

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: CRO20170721-041

21 July 2017

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

Dear Sirs

Publication of the Exchange's Biannual Enforcement Newsletter and Second Director Training Webcast

A. Enforcement Newsletter

We have today published our first [Enforcement Newsletter](#) which is available on the HKEX website. The Newsletter will be published twice a year, and will include news and updates on the enforcement work undertaken by the Exchange.

This issue covers the first six months of 2017 and includes:

- Enforcement statistics for the first half of the year;
- Disciplinary actions completed and published during the first half of the year; and
- Compliance highlights from the first half of the year - compliance issues observed during our investigation of suspected breaches of the Listing Rules.

You are encouraged to review the Newsletter as it is aimed at reminding issuers and directors of the Exchange's expectations in relation to their compliance with the Listing Rules.

B. Second Director Training Webcast

We have also launched our second director training webcasts entitled "[Risk Management and Internal Control, ESG Reporting](#)". It covers the following seven topics, each explained in a 4-10 minute video:

- Identify and assess risks
- Control systems
- Annual and ongoing review
- Audit committee and internal audit function
- "Comply or explain" – how to do it properly?
- Managing ESG (Environmental, Social and Governance) risks – an investor's perspective
- Practical tips

Webcast speakers Nicholas Charles Allen, Chairman, Link Asset Management Limited (manager of Link REIT); Philip Chen, Chief Executive Officer, Hang Lung Properties Limited; Kelvin Wong, Immediate Past Chairman, The Hong Kong Institute of Directors; and Marina Wong, Independent Non-Executive Director, Kerry Logistics Network Ltd share the valuable experience and perspectives they acquired from their directorships. The other speaker, Christine Chow, Associate Director, Hermes Investment Management, adds an investor's perspective. We would like to thank the speakers, the Chamber of Hong Kong Listed Companies and Hong Kong Institute of Directors for their support on the webcast.

We hope that the Enforcement Newsletter will together with our Director Training Programme provide guidance to issuers and directors. Effective risk management and internal control systems with proper monitoring is essential to the sustainability of a company, we urge directors to set the right tone at the top, by demonstrating the necessary commitment to risk management and internal control so as to embed an appropriate level of risk culture throughout the company.

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