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C14/19 (2001) Pt 3

9 May 2001

Mrs Florence Lam  
Clerk to LegCo Panel on Financial Affairs  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong

Dear Mrs Lam,

**LegCo Panel on Financial Affairs**

**Follow-up to meeting on 7 March 2001**

I refer to your letter of 8 March 2001 regarding the information on the practices in the United States in respect of allowing listed companies to issue summary financial statements to shareholders.

The reporting landscape in the US is different from that in Hong Kong. Upon enquiries with our US counterparts, we are informed that the US system is based on a continuous reporting regime, with listed company having to comply with the quarterly reporting requirement in addition to the requirement to submit annual financial statements. The annual statements must be sent to all shareholders whereas the quarterly ones are less detailed and the law only requires the company to publish them in press releases and file them with the US Securities and Exchanges Commission (SEC). There is no provision for summary financial statements. From our recent dialogues with SEC contacts, we understand that they do not see the need for such arrangements given the continuous reporting requirement.

I would be grateful if you would pass on the above information to Members of the Panel.

Yours sincerely,

( Esmond Lee )  
for Secretary for Financial Services