

*[Press Release]*

## **HKIoD Survey Findings Revealed Listed Companies with Wide Range of Board Sizes and Room for Gender Diversity**

(Hong Kong, 17 June 2020) - According to a survey on board characteristics organised by **The Hong Kong Institute of Directors** (“HKIoD”), major companies listed in Hong Kong showed a wide range of board sizes but had room to introduce greater gender diversity, warranting closer attention by boards and nomination committees.

The survey scrutinised information in the public domain for Financial Year 2018-2019 of Hong Kong-listed constituent stocks in the Hang Seng Index, Hang Seng China-Affiliated Corporation Index, Hang Seng China Enterprises Index and Hang Seng Hong Kong Large Cap Index. The total sample size of the survey was 135 listed firms including 1,529 director positions.

Findings of the survey indicated that board sizes of the sample of listed companies ranged from six to 29 directors, with an overall mean of 11.33 directors. In terms of industry categories, Consumer Goods had both the largest and the smallest number in board size. The Conglomerates and the Property & Construction categories each had the second-largest board size at 20. The mean board sizes ranged from nine directors in Telecommunications to 14.80 in Conglomerates. Of the 1,529 director positions, 180 were filled by women, representing 11.77%.

**Dr Christopher To, Chairman of HKIoD** commented, “There is no hard and fast rule about board size, except that boards comprise at least one-third independent non-executive directors as required of listed companies by HKEX. Board size depends on the nature of business and, in some cases, shareholder structure. Board diversity, however, is an important consideration. A board, of any type of company, should have a good composition to cover diversity in experience, skills, gender, age, education, ethnicity, board roles and any important factor that is relevant to the company’s business model.”

Women account for 21% of HKIoD members, according to **Dr Carlye Tsui, Chief Executive Officer of HKIoD**, who said, “We have observed a trend of increasing female directors in our membership and our director training programmes. Nowadays, we see board-readiness among both sexes. Board diversity, in gender as well as other factors, facilitates robust discussions from different perspectives and, ultimately, better decisions. Our Directors Of The Year Awards project also recognises excellence in board diversity. This begins with the board’s establishment of a board diversity policy and is perpetuated

through practice.” This year’s [Directors Of The Year Awards](#) project is open for nomination by the public until 31 July 2020.

The survey also revealed that the 1,529 director positions were fulfilled by 1,123 natural persons. Among them, 114 persons had multiple director roles with different companies. The average number of boards served by a director with multiple roles was 4.14.

HKEX requires a listed company appointing a new director who already has six director positions to explain why the board believes the individual would still be able to devote sufficient time to the board. Dr To commented, “Whilst there is no restriction on the number of board appointments for each person, a director should be mindful of time requirements for meetings of the board and committees, review of documents and familiarisation with the company’s business. It is a matter of personal assessment of time commitment in deciding whether to accept the honour of an appointment. On the other hand, a company making a director appointment should carefully assess the candidate’s current engagement and potential availability. Overall, the board and nomination committee must give due consideration to board composition as well as availability and time commitment of board members.”

The survey findings on board characteristics are tabulated in a [summary report](#).

### **About The Hong Kong Institute of Directors**

The Hong Kong Institute of Directors is Hong Kong’s premier body representing directors to foster the long-term success of companies through advocacy and standards-setting in corporate governance and professional development for directors. A non-profit-distributing organisation with membership consisting of directors from listed and non-listed companies, HKIoD is committed to providing directors with educational programmes and information service and establishing an influential voice in representing directors. With international perspectives and a multi-cultural environment, HKIoD conducts business in biliteracy and trilingualism.

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