



**The Stock Exchange of Hong Kong Limited**  
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: CRO20140702-025

2 July 2014

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

Dear Sirs

**Re: Guidance on Compliance with the Corporate Governance Code**

Issuers are required under the Rules (Main Board Listing Rule 13.89 and Growth Enterprise Market (“GEM”) Rule 17.101) to state whether they have complied with the code provisions (“CPs”) set out in the Corporate Governance Code and Corporate Governance Report (the “Corporate Governance Code”) for the relevant accounting period in their interim/half year reports (and summary interim/half year reports, if any) and annual reports (and summary financial reports, if any). Where the issuer deviates from a CP, it is required to give considered reasons.

As a part of our monitoring effort, the Exchange spot-checks compliance with the Corporate Governance Code. We found cases where issuers confirmed compliance with a CP but it was in fact not the case. In particular, we note that in respect of CP A.5.6<sup>1</sup> under the Corporate Governance Code, a number of issuers neither disclosed the policies or a summary of the policies in their corporate governance reports nor gave considered reasons for non-disclosure.

**This is a breach of Main Board Rule 13.89/GEM Rule 17.101.**

The purpose of this letter is to remind issuers that non-compliance with any part of the CPs without giving considered reasons amounts to a breach of the Listing Rules. We will not, on this occasion, individually contact issuers that have failed to comply with Main Board Rule 13.89 or GEM Rule 17.101. Instead, we urge issuers to take a closer look at their corporate governance reports and rectify any possible omissions in their next report. We will continue to monitor issuers’ compliance with the Corporate Governance Code.

If you have any questions, please contact your 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

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<sup>1</sup> The nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report.