

CORPORATE GOVERNANCE REVIEW 2013

企業管治檢討報告2013

Eighth annual review on HSCI companies

第八年度有關恒生綜合指數成分股公司的研究

Published by BDO Corporate Governance Academy



CONTENTS

目錄

INTRODUCTION 引言	3
EXECUTIVE SUMMARY 檢討簡報	4
SUMMARY REVIEW 詳細檢討	6
Performance by industry 各行業的企業管治表現	6
Compliance with the Code 遵守《守則》	7
The role of the board 董事會角色	10
Board effectiveness 董事會的有效性	12
Accountability 問責	18
Remuneration committee 薪酬委員會	22
Shareholder relations 股東關係	23
Corporate social responsibility/social environmental and ethical matters 企業社會責任 / 社會環境及道德問題	24
ABOUT BDO 關於立信德豪	26

INTRODUCTION

引言

Welcome once again to our annual corporate governance review. Its focus remains on measuring the quality of the disclosures made by Hong Kong listed companies. That has proved to be a particularly interesting exercise this year, as many changes to the Corporate Governance Code (the Code) and the Rules Governing the Listing of Securities on the Stock Exchange (Listing Rules) took effect during the previous year, and we can now assess their impact.

Overall, companies remained slow in making changes to satisfy the latest revisions. A choice provided as a number of the changes to the Code were optional in the sense that companies were allowed to choose whether to comply with them or else explain why they had failed to do so. We welcomed those changes in our last Review, because they either elevated the importance of existing components of the Code or introduced all new elements that have been adopted elsewhere. The uncertainty was how quickly and uniformly they would be applied in Hong Kong.

While the changes were the most significant revisions to corporate governance regulations since the Code was originally introduced in 2005, the Hong Kong Exchanges and Clearing Limited (Exchange) has continued the process of improvement with further alterations. The most recent of these involve changes designed to increase the diversity of board members. All these revisions are welcome, given the pace of change we have seen in corporate governance best practices and requirements in other markets over the years.

These actions underline the fact that effective corporate governance requires constant attention in order to remain valid and effective. Such oversight is necessary to ensure it remains relevant and that it optimally addresses the needs of organisations as they evolve. That is especially critical as companies need to operate efficiently in the current fragile economic environment, and we hope to see more of those in Hong Kong not only adopting the changes, but also being proactive about seeking ways to improve further.

立信德豪欣然推出今年度的《企業管治檢討報告》。一如既往，本報告集中評估香港上市公司的資料披露質素。《企業管治常規守則》（下稱《守則》）與香港交易及結算有限公司（下稱香港交易所或交易所）制定的《香港聯合交易所有限公司證券上市規則》（下稱《上市規則》）有多項修訂於去年生效，本檢討報告正好探討一下相關措施的成效。

整體而言，公司配合新修訂的步伐依然緩慢。《守則》推出的修訂有不少具選擇性質，意指公司可自行決定遵守該項守則，又或交待不跟從的理由。我們在去年檢討報告中表示歡迎有關變動，原因是這些變動使《守則》內的現有規定更形重要，甚至引入了其他地區沿用的各項新元素，可是，究竟這些變動能否在香港迅速地統一實施，卻是未知之數。

雖然這是自2005年實施《守則》以來，對企業管治監管制度最大的一次修訂，交易所仍在修訂內容，以作出進一步改善，而最近期的變動則涉及董事會成員多元化的政策。觀乎其他市場近年在企業管治最佳常規及規定方面的改變速度，交易所的各項有關修訂實在值得歡迎。

各項修訂措施意味著，再有效的企業管治也需不斷監督，才能持續有效和適用，以應付企業的發展需要。在目前疲弱的經濟環境下，公司若要取得營運效益，這更形重要。期望香港有更多公司不但單單採納該等修訂，還會主動設法改進，積極提升管治水平。



Patrick Rozario

Patrick Rozario
Director and Head of Risk Advisory
Services
羅柏達
董事兼風險諮詢服務總監

EXECUTIVE SUMMARY

檢討簡報

Our review continues to cover the Hang Seng Composite Index (HSCI) and, more specifically, the listed companies that make up the large-cap and mid-cap indices. Examining the 222 companies that constitute this specific subset allows us to focus on the more established and representative companies. Their most recently available annual reports were reviewed, and details from them have been compiled in this Report to provide a snapshot of the state of corporate governance in Hong Kong.

To help provide context for the selected areas that we reviewed, we have presented our data alongside the detailed results from the previous two years, beginning with the Summary Review section. This form of presentation allows us to identify trends; and these have proved to be especially dramatic when it comes to the areas affected by recent revisions to the Code and Listing Rules. Overall it shows there has been some improvement since last year's transitional period, which is a positive sign that some companies have welcomed the changes and implemented new practices. However, the degree of compliance has declined dramatically, as most companies are still struggling to adapt to them.

REACTION TO THE CORPORATE GOVERNANCE REVISIONS

We highlighted many of the revisions the Exchange made to its corporate governance regulations in the previous year's Report. While a number of them were hitherto included in our Reviews as recognised best practices, we began to incorporate the ones that had not been included before. It was apparent that the market's reaction to the revisions has been tepid, with companies slow in disclosing whether or not they had adopted them – despite the fact that some of them merely involved elevating existing Recommended Best Practices to Code Provision status, thus requiring explanations if they had not been complied with.

As noted in the Summary Review section, the reaction has improved this year, but companies are still far from where they should be in terms of compliance. While many of them stated they planned to address the new requirements later, a large majority were still not fully compliant with the Code. That was not the reaction we had hoped for, considering the competitive advantages that improved corporate governance practices provide, and increasing competition from other markets, including the growing presence of the Shanghai and Shenzhen stock exchanges.

Based on the explanations provided in the annual reports that we have reviewed, there are likely to be further improvements in the future; but companies should still be more eager to enhance their governance processes.

本檢討報告仍以恒生綜合指數成分股公司為評估對象，並特別涵蓋 222 家大型及中型恒生綜合指數成分股公司，以便集中研究一些更具規模和代表性的公司。本報告檢閱了這些公司最新發表的年報，並收錄相關詳情，以反映香港的企業管治概況。

本報告自〈詳細檢討〉一節開始，呈列數據時會一併提供前兩個年度的數據詳情，並就有關的研究領域提供背景資料，以便我們洞悉種種趨勢。除此之外，更可突顯出受到《守則》及《上市規則》新近變動影響的領域。整體而言，自去年過渡期以來，情況已有所改善，部分公司歡迎有關轉變，更為此採用新的管治辦法，不過，由於大部分公司仍在努力適應轉變，合規程度因而大幅下降。

對修訂企業管治的反應

我們在去年的報告中，闡述了交易所對企業管治監管制度作出的多項修訂。迄今為止，檢討報告曾載述多項獲公認為最佳常規的修訂，而我們亦開始探討過往並未涵蓋的修訂內容。顯然，市場對有關修訂的反應並不熱烈，即使有些修訂實際上僅將現有的建議最佳常規升格為《守則條文》，要求公司解釋未能遵守的原因，然而公司仍急於披露有否採納相關修訂。

根據〈詳細檢討〉所述，今年市場對有關修訂反應已見改善，但公司距離應有的合規程度依然相去甚遠。儘管不少公司表示計劃稍後配合新規定，但大部分公司依然未能全面遵循《守則》條文。這絕非我們所期待的反應，畢竟，改善企業管治常規可造就競爭優勢，況且來自其他市場的競爭日趨激烈，上海及深圳交易所市場逐漸成熟便是一例，因此改善企業管治實在刻不容緩。

根據檢討的公司年報所得的解釋推論，未來情況有望進一步改善，但我們始終認為，公司實宜更積極進取加強其管治流程。



AN OPPORTUNITY FOR EVALUATION

Corporate governance is deeply rooted in a board's ability to set an appropriate tone to guide the conduct of a company's business. Our review showed that, generally speaking, this tone still significantly lacks certain elements of corporate governance that have become generally accepted elsewhere. That holds true for basic features, such as having separate individuals in the roles of chairman and chief executive roles, and the presence of sufficiently diversified directors on the board.

Despite the growing acceptance of such practices, the operations of Hong Kong companies remain relatively unchanged, with boards that include the minimum number of independent non-executive directors (INEDs) and family members – a situation that raises questions about potential conflicts of interest. Many regulators and companies around the world are aiming to ensure boards are more independent, that they consist mainly of INEDs who contribute their individual expertise, and that the roles of chairman and chief executive are separated to provide a balanced leadership structure.

Although the Exchange previously made some efforts to improve the independence of boards – such as requiring one-third of their members to be INEDs – it has recently taken another step by amending the principles relating to the board's composition to consider the diversity of its views. Furthermore, the latest changes hold nomination committees accountable for establishing a policy concerning this revised principle.

The revision is careful not to dictate how diversity should be measured. That is an important point, because it leaves companies free to determine which factors they should consider and how their success should be measured. It will be interesting to see how boards address these important points, and whether they genuinely take this opportunity to reassess their membership.

LOOKING AHEAD

Hong Kong companies have not historically been seen as innovators in the area of corporate governance. A marked shift needs to be made to improve that reputation. The overall response to the recent changes in corporate governance regulations shows that companies can do more to comply fully with the Code and – as a follow-up – look beyond the Code's basic requirements to incorporate the best practices in it and in other leading markets. We strongly urge companies to work towards addressing the corporate governance challenges they face in today's competitive markets.

評估良機

董事會能否為企業設定適切方針，從而領導公司規範其管治運作，主宰了企業管治的成效。我們的檢討報告顯示，一般而言，公司設定的方針明顯缺乏其他地區廣泛接納的企業管治要素，其中包括基本要求如：主席與行政總裁職位應由不同人士擔任、董事會董事應更為多元化等基本元素。

儘管上述做法日漸獲得認同，但香港企業的營運模式依然沒甚轉變，董事會的組成仍然僅符合獨立非執行董事的人數下限，甚至由家族成員出任人選，惹來利益衝突之嫌；反觀全球許多監管機關及公司，卻以確保董事會中立為目標，因此董事會主要由獨立非執行董事組成，按各自專業範疇為公司提供客觀意見，並且將主席與行政總裁的職責區分開來，建立權責均衡的領導架構。

交易所早前曾著力提高董事會的獨立性，例如規定董事會的三分之一成員須為獨立非執行董事，近期亦進一步修改董事會的組成準則，務求董事會具備更多元化的視野，而最新一項修訂就是由提名委員會負責按修訂準則制訂相關政策。

這項修訂並沒有規定如何釐定應多大程度多元化，這點非常重要，因此舉可預留空間讓公司自行決定考慮哪些因素，以及如何評估成效，做法可取。究竟董事會如何處理這些重要議題，他們又會否切實地藉此機會重新審視董事會架構？我們拭目以待。

展望

一向以來，香港企業都不被視為企業管治方面的先驅，要改變這種固有看法，就必須經歷重大的轉變。從市場對企業管治規管新近變化的普遍反應可見，公司應更積極全面遵循《守則》規定，繼而再進一步，在《守則》的基本規定之上，借鏡《守則》及其他領先市場的最佳常規。我們強烈建議，在當前競爭激烈的市場環境下，各公司宜積極克服企業管治方面的種種挑戰。

SUMMARY REVIEW

詳細檢討

PERFORMANCE BY INDUSTRY

On an industry level, we have found a significant degree of change in the overall level of compliance compared to the previous year, as most companies have continued to work towards implementing the latest changes to their governance framework. Of all the various industry groups, only five improved with Services and Industrial Goods posted the most significant gains of 17% and 19% respectively. The Services group's performance was especially remarkable considering they experienced the largest fall in the number of companies covered by our review, from 33 in 2012 to 23 this year.

Perhaps unsurprisingly, the performances of those industries least represented were also the most volatile, with the overall compliance of Conglomerate and Telecommunication companies dropping significantly since last year. The companies in those industries, as well as those in Consumer Goods and Properties & Construction, will need to improve in the coming year in order to regain the higher levels of compliance they demonstrated previously.

各行業的企業管治表現

從行業層面看，隨著大部分公司致力將新修訂內容納入管治框架，行業的整體合規水平與去年錄得數字相比明顯不同。在各行業組別中，只有五個組別的合規水平得到改善，其中，服務及工業產品的改善幅度最為顯著，分別錄得17%及19%的升幅。事實上，就服務組別而言，納入檢討範圍的公司數目從2012年的33家減少至今年的23家，減幅是各行業之中最大，若計及此一因素，服務組別的表現更顯出色。

一如所料，調查比重最小的行業，其表現亦最為波動，綜合企業與電訊公司的整體合規水平自去年起大幅下降。從事這兩個行業的公司，以及消費品和地產及建造業的公司來年均需努力改進，才能回復過往較佳的合規水平。

	2011	2012	2013
	Fully compliant or provide "more" explanation 全面遵守或提供「更多」解釋		
Utilities 公用事業 (16)	92%	77%	69%
Consumer Goods 消費品 (45)	81%	70%	53%
Information Technology 資訊科技 (11)	90%	70%	73%
Services 服務業 (23)	81%	79%	96%
Energy 能源 (5)	38%	75%	80%
Materials 原材料 (12)	82%	71%	75%
Financials 金融 (28)	92%	93%	75%
Conglomerates 綜合企業 (4)	86%	86%	25%
Properties & Construction 地產及建築 (43)	68%	63%	60%
Industrial Goods 工業產品 (12)	50%	64%	83%
Telecommunications 電訊 (4)	67%	100%	75%
Commerce & Industry 工商業 (19)	87%	86%	79%

COMPLIANCE WITH THE CODE

2013 is the first year that companies have been required to report on their compliance with the new corporate governance provisions of the 2011 Code and Listing Rules. Up until our Review last year, there had been a moderate year-on-year improvement in compliance with the Code ever since 2006. While the latest revisions did not affect the 2012 reporting season, last year very few companies chose to adopt in advance the best practice of commenting on how and to what extent they would comply with the revised Code's provisions. This year, as we expected, the latest revisions have given them challenges in achieving full compliance with the Code.

Just as Hong Kong companies have managed to address and embrace compliance, new challenges have emerged. This year saw a dip in the percentages of companies in all three indices that claimed compliance. The consistent figures of over 50% compliance in previous years slipped to 42%, 37%, and 67% of HSI, HSCL and HSCEI companies respectively (Fig 1). 57 companies that were fully compliant last year failed to achieve the same status this year. Perhaps that suggests businesses were not sufficiently prepared to embrace the recent revisions. While the compliance rate dropped, it is still encouraging to note that 46% of the 140 companies that did not comply stated they are planning to do so. It will be interesting to see whether their 2014 reports reflect that ambition.

Compliance with provisions

Although 58% of companies reported non-compliance with the Code, this usually related to only one or two of its provisions. In the light of the 2011 amendments to the Code and Listing Rules that were specific to corporate governance requirements, the most commonly reported forms of non-compliance this year related to board balance and communication with shareholders.

Many companies continued to have one person fulfilling the roles of chairman and chief executive. That makes it difficult to believe that a spirit of independence prevails in such organisations, as there is little assurance that the board adequately carries out its function of overseeing the management.

遵守《守則》

2013年是公司須就遵守2011年《守則》及《上市規則》的新企業管治守則作出報告的第一年。自2006年以來至去年我們作出的檢討報告，可見《守則》的遵守情況一直以來每年都有輕微改善。由於最新修訂並不影響2012年的報告季度，去年只有少數公司選擇提前採納最佳常規，就公司遵守經修訂《守則》的方式及程度作出表述。正如我們預期，今年最新修訂為公司全面遵守《守則》帶來挑戰。

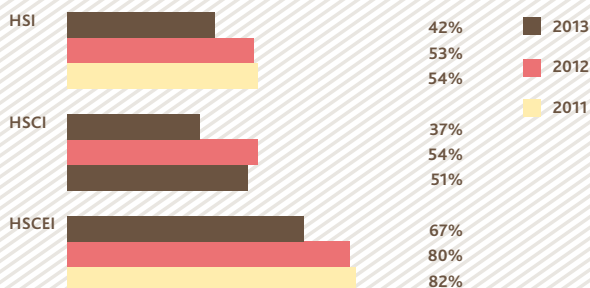
正當香港公司正視並處理合規問題之際，新的挑戰已經臨近。今年，報稱合規的三大指數公司的百分比均有所下跌。過去合規率一般超過50%的恒生指數成分股公司、恒生綜合指數成分股公司及恒生中國企業指數成分股公司的比率分別降至42%、37%及67% (Fig 1)。今年有57家公司未能如去年般全面合規，或許這表示企業尚未充分準備配合新修訂。雖然合規率下降，但可喜的是，140家未遵守修訂的公司中有46%表示計劃遵守，我們期待於2014年的報告中看到這些公司實現遵守有關修訂的計劃。

合規情況

本年度雖然有58%的公司報稱未有遵守《守則》，但一般只涉及其中一兩條規定。根據2011年修訂的《守則》及有關企業管治規定的《上市規則》內容，今年報告中最普遍的不合規情況與董事會均衡架構及股東溝通有關。

研究顯示，許多公司的主席及行政總裁職位仍由同一人士擔任，難以確保董事會妥善履行監督管理層的職能，公司內的獨立性成疑。

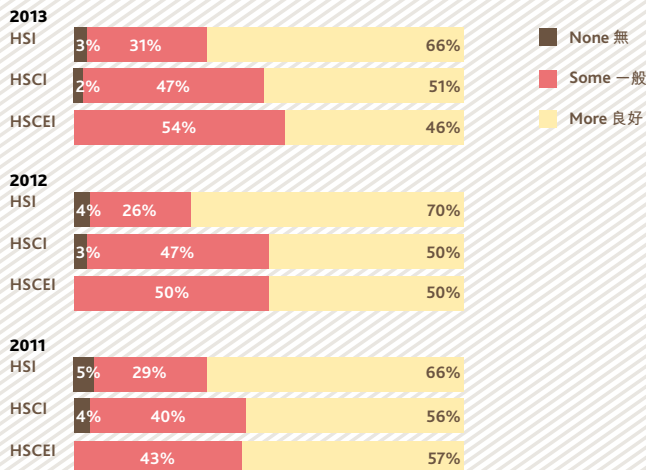
Fig 1



Q Do they claim full compliance with the Code? (Appendix 14 G(a)&(b) of the LR)

公司有否聲稱完全遵守《守則》? (《上市規則》附錄十四 G(a) 及 (b))

Fig 2



Q If not compliant, to what degree do they explain their reason for non-compliance? (Appendix 14 G(c) of the LR)

如有未遵守的情況，公司對此作出如何的解釋? (《上市規則》附錄十四 G(c))

Given the focus on board composition and appointments, coupled with the recent adoption of a new code provision concerning board diversity, which took effect in September 2013, it is interesting to note that many companies continued to believe that their board was the most suitable body to examine their selection and appointment practices, and to assess the most-desirable skills and competencies for their directors. Perhaps Hong Kong companies are not yet prepared to embrace the significant role and responsibilities of a nomination committee. Although the board retains ultimate responsibility for these practices, it is still difficult for it to demonstrate that it has dealt with the processes involved in the selection and dismissal of executives and non-executive directors, as well as the evaluation of board performance and succession plans, in a thorough, fair, independent and transparent manner. Another related form of non-compliance this year concerned succession planning and the terms of office of non-executive directors (NEDs). Because companies still fail to appoint NEDs for specific terms and make them subject to re-election, it is a challenge for them to maintain an appropriate balance in the composition of their board.

This year, companies also faced the challenge of ensuring that their chairman and committee chairmen attended annual general meetings. The chairman's presence at annual general meetings represents his or her recognition of the importance of shareholder relations. As the leader of the board and board committees, the chairman should use such meetings to encourage participation by shareholders and maintain the dialogue between shareholders and the board. The chairman is also encouraged to report personally to shareholders about how the principles relating to the role and effectiveness of the board have been applied.

The 2011 governance revisions pertaining to shareholder relations aim to encourage the active engagement of shareholders, with a view to promoting good governance through dialogue. It is hoped these revisions will put pressure on chairmen and NEDs to fulfil their increased responsibilities, so that we can see some measurable progress in these areas of non-compliance during the next few years.

儘管董事會的組成及委任受到注視，而一項關於董事會多元化的新守則條文最近亦獲得採納（已於2013年9月生效），有趣的是許多公司仍然認為由董事會檢視董事會成員的篩選及委任，以及評核董事的技能及能力，最為適當。香港公司似乎還未準備好接納提名委員會角色及職責的重要性。雖然董事會對這些做法承擔最終責任，但董事會在篩選及辭退執行董事及非執行董事，以及在評估董事會表現及繼任計劃的過程中，難以做到周全、公平、獨立及透明。今年另一種不合規的情況則涉及繼任計劃和非執行董事的任期。由於公司仍然無法設定非執行董事的任期並安排重選，這些公司往往難以維持適當均衡的董事會架構。

此外，今年公司在確保主席及委員會主席出席股東週年大會方面亦遇上困難。主席出席股東週年大會可體現對股東關係的重視程度。作為董事會和董事委員會的領導者，主席宜透過這些會議鼓勵股東參與，維持股東與董事會之間的交流。主席亦可親身向股東匯報，講述董事會在公司所擔任的角色及其有效性。

另一方面，涉及股東關係的2011年管治修訂旨在鼓勵股東互相溝通，以推動良好企業管治。期望這些管治修訂促使主席及非執行董事履行更多責任，讓這些不合規的情況在未來數年會有顯著改善。

Explanation quality

The number of companies providing more informative disclosures seems to have plateaued this year. Almost every company provided some degree of detail about why they had not achieved full compliance. Around 50% of HSCI and HSCEI companies provided detailed reasoning that covered the background and reasons for their decisions, whereas HSI companies once again reported a relatively high rate of 66%, although this was 4% lower than the previous year's figure (Fig 2). The small decline involved new entrants to the list of HSI companies this year. While we saw a levelling off trend, we were disappointed that more than a third of the 140 companies that have not complied in consecutive years made no change to their explanations this year.

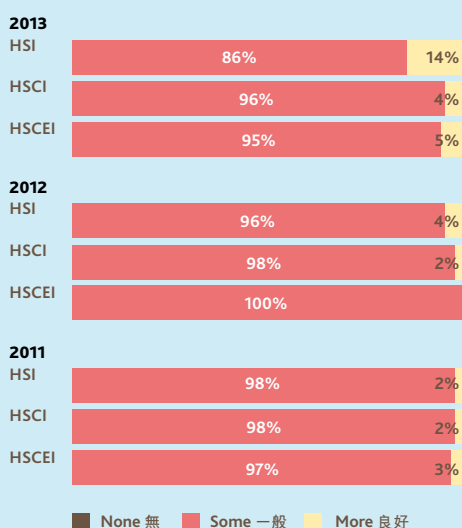
Concerning informative disclosure, the best reports consisted of more than a basic explanation of non-compliance with a provision, and either an action plan for achieving it in the coming year or else reasons for their deviation from it. A number of companies went beyond mere statements of compliance by providing their chairman's personal views about governance in his or her statement, as well as tables and charts illustrating compliance with the provisions in their governance report. On the other hand, the weakest reports repeated content from previous years, and information that had been cut and pasted directly from the Code. Such companies continued to give shareholders minimal insight into their governance practices. Boiler-plate may tick the boxes, yet it does not indicate the strong and entrenched governance culture that shareholders and investors are seeking.

闡述質素

今年，增加信息披露的公司數目停滯不前。幾乎每家公司都或多或少說明了未全面合規的原因。約有50%的恒生綜合指數成分股公司及恒生中國企業指數成分股公司對決策背景及原因等作出詳細解釋，而恒生指數成分股公司的比率雖比去年低4%，但依然錄得較高的66% (Fig 2)。合規比率輕微下跌與今年恒生指數成分股公司增加有關。儘管趨勢平穩，今年140家在過去數年未曾合規的公司中，仍有超過三分之一公司的解釋維持不變，情況令人失望。

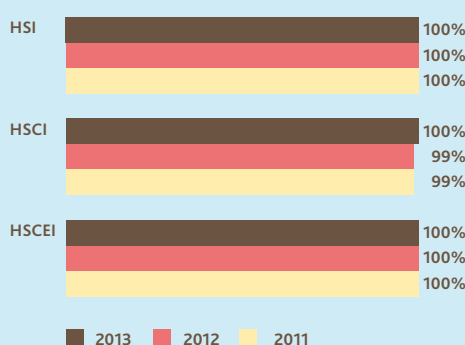
至於詳盡披露方面，研究發現，表現最佳的報告不僅對並未遵守規定作出基本解釋，還闡述來年實現合規的計劃或偏離合規的原因。許多公司不單報告合規情況，更在主席報告中陳述主席的管治觀點，並在公司管治報告中加入表格和圖表，以說明遵守規定的情況。另一方面，表現最差的報告只是重複過去數年的內容並直接抄錄《守則》條文。這些公司所提供的資料，對幫助股東了解公司的管治常規，作用可謂微乎其微。重複和抄錄也許符合規定要求，但並不能反映那就是股東及投資者所追求的理想企業管治文化。

Fig 3



Q How well do companies describe the consideration of their INEDs independence? 對於闡述如何檢討獨立非執行董事的獨立性，公司的表現如何？

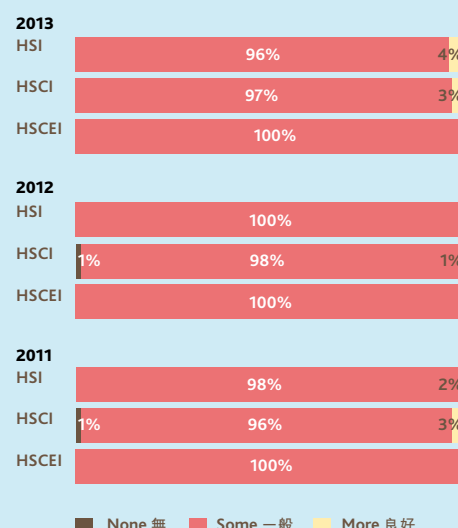
Fig 4



Q Are there disclosures of whether companies have adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code? (Appendix 14 H(a) of the LR)

有否披露公司採納一套與《標準守則》相同或持更高標準的董事證券交易行為準則？（《上市規則》附錄十四H(a)）

Fig 5



Q How well do companies disclose if they have made specific enquiries about whether or not the directors of the listed issuer have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions? (Appendix 14 H(b) of the LR)

對於向所有董事作出特定查詢後，上市發行人的董事是否有遵守《標準守則》所訂有關董事進行證券交易的標準及公司本身所訂的有關行為守則，公司在披露上表現如何？（《上市規則》附錄十四H(b)）

THE ROLE OF THE BOARD

Directors' duties and commitments

The latest Code and Listing Rule amendments concerning directors' duties and commitments place increased emphasis on how boards carry out their roles and responsibilities, their accountabilities, the behaviours they display, and the culture they promote, in the hope it will stimulate their thinking about productive performance. Every director should be able to allocate sufficient time to the company's affairs in order to contribute to the organisation effectively.

Perhaps it is too early to determine the impact of these revisions, but, given that the quality of explanations remained relatively unchanged this year, there are obviously still lessons to be learnt and efforts to be made. This year, more companies provided some information about the processes of their board, how it handles its duties and how it is managed. As a result, the number of HSI, HSCI, HSCEI companies that did not provide informative disclosure declined slightly to 50%, 32% and 33% respectively (Fig 6). While more than half of all the companies still complied with the Code's basic requirement for a high-level statement about how the board discharges its duties, there was still much room for improvement in the quality of disclosure in this respect.

The HSCI companies continued to take the lead in providing transparency about what goes on behind the boardroom doors. Most of them reported on the activities of their board and how its decisions are made. A few outstanding ones have improved their disclosures every year, by providing analysis of how the board spent its time understanding and analysing performance, strategy, governance and other areas, and formulating action plans for the coming year. At the other end of the spectrum, the weakest reports simply rolled forward statements from previous report, providing minimal insight into how their board operates and makes decisions.

The promotion of continuous training for directors is another important element of the Code. Since it has been upgraded from a recommended best practice to a provision, companies now need to disclose the arrangements for the continuous development programmes for their directors, and how these take both the strengths and weaknesses of their board into account. This year, we saw an admirable improvement in disclosure, with more than 50% of companies in all three indices reporting on its board's participation in professional development (Fig 7). Several companies went beyond the basic minimum of merely providing a list of training programmes. Their helpful disclosures included formal procedures for implementing and documenting the provision to directors and senior management of training and continuous professional development, as well as details of the subjects and content of the training.

Company secretaries

The Exchange's updated Listing Rules include the requirement that a "company secretary, by virtue of his academic or professional qualifications or relevant experience, is capable of discharging the functions of company secretary". This Rule also emphasises the company secretary's role, giving a list of responsibilities and necessary qualifications, and requiring a unique, well-rounded skill set.

This year saw a slight increase in the number of company secretaries who had an extensive knowledge of a company's affairs but who were not employed by the company. Most of these were new entrants on the list of HSCI companies, who chose to engage an external service provider to discharge the functions of company secretary. It was encouraging to see respective increases of 29%, 23% and 17% in the HSI, HSCI and HSCEI indices of companies whose secretaries satisfied the minimum academic and professional qualifications for their position (Fig 8). Companies should continue to raise the bar concerning the competence of their company secretary in order to be consistent with best practices in other jurisdictions.

董事會的角色

董事職責及承諾

關於董事職責及承諾的最新《守則》及《上市規則》修訂，進一步強調董事會的角色、職責、責任、行為，及其建立的文化，務求鼓勵董事會積極思考如何提高公司的表現。希望每位董事都能夠分配充足時間處理公司事務，對公司作出貢獻。

其實，現時對這些修訂的影響作出判斷或許為時尚早，但闡述的質素今年停滯不前，顯示我們仍要汲取教訓，繼續努力。研究顯示，今年有更多公司提供相關資料，說明董事會程序、董事會如何履行職責及如何管理董事會。因此，未作出詳盡披露的恒生指數成分股公司、恒生綜合指數成分股公司及恒生中國企業指數成分股公司比例分別跌至50%、32%及33% (Fig 6)。雖然超過半數的公司仍然遵守《守則》的基本規定，詳細說明董事會履行職責的情況，但這個範疇的披露質素仍有相當大的改善空間。

另外，恒生綜合指數成分股公司在披露董事會決策透明度方面繼續領先，其中大部分公司都報告了董事會事務及董事會如何作出決策。有些表現出色的公司每年都在改善披露情況，解釋董事會如何投放時間了解及分析表現、策略、管治及其他範疇，並制定來年的執行計劃。另一方面，表現最差的報告則只是重複過去的陳述，對董事會如何運作及決策並未有深入解釋。

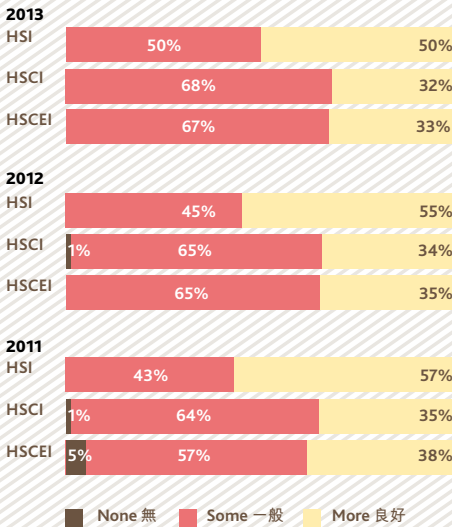
推動董事持續培訓是《守則》的另一個重要方向。由於這項要求已從建議最佳常規升格為規定條文，公司需要披露董事持續發展計劃的安排，及考慮董事會各成員的特質。今年，有關披露顯著改善，三大指數中超過50%的公司報告了董事會參與專業發展的情況 (Fig 7)。數家公司不但符合列出培訓計劃這項最低要求，還實際披露實施及記錄董事和高級管理層培訓及持續專業發展的正式程序，以及培訓主題和內容詳情。

公司秘書

交易所的最新《上市規則》規定，公司秘書在學術或專業資格或有關經驗方面足以履行該等職務。這項規則強調公司秘書的角色，並列出其責任和必要資格，提出一套獨特、全面的技能要求。

今年研究結果指出，對公司事務有廣泛了解但非受聘於企業的公司秘書數目略增，其中大部分是新加入的恒生綜合指數成分股公司，這些公司選擇了外聘服務供應商履行公司秘書職責。令人鼓舞的是，在恒生指數成分股公司、恒生綜合指數成分股公司及恒生中國企業指數成分股公司中公司秘書符合最低學歷及專業資格要求的公司分別增加29%、23%及17% (Fig 8)。企業宜提高對公司秘書的資歷要求，務求與其他地區的最佳常規看齊。

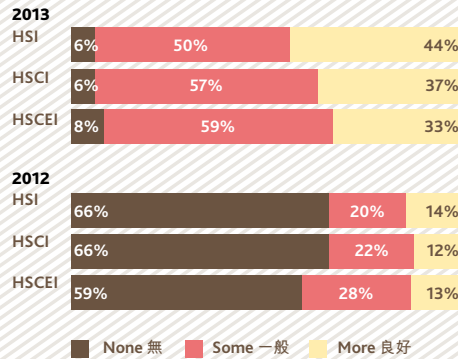
Fig 6



Q How well do companies describe the way their board operates (including the types of decisions the board takes and the types that are delegated to the management)? (Appendix 14 I(e) of the LR)

對於闡述董事會如何運作（例如，哪類決定會由董事會執行，哪類決定會授權給管理層執行），這些公司的表現如何？（《上市規則》附錄十四 I(e)）

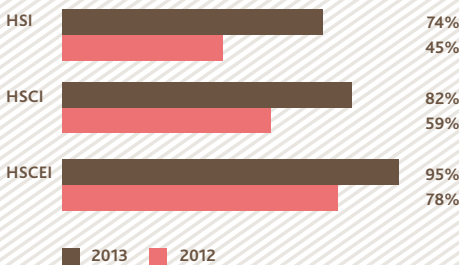
Fig 7



Q What level of disclosure is provided about directors' participation in professional development and their training records? (A.6.5 of the Code & Appendix 14 I(i) of the LR)

對於闡述董事參與專業發展及培訓紀錄，公司的披露表現如何？（《守則》A.6.5及《上市規則》附錄十四 I(i)）

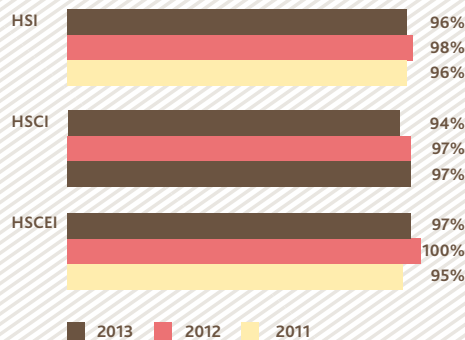
Fig 8



Q Is there disclosure on whether the company secretary has adequate academic, professional qualifications or relevant experience to discharge the functions? (Appendix 14 N(a)&(b) of the LR)

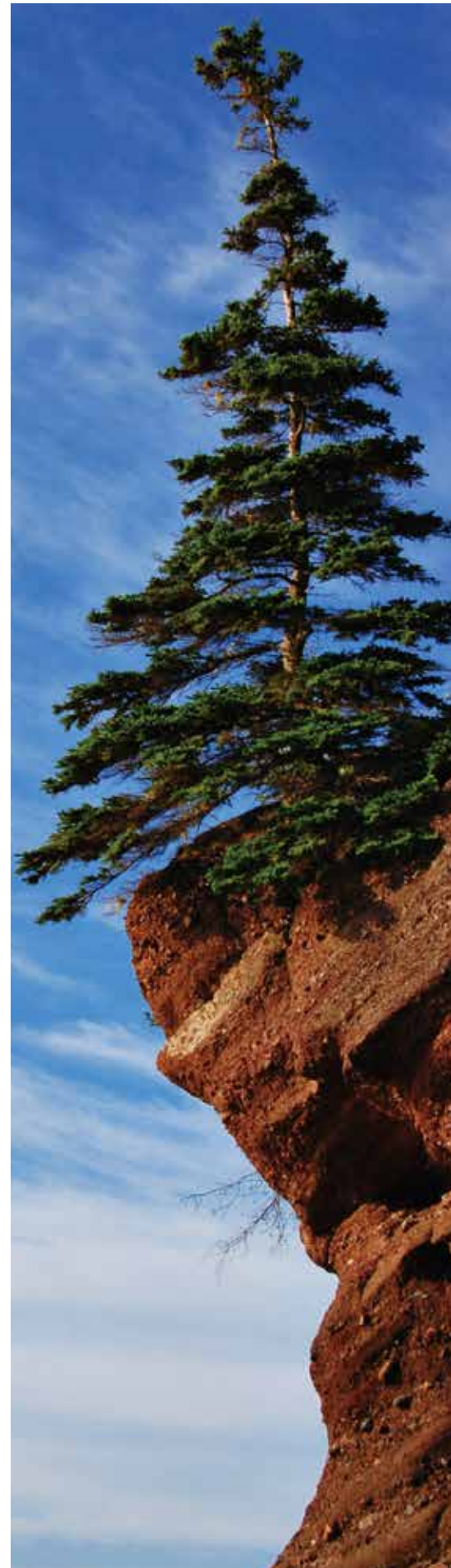
有否披露公司秘書是否有足夠學歷、專業資格或相關經驗以履行職務？（《上市規則》附錄十四 N(a) 及 (b)）

Fig 9



Q Is the company secretary an employee of the company? (Listing rule 3.28 & F.1.1 of the Code)

公司秘書是否公司僱員？（《上市規則》3.28 及《守則》F.1.1）



BOARD EFFECTIVENESS

Composition of boards

The board and its committees should have a balanced composition of appropriate skills, experience, independence and knowledge in order to discharge their respective duties and responsibilities effectively. Most companies understand the value of having an independent non-executive presence to help oversee the effectiveness of their board's work. While independent non-executive directors (INEDs) do not automatically create better boards, they do increase the likelihood of counteracting any inherent bias towards the executive directors. Although populating boards with INEDs is becoming a growing challenge, this year only a few companies failed to comply with the provision that one-third of their board's members should be INEDs. As this was the first year companies were required to have the minimum non-executive presence, the fact the level remained high might suggest companies are now more prepared to embrace the concept of independence. There were 18%, 21% and 9% increases respectively in the numbers of HSI, HSCI, and HSCEI companies where at least one-third of the board's members were INEDs (Fig 10a). Most companies that were unable to achieve the recommended board balance attributed the fact to unplanned retirements or difficulties in finding appropriate replacements.

Composition of nomination and remuneration committees

The Code's revisions underline the importance of independence in board committees by requiring companies to have a majority of INEDs serving on their nomination and remuneration committees. We saw an improvement in the number of companies who had established nomination and remuneration committees that contained a majority of INEDs.

It was also encouraging to see an overall increase in the number of companies that had a nomination committee. The percentages of HSI, HSCI, and HSCEI companies rose to 84%, 92% and 92% (Fig 11a), respectively. These figures were 13%, 19% and 9% up on last year's. There were also commendable increases in the percentages of nomination committees with a majority of INED members in all three indices, with compliance rates of 98%, 97% and 92% for HSI, HSCI and HSCEI companies respectively (Fig 11b). Although the provision only took effect early last year, it was surprising to note that all but a few companies indicated in their reports that their nomination committee was chaired by either an INED or the chairman of the board. HSCI companies reported the most positive response to the provision, with 98% compliance, while HSI and HSCEI companies achieved 95% and 97% compliance respectively (Fig 13). The adoption of such membership requirements by these companies signifies their increased focus on delegating the process of making recommendations and selecting directors to a body that is independent of the executive management.

As in previous years, there were minor changes in the composition of remuneration committees in all three indices this year. The companies that failed to achieve the minimum presence of independent directors adequately explained and disclosed the underlying reasons for this in their reports. The main reason given was poor succession planning concerning NEDs.

董事會的有效性

董事會的組成

董事會及其委員會應保持均衡的架構，他們應具備適當的技能、經驗、獨立性及知識，務求有效地履行各自的職務和責任。大部分公司都明白委任獨立非執行董事監督董事會工作成效的重要性。雖然獨立非執行董事不一定能令董事會盡善盡美，但他們確實有助平衡執行董事的固有看法。雖然增加董事會內獨立非執行董事的席位日趨艱巨，但今年只有小部分公司未能符合非執行董事須佔董事會人數三分之一的規定。鑒於今年是有關規定生效的第一年，合規比例偏高或許反映公司對獨立性概念的接受程度增加。在恒生指數成分股公司、恒生綜合指數成分股公司及恒生國有企業指數成分股公司中，至少有三分之一董事會成員為獨立非執行董事的公司數目分別增加18%、21%及9% (Fig 10a)。大部分未能就建議成立均衡的董事會架構的公司，聲稱是由於有董事成員突然退休或難以找到合適的替代人選。

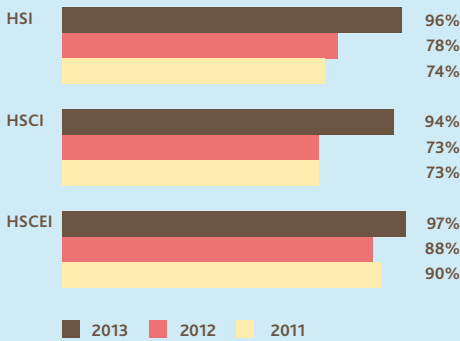
提名委員會及薪酬委員會的組成

《守則》修訂規定由公司大部分獨立非執行董事負責提名委員會及薪酬委員會職務，以顯示董事會轄下委員會獨立的重要性。我們從研究中看到，愈來愈多公司設立提名委員會及薪酬委員會，當中大多數委員由獨立非執行董事擔任。

另一個讓人鼓舞的結果顯示，設有提名委員會的公司均有增加。恒生指數成分股公司、恒生綜合指數成分股公司及恒生中國企業指數成分股公司的比例分別升至84%、92%及92% (Fig 11a)，較去年上升13%、19%及9%。另外，三大指數中，由大多數獨立非執行董事組成的提名委員會的比例亦有可觀升幅，恒生指數成分股公司、恒生綜合指數成分股公司及恒生中國企業指數成分股公司的合規率分別為98%、97%及92% (Fig 11b)。雖然相關條文去年初才生效，但令人意外的是，大部分公司都在報告中表示其提名委員會主席由獨立非執行董事或董事會主席擔任。其中恒生綜合指數成分股公司對有關規定表現最為理想，合規公司比例達98%，而恒生指數成分股公司和恒生中國企業指數成分股公司的合規率分別達95%和97% (Fig 13)。這些公司採納相關成員資格規定，意味著公司趨向將推薦及篩選董事的程序，交給獨立於行政管理層的組織負責。

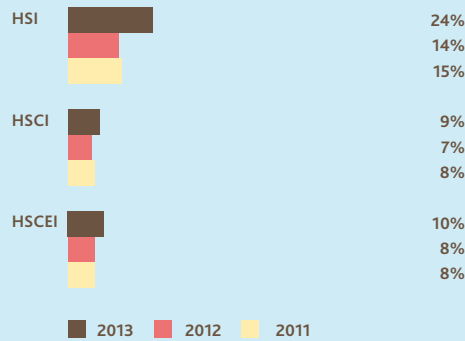
一如既往，今年三大指數公司的薪酬委員會的組成變化較小。未能達到最低獨立董事席位要求的公司均在報告中充分解釋和披露箇中原因，主要理由是非執行董事的繼任計劃未盡完善。

Fig 10a



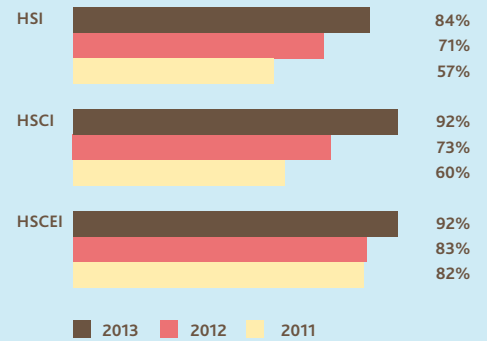
Q Is at least one third of the board comprised of INEDs? (Listing rule 3.10A)
獨立非執行董事是否佔董事會成員人數至少三分之一? (《上市規則》3.10A)

Fig 10b



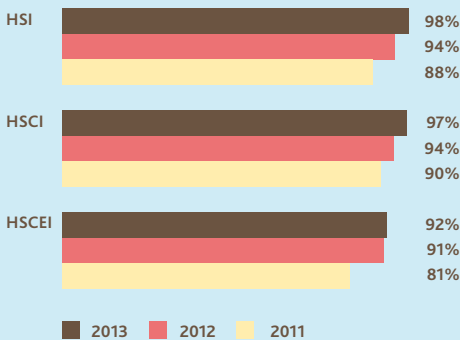
Q Is the majority of the board INEDs?
董事會是否以獨立非執行董事佔大多數?

Fig 11a



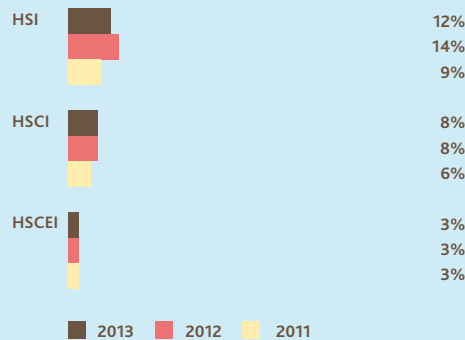
Q Is there a nomination committee? (A.5.1 of the Code)
公司有否設立提名委員會? (《守則》A.5.1)

Fig 11b



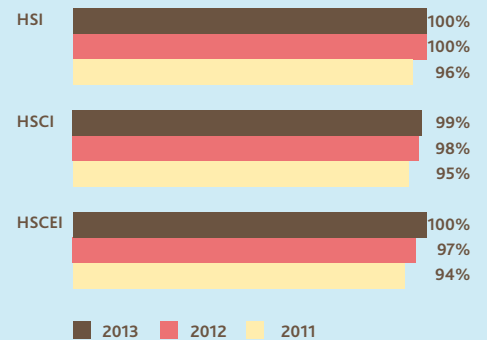
Q Are the majority of members INEDs? (A.5.1 of the Code)
提名委員會內是否大部分成員為獨立非執行董事? (《守則》A.5.1)

Fig 11c



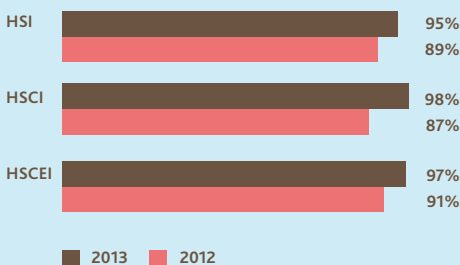
Q Are all the members INEDs?
提名委員會內是否均為獨立非執行董事?

Fig 12



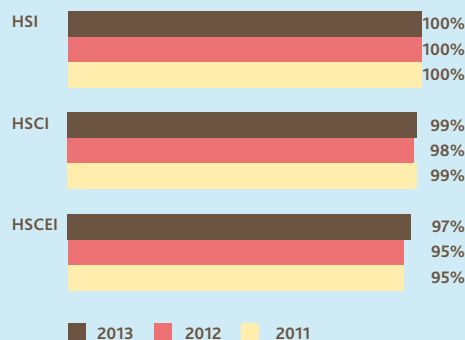
Q Is the nomination committee's work described? (A.5.2&3 of the Code & Appendix 14 L(d)(ii) of the LR)
有否說明提名委員會的工作? (《守則》A.5.2及3, 《上市規則》附錄十四L(d)(ii))

Fig 13



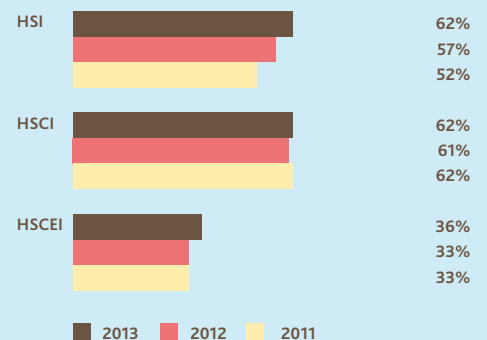
Q Is the nomination committee chaired by an INED or the chairman of the board? (A.5.1 of the Code)
公司提名委員會主席是否由獨立非執行董事或董事會主席出任? (《守則》A.5.1)

Fig 14a



Q Does the audit committee have at least three members, and are most of them INEDs? (Chapter 3.21 of the LR)
審核委員會是否擁有至少三名成員, 且其中獨立非執行董事是否佔大多數? (《上市規則》3.21章)

Fig 14b



Q Are all the members INEDs?
審核委員會內是否均為獨立非執行董事?

Composition of audit committees

Almost every company satisfied the requirement to have at least three INEDs serving on their audit committee. Although the members of all indices made positive strides of 5%, 1%, and 3% towards an all-INED committee (Fig 14b), around 38% still did not have a complete independent presence on their audit committees. Companies need to reassess the composition of their audit committee if they are to become better models of governance.

Aside from the focus on the composition of the board and its committees, there was also growing emphasis on clarifying the board's assignment of responsibilities to committees. Hong Kong companies remained inconsistent about their disclosures of the terms of reference for their audit, remuneration and nomination committees. HSI and HSCI companies made incremental improvements of 7% and 2% respectively over the previous year's rate, while the record of HSCEI companies declined by 7% (Fig 15). Most companies that did comply indicated in their annual reports and on their websites that such terms of reference existed, but they did not state whether these were available for inspection.

The question of independence

The board is responsible for determining whether or not a director is independent. Although every company this year provided at least some indication of their definition of "independent", those in all the indices made only minor progress compared to the previous year in terms of the quality of their disclosure about the consideration they had given to the independence of their directors. Most offered a basic disclosure, noting they had assessed their directors' independence; yet few stated the criteria they applied during the process, and any compromised circumstances it had uncovered.

Although somewhat fewer than in previous years, the number of companies that combined the roles of chairman and chief executive continued to make it one of the top five reasons for non-compliance this year. This year, 50 out of the 145 companies who did not fully comply had vested the roles of chairman and chief executive in the same person, or in two related family members. It was encouraging to see decreases of 9%, 4% and 7% this year in the respective numbers of HSI, HSCI and HSCEI companies that had individuals with dual roles (Fig 16). Most explained this by saying they found the segregation of the roles of chairman and chief executive unnecessary, as the combined roles simply suited their business model, or else that the chief executive was the best-qualified person to act as the chairman, and to provide the board with the best leadership in prevailing circumstances. Others disclosed that the main reason was retirements. In several instances, the roles of chairman and chief executive were not combined, but the chairman held executive authority and was actively running the business. While this was technically not a breach of compliance, it suggested that the chairman was the chief executive in all but the name. Without the division of responsibilities at the head of the company between the running of the board and the running of the business, there is little assurance that the board is adequately fulfilling its duty to oversee the company's management.

As for the presence of several family members on the board, the rate in all indices except the HSCEI remained high, with 34%, 31% and 0% of HSI, HSCI and HSCEI companies respectively having several family members on the board (Fig 17). The number of members with close ties to each other can affect perceptions about the independence of a company's board. Companies that feel they cannot avoid such a situation should perhaps make extra efforts to increase the presence of INEDs on their board.

審核委員會的組成

檢討報告發現，幾乎所有公司都符合審核委員會至少由三名獨立非執行董事組成的要求。在恒生指數成分股公司、恒生綜合指數成分股公司及恒生中國企業指數成分股公司中，全由獨立非執行董事組成委員會的公司分別增加5%、1%及3% (Fig 14b)，但約38%的公司尚未設立完全獨立的審核委員會。希望公司能重新評估委員會的架構，以樹立更佳的企業管治典範。

除董事會及轄下委員會的組成備受關注外，釐清董事會對委員會的責任分配也愈來愈受重視。在審核委員會、薪酬委員會和提名委員會的職權範圍披露方面，香港公司仍然表現參差。恒生指數成分股公司和恒生綜合指數成分股公司的合規率分別較去年上升7%和2%，而恒生中國企業指數成分股公司則錄得7%下跌 (Fig 15)。大部分合規的公司均在年報及網站中表示設有相關職權範圍，但並無說明有關資料是否可供查閱。

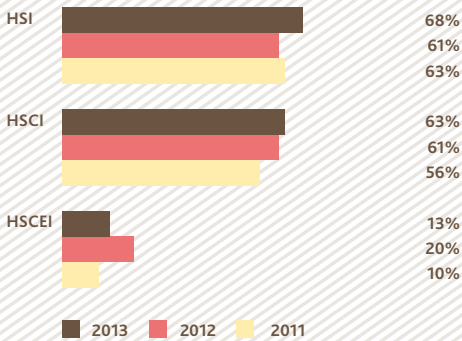
獨立性定義

董事會有責任釐定董事的獨立性。今年所有公司均就其「獨立性」的定義作出說明，但三大指數公司的披露質素改變甚微。大部分公司僅作出基本披露，只表明已評估董事的獨立性，但當中甚少闡述評估過程採納的標準，以及發生重大事情時對董事獨立性有何影響。

雖然由同一人士兼任主席及行政總裁的公司較往年少，但這項議題仍然是今年五大不合規原因之一。今年，在145家未全面合規的公司中，有50家委任同一人士或兩名有親屬關係的人士分別擔任主席和行政總裁職位。而今年，由同一人士兼任兩職的恒生指數成分股公司、恒生綜合指數成分股公司和恒生中國企業指數成分股公司分別減少9%、4%和7%，情況令人鼓舞 (Fig 16)。大部分主席及行政總裁由同一人士兼任的公司表示，不必將主席和行政總裁兩個職位分開，一人身兼兩職完全切合公司的營運模式，又或是行政總裁為主席的最佳人選，在多數情況下都是可以有效領導董事會。而其他公司披露主要原因是由於退休問題。在一些個案中，雖然主席和行政總裁並非由同一人兼任，但主席具有行政權力，並積極營運業務。這在技術上並非違規，但卻表示主席在職銜以外方面均與行政總裁無異。如果公司沒有對運作董事會的主管及運作業務的主管作職權分立，則難以保證董事會充分履行監督公司管理層的職責。

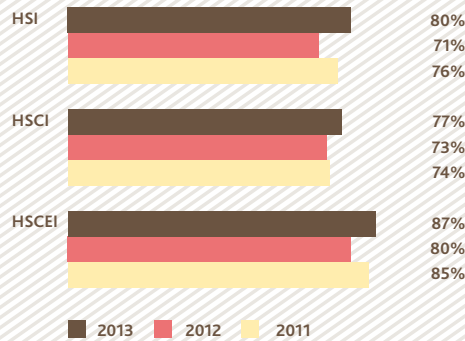
至於多名家族成員擔任董事會成員的情況，除恒生中國企業指數外，其他指數的成分股公司的不合規比率仍然高企，恒生指數、恒生綜合指數及恒生中國企業指數分別有34%、31%及0%的公司有多名家族成員擔任董事會成員 (Fig 17)。董事會有多名親屬成員會影響公司董事會獨立性的觀感。公司如認為這種情況不可避免，便應加倍努力，增加董事會當中獨立非執行董事的比例。

Fig 15



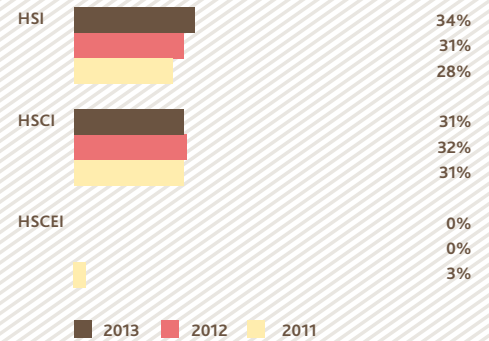
Q Are terms of reference for audit, remuneration and nomination committees (if they exist) available for inspection? (A.5.2, B.1.2 & C.3.3 of the Code)
審核委員會、薪酬委員會及提名委員會（如設立）有否公開其職權範圍以備查閱？（《守則》A.5.2, B.1.2 及 C.3.3）

Fig 16



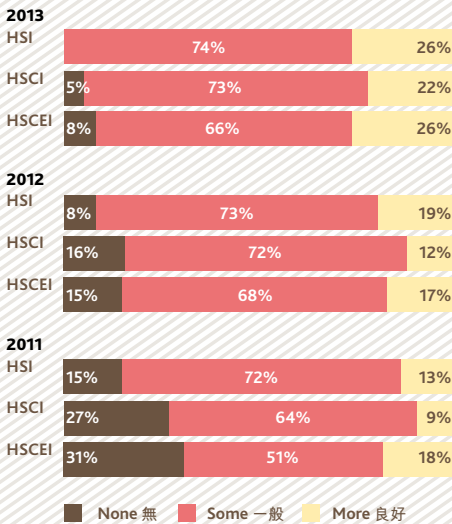
Q Are the roles of the chairman and chief executive exercised by different individuals? (A.2.1 of the Code)
主席與行政總裁是否由不同人士擔任？（《守則》A.2.1）

Fig 17



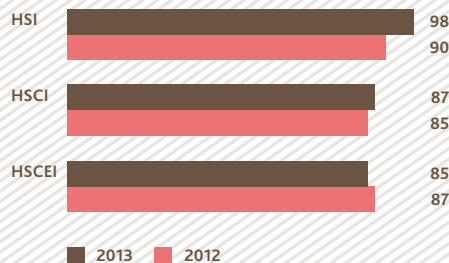
Q Are there family members on the board? (Appendix 14 I(h) of the LR)
董事會中有否家屬成員？（《上市規則》附錄十四 I(h)）

Fig 18



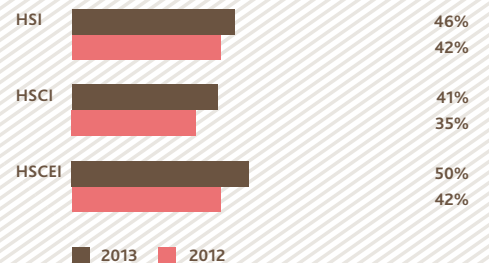
Q How well do companies disclose their nomination and appointment procedures used for admitting directors? (Appendix 14 L(d)(ii) of the LR)
有否披露有關董事會任命非執行董事的條款及條件？（《上市規則》附錄十四 L(d)(ii)）

Fig 19a



Q Is there disclosure on whether there were any directorship changes? (Listing rule 13.51)
有否披露公司任何董事人事變動信息？（《上市規則》13.51）

Fig 19b



Q If so, is there a statement of reason for such changes? (Listing rule 13.51)
如有，有否陳述變動原因？（《上市規則》13.51）

Board appointments

The nomination committee is responsible for board appointments and for ensuring that the procedure is formal and transparent, so that an appropriate balance of skills, experience, knowledge and independence is achieved. Given the recent shortage of candidates for INEDs, coupled with the adoption of the new code provision on board diversity which took effect in September 2013, the elevation of the recommendation about the establishment of a nomination committee to provision status by the Exchange suggests that it recognises the existence of an independent nomination committee is a component of effective governance. Although more companies provided some description of their nomination committee's work, 5% and 8% of HSI and HSCEI companies still chose not to disclose the nomination and appointment procedures they use for admitting directors (Fig 18). However, the increases in the percentages of companies that did choose to explain in their annual reports – from 92%, 84%, and 85% to 100%, 95%, and 92% among HSI, HSCI, and HSCEI companies respectively – show an improvement in the quality of disclosure since the previous year. The most informative disclosures included clear objectives and a transparent description of the process for assessing the expertise of candidates and succession planning. Some companies also commented on the requirements for roles to be filled and the methods used to identify the best nominees. Those that provided only basic information often disclosed only a brief comment on appointments, with no disclosures about desirable candidates, board composition or succession planning.

As for the disclosure requirement concerning changes of directorships, there were increases of 8% and 2% in the numbers of HSI and HSCI companies that provided such information this year (Fig 19a). However, of the 193 companies that did so, only 79 provided informative disclosures. Companies need to do more than merely state changes of directors, as stakeholders deserve to know why these took place, and whether they involved unusual issues relating to misconduct, fraud or other designated activities.

Evaluation

Evaluations of the board, its committees and individual directors remained a recommended best practice following recent Code revisions concerning directorships. Although there were slight increases in the numbers of companies that chose to disclose the evaluation process this year – from 30%, 23% and 62% to 40%, 34% and 69% of HSI, HSCI, and HSCEI companies respectively (Fig 20) – evaluation disclosures remained relatively poor, with 66% of companies not submitting themselves to independent evaluations of their board's performance. Most companies have a long way to go to provide meaningful disclosures in this area. Perhaps this indicates they still have reservations about discussing the outcomes of evaluations and future action plans.

Those companies that chose to describe the evaluation procedure might consider involving an independent facilitator in it. This would add value and quality to their reporting. The best companies were those that described the process for evaluating their board's performance in their annual reports in the forms of customised questionnaires, interviews and evaluation criteria linked to financial and operational performance, as well as the objectives set for the board and committees for the coming year, rather than past decisions. The degree of disclosure concerning board evaluation confirmed that this common international practice has not yet gained significant ground in Hong Kong companies.

董事會的委任

提名委員會負責董事會的委任，並確保採用正式而透明的程序，務求在職能、經驗、知識及獨立性之間取得均衡。由於最近獨立非執行董事人選出現短缺，而關於董事會多元化的新守則規定已於2013年9月生效，交易所將設立提名委員會的建議升格為規定條文，顯示交易所意識到獨立提名委員會是有效管治的元素。雖然有更多公司闡述了提名委員會的工作，但5%的恒生綜合指數成分股公司及8%的恒生中國企業指數成分股公司選擇不披露委任董事所採用的提名及委任程序 (Fig 18)。雖然如此，選擇在年報闡述的公司比例卻有所上升——恒生指數成分股公司、恒生綜合指數成分股公司及恒生中國企業指數成分股公司分別從92%、84%及85%升至100%、95%及92%——顯示披露質素較去年好。披露最詳盡的公司包括闡述明確目標，對候選人專業技能的評估程序及繼任計劃，作出具透明度的描述。部分公司亦有闡明職位要求及選出最佳候選人的方法。僅提供基本資料的公司一般只對委任情況作簡短評論，而沒有披露合適候選人、董事會的組成或承傳計劃的內容。

至於董事人事變動的披露規定方面，今年提供有關資料的恒生指數成分股公司及恒生綜合指數成分股公司的數目分別增加8%和2% (Fig 19a)，但在193家披露董事人事變動的公司的公司中，只有79家作出詳盡披露。公司單是說明董事人事變動並不足夠，企業有關人士有權了解變動的原因，以及變動是否涉及不當行為、欺詐及其他特定行為有關的不尋常事件。

評核

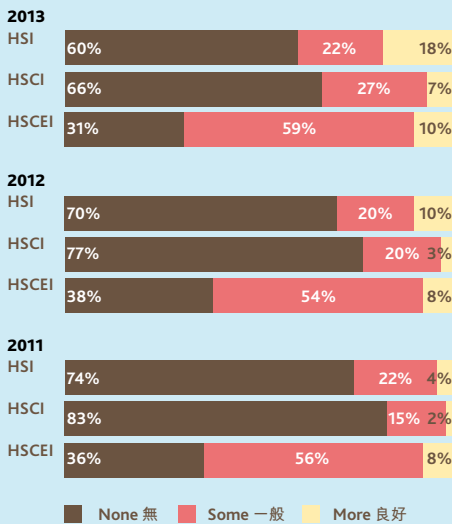
《守則》中有關董事資格的部分最近經修訂後，對董事會、委員會和個別董事進行評核仍然屬於建議最佳常規。雖然今年選擇披露評核程序的公司數目稍增——恒生指數成分股公司、恒生綜合指數成分股公司及恒生中國企業指數成分股公司分別從30%、23%及62%增加至40%、34%及69% (Fig 20)——但關於評核的披露仍相對不足，66%的公司並無對董事會的表现進行獨立評核。大部分公司距離實質披露依然相去甚遠，或許這表示公司對討論評核結果和未來執行計劃仍然有所保留。

其實，選擇闡述評核程序的公司可考慮讓獨立人士參與其中，這有助提升報告的價值和質素。表現最佳的公司年報中說明評估董事會表現的流程，採用專門的問卷調查、訪問、與財務及營運表現相關的評估準則，以及為董事會及委員會訂立來年目標，而非複述過往決策。從有關董事會評核的披露程度可見，這項國際常規仍未得到香港企業重視。

Evaluation disclosures remained relatively poor, with **66%** of companies not submitting themselves to independent evaluations of their board's performance.

關於評核的披露仍相對不足，**66%**的公司並無對董事會的表现進行獨立評核。

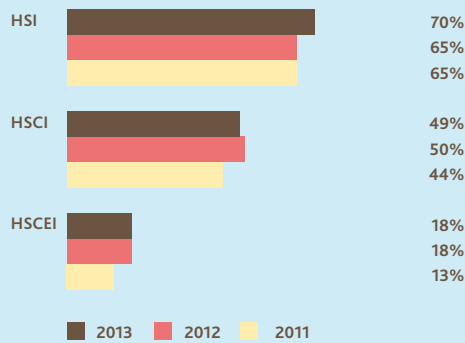
Fig 20



Q How well do companies disclose the manner in which performance of its board and committees are formally evaluated every year?

對於評核董事會及其屬下委員會的年度表現，公司在披露上表現如何？

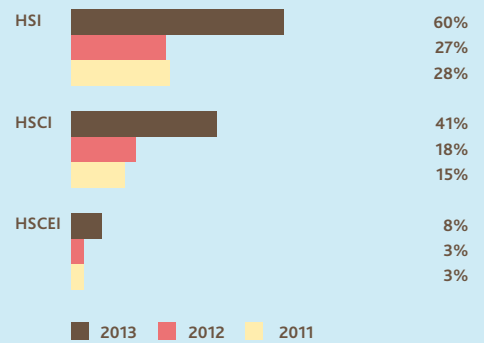
Fig 21



Q Is there a specific statement made to the board's responsibility to conduct an annual review of the adequacy of staff qualifications and experience of the accounting and financial reporting function, with a view to ensuring an effective internal control system? (C.2.2 of the Code)

有否明確陳述如何就董事會的職能，每年檢討財務申報人員是否具備相關資格和經驗，以確保內部監控系統有效？（《守則》C.2.2）

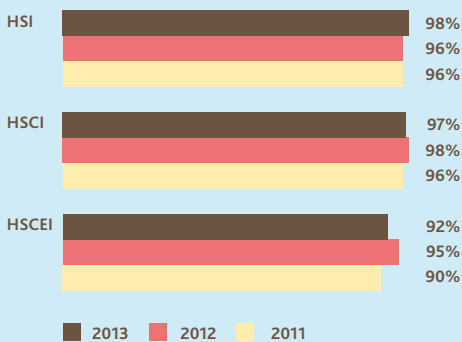
Fig 22



Q Is there disclosure that the board receives monthly updates on company performance and current financial position? (C.1.2 of the Code)

有否披露公司每月向董事會提供公司的表現和最新財務狀況？（《守則》C.1.2）

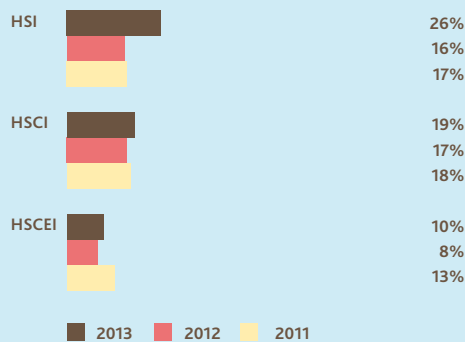
Fig 23a



Q Are the majority of remuneration committee members INEDs? (Listing rules 3.25 & 3.26)

薪酬委員會的大部分成員是否為獨立非執行董事？（《上市規則》3.25及3.26）

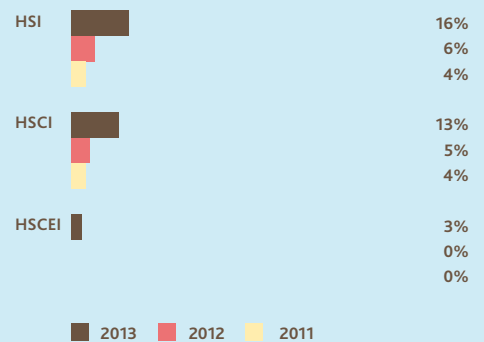
Fig 23b



Q Are all the members INEDs?

薪酬委員會內是否均為獨立非執行董事？

Fig 24



Q Is there a corporate governance committee?

公司有否設立企業管治委員會？

Information and support

There was a notable improvement in the number of companies whose managements provided directors with monthly accounts and updates about their performance and position in order to help the board carry out its duties in an informed and timely manner. The compliance rates increased from 27%, 18% and 3% to 60%, 41%, and 8% for HSI, HSCI, and HSCEI companies respectively (Fig 22). This suggests that boards see the need for managements to supply them with such information in order to understand their company's performance and current position better, and thus enable them to make decisions that meet corporate objectives.

The board is responsible for performing or delegating corporate governance duties. The establishment of a corporate governance function enables directors to embed corporate governance into the heart of their organisational culture. Overall, companies have been relatively slow in establishing such a function. Only 29% and 20% of HSI and HSCI companies respectively had formed such a committee this year (Fig 25). Effective governance is sure to attract ever-greater attention with each passing year, and companies will face a growing need to address the issue, especially since it has become the subject of a provision in the latest Code revisions.

ACCOUNTABILITY

Internal controls

This year, more companies reacted positively to the importance of quality internal control and risk management. Virtually all of them saw the need for an annual assessment of the effectiveness of their internal controls. Of the 222 HSCI companies reviewed, just nine failed to conduct such a review, a significant improvement of almost 10% on the previous year's figure. Meanwhile there was a remarkable increase of 12% in the number of HSCEI companies satisfying the requirement, and all HSI companies did so (Fig 26). While most companies assessed the effectiveness of their internal controls, many offered few insights about the subject in their report. Only 78% and 80% of HSI and HSCI companies respectively referred to a review of their financial, operational and compliance controls and risk management systems, while 37% of HSCEI companies failed to comply (Fig 28). In the absence of real insights, the extent and depth of such reviews remained unclear. Most reports merely confirmed the existence of such practices. Only 28% of HSCI companies provided a real understanding of their review systems and how the board measures their effectiveness. Perhaps better guidance by the regulator could help make the depth and scope of such reviews much clearer.

More of those companies who had reviewed their internal control systems provided a conclusive statement about the subject this year. Of these, 82% and 68% of HSI and HSCI companies offered a partially conclusive statement, whereas the percentage of HSCEI companies was 3% above the previous year's figure (Fig 27). Companies should strive to adopt the recommended best practice of explaining in their annual report the effectiveness of the actions they have taken to design, implement and monitor their internal control environment.

Disclosure of control weaknesses

The number of companies who made disclosures about the actions they had taken to address issues or weaknesses identified as a result of reviews has barely changed in the past two years. In fact, this year saw a disappointing decline in the number of companies in all three groups who made such disclosures. Only 20% of HSI companies made some degree of disclosure. The figure for HSCEI companies remained unchanged at 23%, whereas 5% more HSCI companies offered at least some information about their plans to remedy the weaknesses they had identified (Fig 31). Stakeholders deserve more meaningful information about the issues companies have identified and the plans they have put in place to address them.

信息及支援

報告顯示，有更多公司的管理層每月向董事提供公司賬目，及有關公司表現及狀況的最新信息，以協助董事會及時了解情況並履行職責。恒生指數成分股公司、恒生綜合指數成分股公司和恒生中國企業指數成分股公司的合規率分別從 27%、18% 及 3% 上升至 60%、41% 及 8% (Fig 22)。這結果反映董事會認為管理層需要提供相關信息，以深入了解公司表現和目前狀況，使他們能夠作出與公司目標相符的決策。

董事會有責任履行及委託其他成員履行企業管治的職責。確立企業管治職能，讓董事將企業管治融入企業文化的核心。整體而言，公司確立這項職能的過程相對緩慢。今年分別只有 29% 和 20% 的恒生指數成分股公司和恒生綜合指數成分股公司設有監督企業管治行為的委員會 (Fig 25)。可以預期，有效的企業管治將逐漸受到關注，尤其是當這個範疇已成為最新修訂《守則》規定的重點，公司將更迫切需要處理這個問題。

問責

內部監控

今年有更多公司重視高質素的內部監控及風險管理。幾乎所有公司都認為有必要對內部監控的成效進行年度評估。在 222 家接受評核的恒生綜合指數成分股公司中，只有 9 家未進行相關評估，相對往年，表現有顯著改善，幅度近 10%。同時，符合規定的恒生中國企業指數成分股公司大增 12%，恒生指數成分股公司則全部符合規定 (Fig 26)。雖然大部分公司評估了內部監控的成效，但當中許多並未在報告中深入闡述，當中分別只有 78% 的恒生指數成分股公司和 80% 的恒生綜合指數成分股公司提及在財務、營運和合規監控及風險管理系統方面檢討，有 37% 的恒生中國企業指數成分股公司則未合規 (Fig 28)。在缺少真正深入闡述的情況下，有關檢討的範圍和深度依然模糊。大部分報告只表明相關做法確實存在，只有 28% 的恒生綜合指數成分股公司表示真正明白公司的檢討制度及董事會如何衡量其有效性。或許當監管機構提供更全面的指引後，有關檢討的深度和範圍會更加清晰。

研究顯示，有更多公司今年檢討內部監控制度並作出總結。其中，82% 的恒生指數成分股公司及 68% 的恒生綜合指數成分股公司作出部分總結，而恒生中國企業指數成分股公司的合規比例則較去年數字上升 3% (Fig 27)。公司宜盡量採納建議最佳常規，在年報中闡述構思、實行及監察內部監控環境的成效。

監控不足的披露

此外，檢討結果發現，披露針對檢討所發現不足之處而採取措施的公司，其數目在過去兩年幾乎沒有變化。實際上，今年作出相關披露的三大指數公司略有減少。只有 20% 的恒生指數成分股公司作出一定程度的披露。恒生中國企業指數成分股公司的數字則維持在 23%，而表示已就不足之處補救計劃提供資料的恒生綜合指數成分股公司則增加 5% (Fig 31)。其實企業有關人士有權獲取更多有意義的信息，以了解公司問題所在及採取相應的措施。

Fig 25

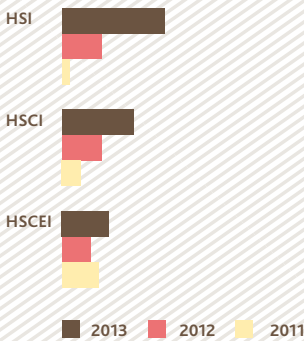


Fig 26

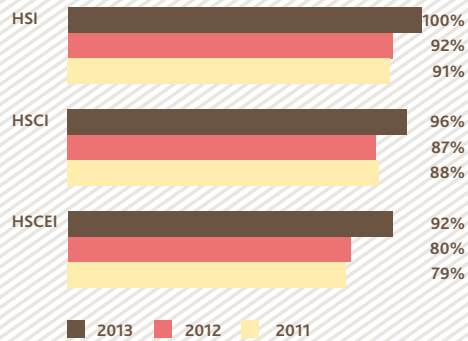
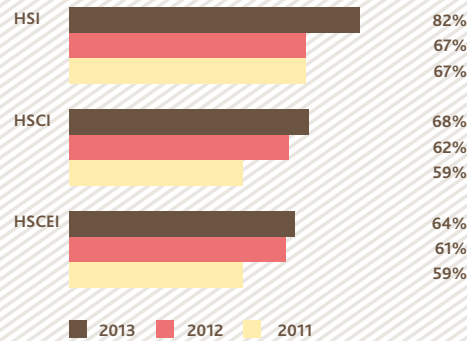


Fig 27



Q If no, is there an alternate committee responsible for overseeing corporate governance practices, compliance with laws and regulations, etc?
 如沒有，公司有沒有其他委員會負責監督企業管治工作，及法規和條例合規情況等？

Q Is there a statement that a review of the effectiveness of the group's internal controls has been undertaken at least annually? (C.2.1 of the Code & Appendix 14 S(a) of the LR)
 是否有說明要求最少每年檢討一次集團內部監控的有效性？(《守則》C.2.1 及《上市規則》附錄十四 S(a))

Q If yes, is there a concluding statement about the effectiveness and adequacy of the company's internal control systems? (Appendix 14 S(a)(vi) of the LR)
 如有，是否有任何有關公司的內部監控系統的有效性及其適當性的總結陳述？(《上市規則》附錄十四 S(a)(vi))

Fig 28

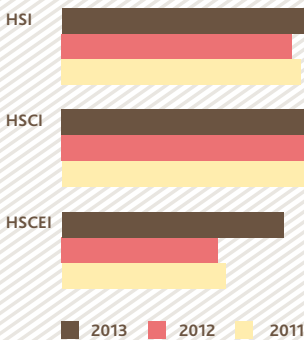


Fig 29

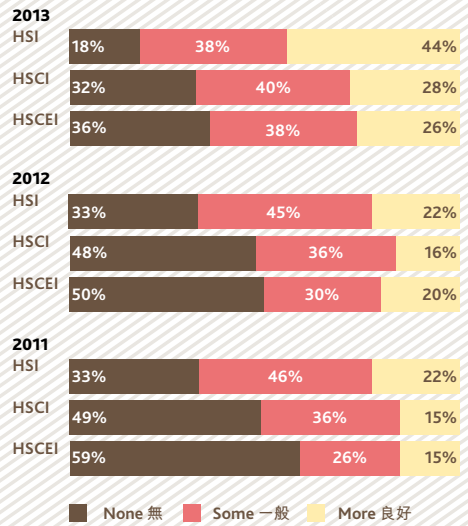
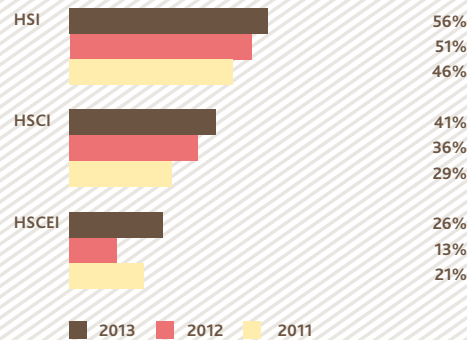


Fig 30



Q If a review of the effectiveness of the group's internal controls has been performed, is there a statement that the review covers all material controls including financial, operational and compliance controls, and risk management systems? (C.2.1 of the Code & Appendix 14 S(a) of the LR)
 檢討集團內部監控的有效性時，是否有說明有關檢討涵蓋所有重要監控方面，包括財務、運作及合規監控系統，以及風險管理系統？(《守則》C.2.1 及《上市規則》附錄十四 S(a))

Q Is there a disclosure of the process the board and committees applied when they reviewed the effectiveness of the internal control system? (C.2.4.(d)&(e) of the Code)
 董事會及委員會有否披露用以檢討內部監控系統的有效性所採取的程序？(《守則》C.2.4(d) 及 (e))

Q Are there disclosures about the procedures and internal controls for the handling and dissemination of price sensitive information? (Appendix 14 S(a)(ii) of the LR)
 有否披露任何關於處理及散播股價敏感資料的程序及內部監控措施？(《上市規則》附錄十四 S(a)(ii))

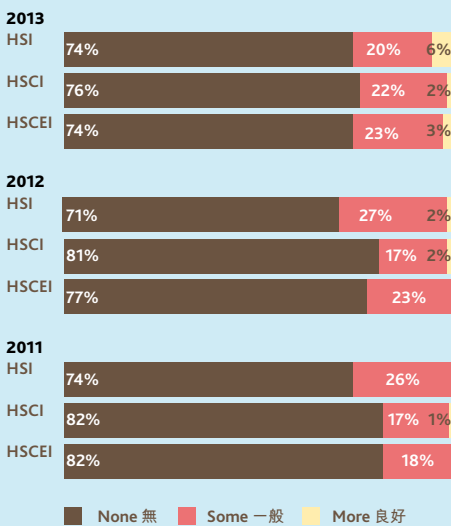
Risk management

With the increasing focus on risk management and stakeholders seeking greater transparency, there needs to be an emphasis on actual risk management practices and the role of internal controls in mitigating risks. While 33% of HSCI companies still had much work to do in terms of disclosing the processes they implemented to identify, evaluate and manage risks, companies that described their risk management processes often struggled to explain them and merely reported a list of risks that were identified and mitigated (Fig 32). More positively, others refined their disclosures with descriptions of their processes covering the risk management system, its roles and responsibilities, their assessment methodology and their system for monitoring and reporting the mitigation of risks. It was encouraging this year to see that more companies had established separate risk committees, rather than addressing risks via the audit committee and board, even though the existence of a risk committee does not absolve the board from its responsibilities for risk and ultimate decision making.

風險管理

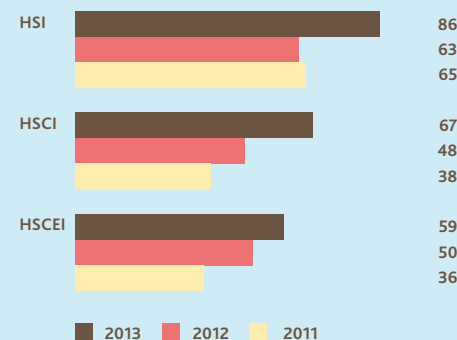
隨著風險管理愈來愈受關注，相關人士對透明度要求更高，風險管理及內部監控對減低風險的作用需要加強。在披露有關檢定、評估及管理風險程序方面，33%的恒生綜合指數成分股公司仍需努力 (Fig 32)。這些公司在說明風險管理過程時往往欠缺闡述，只在報告中列出現存及已減輕的風險。其他公司則較為積極，對風險管理的系統、角色和責任、評估方法和緩減風險的監控及報告制度均作出披露說明。今年令人鼓舞的是，儘管風險管理委員會的存在並沒卸除董事會對風險及最終決策所承擔的責任，但更多公司已成立獨立風險管理委員會，而非透過審核委員會及董事會處理風險。

Fig 31



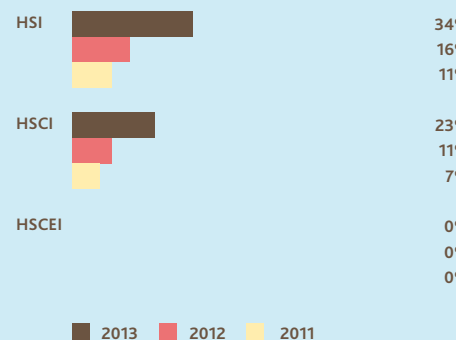
Q Does the company disclose whether any necessary actions have been or are being taken to remedy any significant failings or weaknesses? (Appendix 14 S(a)(ix) of the LR)
 公司是否披露為補救任何重大失誤或不足之處而已經或正在採取的必要措施？(《上市規則》附錄十四 S(a)(ix))

Fig 32



Q Is there a statement of the process applied for identifying, evaluating and managing the significant risks faced by the company? (C.2.3(a) of the Code)
 有否說明公司用於辨認缺失、評估和管理重大風險的程序？(《守則》C.2.3(a))

Fig 33



Q Do companies have a whistleblowing policy in place? (C.3.8 of the Code)
 公司是否設有舉報政策？(《守則》C.3.8)

Audit committee

Virtually, all audit committees had a majority of INEDs. That reflects the fact that the benefits of having an audit committee are well understood by Hong Kong companies. Every company has consistently described the work of its committee during the past five years. To strengthen the significant role of audit committees further, companies are gradually adopting the recommended best practice of establishing a whistle-blower programme. It was interesting to note that an increasing number of Hong Kong companies have implemented such a programme. This year, 34% and 23% of HSI and HSCI companies respectively, increases of 18% and 12% over the previous year, had done so in order to enhance their corporate governance function (Fig 33).

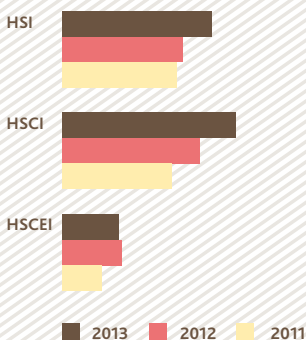
The audit committee is responsible for appointing the external auditor and verifying whether the auditor's independence and objectivity comply with applicable standards, and whether any additional work the auditor performs might impair its objectivity and independence. The number of companies whose auditor performed additional non-audit-related work and who disclosed the process increased by 8% and 10% among HSI and HSCI companies respectively (Fig 34). Increasing scrutiny of the provision of non-audit services by external auditors leads us to expect to see more details about how this concern is being addressed.

審核委員會

檢討報告顯示，幾乎所有審核委員會都由獨立非執行董事取得大多數席位，反映香港公司深切明白審核委員會的好處。在過去五年，所有公司均闡述其委員會的工作，為進一步加強審核委員會的重要角色，公司已逐步採納建議最佳常規，以訂立舉報制度。有趣的是，愈來愈多香港公司訂立了相關制度，今年有34%的恒生指數成分股公司和23%的恒生綜合指數成分股公司訂立了相關制度，以提升企業管治水平，分別較去年增加18%及12% (Fig 33)。

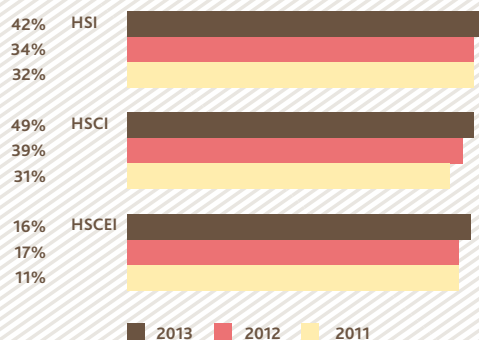
審核委員會負責委任外聘核數師，核實核數師的獨立性及客觀性是否符合標準，以及核數師負責其他工作會否減低其客觀性及獨立性。恒生指數成分股公司及恒生綜合指數成分股公司當中，聘用核數師同時進行非核數工作並披露有關程序的公司，分別增加8%及10% (Fig 34)。隨著外聘核數師所提供的非核數服務漸受關注，我們期待在公司的披露中看到更多處理方法的細節。

Fig 34



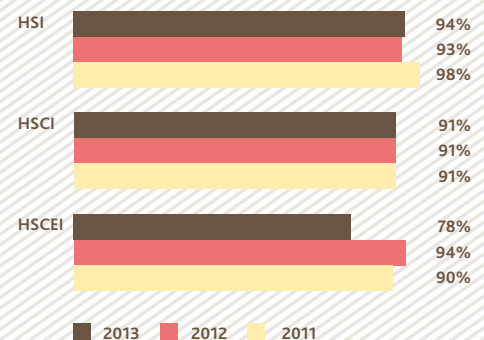
Q If the external auditor provides nonaudit services, do companies disclose how the external auditor's objectivity and independence are ensured? (C.3.3 of the Code & Appendix 14 M of the LR)
若外聘核數師提供非核數服務，公司有否披露如何確保外聘核數師獨立客觀？(《守則》C.3.3，《上市規則》附錄十四M)

Fig 35



Q Do they have an internal audit function or equivalent? (C.2.5 of the Code)
公司是否設有內部核數功能或同等功能？(《守則》C.2.5)

Fig 36



Q Does the audit committee monitor and review the effectiveness of internal audit activities? (C.3.3 of the Code)
審核委員會是否監察及檢討內部核數功能的有效性？(《守則》C.3.3)

Internal audit

The internal audit function is playing an increasingly important role, with almost every company either using its in-house internal audit department or a co-sourced or outsourced arrangement. All HSI companies have now implemented an internal audit function, while 98% and 97% of HSCI and HSCEI companies are compliant (**Fig 35**). The four companies who lacked an internal audit group cited limited resources and/or lack of complexity and the proximity of senior management to their operations as a reason, but added that they would review the need for such a function in the coming year. It was surprising that a small minority still did not recognise the role of an audit committee in monitoring and reviewing the effectiveness of their internal audit activities.

REMUNERATION COMMITTEE

This year we saw commendable increases in the numbers of HSI, HSCI and HSCEI companies – to 91%, 86% and 75% respectively – who confirmed that a significant portion of the remuneration of their executive directors was linked to corporate and individual performance (**Fig 38**). Even so, there was a lack of quality and clarity about the linkage; as well as minimal disclosure and transparency about the procedures for developing policies on executive and non-executive remuneration, and for determining the remuneration packages of individual directors. Moreover, the sensitivity surrounding executive and non-executive rewards is attracting increasing attention to the role of remuneration committees. This year, the number of companies whose NEDs' remuneration was determined by the board remained low and static. Remuneration remained a sensitive area. The public will continue to keep an eye on companies that do not have a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration package of each director.

內部核數

內部核數的角色漸趨重要，幾乎每家公司都設有內部核數部門，或採用合聘或外聘安排。恒生指數成分股公司現在均設有內部核數部門，而恒生綜合指數成分股公司及恒生中國企業指數成分股公司的合規率則為98%及97% (**Fig 35**)。而四家公司對未設有內部核數部門亦有作出解釋，表示公司資源有限及/或在日常運作中，高級管理層未能及時進行內部核數，但他們表示會在來年檢討是否需要設定有關部門。出乎意料的是，少數公司仍未認同審核委員會對監察及檢討企業內部核數工作成效的重要性。

薪酬委員會

今年，在恒生指數成分股公司、恒生綜合指數成分股公司及恒生中國企業指數成分股公司中，確認執行董事的大部分薪酬與公司及個人的表現掛鈎的公司取得可觀增長，分別增加至91%、86%及75% (**Fig 38**)。雖然如此，董事薪酬與個人表現掛鈎的披露質素及清晰度仍然不足；而且在制定執行董事及非執行董事薪酬的政策，及釐定董事薪酬的程序方面，公司甚少作出披露且透明度極低。此外，執行董事及非執行董事的酬謝獎勵變得敏感，讓人愈來愈關注薪酬委員會的角色。今年，由董事會釐定非執行董事薪酬的公司依然較少且變化不大。對公司來說，薪酬仍然是一個敏感話題。對於缺乏正式而透明的程序，以制訂執行董事薪酬政策及制訂董事薪酬的公司，公眾將繼續密切注視。

Fig 37

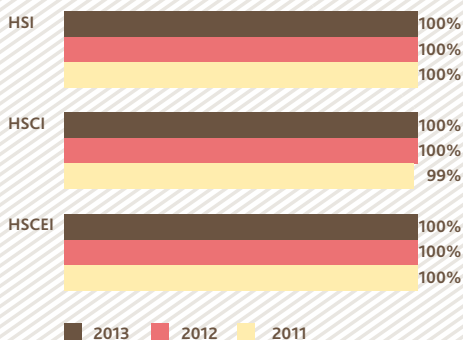


Fig 38

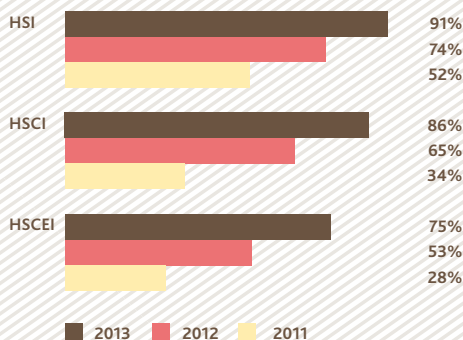
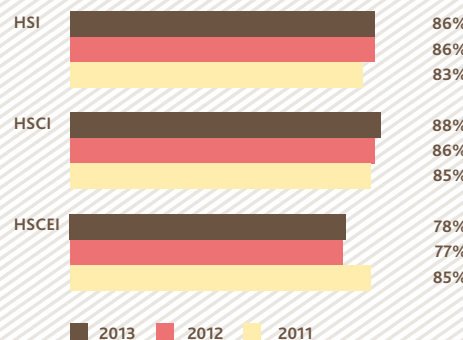


Fig 39



Q Are the role and functions of the remuneration committee (if established) disclosed? (B.1.3 of the Code)
有否披露薪酬委員會（如設立）的角色及職能？（《守則》B.1.3）

Q If information is provided on performance related elements, is it mentioned whether a significant proportion of executive directors' remuneration is structured in a way that links rewards to corporate and individual performances? (B.1.7 of the Code)
如有與表現相關的薪酬制度，執行董事的大部分薪酬是否與公司及個人表現掛鈎？（《守則》B.1.7）

Q Does the board (or shareholders where required) decide the remuneration paid to NEDs? (B.1.2(d) of the Code & Listing rule 13.68)
董事會（或股東（如要求））有否設定非執行董事的薪酬？（《守則》B.1.2(d) 及《上市規則》13.68）

SHAREHOLDER RELATIONS

Dialogues between boards and shareholders are essential for good corporate governance. As a growing number of shareholders seek information about their governance, companies appeared to be providing better disclosures concerning their interactions with shareholders and paying more attention to their relationships with them. The Exchange emphasised the importance of the active engagement of shareholders in the latest Code revisions by requiring companies to review their shareholder communication policy on a regular basis. This year, more companies had established a formal communication policy. However, there were only small increases, from 20% and 16% to 22% and 18%, among the HSI and HSCI companies that had carried out reviews of this policy (Fig 40).

Company disclosures about shareholder engagement continued to improve in all three indices, with 71%, 62% and 52% of HSCEI, HSCI and HSI companies respectively offering basic information about the steps their boards had taken to understand the views of their shareholders and communicate with them (Fig 41). While the overall level of disclosure had improved, there was still more room for companies to enhance the quality of their disclosures and strengthen their relationships with shareholders.

The awareness of shareholders about annual and general meetings depends partly on timely notification of these events. The number of HSI and HSCEI companies who provided advance notification to shareholders about annual and other general meetings continued to improve by 13% and 16% respectively, from 39% and 28% the previous year, whereas the figure for HSCI companies remained close to the previous year's 36%, increasing by just 4% (Fig 43). The engagement of shareholders in such meetings is crucial as a way of keeping them updated about a company's business activities and establishing a good corporate governance environment.

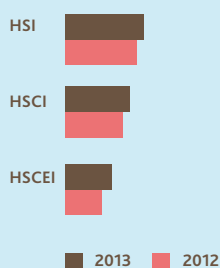
股東關係

董事會與股東之間的交流對良好的企業管治至關重要。隨著愈來愈多股東期望獲得公司管治資料，企業似乎正改善與股東溝通的披露內容，並且更加關注股東關係。交易所最新的《守則》修訂中強調股東積極參與的重要性，規定公司須定期檢討股東溝通政策。研究結果顯示，今年更多公司制訂了正式的通訊政策，然而，對此進行檢討的恒生指數成分公司及恒生綜合指數成分公司分別從20%及16%微升至22%及18% (Fig 40)。

三大指數公司當中，在股東關係的披露方面均錄得持續改善：71%的恒生中國企業指數成分公司、62%的恒生綜合指數成分公司及52%的恒生指數成分公司作出基本信息披露，說明董事會為了解股東意見及與股東溝通所採取的措施 (Fig 41)。雖然整體披露水平有所改善，但公司在提高披露質素和加強與股東的關係方面仍有改善空間。

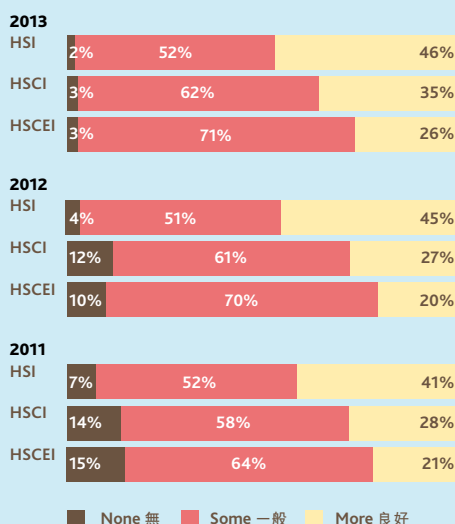
股東能否及時得悉年度及股東大會的舉行日期十分重要。提前就股東週年大會及其他股東大會向股東發出通知的恒生指數成分公司及恒生中國企業指數成分公司數目持續改善，較去年的39%及28%增長13%和16%；而恒生綜合指數成分公司則與去年的36%相若，僅微升4% (Fig 43)。股東參與這些會議，有助他們了解公司的最新業務狀況，以及建立良好的企業管治環境。

Fig 40



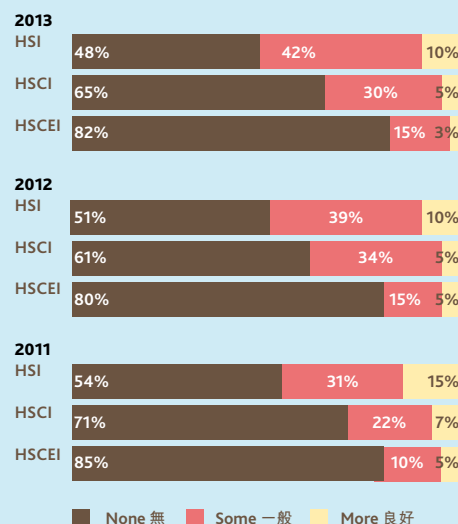
Q Is it disclosed whether the shareholders' communication policy is reviewed on a regular basis? (E.1.4 of the Code)
有否披露公司會定期檢討股東通訊政策？(《守則》E.1.4)

Fig 41



Q Is there disclosure about what steps the board took to understand the views of shareholders? (A.6.7 & E.1 of the Code)
有否披露董事會為了瞭解整體股東意見而採取的措施？(《守則》A.6.7 及 E.1)

Fig 42



Q How well is the disclosure about the methods the company uses to inform shareholders regularly about the procedures for voting by poll; and its complying with the voting by poll requirements contained in the Listing Rules and the issuer's constitutional documents? (E.2.1 of the Code)

對於定期通知股東以投票方式表決的程序，並確保符合上市規則及上市發行人的憲法文件有關以投票方式表決的規定，有關的披露表現如何？(《守則》E.2.1)

One of the most commonly reported forms of non-compliance this year was the failure of a company's chairman and committee chairmen to attend annual general meetings. The participation of the chairman in an annual general meeting represents the company's recognition of the importance of shareholder relations. It is also an opportunity for shareholders to pressure companies to become more accountable and to improve their transparency. Moreover, external auditors are now encouraged to attend annual general meetings. Our review suggests that an increasing number of external auditors were given the opportunity to do so this year. There remained a disparity between HSI and HSCEI companies on this score. The external auditors of only 13% of HSCEI companies attended their annual general meetings, compared with 60% of HSI companies, whereas HSCI companies reported a rate of 37% (Fig 44). We hope companies will note the significance of shareholder participation in such meetings, and that important representatives of companies will make concerted efforts to attend and address their shareholders' many concerns.

CORPORATE SOCIAL RESPONSIBILITY/SOCIAL ENVIRONMENTAL AND ETHICAL MATTERS

During the past year, the Exchange followed the trend set by a number of other internationally recognised bodies by issuing guidance to assist companies in adopting appropriate sustainability practices and reporting on these. It also followed the trend of introducing a guide to sustainability reporting, in the hope it will allow Hong Kong companies to address this subject efficiently and effectively.

Our analysis showed that companies in all three indices improved the quality of their adoption of the new guidance, which took effect in 2013, by enhancing the information in their disclosures about their positions on sustainability issues. In fact, 90%, 66% and 74% of HSI, HSCI and HSCEI companies respectively made such disclosures, increases of 17%, 19%, and 14% from the previous year (Fig 46). Meanwhile, reporting of the impact of their business activities on the environment, in terms of issues such as energy consumption and waste production, also improved, with 92% and 65% of HSI and HSCI companies making such disclosures, rises of 14% and 10% respectively on the previous year (Fig 47a). Overall, this year's results about corporate social responsibility (CSR) performance revealed that the adoption of the new guidance has inspired companies to achieve new goals and roll out new programmes that ultimately benefited them.

今年最常見的不合規情形之一是公司主席及委員會主席未能出席股東週年大會。主席參與股東週年大會，可體現公司認同與股東保持良好關係的重要性。股東亦可藉此推動公司加強問責，提升透明度。另外，現時新指引亦鼓勵外聘核數師參加股東週年大會。我們的檢討報告顯示，今年有機會參加股東週年大會的外聘核數師有所增加。恒生指數成分股公司與恒生中國企業指數成分股公司在這方面仍有差距。相對於60%的恒生指數成分股公司，只有13%的恒生中國企業指數成分股公司的外聘核數師參加股東週年大會，而恒生綜合指數成分股公司的比率則為37% (Fig 44)。期望公司能夠意識到股東出席這些會議的重要性，亦希望見到公司重要代表共同出席會議，並解決股東關注的問題。

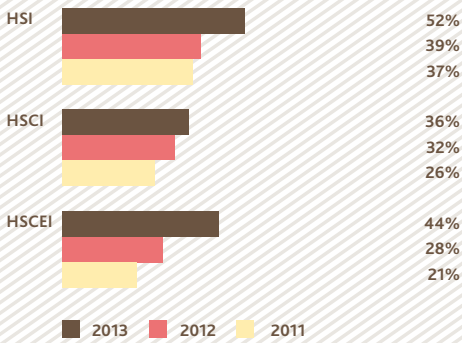
企業社會責任 / 社會環境及道德問題

去年，交易所跟隨多間國際知名機構倡導的趨勢，發佈指引以協助公司採納適當的可持續做法及作出相關報告。交易所亦因應這個趨勢，制定關於可持續報告的指引，以協助香港公司迅速和有效地應對這個問題。

本年度的分析顯示，三大指數的成分股公司在採納2013年生效的新指引方面均有改善，就公司在持續性問題上的立場加強披露。事實上，90%的恒生指數成分股公司、66%的恒生綜合指數成分股公司及74%的恒生中國企業指數成分股公司作出相關披露，較去年分別增加17%、19%及14% (Fig 46)。此外，在披露進行業務活動對環境造成影響方面（例如能源消耗和廢物產生），三項指數亦有改善，92%的恒生指數成分股公司和65%的恒生綜合指數成分股公司作出相關披露，分別較去年增加14%及10% (Fig 47a)。整體而言，本年度企業社會責任表現檢討結果顯示，採納新指引確實能推動公司實現新目標及推行新計劃，最終令公司獲益。

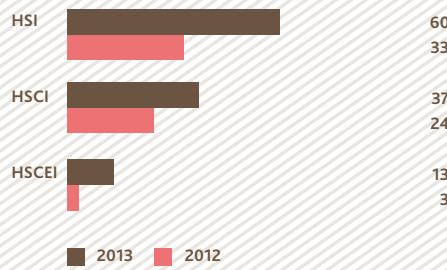


Fig 43



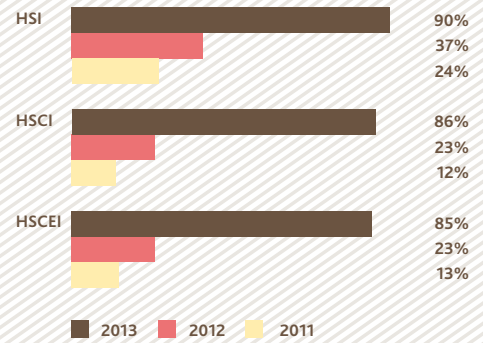
Q Is there disclosure of an advance notification period for annual general meetings and other general meetings of 20 or 10 days, whichever appropriate, given to shareholders? (E.1.3 of the Code)
 有否向股東披露股東周年大會及其他股東大會的通知期為20天或10天，以適用者為準？(《守則》E.1.3)

Fig 44



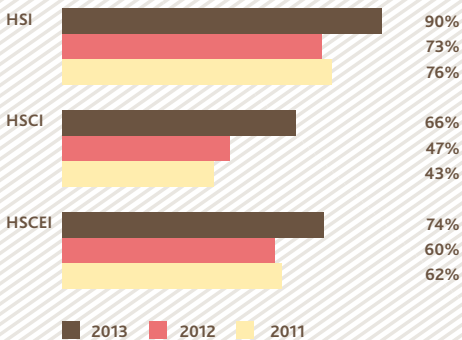
Q Is there disclosure that the external auditor has attended the annual general meeting? (E.1.2 of the Code)
 有否披露外聘核數師有沒有出席股東週年大會？(《守則》E.1.2)

Fig 45



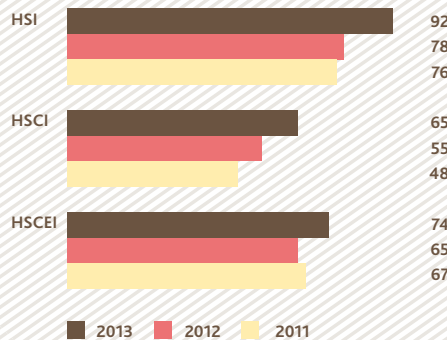
Q Are there disclosures on how shareholders can convene an extraordinary general meeting and how enquiries may be put to the board together with sufficient contact details? (Appendix 14 O of the LR)
 有否披露股東如何參加特別股東大會及如何向董事會提交查詢與聯絡方式？(《上市守則》附錄十四O)

Fig 46



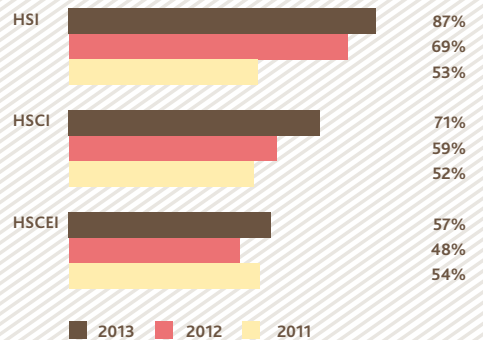
Q Do they disclose in the annual report whether they have established dedicated structures and processes to direct and monitor the company's wider social environment and ethical performance, and is this reported to the board regularly?
 公司有否披露是否設立專責部門及程序以指導及定期監管該公司廣泛的社會環境及道德表現，並在年度報告中匯報？

Fig 47a



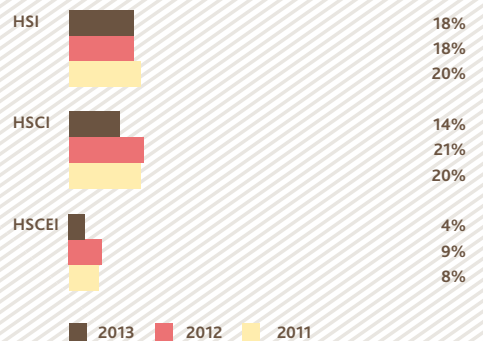
Q Are there disclosures of company policy regarding issues such as energy consumption, employment, recycling, carbon emissions, water/electricity consumption etc?
 有否披露該公司有關能源的政策，包括消耗、採用、循環利用、二氧化碳排放量、水和電消耗等各方面？

Fig 47b



Q If so, are such objectives and quantifiable results of such policies stated?
 如有，有否列出該政策目標的量化結果？

Fig 48



Q Are disclosures made verified either internally (internal audit) or externally?
 該等披露有否經過內部(內部核數)或外部核實？

ABOUT BDO

關於立信德豪

ABOUT INTERNATIONAL BDO NETWORK

Established in 1963, BDO is a world wide network of public accounting firms, called BDO Member Firms. Each BDO Member Firm is an independent legal entity in its own country. Currently, the global network has more than 1,200 offices in over 140 countries, and more than 56,000 partners and staff provide business advisory services throughout the world. BDO is the brand name for the BDO network and for each of the BDO Member Firms.

ABOUT BDO HONG KONG

BDO Limited is the Hong Kong member firm of BDO. We provide an extensive range of professional services including:

- ▶ Assurance
- ▶ Business services
- ▶ Risk advisory services
- ▶ Specialist advisory services
 - Corporate finance
 - Restructuring and insolvency
 - Litigation support and matrimonial advisory
 - Investigation and forensic accounting
- ▶ Taxation

We possess comprehensive knowledge of accounting standards, tax and investment regulations prevailing in Hong Kong, China as well as other major countries and conduct ourselves with the highest professional standards.

Since our establishment in 1981, we have committed ourselves to facilitating the growth of business by advising the people behind them. As part of the international BDO network, we combine international expertise with the region's best-available business and advisory services. By acting locally while thinking globally, we continue to provide truly customised services to local entrepreneurs and multinational corporations alike.

關於BDO國際網絡

BDO於1963年成立，是由世界各地獨立的專業會計師事務所組成的國際會計網路。每家事務所都被稱為BDO成員所，在其各自的所在地均為獨立的法定個體。現時，BDO國際網絡遍佈全球超過140個國家，透過1,200多個辦事處及超過56,000名專才，在世界各地提供財務諮詢服務。BDO是BDO網絡和各個BDO成員所的品牌名稱。

關於立信德豪

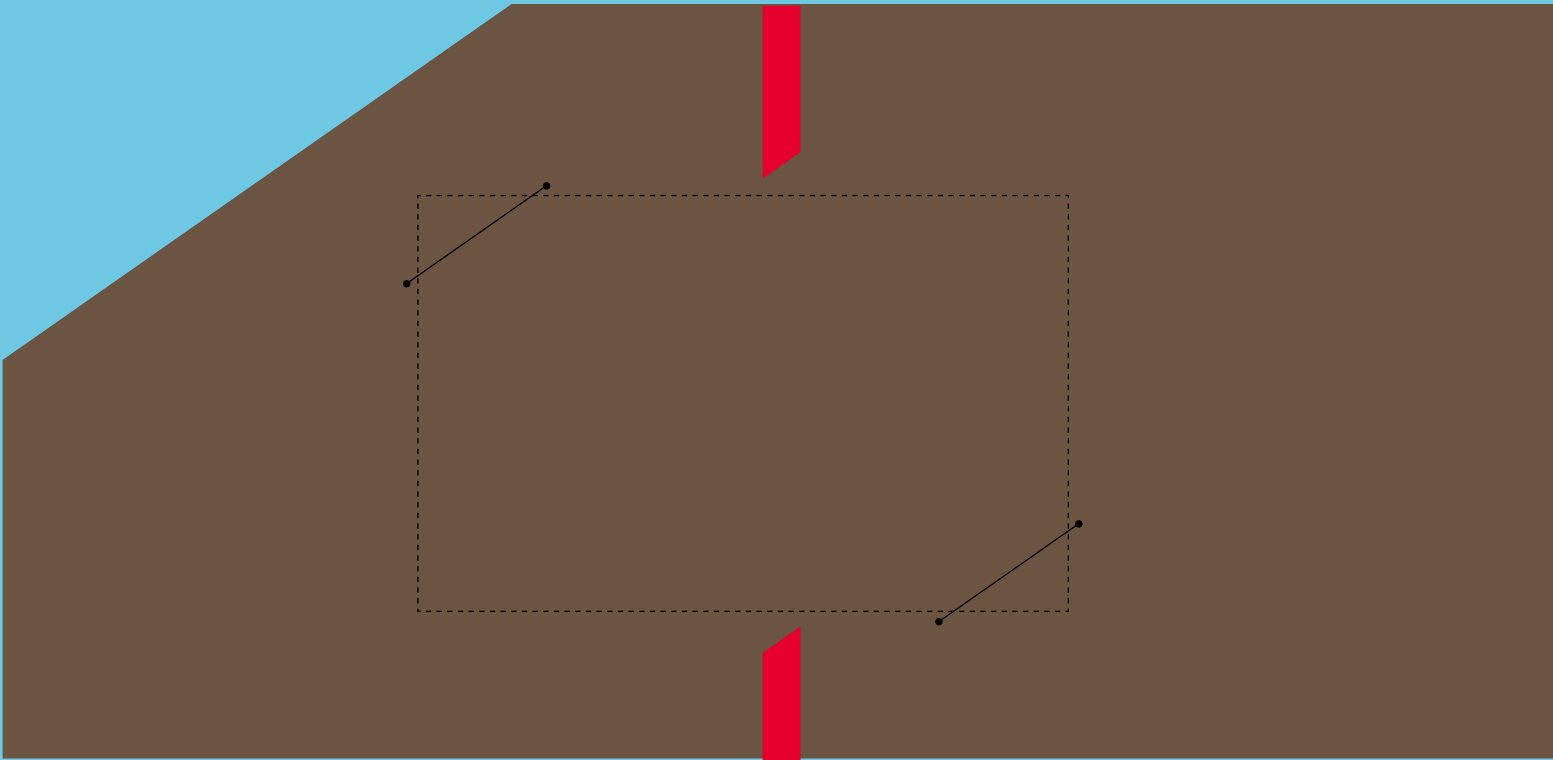
香港立信德豪會計師事務所有限公司是BDO國際在香港的成員所。我們提供的專業服務範圍廣泛，包括：

- ▶ 審計
- ▶ 商業服務
- ▶ 風險諮詢
- ▶ 專項諮詢
 - 企業融資
 - 重組及破產
 - 訴訟支援及婚姻訴訟顧問
 - 法證會計和調查
- ▶ 稅務

立信德豪的專業人員精通香港、中國大陸及其他主要國家現行的會計及審計準則、稅務及投資法規。我們每個專業服務範疇都符合最高的國際水平。

自1981年成立以來，立信德豪致力透過全面的專業服務協助企業成長。作為BDO國際網絡的一部份，我們結合本地專才和充份利用國際專業知識，為本地企業及跨國公司提供貼身的個性化服務。

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO Limited to discuss these matters in the context of your particular circumstances. BDO Limited, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.





BDO Limited
www.bdo.com.hk

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

©2014 BDO Limited