

Best Corporate Governance Awards 2018

Judges' Report



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

2018 最佳企業管治大獎

Best Corporate Governance Awards

Hang Seng Index Category

Platinum	CLP Holdings Limited
Gold	Hong Kong Exchanges and Clearing Limited
Special Mention	Link Real Estate Investment Trust

Non-Hang Seng Index (Large Market Capitalisation) Category

Platinum	Prudential plc
Gold	Hysan Development Company Limited
Special Mention	Shangri-La Asia Limited

Non-Hang Seng Index (Medium Market Capitalisation) Category

Platinum	The Hongkong and Shanghai Hotels, Limited
Gold	Li & Fung Limited
Special Mention	Pacific Basin Shipping Limited

Non-Hang Seng Index (Small Market Capitalisation) Category

Special Mention	Convenience Retail Asia Limited
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H-share Companies and Other Mainland Enterprises Category

Platinum	Lenovo Group Limited
Gold	COSCO SHIPPING Ports Limited
Gold	Tencent Holdings Limited
Special Mention	Chow Tai Fook Jewellery Group Limited

Public Sector/Not-for-profit Category

Gold	Securities and Futures Commission
Special Mention	Mandatory Provident Fund Schemes Authority

2018 最佳企業管治大獎

Best Corporate Governance Awards

Sustainability and Social Responsibility Reporting Awards

Hang Seng Index Category

Winner

CLP Holdings Limited

Winner

The Hong Kong and China Gas Company Limited

Non-Hang Seng Index (Large Market Capitalisation) Category

Special Mention

The Wharf (Holdings) Limited

Non-Hang Seng Index (Medium Market Capitalisation) Category

Special Mention

China Everbright Greentech Limited

H-share Companies and Other Mainland Enterprises Category

Winner

Lenovo Group Limited

Public Sector/Not-for-profit Category

Special Mention

Airport Authority Hong Kong

Commendation on Website Corporate Governance Information

Hospital Authority

Introduction

Background, Aims and Scope

Background

The annual Best Corporate Governance Awards (“BCGA” or “Awards”) organised by the Hong Kong Institute of Certified Public Accountants (“the Institute”) are now in their 19th year and they are held in high esteem as an important benchmark of Hong Kong’s current corporate governance (“CG”) standards and best practices.

The Awards also seek to focus the community’s attention on the values of good CG and to encourage improvements, while reflecting changing attitudes and expectations among shareholders, investors and other stakeholders. This year, our Awards include:

- Six main categories covering listed companies of different sizes and public sector/ not-for-profit organisations.
- Commendations for certain more specific aspects of governance, namely (i) internal control and risk management, (ii) board and audit committee operation and functioning, and (iii) website CG information.

The objective of the Commendations is to encourage more companies and public sector organisations, whose resources are, generally, more limited, to improve their CG practices progressively, if they are not able to make across-the-board improvements all at one time.

- New awards for good CG practices based on self-nominations. These are aimed at smaller companies and public sector/ not-for-profit organisations.
- Sustainability and Social Responsibility Reporting (“SSR”) Awards. Against the background of more extensive reporting requirements, this year, a more wide-ranging initial screening exercise was conducted for the SSR Awards covering around 450 companies¹.

The Institute, as always, wishes to express its gratitude for the continuing support from the Hong Kong SAR Government, financial services regulators, investor groups, and the business, academic and professional communities. The Institute would also like to thank the companies whose CG was reviewed for their participation in the Awards.

¹ In this report, the terms “company” and “companies” are used generally to refer to both listed companies and public sector organisations, unless the context suggests otherwise. In the detailed commentaries on the annual reports of the award winners, references to “company” also include references to the listed group.

Aims and scope

The BCGA aims to (i) establish benchmarks of CG best practice in Hong Kong and (ii) encourage more companies to refer to those benchmarks and improve their own CG standard.

Primarily through disclosures in annual reports and sustainability reports², the reviewers and judges seek to identify those companies that have firmly established good governance and socially responsible and sustainable practices as part of their corporate culture.

Categories and Judging Criteria

There are six main awards categories, namely:

A. Companies listed on the Hong Kong Stock Exchange (“SEHK”):

Main Board

i. Hang Seng Index (“HSI”)-constituent companies

Main Board or Growth Enterprise Market (“GEM”)

Non-HSI-constituent companies:

- ii. Large market capitalisation
- iii. Medium market capitalisation
- iv. Small market capitalisation
- v. H-share companies and other Mainland enterprises

B. Public sector/Not-for-profit organisations

In all of the above categories, diamond, platinum and gold awards may be presented. Special mentions may also be given out to other companies that have made notable efforts to implement good CG.

² The term “sustainability report” is used generally for reports which some companies may also call corporate social responsibility, social responsibility or environmental, social and governance reports.

The judging criteria for the main CG awards cover:

- Overall presentation
- Promptness of reporting
- Quality of disclosure in relation to the following information:
 - CG statement and practices
 - Capital structure
 - Board structure, including composition and diversity, and board functioning
 - Management discussion and analysis, including operating and financial review and strategic outlook
 - Remuneration policy and details of directors' and senior management's remuneration packages
 - Nomination committee's work and policies and nomination processes
 - Risk management and internal control
 - Corporate social responsibility ("CSR") and environmental reporting
 - Connected transactions and relationships
 - Other voluntary disclosures relating to, e.g., audit committees, internal audit and investor relations
- Compliance with the CG-related disclosure requirements of the Companies Ordinance (Cap. 622) ("CO") and the listing rules governing the listing of securities on the SEHK main board or GEM, as appropriate.
- Quality of presentation of compliance information.

As indicated above, there are also additional awards for SSR reporting, Commendations for specific areas of CG, and possible awards based on self-nominations. Candidates for these awards are assessed on the basis of specifically-designed criteria.

Review and Judging Procedures

This year, the initial vetting process covered around 700 annual and 450 sustainability reports, increasing the opportunity to identify more potential awardees. As indicated above, the primary source of information (except in the case of the awards for website CG) continued to be annual reports and, for the SSR Awards, sustainability reports. A preliminary review of annual and sustainability reports was conducted to see whether a more in-depth analysis of the relevant companies' CG and SSR performances was merited. Companies were filtered out at this stage for a variety of reasons but, primarily, if the standard of their CG and SSR reporting in key areas was not sufficiently high for them to be considered further.

The reviewers then undertook more detailed assessments of the CG and SSR disclosures and practices of the companies that passed the initial vetting and drew up shortlists of the best candidates in the different categories to be referred to the judges for final decisions. The work of the reviewers included the following:

- Main Categories of Awards:

Conducting detailed reviews of CG information in annual reports to identify candidates for the shortlists, based on the results of two rounds of "quality reviews" and a "compliance review". The compliance review was carried out on those companies selected for a second quality review (based primarily on their first-round scores), in order to confirm their full compliance with the mandatory CG-related disclosure requirements under the CO and the listing rules, including the latest environmental, social and governance ("ESG") reporting requirements.

- SSR Awards:

Conducting a more detailed assessment of the sustainability/ ESG reporting of those companies that passed the initial screening phase.

- Commendations for specific areas of CG:

Additional assessments were performed on those companies achieving high scores in the any of the three relevant areas during the first round of quality reviews. For the evaluation of website CG disclosures, relevant information on companies' websites identified during the initial vetting process was also given a more detailed assessment.

- Self-nomination Awards:

Non-HSI-constituent (small market capitalisation) companies and public sector organisations were invited to put themselves forward for consideration on the basis of the quality of their CG, and to highlight any particularly strong features of their voluntary disclosures and practices. It was explained that, if necessary, interviews would be conducted to hear directly from the companies concerned about their good CG practices.

Judging Considerations

BCGA focuses on voluntary information in annual reports and sustainability reports, assessing CG structures, processes and practices that exceed the statutory and regulatory requirements and which are indicative of a strong CG culture.

The reviewers and judges also consider other publicly-available information, including news and media reports that may give further insights into how companies' CG or sustainability regimes are being implemented in practice. The reviewers and judges assess the scope of CG-related information, the quality of the information provided, both form and substance, and the standard of the related governance practices. They endeavour to take an overall view of a company's CG performance and gain an impression as to whether a good, top-down CG culture has been firmly established throughout the company. They also consider whether efforts have been made towards further improving standards. Where applicable, they assess the transparency of relevant information contained in companies' annual reports or sustainability reports on matters of public interest or concern.

Recent Corporate Governance Developments

Hong Kong

- During the year since the previous BCGA, the Institute published a major CG study, "Report on Improving Corporate Governance in Hong Kong", reflecting the findings of a comparative study of CG developments in Hong Kong and four other relevant markets – the United States, the United Kingdom, the Mainland and Singapore.

The objective of the study, which was conducted for the Institute by Mr. Syren Johnstone and Prof. Say H. Goo of HKU's Asian Institute International Financial Law, was to make recommendations for the future development of Hong Kong's CG to enhance the long-term competitiveness and attractiveness of the capital market. The report makes wide-ranging recommendations under the broad headings of "The Board", "Enforcement" and "Architecture and Policy". A media briefing was held in May 2018 to launch the report and series of related events were conducted to promote the study and its recommendations.

- HKEX published:

- A report summarising key findings from its review of 100 periodic financial reports released by listed issuers between February 2017 and April 2018. The report highlights the importance of the following areas:
 - Providing investors with a meaningful management commentary
 - Judgments and estimates
 - Assessing impairment of tangible and intangible assets (including goodwill)
 - Accounting for acquisitions
 - Impact of applying key Hong Kong Financial Reporting Standards (“HKFRSs”) issued but not yet effective
 - New auditing standard

On the first point, especially, the findings indicated that companies should address cyber risk and security, data fraud or theft and environmental and social risks in their reports. The screening exercise for the Awards also found that cyber risk and security disclosures could be improved, particularly among small and medium-size listed companies. Even many larger companies discussed this area of risk only quite briefly in their annual reports.

The HKEX’s report also emphasised that a financial report provides an opportunity for issuers to explain their performance, financial position and future prospects clearly to investors, and to enhance shareholders’ value. Financial reports and all other corporate communication should be accurate, complete and not misleading. The audit committee should focus on financial reporting integrity as part of its core oversight responsibilities.

- Consultation Conclusions on the review of the CG Code and related listing rules, in relation to board procedures and diversity, roles of independent non-executive directors (“INEDs”), and transparency regarding dividend policy. The HKEX also published, “Guidance for Boards and Directors”, on the same day.

Amendments to the CG Code and related listing rules have since been made and will be effective from 1 January 2019. Boards will need to explain why they consider a particular candidate can still devote sufficient time to serving the board as an INED when he/she is holding directorships in more than six listed companies. The board is also required to explain in a circular what the nominated INED is expected to bring to the board in terms of skills and experience. In addition, there are changes to the cooling off periods for professionals or individuals who have had a material interest in the issuer’s principal business activities, before they can be considered to be independent.

- The findings of its review of listed issuers' ESG reports, analysing the disclosures made by 400 randomly selected issuers, with financial year-end dates of 31 December 2016, 31 March 2017 and 30 June 2017. Recommendations were made for improving disclosures in the following areas:
 - The company's or the board's commitment to ESG, the management's approach to ESG, and how they relate to the company's business
 - The board's evaluation and determination of ESG risks and how it ensures that appropriate and effective ESG risk management and internal control systems are in place
 - The process for stakeholder engagement, which is central to materiality assessment and enables the company and its directors to communicate with their stakeholders.

Echoing the above findings, in the initial screening exercise for the Awards, it was also noted that there were only a few companies, in general, which clearly aligned the board's commitment to ESG with the company's business. In addition, not many companies described the details of their processes for stakeholder engagement, including the frequency and modes of engagement.

- The Asian Corporate Governance Association published a report on CG in China, *Awakening Governance: The evolution of corporate governance in China*, in July 2018. It seeks to explain China's unique CG system to foreign investors and the relevance of emerging global CG best practices to China-listed companies and domestic institutional investors.

International

- The Financial Reporting Council in the United Kingdom (“UK”) has recently conducted an overhaul of the UK Corporate Governance Code. Considerable progress has been made in increasing the diversity of UK boards. In 2017, for example, women made up 27.7% on average of FTSE 100 boards, up from 12.5% in 2010. This had reached 29.0% by July 2018. Transparency has been an important driver of this change. However, there is evidence that the momentum has started to tail off and further progress on increasing female representation at the top of companies is stalling.

Also, in terms of the quality of reporting against Provision B.2.4 of the UK Code, which calls for a description of the nomination committee’s process in relation to board appointments, the board’s policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives, 15% of the FTSE 100 discussed all four elements referenced in the Provision, while a further 20% discussed three of the four elements. Among FTSE 250 companies, only 6% discussed all four elements, while an additional 8% discussed three of the four. Over 60% discussed only two of the four elements.

- The Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) and the World Business Council for Sustainable Development have released draft guidance for applying enterprise risk management (“ERM”) to ESG-related risks. The draft guidance is designed to supplement COSO’s updated ERM framework, Enterprise risk management - Integrating with strategy and performance. It aims to help organisations worldwide respond to the increasing prevalence and severity of ESG-related risks, ranging from extreme weather events to product safety recalls.
- Integrated reporting (“IR”) continues to impact private and listed entities and public sector organisations.
 - A new <IR> Academic Database has been launched, bringing together over 200 academic studies highlighting the potential positive ramifications of adopting IR, as well as commenting on emerging best practice. Research included in the database concluded that IR leads to increased stock liquidity, better performance, higher market valuation and a longer-term investor base for the businesses that adopt it.
 - Mitsubishi UJF Trust and Banking have become the latest investor organisation to sign an investor statement, signalling their support for IR and its importance in their capital allocation decisions. IR is increasingly becoming the communication of choice between businesses and investors in Japan, with over 400 companies now using the principles of the <IR> Framework in their integrated reports.

- The International Accounting Standards Board has added a project to its agenda to revise and update its guidance on Management Commentary. Speaking at the IFRS Foundation Conference in Frankfurt in June 2018, IASB Chairman Hans Hoogervorst said the review, “Will reflect new developments in integrated and sustainability reporting, and particularly the growing interest in long-term value creation.”³
- The CFA Institute has published the third edition of “The Corporate Governance of Listed Companies: A Manual for Investors”, covering the following topics:
 - Adoption of stewardship codes: Many markets have adopted investor stewardship codes to promote better governance among investors and to promote best practices in engagement with investors.
 - Increased engagement: Levels of engagement have increased between institutional investors and investors on governance issues.
 - Proxy access: Proxy access was introduced in the US in 2015, when investors began filing more shareowner proposals seeking access to the corporate proxy. This led to many companies engaging with investors to allow investors to nominate one or two directors to the proxy ballot if they owned 3% of the company’s shares for three years.

³ See: <http://integratedreporting.org/news/integrated-reporting-in-the-united-states/>

Commentaries

Observations in 2018

1. The judges continued to support the view that companies needed to achieve a certain absolute standard of CG quality to merit a diamond, platinum, or gold award. These awards were not simply to be given out in that order to the best, second and third-place companies in a particular category.
2. It should be emphasised that the BCGA are not annual report awards or just CG disclosure awards. The Institute dropped "disclosure" from the title a few years ago to make this point clearer. The reviewers and judges look at the overall CG framework of the shortlisted candidates and how it is implemented in practice. This also includes reviewing news reports that could reflect on companies' performance and observing whether there is alignment between words and actions, and how important issues are being addressed.
3. This year, after lengthy consideration, the judges decided not to give out any diamond awards. They felt that there was scope, even for companies with high CG standards to take stock from time to time and see where they could still do better. The judges believed this to be an important message, which needed to be reiterated periodically.
4. With the amended requirements of the ESG Reporting Guide under the listing rules now in effect, more and more companies published standalone sustainability reports. In response to this, the BCGA expanded its searches for the companies with the best sustainability practices and disclosures. Following an initial screening process, a record number of possible candidates for SSR Awards were put forward for the consideration of the reviewers and judges. As a majority of these companies adopted the widely-recognised Global Reporting Initiative ("GRI") standard in preparing their sustainability reports, the ones that stood out, in general, were those that more clearly and concisely aligned their sustainability practices and reporting with this international benchmark, and excelled in their presentation of relevant information.
5. The judges noted that there were still too many companies in the Non-HSI (Small Market Capitalisation) Category that barely met the CG requirements and even the best often only slightly exceeded the minimum standard.

6. It was observed that there was a significant gap between the remuneration of the chief executive officer (“CEO”) and that of the second-highest-paid individual in some companies. There was a concern that this could be indicative of an over-concentration of power in the hands of a single individual.
7. As indicated above, a Self-nomination Award for Good Corporate Governance Practices was introduced this year, aimed at small-cap and public sector entities. Nine self-nominations were received and, among these, one company listed on the GEM market was subsequently identified as a possible candidate and was considered to have some very positive features in its CG. While there was a full discussion on the merits of the nominee’s CG, in the final analysis, the view was taken that the company just fell short of the required standard necessary to win an award in the BCGA. The judge look forward to seeing further progress made by this and other companies in the relevant categories, over the coming years, and hope to be able to recognise their efforts in future BCGA competitions.
8. It is positive to note that, overall, this year, the judges have given out a record number of awards - three more than the previous highest number. They were pleased to be able to identify more SSR awardees. This is encouraging. While the awardees are generally companies with a relatively larger market capitalisation, which would tend to have more resources at their disposal, there was a diverse range of candidates reaching the final stages, which bodes well for the future.
9. Notwithstanding the judges’ general observations regarding smaller listed companies (see above), there is a new awardee in the Non-HSI (Small Market Capitalisation) Category. We hope that this will help to encourage and incentivise other smaller companies to take steps to improve their CG.

Observations of Judges and Reviewers on Specific Areas of Strength and Weakness

1. The best performers in most categories were still able to achieve high scores on the strength of their voluntary additional disclosures and practices. These companies were also likely to be early adopters of any changes in requirements, as they see the benefits of a good CG regime to the long-term success and sustainability of the company.
2. Increasingly companies categorise and analyse the principal types of risk that they face, describe their probability, and the underlying control and mitigation measures to address those risks. This helps investors understand better the nature and patterns of emerging risks.
3. Areas where further improvements could be made include:
 - Explanations given for specific appointments and resignations of directors; and
 - enhancing the transparency of the process and criteria for the selection and appointment of directors, including executive directors (“EDs”) and INEDs.

We raised these issues last year and subsequently amended the marking criteria for the reviewers in order to reflect their importance. However, no major improvement was observed in terms of these disclosures when conducting the initial screening exercise. It is worth reiterating, therefore, that shareholders have reason to be concerned if they cast their votes for a director who subsequently resigns without adequate explanation.

4. Also, companies should review their CG priorities periodically and ensure that their practices are able to address emerging governance issues. For example,
 - Succession planning is an important issue for investors, particularly in family businesses, and it is reasonable to expect some acknowledgment and discussion of this at appropriate times. Planning for a smooth and progressive transition of the leadership helps to instil confidence, ensure stability, and allay possible concerns about disruption.
 - The tenure of directors, particularly the INEDs, should not be excessive. Where the tenure of INEDs is well over nine years, it would be good practice to provide some information not only in general meetings, but also in other communications, such as the annual report, to explain why they are considered to be independent.
 - The underlying components and factors involved in determining the remuneration of EDs, and also key senior management personnel, and ideally an indication of their weighting, should be provided. This would help to increase transparency and accountability, especially where remuneration is influenced by different components of corporate performance, including financial, and non-financial performance, such as ESG factors.

5. Generally, companies could do more to improve the disclosure of the remuneration packages of their senior management, and the breakdown of these. This is relevant and important information, particularly on boards where there are many non-executive directors (“NEDs”) and few EDs.
6. It seems that not many companies put in place a process for regular evaluation of board performance, a recommended best practice under Hong Kong’s CG Code. Where companies indicated that an evaluation was conducted, in the majority of cases, matters such as how the evaluation was carried out and the underlying methodology, were not explained in any detail.
7. The disclosures relating to annual confirmations relating to risk management and internal control could be further improved. Only a few companies provided an overview of how these functions operated or discussed in any depth proposals to enhance them.
8. A number of companies are now presenting their board diversity, and other information, in a more graphic and eye-catching way, which is positive. At the same time, it was also clear from this information that there is scope for more progress in implementing diversity policies and measures.
9. In line with the latest requirements, the majority of the companies provided some key performance indicators (“KPIs”) on economic, environmental and social performance, where appropriate. However, only a few companies supplemented these KPIs with analyses of, for example, the rationale behind changes of KPIs and their implications for the company’s operations. Also, not many companies have put in place targets and compared progress towards these against the previous year’s KPIs.
10. Public sector organisations should consider providing more details of the work done by the board and committees, including significant matters considered and the corresponding actions taken to address the key issues.
11. As we have mentioned in the past, generally, in both the listed company and public sectors, where the government is the major shareholder, or exercises control over the board, there is room for greater transparency and explanation regarding its role, how directors are selected and appointed and the mandate of officials in decision making.
12. The companies in the Non-HSI (Small Market Capitalisation) Category could improve their CG further by for example:
 - Increasing INED participation on their boards
 - Separating the roles of chairman and CEO and having two different individuals occupying the positions.

Hang Seng Index Category

PLATINUM AWARD

CLP Holdings Limited

Board of Directors:

EXECUTIVE

Richard Kendall Lancaster (Chief Executive Officer)
Geert Herman August Peeters

NON-EXECUTIVE

The Hon Sir Michael Kadoorie, *GBS* (Chairman)
William Elkin Mocatta (Vice Chairman)
John Andrew Harry Leigh
Andrew Clifford Winawer Brandler
Lee Yui Bor

INDEPENDENT NON-EXECUTIVE

Vernon Francis Moore, *BBS*
Sir Roderick Ian Eddington
Nicholas Charles Allen
Cheng Hoi Chuen Vincent, *GBS, OBE, JP*
Law Fan Chiu Fun Fanny, *GBM, GBS, JP*
Lee Yun Lien Irene
Zia Mody

Audit Committee:

Vernon Francis Moore, *BBS* (Chairman)
Nicholas Charles Allen
Law Fan Chiu Fun Fanny, *GBM, GBS, JP*
Lee Yun Lien Irene

Auditors:

PricewaterhouseCoopers



Findings

1. CLP Holdings Limited discloses comprehensive, useful and reader-friendly information in its annual report, giving an analysis of its business, business model, strategies and outlook. There is a well-presented "Snapshot of CLP in 2017".
2. As part of its commitment to integrated reporting, CLP provides an extensive review of the six capitals offering strategic insights for shareholders and readers who wish to understand the company's evolving business. The company continued to achieve a solid financial performance with a more diversified power-generating portfolio and there is a clearly-illustrated financial review by geographical segment. As a result of good capital management, good access to funding, and a strong free cash flow, CLP's credit rating has been upgraded.
3. The board reviewed and considered the summary findings of the evaluation of the board and the committees carried out by an independent third party. Subsequently, a number of follow-up actions were taken, e.g., in view of a suggestion to strengthen collaboration and information sharing between the board and the committees, the board received a number of briefings and updates about the work undertaken by various committees.
4. CLP shares its process for the appointment of directors in a flow chart, involving the Nomination Committee, which considers candidates' merits, the board, which makes the appointment, and the shareholders who approve the nomination. There is also a good illustration explaining the company's board diversity.
5. The company has a systematic mechanism to review the NEDs' remuneration. The process involves determining the level of fees, benchmarking against other listed companies, and a review by an external legal advisor.
6. Continuing connected transactions are concisely presented in a table, which includes information such as the nature of the transaction, transaction parties, the basis for determining the consideration and the underlying consideration. The detailed way in which CLP presents these transactions stands out from other listed companies.
7. CLP voluntarily introduced its Climate Vision 2050 back in 2007, committing to lower the carbon intensity of its generating portfolio by 75% of its 2007 position by 2050. The company has since revised its target to a reduction of level of 82%, to further support the Paris Agreement.

Hang Seng Index Category

GOLD AWARD

Hong Kong Exchanges and Clearing Limited

Board of Directors:

EXECUTIVE

Li Xiaojia Charles (Chief Executive)

INDEPENDENT NON-EXECUTIVE

Chow Chung Kong*, *GBS, JP* (Chairman)

Apurv Bagri

Chan Tze Ching Ignatius, *BBS, JP*

Cheah Cheng Hye

Freshwater Timothy George*

Fung Yuen Mei Anita*, *BBS, JP*

Gil-tienda Rafael*

Hu Zulu Fred

Leung Ko May Yee Margaret*, *SBS, JP*

Leung Pak Hon Hugo

Williamson John Mackay McCulloch

Yiu Kin Wah Stephen*

* Government Appointed Directors

Audit Committee:

Yiu Kin Wah Stephen (Chairman)

Chan Tze Ching Ignatius, *BBS, JP*

Fung Yuen Mei Anita, *BBS, JP*

Leung Pak Hon Hugo

Williamson John Mackay McCulloch

Auditors:

PricewaterhouseCoopers



Findings

1. The board of HKEX is majority independent with the CEO being the only non-INED. All board committees are fully independent except for the Environmental, Social and Governance Committee and Executive Committee.
2. The company's disclosures and practices met all requirements and exceeded them in various areas. For example, there is a good discussion of key audit matters in the auditors' report, which goes beyond the norm. It is also noted that, to ensure periodic refreshment of the board, HKEX has set a maximum term limit of 12 consecutive years for NEDs to be eligible for nomination. This is a constructive first step and an example that other listed companies can consider following.
3. The board used an independent external consultant to conduct a board performance evaluation of HKEX, as well as its two subsidiaries, LME and LME Clear. The evaluation concluded that HKEX's board functioned well and was in line with international best practices, which was also largely the case for its subsidiaries. The dynamics of the board were found to be strong and the relationship between the board and management appeared to be open, respectful and professional.
4. There is concise but informative coverage of the work performed by key committees, the Audit, Risk and Remuneration Committees. The work of the Audit Committee included monitoring the independence of the external auditor to ensure objectivity in the financial statements and discussing key audit matters with the external auditor and the management, covering goodwill impairment assessment and IT systems and controls over financial accounting and reporting.
5. The three lines of defence model adopted for risk governance is clearly explained and the tabular disclosure of HKEX's principal risks and mitigation measures is also informative.
6. There is an ESG report. The ESG Committee is chaired by the board chairman, which reflects a commitment at the highest level to this important area of disclosure and practice.

Hang Seng Index Category

SPECIAL MENTION

Link Real Estate Investment Trust

Board of Directors:

EXECUTIVE

George Kwok Lung Hongchoy (Chief Executive Officer)

Andy Cheung Lee Ming

NON-EXECUTIVE

Ian Keith Griffiths

INDEPENDENT NON-EXECUTIVE

Nicholas Charles Allen (Chairman)

Christopher John Brooke

Ed Chan Yiu Cheong

Blair Chilton Pickerell

Poh Lee Tan

May Siew Boi Tan

Peter Tse Pak Wing

Nancy Tse Sau Ling

David Charles Watt

Elaine Carole Young

Audit and Risk Management Committee:

Peter Tse Pak Wing (Chairman)

Poh Lee Tan

May Siew Boi Tan

Nancy Tse Sau Ling

Auditors:

PricewaterhouseCoopers



Findings

1. There is a clear statement from the chairman of the board of Link Real Estate Investment Trust (“Link REIT”) in the annual report, indicating a commitment to developing stakeholder relations, addressing misperceptions and not shying away from healthy debates, which offer the company opportunities for further improvement. He notes that the focus and hard work in promoting community sustainability and active stakeholder engagement are paying off, with a substantial gain in the number of people holding a positive view of the Link.
2. The company’s board comprises a large majority of independent directors (10 out of 13) and all board committees are chaired by INEDs. During the year, the INEDs/ NED held a closed session among themselves where issues were discussed without the presence of the EDs and management.
3. The following measures have been adopted to enhance the board independence:
 - The term of INEDs can be renewed upon expiry and up to a maximum of nine years. While not subject to the maximum term limit, NEDs are subject to the same requirements of retirement by rotation and re-election at annual general meetings as the INEDs.
 - The Audit and Risk Management Committee and the Remuneration Committee may comprise only INEDs.
 - Members of the Finance and Investment Committee are not allowed to serve on the Audit and Risk Management Committee.
4. The board has established a practice of carrying out a formal evaluation of its performance through the facilitation of an independent external consultant every three years. The last review was done in 2016/17. In between formal board performance evaluations, board performance is reviewed internally via questionnaire, by the chairman of Nomination Committee, who is also the board chairman.
5. There is a well-illustrated explanation of how diversity contributes to the work of committees and a relatively higher ratio of women on the board than on many other listed companies.
6. There is informative disclosure on the structure of directors’ remuneration and external consultants were engaged to advise on a review of INEDs’ fees.

Non-Hang Seng Index Category (Large Market Capitalisation) Category

PLATINUM AWARD

Prudential plc

Board of Directors:

EXECUTIVE

Michael Wells (Group Chief Executive)
 Mark FitzPatrick
 John Foley
 Nicolaos Nicandrou
 Anne Richards
 Barry Stowe

NON-EXECUTIVE*

Paul Manduca (Chairman)
 The Hon Philip Remnant, *CBE*
 Sir Howard Davies
 David Law
 Kaikhushru Nargolwala
 Anthony Nightingale, *CMG, SBS, JP*
 Alice Schroeder
 Lord Turner
 Thomas Watjen

Audit Committee:

David Law (Chairman)
 Sir Howard Davies
 The Hon Philip Remnant, *CBE*
 Alice Schroeder
 Lord Turner

Auditors:

KPMG



* All the Non-executive Directors were considered independent for the purposes of the HK Listing Rules, and each Non-executive Director provides an annual confirmation of his or her independence as required under the HK Listing Rules.

Findings

1. Prudential plc has a dual listing in Hong Kong and London, making the company's task more complex in meeting the requirements of two sets of listing rules. However, the company's standards of CG remain high.
2. A helpful table is used to show how the board spent its time month by month during the year, covering strategy and implementation, reports from committee chairs, financial reporting and dividends, business unit chief executive updates, risk, regulatory and compliance matters, and governance and stakeholders.
3. A clear process for directors' evaluation is in place. NEDs and the group chief executive were evaluated by the chairman in individual meetings. The senior independent director led the NEDs in a performance evaluation of the chairman. EDs' performance was reviewed by the remuneration committee as part of its deliberations on bonus payments. The outcome of these evaluations is reported to the Nomination & Governance Committee each year in order to inform the committee's recommendations for board members to be put forward for re-election by shareholders.
4. Prudential clearly sets out the importance of governance in the nomination process and succession planning for board members. In particular, the latter is placed as the first key matter considered during the year. It was noted that succession plans for all executive and non-executive board roles are kept under review.
5. The company provides very comprehensive disclosures of risk management and controls. The three lines of defence approach is adopted, with the role of each line concisely explained. This system is also clearly and coherently illustrated by means of a diagram.
6. The current remuneration structure is shown concisely in a diagram, consisting of short-term and long-term benefits, with reasonable explanations for each component, including its key features and how it works.
7. Prudential has identified a number of material ESG issues, including business integrity and environment, and incorporated tailor-made policies to address these issues. These include policies on business conduct, anti-bribery and anti-money laundering, sanctions, security and tax risks, which are all briefly explained.

Non-Hang Seng Index Category (Large Market Capitalisation) Category

GOLD AWARD

Hysan Development Company Limited

Board of Directors:

EXECUTIVE

Lee Irene Yun-Lien (Chairman)

NON-EXECUTIVE

Jebsen Hans Michael, *BBS*

Lee Anthony Hsien Pin

Lee Chien

Lee Tze Hau Michael

INDEPENDENT NON-EXECUTIVE

Churchouse Frederick Peter

Fan Yan Hok Philip

Lau Lawrence Juen-Yee

Poon Chung Yin Joseph

Audit Committee:

Poon Chung Yin Joseph (Chairman)

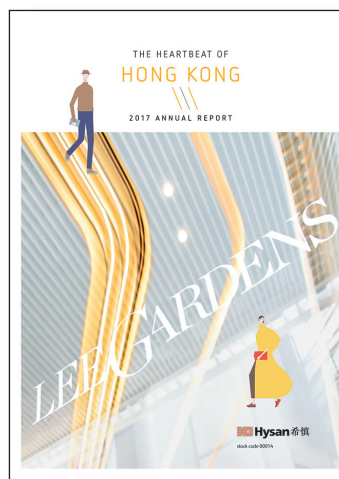
Churchouse Frederick Peter

Fan Yan Hok Philip

Lee Anthony Hsien Pin

Auditors:

Deloitte Touche Tohmatsu



Findings

1. Hysan Development Company Limited sets out key themes clearly at the outset of its annual report: The need to address structural changes and related challenges impacting on its business in retail and office leasing. Structural changes identified include generational shift (e.g., millennials and generation Z'ers driving change), demographic changes (catering to tourists and different segments of local residents) and technological advancements (including challenges from e-commerce).
2. The board, which comprises mainly non-executives (4 INEDs, 4 NEDs and an executive chair), regularly assesses and enhances its governance framework, practices and principles, according to developments in regulatory regimes and international best practices, and the needs of the company.
3. Hysan provides a table to show the meeting attendance by directors. This is made more transparent by also disclosing where directors attended the relevant meetings by tele-conference and as invitees.
4. The NEDs on Hysan's board are from diverse and complementary backgrounds, bringing valuable experience and expertise for the long-term growth of the company. A table is shown to summarise the skills and experience that the 8 non-executives possess and contribute to the company.
5. Board evaluation was conducted internally and was led by the chairman, assisted by the company secretary. The overall results were positive, without specific concerns raised by directors.
6. Hysan has a systematic process to ensure regulatory compliance and the effectiveness of its governance framework, which is illustrated in a reader-friendly graphic. The process starts with identifying and assessing the underlying compliance issues, followed by prioritising and responding to these issues, and periodic monitoring.

Non-Hang Seng Index Category (Large Market Capitalisation) Category

SPECIAL MENTION

Shangri-La Asia Limited

Board of Directors:

EXECUTIVE

Kuok Hui Kwong (Chairman)
Lim Beng Chee (Chief Executive Officer)
Lui Man Shing

NON-EXECUTIVE

Ho Kian Guan

INDEPENDENT NON-EXECUTIVE

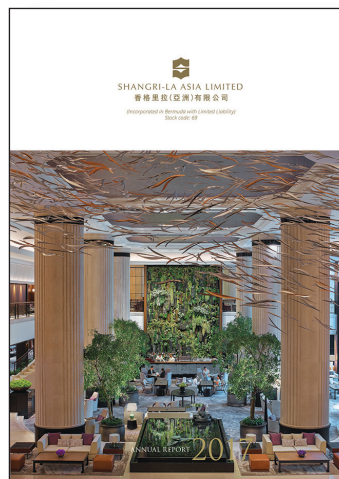
Alexander Reid Hamilton
Li Kwok Cheung Arthur
Lee Kai-Fu
Yap Chee Keong

Audit & Risk Committee:

Yap Chee Keong (Chairman)
Ho Kian Guan
Alexander Reid Hamilton
Li Kwok Cheung Arthur

Auditors:

PricewaterhouseCoopers



Findings

1. The board of Shangri-La Asia Limited (“SHLA”) has adopted a composite directors’ handbook consisting of CG and securities principles. Their terms align with, or are stricter than, the requirements set out in the Securities Model Code and the CG Code, except for the provision in the handbook that allows for the chairman and CEO to be the same person.
2. There is a table that shows the annual fees paid to NEDs/ INEDs, and the members of Nomination, Remuneration and Audit & Risk Committees. The table also discloses the same payments in 2016. This allows the reader to make an easy comparison and enhances the transparency of the internal remuneration policy.
3. SHLA incorporates a risk management governance structure, and illustrates the division of responsibilities among board of directors, Audit & Risk Committee, corporate financial owners, executive vice-presidents and general managers. The chief financial officer (“CFO”) acts as a facilitator in the risk management process and regularly reviews the risk profile of different functions to ensure that all risks faced by the company are identified.
4. The company has strengthened its whistleblower protection policy. A working committee, comprising senior management and the in-house lawyer, was formed to review the investigation process and results.
5. SHLA shows its shareholding structure in a diagram, indicating the percentage of interests of substantial shareholders, directors and other shareholders in the company. This provides a convenient way for the reader to understand the deemed interests in the company.

Non-Hang Seng Index Category (Medium Market Capitalisation) Category

PLATINUM AWARD

The Hongkong and Shanghai Hotels, Limited

Board of Directors:

EXECUTIVE

Clement King Man Kwok (Chief Executive Officer)
Peter Camille Borer
Matthew James Lawson

NON-EXECUTIVE

The Hon Sir Michael Kadoorie, *GBS* (Chairman)
Andrew Clifford Winawer Brandler
William Elkin Mocatta
John Andrew Harry Leigh
Nicholas Timothy James Colfer
James Lindsay Lewis
Philip Lawrence Kadoorie

INDEPENDENT NON-EXECUTIVE

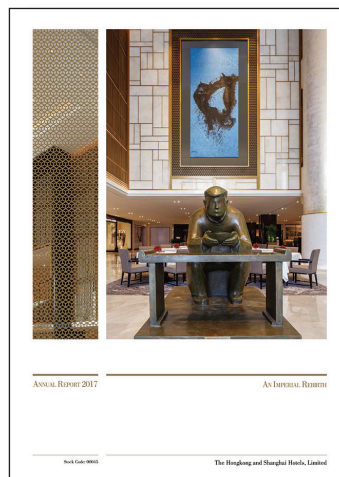
The Hon Sir David Kwok Po Li, *GBM, GBS, OBE, JP*
Patrick Blackwell Paul, *CBE*
Pierre Roger Boppe
William Kwok Lun Fung, *SBS, OBE, JP*
Rosanna Yick Ming Wong, *DBE, JP*
Kim Lesley Winser, *OBE*
Ada Koon Hang Tse

Audit Committee:

Patrick Blackwell Paul, *CBE* (Chairman)
Ada Koon Hang Tse
Andrew Clifford Winawer Brandler

Auditors:

KPMG



Findings

1. The chairman of the Hongkong and Shanghai Hotels, Limited (“HKSH”) highlights the essential elements of the company’s governance in his statement of governance review. It is noted that three new board members were appointed in December 2017 to ensure a stable and robust succession plan.
2. The majority of the board of 17 members comprises non-executives, including 7 INEDs. The new directors have added further diversity to the boardroom, providing a wider spectrum of skills, knowledge, age, race, gender and experience. Gender diversity extends also to the senior management/ key functions level, which is approaching a male/ female balance.
3. The names of the chairman, CEO and the CFO, as the signatories to the financial statements, have been added to the statements, with imprints of their signatures just above their names. This is not a common practice among listed companies and it demonstrates the leadership’s accountability for the underlying financial disclosures.
4. The importance of digitalisation is highlighted under the section entitled “Innovation”. This describes HKSH’s objective to take on contemporary best practice, making use of digital technology and deploying it to enhance the company’s operation and service for the benefit of customers.
5. Three lines of defence are incorporated into HKSH’s risk management framework. Each line of defence is explained further in a table. Under the first line, in relation to reporting channels, a “Speak Up Policy” is available on the company’s website. This provides employees and other stakeholders with a channel to report in confidence suspected misconduct or malpractice within the group, without fear of reprisals or victimisation.
6. The company regularly engaged with the key stakeholder groups that have the most impact its business. This is further explained with concrete examples. For instance, in terms of engaging the local government, HKSH liaised with local officials on tourism initiatives and advocated the promotion of Kowloon as a tourist destination.
7. The company discloses its potential risks in a well-presented tabular format. Other than merely identifying the risks and the underlying mitigating measures, HKSH has indicated the direction of movement in 2017 and the rationale for any changes, which provides a higher level of disclosure than is common among listed companies.

Non-Hang Seng Index Category (Medium Market Capitalisation) Category

GOLD AWARD

Li & Fung Limited

Board of Directors:

EXECUTIVE

William Fung Kwok Lun (Group Chairman)
Spencer Theodore Fung (Group Chief Executive Officer)
Marc Robert Compagnon
Joseph C. Phi

NON-EXECUTIVE

Victor Fung Kwok King (Honorary Chairman)

INDEPENDENT NON-EXECUTIVE

Allan Wong Chi Yun
Margaret Leung Ko May Yee
Martin Tang Yue Nien
Chih Tin Cheung
John G. Rice

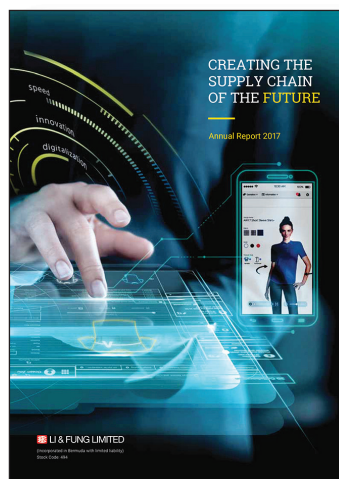
Audit Committee:

Margaret Leung Ko May Yee (Chairman)
Allan Wong Chi Yun
Martin Tang Yue Nien
Chih Tin Cheung
John G. Rice
Jason Yeung Chi Wai*

* Attended the Committee meetings as a non-member

Auditors:

PricewaterhouseCoopers



Findings

1. Li & Fung (“L&F”) discusses a range of critical factors affecting the company’s future, in its annual report, including innovation, supply chain development and community services. The underlying focus is how to make a difference along the supply chain and in the communities where the company operates, to improve the lives of people.
2. The board has adopted a structured process to evaluate its own performance and directors’ contribution on an annual basis, by means of a self-evaluation questionnaire issued to each director. While directors were satisfied that the board and its committees had the right mix of expertise, experience and skills, constructive suggestions were made, including the appointment of three new directors in 2017, to further enhance the board’s composition.
3. In order to strengthen independent reporting, the group chief compliance and risk management officer was invited to attend board and committee meetings in 2017, to advise on CG matters covering risk management and relevant compliance issues relating to business operations, mergers and acquisitions, accounting and financial reporting.
4. Three separate meetings were held in 2017 without other EDs present to enhance communication between the group chairman and NEDs. Written procedures were put in place for directors to seek independent professional advice, where necessary.
5. L&F has incorporated a sound governance structure to enable risk identification and internal escalation whilst providing assurance to the board. The underlying structure is neatly summarised in a table, by role, accountability and responsibilities.
6. The company has put in place a proper procedure and internal controls for the handling and dissemination of inside information. In particular, designated persons from the senior management, the investor relations and corporate communication teams have been identified, and authorised to act as the company’s spokespersons and respond to enquiries related to their allocated areas.

Non-Hang Seng Index Category (Medium Market Capitalisation) Category

SPECIAL MENTION

Pacific Basin Shipping Limited

Board of Directors:

EXECUTIVE

David M. Turnbull (Chairman)

Mats H. Berglund (Chief Executive Officer)

INDEPENDENT NON-EXECUTIVE

Patrick B. Paul

Robert C. Nicholson

Alasdair G. Morrison

Daniel R. Bradshaw

Irene Waage Basili

Stanley Hutter Ryan

Audit Committee:

Patrick B. Paul (Chairman)

Robert C. Nicholson

Alasdair G. Morrison

Daniel R. Bradshaw

Irene Waage Basili

Stanley Hutter Ryan

Auditors:

PricewaterhouseCoopers



Findings

1. While the CG information contained in the annual report of Pacific Basin Shipping Limited (“PBSL”) is compact and condensed compared with many other company reports, it covers all the main aspects of the company and its industry. PBSL’s graphic and professional presentation of key information is an impressive feature of its CG and business disclosure.
2. PBSL has an annual board evaluation in place, led by the chairman of the board and by the chairman of the Audit Committee, by way of individual interviews with each director. The most recent evaluation indicated that the latest performance of the board and its committees and individual directors were satisfactory and that the board operated effectively during the year.
3. A new CFO came on board in 2017, and given the importance of this role, he is briefly introduced in the report. This draws the reader’s attention to the appointment and the appointee.
4. PBSL actively engaged with a broad range of institutional and retail investors, as well as media and other interest groups through a variety of communication channels. In particular, the company conducts an annual consultation with investors and analysts for feedback from different perspectives by way of telephone and online surveys. The latest results showed that 94% of respondents considered the company’s management to be good at articulating strategy, and also 94% commented on the company’s very high level of transparency in its disclosures.
5. PBSL has published a separate sustainability report, which focuses on workplace and business practices, environmental stewardship and community engagement. The Energy Efficiency Operational Indicator and other environmental and safety KPI data in the report were audited by Lloyd’s Register Quality Assurance for ISO 9001, ISO 14001 and OHSAS 18001 certification.

Non-Hang Seng Index Category (Small Market Capitalisation) Category

SPECIAL MENTION

Convenience Retail Asia Limited

Board of Directors:

EXECUTIVE

Richard Yeung Lap Bun (Chief Executive Officer)
Pak Chi Kin

NON-EXECUTIVE

Victor Fung Kwok King (Chairman)
William Fung Kwok Lun
Godfrey Ernest Scotchbrook
Benedict Chang Yew Teck

INDEPENDENT NON-EXECUTIVE

Malcolm Au Man Chung
Anthony Lo Kai Yiu
Zhang Hongyi
Sarah Mary Liao Sau Tung

Audit Committee:

Anthony Lo Kai Yiu (Chairman)
Malcolm Au Man Chung
Godfrey Ernest Scotchbrook
Benedict Chang Yew Teck
Zhang Hongyi

Auditors:

PricewaterhouseCoopers



Findings

1. Convenience Retail Asia Limited (“CRA”) is committed to principles of good CG, consistent with prudent management and the enhancement of shareholder value.
2. CRA indicates that, to enhance independence, accountability and responsibility, the roles of chairman and CEO were held separately and their respective responsibilities were clearly established and defined by the board in writing.
3. The company has conducted an annual board evaluation since 2013, via a questionnaire, covering issues such as overall performance of the board, board composition, conduct of board meetings and provision of information to the board. The underlying results are analysed and discussed at the Nomination Committee and board meetings. Directors’ suggestions are considered and implemented, as appropriate, to enhance CG practices.
4. CRA discloses in a table the company’s three layers of roles and responsibilities for managing risks and internal controls, with the corporate compliance group at the top to act as a gatekeeper.
5. The company explains that the Audit Committee, with the assistance of Corporate Governance Division (“CGD”), conducted an annual review of the effectiveness and adequacy of the risk management and internal control systems for the year ended 31 December 2017. CGD staff independently review the risk management and internal control systems and, in addition, they regularly visit the company’s offices, factories, distribution centres and selected stores in Hong Kong, Macau and on the Mainland to help embed a compliance culture in the company’s business practices by performing on-site reviews.
6. It is confirmed in the annual report that there was no significant change in the company’s constitutional documents, such as Memorandum and Articles of Association, which affected the company’s operations and reporting practices, and that the documents are available on the company’s and the HKEX websites.
7. CRA published a separate sustainability report, covering stakeholder engagement, environmental directions, employment, product responsibility and community investment.

H-share Companies and Other Mainland Enterprises Category

PLATINUM AWARD

Lenovo Group Limited

Board of Directors:

EXECUTIVE

Yang Yuanqing (Chairman and Chief Executive Officer)

NON-EXECUTIVE

Zhu Linan

Zhao John Huan

INDEPENDENT NON-EXECUTIVE

Tian Suning

Nicholas C. Allen

Nobuyuki Idei

William O. Grabe

William Tudor Brown

Ma Xuezheng

Yang Chih-Yuan Jerry

Gordon Robert Halyburton Orr

Audit Committee:

Nicholas C. Allen (Chairman)

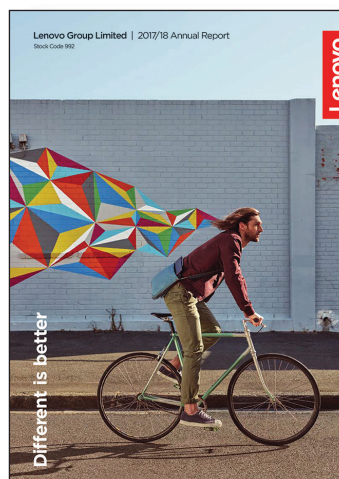
Ma Xuezheng

William Tudor Brown

Gordon Robert Halyburton Orr

Auditors:

PricewaterhouseCoopers



Findings

1. Lenovo Group Limited has an effective board structure, with a large majority of INEDs (8 out of 11 board members) and the appointment of a lead INED. It has followed the CG Code provisions, with the exception of the segregation of the roles of chairman and CEO, and has adopted some of the recommended best practices.
2. Board evaluation is specifically delegated to the lead INED, in consultation with the chairman, and supported by the chief legal officer and the company secretary. The underlying evaluation process is disclosed, including following up on the issues identified in the exercise.
3. The Audit Committee report is available with a specific section on financial reporting. The committee reviewed and discussed with management significant judgments and key assumptions, together with presentational and disclosure issues associated with accounting standards, and interpretative guidance affecting the company's financial statements and financial results announcements.
4. Lenovo also puts considerable emphasis on investor relations to promote transparent and effective communications with shareholders, investors and analysts via different channels, including investor conferences, roadshows, company visits and social media.
5. The company indicates that it has a formal, transparent and performance-driven remuneration policy, covering its directors, senior management and general employees. The Compensation Committee report explains the compensation policy, setting out five overall principles and objectives, and placing importance on long-term incentive schemes for directors and employees. There is a clear basis for determining directors' remuneration, with an analysis between fixed and variable items.
6. The process for the appointment of directors is described in a concise diagram. Lenovo has adopted a board diversity policy with measurable objectives, and has described progress in meeting those objectives.
7. There are also disclosures of:
 - Shareholding structure by domicile and by size
 - Key information for shareholders, including market capitalisation, public float, daily average trading volume, the highest and lowest closing prices during the year
 - Details of 2017 AGM and last general meeting, including major items discussed and voting particulars.

H-share Companies and Other Mainland Enterprises Category

GOLD AWARD

COSCO SHIPPING Ports Limited

Board of Directors:

EXECUTIVE

Zhang Wei (Vice Chairman)

Fang Meng

Deng Huangjun

Wong Tin Yau, Kelvin, JP

NON-EXECUTIVE

Huang Xiaowen (Chairman)

Feng Boming

Zhang Wei

Chen Dong

Xu Zunwu

Wang Haimin

INDEPENDENT NON-EXECUTIVE

Fan Hsu Lai Tai, Rita, GBM, GBS, JP

Adrian David Li Man Kiu, JP

Fan Ergang

Lam Yiu Kin

Chan Ka Lok

Audit Committee:

Adrian David Li Man Kiu, JP (Chairman)

Fan Hsu Lai Tai, Rita, GBM, GBS, JP

Lam Yiu Kin

Auditors:

PricewaterhouseCoopers



Findings

1. COSCO SHIPPING Ports Limited (“COSCO”) demonstrates positive efforts to provide a good quality CG report and ensure compliance with the CG Code. It has fully complied with all the CG Code provisions, with some examples quoted. It has also adopted a number of the recommended best practices, such as the publication of quarterly results announcements.
2. The company's risk management structure and procedures are disclosed in the annual report. The clear division of major functions and responsibilities among different parties has been set out in a diagram and table. A detailed discussion of the key risks identified, together with their trends and the corresponding countermeasures are contained in CG report.
3. The board's role and responsibilities and the division between those of the board and the management are clearly defined.
4. The selection process for the appointment of directors is outlined, as is the adoption of a board diversity policy. In particular, the board's composition from the perspective of diversity is summarised concisely in a table. It includes information on skills, knowledge and professional experience. This assists the reader to understand how the directors have contributed to the board.
5. There are good disclosures on the impact of some new and revised HKFRS/IFRS which were not yet effective for the reporting period, including HKFRS 15 concerning recognition of revenue from contracts with customers.
6. Key Audit Matters discussed in the audit report cover:
 - Accounting related to major acquisitions of an associate and a subsidiary; and
 - recoverability of carrying amounts of terminal assets, investments in joint ventures and associates.

H-share Companies and Other Mainland Enterprises Category

GOLD AWARD

Tencent Holdings Limited

Board of Directors:

EXECUTIVE

Ma Huateng (Chairman)

Lau Chi Ping Martin

NON-EXECUTIVE

Jacobus Petrus (Koo) Bekker

Charles St Leger Searle

INDEPENDENT NON-EXECUTIVE

Li Dong Sheng

Iain Ferguson Bruce

Ian Charles Stone

Yang Siu Shun

Audit Committee:

Iain Ferguson Bruce (Chairman)

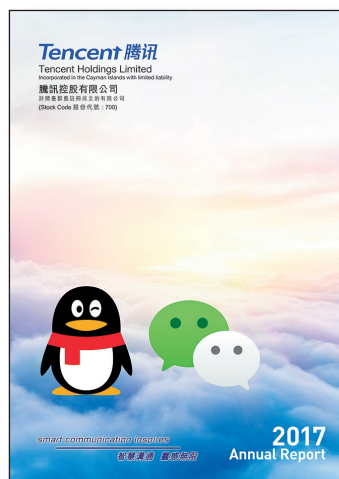
Ian Charles Stone

Charles St Leger Searle

Yang Siu Shun

Auditors:

PricewaterhouseCoopers



Findings

1. Tencent Holdings Limited sets out the structure of responsibility for its risk management and internal control system in its annual report, with a division of functions among the board, Audit Committee and management. The three lines of defence approach was adopted as an official organisational structure for risk management and internal control. The risk management process is clearly set out with a detailed discussion of the various risks facing the company and the corresponding strategies.
2. It is commendable to note that an Anti-money Laundering (“AML”) Committee was set up in 2017, chaired by the executive director and president, with the heads of relevant business groups as members, to monitor the implementation of AML and counter-terrorist financing measures.
3. Tencent has a sound supply chain management programme, under which employees are required to declare in writing any relationship they may have with suppliers, and all suppliers are also required to complete the self-assessment and sign the Anti-commercial Bribery Declaration.
4. A Nomination and Governance Committee has been established. Among other things, it reviews the company's CG policies and practices and legal and regulatory compliance.
5. The Audit Committee met eight times in 2017 with a 100% attendance rate, which demonstrates the high-level of commitment of the board towards risk management and internal control over financial reporting.
6. Key audit matters raised in the audit report cover:
 - Revenue recognition on provision of online games value-added services – estimates of the life spans of virtual products/items
 - Impairment assessments of goodwill, investments in associates and investments in redeemable instruments of associates
 - Fair value measurement of financial instruments, including audited financial statements and other derivative financial instruments.
7. The annual report also contains an ESG Report covering, among other things, the company's ESG strategy, management approach, priorities and objectives.

H-share Companies and Other Mainland Enterprises Category

SPECIAL MENTION

Chow Tai Fook Jewellery Group Limited

Board of Directors:

EXECUTIVE

Cheng Kar-Shun, Henry, *GBM, GBS* (Chairman)

Wong Siu-Kee, Kent

Cheng Chi-Kong, Adrian, *JP*

Cheng Chi-Heng, Conroy

Cheng Ping-Hei, Hamilton

Chan Sai-Cheong

Suen Chi-Keung, Peter

Chan Hiu-Sang, Albert

Liu Chun-Wai, Bobby

NON-EXECUTIVE

Cheng Kam-Biu, Wilson

INDEPENDENT NON-EXECUTIVE

Cheng Ming-Fun, Paul, *JP*

Fung Kwok-King, Victor, *GBM, GBS, CBE*

Kwong Che-Keung, Gordon

Lam Kin-Fung, Jeffrey, *GBS, JP*

Or Ching-Fai, Raymond, *SBS, JP*

Audit Committee:

Kwong Che-Keung, Gordon (Chairman)

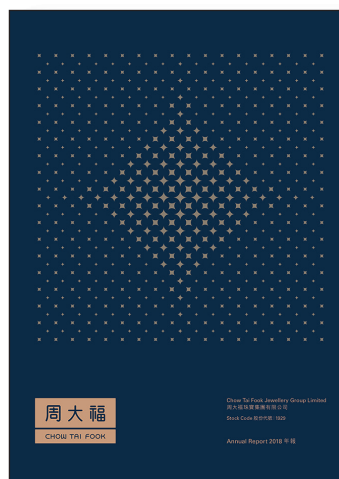
Cheng Ming-Fun, Paul, *JP*

Lam Kin-Fung, Jeffrey, *GBS, JP*

Or Ching-Fai, Raymond, *SBS, JP*

Auditors:

Deloitte Touche Tohmatsu



Findings

1. Chow Tai Fook Jewellery Group Limited has produced a fairly extensive CG report. The company indicates that the principles underlying its “4Ts” concept, introduced for its T MARK diamond brand to ensure the company’s diamonds are natural and ethically sourced (i.e., transparent, thoughtful, truthful and traceable), are in place to guide the development of its CG framework. This supports the group achieving its strategic objectives towards sustainable growth and development.
2. Taking into account investors’ feedback and comments, the directors of Chow Tai Fook reviewed the company’s strategies, operating efficiency, effectiveness in risk management and internal control systems, reliability and disclosure standards in financial reporting, CG standards and sustainable development principles, through various management reports and the annual report.
3. The company understands the importance of having sufficient IT resources in place to support its business. An IT Governance Committee has been established to maintain alignment between the company’s IT strategies and business strategies, and to enhance data governance.
4. A Risk Management Committee has been set up to assist the board in achieving the objectives to maintain an adequate and effective risk management and internal control system. There is a separate risk management report disclosing the structure of responsibility for risk management and internal control, with a clear division of functions among different parties. Details of the work done are discussed.
5. In addition to disclosing connected transactions in its annual report, Chow Tai Fook also supplements this by illustrating shareholding relationships between the company and other counterparties in a simplified chart.

Public Sector/Not-for-profit Category

GOLD AWARD

Securities and Futures Commission

The Board:

EXECUTIVE

Ashley Alder, *JP* (Chief Executive Officer)
Julia Leung, *SBS*
Thomas Atkinson
Christina Choi
Brian Ho
Keith Lui

NON-EXECUTIVE

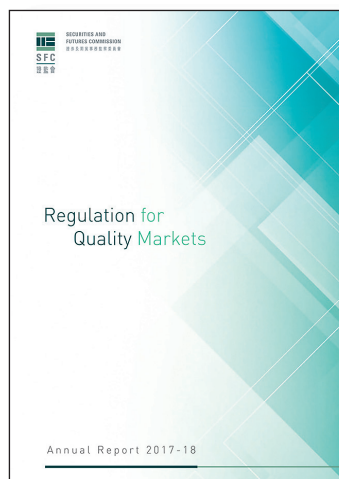
Carlson Tong, *SBS, JP* (Chairman)
Albert Au, *BBS*
Edward Cheng, *SBS, JP*
Lester Huang, *JP*
Teresa Ko, *JP*
Mary Ma
Kelvin Wong, *JP*
William Wong, *SC*

Audit Committee:

Albert Au, *BBS* (Chairman)
Teresa Ko, *JP*
Mary Ma
Kelvin Wong, *JP*
William Wong, *SC*

Auditors:

PricewaterhouseCoopers



Findings

1. The CG information contained in the Securities and Futures Commission (“SFC”)’s annual report is well-organised and professionally presented. It illustrates how the board and management are structured to achieve good CG, as well as facilitating the reader’s understanding of the SFC’s operation.
2. The board regularly conducts a self-assessment exercise to improve its effectiveness. The exercise examines basic board responsibilities and assesses the performance of individual members. The findings are reported to the board on an anonymous basis, and are discussed by the board.
3. To ensure the board’s decisions are effectively communicated to staff for execution, the Commission Secretariat acts as the bridge between the board and the rest of the organisation. It handles complaints against the SFC or its staff and assists the Commission Secretary, who serves as the data privacy officer, in administering the SFC’s data privacy policy.
4. SFC has put in place proper checks and balances. Independent bodies are established to provide external checks and balances on the SFC’s operational work to ensure fairness in its decision making, observance of due process and proper use of its regulatory powers.
5. Key performance pledges, as well as the organisation’s achievements, are set out in the report. Where the pledges are not met, the SFC has provided further explanation in the footnotes, e.g., abnormal increases in their workflow and resulting resourcing difficulties.
6. The CSR Section provides good coverage of various aspects of the SFC’s CSR activities, e.g., environment, community, and workplace; and also shows the performance for each area in detail, supported by summaries of work done and relevant key statistics. There is a CSR Committee chaired by the CFO and senior director of corporate affairs, which includes members from different units within the SFC.

Public Sector/Not-for-profit Category

SPECIAL MENTION

Mandatory Provident Fund Schemes Authority

The Board:

EXECUTIVE

Diana Chan Tong Chee-ching, *JP*

Cheng Yan-chee

Alice Law Shing-mui

Cynthia Hui Wai-yee

Gabriella Yee Gar-bo

NON-EXECUTIVE

David Wong Yau-kar, *GBS, JP* (Chairman)

Horace Wong Yuk-lun, *SC, JP*

Hon Poon Siu-ping, *BBS, MH*

Hon Abraham Shek Lai-him, *GBS, JP*

Kingsley Wong Kwok, *JP*

Chan Kam-lam, *GBS, JP*

Bankee Kwan Pak-hoo, *JP*

Ayesha Macpherson Lau, *JP*

Simon Wong Kit-lung, *JP*

Secretary for Financial Services and the Treasury

– James Henry Lau Jr., *JP*

Secretary for Labour and Welfare

– Law Chi-kwong, *GBS, JP*

Audit Committee:

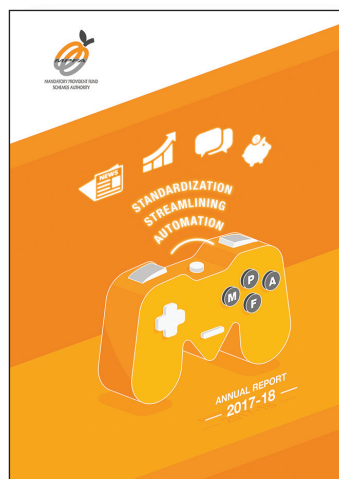
Ayesha Macpherson Lau, *JP* (Chairman)

Bankee Kwan Pak-hoo, *JP*

Kingsley Wong Kwok, *JP*

Auditors:

PricewaterhouseCoopers



Findings

1. The Mandatory Provident Fund Schemes Authority (“MPFA”) has incorporated an extensive CG section, which includes details of delegations of functions and a summary of work done.
2. MPFA has in place a clear governance structure and indicates briefly various lines of reporting and appointment/ delegation between the government, the management board, different supporting committees, the management and the external parties. This gives the reader a general idea of how the organisation operates.
3. The MPFA has provided a quantitative analysis of its directors’ profile by category, gender, years of service on the board and professional expertise/ experience. In particular, it is useful to know the specific expertise of different directors, which contributes to ensuring that important issues are discussed from different perspectives.
4. There is a table that summarises the work performed by different supporting committees. This enables the reader to view the issues considered by the different committees in a more convenient and user-friendly way.
5. The three lines of defence approach has been adopted to manage and mitigate risks. The risk management processes are shown in a diagram, which helps stakeholders understand better how MPFA deals with potential risks. There are also independent checks and balances within MPFA to ensure that it acts within its regulatory powers.
6. Led and chaired by the chief corporate affairs officer, a Corporate Social Responsibility Committee, with members from across the MPFA, has been set up to foster the sustainable development of the MPF System, protect the environment, address community needs and maintain a happy and healthy workforce in the organisation. This is a good practice and which is still not very common among public sector organisations.

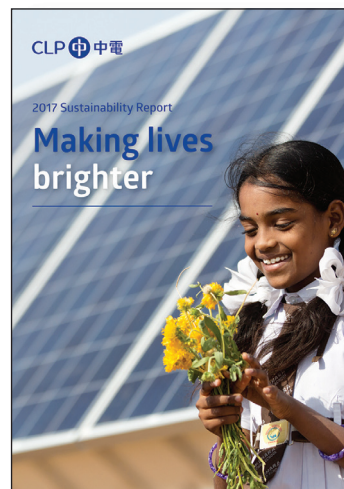
Sustainability and Social Responsibility Reporting Awards


WINNER – Hang Seng Index Category

CLP Holdings Limited

Findings

1. The messages from the chairman and the CEO indicate the commitment of CLP Holdings Limited to sustainable development and the management of its business for the long term, including aligning the company's strategy with the United Nations Sustainable Development Goals ("UNSDGs").
2. A new senior director of health, safety and environment was appointed to oversee an new approach to safety, involving significantly strengthening the focus of safety procedures on the reduction of serious incidents, introducing specific action plans to improve standards in this area and further elevating the classification of safety in the company's group risk register, to ensure a sustained increase in oversight of safety; the objective being to prevent the recurrence of any fatal accidents.
3. The section of the sustainability report, "Social & Relationship Capital", talks about CLP's relationships with its employees, shareholders, governments and regulators, community and industry and professional organisations. This demonstrates the importance that the company attaches to stakeholder engagement and collaboration, and achieving a long-term relationship with stakeholders.
4. As in previous years, CLP's sustainability report continues to be a comprehensive document, providing the reader with information in an easy-to-understand manner. The materiality matrix is particularly helpful for investors to understand how the company systematically assesses and mitigates risks.



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5. A Climate Action Finance Framework has been launched to support the transition to a low carbon economy, by attracting socially responsible, sustainable financing, to support CLP's investments that reduce the carbon content of energy generated and increase the efficiency of energy usage.
 6. The CLP Power Academy was set up in 2017 to provide high quality and recognised training programmes for young people who want to pursue a career in the power industry. It cooperates with a variety of educational institutions to offer professional diploma courses and other advanced programmes, covering technical training, including generation engineering, electrical engineering, operational safety, and management.
 7. To maintain its cyber resilience, CLP continued to build its operational technology security programme and policy. For example, different technologies were applied to manage network perimeter defence, data loss, cyberspoofing, distributed denial of service attacks, mobile devices, and to monitor suspicious cyber activities, with regular testing and verification of controls by third parties.

Sustainability and Social Responsibility Reporting Awards

WINNER – Hang Seng Index Category

The Hong Kong and China Gas Company Limited

The Board:

EXECUTIVE

Alfred Chan Wing Kin, *BBS*

Peter Wong Wai Yee

NON-EXECUTIVE

The Hon Lee Shau Kee, *GBM* (Chairman)

Colin Lam Ko Yin, *SBS*

Lee Ka Kit, *GBS, JP*

Lee Ka Shing, *JP*

INDEPENDENT NON-EXECUTIVE

Leung Hay Man

The Hon Sir David Li Kwok Po, *GBM, GBS, OBE, JP*

Poon Chung Kwong, *GBS, JP*

Board Audit and Risk Committee:

The Hon Sir David Li Kwok Po, *GBM, GBS, OBE, JP* (Chairman)

Leung Hay Man

Poon Chung Kwong, *GBS, JP*

Auditors:

PricewaterhouseCoopers



Findings

1. The message from the managing director of The Hong Kong and China Gas Company Limited (“Towngas”) is forward looking. For example, Towngas has pledged that by 2020 the carbon intensity of its Hong Kong gas production operations would be reduced by 30% against that of 2005.
2. The judges noted that the sustainability report looked beyond Hong Kong to include the sustainability performance in the diverse, ever-changing landscape of the Mainland. Towngas has also published two sets of specific reports on this area which are hyperlinked for the reader’s further information.
3. Towngas has developed a Corporate Health, Safety and Environment Policy which contributes to the company’s framework for identifying environmental impacts, and developing green objectives and the company’s KPIs. The company’s sustainability governance structure is set out in a simple and clear diagram.
4. A Green Development Steering Committee has been established to coordinate, monitor and control the company’s environmental performance and initiatives. This is supported by an Environmental Working Committee and Corporate Health, Safety, Environment, Security and Safety Risk Department (“CHSED”), reflecting Towngas’ commitment to sustainability.
5. The company places a significant emphasis on health, safety and security performance and associated initiatives. The CHSED and a Corporate Safety and Quality Management Steering Committee were set up to deal with these initiatives.
6. Towngas attaches importance to a range of sustainability issues, from health and safety, employees, suppliers and customers, to the community. Achievements and future actions/ targets, supplemented with illustrations, are discussed for each of the different issues.

Sustainability and Social Responsibility Reporting Awards

SPECIAL MENTION – Non-Hang Seng Index (Large Market Capitalisation) Category

The Wharf (Holdings) Limited

The Board:

EXECUTIVE

Stephen T H Ng (Chairman)
Andrew O K Chow
Doreen Y F Lee
Paul Y C Tsui
K P Chan

INDEPENDENT NON-EXECUTIVE

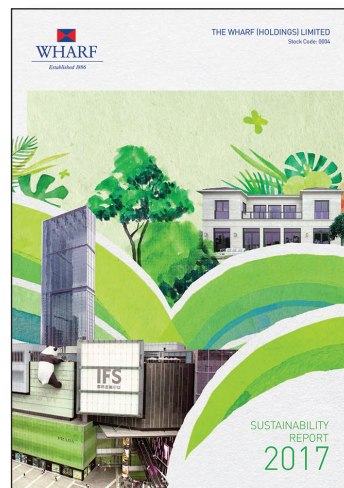
Edward K Y Chen, *GBS, CBE, JP*
Vincent K Fang, *GBS, JP*
Hans Michael Jebsen, *BBS*
Elizabeth Law, *MH, JP*
David Muir Turnbull

Audit Committee:

Vincent K Fang, *GBS, JP* (Chairman)
Hans Michael Jebsen, *BBS*
Elizabeth Law, *MH, JP*
David Muir Turnbull

Auditors:

KPMG



Findings

1. The message from the chairman and managing director of The Wharf (Holdings) Limited is indicative of a high-level commitment to sustainability and to contributing to the UNSDGs.
2. There are clear explanations of how the company has responded to stakeholders' concerns about sustainability-related issues. For example, responding to investors' interest in whether Wharf's buildings have achieved any green building standards, the company confirmed that it has taken measures to improve energy efficiency, indoor air quality, etc., and, with consideration of cost control, has been aiming to earn LEED (Leadership in Energy and Environmental Design) certification for its Mainland development projects.
3. Wharf's training programmes cover a wide spectrum of topics to support the personal and professional development of its employees. These programmes are tailored to the knowledge and expertise required for the professional and business development of its employees.
4. WeCan, a Business-in-Community initiative, was launched to provide secondary school students who are disadvantaged in learning with opportunities and care to empower them in the pursuit of higher education and future careers.
5. Various engagement channels were set up to facilitate feedback from visitors, guests, shoppers, tenants and business partners. These channels included internet and emails, customer service hotlines, social media platforms, focus group discussions, phone interviews, comment cards, online surveys and mystery shoppers.

Sustainability and Social Responsibility Reporting Awards

SPECIAL MENTION – Non-Hang Seng Index (Medium Market Capitalisation) Category

China Everbright Greentech Limited

The Board:

EXECUTIVE

Qian Xiaodong (Chief Executive Officer)
Yang Zhiqiang
Wang Yungang

NON-EXECUTIVE

Wang Tianyi (Chairman)
Guo Ying
Tang Xianqing

INDEPENDENT NON-EXECUTIVE

Chow Siu Lui
Philip Tsao
Yan Houmin

Audit and Risk Management Committee:

Chow Siu Lui (Chairman)
Philip Tsao
Yan Houmin

Auditors:

KPMG



Findings

1. The mission of China Everbright Greentech Limited (“CEGL”) is “Devoted to Ecology and Environment for a Beautiful China” which emphasises the company’s commitment to sustainability.
2. CEGL believes that stakeholders provide valuable insights for its business development, which support the company in developing sustainable and long-term strategies. Stakeholders are selected for engagement based on a number of criteria, including responsibility, influence power, proximity, dependency and representation.
3. A comprehensive materiality assessment is conducted annually to identify significant sustainability risks and opportunities. The underlying process includes the identification of relevant sustainability issues, prioritisation of material topics via a materiality matrix, validation of these topics, and a materiality review.
4. The company is aware of the time needed to equip its employees with professional knowledge. The training of a senior technician, for example, can take up to seven years. The company monitors the number of employees expecting retirement every year in order to formulate a human resources policy for the long term.
5. CEGL has benchmarked itself against the 17 UNSDGs, which are a series of international development goals across a broad spectrum of human activity. In relation to combating climate change, for example, the company explains that through the generation of green electricity from its integrated biomass utilisation projects, it offsets greenhouse gas emissions through fossil fuel replacement and avoidance of fugitive methane emissions from waste. CEGL’s operations avoided a total of 1,317,327 tonnes of carbon dioxide equivalent emissions in 2017.

Sustainability and Social Responsibility Reporting Awards


WINNER – H-share Companies and Other Mainland Enterprises Category

Lenovo Group Limited

Findings

1. The sustainability report of Lenovo Group Limited is reflective of the company's global presence and a strong desire to be a responsible corporate citizen, against the background of the differing demands and expectations of international stakeholders.
2. The company's chairman and CEO explains Lenovo's commitment to sustainability and that it has an advantage over its peers as it controls most of its own manufacturing. Lenovo has ambitious plans to contribute more in future. For instance, it has been building on the recently-launched Lenovo Foundation, aiming to empower minority populations with access to science, technology, engineering and mathematics education, by engaging employees to make a difference in their communities.
3. While Lenovo's sustainability efforts are led operationally by the chief sustainability executive ("CSE"), the board has overall responsibility for the company's strategy in this area, and evaluates and determines Lenovo's sustainability-related risks. The board meets the CSE at least twice a year to review and discuss global ESG risk and compliance, sustainability highlights and plans.
4. Lenovo indicates its objectives and targets each year. Progress on last year's targets have been categorised into "target met", "target partially met" or "target not met". It reflects positively on the company that it is willing to acknowledge where it has fallen short of meeting targets.



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5. The company engaged actively with a wide variety of stakeholders as part of its processes for managing environmental risk, ensuring compliance and meeting customer expectations. Hyperlinks are provided to some of the relevant stakeholder groups.
 6. The “Lenovo Environmental Electronics End of Life Standard” has been adopted to support efforts to reduce the volume of end-of-life electronic products being disposed of in landfills, as well as efforts to reduce the need for new raw materials, by increasing the beneficial reuse of products and parts, or recycling of materials.

Sustainability and Social Responsibility Reporting Awards

SPECIAL MENTION – Public Sector/Not-for-profit Category

Airport Authority Hong Kong

The Board:

EXECUTIVE

Fred Lam, *JP* (Chief Executive Officer)

NON-EXECUTIVE

Secretary for Transport and Housing

– The Hon Frank Chan Fan, *JP*

Secretary for Financial Services and the Treasury

– The Hon James Henry Lau Jr., *JP*

Director-General of Civil Aviation

– Simon Li Tin-chui, *JP*

INDEPENDENT NON-EXECUTIVE

The Hon Jack So Chak-kwong, *GBM, GBS, OBE, JP* (Chairman)

Linda Chan Ching-fan, *SC*

Anita Fung Yuen-mei, *BBS, JP*

The Hon Steven Ho Chun-yin, *BBS*

Franklin Lam Fan-keung, *BBS*

The Hon Jeffrey Lam Kin-fung, *GBS, JP*

Lee Shing-see, *GBS, OBE, JP*

Peter To, *BBS*

Carlson Tong, *SBS, JP*

Adrian Wong Koon-man, *BBS, MH, JP*

Billy Wong Wing-hoo, *BBS, JP*

The Hon Frankie Yick Chi-ming, *SBS, JP*

The Hon Allan Zeman, *GBM, GBS, JP*



Audit Committee and Finance Committee:

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The Hon Steven Ho Chun-yin, *BBS*

Franklin Lam Fan-keung, *BBS*

The Hon Jeffrey Lam Kin-fung, *GBS, JP*

Carlson Tong, *SBS, JP*

Secretary for Financial Services and the Treasury

– The Hon James Henry Lau Jr., *JP*

Auditors:

KPMG

Findings

1. Airport Authority Hong Kong ("AAHK") has produced its first web-based sustainability reports, for 2016-17, which is presented in an eye-catching and interesting way, making good use of the online medium to enhance interactions with stakeholders.
2. AAHK conducted extensive stakeholder engagement through focus groups, interviews and online surveys, as part of its materiality assessment process, to help determine sustainability issues that are important to the organisation. The process started with identifying potential issues, which were subsequently prioritised, reviewed and consolidated.
3. Understanding the importance of young people in cultivating and supporting Hong Kong's aviation industry, AAHK regularly organised airport tours and educational visits, outreach talks, youth activities and partnership programmes as an extension to classroom learning.
4. AAHK has been proactively exploring and leveraging technology applications to improve operational efficiency. For example, Airport Collaborative Decision Making has been developed to improve the overall operational efficiency of the airport by enabling airport stakeholders to work together through the sharing of updated and accurate operational data.
5. A dedicated webpage has been developed to provide further information on the construction of the three-runway system, covering areas such as public engagement, environmental impact and mitigations, and FAQs. The FAQs indicate that Hong Kong International Airport is already the most efficient airport in the world in terms of the average number of passengers and volume of cargo carried per aircraft, and already accommodates the highest proportion of wide-bodied aircraft among its peers.
6. AAHK achieved an overall satisfaction score of 4.86 out of 5 in the 2016 Airport Service Quality Survey managed by Airports Council International. In addition, passenger complaints were maintained at a low level, despite the record-breaking number of passengers and the pressure of approaching the full capacity of the airport.

Commendation on Website Corporate Governance Information

Hospital Authority

The Board:

John Leong Chi-yan, *SBS, JP* (Chairman)
 William Chan Fu-keung, *BBS*
 Director of Health
 - Constance Chan Hon-ye, *JP*
 Francis Chan Ka-leung, *JP*
 Anita Cheng Wai-ching
 Daniel Fong Man-hung, *BBS, JP*
 Andrew Fung Hau-chung, *BBS, JP*
 Lester Garson Huang, *SBS, JP*
 Kam Pok-man, *BBS*
 Ann Kung Yeung Yun-chi
 Daniel Lam Chun, *SBS, JP*
 Quinton Lam Chun-ki
 Franklin Lam Fan-keung, *BBS*
 Lisa Lau Man-man, *BBS, MH, JP*
 Stephen Lee Hoi-yin
 Diana Lee Tze-fan, *JP*
 Gabriel Matthew Leung, *GBS, JP*
 Leung Pak-yin, *JP* (Chief Executive)
 Raymond Liang Hin-suen, *SBS, JP*
 The Hon Lo Wai-kwok, *SBS, MH, JP*
 David Shum Ho-keung
 Ivan Sze Wing-hang, *BBS*
 Permanent Secretary for Food and Health (Health)
 - Elizabeth Tse Man-ye, *JP*
 Wong Kwai-huen, *BBS, JP*
 Priscilla Wong Pui-sze, *BBS, JP*
 Jason Yeung Chi-wai
 Charlie Yip Wing-tong
 Deputy Secretary for Financial Services and the Treasury
 - Carol Yuen Siu-wai, *JP*



www.ha.org.hk

Audit and Risk Committee:

Lester Garson Huang, *SBS, JP* (Chairman)
 Stephen Lee Hoi-yin
 Kam Pok-man, *BBS*
 Daniel Lam Chun, *SBS, JP*
 Priscilla Wong Pui-sze, *BBS, JP*
 Jason Yeung Chi-wai
 Wendy Yung Wen-ye

Auditors:

PricewaterhouseCoopers

Findings

1. In addition to the latest board papers and minutes of board and administrative meetings being made available on the website, the Hospital Authority ("HA") allows the public to get access to the past papers and minutes from the previous two years. The minutes and papers are comprehensive enough for the public to grasp the underlying issues. There has been, for example, a detailed discussion of various initiatives to serve patients from ethnic minorities. Website visitors can also click on the papers to understand more about the relevant issues.
2. The board of the HA has established 11 committees, including an Information Technology Services Governing Committee, which is a prudent move in view of the increasingly common network security breaches, even among major enterprises, and given also the sensitivity of some data held by the HA.
3. 33 Hospital Governing Committees have been established in 41 hospitals/ institutions, as different institutions may face their own local challenges.
4. A Smart Patient Website has been made available to provide the public with the additional information. For example, disease information is searchable by alphabetical order, affected body parts and disease categories.
5. Demonstrating its commitment to serving the whole community, the HA caters to the needs of minorities by providing a number of different language options on its website. Interpretation services are provided to meet the needs of patients.
6. The HA shows ongoing concern for its retired staff. A dedicated website has been set up for them, so that they know what kinds of benefits they are entitled to claim. This is commendable and does not appear to be a common practice among listed companies or public sector organisations.
7. Contract award notices are published periodically. In addition to the basic tender information, the estimated contract amounts are also disclosed. This increases transparency regarding the use of public funds.

Judges and Reviewers

The Institute would like to express its appreciation to the judges and reviewers for their invaluable contributions in reviewing, analysing and judging the entries in the 2018 BCGA.

Judging Panel

Chairman:	Eric Tong, president, HKICPA
Members:	Chris Chan, Ivey Business School
	Eva Chan, Hong Kong Investor Relations Association
	Louis Cheng, The Hong Kong Polytechnic University
	Susanna Cheung, The Treasury
	York Chow, AIA
	Ada Chung, Companies Registry
	Dennis Fullgrabe, course director of Financial Controllershship Programme, HKICPA
	Ruth Kung, Hong Kong Securities and Investment Institute
	Henry Lai, The Hong Kong Institute of Directors
	Zoe Lau, BlackRock
	Robert Lee, Hong Kong Securities Association
	Steve Ong, Hong Kong Exchanges and Clearing Ltd.
	Felix Siu, Mandatory Provident Fund Schemes Authority
	Angela Tsang, The Hong Kong Institute of Chartered Secretaries
	Paul Winkelmann, Financial Reporting Council
	K.M. Wong, chairman of Corporate Governance Working Group, HKICPA
	Wendy Yung, Practising Governance
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Assistant Secretaries:	Wallace Wong, associate director, advocacy and practice development, HKICPA
	Rachel Cheung, officer, advocacy and practice development, HKICPA

Review Panel

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Members: **Quality Review**

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Raymond Cheng, HLB Hodgson Impey Cheng Ltd.
Ricky Cheng*, BDO
Albert Chui, Wong Brothers & Co.
Gayle Donohue*, PricewaterhouseCoopers
Sammy Fung, The University of Hong Kong
Vency Ip, HLB Hodgson Impey Cheng Ltd.
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Horace Ma, S. Culture Holdings (BVI) Limited
Loren Tang*
Tommy Tsang, Ernst & Young
Gary Wong, Pan-China Certified Public Accountants
Thomas Wong, Nexia Charles Mar Fan Ltd.
James Ye, Mazars CPA Ltd.

** also conducted sustainability and social responsibility review*

Compliance Review

Joel Chan, ZHONGHUI ANDA CPA Ltd.
Mimosa Chan, Ernst & Young
Brian Chu, HLB Hodgson Impey Cheng Ltd.
Roy Lo, SHINEWING (HK) CPA Ltd.
Nelson Tang, KLC Kennic Lui & Co. Ltd.

Sustainability and Social Responsibility Review

Brigit Fung, Deloitte Touche Tohmatsu
Eddie Ng, KPMG
Harris Ng, Sino Trump International Ltd.
Herbert Yung, Deloitte Touche Tohmatsu

Secretary: Peter Tisman, director, advocacy and practice development, HKICPA

Assistant Secretaries: Wallace Wong, associate director, advocacy and practice development, HKICPA

Rachel Cheung, officer, advocacy and practice development, HKICPA

Supporting Organizations

The Institute would like to thank the following supporting organisations of the BCGA (in alphabetical order):

BDO	Companies Registry
BlackRock	Financial Reporting Council
Charles Lo & Co.	Financial Services and the Treasury Bureau
Deloitte Touche Tohmatsu	Hong Kong Exchanges and Clearing Ltd.
Ernst & Young	Hong Kong Investment Funds Association
Grant Thornton Hong Kong Ltd.	Hong Kong Investor Relations Association
HLB Hodgson Impey Cheng Ltd.	Hong Kong Monetary Authority
KLC Kennic Lui & Co. Ltd.	Hong Kong Securities Association
KPMG	Hong Kong Securities and Investment Institute
Mazars CPA Ltd.	Mandatory Provident Fund Schemes Authority
Moore Stephens CPA Ltd.	Securities and Futures Commission
Nexia Charles Mar Fan Ltd.	The Hong Kong Institute of Chartered Secretaries
Practising Governance	The Hong Kong Institute of Directors
PricewaterhouseCoopers	The Treasury
SHINEWING (HK) CPA Ltd.	
Wong Brothers & Co.	
ZHONGHUI ANDA CPA Ltd.	

The Institute would also like to thank the BCGA Organising Committee for its contribution and support in the development and organisation of the Awards programme.

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Derek Broadley, chairman	Loren Tang
Stephen Chan	K.M. Wong
Ricky Cheng	James Ye
Clara Chin	Wendy Yung
Eddie Kam	Peter Tisman, secretary
Stephen Lee	Wallace Wong, assistant secretary
Horace Ma	Rachel Cheung, assistant secretary
Patrick Rozario	

Appendix

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