

香港聯合交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: CRO20171013-049

13 October 2017

To: Main Board Listed Issuers (Attn: Authorised Representatives)
GEM Listed Issuers (Attn: Authorised Representatives)
Market Practitioners

Dear Sirs

Publication of Exchange's Report on Listed Issuers' Corporate Governance Practices and Third Director Training Webcasts

A. Report on Listed Issuers' Corporate Governance Practices

We have today published the findings of our latest review of listed issuers' corporate governance practices. The review involved analysing the disclosures made by 1,428 issuers (approximately 72 per cent of all issuers listed as at 31 December 2016) in their 2016 annual reports, covering the financial period from 1 January to 31 December 2016.

Findings of the review included the following:

- 34 per cent of issuers complied with all 78 Code Provisions (CPs) in the Corporate Governance Code and Corporate Governance Report part of the Listing Rules (the Code).
- 94 per cent complied with 75 or more CPs.
- 100 per cent (actual figure is 99.6 per cent) complied with 70 or more CPs.
- Issuers with a larger market capitalisation achieved a higher overall compliance rate than those with a smaller market capitalisation.

The report, entitled "[Analysis of Corporate Governance Practice Disclosure in 2016 Annual Reports](#)", is available under the Issuer-related Information section of the HKEXnews website.

We are encouraged to see that the 2016 review shows that issuers' overall compliance with the Code has improved since the 2014 review. Most notably nearly all issuers have complied with the CPs on risk management and internal controls, which were only upgraded from Recommended Best Practices in the financial year 2016. Going forward we will continue to focus on enhancing issuers' corporate governance performance.

B. Third Director Training Webcasts

We have also launched our third director training webcasts. The new series, entitled "[Corporate Governance – Director and Company Secretary’s Roles](#)", covers the following seven topics, each explained in a short video posted on the HKEX website:

- Corporate governance – who is responsible?
- Support for the Board
- Selecting the right Company Secretary
- Managing inside information
- Board Secretaries
- External Service Provider as Company Secretary
- Practical tips

Webcast speakers Raymond Ch’ien, Chairman of Hang Seng Bank Limited and David Eldon, Chairman of Octopus Holdings Limited shared their invaluable perspectives as chairmen of boards. Edith Shih, Executive Director and Company Secretary of CK Hutchison Holdings Limited provided her insight and practical advice as an Executive Director and Company Secretary whilst Eric Mok, Company Secretary and Assistant General Counsel of Lenovo Group Limited and Xie Bing, Board and Company Secretary of China Southern Airlines Corporation Limited shared helpful and practical experience gained at listed issuers in Hong Kong and the Mainland. We would like to thank the speakers, the Hong Kong Institute of Chartered Secretaries and the Hong Kong Institute of Directors for their support on the webcasts.

If you have any enquiry, please contact our case officers.

Yours faithfully
For and on behalf of
The Stock Exchange of Hong Kong Limited

[Signed]

David Graham
Chief Regulatory Officer and Head of Listing