



## Hong Kong

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Official Language:	Chinese, English
Monetary Unit:	Dollar
Stock Exchanges:	<a href="#">Stock Exchange of Hong Kong, Ltd. (SEHK)</a>
Regulatory Authority:	Securities and Futures Commission (SFC)

### Forms of Business Enterprise

*Private companies incorporated in Hong Kong Public companies  
 incorporated in Hong Kong Branches of foreign companies Representative  
 or liaison offices of foreign companies Partnerships Sole proprietorships*

### Disclosure Practices and Requirements

Companies seeking listing on the stock exchange must usually have a three-year trading record, sufficient management presence in Hong Kong (meaning at least two resident executive directors) and publicly-held shares with a market value of HK \$.5 million or the expected market value of 25 percent of the shares, whichever is higher.

### Audited Statements

Listed companies must publish audited, annual financial statements within six months of the fiscal year end. The company's annual report must be issued to shareholders, the Stock Exchange and the SFC no later than 21 days before its annual general meeting. The annual report must be filed with the Registrar of Companies within 28 days of the annual general meeting.

An unaudited semi-annual report must be mailed to the same parties within four months after the first six months of the financial year.

Financial statements must contain: a directors' report, chairman's statements (listed companies only); profit and loss account; balance sheet; auditors' report, and notes to the accounts. Companies with annual turnover of more than HK million must also provide a statement of changes in financial position, with the exception of financial and shipping companies.

### Consolidated Statements

Holding companies must prepare group accounts in the form of a single set of consolidated financial statements. The group accounts must deal with the results of the company and its subsidiary companies.

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### **Additional Information**

The Companies Ordinance requires that the notes to the account section include several additional items of information for listed companies: if any liability is secured by any company assets; the effect on income or financial position of any material events or transactions, analysis of revenue and results by principal activities, and geographical analysis of revenue and results.

The first listing of a PRC (People's Republic of China) incorporated company occurred in July of 1993. PRC companies are expected to continue to list their shares in Hong Kong.