

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: CRO20180727-021

27 July 2018

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

Publication of Consultation Conclusions Paper on Review of the Corporate Governance Code and Related Listing Rules and Guidance for Boards and Directors

We have today published “*Consultation Conclusions Paper on Review of the Corporate Governance Code and Related Listing Rules*” (“**Consultation Conclusions**”) along with “*Guidance for Boards and Directors*” (“**Guidance**”).

Consultation Conclusions

The Consultation Conclusions represent the results of a public consultation held from 3 November 2017 to 8 December 2017. The market feedback indicated strong support for the proposals in the consultation paper which we have decided to adopt with some modifications. The purpose of the new measures are to:

- strengthen the transparency and accountability of the board and/or nomination committee on election of directors, including Independent Non-Executive Directors (“**INEDs**”);
- improve transparency of INEDs’ relationships with issuers;
- enhance criteria for assessing independence of potential INED candidates;
- promote board diversity, including gender diversity; and
- require greater dividend policy transparency.

The Rule amendments will come into effect on 1 January 2019.

Guidance

The Guidance is a new publication containing practical advice to boards and directors on their roles and responsibilities. It covers directors’ duties and board effectiveness, board committees, board diversity - including gender diversity - and corporate governance for weighted voting rights issuers. There is also a section on the company secretary’s role and function, in particular when

the role is outsourced to an external service provider. In addition, the Guidance encourages successful listing applicants to appoint INEDs at least two months prior to listing.

Further to the [Director Training Programme 2017/2018](#) launched by way of webcasts, we will provide further training on directors' duties this year by way of online training.

The [Consultation Conclusions](#) and [copies of respondents' submissions](#), as well as the [Guidance for Boards and Directors](#) are available on the HKEX website.

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

[Signed]

David Graham
Head of Listing