

**Amendments to Main Board Rules
(other than replacement of Code of Best Practice in Appendix 14 by
Code on Corporate Governance Practices and insertion of Rules on
Corporate Governance Report in Appendix 23)**

3.18 ~~As a minimum, listed issuers should aim to comply with the guidelines for boards of directors issued by the Exchange from time to time. Listed issuers may adopt their own, more comprehensive, guidelines as an alternative. [Repealed 1 January 2005]~~

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Code on Corporate Governance Practices

3.25 (1) The Code on Corporate Governance Practices contained in Appendix 14 sets out the principles of good corporate governance and two levels of recommendations: (a) code provisions; and (b) recommended best practices. Issuers are expected to comply with, but may choose to deviate from, the code provisions. The recommended best practices are for guidance only.

Note: Issuers may also devise their own code on corporate governance practices on such terms as they may consider appropriate.

(2) Issuers must state whether they have complied with the code provisions set out in the Code on Corporate Governance Practices for the relevant accounting period in their interim reports (and summary interim reports, if any) and annual reports (and summary financial reports, if any).

Note: For the relevant requirements governing preliminary results announcements, see paragraphs 45 and 46 of Appendix 16.

(3) Where the issuer deviates from the code provisions set out in the Code on Corporate Governance Practices, the issuer must give considered reasons:

(a) in the case of annual reports (and summary financial reports), in the Corporate Governance Report which must be issued in accordance with Appendix 23; and

- (b) in the case of interim reports (and summary interim reports), either:
 - (i) by giving considered reasons for each deviation; or
 - (ii) to the extent that it is reasonable and appropriate, by referring to the Corporate Governance Report in the immediately preceding annual report, and providing details of any changes together with considered reasons for any deviation not reported in that annual report. Such references must be clear and unambiguous and the interim report (or summary interim report) must not only contain a cross-reference without any discussion of the matter.
- (4) In the case of the recommended best practices, issuers are encouraged, but are not required, to state whether they have complied with them and give considered reasons for any deviation.

Appendix 10

- 15. In relation to securities transactions by directors, a listed issuer shall disclose in its interim reports (and summary interim reports, if any) and the Corporate Governance Report contained in its annual ~~and interim~~ reports (and summary financial reports, if any):
 - (a) whether the listed issuer has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in this code;
 - (b) having made specific enquiry of all directors, whether its directors have complied with, or whether there has been any non-compliance with, the required standard set out in this code and its code of conduct regarding securities transactions by directors; and
 - (c) in the event of any non-compliance with the required standard set out in this code, details of such non-compliance and an explanation of the remedial steps taken by the listed issuer to address such non-compliance.

Appendix 16

34. A listed issuer shall include ~~the following information~~ in respect of the group:
- ~~(1) a statement as to whether or not it has complied with Appendix 14 throughout the accounting period covered by the annual report. A listed issuer that has not complied with Appendix 14, or complied with only part of Appendix 14 or (in the case of requirements of a continuing nature) complied for only part of such period, must specify the paragraphs of Appendix 14 with which it has not complied and (where relevant) for what part of the period such non-compliance continued, and give reasons for any non-compliance. Insofar as a listed issuer's statement of compliance relates to paragraph 6 of Appendix 14, such statement must be reviewed by the auditors a separate Corporate Governance Report prepared by the board of directors on its corporate governance practices. The report must, as a minimum, contain the information required under Appendix 23 regarding the accounting period covered by the annual report. To the extent that it is reasonable and appropriate, the issuer may incorporate by reference information in its annual report into the Corporate Governance Report. Any such references must be clear and unambiguous and the Corporate Governance Report must not only contain a cross-reference without any discussion of the matter;~~
 - ~~(2) in respect of the Model Code set out in Appendix 10 to the Exchange Listing Rules, a statement in relation to the accounting period covered by the annual report on:
 - ~~(a) whether the listed issuer has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code;~~
 - ~~(b) having made specific enquiry of all directors, whether its directors have complied with, or whether there has been any non-compliance with, the required standard set out in the Model Code and its code of conduct regarding securities transactions by directors; and~~~~

- ~~(c) in the event of any non-compliance with the required standard set out in the Model Code, details of such non-compliance and an explanation of the remedial steps taken by the listed issuer to address such non-compliance;~~
- ~~(3) details of non-compliance (if any) with rules 3.10(1) and 3.10(2) and an explanation of the remedial steps taken by the listed issuer to address such non-compliance relating to appointment of a sufficient number of independent non-executive directors and an independent non-executive director with appropriate professional qualifications, or accounting or related financial management expertise, respectively; and~~
- ~~(4) details of non-compliance with rule 3.21 (if any) and an explanation of the remedial steps taken by the listed issuer to address such non-compliance relating to establishment of an audit committee.~~

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44. A listed issuer shall include in its interim report the following information in respect of the group:

- ~~(1) a statement that none of the directors is aware of information that would reasonably indicate that the listed issuer is not, or was not for any part of the accounting period covered by the interim report, in compliance with Appendix 14. If any of the directors is aware of such information, the listed issuer must verify whether the information is correct and whether there has been any non-compliance with Appendix 14. If the listed issuer finds that there has been non-compliance with Appendix 14, then the listed issuer shall briefly explain in its interim report that it has not complied with all or part of Appendix 14, as the case may be, and include a statement giving the reasons for its non-compliance a statement in relation to the accounting period covered by the interim report on whether the listed issuer meets the code provisions set out in the Code on Corporate Governance~~

Practices contained in Appendix 14. Where there are any deviations from the code provisions in the Code, the listed issuer must give considered reasons for the deviations from the code provisions, either by:

- (a) giving considered reasons for each deviation; or
- (b) to the extent that it is reasonable and appropriate, by referring to the Corporate Governance Report in the immediately preceding annual report and providing details of any changes together with considered reasons for any deviation not reported in that annual report. Any such references must be clear and unambiguous and the interim report must not only contain a cross-reference without any discussion of the matter;

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45. A listed issuer shall publish a preliminary announcement of its results in the newspapers as required under rule 13.49(1), which has been agreed with its auditors and which includes, as a minimum, the following:

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- ~~(5) particulars of compliance with Appendix 14 as set out in paragraph 34a~~ statement as to whether the listed issuer meets the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14. The listed issuer must also disclose any deviations from the code provisions and give considered reasons for such deviations. To the extent that it is reasonable and appropriate, such information may be given by reference to the immediately preceding interim report or to the Corporate Governance Report in the immediately preceding annual report, and summarising any changes since that report. Any such references must be clear and unambiguous;

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46. A listed issuer shall publish a preliminary announcement of its results in the newspapers for the first six months of each financial year required under rule 13.49(6), which shall include, as a minimum, the following information:-

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- (4) ~~particulars of compliance with Appendix 14 as set out in paragraph 44a~~ a statement as to whether the listed issuer meets the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14. The listed issuer must also disclose any deviations from the code provisions and give considered reasons for such deviations. To the extent that it is reasonable and appropriate, such information may be given by reference to the Corporate Governance Report in the immediately preceding annual report, and summarising any changes since that annual report. Any such references must be clear and unambiguous;

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50. Summary financial reports of listed issuers shall comply with the disclosure requirements set out in the Companies (Summary Financial Reports of Listed Companies) Regulation. A listed issuer shall also disclose the following information in its summary financial report:-

- (1) particulars of any purchase, sale or redemption by the listed issuer, or any of its subsidiaries, of its listed securities during the financial year or an appropriate negative statement; and
- (2) ~~particulars of compliance with Appendix 14 as set out in paragraph 34a~~ a separate Corporate Governance Report prepared by the board of directors on its corporate governance practices. The report must, as a minimum, contain the information required under Appendix 23 regarding the accounting period covered by the annual report. To the extent that it is reasonable and appropriate, this Corporate Governance Report may take the form of a summary of the Corporate Governance Report contained in the annual report and may also incorporate information by reference to its annual report. Any such

references must be clear and unambiguous and the summary must not only contain a cross-reference without any discussion of the matter. The summary must contain, as a minimum, a narrative statement indicating overall compliance with and highlighting any deviation from the provisions of the Code on Corporate Governance Practices contained in Appendix 14.

- ~~(3) details of non-compliance (if any) with rules 3.10(1) and 3.10(2) and an explanation of the remedial steps taken by the listed issuer to address such non-compliance relating to appointment of a sufficient number of independent non-executive directors and an independent non-executive director with appropriate professional qualifications, or accounting or related financial management expertise, respectively; and~~
- ~~(4) details of non-compliance with rule 3.21 (if any) and an explanation of the remedial steps taken by the listed issuer to address such non-compliance relating to establishment of an audit committee.~~

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52. Listed issuers are encouraged to disclose the following additional commentary on management discussion and analysis in their interim and annual reports:

- (i) efficiency indicators (e.g. return on equity, working capital ratios) for the last five financial years indicating the bases of computation;
- (ii) industry specific ratios, if any, for the last five financial years indicating the bases of computation;
- (iii) a discussion of the listed issuer's purpose, corporate strategy and principal drivers of performance;
- (iv) an overview of trends in the listed issuer's industry and business;
- (v) a discussion on business risks (including known events, uncertainties and other factors which may substantially affect future performance) and risks management policy;

- (vi) a discussion on the listed issuer's environmental policies and performance, including compliance with the relevant laws and regulations;
- (vii) a discussion on the listed issuer's policies and performance on community, social, ethical and reputational issues;
- (viii) an account of the listed issuer's key relationships with employees, customers, suppliers and others, on which its success depends; and
- (ix) receipts from, and returns to, shareholders.

Note: Issuers should also note the recommended disclosures set out in paragraph 3 of Appendix 23.