

A nighttime photograph of modern skyscrapers in Hong Kong. The buildings are illuminated with various colors, including blue, green, and purple. In the foreground, there are light trails from traffic on a road, suggesting a busy urban environment. The overall scene is vibrant and dynamic.

SpencerStuart

2023 Hong Kong
Spencer Stuart
Board Index

About Spencer Stuart Board Services

At Spencer Stuart, we know that leadership has never mattered more. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises, on their stakeholders and the world around them. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today.

For more than 35 years, our Board Practice has helped boards around the world identify and recruit independent directors and provided advice to board chairs, CEOs and nominating committees on important governance issues. We serve a range of organizations across geographies and scale, from leading multinationals to smaller organizations.

Our global team of board experts works together to ensure that our clients have unrivalled access to the best existing and potential director talent, and regularly assists boards in increasing the diversity of their composition.

700

We've **conducted more than 700 director searches** worldwide in the past year alone.

3,700

Over **3,700** of our global corporate board director placements have been **women**.

1,300

More than **1,300** of our global corporate board director placements have been from **underrepresented racial and ethnic groups**.

In addition to our work with clients, Spencer Stuart has long played an active role in corporate governance by exploring the key concerns of boards and providing innovative solutions to the challenges they face. Publishing the *Hong Kong Spencer Stuart Board Index*, now in its fifth edition, is just one of our many ongoing efforts. We hosted regional chair and director seminars and are a strategic partner to Women Corporate Directors (WCD) Foundation.

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Foreword

The 2023 *Hong Kong Spencer Stuart Board Index* is a comprehensive study of the governance practices of the constituent companies of the Hang Seng Index (HSI) and Hang Seng Composite LargeCap Index (HSLI). The board index provides a snapshot of key governance practices, including board structure and composition, diversity, committees, meetings, remuneration and board evaluation, for HSI and HSLI companies.

This is the fifth edition of the *Hong Kong Spencer Stuart Board Index*. It analyzes data from the 80 HSI companies, which have a market capitalization ranging from US\$4-381 billion, and compares that to data from the 119 companies in the broader-based HSLI, which have a similar market capitalization range.

Hong Kong aspires to be a leading financial centre providing a robust platform for companies to grow and develop on the global stage. In 2023, more than 70 percent of the HSI and HSLI companies are mainland China-headquartered companies. Many of these companies, as well as the Hong Kong-headquartered companies, have been very acquisitive overseas, and this trend is expected to persist. For comparison, you can visit our online international comparison table summarizing findings from the countries where Spencer Stuart publishes board indexes.

To gain first-person perspectives on the trends and priorities of local and overseas boards, we surveyed members of board nomination committees and independent non-executive directors (INEDs) of HSLI and Straits Times Index (STI) companies in 2023, and the results are included in this board index.

Spencer Stuart Perspective for 2023

Asking the right questions about board performance

At successful companies, boards and directors are viewed as strategic assets. But are companies making the most of those assets? Amid an increasingly challenging and fast-evolving business environment, boards need to ask tough questions about their skills, performance, composition and priorities.

Do we have the right mix of skills?

Boardroom turnover is consistently low. This year, 58% of the Hang Seng Index (HSI) boards added at least one new director, but is this level of change sufficient in a dynamic and fast-changing environment? Boards need to stay alert to their changing needs and be proactive in evaluating board composition to secure the right capabilities.

To go deeper, boards should consider:

- » Are we recruiting directors from a variety of backgrounds, with a wide range of skills and experiences?
- » Is this a high-performing group?
- » Does the current mix of skills align with the company's strategic plan?
- » Are we regularly using tools such as meaningful skills matrices and evaluations to ensure we have the optimum board composition, given the company's emerging issues and strategic direction?
- » What skill sets do we need to strengthen?
- » What are the new or emerging issues of significance to the company, and should we add experts to the board or seek outside expertise on these issues?
- » How are we upskilling directors on critical issues?
- » What are the costs of maintaining the status quo?

Do we have a culture of board refreshment?

The average tenure of HSI independent non-executive directors (INEDs) is 6.8 years — 1.5 years less than five years ago. While only five HSI boards set tenure limits for directors, **almost no Hong Kong public companies have a mandatory retirement age for their directors** (the oldest INED in Hong Kong is now 94 years old). Boards need to embrace a culture of refreshing their membership to maintain the right mix of experiences and perspectives.

Boards should consider:

- » How effective are our refreshment strategies, including board evaluations and tenure and retirement limits?
- » Do we have the right mix of short-, medium- and long-tenured directors?
- » Have we set and communicated expectations about director tenure?
- » Do we have a multi-year view of departures and upcoming leadership changes?

Are we evaluating board and director performance effectively?

While 39% of HSI boards reported that they carried out an internal board evaluation this year, **only 3% of HSI companies engaged an external facilitator to assess the board effectiveness**. Are these evaluations genuinely meaningful and impactful, and constructively impacting board practices, governance policies and board composition?

Boards should consider:

- » How can we enhance the effectiveness of our annual board evaluation?
- » Should we consider using an independent third party?
- » Should we incorporate peer evaluations?
- » Are we willing to have the tough conversations and make difficult decisions about board performance, director performance and company issues?
- » How can we improve our ability to have these conversations?

Are we demonstrating a long-term commitment to diversity?

To encourage board diversity, HKEX has mandated NO single-gender boards by the end of 2024, which successfully triggered Hong Kong-listed companies to improve gender diversity at the board level, increasing by over 10 percentage points in the past 13 years. Among all directors of HSI companies, 19% are women. While we are pleased to see the progress made by Hong Kong companies in enhancing gender diversity, Hong Kong still falls far behind in female representation on boards compared to Western countries.

Boards should consider:

- » How robust are our disclosures regarding our board's diversity philosophy and metrics?
- » How are we expanding our reach and pipeline of talent?
- » How are we ensuring that diversity is a core part of how we refresh the board?

Is the board spending the right time on the right issues?

As Hong Kong companies navigate a complex and continually changing landscape, boards are being challenged to provide robust oversight on a range of issues. The right approach for yesterday may not be the right approach for tomorrow.

Boards should consider:

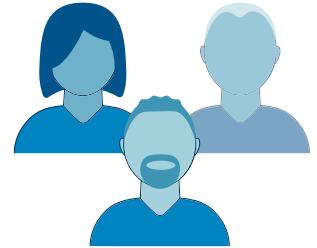
- » How are we ensuring an appropriate degree of oversight on emerging issues or areas of growing importance?
- » How can we enhance the way we carry out our oversight responsibilities?

2023 Hong Kong Spencer Stuart Board Index Highlights

Shrinking board size

The average number of directors on HSI companies' boards decreased from 11.3 in 2021 to 10.6 in 2023, consistent with a global trend towards smaller boards. The share of HSI boards with eight or fewer directors rose from 21% to 26%, while boards with 12 or more directors decreased from 41% to 36%.

A similar trend can also be observed among the broader group of HSLI companies. The average board size for HSLI companies slightly decreased from 10.7 directors in 2021 to 10.5 directors in 2023. The percentage of boards with eight or fewer directors increased from 25% to 29% this year. The 25 new companies since our last study have an average board size of 9.4 directors, aligning with the prevailing trend of smaller boards. Based on our experience globally, a smaller board tends to be more collaborative and active in discussions.



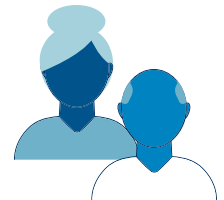
More boards splitting the chair and CEO roles

76% of the HSI companies have separated the chair and CEO roles, an increase from 71% in 2021, with one more company combining the roles and five more companies separating the roles since our last study. **This is a positive trend as good corporate governance suggests a separation of the two roles to increase the board's independence and maintain a healthy system of checks and balances.** Only 5% of chairs are independent.

There has also been a slight increase in the number of HSLI boards with separate chair and CEO roles — from 68% in 2021 to 69% in 2023. Only 4% of chairs are independent.



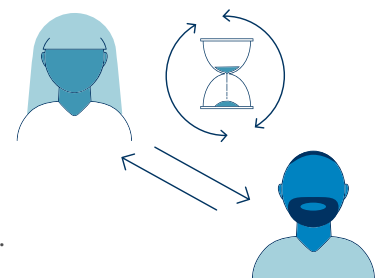
VS.



Declining trend in board tenure

Since January 2023, under the revised HKEX Corporate Governance Code and Listing Rules, independent non-executive directors (INEDs) who are serving more than nine years would be regarded as “long-serving INEDs,” and if all INEDs on the board are long-serving INEDs, a new INED should be appointed at the forthcoming annual general meeting (AGM).

This has encouraged some board refreshment — the average tenure of INEDs at HSI companies is 6.8 years, a slight decrease from 7.5 years in 2021. Similarly, INEDs at HSLI companies have an average tenure of 6.6 years, compared with 6.9 years in 2021. Almost half of the new directors appointed this year were INEDs. However, it should be noted that there are still three companies that have all long-serving INEDs.



Significant progress on gender diversity

HKEX has mandated NO single-gender board by the end of 2024, which **effectively triggered the HSI and HSLI companies to increase gender diversity at the board level**. The percentage of female directors on HSI boards increased from 14% in 2021 to 19% in 2023. Similarly, on the broader spectrum of HSLI boards, the representation of female directors rose from 14% to 19% over the past two years. 11% of HSI companies and 12% of HSLI companies have no female directors on their boards, compared with 28% and 27% in 2021, respectively.

The percentage of women among newly appointed directors — those appointed in the previous 12 months — significantly increased from 18% in 2021 to 39% in 2023, indicating that boards are actively looking for female directors. Of first-time directors, 42% are women.

However, it should be noted that only 9% of HSI boards and 8% of HSLI boards have a female CEO. The representation of women among senior management, which serves as a talent pipeline for women on boards, is also relatively low — 17.3% of senior executives in HSI companies and 18.3% in HSLI companies are women, a slight increase from 16.6% and 17.8% in 2021, respectively — we can do better!

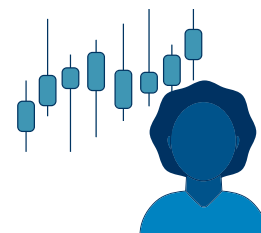
Compared to countries like the U.S. (33%) and the UK (40%), Hong Kong still lags far behind in female representation on boards. **If HSLI boards continue to get more ambitious and work toward ensuring that 50% of new directors are women, they can reach 30% female representation by 2028 even if 25% of the retiring directors each year are women.**



Directors with technology expertise are in demand

In our survey of nomination committee members and INEDs in early 2023, **cybersecurity and IT development expertise was identified as one of the top board priorities**. Within the HSI companies, there has been a slight rise in the percentage of directors possessing a background in technology and digital expertise, increasing from 11% in 2021 to 14% in 2023. Similarly, the proportion of technology directors on the HSLI boards has also grown, from 13% to 16% during the same period.

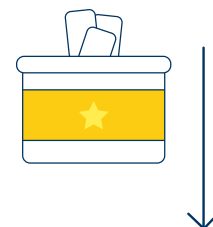
We saw a more pronounced increase in particular industries, such as the consumer (from 5% to 15%) and industrial (from 6% to 14%) sectors.



Nomco activities remain low

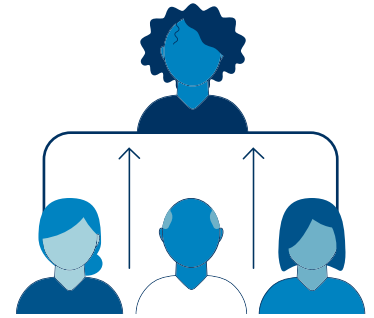
In 2022, the HKEX has required all the Hong Kong-listed companies to establish a nomination committee. However, nomination committees of HSI and HSLI boards only meet 1.8 and 1.9 times a year on average, respectively, a slight decline in comparison to 2.1 and two times in 2021.

The nomination committee plays a crucial role in board succession planning and renewal, directly impacting board composition. However, there seems to be a limited inclination to adopt more structured approaches for conducting these processes in alignment with the evolving needs of the board and the company's strategy.



ESG committees are on the rise

As regulators, investors and the general public increasingly hold companies to account for their impact on society and the planet, boards in Hong Kong are responding by establishing committees covering topics such as sustainability, climate change, and diversity, equity and inclusion. Establishing an environmental, social and governance (ESG) committee is also suggested by the HKEX Listing Committee to help listed companies ensure their ESG implementation is keeping pace with external trends. Currently, 63% of the HSI companies have established an ESG committee at the board level, while 30% have an ESG committee at the executive level, compared to 48% and 31% in 2021. Among the broader group of HSLI companies, 61% have a board-level ESG committee and 31% have an executive-level ESG committee. **In other words, over 90% of the Hong Kong boards have an ESG Committee.**



Slow progress on board evaluation

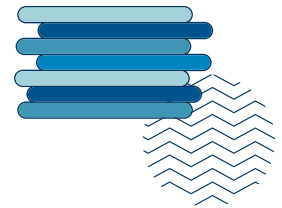
HKEX suggests that boards conduct a regular evaluation of their performance. There has been a marked increase in the prevalence of board evaluations (both internally and externally facilitated), from 28% in 2021 to 42% in 2023 for HSI companies, and from 20% to 37% for HSLI companies.

Nevertheless, **only 3% of HSI companies and 3% of HSLI companies have reported engaging an external facilitator**, which is recommended every three years.



Independent non-executive director compensation increased slightly

The average total INED compensation (excluding INED chairs, including both cash, equity and committee fees) for HSI board members slightly increased by 3% to US\$99,000. Among the broader-based HSLI companies, it also increased by 4% to US\$99,000. It should be noted that the average total INED fees in the U.S. and Switzerland are three times that of the Hong Kong average, while the ranges in the UK and Italy are similar to Hong Kong.



Trends over Two, Five and Eight Years — Hang Seng Index (HSI)

	2015	2018	2021	2023	2-year change	5-year change	8-year change
BOARD COMPOSITION							
Average board size	12.9	12.4	11.3	10.6	-6%	-15%	-18%
Split CEO and chair roles	76%	69%	71%	76%	7%	10%	0%
Number of independent chairs	3	5	5	4	-20%	-20%	33%
Independent non-executive directors (INEDs)	44%	46%	45%	47%	4%	2%	7%
BOARD TENURE							
Average director tenure	8.5	8.8	8.3	8	-4%	-9%	-6%
Average INED tenure (excluding independent chairs)	6.7	8.3	7.5	6.8	-9%	-18%	1%
AGE							
Average age of chairs	64	61	61	60	-2%	-2%	-6%
Average age of INEDs	64	65	66	64	-3%	-2%	0%
FOREIGN DIRECTORS							
% foreign directors: all	18%	19%	17%	14%	-18%	-26%	-22%
Boards with at least one foreign director	68%	69%	57%	45%	-21%	-35%	-34%
FEMALE DIRECTORS							
% women directors: all	11%	12.9%	13.9%	19.2%	38%	49%	75%
% women directors: INEDs	14%	15%	16%	24%	50%	60%	71%
Female chairs	2%	2%	7%	7%	0%	250%	250%
Companies with at least one female director	74%	78%	72%	89%	24%	14%	20%
REMUNERATION							
Average total INED compensation (US\$)	65,000	96,000	96,000	99,000	3%	3%	52%
MEETINGS AND BOARD EVALUATION							
Average number of board meetings	6.5	6	7.3	7.1	-3%	18%	9%
% Companies with board evaluation	32%	39%	28%	42%	50%	8%	31%
% Companies with externally facilitated evaluation	8%	8%	7%	3%	-57%	-63%	-63%

Methodology

The 2023 *Hong Kong Spencer Stuart Board Index* is the fifth edition of our regular report on the governance practices of Hong Kong-listed companies. The purpose of this study is to provide a comprehensive review of the governance practices of the largest companies listed in Hong Kong during a financial year and to identify significant trends. Information was compiled from publicly available sources, principally annual reports published by the companies, and from BoardEx, a global board intelligence database.

Our study continues to define the scope of our study to the 119 constituent companies of the Hang Seng Composite LargeCap Index (HSLI) so as to have a broader scope. The vast majority of the Hang Seng Index (HSI) companies are also constituents of the HSLI¹. Since we last published the index in 2021, the number of constituent companies of the Hang Seng Index (HSI) has increased from 58 to 80, while that of HSLI remained at 119 companies. For context, the market capitalization of HSLI companies ranges from US\$4-381 billion, and HSI companies also have a similar market capitalization range.

There are 25 new entries and 23 exits in the constituent companies of this board index since 2021².

Entries

Chinese Mainland Headquartered Companies

- » BYD Electronic International
- » China Hongqiao Group
- » China Resources Power Holdings
- » GCL Technology Holdings
- » H World Group
- » Haier Smart Home
- » Innovent Biologics
- » JD Logistics
- » KE Holdings
- » Kingdee International Software Group
- » Li Auto
- » NIO
- » Sinopharm Group
- » SITC International Holdings
- » Tencent Music Entertainment Group
- » Trip.com Group
- » Xinyi Glass Holdings
- » XPeng
- » Yum China Holdings
- » Zijin Mining Group

¹ Except for Sinopharm Group and Zijin Mining Group.

² As of 5th September 2023.

Hong Kong/Macau/Overseas Headquartered Companies

- » ESR Group
- » Orient Overseas International
- » Prudential
- » SenseTime Group
- » Standard Chartered

Exits

Chinese Mainland Headquartered Companies

- » AAC Technologies
- » Anhui Conch Cement
- » Blue Moon Group Holdings
- » China Evergrande Group
- » China Taiping Insurance Holdings
- » China Tower
- » Dali Foods Group
- » Evergrande Property Services Group
- » GDS Holdings
- » Logan Group
- » Ming Yuan Cloud Group Holdings
- » New Oriental Education and Technology Group
- » PICC Property and Casualty
- » Ping An Healthcare and Technology
- » Pop Mart International Group
- » Shimao Property Holdings
- » Sun Art Retail Group
- » Sunac China Holdings
- » Yihai International Holding

Hong Kong/Macau/Overseas Headquartered Companies

- » Bank of East Asia
- » SJM Holdings
- » Wynn Macau
- » United Company RUSAL

Throughout our analysis, we compare practices in Hong Kong with four other countries — Japan and Singapore within the Asia Pacific region, which have developing governance practices; and the United Kingdom (UK) and the United States (U.S.), which are considered to have more established governance practices. Comparative data are taken from the most recent Spencer Stuart board indexes of each country, which analyze the NIKKEI 225, STI 30, FTSE 150 and S&P 500, respectively. For further details, one can visit spencerstuart.com/bgt for our online international comparison table summarizing findings of the countries where Spencer Stuart publishes board indexes.

Our cut-off date for data collection was 31st July 2023, with information compiled no later than the cut-off date.

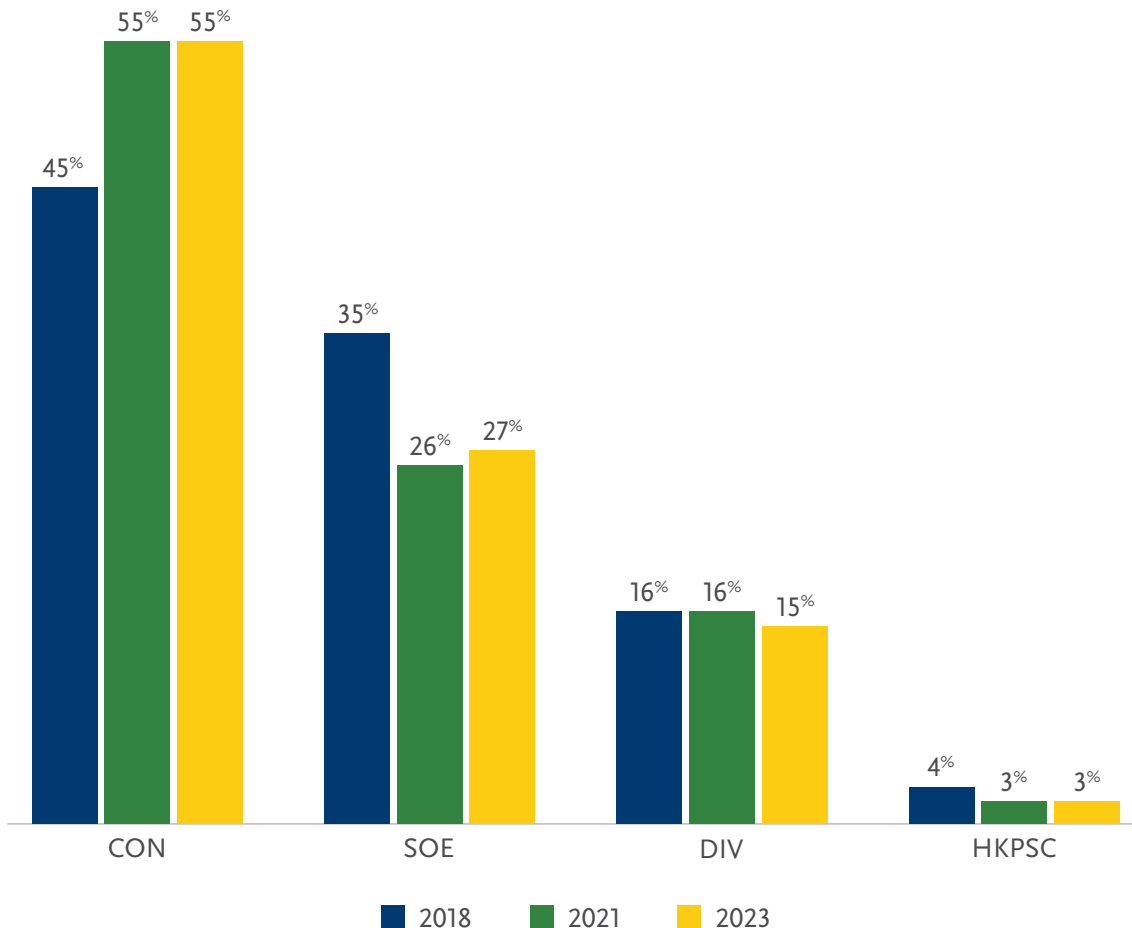
HSI and HSLI shareholding structure

In our analysis this year, we continue to observe four categories of shareholding structure in the companies studied: companies with concentrated ownership (family members or individuals with 15% or more of shares in the company), which include privately owned enterprises (POE) headquartered in the mainland; companies with diversified institutional ownership; Hong Kong public sector companies (largely controlled by the Hong Kong government — only two companies in our data set), and Chinese state-owned enterprises (largely controlled by the local, provincial or national governments of China).

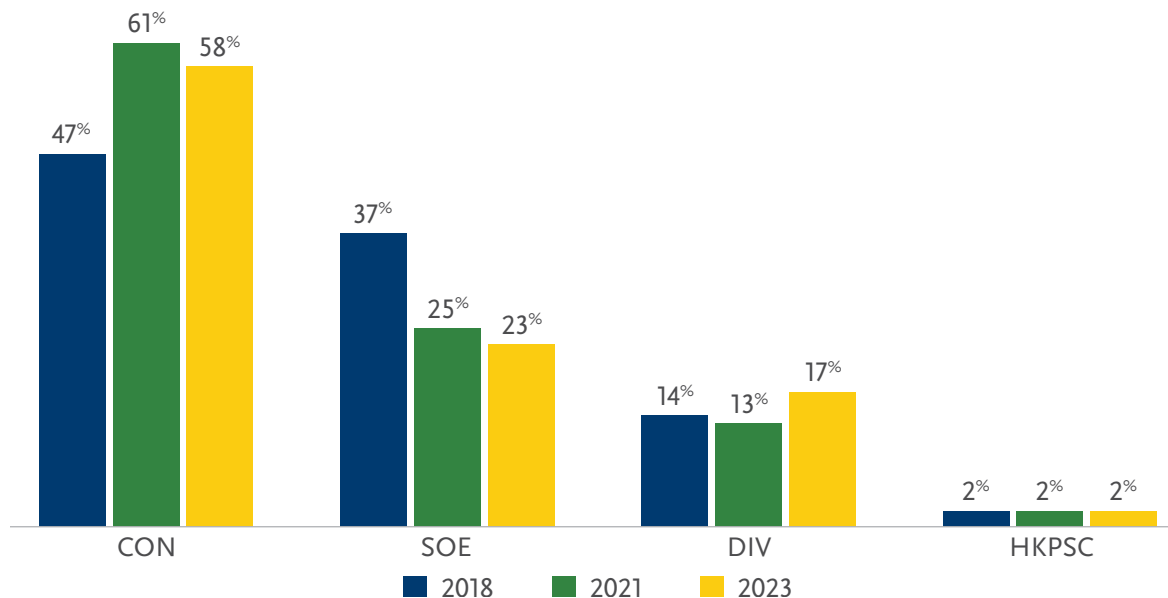
- » As in 2021, 55% of the HSI companies are companies with concentrated ownership (CON), while the percentage of Chinese state-owned enterprises (SOE) slightly increased from 26% to 27%.
- » Companies with diversified institutional ownership (DIV), which is the norm for listed Western companies, represent 15% of the HSI companies.
- » Hong Kong public sector companies (HKPSC), which include only MTR Corporation and HKEX, account for 3% of the HSI companies.

The distribution of shareholding structure within the broader group of HSLI companies is similar to that of HSI companies: 58% of the HSLI companies have concentrated ownership (CON). Chinese state-owned enterprises (SOE) remain the second-largest category at 23%. Companies with diversified institutional ownership (DIV) represent 17% of the constituent companies, and the rest (2%) are Hong Kong public sector companies (HKPSC).

HSI AND HSLI SHAREHOLDING STRUCTURE



HSLI



HSI and HSLI by industry

Among the HSI companies, there are an equal percentage of companies in the consumer, industrial, and property and infrastructure sectors (16%). The fourth-largest constituency is the financial services industry (14%), followed by the information technology (12%) and utilities sectors (11%). The remaining are the healthcare (9%), conglomerates (3%) and telecommunications industries (3%). The industry distribution within the broader HSLI index is similar to that of HSI companies, while there seems to be a higher number of information technology companies, largely due to the presence of new economy firms.

HSI AND HSLI COMPANIES BY INDUSTRY — 2023

	HSI	HSLI
Consumer	16%	15%
Industrial	16%	15%
Property and infrastructure	16%	15%
Financial services	14%	15%
Information technology	12%	16%
Utilities	11%	11%
Healthcare	9%	7%
Conglomerates	3%	3%
Telecommunications	3%	3%

HSI and HSLI by headquarters location

There has been an increase in the number of HSI companies that are headquartered in mainland China — from 62% in 2021 to 70% in 2023. Among the broader HSLI companies, the percentage of mainland China-headquartered companies has more or less stayed flat, 72% in 2021 versus 71% in 2023.

Board Composition

Board size

The average board size of the HSI companies is 10.6 directors, while the HSLI average is 10.5 directors, a slight decrease from 2021. There are substantially more boards with eight or fewer directors. The percentage of HSI companies with boards comprising more than 12 directors has relatively declined from 41% in 2021 to 36% in 2023, **aligning with the global trend toward smaller boards.**

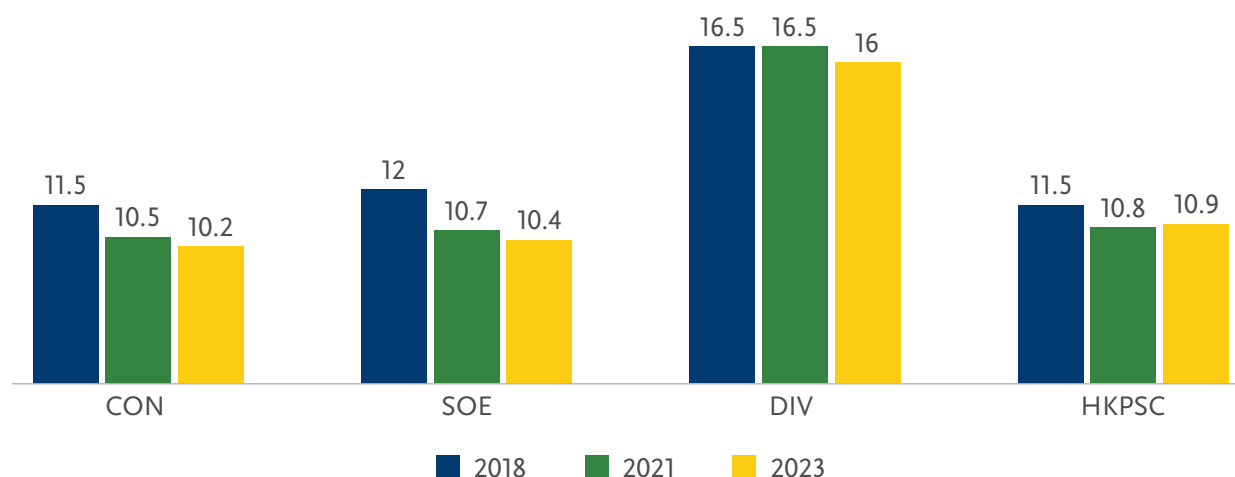
Sun Hung Kai Properties has the largest board with 20 members. Baidu and NetEase, both mainland China-headquartered and new economy companies, have the smallest boards with five members each.

BOARD SIZE

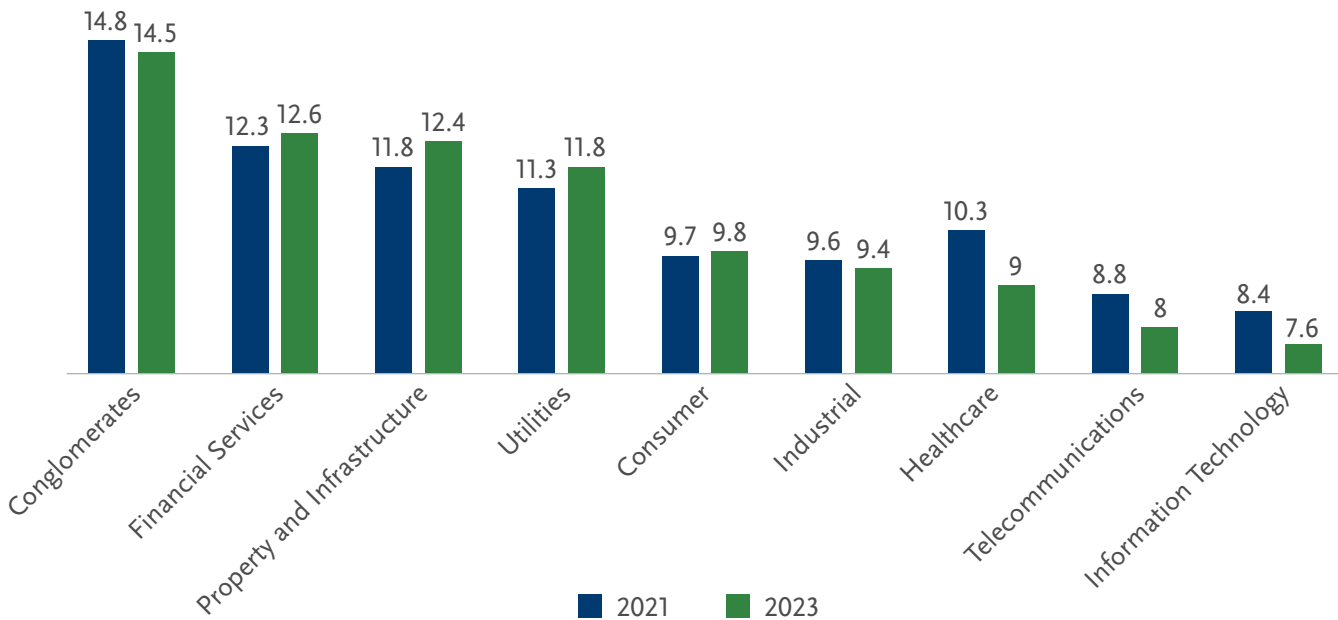
	2018		2021		2023		Change from 2018 to 2023	
	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Average	12.4	11.7	11.3	10.7	10.6	10.5	-15%	-10%
% of 8 or fewer directors	18%	17%	21%	25%	26%	28%	44%	65%
% of 9 to 11	33%	35%	38%	41%	38%	38%	15%	9%
% of 12 or more directors	51%	48%	41%	34%	36%	34%	-29%	-29%

Over the past five years, board size, irrespective of shareholding structure, has been consistently decreasing. We also look at the board size by industry. Within the HSLI, the average board size across sectors is more diverse — rather than decreasing, the average board size in four industries has increased slightly over in the past two years.

AVERAGE NUMBER OF BOARD DIRECTORS BY SHAREHOLDING STRUCTURE — HSLI



AVERAGE NUMBER OF BOARD DIRECTORS BY INDUSTRY — HSLI



The average size of Hong Kong boards is in line with the regional and global averages.

THE BROADER VIEW: BOARD SIZE

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Average size	10.6	10.5	10.4	10.3	10.2	10.8

Chair

HKEX has encouraged boards to separate the roles of board chair and CEO so they are not performed by the same individual, ensuring a balance of power and authority. Boards have responded: 76% of the HSI companies have separated the chair and CEO roles, an increase from 71% in 2021. There has also been a slight increase in the number of HSLI boards with a separate chair and CEO — from 68% in 2021 to 69% in 2023. Within the HSLI, six of the companies from our last study have since separated the two roles — Anta Sports Products, CSPC Pharmaceutical Group, Haidilao International Holding, JD.com, Kuaishou Technology and WH Group, all mainland China-headquartered companies.

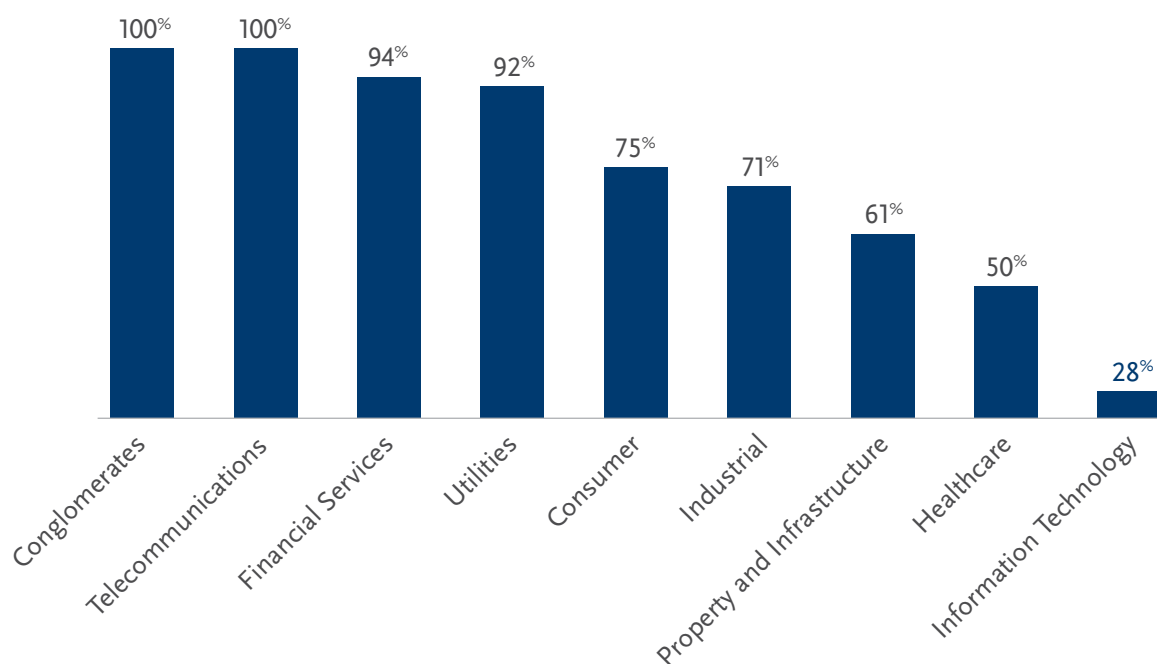
While the number of companies separating the chair and CEO roles has increased, **the percentage of Hong Kong companies with independent chairs continues to be very low**. Specifically, for HSI and HSLI companies, the numbers of independent chairs stand at four and five, respectively, a decrease compared to 2021. Additionally, only 7% of the chairs of HSI companies are women — Laura Cha, the chairwoman of HKEX, and Irene Lee, the chairwoman of Hang Seng Bank, are the only two female independent non-executive chairs among all companies, as of the cut-off date.

Chairs

	2021		2023	
	HSI	HSLI	HSI	HSLI
Separate chair and CEO	71%	68%	76%	69%
Number of independent chairs	5	7	4	5
Female chair	7%	7%	7%	6%

All the conglomerates and telecommunications companies have separated the two roles, followed by financial services (94%) and utilities industries (92%). However, only 28% of information technology companies have a separate chair and CEO.

COMPANIES WITH SEPARATE CHAIR AND CEO ROLES BY INDUSTRY — HSLI 2023



While they have made significant progress toward the HKEX guidance, Hong Kong companies continue to have a much lower percentage of independent chairs compared to regional and global companies.

THE BROADER VIEW: CHAIRS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Separate chair and CEO roles	76%	69%	-	87%	100%	59%
Independent chair	5%	4%	-	33%	97%	39%

Independent non-executive directors

Unlike jurisdictions where non-executive directors are all independent, Hong Kong-listed companies have two categories of non-executive directors — non-independent non-executive directors (NEDs) and independent non-executive directors (INEDs). The NEDs tend to be executives from a sister company within the group, representatives of one of the major shareholders, or executives who have recently retired from the company. It can be argued that companies can benefit from having insights into possible synergies with other group companies and from the experience of recently retired company executives. It does seem that the INEDs do have to carry the burden of mitigating conflicts between shareholder groups and counterbalancing the influence of the major shareholders for the benefit of the minority shareholders.

According to the independence requirement set out in the Main Board Listing Rule of HKEX, which took effect on 31 December 2012, INEDs should represent at least one-third of board members. As of the cut-off date, there was one company, Kuaishou Technology, that had not complied fully with the independent requirement.³

Amongst the HSI boards, INEDs, including chairs, make up 47% of all directors, a small increase from 45% in 2021 and the highest level since 2010. The percentage of companies with only 33% to 49% of INEDs has significantly decreased from 72% to 62% over the past two years, while the percentage of companies with more than two-thirds of INEDs has increased from 9% to 13%. A similar trend could be found among the broader group of HSLI companies. The increase is largely driven by the 25 new companies since our last study, which on average have 49% of INEDs on the boards.

PERCENTAGE OF INED

	2010	2013	2015		2018		2021		2023	
	HSI	HSI	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Average	39%	42%	44%	41%	46%	42%	45%	43%	47%	46%
Fewer than 33%	24%	4%	2%	2%	0%	2%	0%	1%	0%	1%
33% to 49%	52%	72%	72%	80%	71%	77%	72%	77%	62%	65%
50% to 65%	22%	18%	14%	11%	18%	15%	19%	15%	25%	20%
66% or more	2%	6%	12%	7%	12%	6%	9%	8%	13%	14%

Although we observed an increase in the INED percentages among HSI and HSLI boards, Hong Kong companies generally still have a lower percentage of independent directors compared to the regional and international boards.

THE BROADER VIEW: PERCENTAGE OF INDEPENDENT DIRECTORS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Percentage	47%	46%	44%	61%	94%	85%

³ Kuaishou Technology appointed a new INED on 13th September 2023. Therefore, the company has fulfilled the independent requirement since then.

Overboarding

As per the revised Code Provision A.5.5 of HKEX, which came into effect in 2019, companies are required to explain how proposed INEDs with seven or more directorships would be able to devote sufficient time to the board. INEDs of HSLI companies are currently serving on 2.2 public boards on average, a slight decrease from 2.5 public boards in 2021. Just 0.8% (four) of HSLI INEDs held seven or more public directorships this year, a decrease from 3% (12) in 2021 — a very positive trend. The most public board directorships held by a director is 18.

Director tenure

The average tenure of HSI board directors is eight years, a slight decline from 8.3 years in 2021. Similar to our last index, the board with the highest average director tenure is Henderson Land Development (22.6 years). The Honorable Sir Michael Kadoorie at CLP Holdings is the longest-serving director, having served on the board for approximately 56.5 years.

The average tenure among HSI chairs is 10.6 years, compared with 8.9 years in 2021. 30% have a tenure of 15 years or more, an increase from 22% in 2021. In contrast, 23% of chairs have been in their positions for three years or less. The longest-tenured chair has been serving for 38.5 years.

The average tenure of CEOs of HSI companies is 7.4 years, the same as two years ago. 29% of CEOs have a tenure of 10 years or more.

Since January 2023, under the revised Corporate Governance Code and Listing Rules, INEDs serving more than nine years are regarded as “long-serving INEDs,” and if all INEDs on the board are long-serving INEDs, a new INED should be appointed at the forthcoming annual general meeting (AGM).

The average tenure of INEDs, excluding independent chairs, at HSI companies is 6.8 years, continuing the downward trend from 7.5 years in 2021 and 8.3 in 2018. **One-fourth of HSI boards have an average INED tenure of nine years or above, a decline from 34.5% two years ago, which is also an evolving sign of board refreshment.**

Three companies (Tingyi Holding, China Unicom and Trip.com Group) still have all long-serving INEDs. This year, eight HSLI companies have a self-imposed tenure limit for their INEDs. **We believe a term limit can be an effective mechanism to encourage turnover, speed board refreshment and preserve the independent judgment of the directors.**

INED TENURE (YEARS)

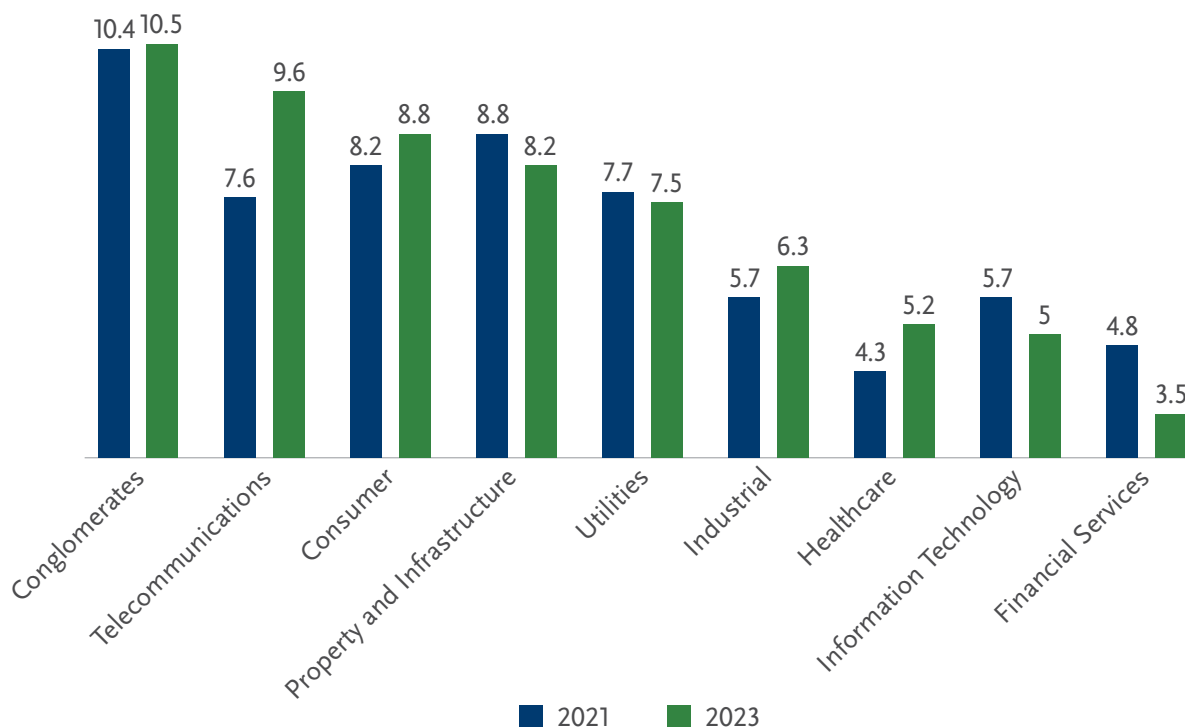
	2021		2023	
	HSI	HSLI	HSI	HSLI
Average INED tenure (excluding independent chairs)	7.5	6.9	6.8	6.6
Companies with an INED average tenure 9 years or above	34.5%	28.6%	25%	26.9%
Companies with all INEDs serving over 9 Years	3.4%	5%	3.8%	2.5%

HSLI BOARDS WITH TERM LIMITS FOR INEDS — 2023

Companies	Tenure Limit
China Overseas Land and Investment	12 years
Lenovo Group	12 years
HKEX	9 years
Link REIT	9 years
Prudential plc	9 years
Standard Chartered	9 years
Bank of Communications	6 years
Ping An Insurance Group	6 years

The average tenure of INEDs of the boards of conglomerate companies stands at 10.5 years, which continues to be the highest among all industries, followed by the telecommunications boards (9.6 years). Financial services boards have the lowest average INED tenure at 3.5 years, reflecting the guidance of the Hong Kong Monetary Authority (HKMA) that the INEDs should serve no more than nine years to ensure the independence of the boards. Healthcare (5.2 years) and information technology companies (five years), which are mainly newcomers to the Stock Exchange, also have a relatively low average tenure.

AVERAGE TENURE OF INED (EXCLUDING INDEPENDENT CHAIRS) BY INDUSTRY — HSLI



THE BROADER VIEW: AVERAGE TENURE OF INDEPENDENT DIRECTORS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Tenure of Independent Director (years)	6.8	6.6	-	4.1	4.2	7.8

Board Diversity

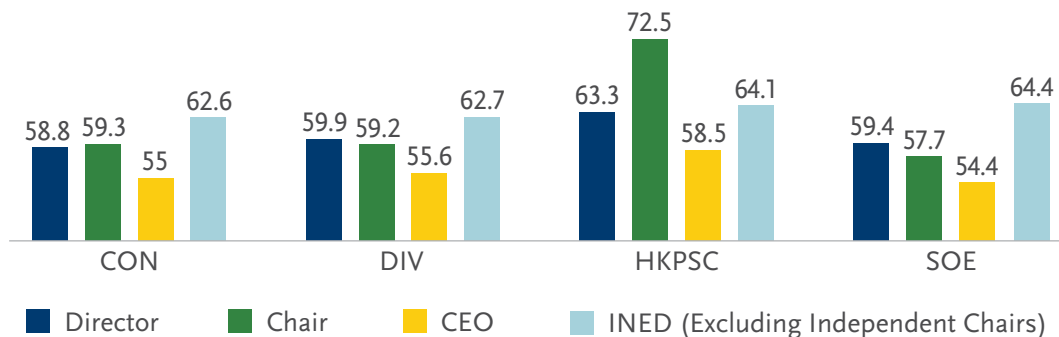
Age

The average ages of HSI and HSLI directors remain steady at 60 and 59 years old, respectively. The average ages for HSI and HSLI chairs are 61 years old and 59 years old. The oldest chair is Chi Woo Lui at Galaxy Entertainment Group (94), while the youngest is Theresa Tse at Sino Biopharmaceutical (31). As for HSI and HSLI CEOs, the average ages are 56 and 55, respectively. The oldest CEO is Hing Lam Kam at CK Infrastructure (77), while the youngest is Eric Tse also at Sino Biopharmaceutical (28). 14% of the HSI CEOs are younger than 50.

The average age of INEDs is 64 years old for HSI boards and 63 years old for HSLI boards. The oldest INED is Hiromu Fukada (94) at Tingyi Holding and the youngest is Philip Kadoorie at CK Hutchison Holdings (31). **The average director age and average INED age for companies headquartered in Hong Kong and Macau are 65 years old and 67 years old, significantly higher than that of mainland China-headquartered companies, which are 57 years old and 62 years old, respectively.**

Across the shareholding structures, **SOE chairs and CEOs are the youngest on average because of the retirement age requirements in China, while they have the oldest average INED age.**

AVERAGE AGE OF BOARD DIRECTORS BY SHAREHOLDING STRUCTURE — HSLI 2023 (YEARS OLD)



Foreign directors

In 2023, 14% of all HSI directors are foreign directors,⁴ continuing the downward trend from 17% in 2021 and 19% in 2018. The number of HSI companies without any foreign board directors has significantly risen from 43% in 2021 to 55% in 2023, while the number of HSLI companies without foreign board directors slightly decreased from 52% in 2021 to 51% in 2023, which means that over half of the Hong Kong boards have only one nationality (Chinese).

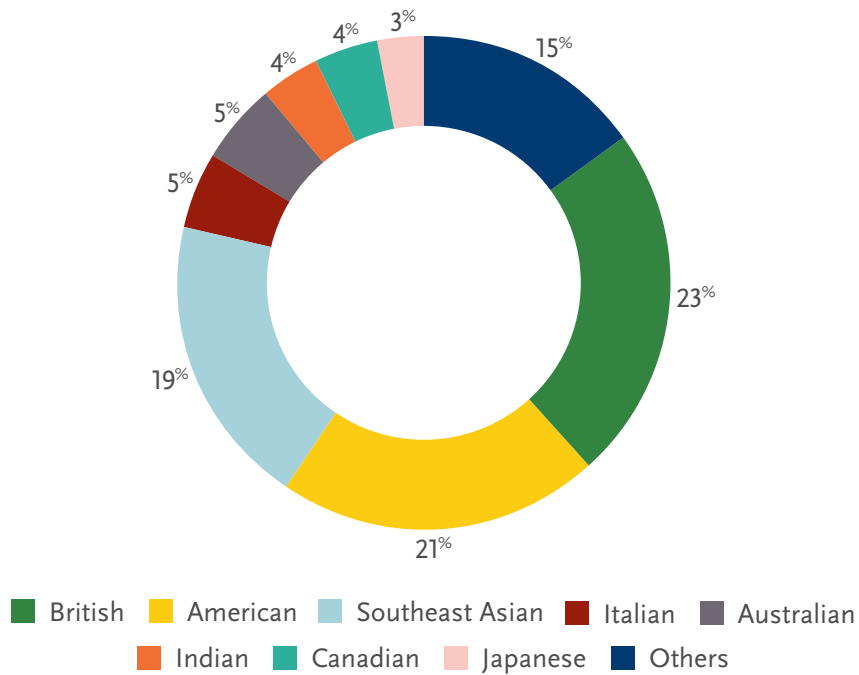
Among the HSI companies, the average number of nationalities on each board is 2.1, a decrease from 2.4 in 2021. The board of HSBC Holdings has seven different nationalities represented among its 12 directors, reflecting the global nature of the business. **Interestingly, Prada, a Hong Kong-listed international company headquartered in Italy, is the only board composed of purely foreign directors (non-Chinese).**

⁴ Foreign directors are defined as ethnic background other than mainland Chinese, Hong Kong Chinese or Taiwanese.

FOREIGN REPRESENTATIONS

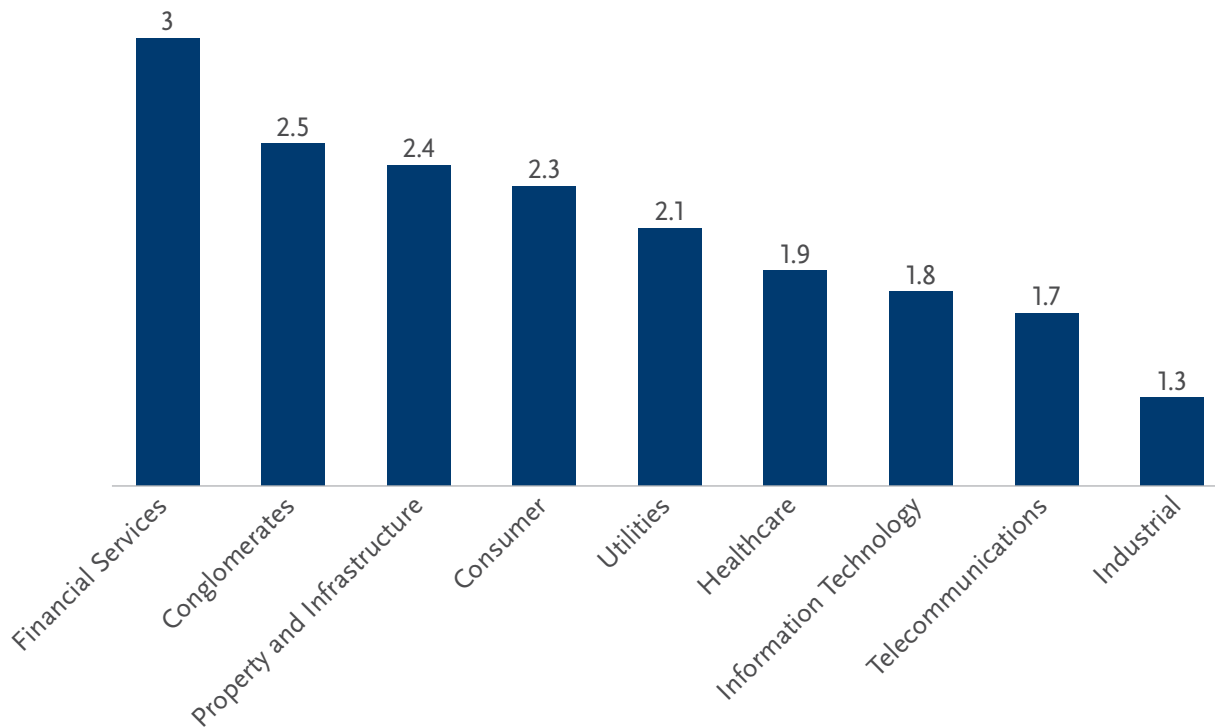
	2021		2023	
	HSI	HSLI	HSI	HSLI
Foreign directors on the boards	17%	15%	14%	16%
Foreign executive directors	9%	8%	8%	9%
Foreign non-executive directors	18%	17%	12%	16%
Foreign independent non-executive directors	24%	20%	19%	22%
Companies with no foreign director	43%	52%	55%	51%
Average number of nationalities represented	2.4	2.1	2.1	2.2

DISTRIBUTION OF NATIONALITIES OF FOREIGN DIRECTORS — HSLI 2023



Looking through the industry lens, financial services companies have the highest average number of nationalities of board directors (three), whereas industrial companies have the least (1.3).

AVERAGE NUMBER OF NATIONALITIES OF BOARD DIRECTORS BY INDUSTRY — HSLI



Female directors

In recent years, HKEX has put in an extraordinary effort into encouraging companies to increase women's representation in the boardroom to enhance cognitive diversity — a host of evidence supports the notion that board diversity has become a crucial element in enhancing business resiliency, long-term financial performance and sustainability.

To encourage board diversity, HKEX has mandated NO single-gender boards by the end of 2024, which successfully triggered HSI and HSLI companies to improve gender diversity at the board level, increasing by over 10 percentage points in the past 13 years. Among all directors of HSI companies, 19.2% are women, a significant increase from 13.9% in 2021, 12.9% in 2018, 11% in 2015, 9.5% in 2013 and 9% in 2010. Among the three types of board directors, the percentage of female INEDs in HSI and HSLI companies grew at a particularly fast pace over the last two years, from 16% to 24% and 15% to 25%, respectively.

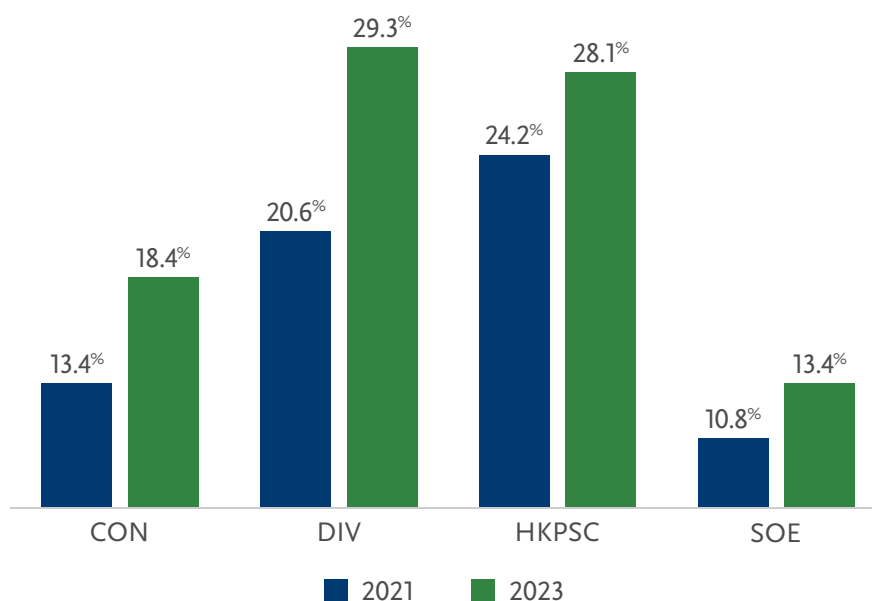
58% of HSI boards have two or more female directors, an increase from 40% of HSI companies. However, 11% of HSI companies still have single-gender boards. With eight women on its board, **Hang Seng Bank, whose chair and CEO are both women, has the highest number and percentage (73%) of female directors.**

FEMALE REPRESENTATION ON HONG KONG BOARDS

	2010		2013		2015		2018		2021		2023	
	HSI	HSI	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Women on the boards	9%	9.5%	11%	11%	12.9%	11.9%	13.9%	14%	19.2%	19.2%		
Boards with two or more female directors	-	-	34%	36%	43%	39%	40%	41%	58%	57%		
Boards with no female directors	-	-	26%	27%	22%	28%	28%	27%	11%	12%		
Female executive directors	-	-	8%	8%	11%	10%	11%	13%	14%	14%		
Female non-executive directors	-	-	9%	11%	11%	12%	14%	13%	18%	15%		
Female independent non-executive directors	-	-	14%	14%	15%	14%	16%	15%	24%	25%		
Female chair	-	-	-	-	-	-	7%	7%	7%	6%		
Female CEO	-	-	-	-	-	-	4%	4%	9%	8%		

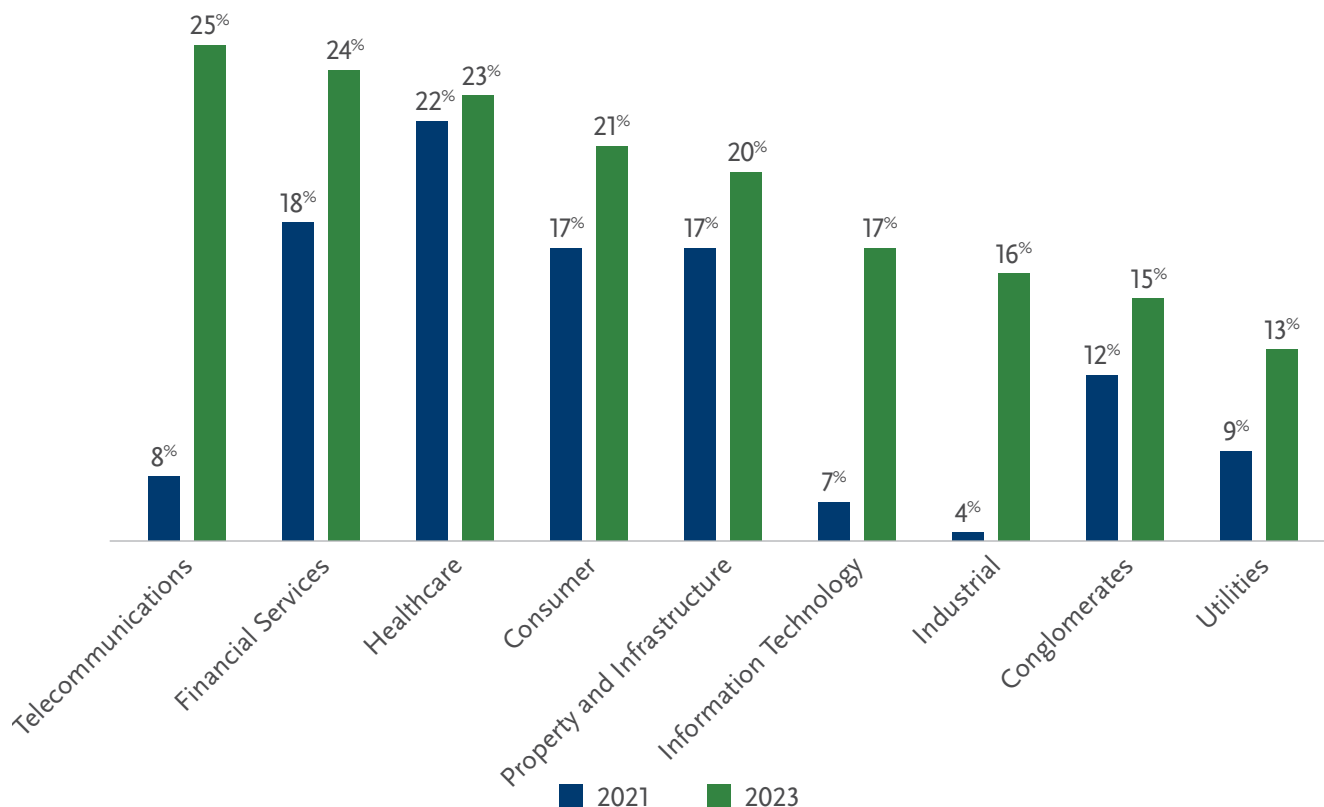
Looking through the shareholding structure lens, CON, DIV, HKPSC and SOE boards have all made improvements in gender diversity. The average percentage of female directors serving on the DIV boards is 29.3%, which is the highest among all the shareholding structures, while the SOE boards have the lowest representation at 13.4%. In terms of the headquarters location, **the Hong Kong/Macau-headquartered companies continue to have a higher female representation than the mainland China-headquartered companies — 23% versus 17%.**

FEMALE DIRECTORS BY SHAREHOLDING STRUCTURE — HSLI



We also look at the female representation by industry and see an upward trend across all sectors over the past two years. It is noticeable that in particular, **telecommunications (8% to 25%), information technology (7% to 17%), and industrial companies (4% to 16%) have made a great improvement in enhancing gender diversity at the board level.**

FEMALE DIRECTORS BY INDUSTRY — HSLI



Among HSLI companies, there are two companies with women serving as both chair and CEO, five companies chaired by a woman, and seven companies led by a woman as the CEO. Data has shown **companies led by a female chairperson or CEO have tended to have a higher percentage of female board directors than companies led by a male chairperson and CEO — 33% versus 17%.**

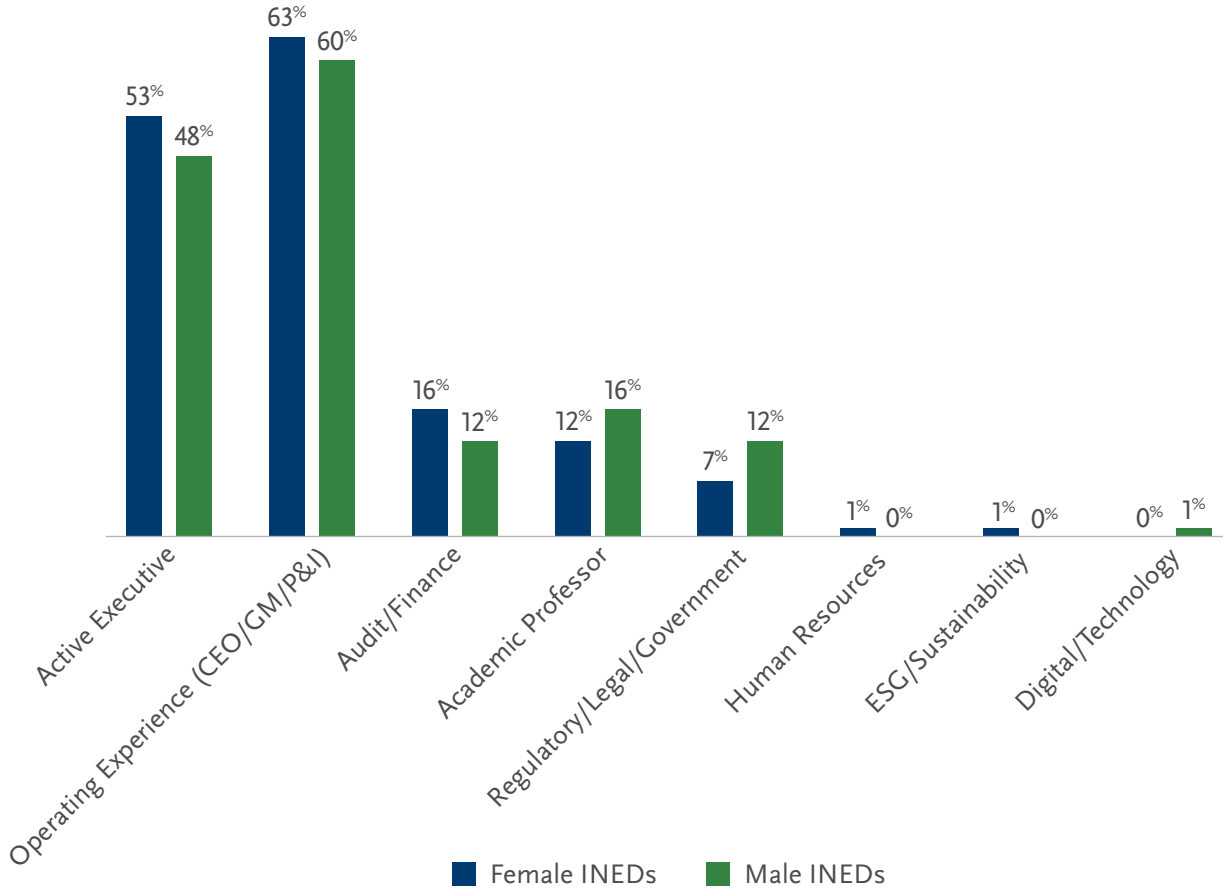
COMPANIES WITH WOMEN SERVING AS CHAIR OR CEO

Companies	Chair	CEO	Percentage of Female Directors
Hang Seng Bank	Irene Lee	Diana Cesar	73%
Hansoh Pharmaceutical Group	Huijuan Zhong	Huijuan Zhong	50%
Country Garden Holdings	Huiyan Yang	-	27%
Country Garden Services Holdings	Huiyan Yang	-	14%
Hong Kong Exchanges and Clearing	Laura Cha	-	31%
Prudential	Shriti Vadera	-	45%
Sino Biopharmaceutical	Theresa Tse	-	33%
ENN Energy Holdings	-	Xiaojing Wu	18%
Haidilao International Holding	-	June Yang	27%
HKT	-	Susanna Hui	33%
JD.com	-	Sandy Xu	43%
Ping An Insurance Group	-	Jessica Tan (Co-CEO) ⁵	20%
Trip.com Group	-	Jane Sun	13%
Yum China Holdings	-	Joey Wat	40%

⁵ Ping An announced that Jessica Tan would step down as a Co-CEO of the company on 31 December 2023.

This year, we also look into the backgrounds of the INEDs. The majority of INEDs have P&L operating experience, followed by finance and academic professors. The trends between women and men are similar. Female INEDs are more likely to be active executives (53%) than retired, compared with men (48%). **On average, female INEDs tend to be younger and have shorter tenures (probably because many are recently appointed) and hold fewer public directorships than male INEDs.** The international proxy advisory firms encourage NEDs to limit their number of board appointments to a total of four public company board roles. Taken together, this data indicates that **female INEDs on the Hong Kong boards still have the capacity and runway for additional board roles.**

BACKGROUNDS OF INEDS — HSLI 2023



	Female INEDs	Male INEDs
Average tenure (years)	3.8	7.4
Average age (years)	59.8	65
Average public directorships	2.2	2.5

While we are pleased to see the substantial progress made by the HSI and HSLI companies in enhancing gender diversity at the board level, **Hong Kong still falls far behind in female representation on boards compared to developed markets like the UK (40%) and the U.S. (33%).**

As an international financial center, we will encourage our companies to continue to consider enhancing gender diversity — whether undergoing refreshment or going IPO.

THE BROADER VIEW: WOMEN ON BOARDS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Percentage	19.2%	19.2%	15%	20%	40%	33%

Women in senior management

Senior executives often serve as a talent pipeline for board directors in the future. **The representation of women at the senior management level has continued to grow at a slow pace, particularly when compared to the progress made at the board level.** 17.3% of all HSI senior management and 18.3% of all HSLI senior management are women, a slight increase from 16.6% and 17.8% in 2021, respectively.

FEMALE SENIOR MANAGEMENT

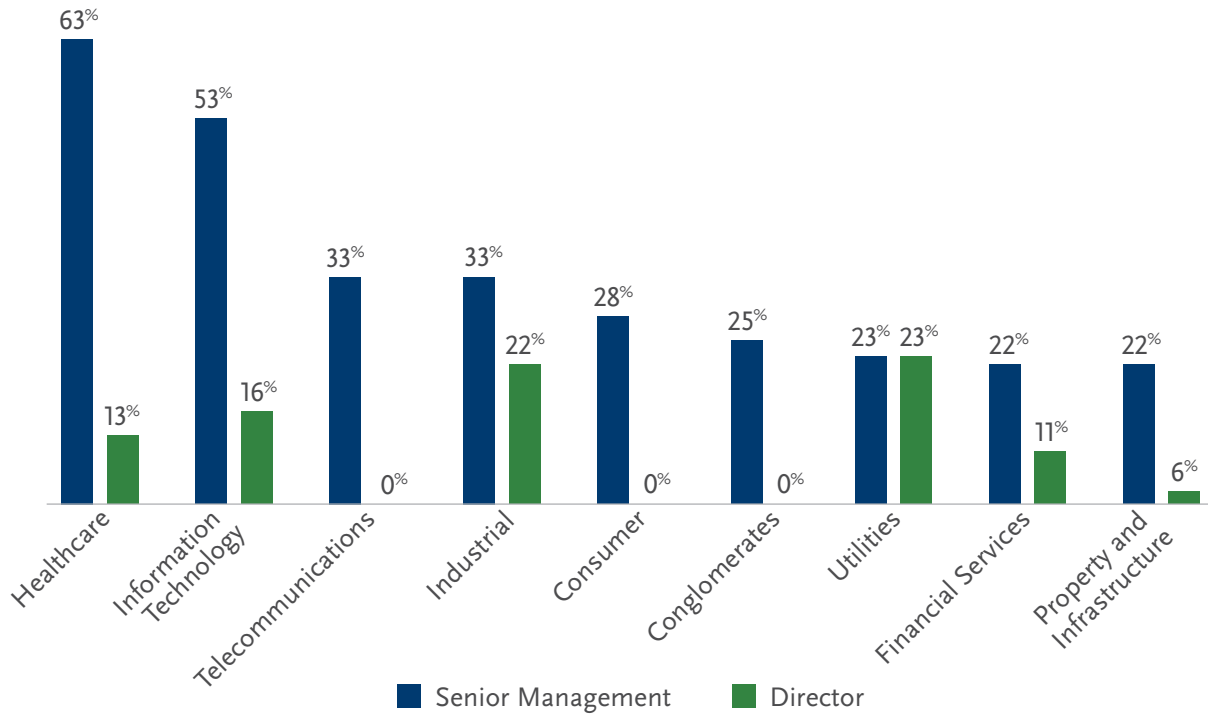
	2021		2023		2023	
	Senior Management		Senior Management		Board of Directors	
	HSI	HSLI	HSI	HSLI	HSI	HSLI
% women	16.6%	17.8%	17.3%	18.3%	19.2%	19.2%
% of companies with at least two women	43%	41%	44%	40%	58%	57%
% of companies with no women	31%	31%	31%	33%	11%	12%

In the last two years, the percentage of HSLI companies with at least two women in senior management slightly decreased by one percentage point, whereas the percentage of companies with no women reached 33%, a two percentage point increase. Looking across industries, while only **13% of healthcare boards are single gender, 63% of healthcare companies have no women executives.** Also surprisingly, while all the telecommunications, consumer and conglomerates companies have women on their boards, 33%, 28% and 25% of the companies in those sectors, respectively, have single-gender senior management.

In terms of headquarters location, while the representation of female executives in the mainland Chinese-headquartered companies increased slightly from 14% in 2021 to 15% in 2023, the female representation of the Hong Kong/Macau-headquartered companies, which account for a quarter of the HSLI constituents, decreased from 22% to 20%.

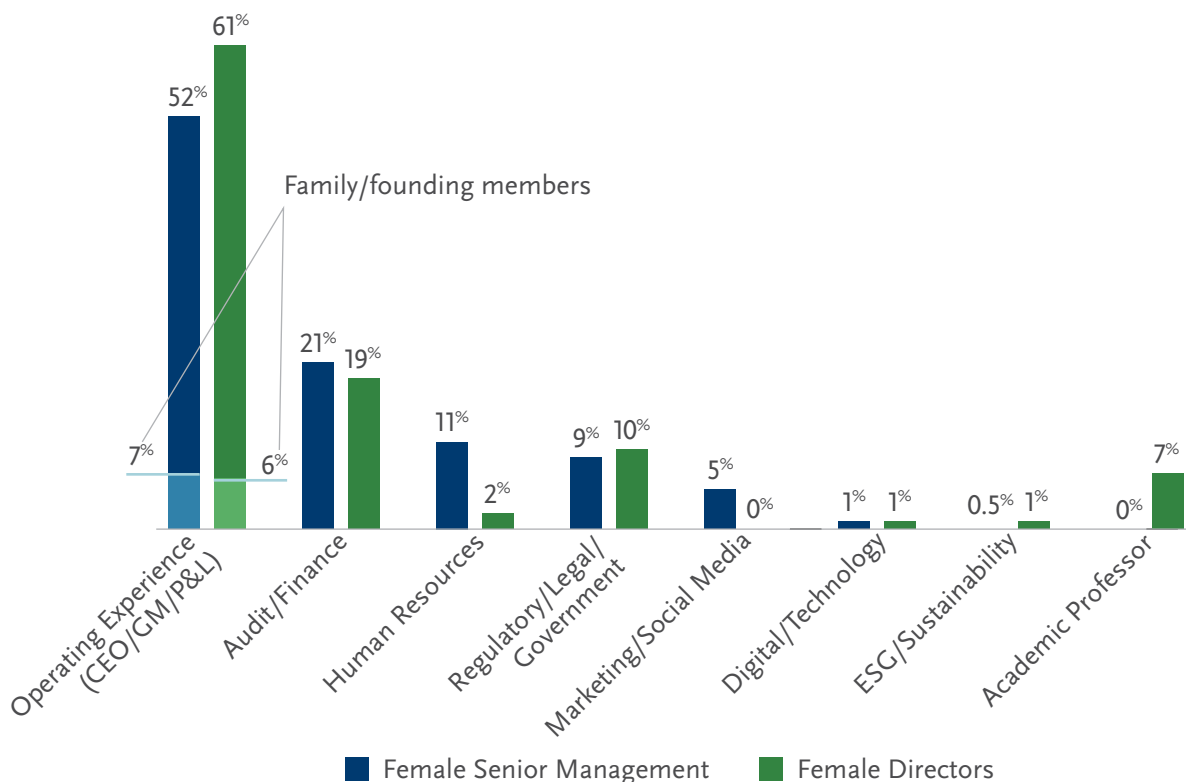
Improving gender diversity in senior management and on boards is equally important. Hong Kong's progress on gender diversity at the board level shows targets from HKEX can work. Abroad, UK companies have significantly improved female representation on both their boards and management teams. The Financial Conduct Authority has mandated that women should make up at least 40% of a company board, and at least one of the senior board positions (chair, CEO, CFO or senior independent director) should be held by a woman. We have observed that rigorous independent assessments of executives often help remove unconscious bias and allow more capable women to rise to the top.

PERCENTAGE OF COMPANIES WITH NO FEMALE SENIOR MANAGEMENT OR DIRECTORS BY INDUSTRY — HSLI 2023



What does it take for a woman to become a senior executive and/or a board member? Among the HSLI companies, 7% of the female executives and 6% of the female directors are either founding members or family members of the companies, a decline from 11% and 14% in 2021, respectively. It is not surprising that the most common backgrounds are P&L operating and finance experience, followed by HR for senior management, and regulatory/legal/government for board directors.

BACKGROUNDS OF FEMALE SENIOR MANAGEMENT AND DIRECTORS — HSLI 2023



Directors with technology experience

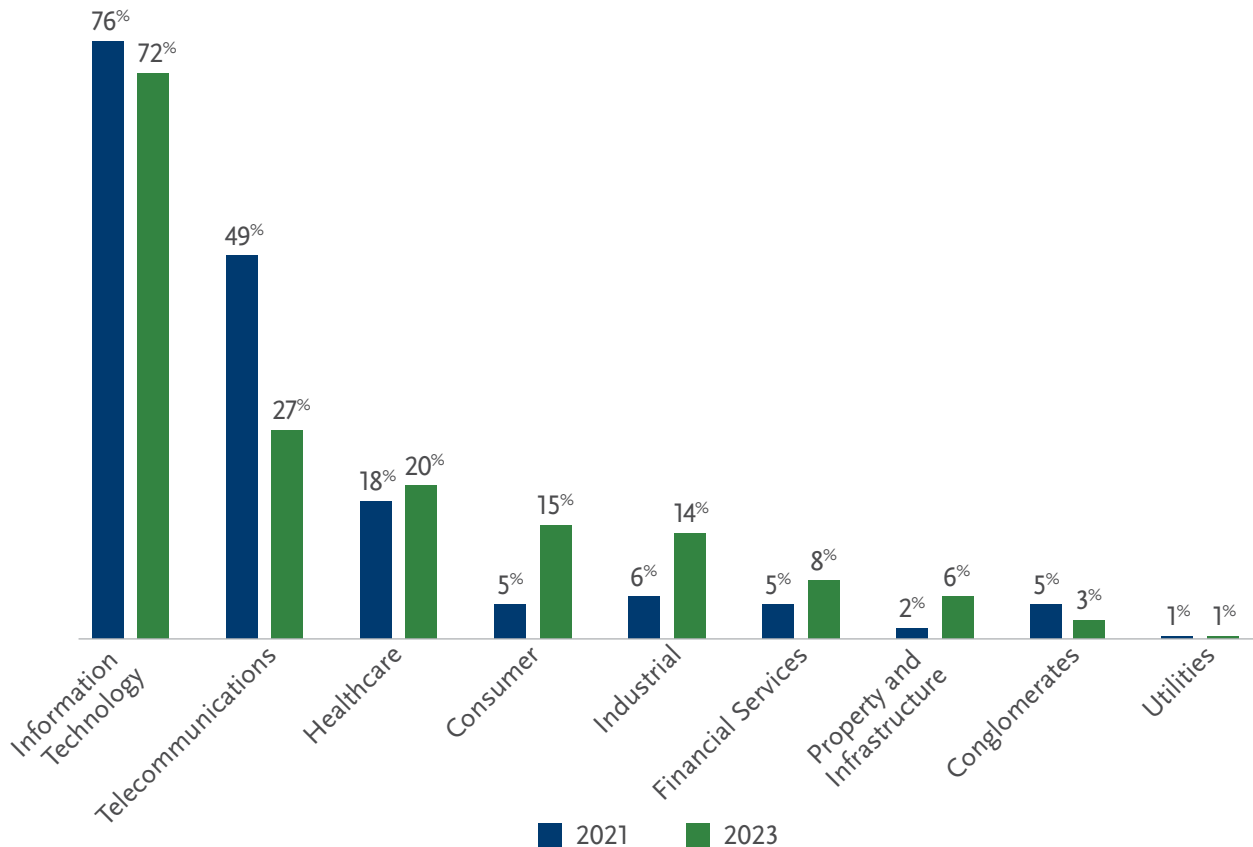
Based on our survey of nomination committee members and INEDs in early 2023, cybersecurity and IT development emerged as one of the most important board priorities. Within the HSI companies, there has been a slight increase in the percentage of directors possessing technology and digital expertise, increasing from 11% in 2021 to 14% in 2023. Similarly, the proportion of technology directors on the HSLI boards has grown, from 13% to 16% during the same period. Approximately 60% of the HSI and HSLI companies have at least one technology director serving on the boards.

TECHNOLOGY DIRECTORS

	2021		2023	
	HSI	HSLI	HSI	HSLI
% of technology directors	11%	13%	14%	16%
% of companies with at least two technology directors	24%	28%	29%	33%
% of companies with no technology director	53%	54%	40%	39%

We observed a sharper upward trend in particular sectors, such as consumer (from 5% to 15%) and industrial companies (from 6% to 14%); consumer companies are keen to leverage new technology to improve customer experience, while technology can help to improve operational efficiency and profitability for industrial firms.

TECHNOLOGY DIRECTORS BY INDUSTRY — HSLI



New board directors

HSLI companies made 118 new board appointments in the 12 months prior to July 2023, 29% were EDs, 22% were NEDs and 49% were INEDs — representing a 12 percentage point increase in INEDs over the past two years. This is probably due to the new HKEX requirement that boards must appoint a new INED if all INEDs have served for more than nine years.

Similar to 2021, 25% of the new board directors are under the age of 50, 12% are foreign directors, and 45% are first-time directors.⁶ The percentage of women among newly appointed directors has significantly increased from 18% to 39%. **Among these first-time directors, 42% are women, a 110% increase over the past two years.**

NEW DIRECTOR SNAPSHOT — HSLI

	2021		2023	
	New Directors	New INEDs	New Directors	New INEDs
Total	176	66	118	58
Average age	53.9	57.6	55.5	59.6
% of younger than 50	26%	18%	25%	12%
% of female directors	18%	20%	39%	53%
% of foreign directors	11%	17%	12%	16%

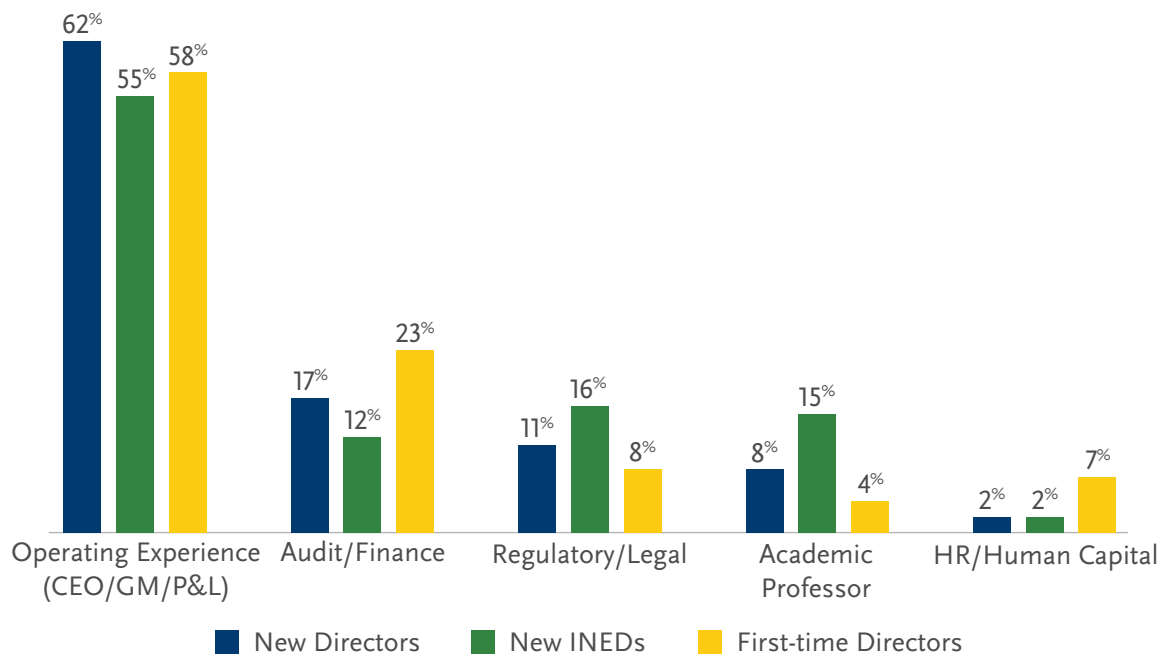
⁶ First-time directors are defined as the new directors who have no prior public board experience before.

FIRST-TIME DIRECTOR SNAPSHOT — HSLI

	2021		2023	
	New Directors	New INEDs	New Directors	New INEDs
% of first-time directors	43%	29%	45%	29%
Average age of first-time directors	51.3	55.6	53.5	58.9
% of female directors	20%	11%	42%	65%

Consistent with the overall director profile, the most common background of new directors continues to be P&L operating experience. **Approximately a quarter of directors without prior public board experience have a finance background.**

BACKGROUNDS OF NEW DIRECTORS — HSLI 2023



Board Organization and Process

Board meetings

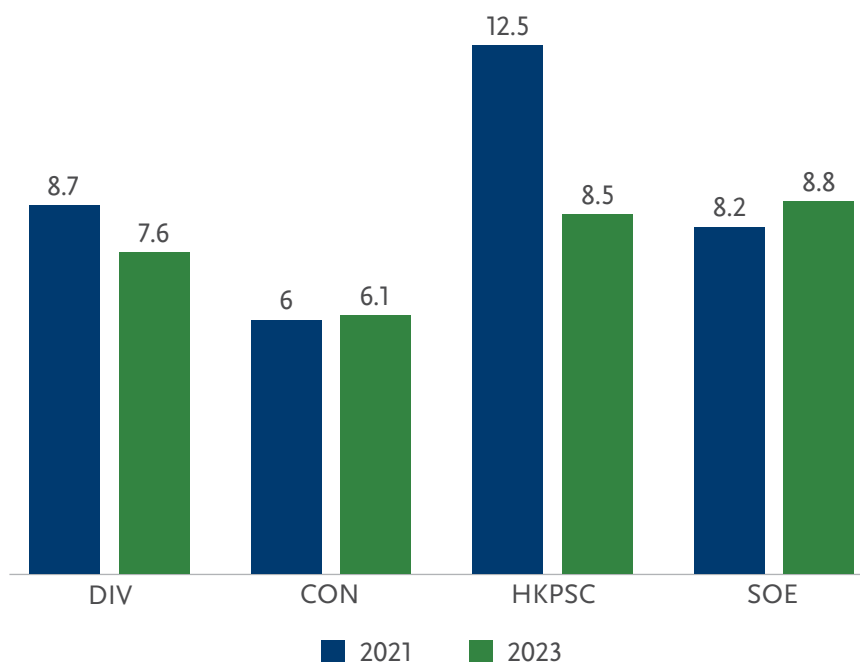
This year, HSI boards convened 7.1 meetings on average, compared to 7.3 meetings in 2021. 50% of HSI boards met five or fewer times, an increase from 44% in 2021, while 27% met six to nine times, a six percentage point decrease over the past two years. More than one-fifth of HSI and HSLI boards met ten or more times in 2023.

BOARD MEETING DISTRIBUTION

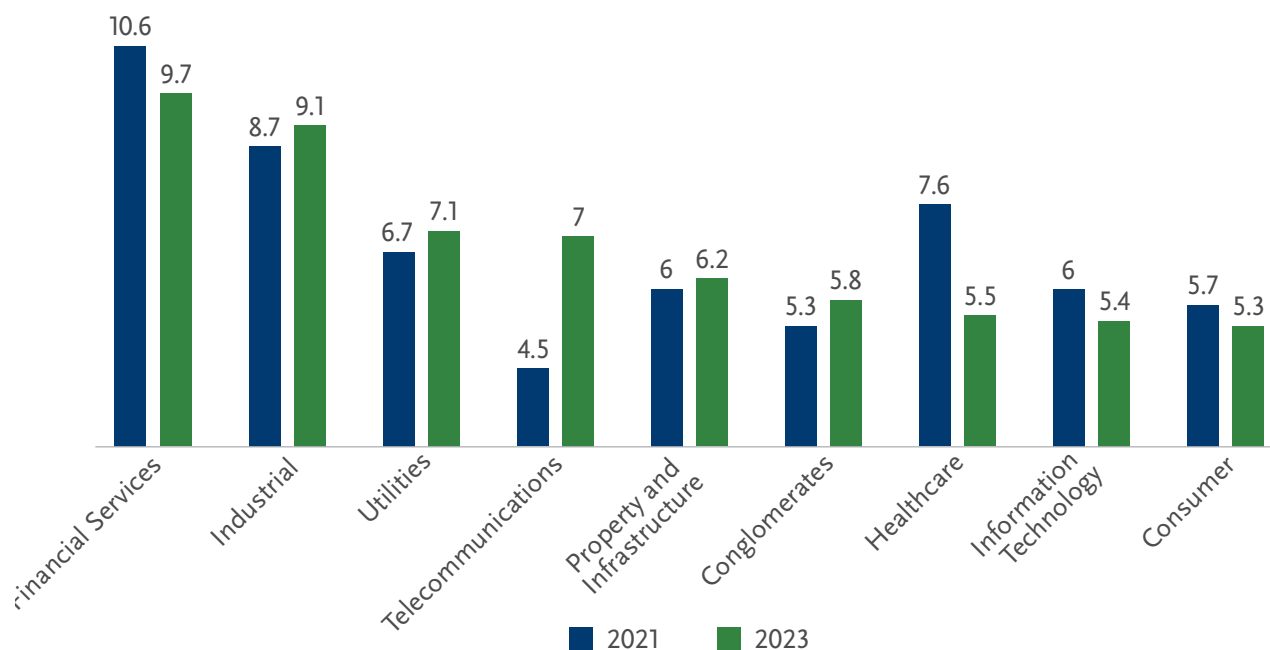
Categories	2021		2023	
	HSI	HSLI	HSI	HSLI
Average board meetings	7.3	7.1	7.1	7.1
5 or fewer board meetings	44%	44%	50%	48%
6 to 9 board meetings	33%	35%	27%	30%
10 or more board meetings	23%	21%	23%	22%

Of the four shareholding structure categories, SOE companies convened the most, averaging 8.8 meetings, a slight increase from 8.2 meetings in 2021, while CON companies met the least, averaging 6.1 meetings. Among all the industries, boards of financial services companies, same as 2021, met the most frequently, followed by industrial and utilities boards.

AVERAGE NUMBER OF BOARD MEETINGS BY SHAREHOLDING STRUCTURE — HSLI



AVERAGE NUMBER OF BOARD MEETINGS BY INDUSTRY — HSLI



Hong Kong companies' meeting cadence continues to be on par with that of companies in other countries.

THE BROADER VIEW: AVERAGE NUMBER OF BOARD MEETINGS

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Number	7.1	7.1	14.1	5.9	8.9	7.6

Board committee meetings

Similar to our study in 2021, HSI boards on average convened four to five audit committee meetings, two to three remuneration committee meetings, and approximately two nomination committee⁷ meetings throughout the financial year. The number of committee meetings of Hong Kong boards, especially the remuneration and nomination committee meetings, is much less than companies in the U.S. and the UK. **One might ask, “Is Hong Kong less rigorous in board planning and board refreshment?”**

THE BROADER VIEW: AVERAGE NUMBER OF BOARD COMMITTEE MEETINGS

Committee Meetings	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Audit committee	4	4.3	-	4.3	5.4	8.2
Remuneration committee	2.3	2.5	-	2	5.4	5.8
Nomination committee	1.8	1.9	-	2.2	4.2	4.6

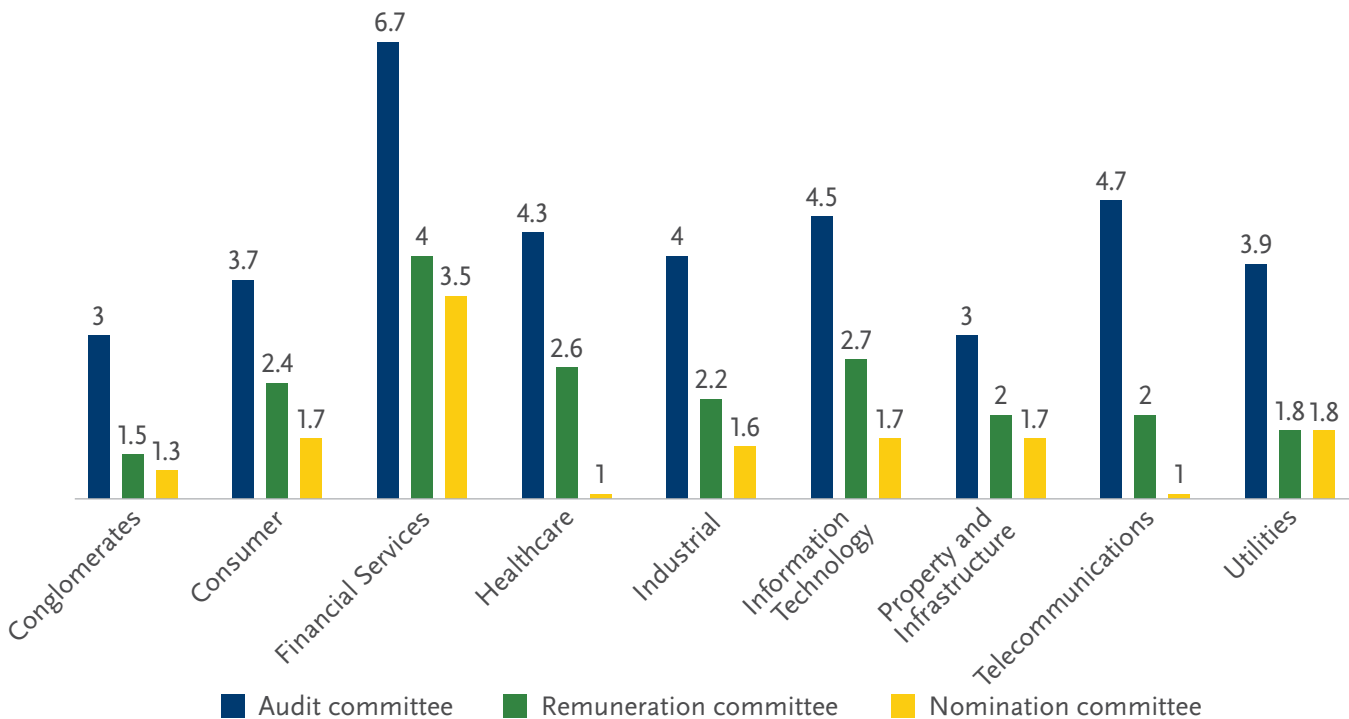
Nomination committees of Hong Kong public sector companies convened the most. Similar to our study in 2021, financial services companies, which operate in a highly regulated environment, conducted the most board and committee meetings compared to other sectors in 2023.

⁷ 10% (8) and 10% (12) of HSI and HSLI companies merged remuneration and nomination into one committee.

AVERAGE NUMBER OF COMMITTEE MEETINGS BY SHAREHOLDING STRUCTURE — HSLI 2023

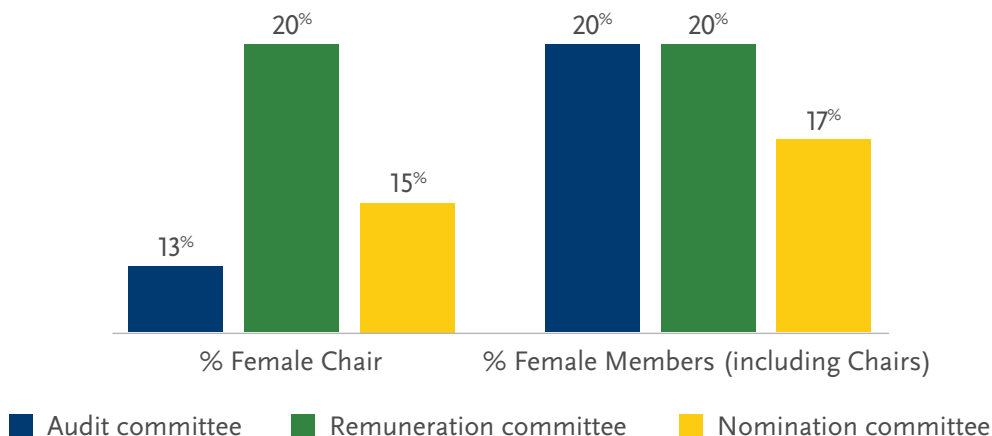
	CON	DIV	HKPSC	SOE
Audit committee	3.7	5.6	3	5
Remuneration committee	2	4.3	3.5	2.5
Nomination committee	1.5	2.7	4	2.1

AVERAGE NUMBER OF COMMITTEE MEETINGS BY INDUSTRY — HSLI 2023



We also look into the female representation of the board committees. 20% of the HSLI remuneration committees are chaired by a female director, followed by nomination committees (15%) and audit committees (13%).

FEMALE REPRESENTATION OF BOARD COMMITTEES — HSLI 2023



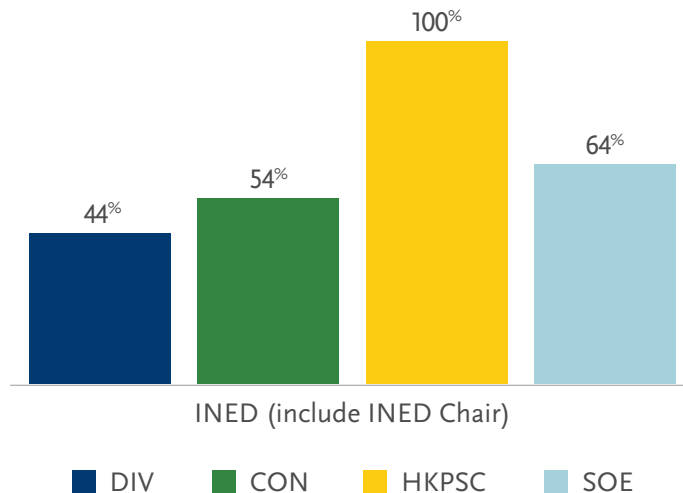
Nomination committee and chair

According to the HKEX Listing Rules, all Hong Kong-listed companies since 2022 have been required to establish a nomination committee to enhance corporate governance standards and strengthen board independence. The committee must be chaired by either the board chairman or an INED. As of our cut-off date, all the HSI and HSLI boards have a nomination committee, except for three companies that are secondarily listed in Hong Kong and are granted a waiver from setting up a nomination committee. They are H World Group, Tencent Music Entertainment Group and Trip.com Group.

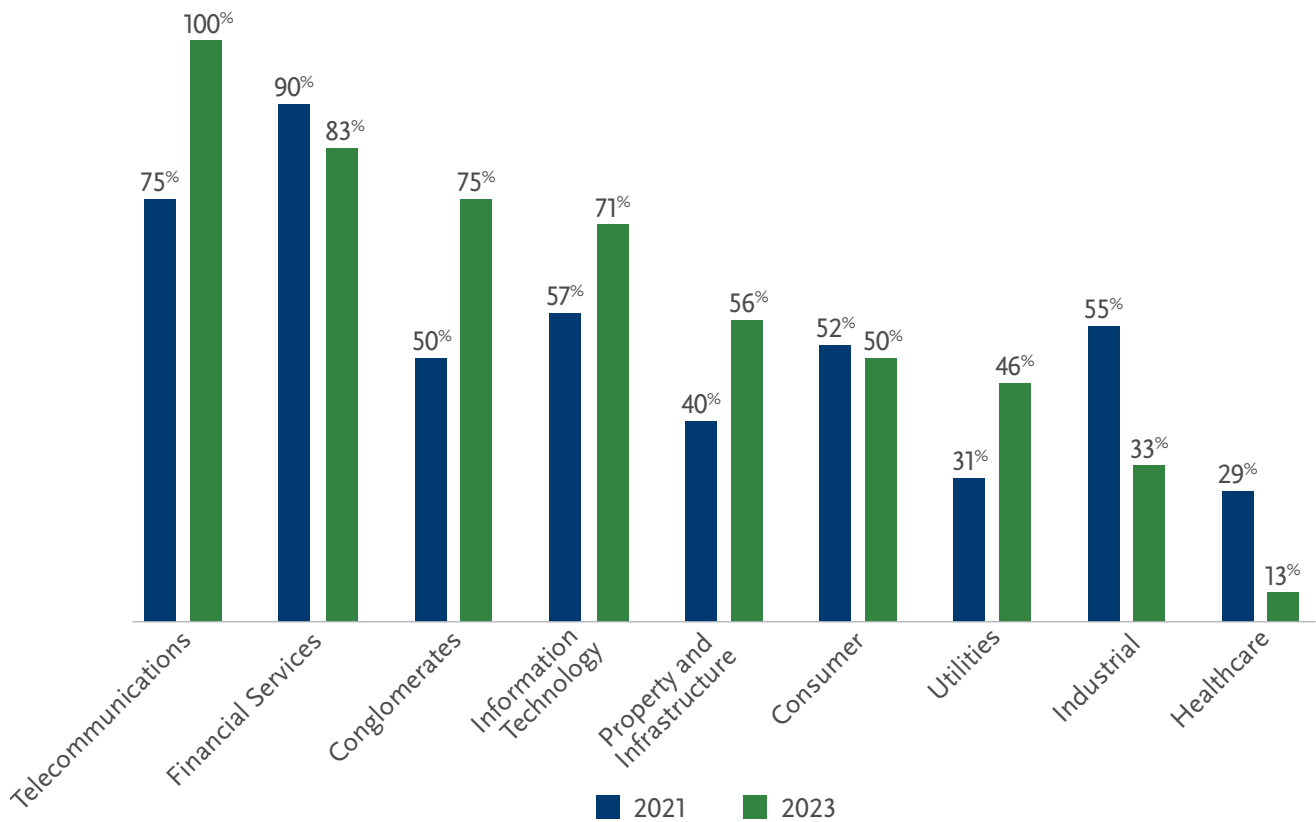
In 2023, 53% of HSI boards and 56% of HSLI boards have an INED serving as the nomination committee chair. **Interestingly, 64% of SOE companies' nomination committees are chaired by an INED, whereas companies with diversified institutional ownership (DIV) have the least at 44%.** In terms of industry, all the telecommunications boards have an INED as their nomination committee chair, followed by financial services companies (83%). Healthcare companies, most of which are companies with concentrated ownership (CON), have the lowest percentage at 13%.

Based on our analysis, **companies with a female nomination committee chair tend to have a higher percentage of female representation at the board level — 29% versus 17%.**

PERCENTAGE OF COMPANIES WITH INED NOMINATION COMMITTEE CHAIRS BY SHAREHOLDING STRUCTURE — HSLI 2023



PERCENTAGE OF COMPANIES WITH INED NOMINATION COMMITTEE CHAIRS BY INDUSTRY — HSLI 2023



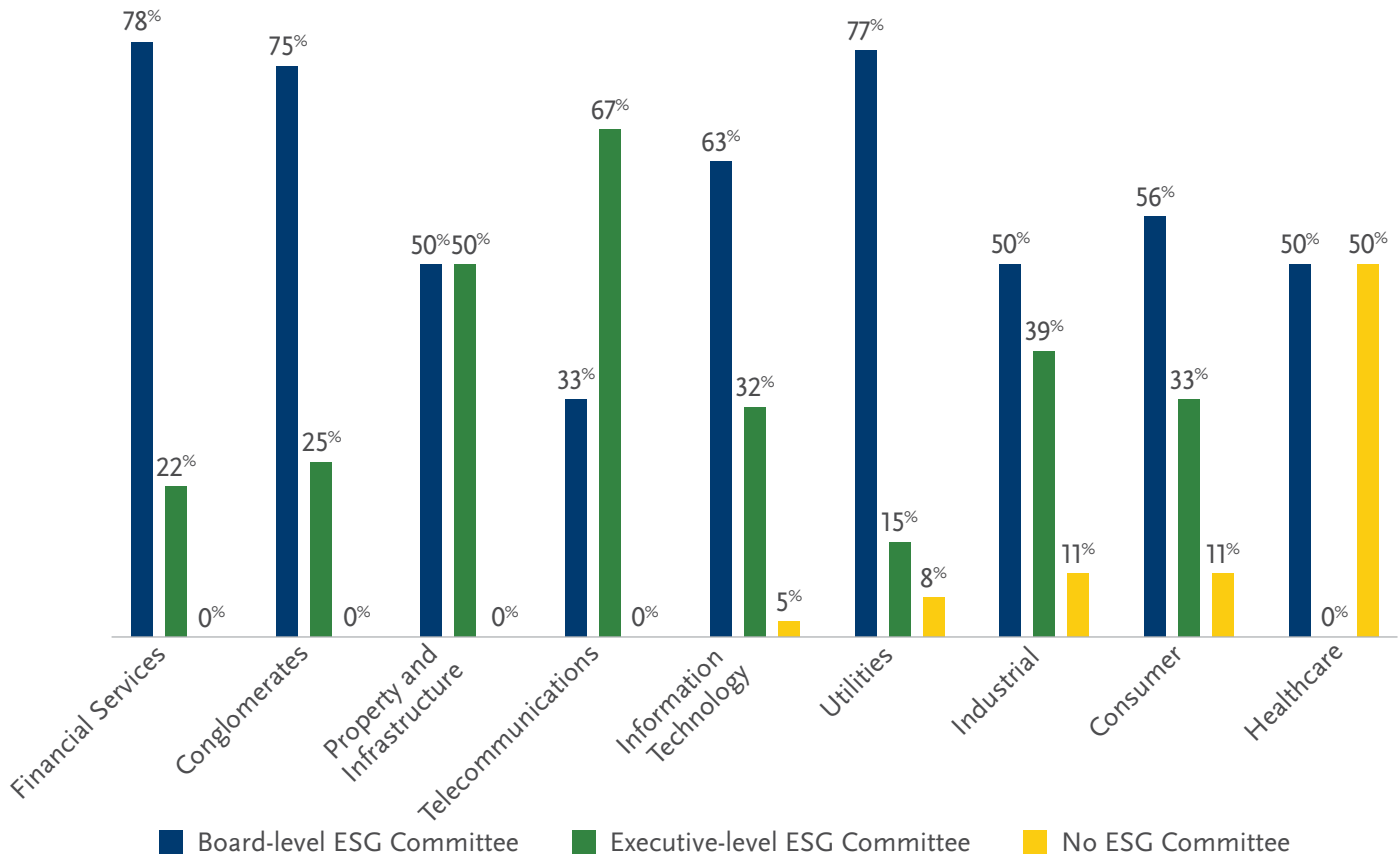
ESG committee

Integrating environmental, social and governance (ESG) and sustainability concepts into a company's strategic framework can contribute to better risk management, leading to long-term resilience and sustainability of the business. As recommended by HKEX, establishing a dedicated ESG committee can help a company implement its ESG strategy across the business, manage its goal setting and reporting processes, oversee their implementation at the operational level, and strengthen relations with external stakeholders.

63% of the HSI companies have established an ESG committee at the board level, while 30% have an ESG committee at the executive level, compared to 48% and 31% in 2021. Among the broader group of HSLI companies, 61% have a board-level ESG committee and 31% have an executive-level ESG committee. **In other words, over 90% of Hong Kong boards have an ESG Committee, while only 13% of the STI companies in Singapore have an ESG committee.**

Within the HSLI, in 2023, all the financial services, conglomerates, property and infrastructure, telecommunications companies have either a board-level ESG committee or an executive-level ESG committee. However, only 50% of healthcare companies have one of these committees.

PERCENTAGE OF COMPANIES WITH ESG COMMITTEES BY INDUSTRY — HSLI 2023



Board evaluation

Although it is not compulsory, conducting regular board evaluations is suggested by HKEX, as it is useful for enhancing directors’ accountability and providing valuable feedback for improving board effectiveness, maximizing strengths, and highlighting areas for further development.

There has been a marked increase in the prevalence of board evaluations (both internally and externally facilitated), from 28% in 2021 to 42% in 2023 for HSI companies, and from 20% to 37% for HSLI companies. Nevertheless, **only 3% of HSI companies and 3% of HSLI companies have reported engaging an external facilitator, which is recommended every three years.** During the 2022/2023 financial year, only HKEX, Link REIT and Standard Chartered have conducted externally facilitated board evaluations.

INTERNAL VERSUS EXTERNAL EVALUATION

	2021		2023	
	HSI	HSLI	HSI	HSLI
Board evaluation — externally facilitated	7%	3%	3%	3%
Board evaluation — internally facilitated	21%	17%	39%	34%

Around the world, board evaluation has grown to be a critically important exercise for boards to identify opportunities for improvement. Typically, board evaluations examine a range of factors impacting board performance: composition, culture, processes, director development, organization, overall effectiveness, quality of debate and strategic input, relationship between the board and management, and succession planning processes. Despite being considered a best practice under the HKEX code, the adoption of board evaluation remains low among Hong Kong companies, particularly when compared to companies in other countries, including Singapore.

THE BROADER VIEW: BOARD EVALUATION

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Boards conducting an evaluation	42%	37%	-	90%	99%	98%

Board Remuneration

Chairs

The average total compensation for the five INED chairs⁸ of HSLI boards is US\$579,000, compared to US\$658,000 in 2021 and US\$322,000 in 2018. Individual compensation ranges from US\$260,000 for Hang Seng Bank to US\$1,012,000 for AIA.

Independent non-executive directors

The average total INED compensation (excluding INED chairs, including cash, equity and committee fees) for HSI board members increased by 3% to US\$99,000. Among the broader-based HSLI companies, compensation also slightly increased by 4% to US\$99,000.

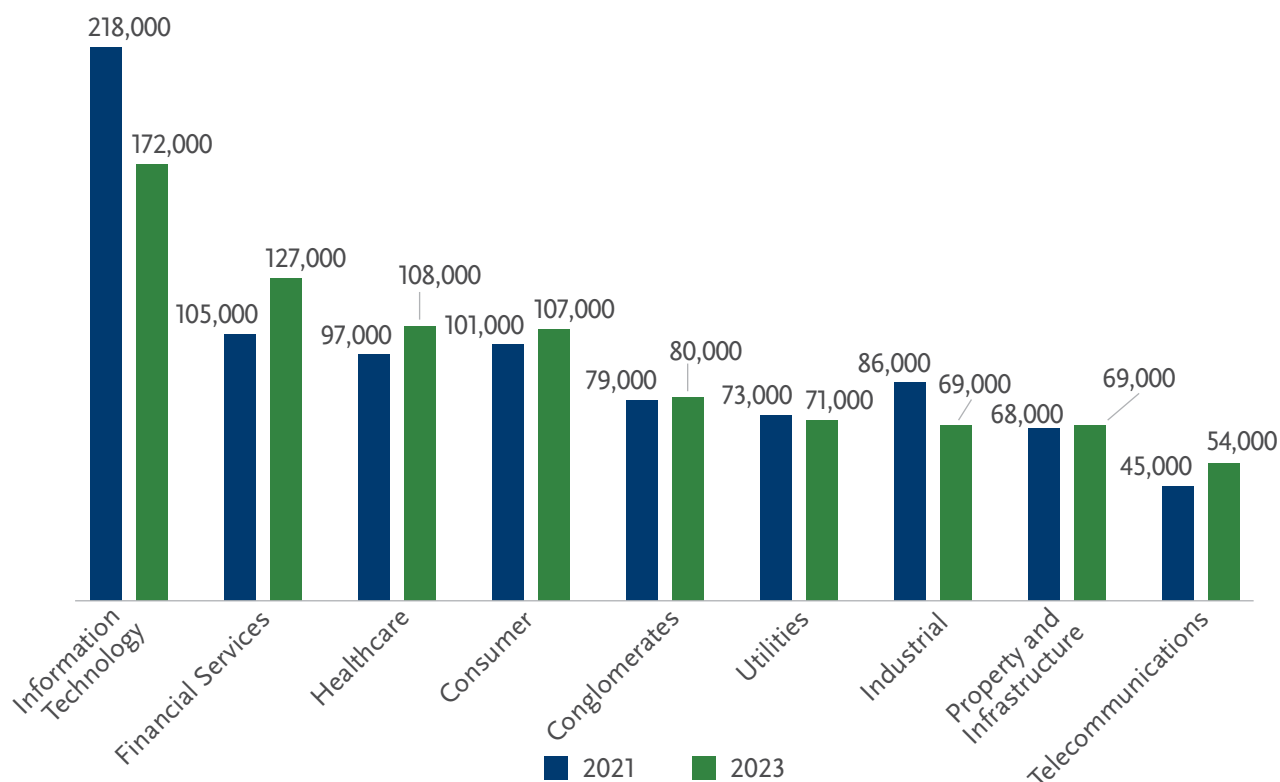
AVERAGE TOTAL INED COMPENSATION (US\$)

	2015		2018		2021		2023	
	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Average INED	65,000	59,000	96,000	85,000	96,000	95,000	99,000	99,000
Lowest INED	15,000	14,000	7,000	4,000	11,000	11,000	14,000	14,000
Highest INED	300,000	300,000	558,000	558,000	630,000	630,000	710,000	710,000

In terms of industry, the INEDs of information technology boards are paid the highest average compensation, although it decreased by 21% compared to 2021. Telecommunications companies have the lowest average INED compensation. This year, 14 companies include equity as part of INED compensation. Beigene and Tencent are particularly unique in this respect — 82% of the INED fee was in the form of equity.

⁸ The companies with INED chairs include AIA, Hang Seng Bank, HKEX, Link REIT, and Yum China.

AVERAGE TOTAL INED COMPENSATION BY INDUSTRY — HSLI (US\$)



COMPANIES WITH EQUITY AS PART OF INED COMPENSATION — HSLI

Companies	Approximate Percentage
Beigene	82%
Tencent Holdings	82%
Li Ning	71%
Techtronic Industries	65%
WuXi Biologics	62%
Meituan	61%
JD Logistics	56%
KE Holdings	54%
GCL Technology Holdings	36%
Link REIT	28%
ENN Energy Holdings	16%
SITC International Holdings	11%
Yum China Holdings	Varies
Bilibili	Varies

THE BROADER VIEW: INDEPENDENT DIRECTORS TOTAL COMPENSATION (US\$)

	HK — HSI	HK — HSLI	Japan	Singapore	UK	U.S.
Total Average Fee	99,000	99,000	90,000	-	104,000	321,000

Independent Non-Executive Directors Survey

ESG efforts and strengthening technology capabilities remain top board priorities, with a strong orientation toward increasing diversity, including gender and beyond.

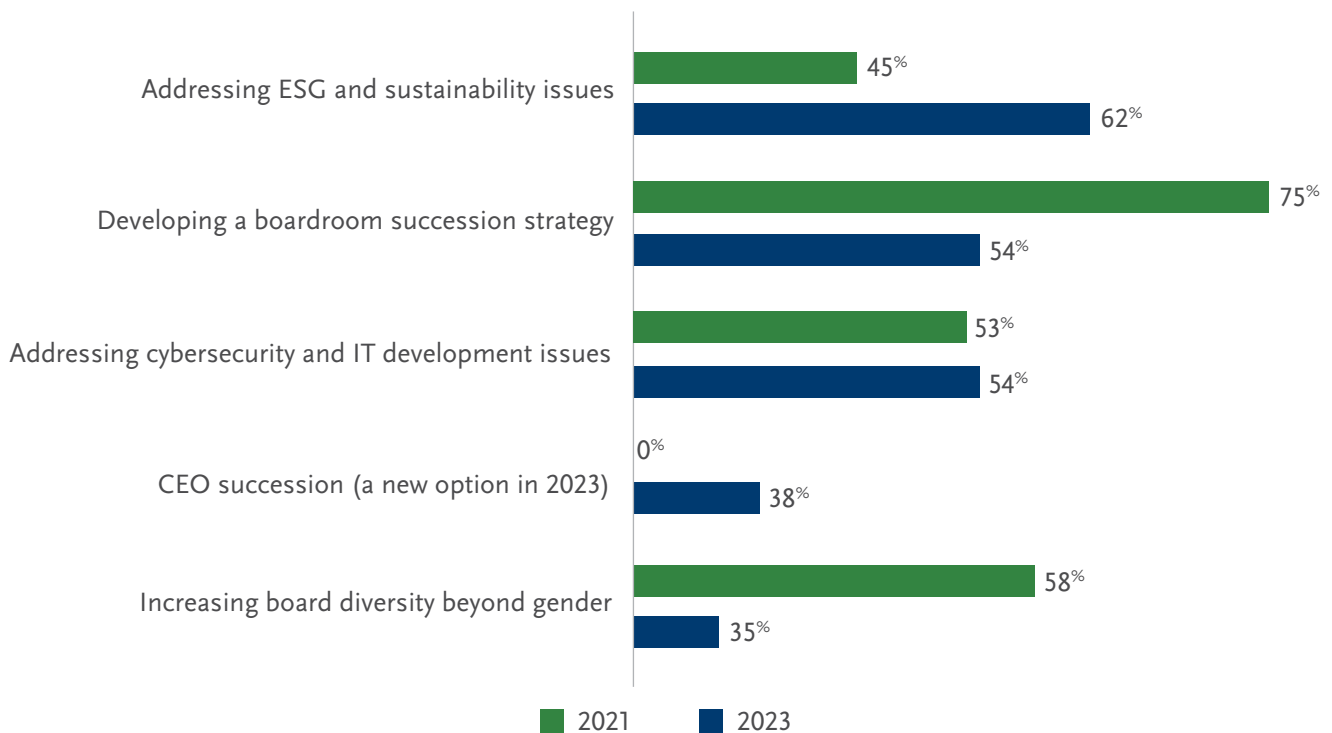
As a leader in corporate governance, Spencer Stuart has been surveying board nominating/governance committees worldwide to gain first-person perspectives on trends and priorities. In early 2023, we surveyed approximately 40 nomination committee members and INEDs of HSLI and Straits Times Index (STI) companies to find out what is top of mind during uncertain times.

Here are the highlights.

Nomination committee priorities

As ESG becomes increasingly important, more boards are focusing on aligning their ESG objectives and metrics with the overall strategic drivers of the business in response to rising public concerns over the impact of climate and environmental risks and growing regulatory obligations. In this survey, **addressing ESG and sustainability issues is the top focus area for nomination committees and INEDs in Hong Kong and Singapore** (62% of respondents, an increase from 45% in 2021), followed by developing a boardroom succession strategy (54% of respondents, from 75%), and addressing cybersecurity and IT development issues (54% of respondents, compared to 53% two years ago). CEO succession, which is a new option in our survey this year, and increasing board diversity beyond gender (35% of respondents, a decrease from 58% in 2021) round out the list.

TOP FIVE NOMINATION COMMITTEES PRIORITIES OVER THE NEXT THREE YEARS



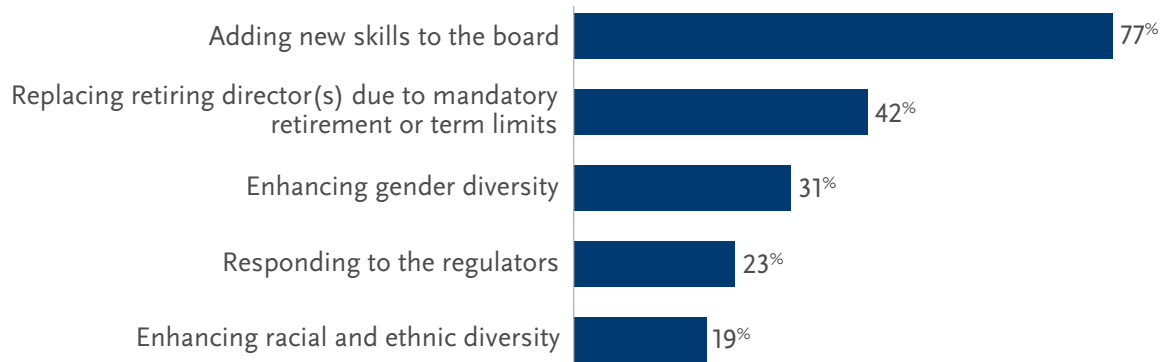
Board succession

While more boards than in 2021 have detailed, well-prepared and forward-thinking succession planning (23% of respondents, compared to 18% in 2021), a greater share of **directors reported that their boards do not have succession planning at all or, if they do, it is usually a contingency plan** (42% of respondents, an increase from 31% two years).



Boards are increasing their scrutiny of the skills and expertise they have on their board and what they need. Indeed, **adding new skills is the biggest driver of the board’s refreshment over the next three years**. Replacing retiring directors due to mandatory retirement or term limits was rated second highest, probably due to the new requirement of HKEX that Hong Kong-listed companies appoint a new INED if all INEDs have served for more than nine years.

BIGGEST DRIVERS OF THE BOARD’S REFRESHMENT OVER THE NEXT THREE YEARS



38%

Have one or more underperforming directors

45%

Believe these directors should be replaced because their skills and expertise are no longer current

75%

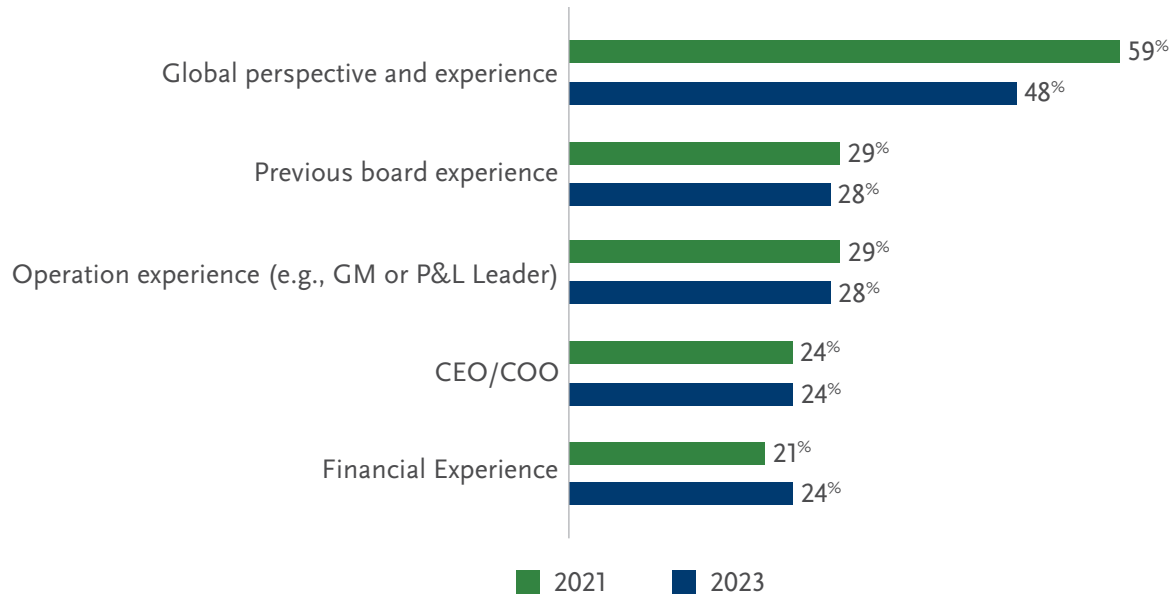
Did not address underperformers this year

38% of respondents reported that the companies have one or more directors they believe should no longer be on the board, a 20-percentage-point increase over the past two years. Over half of them said these directors should be replaced because their skills and expertise are neither current nor relevant to the board anymore. However, the survey found that underperforming directors are typically not asked to leave; **it is surprisingly to note that over 75% did not address underperformers at all.**

Recruiting and refreshment

In this increasingly volatile, uncertain, complex and ambiguous external environment — geopolitical tensions, manufacturing disruptions, economic recession — **global perspective and experience tops the list of board recruiting profiles over the next three years**. Previous board experience, operational experience, CEO/COO background and financial experience round out the top 5 list, which are also in alignment with our survey of S&P 500 nominating committee chairs.

TOP FIVE BOARD RECRUITING PROFILES OVER THE NEXT THREE YEARS

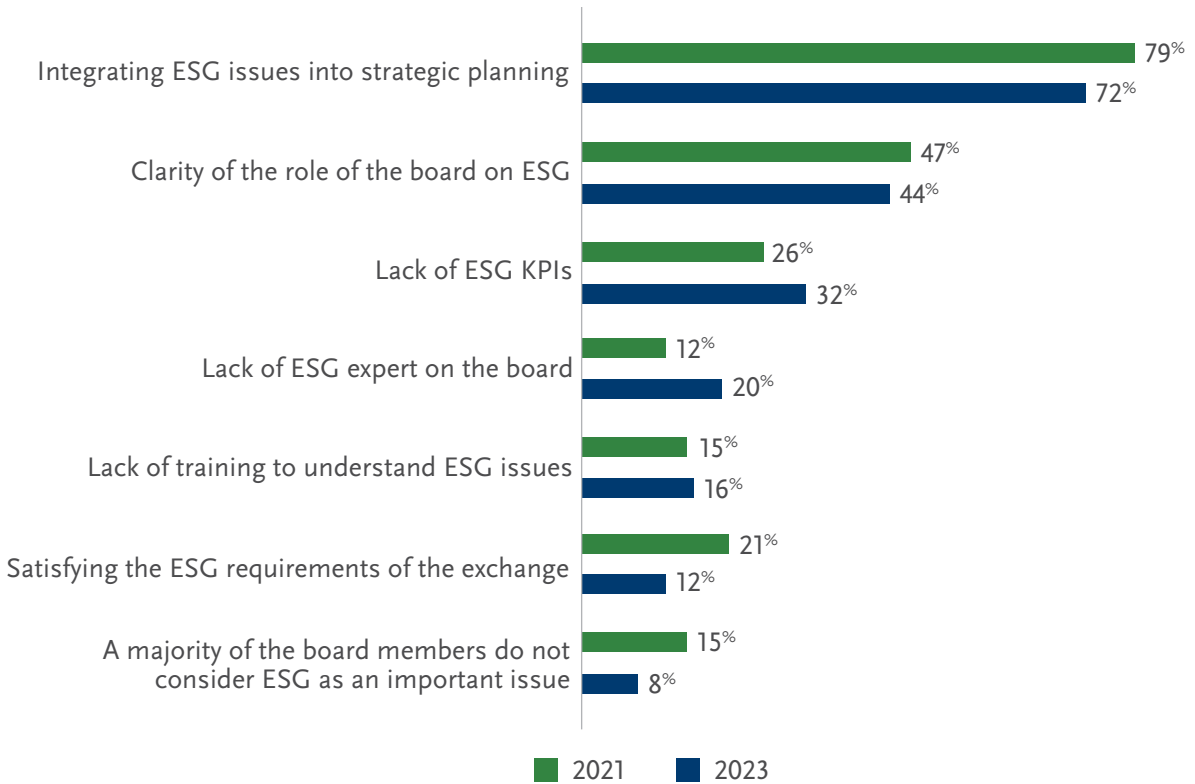


ESG

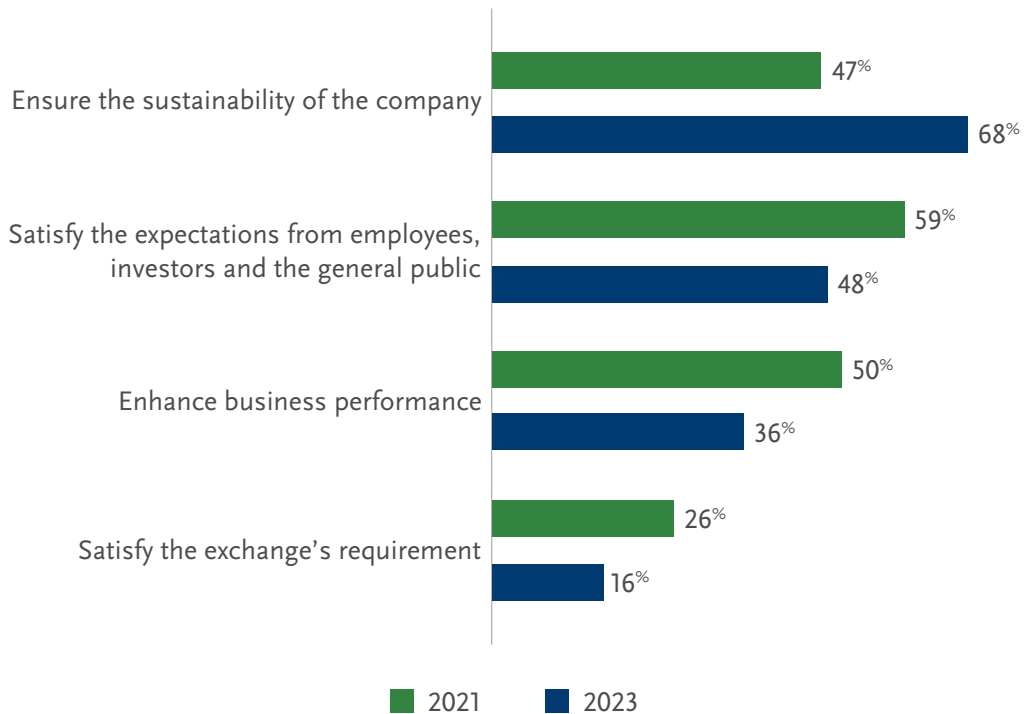
Addressing ESG and sustainability issues tops the list of nomination committee priorities. For ESG reports for financial years commencing on or after 1st July 2020, all Hong Kong-listed companies are required to disclose their ESG governance by including a statement from the board containing a couple of elements, including a disclosure of the board's oversight of ESG issues, the board's ESG management approach and strategy, and how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.

This year, **integrating ESG issues into strategic planning continues to be the biggest ESG challenge to the board**. After two years of training and development, there was a decline in the percentage of directors who viewed satisfying the Exchanges' ESG requirement as an obstacle. Our survey shows that more directors see a real positive purpose for ESG focus — only 8% of directors shared that a majority of their board do not consider ESG as an important issue, a decrease from 15% in 2021. **We see a growing trend of directors who consider the long-term sustainability of the company as their biggest motivation for ESG focus.**

TOP ESG CHALLENGES TO THE BOARD

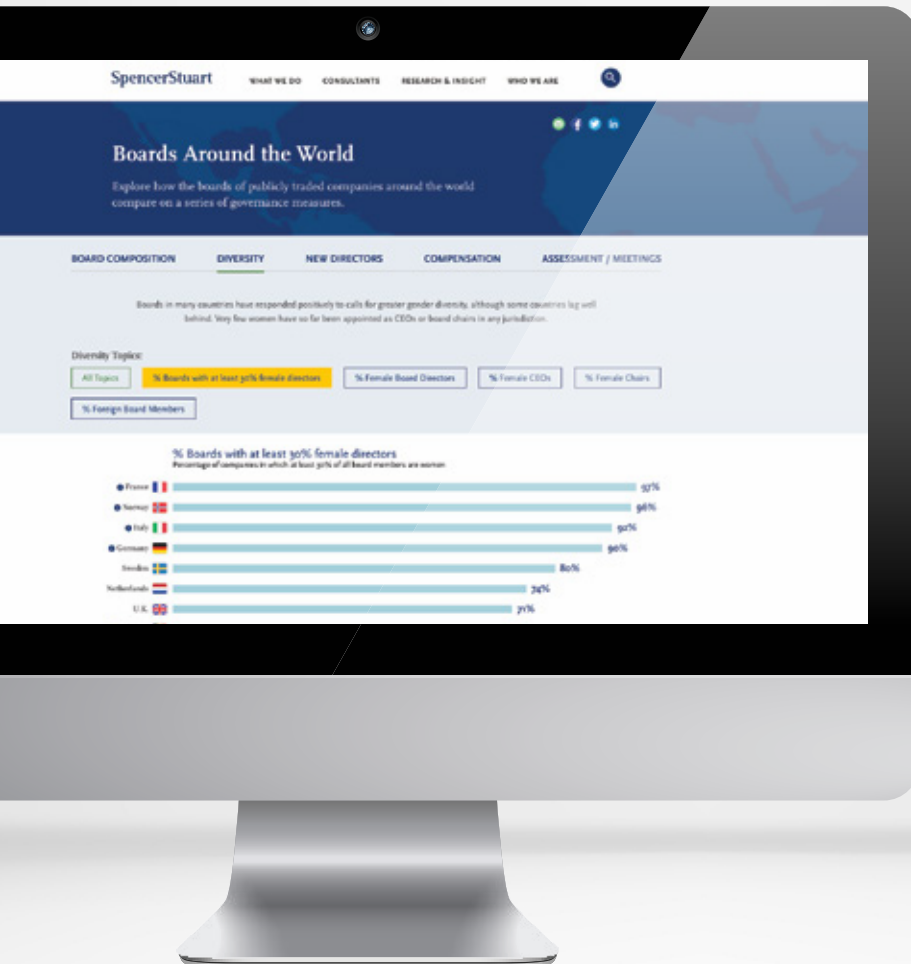


BIGGEST MOTIVATION FOR ESG FOCUS



Boards Around the World

Spencer Stuart publishes Board Indexes covering more than 25 countries around the world. The majority of these Board Indexes are published annually, with a few appearing on alternate years.



We have compiled key data from all these countries into our **Boards Around the World** feature — an interactive data exploration tool.

Compare nationally aggregated data from leading companies from North and South America, Europe and Asia Pacific across a wide range of measures.

Our more detailed International Comparison data set, previously published in printed editions of our Board Indexes, is now available online only.

Visit spencerstuart.com/BATW for more details.

Comparative Board Data

COMPARATIVE BOARD DATA

	NUMBER OF DIRECTORS				CHAIR			DIVERSITY					AGE		
	HSI / HSLI	FINANCIAL YEAR	OWNERSHIP	BOARD SIZE (YEAR END)	#ED	#NED	#INED	CHAIR TYPE	DIFFERENT CH & CEO	FEMALE DIRECTORS	FOREIGN DIRECTORS	FEMALE ED + SENIOR MANAGEMENT	BOARD (AVERAGE)	CHAIR	INED (AVERAGE)
Agricultural Bank of China	HSLI	Dec-22	SOE	15	4	6	5	ED	Separate	2	0	0	57	56	60
AIA Group	HSI / HSLI	Dec-22	DIV	13	1	0	12	INED	Separate	3	8	2	69	85	69
Alibaba Group Holding	HSI / HSLI	Mar-23	DIV	10	3	1	6	ED	Same	3	3	4	61	51	63
Alibaba Health Information Technology	HSI / HSLI	Mar-23	DIV	7	3	1	3	ED	Same	2	0	0	52	52	60
Anta Sports Products	HSI / HSLI	Dec-22	DIV	10	6	0	4	ED	Separate	2	0	0	54	53	55
Baidu	HSI / HSLI	Dec-22	CON	5	1	0	4	ED	Same	0	2	1	57	55	58
Bank of China	HSI / HSLI	Dec-22	SOE	12	3	3	6	ED	Separate	0	2	2	60	52	65
Bank of Communications	HSLI	Dec-22	SOE	16	2	8	6	ED	Separate	1	0	0	58	60	64
Beigene	HSLI	Dec-22	DIV	11	1	1	9	ED	Same	2	9	1	60	55	61
Bilibili	HSLI	Dec-22	CON	7	3	0	4	ED	Same	1	0	1	48	45	55
BOC Hong Kong Holdings	HSI / HSLI	Dec-22	SOE	10	1	3	6	NED	Separate	2	0	1	61	52	65
Budweiser Brewing Company APAC	HSI / HSLI	Dec-22	DIV	7	1	3	3	ED/NED	Separate	3	5	0	58	48	68
BYD	HSI / HSLI	Dec-22	CON	6	1	2	3	ED	Same	0	0	2	58	57	57
BYD Electronic (International) Company Limited	HSLI	Dec-22	CON	7	2	2	3	NED	Separate	0	1	1	55	57	57
China CITIC Bank	HSLI	Dec-22	SOE	10	3	3	4	ED	NCE	2	0	1	58	57	61
China Construction Bank	HSI / HSLI	Dec-22	SOE	14	4	5	5	ED	Separate	3	3	0	59	63	67
China Feihe	HSLI	Dec-22	CON	11	4	3	4	ED	Same	2	2	1	54	54	59
China Gas Holdings	HSLI	Mar-23	DIV	15	6	4	5	ED	Same	3	1	3	57	60	63
China Hongqiao Group Limited	HSI / HSLI	Dec-22	CON	12	4	4	4	ED	Same	5	0	3	54	54	60
China Life Insurance	HSI / HSLI	Dec-22	SOE	9	3	2	4	ED	Separate	2	0	2	57	60	59
China Mengniu Dairy	HSI / HSLI	Dec-22	SOE	9	3	3	3	NED	Separate	1	1	2	53	58	57
China Merchants Bank	HSI / HSLI	Dec-22	SOE	14	1	7	6	NED	Separate	0	1	1	59	58	61
China Mobile	HSI / HSLI	Dec-22	SOE	8	4	0	4	ED	Separate	1	0	0	62	61	65
China Overseas Land and Investment	HSI / HSLI	Dec-22	SOE	9	4	2	3	ED	Separate	1	0	0	55	57	61
China Pacific Insurance Group	HSLI	Dec-22	SOE	14	2	7	5	ED	Separate	4	1	0	58	63	63
China Petroleum & Chemical	HSI / HSLI	Dec-22	SOE	9	3	2	4	NED	Separate	1	0	1	60	62	63
China Resources Beer Holdings	HSI / HSLI	Dec-22	SOE	10	2	3	5	ED	NCE	1	1	0	63	55	68
China Resources Gas Group	HSLI	Dec-22	SOE	11	2	5	4	NED	Separate	0	0	1	61	60	66
China Resources Land	HSI / HSLI	Dec-22	SOE	12	5	3	4	ED	Separate	1	0	0	56	52	60
China Resources Mixc Lifestyle Services	HSI / HSLI	Dec-22	SOE	10	4	2	4	NED	Separate	3	0	2	55	52	61
China Resources Power Holdings Company Limited	HSI / HSLI	Dec-22	SOE	9	3	2	4	ED	NCE	1	0	0	64	52	73
China Shenhua Energy	HSI / HSLI	Dec-22	SOE	8	3	2	3	NC	NC	1	0	1	58	NC	58
China United Network Communications Group	HSI / HSLI	Dec-22	SOE	7	3	0	4	NC	NC	2	0	1	64	NC	71
Chow Tai Fook Jewellery Group	HSI / HSLI	Mar-23	CON	15	9	0	6	ED	Separate	3	0	6	58	77	62
CITIC Group	HSI / HSLI	Dec-22	SOE	14	4	5	5	ED	Separate	2	2	0	62	55	73
CK Asset Holdings	HSI / HSLI	Dec-22	CON	15	7	0	8	ED	Same	4	4	4	72	59	73
CK Hutchison Holdings	HSI / HSLI	Dec-22	CON	17	7	4	6	ED	Separate	5	4	1	71	59	65

	NUMBER OF DIRECTORS			CHAIR			DIVERSITY			AGE					
	HSI / HSLI	FINANCIAL YEAR	OWNERSHIP	BOARD SIZE (YEAR END)	#ED	#NED	#INED	CHAIR TYPE	DIFFERENT CH & CEO	FEMALE DIRECTORS	FOREIGN DIRECTORS	FEMALE ED + SENIOR MANAGEMENT	BOARD (AVERAGE)	CHAIR	INED (AVERAGE)
CK Infrastructure Holdings	HSI / HSLI	Dec-22	CON	16	8	2	6	ED	Separate	4	7	2	73	59	78
CLP Holdings	HSI / HSLI	Dec-22	CON	14	1	5	8	NED	Separate	5	9	2	63	82	64
CNOOC	HSI / HSLI	Dec-22	SOE	9	1	4	4	NED	Separate	2	0	1	62	61	68
Country Garden Holdings	HSLI	Dec-22	CON	11	6	1	4	ED	Separate	3	0	6	57	42	75
Country Garden Services Holdings	HSI / HSLI	Dec-22	CON	7	3	1	3	NED	Separate	1	0	0	50	42	54
CSPC Pharmaceutical Group	HSI / HSLI	Dec-22	CON	15	9	0	6	ED	Separate	1	0	0	56	70	57
ENN Energy Holdings	HSI / HSLI	Dec-22	CON	11	5	2	4	ED	Separate	2	0	5	55	59	62
ESR Group Limited	HSLI	Dec-22	DIV	12	2	5	5	NED	Separate	3	9	3	56	40	56
Fosun International	HSLI	Dec-22	CON	15	7	3	5	ED	Separate	1	0	1	55	56	63
Galaxy Entertainment Group	HSI / HSLI	Dec-22	CON	9	4	1	4	ED	NCE	1	2	1	77	94	77
GCL Technology Holdings Limited	HSLI	Dec-22	CON	9	6	0	3	ED	Separate	1	0	1	55	65	63
Geely Automobile Holdings	HSI / HSLI	Dec-22	CON	11	7	0	4	ED	Separate	3	0	1	56	60	57
Guangdong Investment	HSLI	Dec-22	SOE	12	5	3	4	ED	Separate	1	0	1	58	61	68
H World Group Limited	HSLI	Dec-22	CON	7	1	1	5	ED	Separate	2	1	2	58	56	56
Haidilao International Holding	HSI / HSLI	Dec-22	CON	11	5	1	5	ED	Separate	3	2	3	54	53	65
Haier Smart Home Company Limited	HSI / HSLI	Dec-22	CON	9	2	3	4	ED	Same	2	0	1	61	54	63
Hang Lung Properties	HSI / HSLI	Dec-22	CON	9	4	0	5	ED	Separate	1	0	6	63	74	70
Hang Seng Bank	HSI / HSLI	Dec-22	DIV	11	2	2	7	INED	Separate	8	3	9	58	70	60
Hansoh Pharmaceutical Group	HSI / HSLI	Dec-22	CON	6	3	0	3	ED	Same	3	0	3	60	62	72
Henderson Land Development	HSI / HSLI	Dec-22	CON	17	10	1	6	ED	Same	2	0	5	72	56	73
Hengan International Group	HSI / HSLI	Dec-22	CON	11	7	0	4	ED	Separate	1	1	3	56	73	61
HK Electric Investments	HSLI	Dec-22	CON	17	5	6	6	ED	Separate	1	5	1	67	72	75
HKT	HSLI	Dec-22	CON	9	2	3	4	ED	Separate	3	3	5	67	57	75
Hong Kong Exchanges and Clearing	HSI / HSLI	Dec-22	HKPSC	13	1	0	12	INED	Separate	4	4	6	64	74	63
HSBC Holdings	HSI / HSLI	Dec-22	DIV	12	2	1	9	NED	Separate	5	11	4	60	66	60
Industrial and Commercial Bank of China	HSI / HSLI	Dec-22	SOE	13	3	5	5	ED	Separate	2	0	1	62	63	69
Innovent Biologics Inc.	HSLI	Dec-22	DIV	6	2	0	4	ED	Same	1	2	0	66	59	69
JD Health International	HSI / HSLI	Dec-22	CON	7	1	2	4	NED	Separate	2	0	0	52	50	54
JD Logistics Inc.	HSLI	Dec-22	CON	7	1	1	5	NED	Separate	2	0	0	53	50	56
JD.com	HSI / HSLI	Dec-22	CON	7	2	0	5	ED	Separate	3	1	2	54	50	57
KE Holdings Inc.	HSLI	Dec-22	CON	8	4	1	3	ED	Same	1	0	0	52	44	54
Kingdee International Software Group	HSLI	Dec-22	CON	7	2	2	3	ED	Same	2	1	0	61	60	59
Kuaishou Technology	HSLI	Dec-22	CON	9	2	5	2	ED	Separate	0	0	0	48	41	54
Kunlun Energy	HSLI	Dec-22	SOE	7	4	0	3	ED	Separate	0	0	0	61	58	67
Lenovo Group	HSI / HSLI	Mar-23	DIV	11	1	2	8	ED	Same	2	3	3	64	59	65
Li Auto Inc.	HSLI	Dec-22	CON	8	3	2	3	ED	Same	1	0	0	47	41	49
Li Ning	HSI / HSLI	Dec-22	CON	7	3	0	4	ED	Separate	2	1	0	57	60	64
Link REIT	HSI / HSLI	Mar-23	DIV	11	2	1	8	INED	Separate	3	6	4	61	68	60
Longfor Group	HSI / HSLI	Dec-22	CON	9	4	1	4	ED	Same	1	1	3	54	41	63
Meituan	HSI / HSLI	Dec-22	CON	7	2	1	4	ED	Same	1	1	0	55	44	61
MTR Corporation	HSI / HSLI	Dec-22	HKPSC	19	1	5	13	NED	Separate	5	1	4	63	71	65

COMPARATIVE BOARD DATA

	NUMBER OF DIRECTORS				CHAIR			DIVERSITY				AGE			
	HSI / HSLI	FINANCIAL YEAR	OWNERSHIP	BOARD SIZE (YEAR END)	#ED	#NED	#INED	CHAIR TYPE	DIFFERENT CH & CEO	FEMALE DIRECTORS	FOREIGN DIRECTORS	FEMALE ED + SENIOR MANAGEMENT	BOARD (AVERAGE)	CHAIR	INED (AVERAGE)
NetEase	HSI / HSLI	Dec-22	CON	5	1	0	4	NC	NC	2	0	0	62	NC	64
New World Development	HSI / HSLI	Jun-22	CON	17	7	4	6	ED	Separate	6	0	4	59	77	62
NIO Inc.	HSLI	Dec-22	CON	6	2	1	3	ED	Same	1	1	0	51	49	53
Nongfu Spring	HSI / HSLI	Dec-22	CON	9	4	2	3	ED	Same	3	0	2	53	69	63
Orient Overseas (International) Limited	HSI / HSLI	Dec-22	SOE	12	3	4	5	ED	Separate	2	0	4	63	55	68
PetroChina	HSI / HSLI	Dec-22	SOE	11	3	3	5	ED	Separate	1	0	0	58	60	60
Ping An Insurance Group	HSI / HSLI	Dec-22	DIV	15	4	5	6	ED	Separate	3	2	5	57	68	62
Postal Savings Bank of China	HSLI	Dec-22	SOE	12	2	5	5	ED	Same	2	0	1	61	58	65
Power Assets Holdings	HSI / HSLI	Dec-22	CON	13	6	2	5	ED	Separate	1	4	1	66	72	68
Prada	HSLI	Dec-22	CON	11	6	0	5	ED	Separate	4	11	12	58	77	55
Prudential plc	HSLI	Dec-22	DIV	11	1	1	9	NED	Separate	5	9	2	63	61	64
Sands China	HSI / HSLI	Dec-22	CON	8	3	1	4	ED	Same	1	4	0	66	68	67
Semiconductor Manufacturing International	HSI / HSLI	Dec-22	DIV	8	1	3	4	ED	Separate	1	0	1	61	58	68
SenseTime Group Inc.	HSLI	Dec-22	CON	8	4	1	3	ED	Same	1	0	0	52	41	63
Shenzhou International Group Holdings	HSI / HSLI	Dec-22	CON	9	5	0	4	ED	Separate	2	0	1	57	59	57
Sino Biopharmaceutical	HSI / HSLI	Dec-22	CON	12	7	0	5	ED	Separate	4	0	4	58	31	66
Sino Land	HSLI	Jun-22	CON	11	6	1	4	ED	Same	0	4	0	66	71	67
Sinopharm Group Company Limited	HSI	Dec-22	SOE	15	2	8	5	ED	Separate	1	0	1	55	59	57
SITC International Holdings Company Limited	HSLI	Dec-22	CON	9	5	1	3	ED	Separate	3	0	0	51	66	48
Smooore International Holdings	HSLI	Dec-22	CON	8	4	1	3	ED	Same	2	0	1	49	48	53
Standard Chartered	HSLI	Dec-22	DIV	13	2	1	10	NED	Separate	5	11	7	65	69	65
Sun Hung Kai Properties	HSI / HSLI	Jun-22	CON	20	10	2	8	ED	Same	2	0	1	64	70	72
Sunny Optical Technology	HSI / HSLI	Dec-22	CON	8	3	1	4	ED	Separate	1	0	2	61	57	62
Swire Properties	HSLI	Dec-22	CON	13	4	4	5	ED	Separate	5	6	4	56	58	53
Techtronic Industries	HSI / HSLI	Dec-22	CON	12	5	2	5	ED	Separate	2	9	0	64	79	61
Tencent Holdings	HSI / HSLI	Dec-22	DIV	8	1	2	5	ED	Same	2	3	0	65	52	67
Tencent Music Entertainment Group	HSLI	Dec-22	DIV	9	3	3	3	ED	Separate	2	2	2	54	49	62
The Hong Kong and China Gas	HSI / HSLI	Dec-22	CON	9	2	4	3	NED	Separate	0	0	0	70	56	80
Tingyi Holding	HSI / HSLI	Dec-22	CON	9	6	0	3	ED	Separate	1	5	1	64	46	82
Trip.com Group Limited	HSI / HSLI	Dec-22	DIV	8	3	1	4	ED	Separate	1	0	2	53	54	55
Want Want China	HSLI	Mar-23	CON	15	7	3	5	ED	Same	2	1	3	60	66	63
WH Group	HSI / HSLI	Dec-22	CON	9	5	1	3	ED	Separate	1	1	3	59	83	62
Wharf Holdings	HSLI	Dec-22	CON	12	5	0	7	ED	Same	3	2	1	69	71	72
Wharf Real Estate Investment	HSI / HSLI	Dec-22	CON	12	4	0	8	ED	Same	2	1	1	70	71	72
WuXi Biologics	HSI / HSLI	Dec-22	CON	8	2	3	3	NED	Separate	0	2	0	59	56	70
Xiaomi	HSI / HSLI	Dec-22	CON	7	3	1	3	ED	Same	0	0	0	58	54	66
Xinyi Glass Holdings Limited	HSI / HSLI	Dec-22	CON	12	4	4	4	ED	Separate	0	0	0	65	71	71
Xinyi Solar Holdings	HSI / HSLI	Dec-22	CON	9	4	2	3	NED	Separate	1	0	0	57	71	56
XPeng Inc.	HSLI	Dec-22	CON	7	1	3	3	ED	Same	1	1	1	52	45	51
Yum China Holdings Inc.	HSLI	Dec-22	DIV	10	1	0	9	INED	Separate	4	3	3	58	60	58

COMPARATIVE BOARD DATA

	NUMBER OF DIRECTORS			CHAIR			DIVERSITY			AGE					
	HSI / HSLI	FINANCIAL YEAR	OWNERSHIP	BOARD SIZE (YEAR END)	#ED	#NED	#NED	CHAIR TYPE	DIFFERENT CH & CEO	FEMALE DIRECTORS	FOREIGN DIRECTORS	FEMALE ED + SENIOR MANAGEMENT	BOARD (AVERAGE)	CHAIR	INED (AVERAGE)
Zhongsheng Group Holdings	HSI / HSLI	Dec-22	CON	10	4	2	4	ED	Separate	0	0	4	56	61	60
Zijin Mining Group Company Limited	HSI	Dec-22	SOE	13	6	1	6	ED	Separate	2	0	1	58	66	64
ZTO Express	HSLI	Dec-22	CON	10	3	2	5	ED	Same	1	0	1	53	53	55



SpencerStuart