

WEBINAR: RESPONSIBILITIES OF HKEX LISTCO DIRECTORS

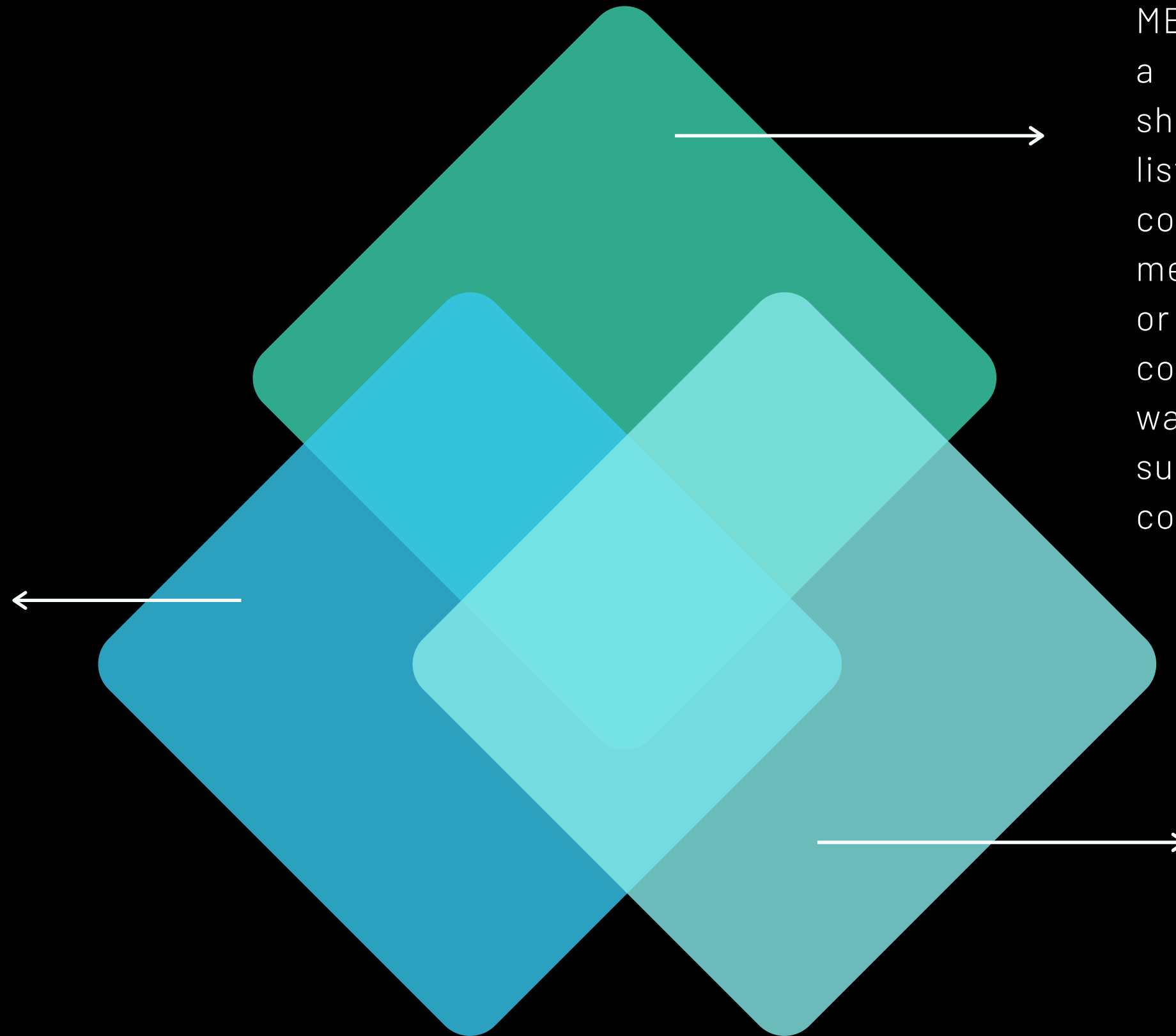
Part IV: Connected Transactions

29 AUGUST 2020

CHARLTONS
易周律師行

ISSUES OF NEW SECURITIES: PRE-EMPTION RIGHTS

MBLR 7.27B - a company cannot undertake a rights issue, open offer or specific mandate placing that would result in a dilution effect of 25% or more



MBLR 13.36(1) - except in the case of a pro rata offer to existing shareholders, the directors of a listed company must obtain the consent of shareholders in a general meeting prior to the allotment, issue or grant of shares, securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities

MBLR 13.36(2)(b) - allows a general mandate to be obtained from shareholders at a general meeting of shareholders to issue shares, convertible securities or rights to acquire shares



PRE-EMPTION RIGHTS (CONT.)

Restrictions in MBLR 13.36:

- do not apply to pro rata offers provided that the pro-rata offer is made to all existing shareholders (excluding shareholders not resident in Hong Kong) which the directors, after making enquiry as to the legal restrictions under the laws of such place and the requirements of the relevant body or stock exchange, consider it necessary or expedient to exclude because of such restrictions or requirements

PRE-EMPTION RIGHTS (CONT.)

Notices of AGMs:

20%

of the number of issued shares plus a number equivalent to the number of shares repurchased subject to a cap of 10% of the number of issued shares at the date of the repurchase mandate

EGM

can call an EGM to approve an issue of shares for a specific purpose

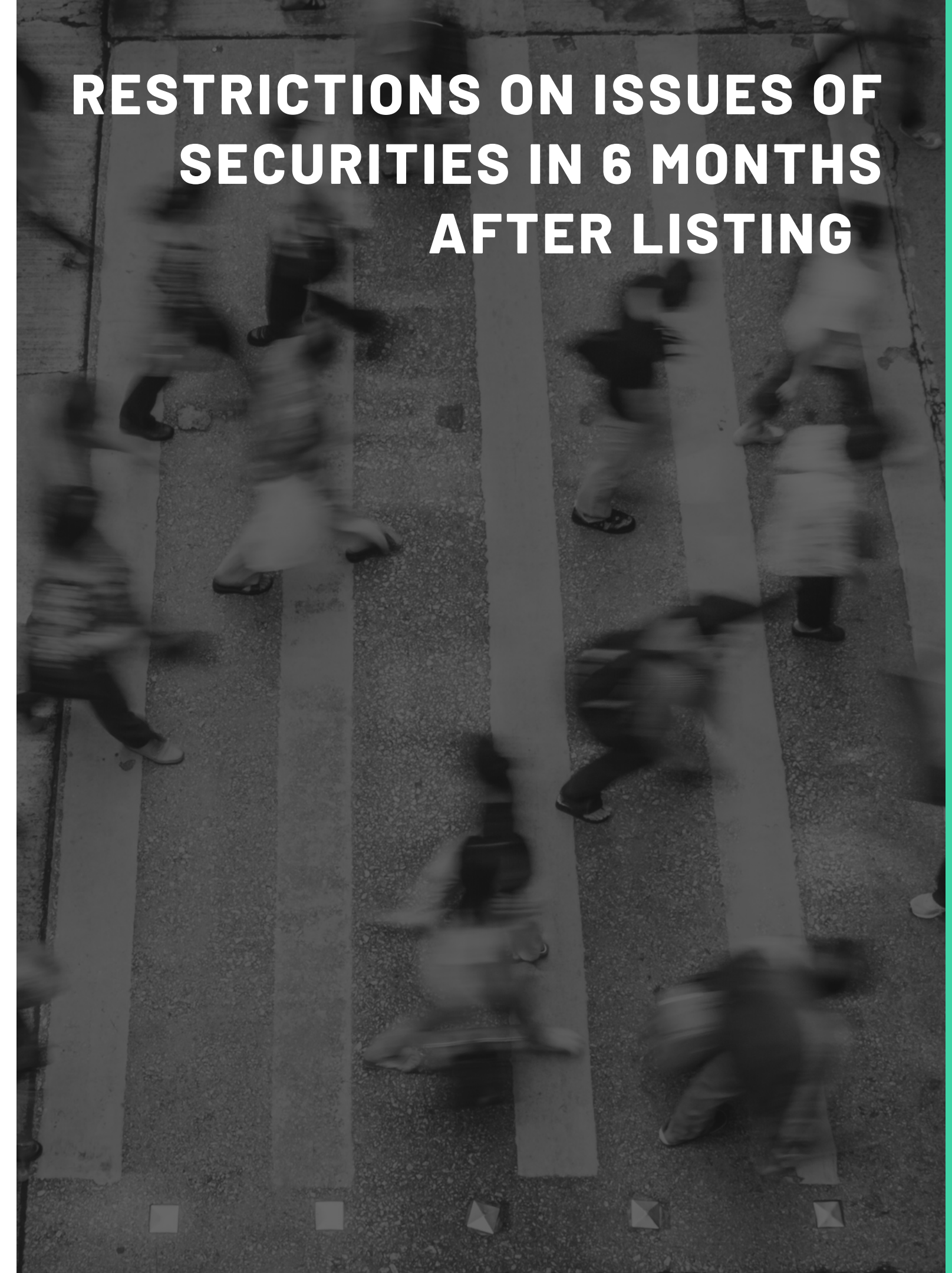
REFRESHING A GENERAL MANDATE

- company's controlling shareholders and associates / company's directors (other than INEDs) and chief executive and associates are not allowed to vote in favour of the refreshment
- circular to shareholders in relation to the proposed refreshment must set out:
 - (i) history of refreshments of the mandate since last AGM;
 - (ii) amount of proceeds raised from the resolution of such mandate;
 - (iii) use of such proceeds; and
 - (iv) intended use of any amount not yet utilised and how issuer has dealt with that amount

prohibited from issuing (or entering into any agreement to issue) any further shares or securities convertible into its equity securities within 6 months of the commencement of dealing in its securities on the Exchange, except for:

- issue of shares, the listing of which has been approved by the Exchange, pursuant to a share option scheme under Chapter 17;
- exercise of conversion rights attaching to warrants issued as part of the initial public offering;
- any capitalisation issue, capital reduction or consolidation or sub-division of shares; and
- issue of shares or securities under an agreement entered into before the commencement of dealing, the material terms of which were disclosed in the listing document issued on the initial public offering (MBLR 10.08)

RESTRICTIONS ON ISSUES OF SECURITIES IN 6 MONTHS AFTER LISTING





ISSUES OF SECURITIES FOR CASH

Placing or open offer of securities for cash consideration under the company's general mandate:

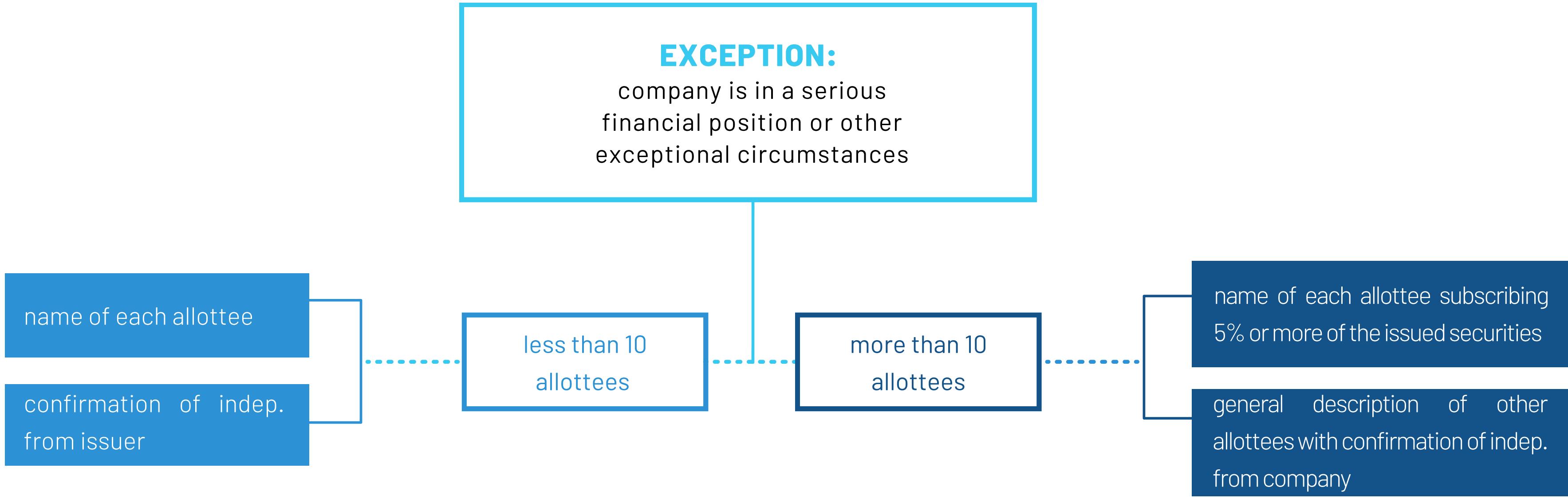
The benchmarked price is the higher of -

a. the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and

b. the average closing price in the 5 trading days immediately prior to the earlier of:

- the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;
- the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
- the date on which the placing or subscription price is fixed

ISSUES OF SECURITIES FOR CASH



CONNECTED TRANSACTIONS

Factors which the Exchange takes into account in determining whether connected transactions should be aggregated:

1

entered into by the listed company with the same party or parties who are connected with one another

2

involve the acquisition or disposal of securities or interests in a company or group of companies

3

involve the acquisition or disposal of parts of one asset

4

together lead to substantial involvement by the listed issuer in a business activity not previously part of its principal business activities

CONNECTED TRANSACTIONS: DEFINITIONS

1

acquisition or disposal of assets including a deemed disposal under MBLR 14.29

2

any transaction involving an option to acquire or dispose of assets or to subscribe for securities

3

entering into or terminating finance or operating leases

4

granting an indemnity or a guarantee or providing financial assistance

5

entering into a joint venture in any form

6

issuing new securities of the company or its subsidiaries, including underwriting or sub-underwriting an issue of securities

7

provision or receipt of services

8

sharing of services

9

providing or acquiring raw materials, intermediate products and finished goods

10

a qualified property acquisition

CONNECTED PERSONS

1

a director, chief executive or substantial shareholder (holding 10%+ of voting rights) of the listed company or any subsidiaries or an associate of any such persons

2

a person who was a director of the listed company or any of its subsidiaries in the past 12 months and an associate of such person

4

a connected subsidiary :
i. a non-wholly owned subsidiary where any connected persons at issuer level are entitled to exercise or control the exercise of 10% or more of the voting power; or
ii. a subsidiary of such a non wholly-owned subsidiary

3

a supervisor of a PRC issuer or any of its subsidiaries, and an associate of such a person

EXAMPLE

Listed Co.

Director B of
Listed Co.

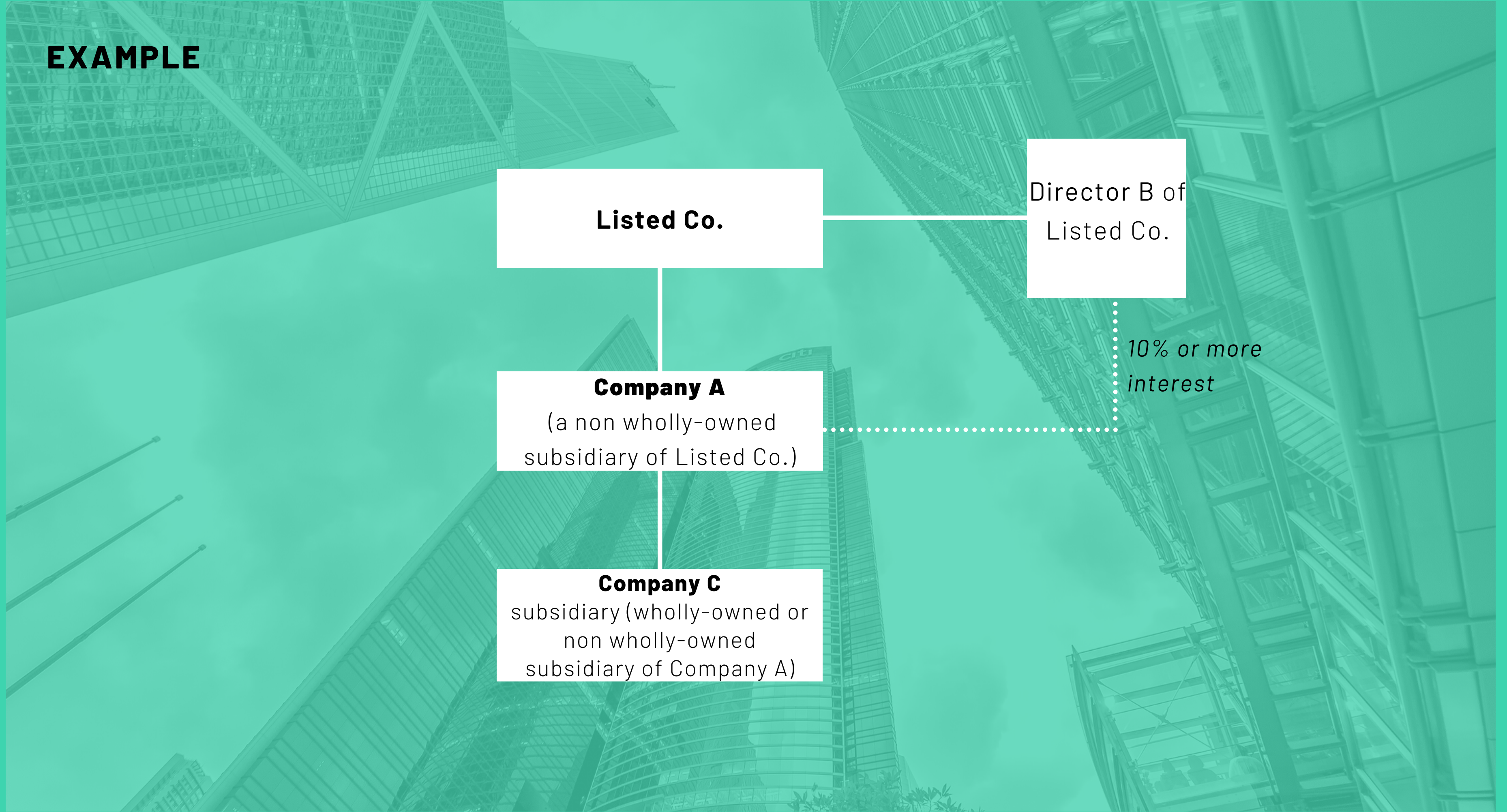
Company A

(a non wholly-owned
subsidiary of Listed Co.)

10% or more
interest

Company C

subsidiary (wholly-owned or
non wholly-owned
subsidiary of Company A)



ASSOCIATES OF AN INDIVIDUAL

01

IMMEDIATE FAMILY MEMBERS

his spouse, his (or his spouse's) child or step-child (natural or adopted) under the age of 18 years

02

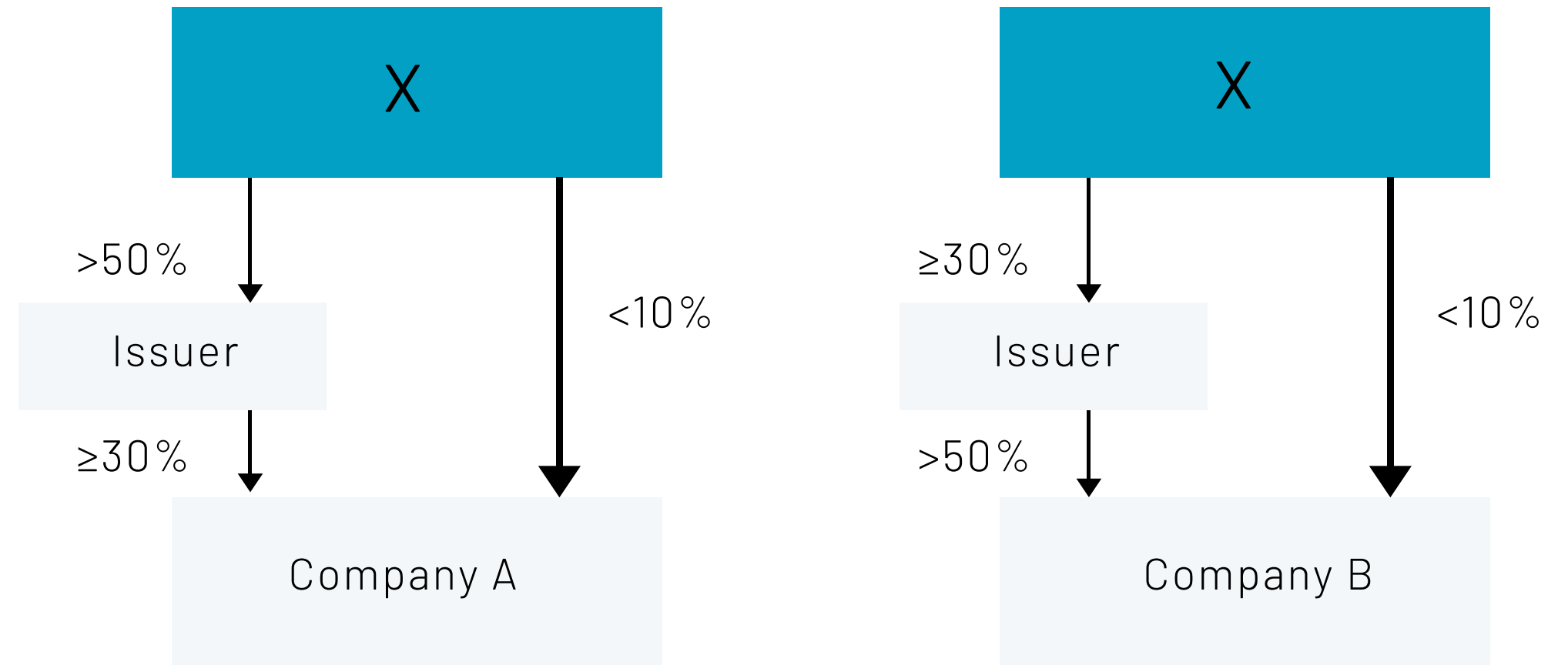
TRUSTEES

the trustees acting in their capacity as trustees of any trust of which the individual or his immediate family member is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object

03

COMPANY CONTROL

a company in which the individual, his immediate family members and/or the trustees (individually or together) control the exercise of 30% or more of the voting power or control the composition of a majority of the board of directors, and any subsidiary of such company



ASSOCIATES OF AN INDIVIDUAL (CONT.)

04 FAMILY MEMBER

person cohabiting with him as a spouse, or his child, step-child, parent, step-parent, sibling or step-sibling

05 FAMILY CONTROL OF COMPANY

company in which family members or the family members together with the individual, his immediate family members and/or trustees, control the exercise of 50% or more of the voting power or control the composition of a majority of the board of directors and any of its subsidiaries



ASSOCIATES OF AN INDIVIDUAL (CONT.)

06 RELATIVES

in-laws, grandparents, grandchildren, uncles, aunts, nephews, nieces, & cousins whose association with the connected person is such that the proposed transaction should be subject to the connected transaction requirements

07 RELATIVES CONTROL OF COMPANY

relatives or relatives together with connected persons, trustees, immediate family members and/or family members who control the exercise of 50% or more of the voting power or control the composition of a majority of the board of directors, and any of its subsidiaries, whose association with the connected person is such that the proposed transaction should be subject to the connected transaction requirements



DEEMED CONNECTED PERSONS

a. the person or entity has entered, or proposed to enter, into: (1) a transaction with the group; and (2) an agreement, arrangement, understanding or undertaking with respect to the transaction with a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a person who was such a director within the previous 12 months; and

b. the person or entity should, in the Exchange's opinion, be considered as a connected person (MBLR 14A.21)



ASSOCIATES OF A COMPANY

a. its subsidiary or holding company, or fellow subsidiary of such a holding company;

b. the trustees of any trust of which the company is a beneficiary or, to the company's knowledge, discretionary object;

c. a company in which the company, the group companies and/or trustees (individ. or together), can (1) exercise or control the exercise of 30%+ of the voting power at general meetings or (2) control the composition of a majority of the board of directors; and

d. a subsidiary of a company in (c)

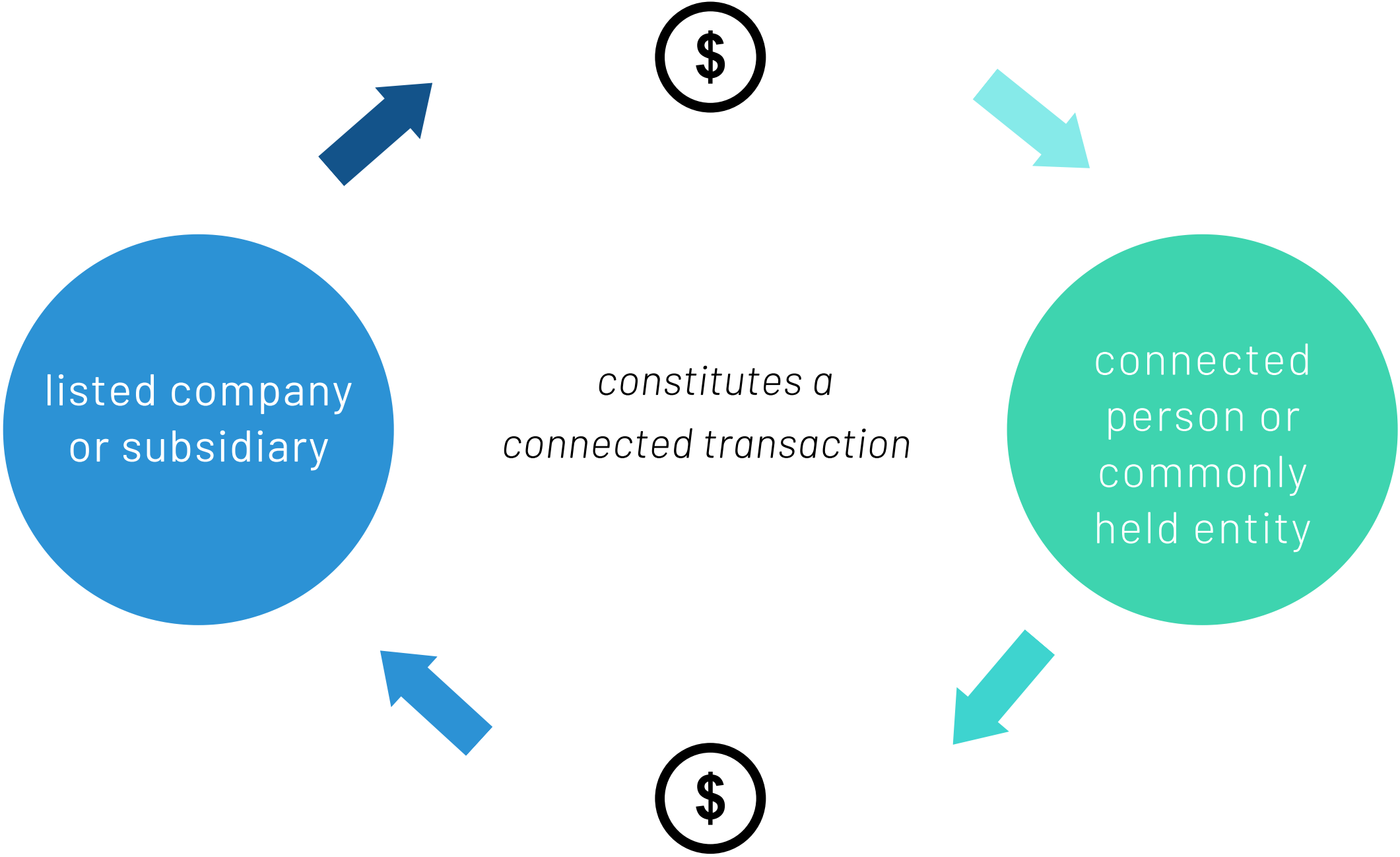
CONNECTED TRANSACTIONS WHERE THERE IS NO TRANSACTION WITH A CONNECTED PERSON

is a connected transaction if the target company's substantial shareholder:

(1) is (or is proposed to be) a controller (i.e. a director, chief executive or controlling shareholder of the listed company); or

(2) is, or will, as a result of the transaction, become, an associate of a controller or proposed controller of the listed company

FINANCIAL ASSISTANCE





OPTIONS INVOLVING CONNECTED PERSONS

- grant, acceptance, transfer, exercise, termination or non-exercise of an option by listco or subsidiaries to/from a connected person is a connected transaction
- classified by reference to percentage ratios
- termination of an option by a listco is not a "transaction" if made under the terms of the original agreement and listco has no discretion in relation to termination

OPTIONS GRANTED BY LISTED GROUP TO CONNECTED PERSON

listco must announce:

- any exercise or transfer of the option by the option holder; and/or
- if the option is not exercised in full, the option holder notifying the listed company's group that it will not exercise the option, or the expiry of the option, whichever is the earlier (MBLR 14A.61)

OPTIONS ACQUIRED BY A LISTED GROUP FROM A CONNECTED PERSON

01

- on acquisition by (or grant of the option to) the group, only the premium is taken for the purposes of calculating the percentage ratios
- if represents 10%+ of sum of premium and exercise price, percentage ratios calculated based on premium, exercise price, value of underlying assets and attributable revenue (MBLR 14A.79(2))

02

- on exercise of option by group, exercise price, value of underlying assets and attributable revenue are used for calculating percentage ratios

OPTIONS ACQUIRED BY A LISTED GROUP FROM A CONNECTED PERSON

03

if listed group transfers option to third party, terminates option or decides not to exercise:

(1) transaction classified as if option was exercised (MBLR 14A.79(4)(a))

(2) HKEx may allow listco to classify transaction using asset and consideration ratios based on higher of:

- exercise price less value of assets subject to option (for put option) OR value of assets subject to option less the exercise price (for call option); and
- consideration or amount payable or receivable by listed group



(1) valuation of option assets prepared by independent expert using generally acceptable methodologies



(2) confirmation from INEDs and independent financial adviser that transfer, termination or non-exercise is fair and reasonable and in the interests of the listco and its shareholders as a whole

JVS, CONTINUING CONNECTED TRANSACTIONS AND CLASSIFICATIONS

JVS INVOLVING CONNECTED PERSONS

- constitutes a connected transaction (MBLR 14A.24(5))

CONTINUING CONNECTED TRANSACTIONS

- involve the provision of goods, services or financial assistance;
- carried out on a continuing or recurring basis; and
- expected to extend over a period of time (MBLR 14A.31)

CLASSIFICATION

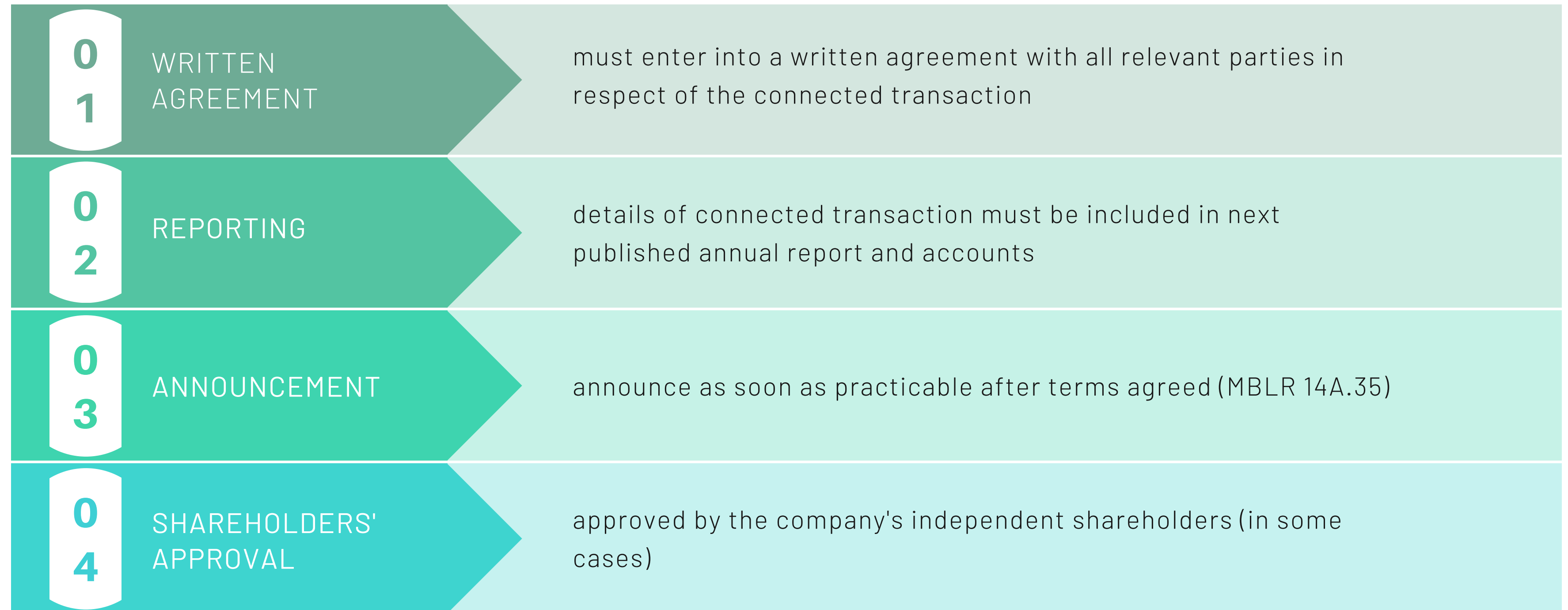
- non-exempt transactions
- wholly-exempt transactions
- partially exempt transactions



EXCHANGE'S GUIDANCE FOR BOARD AND DIRECTORS

- board has the responsibility of risk identification and control
- formally documented risk management policies and procedures should be in place and endorsed by the board and senior management

CONNECTED TRANSACTION REQUIREMENTS



CONNECTED TRANSACTION REQUIREMENTS (CONT.)

0
5

INDEPENDENT BOARD COMMITTEE

independent board committee must be established to advise shareholders as to :

- whether terms of connected transaction are fair and reasonable
- whether transaction is in interests of listco and shareholders as a whole
- whether connected transaction is on normal commercial terms or better and in listco's ordinary and usual course of business
- how to vote (MBLR 13.39(6)(a) & 14A.40))

CONNECTED TRANSACTION REQUIREMENTS (CONT.)

0
6

WRITTEN
SHAREHOLDERS'
APPROVAL

HKEx may accept written shareholders' approval if:

- no shareholder of the issuer would be required to abstain from voting if a general meeting were held; and
- the written shareholders' approval is obtained from a shareholder or closely allied group of shareholders who (together) hold more than 50% of the voting rights in a general meeting (MBLR 14A.37)

CONNECTED TRANSACTION REQUIREMENTS (CONT.)

0
7

SHAREHOLDERS' CIRCULAR

must send circular to shareholders:

- at same time as giving notice of general meeting to approve transaction; or
- within 15 business days after publication of announcement (MBLR 14A.46)

CONTINUING CONNECTED TRANSACTION REQUIREMENTS

ADDITIONAL REQUIREMENTS

- agreement must be on normal commercial terms and for a fixed period
- must not exceed 3 years (except in special circumstances)
- reporting requirements must be followed for each subsequent financial year during which listco undertakes continuing connected transaction

ANNUAL CAP REQUIREMENT

- must set a maximum aggregate annual cap expressed in monetary terms
- must be determined by reference to previous transactions and figures in group's published info OR be based on reasonable assumptions (if no previous transaction exists)
- must be approved by shareholders if continuing connected transaction requires shareholders' approval (MBLR 14A.53)
- if exceed, or agreement renewed or terms materially changed, listco must re-comply with announcement and independent shareholders' approval requirements (MBLR 14A.54).

ANNUAL REVIEW REQUIREMENTS

confirm in the annual report and accounts that the transactions have been entered into:

- in the ordinary and usual course of business;
- on normal commercial terms or better; and
- in accordance with the relevant agreement on terms that are fair, reasonable and in the interest of the shareholders as a whole (MBLR 14A.55)

CONTINUING CONNECTED TRANSACTION REQUIREMENTS (CONT.)

1

have not been approved by
the board

2

were not, in all material
respects, in accordance
with the group's pricing
policies if the
transactions involve the
group's provision of goods
/ services

3

were not entered into, in
all material respects, in
accordance with the
relevant agreement

4

have exceeded the annual cap

WHOLLY EXEMPT CONNECTED TRANSACTIONS

intra-group transactions

de minimis transactions

certain issues of new securities

purchase of own securities

directors' service contracts

provision of directors' indemnity or insurance

sharing administrative services

buying / selling consumer goods or services

transactions with associates of passive investors

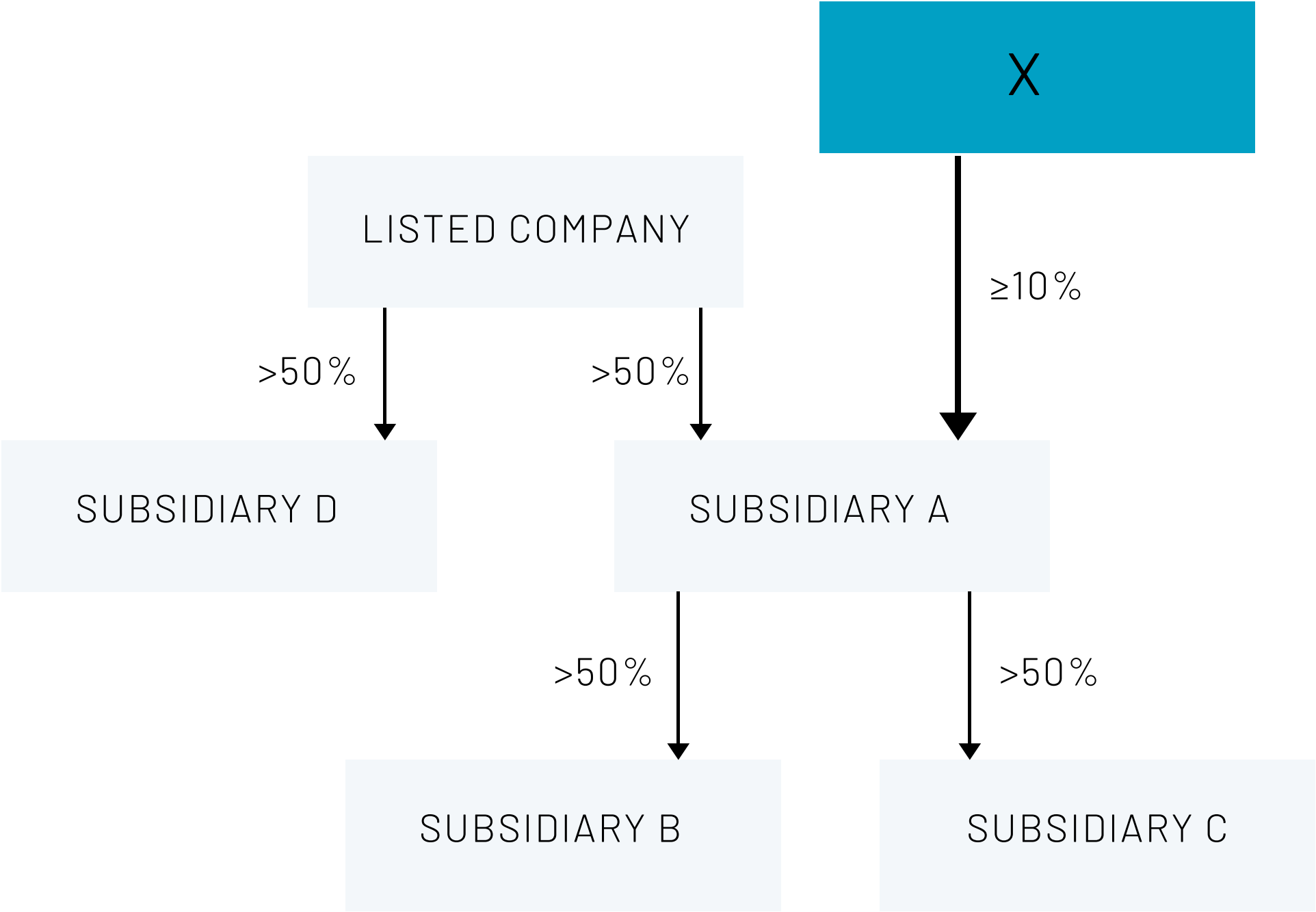
transactions with a connected person at subsidiary level



TRANSACTIONS BETWEEN LISTCO AND NON WHOLLY-OWNED SUBSIDIARY / BETWEEN NON- WHOLLY OWNED SUBSIDIARIES

- none of the subsidiaries are connected persons; and
- no connected persons at listco level exercise or control the exercise of 10%+ of voting power at any general meeting of any of the subsidiaries (MBLR 14A.18)

EXAMPLE OF OPERATION OF RULE 14A.17



WHOLLY EXEMPT CONNECTED TRANSACTIONS (CONT.)



DE MINIMIS TRANSACTIONS

wholly exempt where each or all of the percentage ratios except profits ratio are:

- less than 0.1%
- less than 1% and transaction is a connected transaction only because it involves a connected person at subsidiary level; or
- less than 5% and total consideration is less than HK\$3m

WHOLLY EXEMPT CONNECTED TRANSACTIONS (CONT.)

certain issues of new securities

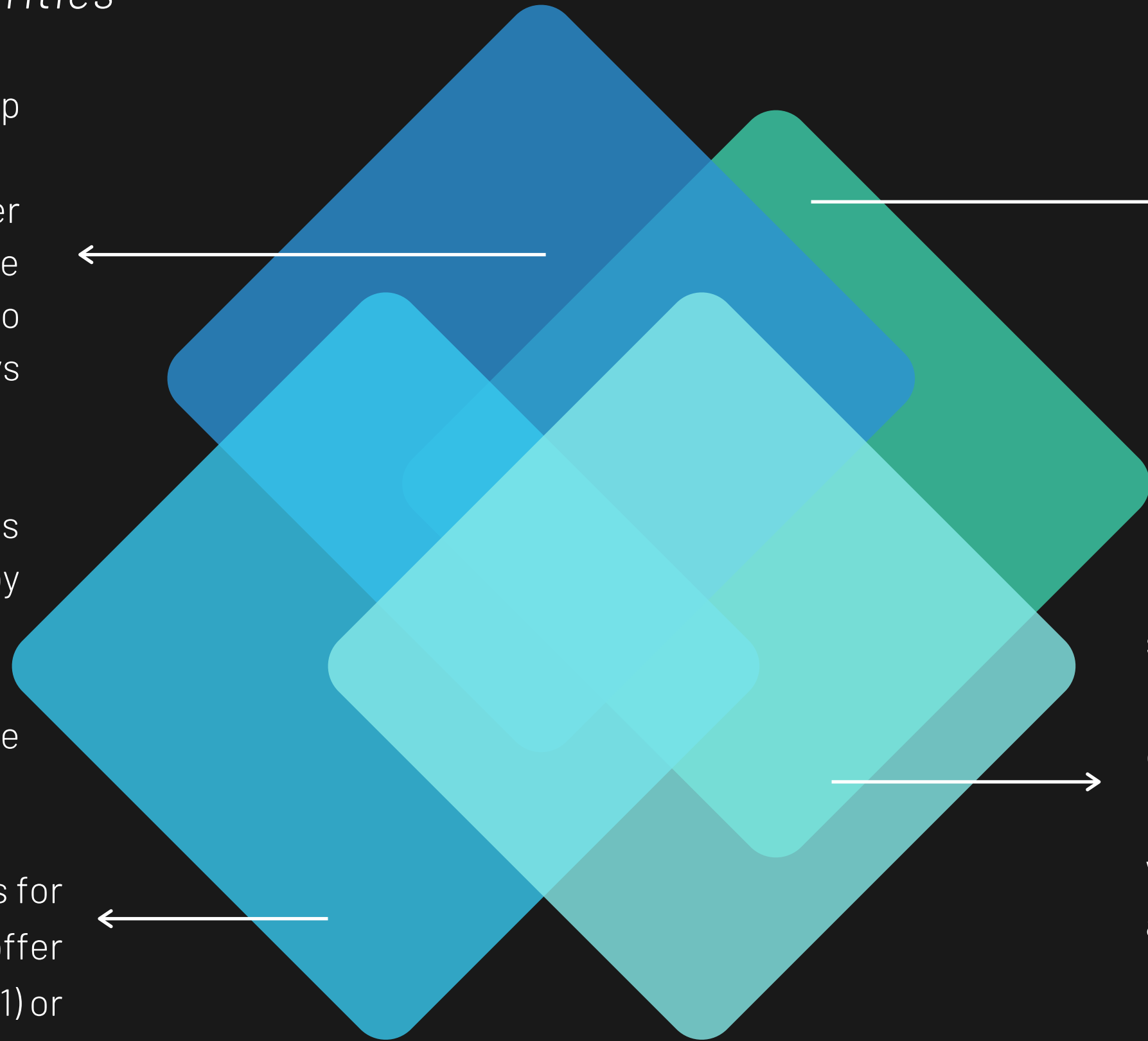
securities issued under "top up placing and subscription" and are:

(i) issued to connected person after they have reduced holding in same class by placing to third parties who are not associates & within 14 days after date of placing agreement

(ii) no. of new securities issued does not exceed no. of securities placed by it; and

(iii) new securities issued at a price not less than placing price

connected person subscribes for securities in a rights issue or open offer through excess application (MBLR 7.21(1) or 7.26A(1))



connected person receives a pro rata entitlement to securities in its capacity as shareholder

securities issued to a connected person under a share option scheme complying with Ch.17 / in existence before company listed on HKEx for which approval for listing was granted at time of listing

WHOLLY EXEMPT CONNECTED TRANSACTIONS (CONT.)

1

repurchase of securities by the listed company or its subsidiary (MBLR 14A.94(1))

3

provision of director's indemnity or purchase of director's insurance (MBLR 14A.91 & 14A.96)

2

directors' service contracts

4

sharing of administrative services (MBLR 14A.98)

WHOLLY EXEMPT CONNECTED TRANSACTIONS (CONT.) - BUYING OR SELLING CONSUMER GOODS / SERVICES

1

are of a type
ordinarily supplied
for private use or
consumption

2

are for the buyer's
own consumption
and use

3

not to be
processed into the
buyer's products or
for resale

4

not used by the
buyer for any of
its businesses /
contemplated
businesses

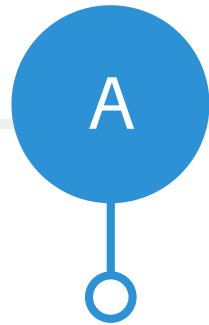
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used or
consumed by the
buyer in the
same state as
bought

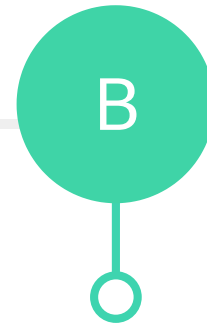
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on no more
favourable terms to
connected person or
group than those
available to / from
indep. third parties

WHOLLY EXEMPT CONNECTED TRANSACTIONS (CONT.) - TRANSACTIONS WITH ASSOCIATES OF A PASSIVE INVESTOR



transaction is connected transaction only because it involves an associate of substantial shareholder



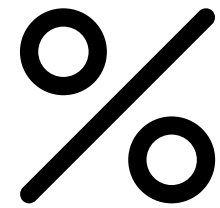
substantial shareholder is a passive investor and is:

- sovereign fund, unit trust or authorised mutual fund
- wide spread investments
- connected person only because it is a substantial shareholder of listed issuer
- not a controlling shareholder
- no representation on board
- independent



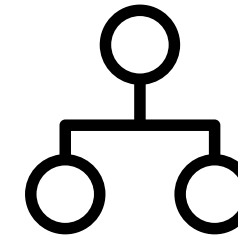
PARTIALLY EXEMPT CONNECTED TRANSACTIONS

DE MINIMIS TRANSACTIONS



- on normal commercial terms or better; and
- all the percentage ratios (except the profits ratio) is/are:
 - less than 5%; or
 - less than 25% and total consideration is less than HK\$10m (MBLR 14A.76)

EXEMPTION FOR CONNECTED PERSONS AT THE SUBSIDIARY LEVEL



- on normal commercial terms or better;
- approved by the company's board of directors; and
- INEDs confirm terms are fair and reasonable, on normal commercial terms and in interests of the listco and shareholders as a whole (MBLR 14A.101)

WHOLLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

- sharing of administrative services
- buying or selling consumer goods or services
- transactions with associates of a passive investor
- de minimis transactions

EXEMPTIONS FOR FINANCIAL ASSISTANCE

01

WHOLLY EXEMPT FINANCIAL ASSISTANCE BY LISTED COMPANY WHICH IS NOT A BANK

- (1) on normal commercial terms (or better to the group); and
- (2) assistance is proportional to the equity interest directly held by the issuer or its subsidiary in the connected person or Commonly Held Entity and any guarantee is given on several basis (MBLR 14A.89)

02

PARTIALLY EXEMPT FINANCIAL ASSISTANCE BY A LISTED COMPANY WHICH IS NOT A BANK

- (1) on normal commercial terms or better; and
- (2) each of the percentage ratios (except the profits ratio) is/are:
 - less than 5%; or
 - less than 35% and total value of the financial assistance (+ any monetary advantage) is less than HK\$10 million (MBLR 14A.76(2))

03

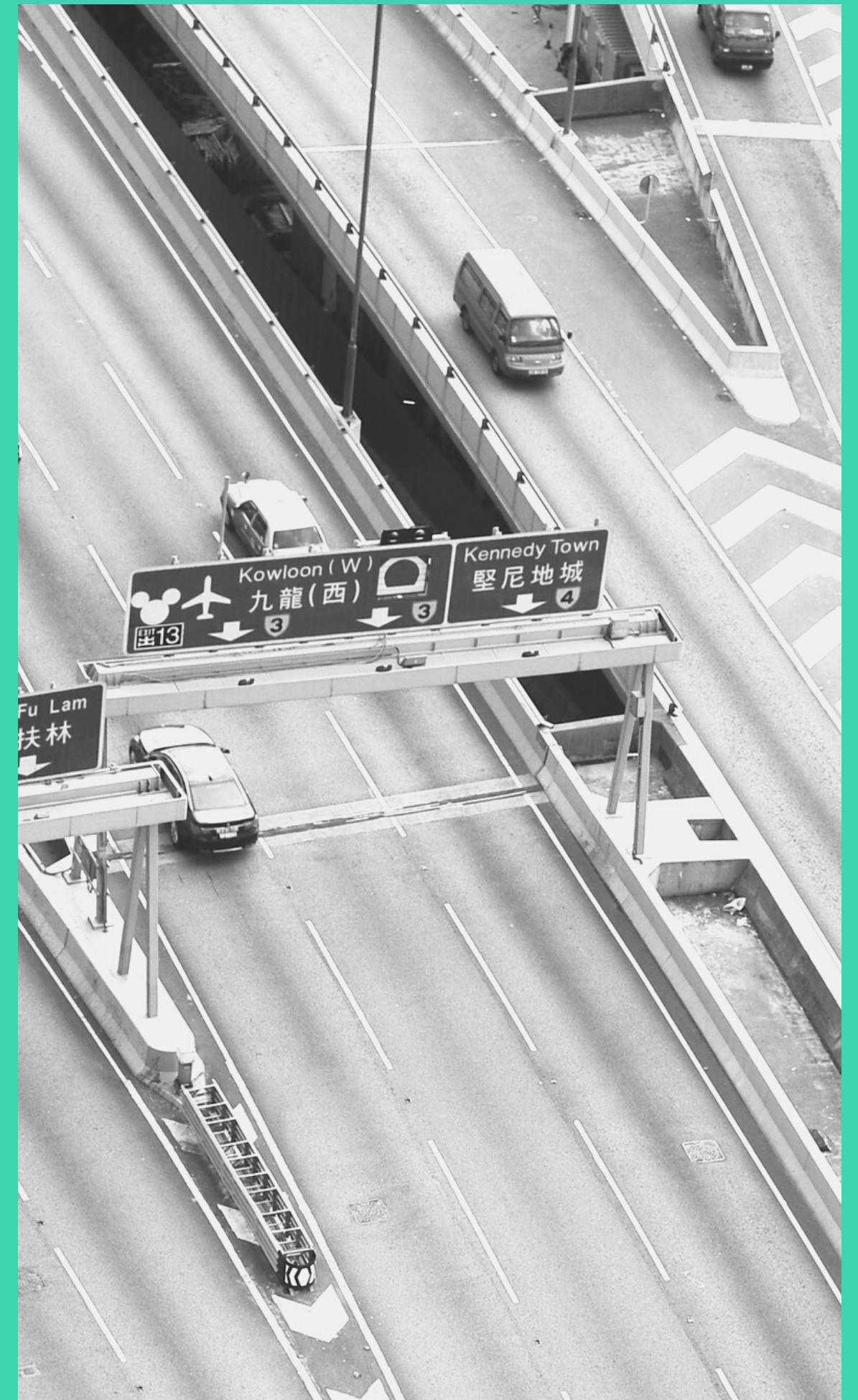
WHOLLY EXEMPT FINANCIAL ASSISTANCE RECEIVED BY A LISTED COMPANY'S GROUP

- (1) on normal commercial terms (or better) to the group; and
- (2) no security over the assets of the listed company or its subsidiaries is granted in respect of the financial assistance (MBLR 14A.90)

SFC STATEMENT

On disclosure of actual controllers or beneficial owners of counterparties to a transaction

- where listcos acquire or dispose of interests in target companies, form joint ventures with a target company or inject capital into a target business, the identities of the actual controllers of the counterparties must be disclosed
- names of controllers and beneficial owners of entities consummating transaction must be disclosed
- non-disclosure may mean document contains materially incomplete information



environmental & social
identify and disclose
additional ESG factors
and KPIs
may adopt any
international ESG
reporting guide
applicable to their
industry

CONTENTS

LEVELS OF
DISCLOSURE

ESG REPORTING

PUBLICATION

mandatory disclosure
requirements (Part B
Appendix 27 MBLR)
comply or explain
provisions (Part C
Appendix 27 MBLR)
if not part of annual report,
must be published within 5
months after FY end
printed ESG reports not
required
must notify shareholders of
publication of separate ESG
report

RECENT AMENDMENTS TO ESG GUIDE



MATERIALITY PRINCIPLE

must disclose:

- (1) process for identifying and selecting criteria for material ESG factors
- (2) description of the significant stakeholders identified, and process and results of stakeholder engagement



INTERNAL MATERIALITY ASSESSMENT

- (1) company's overall mission, competitive strategy etc.
- (2) significant laws, regulation, & agreements
- (3) main topics and future challenges for the company's sector



EXTERNAL MATERIALITY ASSESSMENT

stakeholders are the entities or individuals that can reasonably be expected to:

- (1) be significantly affected by the company's activities, products and services
- (2) whose actions can reasonably be expected to affect the ability of a company to successfully implement its strategies and achieve its objectives

RECENT AMENDMENTS TO ESG GUIDE (CONT.)

| External assessment (impact on stakeholders) | | | Materiality matrix | | | | | | | | | | | | | | |
|---|---|--|--|---|--|--|---|---|---|---|--------------|--|---|-------------|--|---|--|
| | | | Quadrant II | | | Quadrant I | | | | | | | | | | | |
| Crucial | 5 | 4 | General Disclosures and KPIs identified as relevant for disclosure | | | General Disclosures and KPIs identified as critical for disclosure | | | | | | | | | | | |
| | | | | | | | | | 3 | | | | | | | | |
| | | | | | | | | | | 2 | Quadrant III | | | Quadrant IV | | | |
| | 1 | General Disclosures and KPIs identified as not relevant for disclosure | | | General Disclosures and KPIs identified as relevant for disclosure | | | | | | | | | | | | |
| | | | | | | | | 0 | | | | | | | | | |
| | 0 | | | 1 | | | 2 | | | 3 | | | 4 | | | 5 | |
| Not relevant | | | | | | Crucial | | | | | | | | | | | |
| Internal assessment (impact on business) | | | | | | | | | | | | | | | | | |



CONSISTENCY ASSESSMENT

- must include a statement in their ESG reports confirming that there has been no change from previous years in the way the ESG report has been prepared
- can provide a description of any changes that may affect a meaningful comparison with information provided in previous reports

QUANTITATIVE PRINCIPLE

- must disclose info on standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable)
- targets may be expressed by way of directional statements or quantitative description



MANDATORY DISCLOSURE REQUIREMENTS

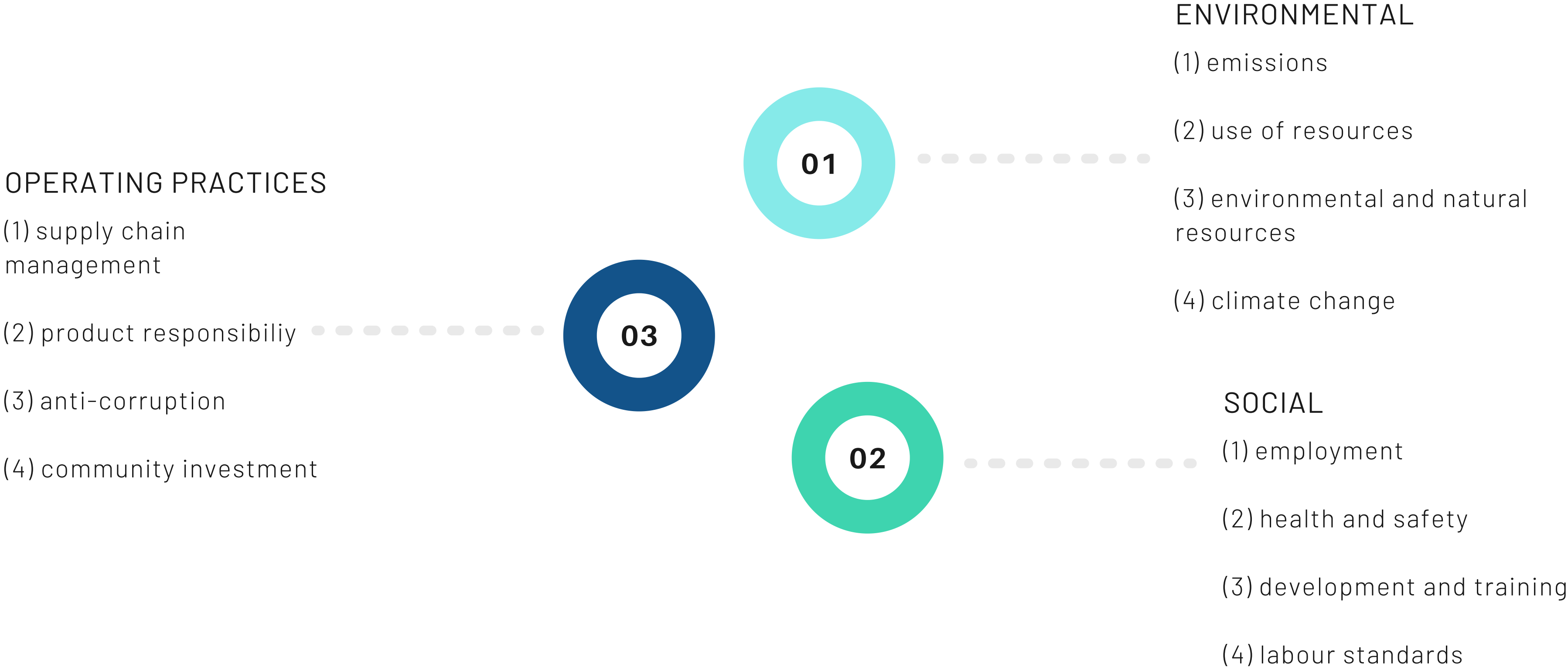
PRE- JULY 2020

- (1) state whether complied with the “comply or explain” provisions of ESG Guide
- (2) could choose not to report on recommended disclosures

NOW

- (1) mandatory disclosure requirements (board statement on oversight of ESG factors, ESG management approach & strategy and how progress is reviewed)
- (2) comply or explain provisions

ESG SUBJECT AREAS



REASONS FOR NON-DISCLOSURE

| Reason for non-disclosure | Points to note |
|------------------------------------|---|
| Not material | Specify the reason(s) why this disclosure is considered to be not material |
| Confidentiality constraints | Describe the specific confidentiality constraints prohibiting this disclosure |
| Specific legal prohibitions | Describe the specific legal prohibitions |
| Information not available | Describe the specific steps being taken to obtain the information and the expected timeframe for doing so |

EXCHANGE'S EXPECTATIONS FOR DISCLOSURE

1

POLICIES

summary of policies containing relevant information, such as:

- date of issue and last review date
- range of location of entities covered
- person(s) or committee(s) responsible for approval and implementation
- references to international standards and widely-recognised initiatives
- compliance information

2

KPIs

- disclose information required under relevant KPIs
- all social KPIs must be reported on a comply or explain basis for FY commencing on or after 1 July 2020

MATERIALITY OF ESG FACTORS BY INDUSTRY

| | Consumer Discretionary | Consumer Staples | Healthcare | Energy | Financials | Industrials | Information Technology | Materials | Properties & Construction | Tele-communication | Utilities |
|--|------------------------|------------------|------------|--------|------------|-------------|------------------------|-----------|---------------------------|--------------------|-----------|
| A1 Emissions | ● | ● | ● | ● | | ● | ● | ● | ● | ● | ● |
| A2 Use of Resources | ● | ● | ● | ● | | ● | ● | ● | ● | ● | ● |
| A3 The Environment and Natural Resources | ● | ● | | ● | | ● | | ● | ● | | ● |
| A4 Climate Change | | ● | ● | ● | ● | ● | | ● | ● | ● | ● |
| B1 Employment | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| B2 Health and Safety | ● | ● | ● | ● | | ● | ● | ● | ● | | ● |
| B3 Development and Training | | | ● | | ● | | ● | ● | | ● | |
| B4 Labour Standards | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| B5 Supply Chain Management | ● | ● | | ● | | ● | | | ● | ● | ● |
| B6 Product Responsibility | ● | ● | ● | | ● | ● | ● | | ● | ● | ● |
| B7 Anti-corruption | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| B8 Community Investment | | | ● | ● | ● | ● | | | ● | | ● |

● Very likely to be material to issuers in the industry

● Likely to be material to issuers in the industry

Notes:

- 1) An issuer may find an Aspect to be material to its business or operations, but consider a KPI under such Aspect not to be material.
- 2) Industries in the table have been classified in line with Hang Seng Industry Classification System, except that "Conglomerates" is not included since issuers from this industry may be engaged in businesses classified as other industries.

INDEPENDENT ASSURANCE

- where independent assurance is obtained, listed company should clearly describe in the ESG report the level, scope and processes adopted for the assurance given

KEY MESSAGES TO CONVEY TO INVESTORS AND OTHER STAKEHOLDERS

- ESG report is an opportunity to demonstrate the resilience and readiness of business activities in relation to sustainable development
- by preparing an ESG report, listed companies should be in a better position to identify both risks and opportunities arising from ESG issues relating to their operations

