



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

Assignment/News/Business Assignment Editor  
(For Immediate Release)

## Best Corporate Governance Disclosure Awards 2010

### ***Some new winners emerge while unfilled awards show more efforts are needed for Hong Kong to achieve corporate governance excellence***

(HONG KONG, 29 November 2010) — CLP Holdings Ltd., Standard Chartered and China Shenhua Energy Company Ltd. won the top awards in their respective categories in this year's Best Corporate Governance Disclosure Awards organized by the Hong Kong Institute of CPAs, but judges withheld top awards in two categories, saying there is room for Hong Kong listed companies to improve their corporate governance and disclosures.

In the competitive H-share category, where China Shenhua Energy Co. Ltd. took the top award, there were more first-time winners this year than in previous years, which Stephen Law, chairman of the organizing committee, attributes partly to better awareness of corporate social responsibility among these companies.

Other H-share winners were the Industrial and Commercial Bank of China Ltd., which won the next highest award, the platinum, while first-time winners China Telecom Corporation Ltd. and China Life Insurance Co. Ltd. took the gold award and a special mention respectively.

The top prizes were withheld in the non-Hang Seng Index mid-to-small market capitalization and the public sector categories.

Last year, the committee introduced the non-HSI mid-to-small market capitalization category to identify good role models among smaller companies. One past award winner, Ta Yang Group Holdings Ltd., invested more effort over the past year to win the second highest award, the platinum, this year. A fresh entrant, CIMC Enric Holdings Ltd. won the gold award.

"The separation of non-HSI companies into two categories based on the companies' market capitalization helped to encourage smaller listed companies that have established good corporate governance practices," says Law, "This shows that size and resources should not be considered barriers to achieving high standards."

"This year the awards are celebrating their 10<sup>th</sup> anniversary," explains Wilson Fung, the Institute's president and chairman of the judging panel, "A number of companies have been consistent winners over this period. This shows their commitment to maintaining best practices even as regulations and community and market expectations change over time."

Fung adds, “We are also encouraged to see a number of new contenders and award winners clearly improving their reporting and governance structures. This is the whole objective of the awards. Since the competition was launched, there have been over forty different award winners.”

In the Hang Seng Index category, CLP Holdings won the top award for the eighth successive year, with Hong Kong Exchanges and Clearing and HSBC Holdings coming up next. The judges acknowledged CLP Holdings for maintaining a consistently high-quality governance culture, and setting a good example for a family-controlled business.

In the non-HSI large market capitalization category, Standard Chartered, Transport International Holdings Ltd., and Hysan Development Co. Ltd. won the diamond, platinum and gold awards respectively.

The annual report of the Airport Authority Hong Kong won an award for the tenth consecutive year in the public sector and not-for-profit category taking the platinum award this year. The Mandatory Provident Fund Schemes Authority was a first-time winner in this category, gaining the gold award and the Securities and Futures Commission received a special mention.

This year, more than 220 annual reports were reviewed.

Companies with better corporate governance benchmarked their performance explicitly and extensively against the provisions and recommended best practices of the Code of Corporate Governance Practices issued by Hong Kong’s stock exchange.

More companies disclosed the remuneration of senior management by name and made improvements in disclosure of risk management and internal control reviews. Corporate social responsibility and environmental reporting was also better this year.

However, the judges recommended more formal evaluation of board and board committees’ performance, better explanations of how board members are chosen, particularly in the public sector, and on emolument policies, and more details about the implementation side of risk management and internal control, especially for smaller companies. They also urged more disclosure about how related party transactions are approved and a balanced discussion on performance and the future outlook for the business. Early reporting is also strongly recommended.

The judges noted that the standard of corporate social responsibility reporting is improving with more companies providing dedicated sections in their annual reports, and separate booklets or on-line reports. The best companies have independent or third-party assurance for these reports. However, the judges mentioned they looked forward to a wider acceptance of the value of disclosures on CSR and sustainability issues by businesses, especially those which have a big impact on the environment and the local community.

The awards presentation will take place on 30 November with Secretary for Financial Services and the Treasury, Professor K.C. Chan as the guest of honour.

This year's awards are supported by five media partners – dailies *Ming Pao* and *The Standard*, the monthly business magazine *Capital*, radio *Metro Finance*, and electronic media *Cable TV*.

Information on the awards is available on the Institute website at [www.hkicpa.org.hk](http://www.hkicpa.org.hk).

- End -

## **Editor's Note**

### **About the Best Corporate Governance Disclosure Awards**

First introduced in 2000, the Best Corporate Governance Disclosure Awards are Hong Kong's most established and prestigious awards for corporate governance. The Hong Kong Institute of CPAs was one of the first organizations to chart corporate governance standards in Hong Kong and the awards raise awareness of the benefits of greater transparency and accountability to stakeholders. The awards have strong support from the government, regulators and the business and professional communities.

### **About the Hong Kong Institute of CPAs**

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to Certified Public Accountants in Hong Kong. The Institute has more than 30,000 members and 14,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designation *CPA*.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

Issued by : Hong Kong Institute of Certified Public Accountants  
Through : Ms. Angel Chung of Chung & Tang Communications Consultants

(For further enquiries, please contact Ms. Stella To of the Hong Kong Institute of CPAs on tel: 2287 7209 or 9027 7323 or [stella@hkicpa.org.hk](mailto:stella@hkicpa.org.hk), or Ms. Angel Chung of Chung & Tang on tel: 2520-2679 or 9098 9878 or [angel@cnt.com.hk](mailto:angel@cnt.com.hk).)