

**FOR IMMEDIATE RELEASE**

## **Hong Kong Corporate Governance Excellence Awards Accepts Nominations for 2018**

### **Admission of WVR companies and pre-revenue or pre-profit biotech plays for listing calls for renewed attention to corporate governance**

**(Hong Kong, June 19, 2018)** The Hong Kong Corporate Governance Excellence Awards 2018, jointly organized by The Chamber of Hong Kong Listed Companies (“CHKLC”) and the Centre for Corporate Governance and Financial Policy (“CCGFP”) of Hong Kong Baptist University is open for nominations starting today (June 19) till August 24, 2018.

“The Chamber is pleased to continue to organise this event to promote a strong corporate governance culture in Hong Kong. In recent days, the Stock Exchange of Hong Kong has begun to accept listing applications from innovative and high growth issuers that have Weighted Voting Rights (“WVR”) structure and biotech companies that have no revenue or profit. This development, while worth-lauding in itself, calls for renewed attention to the importance of corporate governance,” said Mr. Francis Leung, Chairman of the CHKLC.

“Company founders of WVR companies amass more voting rights than other shareholders and have bigger influence over company affairs, disproportionate to their level of shareholdings. In return, the founders need to own extra responsibility to other shareholders and demonstrate integrity to not put their own interests above that of others. And a stronger framework of corporate governance would provide the necessary safeguards, such as the empowerment of INEDs, systems of checks-and-balances, higher level of accountability, and process of communication with shareholders. All these become more essential than ever and are the only things that would ensure continued confidence of shareholders,” explained Mr. Leung

“On the other hand, the pre-revenue biotech companies carry much risk in that if the key product under research and development fails to materialize, the company’s value would evaporate very quickly. The company needs to maintain a high level of disclosure and transparency and make prompt and accurate disclosures of financial and non-financial information, allowing shareholders to be fully informed, which is another key aspect of corporate governance.”

“We hope that our Corporate Governance Awards programme would focus the market’s attention of the importance of corporate governance, at a time when Hong Kong goes through drastic changes in the types of companies available to investors, and when shareholders’ rights need to be asserted and protected.

“By giving recognition to the success of leading companies in corporate governance, our award programme showcases the benefits of solid corporate governance and encouraging companies, particularly the types mentioned above, to do the same,” concluded Mr. Leung.

The Hong Kong Corporate Governance Excellence Awards recognizes companies that exhibit a holistic approach to corporate governance and sustainability and demonstrate excellent achievements. Nominations for the Awards are open to all companies listed on the Main Board and GEM Board of the Stock Exchange of Hong Kong.

There are five award categories: Hang Seng Index Constituents Companies; Hang Seng Composite Index Constituents Companies, Hang Seng China (Hong Kong-listed)100 Index Constituents Companies, Others and GEM Board Companies, and Newly-listed Companies, being companies having been listed on the Stock Exchange of Hong Kong within three years prior to the year of nomination and have published at least two annual reports.

As part of the overall assessment in giving Corporate Governance Excellence Awards, the Judging Panel would consider giving an award on Sustainability Excellence to companies whose performance and achievements in sustainability measures achieve an excellent standard. No separate submission is required.

The panel of judges, led by Mr. Philip Tsai, Chairman of Deloitte China, will select the winners using a model of eight key corporate governance and sustainability aspects respectively, developed by the CCGFP. Special attention will be given to companies that demonstrate innovation and significant improvements in corporate governance and/or sustainability made over the last three years; efforts made to internalize and pursue the highest principles of corporate governance and/or sustainability over-and-beyond compliance with requirements; and the ability to show positive business impact of the corporate governance and/or sustainability spirit and practices.

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#### About the Chamber of Hong Kong Listed Companies

Incorporated in September 2002, CHKLC is a non-profit organization serving listed companies in Hong Kong. The Chamber strives to promote sound corporate governance, function as an effective communication channel between listed companies and regulatory authorities, strengthen the commercial linkage and foster co-operation among listed companies from Hong Kong and China and uphold Hong Kong's position as an international trade, commercial and financial centre. Since 2007, the Chamber organises the annual "Hong Kong Corporate Governance Excellence Awards" jointly with the Hong Kong Baptist University to advocate best practices of corporate governance and recognize excellence.

#### About the Centre for Corporate Governance & Financial Policy of Hong Kong Baptist University

The Centre aspires to be a "Centre of Excellence" on corporate governance in the region. It promotes quality policy and academic research on corporate governance and related financial policy issues covering Hong Kong, China and the Asia-Pacific economies, with the aim to improve the quality of corporate governance practices. Additionally, the Centre provides professional executive education activities to disseminate knowledge and advance the highest ideals of responsible business leadership. Through consultancy projects, the Centre also assists organizations to design, improve and assess their corporate governance systems and structures.

#### **Notes to Editors:**

##### **About the Hong Kong Corporate Governance Excellence Awards 2018**

The Hong Kong Corporate Governance Excellence Awards are conferred annually since 2007 by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University and are designed to promote and award excellence in corporate governance of listed companies in Hong Kong. The Awards Programme provides recognition and prestige for listed companies in achieving outstanding commitments to shareholder rights, compliance, integrity, fairness, responsibility, accountability, transparency, board independence and leadership, and corporate social responsibility.

From 2017, there are five award categories, namely the Hang Seng Index Constituent Companies; Hang Seng Composite Index Constituent Companies, Hang Seng China (Hong Kong-listed) 100 Index, Others and GEM Board Companies, and Newly listed Companies (those listed on the Stock Exchange of Hong Kong within three years prior to the year of nomination).

The Awards Programme is supported by the Financial Services and the Treasury Bureau, Securities and Futures Commission, Hong Kong Exchanges and Clearing Limited, HKICPA, the Hong Kong Chinese Enterprises Association, and the Hong Kong Investment Funds Association. Hong Kong Economic Times is Sole Chinese Newspaper Sponsor of the event; Metro Finance is Exclusive Radio Partner; QuamIR, irasia.com and Wisdom IR are Online Media Partners; and PR Newswire as Regional News Release Distribution Partner.