



Assignment/News/Business Assignment Editor
(For Immediate Release)

Best Corporate Governance Disclosure Awards 2009

New category identifies high quality role models for medium and small-size listed companies

Some awards go unfilled as judges urge companies to strive for excellence

(HONG KONG, 23 November 2009) —This year’s “Best Corporate Governance Disclosure Awards,” organized by the Hong Kong Institute of CPAs, gave away only two top “Diamond Awards,” even as the judges applauded advances in corporate governance reflected in 2009.

The judges said they did not give out all the awards because there is still room for improvement among Hong Kong companies in how they disclose information in their annual reports.

The two companies to win Diamond Awards are CLP Holdings Limited in the Hang Seng Index category and Airport Authority Hong Kong in the public sector category, while other companies won platinum and gold awards, the next two highest accolades.

Talking about this year’s awards, Stephen Law, chairman of the organizing committee says, “Platinum and gold awards were given in various categories provided the companies adopted many areas of best practice and achieved a commendable overall standard. Diamond awards were reserved for those that represented absolute best corporate governance standard in the Hong Kong market.”

This year’s “Best Corporate Governance Disclosure Awards” separated the non-Hang Seng Index sector into two new categories based on the companies’ market capitalization. The organizing committee was particularly keen to identify good examples among medium-sized and smaller enterprises.

“It was rewarding to see that the new Non-HSI (mid-to-small market capitalization) category was able to find high-quality role models, even though size and available resources have always been considered possible barriers for best practices,” says Law.

Announcing the winners, Paul F. Winkelmann, the Institute’s president and chairman of the judging panel, points out that a number of companies are repeat winners, showing they have kept up their good practices. He adds, “We are also encouraged to see a number of new contenders and award winners; the new winners demonstrated clear improvements in their governance structures and reporting. This is more than just a desk-top exercise,” Winkelmann stresses, “it is also important to note how companies actually conduct themselves.”

First-time winners include Sa Sa International Holdings Limited, Ta Yang Group Holdings Limited, China Merchants Bank Co., Ltd., Alibaba.com Limited and Clear Media Limited. The judges said they were impressed by the voluntary disclosures included in the annual reports of these companies.

In the Hang Seng Index category, CLP Holdings won the top award for the seventh successive year, with Hong Kong Exchanges and Clearing Limited and HSBC Holdings plc coming up next. The judges noted that CLP Holdings' annual report reflected a consistently strong corporate governance culture, which emphasized values and, for example, produced separate reports on risk management, remuneration policies and emoluments paid to directors and senior management, and sustainability.

In the Non-Hang Seng Index (large market capitalization) category, Standard Chartered PLC and Hysan Development Company Limited won the Platinum and Gold Awards respectively, and newcomer, Alibaba.com Limited, was given the "Significant Improvement Award."

Sa Sa and Ta Yang Group Holdings were winners of the Platinum and Gold Awards under the new Non-HSI (mid-to-small market capitalization) category and Clear Media Limited won a "Special Mention."

Industrial and Commercial Bank of China was the Platinum Award winner in the H-share category and Jiangsu Expressway Company and first-time winner China Merchants Bank both won Gold Awards.

The annual report of the Airport Authority Hong Kong stood out in the public sector and not-for-profit category and took the Diamond Award for the sixth consecutive year.

This year, more than 200 annual reports were reviewed. More companies have conducted formal evaluations of board and committee performance and disclosed the remuneration of senior management by name.

Companies with better corporate governance benchmarked their performance extensively against the provisions and recommended best practices of the Code of Corporate Governance Practices issued by Hong Kong's stock exchange. Corporate social responsibility and environmental reporting were also more common this year.

However, the judges recommended greater transparency in the selection criteria for board members, particularly in the public sector, and on emolument policies, and more details about risk management and internal controls, especially for smaller companies. They also urged more disclosure about how related party transactions are approved, and a balanced discussion on business prospects and challenges, performance indicators and industry trends in the management discussion and analysis section of annual reports.

The awards presentation luncheon will take place on 24 November with Ms. Julia Leung, Under Secretary for Financial Services and the Treasury, as the guest-of-honour.

This year's awards are supported by four media partners—daily newspapers *Ming Pao* and *The Standard*, the monthly business magazine *Capital*, and electronic media *Cable TV*.

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Editor's Note

About the Best Corporate Governance Disclosure Awards

First introduced in 2000, the Best Corporate Governance Disclosure Awards are Hong Kong's most prestigious awards for corporate governance. Pioneered by the Hong Kong Institute of CPAs, one of the first organizations to chart corporate governance standards in Hong Kong, the awards raise awareness of the benefits of greater transparency and accountability to stakeholders. The awards have strong support from the government, regulators and the business and professional communities.

About the Hong Kong Institute of CPAs

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to Certified Public Accountants in Hong Kong. The Institute has more than 29,000 members and 13,000 registered students. Members of the Institute are entitled to the description *certified public accountant* and to the designatory letters *CPA*.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate CPA Qualification Programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

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