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Chapter:	622	Title:	Companies Ordinance	Gazette Number:	L.N. 163 of 2013
Section:	379	Heading:	Directors must prepare financial statements	Version Date:	03/03/2014

(1) A company's directors must prepare for each financial year statements that comply with sections 380 and 383.

(2) Despite subsection (1), if the company is a holding company at the end of the financial year, the directors must instead prepare for the financial year consolidated statements that comply with sections 380, 381 and 383.

(3) Subsection (2) does not apply—

(a) if the company is a wholly owned subsidiary of another body corporate in the financial year; or

(b) if—

(i) the company is a partially owned subsidiary of another body corporate in the financial year;

(ii) at least 6 months before the end of the financial year, the directors notify the members in writing of the directors' intention not to prepare consolidated statements for the financial year, and the notification does not relate to any other financial year; and

(iii) as at a date falling 3 months before the end of the financial year, no member has responded to the notification by giving the directors a written request for the preparation of consolidated statements for the financial year.

(4) If, as respects any financial statements a copy of which is laid before a company in general meeting under section 429, or sent to a member under section 430 or otherwise circulated, published or issued by the company, a director of the company fails to take all reasonable steps to secure compliance with subsection (1) or (2), the director commits an offence and is liable to a fine of \$300000.

(5) If, as respects any financial statements a copy of which is laid before a company in general meeting under section 429, or sent to a member under section 430 or otherwise circulated, published or issued by the company, a director of the company wilfully fails to take all reasonable steps to secure compliance with subsection (1) or (2), the director commits an offence and is liable to a fine of \$300000 and to imprisonment for 12 months.

(6) If a person is charged with an offence under subsection (4), it is a defence to establish that the person had reasonable grounds to believe, and did believe, that a competent and reliable person—

(a) was charged with the duty of ensuring that subsection (1) or (2) (as the case may be) was complied with; and

(b) was in a position to discharge that duty.

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Chapter:	622	Title:	Companies Ordinance	Gazette Number:	L.N. 163 of 2013
Section:	380	Heading:	General requirements for financial statements	Version Date:	03/03/2014

(1) The annual financial statements for a financial year—

- (a) must give a true and fair view of the financial position of the company as at the end of the financial year; and
- (b) must give a true and fair view of the financial performance of the company for the financial year.

(2) The annual consolidated financial statements for a financial year—

- (a) must give a true and fair view of the financial position of the company, and all the subsidiary undertakings, as a whole as at the end of the financial year; and
- (b) must give a true and fair view of the financial performance of the company, and all the subsidiary undertakings, as a whole for the financial year.

(3) The financial statements for a financial year must comply with—

- (a) if the company falls within the reporting exemption for the financial year, Part 1 of Schedule 4; or
- (b) if the company does not fall within the reporting exemption for the financial year, Parts 1 and 2 of Schedule 4.

(4) The financial statements for a financial year must also comply with—

- (a) any other requirements of this Ordinance in relation to the financial statements; and
- (b) the accounting standards applicable to the financial statements.

(5) If, in relation to any financial statements, compliance with subsections (3) and (4) would be insufficient to give a true and fair view under subsection (1) or (2), the financial statements must contain all additional information necessary for that purpose.

(6) If, in relation to any financial statements, compliance with subsection (3) or (4) would be inconsistent with a requirement to give a true and fair view under subsection (1) or (2), the financial statements—

- (a) must depart from subsection (3) or (4) (as the case may be) to the extent necessary for it to give a true and fair view; and
- (b) must contain the reasons for, and the particulars and effect of, the departure.

(7) Subsections (1), (2), (5) and (6) do not apply if the company falls within the reporting exemption for the financial year.

(8) In this section—

- (a) **accounting standards**(會計準則) means statements of standard accounting practice issued or specified by a body prescribed by the Regulation; and
- (b) a reference to accounting standards applicable to any financial statements is a reference to accounting standards as are, in accordance with their terms, relevant to the company's circumstances and to the financial statements.

(9) This section has effect subject to section 382.