

## HKIoD Announces Corporate Governance Scorecard 2020 Companies Have Improved Corporate Governance Standards

(Hong Kong, 18 May 2020) - **The Hong Kong Institute of Directors** (“HKIoD”) has today announced the results of the “2020 HKIoD Corporate Governance Scorecard”. A highlight is that the mean Corporate Governance Index (CGI) score of the 2020 Scorecard has increased to 78.44 compared with 71.82, in the most recent survey announced in 2016, indicating significant improvement in Hong Kong corporate governance standards. In line with the survey results, HKIoD recommends that companies should aim to move from minimum compliance to more actively implement best practices. Besides, HKIoD advises listed companies that greater disclosure as a self-initiative drives better corporate governance.

Since 2004, the Scorecard has been compiled by HKIoD every three to four years. The report is sponsored by the Corporate Governance Development Foundation Fund, and conducted by the Centre for Corporate Governance and Financial Policy at Hong Kong Baptist University, led by Prof Aris Stouraitis, with Prof Stephen YL Cheung, President of the Education University of Hong Kong, as advisor.

The research team has surveyed 135 firms from the constituents of four major Hong Kong stock indexes, researching company data in the public domain for the financial year 2018. As with previous surveys, the evaluation criteria were based on international standards (OECD Principles of Corporate Governance) and the Hong Kong Exchanges and Clearing Limited’s Code of Corporate Governance Practices. The firms were evaluated on five aspects: (A) Rights of Shareholders; (B) Equitable Treatment of Shareholders; (C) Role of Stakeholders; (D) Disclosure and Transparency; and (E) Board Responsibilities.

Based on the benchmarks mentioned, the top-10 firms with the highest CGI scores follow in the numerical order of the stock code:

CLP Holdings (2)	Hang Seng Bank (11)
MTR Corporation(66)	Hang Lung Properties (101)
China Everbright International (257)	HKEX (388)
Link Real Estate Investment Trust (823)	Lenovo Group (992)
COSCO Shipping Ports (1199)	Standard Chartered (2888)

**Dr Christopher To, Chairman of HKIoD**, said, “HKIoD expects to provide better access to the corporate governance standard of local listed companies through compiling and publishing the HKIoD Corporate Governance Scorecard. The results can be used to help raise awareness of companies, policy makers, investors and the public as to whether companies in Hong Kong are maintaining international standards of corporate governance. The results of this study show that while we are raising the benchmark, it is encouraging to note that corporate governance standards of listed companies in Hong Kong continue to advance. We sincerely hope that these companies will keep up the good work, especially if directors can implement excellent corporate governance in every aspect under the unprecedented challenges that Hong Kong is currently facing. We trust that directors can achieve an even more outstanding result in the next survey results through their continued efforts.”

**Professor Stephen YL Cheung, President of The Education University of Hong Kong**, said, “In this survey, we have increased the number of questions to respond to the latest changes in the corporate governance requirements and our findings show that most companies have improved their basic corporate governance standards. Importantly, when the market was down, we have found that companies with improved corporate governance standards experienced smaller declines in market valuation compared to companies with no improvement in corporate governance standards. However, while corporate governance is a dynamic process, with new best practices continuously emerging, the survey results reflect that many companies are still lagging in their implementation of the latest trends.”

**Dr Carlye Tsui, CEO of HKIoD**, said, “Investors and regulators now expect higher standards for directors, and HKIoD compiles and reports the Corporate Governance Scorecard on a regular basis to develop clear, concrete and quantifiable standards of corporate governance for firms to follow. In addition, the quality of the board of directors is closely related to corporate governance performance. Therefore, we organise over 160 courses of director training every year, with the scope covering the latest rules and regulations and strategy development, so as to keep directors abreast of market trends. We will carefully heed the findings of specific topics and recommendations in the latest Scorecard in updating relevant educational and training programmes for directors.”

### **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.

Website: <http://www.hkiod.com>

To order the full report on the Corporate Scorecard 2020: <http://www.hkiod.com/scorecard.html>

### **About Centre for Corporate Governance & Financial Policy at Hong Kong Baptist University**

The mission of this cross-disciplinary research centre is to improve the quality of public debates and policies on major corporate governance and related financial policy issues, and to promote best practice in the area. It aspires to be a centre of excellence on corporate governance studies in the region. Website: [ccgfp.hkbu.edu.hk](http://ccgfp.hkbu.edu.hk)

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