjusting events after the balance sheet date are of such importance that non-disclosure would affect the ability of the users of the financial statements to make proper evaluations and decisions, the enterprise should disclose the following information for each significant category of non-adjusting event after the balance sheet date:</p> <ul style="list-style-type: none"> a) the nature of the event; and b) an estimate of its financial effect, or a statement that such an estimate cannot be made. <p>RELATED PARTY TRANSACTIONS</p>	SSAP 9.20
10229	If there have been transactions between related parties, the reporting enterprise should disclose the nature of the related party relationships as well as the types of transactions and the elements of the transactions necessary for an understanding of the financial statements.	SSAP 20.20
	<p><i>Notes:</i></p> <ol style="list-style-type: none"> 1. <i>The elements of a transaction necessary for an understanding of the financial statements will normally include:</i> <ul style="list-style-type: none"> a) <i>an indication of the volume of the transactions, either as an amount or as an appropriate proportion;</i> b) <i>amounts or appropriate proportions of outstanding items; and</i> c) <i>pricing policies.</i> 2. <i>Items of a similar nature may be disclosed in aggregate except when separate disclosure is required by law or is necessary for an understanding of the effects of related party transactions on the financial statements of the reporting enterprise.</i> 3. <i>No disclosure of transactions is required:</i> <ul style="list-style-type: none"> a) <i>in consolidated financial statements in respect of intra-group transactions;</i> b) <i>in the holding company's own financial statements when they are presented together with the consolidated financial statements;</i> 	<p>SSAP 20.21</p> <p>SSAP 20.23</p> <p>SSAP 20.4</p>

Ref.	Requirement	Source
	<p>c) <i>in financial statements of a wholly-owned subsidiary provided that the consolidated financial statements in which the subsidiary is included contain related party disclosures comparable to those required by SSAP 20, and that reliance on this exemption is disclosed in the subsidiary's financial statements; and</i></p> <p>d) <i>in financial statements of a reporting enterprise in respect of transactions for which specific disclosure exemptions are granted by statute. In such circumstances, reliance on the legal dispensation should be disclosed in the financial statements.</i></p>	
10230	Where a reporting enterprise has taken advantage of either of the last two exemptions from disclosing related party transactions referred to above (parent complies with comparable standard or disclosure exempted under the law), that fact should be disclosed in the financial statements.	SSAP 20.26
10231	<p>Items of a similar nature should not be aggregated when:</p> <p>a) separate disclosure is required by the law; or</p> <p>b) disclosure is necessary for an understanding of the effects of related party relationships on the financial statements of the reporting enterprise.</p>	SSAP 20.23
10232	<p>Separate disclosure should made of amounts payable to and receivable from:</p> <p>a) the parent enterprise;</p> <p>b) fellow subsidiaries, joint ventures and associates; and</p> <p>c) other related parties.</p> <p>SERVICE CONCESSION ARRANGEMENTS</p>	SSAP 1.75
10233	<p>All aspects of a service concession arrangement should be considered in determining the appropriate disclosures in the notes to the financial statements. A Concession Operator and a Concession Provider should disclose the following in each period:</p> <p>a) a description of the arrangement;</p> <p>b) significant terms of the arrangement that may affect the amount, timing and certainty of future cash flows (e.g. the period of the concession, re-pricing dates and the basis upon which re-pricing or re-negotiation is determined);</p> <p>c) the nature and extent (e.g. quantity, time period or amount, as appropriate) of:</p> <p>i) rights to use specified assets;</p> <p>ii) obligations to provide or rights to expect provision of service;</p> <p>iii) obligations to acquire or build items of property, plant and equipment;</p> <p>iv) obligations to deliver or rights to receive specified assets at the end of the concession period;</p>	INT 16.6

Ref.	Requirement	Source
	<p>v) renewal and termination options; and</p> <p>vi) other rights and obligations (e.g. major overhauls); and</p> <p>d) changes in the arrangements occurring during the period.</p> <p><i>Note: The disclosures required by item 10233 should be provided individually for each service concession arrangement or in aggregate for each class of service concession arrangements. A class is a grouping of service concession arrangements involving services of a similar nature (e.g. toll collections, telecommunications and water treatment services).</i></p>	INT 16.7

SECTION 11 AGRICULTURE (SSAP 36 - EFFECTIVE 1 JANUARY 2004)

Ref.	Requirement	Source
11001	The enterprise should present the carrying amount of its biological assets separately on the face of its balance sheet.	SSAP 36.39
	GENERAL DISCLOSURES	
11002	The enterprise should disclose the aggregate gain or loss arising during the current period on initial recognition of biological assets and agricultural produce, and from the change in fair value less estimated point-of-sale costs of biological assets.	SSAP 36.40
11003	The enterprise should provide a description of each group of biological assets, either in narrative form or as a quantified description.	SSAP 36.41 SSAP 36.42
11004	If not disclosed elsewhere in information published with the financial statements, the enterprise should describe: <ul style="list-style-type: none"> a) the nature of its activities involving each group of biological assets; and b) non-financial measures or estimates of the physical quantities of: <ul style="list-style-type: none"> i) each group of the enterprise's biological assets at the end of the period; and ii) output of agricultural produce during the period. 	SSAP 36.46
11005	The enterprise should disclose the methods used and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest, and each group of biological assets.	SSAP 36.47
11006	The enterprise should disclose the fair value less estimated point-of-sale costs of agricultural produce harvested during the period, determined at the point of harvest.	SSAP 36.48
11007	The enterprise should disclose: <ul style="list-style-type: none"> a) the existence and carrying amounts of biological assets whose title is restricted, and the carrying amounts of biological assets pledged as security for liabilities; b) the amount of commitments for the development or acquisition of biological assets; and c) financial risk management strategies related to agricultural activity. 	SSAP 36.49
11008	The enterprise should present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period, including: <ul style="list-style-type: none"> a) the gain or loss arising from changes in fair value less estimated point-of-sale costs; b) increases due to purchases; c) decreases due to sales; d) decreases due to harvest; 	SSAP 36.50

Ref.	Requirement	Source
	<ul style="list-style-type: none"> e) increases resulting from business combinations; f) net exchange differences arising on the translation of the financial statements of a foreign entity; and g) other changes. <p><i>Note: Comparative information is not required for the reconciliation specified in item 11008.</i></p> <p>ADDITIONAL DISCLOSURES FOR BIOLOGICAL ASSETS WHERE FAIR VALUE CANNOT BE MEASURED RELIABLY</p>	
11009	<p>If the enterprise measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses at the end of the period, the enterprise should disclose for such biological assets:</p> <ul style="list-style-type: none"> a) a description of the biological assets; b) an explanation of why fair value cannot be measured reliably; c) if possible, the range of estimates within which fair value is highly likely to lie; d) the depreciation method used; e) the useful lives or the depreciation rates used; and f) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period. 	SSAP 36.54
11010	<p>If, during the current period, the enterprise measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses, the enterprise should disclose any gain or loss recognised on disposal of such biological assets and the reconciliation required under item 11008 above should disclose amounts related to such biological assets separately.</p>	SSAP 36.55
11011	<p>In the circumstances described at item 11010, the reconciliation should also include the following amounts included in net profit or loss related to those biological assets:</p> <ul style="list-style-type: none"> a) impairment losses; b) reversals of impairment losses; and c) depreciation. 	SSAP 36.55
11012	<p>If the fair value of biological assets previously measured at their cost less any accumulated depreciation and any accumulated impairment losses becomes reliably measurable during the current period, the enterprise should disclose for those biological assets:</p> <ul style="list-style-type: none"> a) a description of the biological assets; b) an explanation of why fair value has become reliably measurable; and c) the effect of the change. 	SSAP 36.56

Ref.	Requirement	Source
	GOVERNMENT GRANTS	
11013	<p>The enterprise should disclose the following related to agricultural activity covered by SSAP 36:</p> <ul style="list-style-type: none"> a) the nature and extent of government grants recognised in the financial statements; b) unfulfilled conditions and other contingencies attaching to government grants; and c) significant decreases expected in the level of government grants. 	SSAP 36.57
	EFFECTIVE DATE AND TRANSITION	
11014	If the enterprise applies SSAP 36 for an accounting periods beginning before 1 January 2004 (its effective date), that fact should be disclosed.	SSAP 36.58

SECTION 12 FIRST-TIME ADOPTION OF HKFRSs (HKFRS 1 - EFFECTIVE 1 JANUARY 2004)

Ref.	Requirement	Source
	<p><i>Notes:</i></p> <ol style="list-style-type: none"> <i>In November 2003, the HKSA issued HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards (HKFRSs), which sets out the procedures that an entity must follow when it adopts HKFRSs for the first time as the basis for preparing its general purpose financial statements. HKFRS 1 is effective on or after 1 January 2004. Earlier adoption is encouraged. Where an entity opts for early adoption, disclosure of that fact is required.</i> <i>An entity should apply HKFRS 1 in:</i> <ol style="list-style-type: none"> <i>its first HKFRS financial statements; and</i> <i>each interim financial report, if any, that it presents under SSAP 25 Interim Financial Reporting for part of the period covered by its first HKFRS financial statements.</i> <i>An entity's first HKFRS financial statements are the first annual financial statements in which the entity adopts HKFRSs, by an explicit and unreserved statement in those financial statements of compliance with HKFRSs.</i> <i>An entity should use the same accounting policies in its opening HKFRS balance sheet and throughout all periods presented in its first HKFRS financial statements. Those accounting policies should comply with each HKFRS effective at the reporting date (the end of the latest period covered by financial statements) for its first HKFRS financial statements, except as specified in paragraphs 13-34 of HKFRS 1. The transitional provisions in other HKFRSs do not apply to a first-time adopter's transition to HKFRSs, except as specified in paragraphs 27-30 of HKFRS 1.</i> <i>However, an entity may apply a new HKFRS that is not yet mandatory if that HKFRS permits early adoption.</i> <i>HKFRS 1 does not provide exemptions from the presentation and disclosure requirements in other HKFRSs.</i> <p>OPENING HKFRS BALANCE SHEET</p>	<p>HKFRS 1.2</p> <p>HKFRS 1.3</p> <p>HKFRS 1.7</p> <p>HKFRS 1.8</p> <p>HKFRS 1.35</p>
12001	<p>An entity should prepare an opening HKFRS balance sheet at the date of transition to HKFRSs. An entity does not need to present its opening HKFRS balance sheet in its first HKFRS financial statements. The date of transition to HKFRSs is the beginning of the earliest period for which an entity presents its full comparative information under HKFRSs in its first HKFRS financial statements.</p> <p>RECLASSIFICATION</p>	<p>HKFRS 1.6</p>
12002	<p>An entity should reclassify items that it recognised under the previous GAAP as one type of asset, liability or component of equity but are a different type of asset, liability or component of equity under HKFRSs.</p>	<p>HKFRS 1.10(c)</p>

Ref.	Requirement	Source
	COMPARATIVE INFORMATION	
12003	The entity's first HKFRS financial statements should include at least one year of comparative information under HKFRSs.	HKFRS 1.36
12004	<p>If the financial statements contain historical summaries or comparative information under the previous GAAP, the entity should:</p> <p>a) label the previous GAAP information prominently as not being prepared under HKFRSs; and</p> <p>b) disclose the nature of the main adjustments which would make it comply with HKFRSs. An entity does not need to quantify those adjustments.</p> <p><i>Note: If an entity wishes to disclose summaries of selected financial information for periods before the date of the opening IFRS balance sheet, that information is not required to comply with the recognition and measurement requirements of HKFRSs.</i></p>	HKFRS 1.37
	EXPLANATION OF TRANSITION TO HKFRSs	
12005	The entity should explain how the transition from the previous GAAP to HKFRS affected its reported financial position, financial performance and cash flows.	HKFRS 1.38
	RECONCILIATIONS	
12006	<p>The entity's first HKFRS financial statements should include:</p> <p>a) reconciliation of its equity reported under the previous GAAP to its equity under HKFRSs for both of the following dates:</p> <p>i) the date of transition to HKFRSs; and</p> <p>ii) the end of the latest period presented in the entity's most recent annual financial statements under the previous GAAP;</p> <p>b) a reconciliation of the profit or loss reported under the previous GAAP for the latest period in the entity's most recent annual financial statements to its profit or loss under HKFRSs for the same period; and</p> <p>c) if the entity recognised or reversed any impairment losses for the first time in preparing its opening HKFRS balance sheet, the disclosures that SSAP 29 <i>Impairment of Assets</i> would have been required if the entity had recognised those impairment losses or reversals in the period beginning with the date of transition to IFRS.</p>	HKFRS 1.39
12007	The reconciliation required by items 11006(a) and (b) above should give sufficient detail to enable users to understand the material adjustments to the balance sheet, income statement and cash flow statement.	HKFRS 1.40
12008	If the entity becomes aware of errors made under the previous GAAP, the reconciliation required by items 11006(a) and (b) should distinguish the correction of those errors from changes in accounting policies.	HKFRS 1.41
12009	If the entity did not present financial statements for the previous periods, its first HKFRS financial statements should disclose that fact.	HKFRS 1.43

Ref.	Requirement	Source
	USE OF FAIR VALUE AS DEEMED COST	
12010	<p>If the entity users fair value in its opening HKFRS balance sheet as deemed costs for an item of property, plant and equipment, an investment property or an intangible asset (see HKFRS 1, paragraphs 16 and 18), the entity's first HKFRS financial statements should disclose, for each line item in the opening HKFRS balance sheet:</p> <ul style="list-style-type: none"> a) the aggregate of those fair values; and b) the aggregate adjustment to the carrying amounts reported under the previous GAAP. 	HKFRS 1.44
	EFFECTIVE DATE AND TRANSITION	
12011	<p>If an entity's first HKFRS financial statements are for a period beginning on or after 1 January 2004, it should apply this HKFRS. Earlier adoption is encouraged. Where an entity opts for early adoption, disclosure of that fact is required.</p>	HKFRS 1.47

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International Financial Reporting Standards: A Practical Guide	3rd Edition. Details of IASB structure and agenda projects, summaries of current Standards and Interpretations, model financial statements, and presentation and disclosure checklist.
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