

# Compliance Control Guide For the Publication of Annual Results Announcement and Annual Report



**BM INTELLIGENCE**

BMI Listed Corporate Services Limited  
邦盟汇骏上市秘书顾问有限公司

The information contained on, or referred to in, this Guide, including, but not limited to, reports, diagrams and advice, is supplied for the benefit and convenience of those with an interest in the areas of the publication of annual results announcement and annual report and not as specific advice to any particular party or person. Accordingly, BMI Listed Corporate Services Limited accepts no responsibility for any loss that occurs to any party who acts on information contained herein without further consultation with us.

Published by BMI Listed Corporate Services Limited

# Preface

This Compliance Control Guide For the Publication of Annual Results Announcement and Annual Report (the “Guide”) is prepared by BMI Listed Corporate Services Limited (“BMILCS”). BMILCS is a leading professional corporate services provider which offers comprehensive and reliable corporate secretarial services to listed and private companies in Hong Kong, the People’s Republic of China and throughout the Asia region.

With the help from our expertise business support, we can remove obstacles that would hinder your many great plans and let you concentrate on expanding your business without hesitation.

Since we have substantial experience in providing corporate services, especially for services in relation to the publication of annual results announcement and annual report, we put together our expertise and insights of our professionals in coming up with advice on compliance control for the publication of annual results announcement and annual report in this Guide.

It is an obligation for a listed company to comply with the disclosure requirements as set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) in order to increase its transparency and enhance the communication with shareholders and its potential investors.

Here with our professional advice, we presented to you this Guide identifying the compliance requirements in respect of the publication of annual results announcement and annual report.

**BMI Listed Corporate Services Limited**

September 2012

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# 1. Introduction

An annual results announcement and an annual report are prepared for providing information about the financial performance and the activities of a listed company throughout the preceding financial year. Shareholders and potential investors of the listed company may depend on the information disclosed in the annual reports, which reflect the financial position and strategy of the listed company, for making their investment decision.

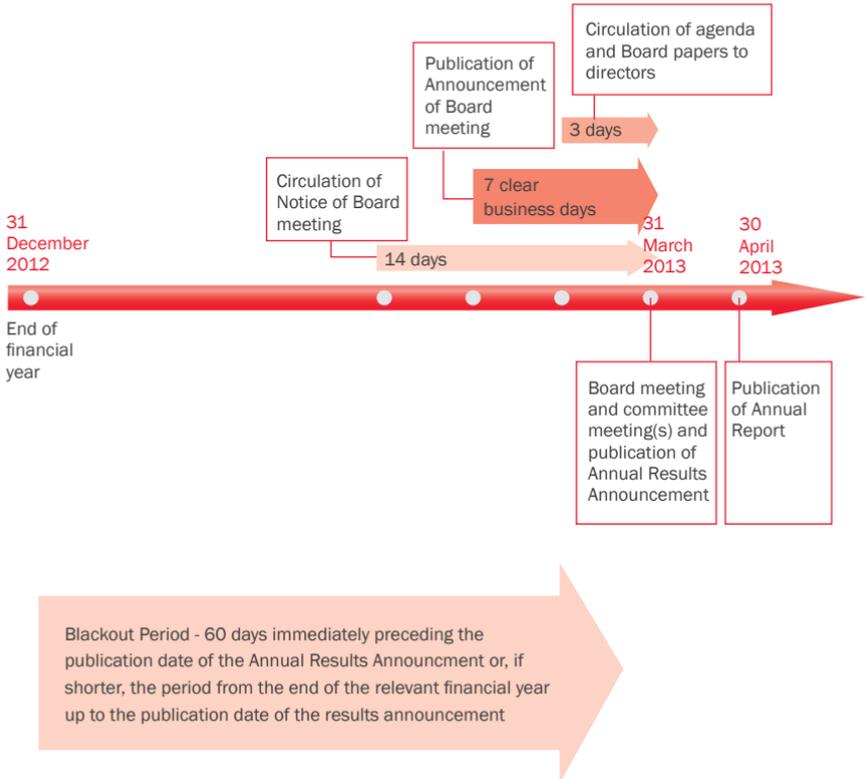
Different jurisdictions have different requirements on the disclosure of information in annual reports. For the companies which shares are listed on the Stock Exchange, the Listing Rules in relation to the publication of Annual Results Announcement and Annual Report are mainly:

- (a) Chapter 10 - Restrictions on Purchase and Subscription;
- (b) Chapter 13 - Continuing Obligations;
- (c) Chapter 17 - Share Option Schemes;
- (d) Appendix 10 - Model Code for Securities Transactions by Directors of Listed Issuers;
- (e) Appendix 14 - Corporate Governance Code and Corporate Governance Report; and
- (f) Appendix 16 - Disclosure of Financial Information,

of which will be discussed in this Guide.

## 2. Timeline

Assuming that the listed company's financial year is ending on 31 December 2012, the timeline for the preparation and publication of Annual Results Announcement and Annual Report is:



### 3. Procedures for the Publication of Annual Results Announcement and Annual Report

#### EVENT 1

1.1 Decide the date(s) of Board and other committee(s)' meetings

1.2 Prepare production timetable

1.3 Draft documentations in relation to the Blackout Period

- Internal memorandum reminding all the directors not to deal in the shares of the listed company during the period of 60 days immediately preceding the publication of Annual Results Announcement (the "Blackout Period")
- Notification to the Stock Exchange of the Blackout Period

(a) **Appendix 10 A.3**

(1) A director must not deal in any shares of the listed company during:

the period of 60 days immediately preceding  
the publication date of the Annual Results Announcement

OR

if shorter, the period from the end of financial year

up to the publication  
date of the  
Annual Results  
Announcement

(2) The listed company must notify the Stock Exchange in advance of the commencement of each period during which directors are not allowed to deal under Rule A.3(a).

1.3.1 Grant of Options

(a) **Rule 17.05 - Restriction on the time of grant of options**

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of the board decision until an announcement of such price sensitive information has been published in accordance with Rule 2.07C.

In particular, no option may be granted during the period:



Note: The period during which no option may be granted will cover any period of delay in the publication of an annual results announcement.

**(b) Appendix 10.A.3 & 10.B.13**

No option can be granted to directors and relevant employees during the period of:



**1.3.2 Share Repurchase**

**(a) Rule 10.06**

- RESTRICTIONS ON PURCHASE AND SUBSCRIPTION

**(b) Rule 10.06(2)(e)**

A listed company shall not purchase its shares on the Stock Exchange at any time after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information is made publicly available.

In particular, the listed company may not purchase its shares on the Stock Exchange during the period of:



unless the circumstances are exceptional.

- 1.4 Review Memorandum & Articles of Association of the listed company for the preparation of the related documents
- 1.5 Draft notices and agendas of Board Meeting, Audit Committee Meeting, Remuneration Committee Meeting and Nomination Committee Meeting (and meetings of any other committees, if applicable)
- 1.6 Prepare annual confirmation of independence by independent non-executive directors
- 1.7 Commence designing the cover of the Annual Report

## EVENT 2

- 2.1 Commence drafting the following sections of the Annual Results Announcement and Annual Report:
  - Corporate Information
  - Directors' Biographies
  - Chairman Statement
  - Management Discussion and Analysis ("MD&A")
  - Directors' Report
  - Corporate Governance Report
  - Auditors' Report and Audited Accounts
- 2.2 Submit the draft Chairman Statement, MD&A, Directors' Report and Audited Accounts to the Board for review

**EVENT 3**

**3.1** Dispatch notices of Board Meeting, Audit Committee Meeting, Remuneration Committee Meeting and Nomination Committee Meeting (and meetings of any other committees, if applicable) respectively

**(a) Appendix 14 A.1.3**

Notice of Board Meeting:

at least 14 days before the regular board meeting  
➤ to give all directors an opportunity to attend

date of regular board meeting

For all other board meetings, reasonable notice should be given.

**EVENT 4**

**4.1** Publish an announcement notifying the date of Board Meeting

**(a) Rule 13.43**

Inform the Stock Exchange and publish an announcement in accordance with Rule 2.07C

at least 7 clear business days in advance of the date fixed for board meeting

any board meeting at which the declaration, recommendation or payment of a dividend is expected to be decided or at which any announcement of the profits or losses for any year is to be approved for publication

**(b) Rule 2.07C(4)(a)**

Electronic copies of announcements or notices must not be submitted to the Stock Exchange for publication on the Stock Exchange's website

On a normal business day:

between 8:30 a.m. and 12:00 noon

between 12:30 p.m. and 4:15 p.m.

OR

On the eves of Christmas, New Year and the Lunar New Year when there is no afternoon session:

between 8:30 a.m. and 12:00 noon

**(c) Rule 2.07C(6)(a)**

Listed company must have its own website on which it must publish any announcement, notice or other document submitted by the listed company pursuant to this Rule 2.07C for publication on the Stock Exchange's website:

- where the electronic copy of the document is published:



**4.2** Arrange typesetting and translation of Annual Results Announcement and Annual Report (without figures of current year)

## EVENT 5

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**5.1** Finalize the following sections of the Annual Results Announcement and Annual Report:

- Corporate Information
- Directors' Biographies
- Chairman Statement
- MD&A
- Directors' Report
- Corporate Governance Report
- Auditors' Report and Audited Accounts
- Cover design of the Annual Report

**5.2** Prepare the respective minutes and attendance registers for the Board Meeting, Audit Committee Meeting, Remuneration Committee Meeting and Nomination Committee Meeting (and meetings of any other committees, if applicable)

**EVENT 6**

- 6.1 Send the finalized Annual Results Announcement and Annual Report to the Board for review
- 6.2 Dispatch agenda & board papers of each meeting

(a) **Appendix 14 A.7.1**

An agenda and accompanying board papers for regular board meetings should be sent, in full, to all directors

in a timely manner and at least 3 days before the intended date of a board or board committee meetings (or other agreed period)

date of a board or board committee meetings

**EVENT 7**

- 7.1 Convene the following meetings (and any other committees' meetings, if applicable)



**(a) Appendix 14 A.1.1**

The Board should meet regularly and board meetings should be held at least 4 times a year at approximately quarterly intervals. It is expected regular board meetings will normally involve the active participation, either in person or through electronic means of communication, of a majority of directors entitled to be present. So, a regular meeting does not include obtaining board consent through circulating written resolutions

**7.2** Proofread and sign off the Annual Results Announcement

**7.3** Upload the Annual Results Announcement to the Stock Exchange website and the listed company's own website as per Rule 2.07c(6)(a)

**EVENT 8**

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**8.1** Sign off the Annual Report

**8.2** Notify Share Registrar the dispatch date of Annual Report for obtaining the number of copies required for shareholders / non-registered shareholders

**8.3** Bulk print of the Annual Report

**EVENT 9**

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**9.1** Upload the Annual Report on the websites of the Stock Exchange and the listed company before the day on which it is dispatched to shareholders

**EVENT 10**

**10.1** Dispatch the Annual Report to Share Registrar, the shareholders & others

**(a) Rule 13.46**

A listed company shall send to:

every member of the  
listed company

AND

every other holder of its listed shares  
(not being bearer shares)

a copy of either

its annual report including its  
annual accounts and, where the  
listed company prepares group  
accounts within the meaning of  
section 124(1) of the Companies  
Ordinance, the group accounts,  
together with a copy of the  
auditors' report thereon

OR

its summary financial report  
(in place of a copy of its annual report  
and accounts, provided that it complies  
with the relevant provisions set out  
in section 141 of the Companies  
Ordinance and in the Companies  
(Summary Financial Reports of Listed  
Companies) Regulation)

not less than 21 days before  
the date of the listed company's  
annual general meeting

AND

not more than 4 months after the end  
of financial year

## 4. Bibliography And Reference

Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  
("Main Board Listing Rules")  
The Stock Exchange of Hong Kong Limited