



Dear Assignment/News/Business Editor,

Best Corporate Governance Disclosure Awards 2010 Invites Entries

Continued economic uncertainty keeps spotlight on transparency and disclosure

(HONG KONG, 7 July 2010) — The Hong Kong Institute of Certified Public Accountants is calling for entries to the Best Corporate Governance Disclosure Awards 2010. Hong Kong's most established and prestigious corporate governance awards celebrates its tenth anniversary this year.

The deadline for entry is 17 August 2010.

Chew Fook Aun, vice president of the Institute, says, "Globally, corporate governance issues will continue to be high on the agenda, in view of the ongoing volatility in stock markets, concerns over the strength of the recovery and evolving news like the Euro-zone debt situation."

"As an outwardly-orientated market, Hong Kong is affected by what is happening internationally," he adds. "There are also local factors to take into account, including some substantial fund raising activities and new IPOs and, in terms of policy, the Companies Ordinance consultation, which bring corporate governance disclosure and practices into the spotlight."

Last year, a new category for listed companies with mid-to-small market capitalization was carved out of the non-Hang Seng Index group. The Institute says that the market's response was positive and this helped to establish good corporate governance benchmarks amongst mid-tier and smaller companies.

"We have decided to carry on with this new category which can be quite fluid and we expect to find new winners emerging. Some previous contenders and winners may move up to the large-cap category as their market capitalization increases through growth in their business and expansion of the market," says Chew.

This year there will be five award categories in total: Hang Seng Index (HSI)-constituent companies, non-HSI companies (large market capitalization), non-HSI companies (mid-to-small market capitalization), H-share companies, and public sector/not-for-profit organizations.

Over 200 annual reports are reviewed every year. This year the Institute hopes to give additional attention to reports of public sector/not-for-profit organizations. Bearing in mind that these organizations differ substantially in size, resources and complexity, besides the main awards the judges may consider giving out special mentions or commendations if they can identify suitable smaller organizations whose corporate governance efforts merit recognition.

Announcing the judging criteria, Stephen Law, chairman of the awards' organizing committee, says, "Each year, the Institute's awards' committee reviews the programme to ensure that the Best Corporate Governance Disclosure Awards continues to meet its key objectives. With this in mind, we take on board the changes in local regulations and the latest developments in best practices."

Law says, "To improve the awards and ensure they always remain relevant, we look closely at the marking scheme and update it to reflect the current expectations and aspirations of the market and the wider community. This year, for example, we deal with areas such as board performance, and whether the company has a process in place that encourages the internal reporting of major irregularities."

"Other areas of focus include: whether the company's management discussion and analysis looks at future prospects of the business and not just its past performance, and whether the company lists the announcements issued during the year. We will also pay close attention to corporate social responsibility and sustainability reporting," Law continues.

An initial screening process excludes annual reports that do not meet the minimum standards for further consideration. Among the reasons for failing at this first hurdle are: a company's shares have been suspended for a prolonged period, the audit report is qualified, or the company is unable to comply with the fundamental provisions in the Code on Corporate Governance Practices.

As in previous years, there are diamond, platinum and gold awards in each category. There are also significant improvement awards for companies and organizations that have shown substantial improvements in corporate governance standards. The judges may also award special mentions and commendations for other worthy annual reports.

Chew adds, "To mark the tenth anniversary of the Best Corporate Governance Disclosure Awards, we plan to acknowledge the companies and organizations that have consistently won awards over the past decade. They should be applauded for setting the benchmarks at a time when the awareness of corporate governance was nowhere near as high as it is now and for understanding the business and organizational value of a long-term commitment to a good corporate governance culture."

This year's awards will be 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.

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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. Pioneered by the Hong Kong Institute of CPAs, one of the first organizations to chart corporate governance standards in Hong Kong, 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 CPA 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.

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