



香港財經分析師學會

THE HONG KONG SOCIETY OF FINANCIAL ANALYSTS

13<sup>th</sup> January 2012

Sent by Email and by Mail

Companies Bill Team  
Financial Services and the Treasury Bureau  
15/F, Queensway Government Offices  
66 Queensway  
Hong Kong

Dear Sirs,

**Re: Consultation Paper on the Qualifying Criteria for Private Companies to Prepare Simplified Financial and Directors' Reports**

The Hong Kong Society of Financial Analysts generally supports option 1 of the legislative proposals. We believe that large private companies/groups should not be allowed to adopt simplified reporting (i.e. no change to the proposal in the Company Bill). As users of financial reports, more information disclosure and increased transparency is desirable. Shareholders of the company are only one group of stakeholders using the report; there are other people, for instance, creditors and potential acquirers who are interested in assessing detailed financial data to make informed decisions. As such, the exemption should be given only to small firms for cost considerations.

Yours faithfully,  
For and on behalf of  
The Board of The Hong Kong Society of Financial Analysts

A handwritten signature in black ink, appearing to read 'Cheri Wong', is written over a light blue horizontal line.

Cheri Wong, CFA  
Chief Executive Officer