

SpencerStuart

2025 Hong Kong

Spencer Stuart Board Index



About Spencer Stuart Board Services

At Spencer Stuart, we know how much leadership matters. 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. 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 60 offices, across 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 organizational effectiveness.

Leveraging over 70 years of experience, our Board Advisory Practice has become a trusted partner in identifying and recruiting independent directors, advising on governance issues, and supporting boards and CEOs through career milestones, business transformations and crises.

Our global team provides unmatched access to top director talent and assists boards in increasing the diversity of their composition. We support every leadership decision, including board appointments, CEO recruitment, long-term CEO succession planning, executive development and accelerating CEO performance within their pivotal first year and beyond. As a strategic partner to boards, we help identify and remove obstacles to improving board effectiveness and performance.

845

Deep experience in the boardroom

We completed 845 board advisory projects — including director search, succession planning, board effectiveness and governance advisory — over the last 12 months.

38%

Trusted by leading boards

In the past 10 years, we have helped place directors at 38% of S&P 500 company boards.

75

Our Greater China Board Practice has placed over 75 directors in the past decade, 70% of whom are women. We have supported board succession for more than 20 Hong Kong-headquartered companies.

40%

Inclusive search practices

Focused on excellence and fairness when presenting candidates, 40% of our recent board placements have been women and/or individuals from underrepresented minority 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 innovative solutions to the challenges they face. Publishing the *Hong Kong Spencer Stuart Board Index* — now in its sixth 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 2025 *Hong Kong Spencer Stuart Board Index* is a comprehensive study of the governance practices for companies in the Hang Seng Index (HSI) and Hang Seng Composite LargeCap Index (HSLI). This index provides a snapshot of key governance practices across these two groups, including board structure and composition, diversity, committees, meetings, remuneration, and board evaluation.

This is the sixth edition of the *Hong Kong Spencer Stuart Board Index*. It examines data from 85 HSI companies and 106 HSLI companies, with market cap ranging from US\$4 billion to US\$748 billion.

Hong Kong continues to strengthen its role as a global financial center, offering a dynamic platform for corporate growth and international expansion. In 2025, over 70% of HSI and HSLI companies were headquartered in mainland China. For benchmarking with governance practices of companies overseas, you can refer to our [Boards Around the World online comparison table](#), which summarizes findings from other markets where Spencer Stuart publishes board indexes.

Spencer Stuart Perspective for 2025

From stability to stewardship: The evolving role of the board

Over the past 40 years, boardrooms have been tested by challenges ranging from corporate scandals, financial crises and a global pandemic to expanding regulations, technological disruption, mounting geopolitical tensions and the growing influence of institutional investors. This has put directors to the test and forced boards to adapt. In 2025, these challenges intensified, leaving directors navigating a landscape of heightened uncertainty and scrutiny.

Despite decades of transformation in how boards operate, the foundational purpose of a corporate board has remained constant: to oversee and advise management, promote accountability and legal compliance, guide long-term strategy, plan for CEO succession, oversee risk mitigation, and safeguard the company's health and reputation.

But in today's increasingly complex and rapidly evolving business environment, boards should ask themselves: **How well equipped are we — in composition, structure and practices — to fulfill our core responsibilities?**

Boardroom readiness for a new era

Over the past decades, boards have evolved from compliance orientation to a stronger strategic focus, and are engaged as stewards of long-term value. The goal for boards is to help their companies remain resilient and competitive amid constant change. But are they optimally equipped to do that? In our 2025 study [*Closing the Confidence Gap: Why the Board-CEO Relationship Needs a Reset*](#), based on a survey of 2,400 CEOs and directors from around the world, only 22% of CEOs reported receiving effective board support to navigate today's challenges.

That support includes holding management accountable, guiding strategic priorities, testing assumptions and fostering a culture that supports innovation — all within the boundaries of the board's oversight role. This will distinguish high-performing boards in the years ahead.

Six imperatives for high-performing boards:

1. Ensure a winning strategy

With boards expected to play a more proactive and strategic role as stewards of long-term value, they must evolve their composition, capabilities and ways of working. This means recruiting directors based on a full set of qualifications needed to support the company's strategic direction — encompassing not just skills but also experiences and perspectives.

Boardrooms have diversified their talent pools over the years. Where once boards were dominated by CEOs, today's boards include directors with broader financial and functional backgrounds. Many CEOs say there's still a shortfall here. In our 2025 [*Closing the Confidence Gap*](#) study, 53% said they ideally want directors who bring specific subject-matter expertise aligned with the company's most pressing issues. Yet, only 43% of CEOs felt their boards were delivering on that expectation — compared with 63% of directors.

Meeting this need, however, isn't as simple as adding a specialist to the board. For example, in a company facing AI disruption, a director who has led digitally focused business transformation may be more effective than a technical expert with specialized AI knowledge. While boards own all decisions around board composition, thoughtful collaboration with the CEO helps ensure directors' expertise aligns with the company's strategic priorities. Our [2025 study](#) indicates that when boards and CEOs engage in open dialogue around board appointments, both parties are more confident that the board has the right mix of skills and perspectives.

To fulfill their strategic responsibilities, boards must refresh with intent — complementing existing credentials with fresh perspectives and ensuring directors guide the business through its most important challenges.

2. Plan for board succession

Board accountability has undergone a profound transformation. Evaluation practices have evolved significantly — prompting a shift away from very long tenures toward intentional self-assessment and renewal.

To make real progress on recruitment priorities and maintain diverse perspectives in the boardroom amid a dynamic business environment, boards must adopt a new mindset. While mandatory retirement or term limits can help drive turnover, forward-thinking boards will embrace a continuous refreshment approach — regularly assessing whether the board has the right expertise to support the company's long-term strategy. This involves comparing current directors' skills and attributes against those needed for future success and addressing any gaps or redundancies. Tools such as board evaluations and skill matrices can aid this process.

When performance falls short or skills become outdated, boards should have the courage and culture to act, setting clear expectations that continued service depends on relevance and contribution. Boards that follow this approach will consistently bring fresh perspectives to their deliberations and reduce reliance on age-based turnover, where the oldest member leaves regardless of value.

3. Guide CEO succession

Few moments test a company's resilience more than a leadership transition. In today's fast-moving market, effective succession planning is no longer just a contingency exercise — it's a core governance responsibility. Done well, it smooths leadership transitions and mitigates risk. It also equips boards and leadership teams to create long-term value amid uncertainty.

Boards are increasingly recognizing this. In our 2025 [Nominating/Governance Chair Survey](#), CEO succession ranked as the second most important item on the committee agenda, up 10 percentage points from the previous year to 60%. Just over half (55%) of nominating/governance committee chairs said their board is actively supporting CEO succession activities, and 84% reported that their board either has a formal emergency plan in place or has identified an interim successor from within management or the board.

Yet, awareness doesn't always translate into action. Nearly seven in 10 (69%) nominating/governance committee chairs report spending 10 hours or less annually on succession-related activities.

Healthy boards treat CEO succession as a continuous, forward-looking process — one that reflects evolving strategy and expectations, and shifting talent needs and capabilities. That means establishing a cadence for reviewing the developing leadership pipeline, stress-testing plans for both expected and unexpected transitions, and ensuring CEO succession candidates have the capabilities to meet the business challenges ahead.

4. Embed agility

From AI and cybersecurity to geopolitical risk, today's business challenges are prompting boards to devote more time to oversight and strategic guidance — driving a shift toward more agile structures, learning mindsets and decision-making practices.

Agile governance depends not only on new tools and processes but also on a strong foundation of independence — the ability to challenge constructively, think objectively and engage with management as strategic partners. Boards have made progress on this front. For instance, while traditional audit, nomination and remuneration committees remain central, boards are increasingly tailoring committee structures to sector-specific priorities. Twenty-five years ago, there were no committees dedicated to science, technology, cybersecurity, the environment, health, safety, sustainability or risk.

However, agility isn't just about structure, it's also about how the board operates. High-performing boards prioritize continuous learning — fostering ongoing training for directors, carving out agenda time for forward-looking dialogue, and encouraging directors to pursue their own professional development. They design governance to be flexible, using ad hoc committees and external experts to address complex, fast-moving topics. In addition, they use scenario-based oversight to stress-test assumptions and act decisively as issues unfold.

5. Strengthen independent board leadership

At the heart of effective governance, especially in periods of heightened uncertainty, is a healthy relationship between the board and the CEO. High-performing boards carefully walk a tightrope, offering support and perspective, while also challenging and holding the leadership team accountable.

The independent chair or lead independent director plays a pivotal role in shaping this relationship. In our [Closing the Confidence Gap study](#), 83% of CEOs who reported having effective board support also said they had an excellent relationship with their chair or lead director. Regular communication is essential, particularly in times of change. Expectation-setting discussions can be especially impactful: 68% of CEOs who engaged in these conversations felt effectively supported by their boards, compared with just 50% of those who had not. These conversations should address where the CEO most values input, how strategic and operational reviews will be conducted, and how the board will evaluate performance and monitor major decisions, such as acquisitions.

Many CEOs are already investing more in these relationships. In our [2024 Measure of Leadership study](#), 63% reported communicating more frequently with their boards, 33% were holding more one-to-one meetings with their board chairs, and 30% were involving C-suite leaders more regularly in board discussions.

Still, even strong relationships face pressure. Regular, candid conversations are crucial to sustaining trust and ensuring the board continues to provide the right kind of support and challenge.

6. Shape board culture

When disruption is constant, the way a board and leadership govern and behave can make the difference between resilience and failure. High-performing boards cultivate an environment where directors can challenge assumptions constructively, ask bold questions and engage in candid but respectful debate.

Trust among board members and between the board and executive leadership is foundational to effective oversight and decision-making. Curiosity keeps directors open to new perspectives, and accountability reinforces a shared commitment to performance, ethics and impact. Boards should be intentional about the behaviours and working dynamics they expect from their directors. They should monitor and provide feedback on these important individual contributions to the boardroom culture as part of their annual board assessment.

The ongoing imperative: Ensuring readiness amid complexity

As we reflect on how boards have evolved over the past many years, one thing is clear: Boards' core responsibilities have stayed the same, but the environment in which they operate has changed — and continues to do so at pace.

Over the years, boards have embraced greater independence, broadened their composition, and implemented robust mechanisms for accountability and performance. This has made them more strategic, engaged and accountable stewards of long-term value.

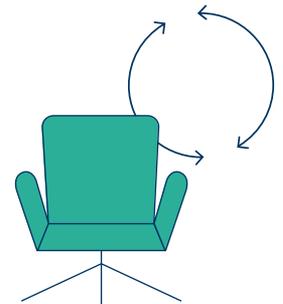
But geopolitical volatility, rapid technological advancements, shifting expectations and tighter regulation are piling on the pressure. Boards will have to keep evolving — and at a faster rate. That means aligning their composition with the organization's strategic needs, refining their governance structures, using rigorous assessment practices, strengthening leadership, maintaining a healthy board–CEO relationship, managing succession planning proactively, and fostering a culture of trust, curiosity and accountability.

The 2025 Hong Kong Spencer Stuart Board Index Highlights

Encouraging board renewal trends

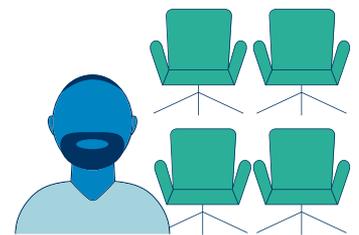
Under the revised HKEX Corporate Governance Code and Listing Rules, independent non-executive directors (INEDs) who have served for more than nine years are regarded as “long-serving INEDs,” and companies are no longer permitted to include long-serving INEDs at the conclusion of their first annual general meeting (AGM) held on or after July 1, 2031.

This regulatory change has accelerated board refreshment efforts. Among HSLI companies, 59% of INEDs were appointed within the past five years; more than 40% of new directors this year are INEDs. These shifts mark positive progress toward greater board diversity and the reduction of groupthink.



Overboarding is trending down

To ensure directors’ time commitment, new provisions in the Listing Rules also limit INEDs to serving as directors in a maximum of six Hong Kong-listed companies. Currently, INEDs of HSLI companies hold an average of 2.2 public directorships, consistent with 2023 figures. Only two INEDs from HSLI companies held more than six public directorships this year, a positive development. The highest number of public board positions held by a single INED is 10.



Increase in lead INEDs

Under the amended HKEX Corporate Governance Code, it is now recommended best practice to appoint a lead INED when the board chair is not an INED. The lead INED serves as a designated contact point for shareholder engagement and helps strengthen and facilitate communication between directors.

While it is a relatively new concept in Hong Kong, in 2025, 6% of HSI companies and 9% of HSLI companies have appointed a lead INED. From an industry perspective, two of the eight healthcare companies in the HSLI have appointed a lead INED, while no boards among conglomerates, property and infrastructure, telecommunications, and utilities have adopted a lead INED.



Gender diversity progress

Since 2024, HKEX has mandated that all companies must appoint at least one female director, which drove the addition of women on Hong Kong boards over the past few years. The percentage of female directors rose from 19.2% in 2023 on both indexes to 21.7% on the HSI and 22.9% on the HSLI in 2025. Notably, 65% of HSI companies and 68% of HSLI companies now have two or more female directors, up from 58% and 57%, respectively, in 2023.

However, momentum appears to be slowing. In 2025, women comprised 32% of HSLI directors appointed in the previous 12 months, down from 39% in 2023. And just 42% of new INEDs are women, down from 53% in 2023.

Advancement in women representation within senior management, an important talent pipeline for boards, has been limited as well. The percentage of female executives on HSI boards inched up from 17.3% in 2023 to 18.2% in 2025, while HSLI boards remained flat at 18.3%, highlighting the need for continued efforts to improve gender balance at the executive leadership level.



Boardrooms seek digital experts

In today's rapidly evolving business landscape, companies face a growing array of challenges — from complex risk environments to the accelerating pace of technological change, including advancements in AI and machine learning. These dynamics are driving a heightened demand for digital expertise at the highest levels of corporate leadership, particularly within the boardroom.

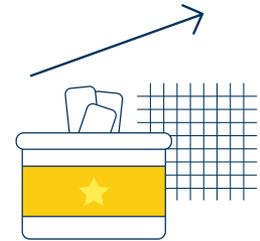
Among HSI companies, the percentage of directors with technology and digital expertise increased from 14% in 2023 to 18% in 2025; on HSLI boards, the percentage increased from 16% to 19%. Looking through the industry lens, upward trends occurred most notably in industrial (14% to 25%), consumer (15% to 23%) and utilities (1% to 5%), reflecting those sectors' growing recognition of technology's impact on innovation and resilience.



Nominating and remuneration committee activities increased slightly

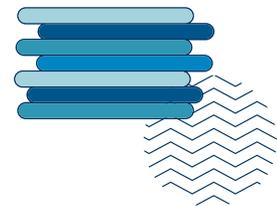
HKEX requires all Hong Kong-listed companies to establish a nominating committee (led either by the board chair or an INED), reflecting its pivotal role in shaping board composition through succession planning and renewal. On average, nomination committees of HSI and HSLI boards met 2.1 and 2.3 times per year in 2025, respectively, an increase from 1.8 and 1.9 times in 2023.

The remuneration committee is also key to the company’s long-term value creation, as it advises the board on compensation matters for both directors and senior management and is key to attracting, retaining and motivating top talent. In 2025, remuneration committees were also slightly more active, with average meetings increasing from 2.3 to 2.5 for HSI boards and from 2.5 to 2.7 for HSLI boards.



Average INED compensation has risen significantly

Over the past two years, average total compensation for INEDs has risen notably. For HSI companies, INED compensation increased 13% to US\$112,000, and was up 17% among HSLI companies to US\$116,000. The information technology sector offered the highest average compensation, thanks to a 33% increase in 2025 to US\$228,000; next were financial services (US\$130,000) and healthcare (US\$126,000).



Progress on board evaluations

Annual board evaluations are the norm in many jurisdictions, serving as a mechanism for enhancing directors’ accountability and providing valuable feedback to improve overall board effectiveness. In 2025, HKEX elevated regular board performance reviews from a recommended best practice under the Corporate Governance Code to a Code Provision, mandating that boards conduct performance evaluations at least every two years based on a “comply or explain” basis.

Among HSLI companies, this drove a noticeable increase in board evaluations (both internally and externally facilitated), from 37% in 2023 to 45% in 2025, while HSI companies were steady at 42%. Despite this progress, only 1% of HSI companies and 2% of HSLI companies have reported engaging an external facilitator, which is generally recommended internationally at least once every three years.



Trends over Two, Four and Seven Years: Hang Seng Index (HSI)

	2018	2021	2023	2025	2-year change	4-year change	7-year change
BOARD COMPOSITION							
Average board size	12.4	11.3	10.6	10.6	0%	-6%	-15%
Split CEO and chair roles	69%	71%	76%	75%	-1%	6%	9%
Number of independent chairs	5	5	4	4	0%	-20%	-20%
Independent non-executive directors (INEDs)	46%	45%	47%	48%	2%	7%	4%
BOARD TENURE							
Average INED tenure (excluding independent chairs)	8.3	7.5	6.8	7	3%	-7%	-16%
AGE							
Average age of chairs	61	61	60	61	1%	0%	0%
Average age of INEDs	65	66	64	64	0%	-3%	-2%
FOREIGN DIRECTORS							
Foreign directors: all	19%	17%	14%	13%	-7%	-24%	-32%
Boards with at least one foreign director	69%	57%	45%	41%	-9%	-28%	-41%
FEMALE DIRECTORS							
Women directors: all	12.9%	13.9%	19.2%	21.7%	13%	56%	68%
Women directors: INEDs	15%	16%	24%	29%	21%	81%	93%
Female chairs	2%	7%	7%	3%	-57%	-57%	50%
Companies with at least one female director	78%	72%	89%	100%	12%	39%	28%
REMUNERATION							
Average total INED compensation (US\$)	96,000	96,000	99,000	112,000	13%	17%	17%
MEETINGS AND BOARD EVALUATION							
Average number of board meetings	6	7.3	7.1	7.2	1%	-1%	20%
Companies with board evaluation	39%	28%	42%	42%	0%	50%	8%
Companies with externally facilitated evaluation	8%	7%	3%	1%	-67%	-86%	-88%

Methodology

The 2025 *Hong Kong Spencer Stuart Board Index* marks the sixth edition of our ongoing analysis of corporate governance practices among Hong Kong-listed companies. This report offers a comprehensive overview of governance trends and developments observed among the largest listed companies during the financial year. Data was sourced primarily from publicly available materials, including company annual reports, as well as BoardEx, a global board intelligence database.

To ensure broad and relevant coverage, our study continues to focus on companies listed in the Hang Seng Composite LargeCap Index (HSLI), which includes the majority of Hang Seng Index (HSI) constituents. Since our last publication in 2023, the number of HSI constituent companies has increased from 80 to 85, while that of HSLI has decreased from 119 to 106. For context, the market cap of HSLI companies ranges from US\$4 billion to US\$748 billion, with HSI companies falling within a similar range.

Five new constituent companies joined this index and 12 exited since 2023.

Entrants

Chinese Mainland–Headquartered Companies

- » J&T Global Express
- » Midea Group
- » New Oriental Education & Technology Group
- » PICC Property and Casualty
- » WuXi AppTec

Exits

Chinese Mainland–Headquartered Companies

- » China Feihe
- » China Gas Holdings
- » Country Garden Holdings
- » Country Garden Services Holdings
- » Fosun International
- » GCL Technology Holdings
- » Guangdong Investment
- » Kingdee International Software Group
- » SITC International Holdings

Hong Kong–Headquartered Companies

- » ESR Group
- » New World Development
- » SenseTime Group

For further details, one can visit spencerstuart.com/BATW 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 July 31, 2025, with information compiled no later than the cut-off date. Some charts in the index may not total 100% due to rounding.

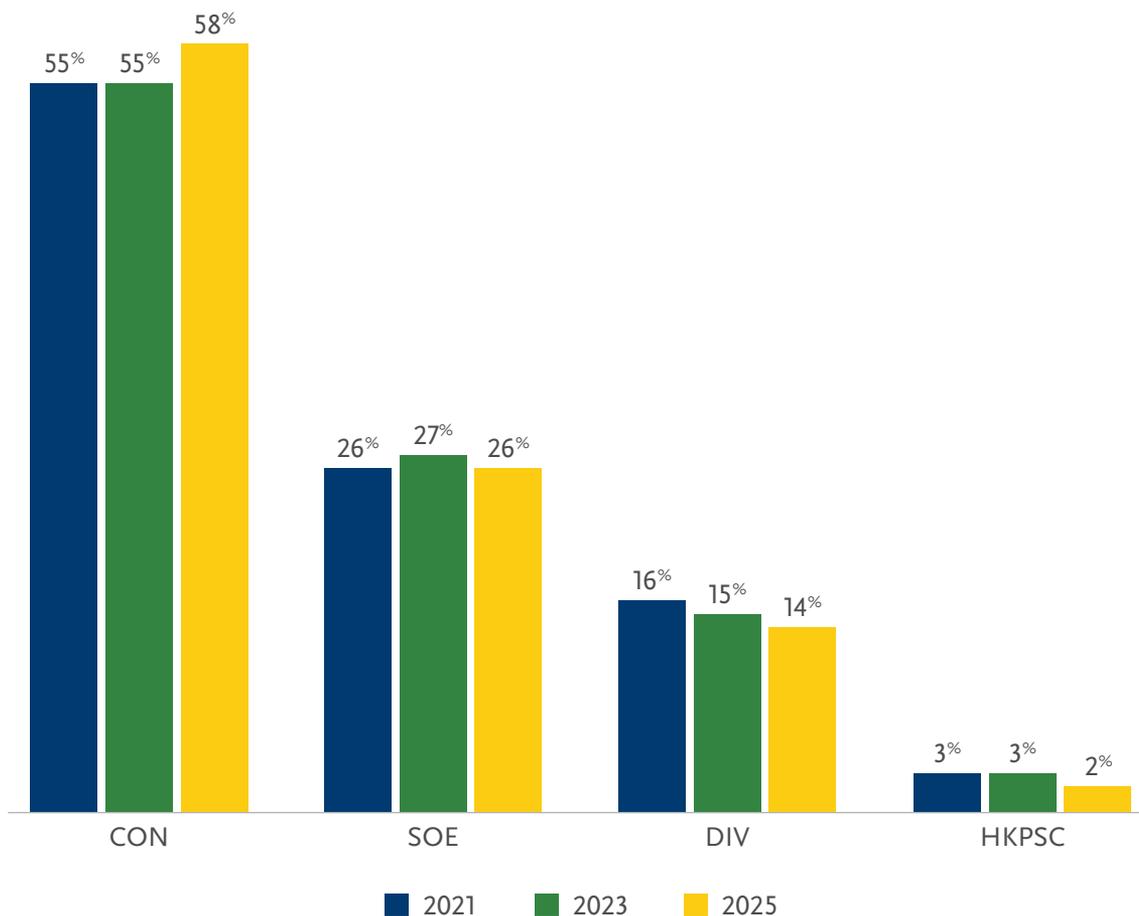
HSI and HSLI shareholding structure

We continue to observe in 2025 four primary categories of shareholding structure among the companies studied:

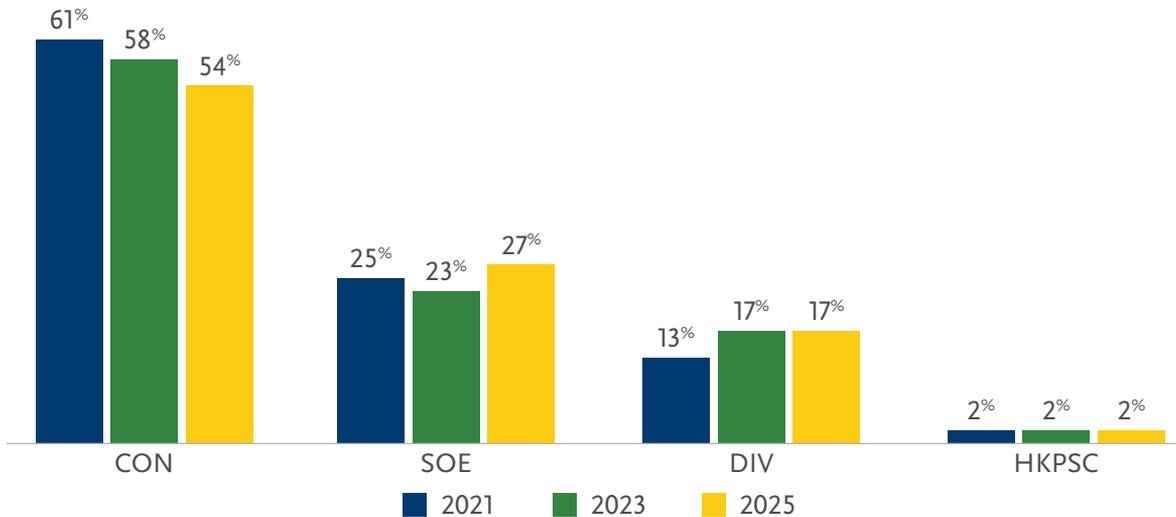
- » Companies with concentrated ownership (CON; family members or individuals with 15% or more of the company’s shares), which also includes privately owned enterprises (POE) headquartered in the mainland
- » Companies with diversified institutional ownership (DIV)
- » Hong Kong public-sector companies (HKPSC), largely controlled by the Hong Kong government)
- » Chinese state-owned enterprises (SOE), largely controlled by local, provincial or national government entities in China)

58% of HSI companies have concentrated ownership (CON), up from 55% in 2023; 54% of HSLI companies have concentrated ownership. Meanwhile, Chinese SOEs make up 26% of the HSI and 27% of the HSLI. Companies with diversified institutional ownership (DIV), the norm among Western-listed firms, account for 14% of the HSI companies and 17% of the HSLI companies. There are only two Hong Kong public sector companies (HKPSC), in our group of companies: MTR Corporation and HKEX.

HSI SHAREHOLDING STRUCTURE



HSLI SHAREHOLDING STRUCTURE



HSI and HSLI industry breakdown

The industrial sector represents the largest percentage of HSI companies, accounting for 19% of the index. Consumer companies follow at 17%, with information technology making up 14%. Financial services and property and infrastructure each represent 13%, while utilities comprise 11%, healthcare 9%, and both conglomerates and telecommunications sectors at 2% each. The industry composition of the broader HSLI index closely aligns with that of HSI companies, though it features a higher concentration of financial services companies and a slightly lower representation from the industrial sector.

HSI AND HSLI COMPANIES BY INDUSTRY — 2025

	HSI	HSLI
Industrial	19%	14%
Consumer	17%	16%
Information Technology	14%	16%
Financial Services	13%	18%
Property and Infrastructure	13%	12%
Utilities	11%	11%
Healthcare	9%	8%
Conglomerates	2%	2%
Telecommunications	2%	3%

HSI and HSLI by headquarters location

The number of HSI companies headquartered in mainland China rose slightly, from 70% in 2023 to 73% in 2025. By comparison, the share of Chinese companies within the broader HSLI index has remained relatively stable, from 71% to 72% over the same period.

Board Composition

Board size

Consistent with our previous findings, average board size remains stable, with HSI companies averaging 10.6 directors and HSLI companies averaging 10.5. Over the past four years, however, there has been a noticeable increase in the number of boards with eight or fewer directors, reflecting a broader global trend toward leaner, more agile board structures.

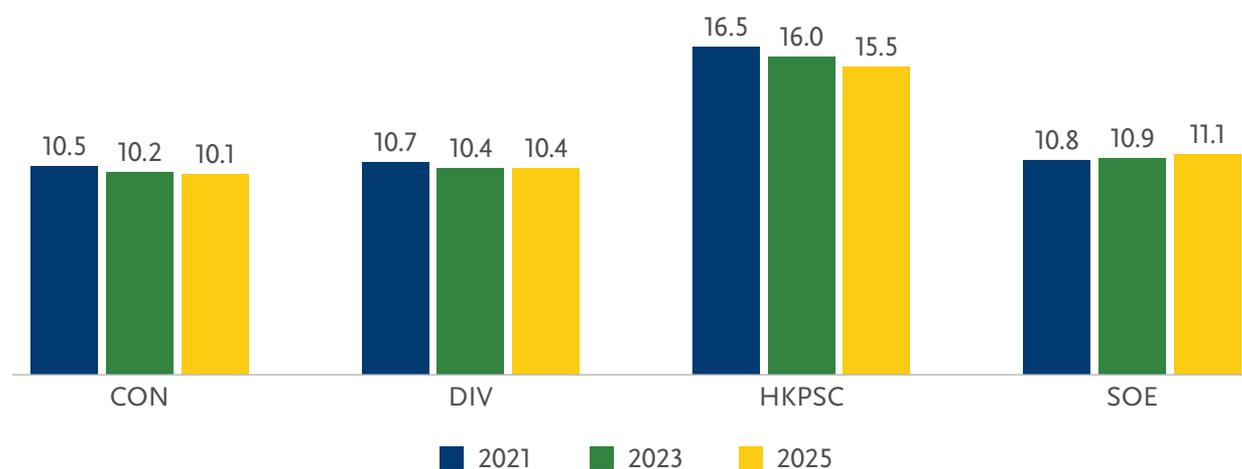
Among the companies studied, CK Hutchison Holdings, Sun Hung Kai Properties, MTR Corporation and Bank of Communications have the largest boards, each comprising 18 members. In contrast, XPeng and NetEase — Mainland China-headquartered and classified as new economy companies — have the smallest boards, with five directors each.

BOARD SIZE

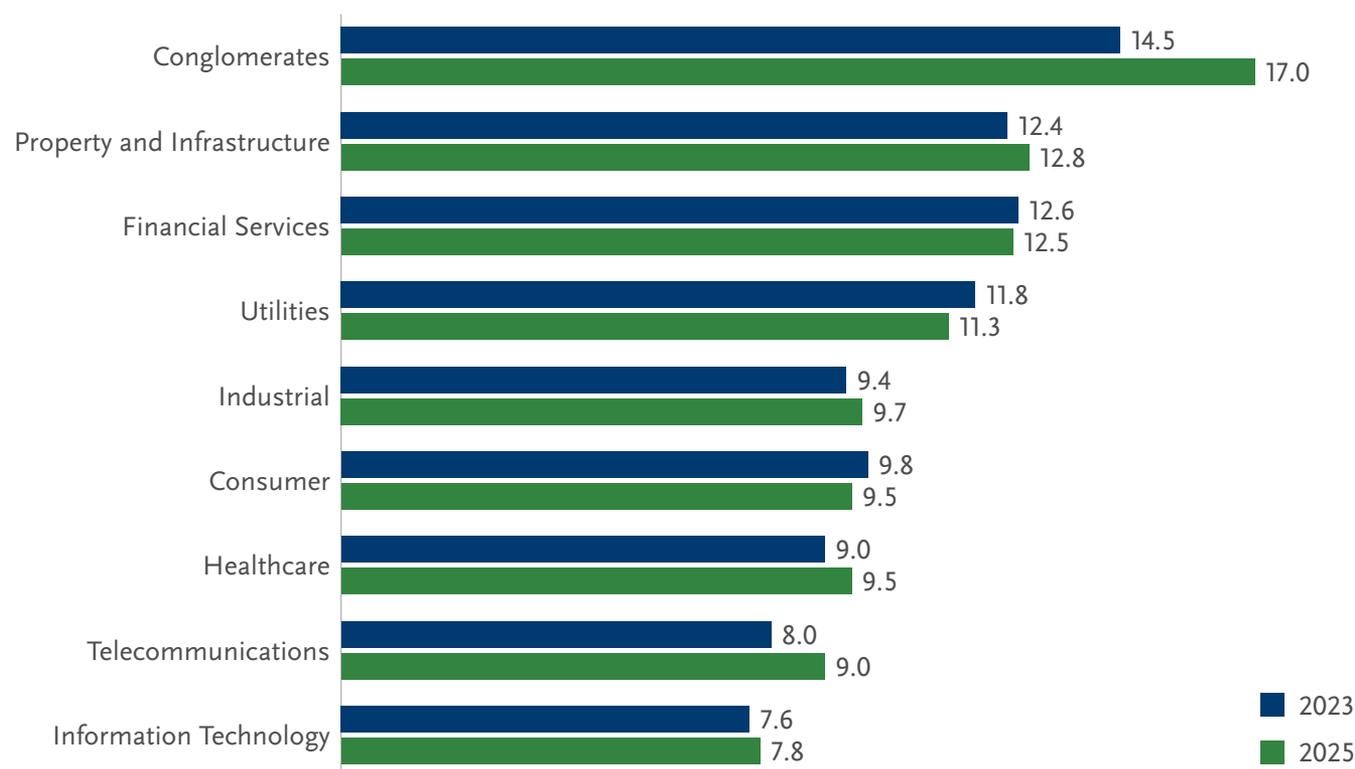
	2021		2023		2025		Change from 2021 to 2025	
	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Average	11.3	10.7	10.6	10.5	10.6	10.5	-7%	-1%
8 or fewer directors	21%	25%	26%	28%	28%	31%	36%	23%
9 to 11	38%	41%	38%	38%	37%	34%	-2%	-18%
12 or more directors	41%	34%	36%	34%	35%	35%	-15%	4%

Over the past four years, board sizes have generally declined across companies, regardless of their shareholding structure, with the exception of SOEs, which had a slight increase. When viewed by industry within the HSLI, board sizes show greater variation across sectors, while most industries have maintained relatively stable board sizes over the last two years.

AVERAGE NUMBER OF BOARD DIRECTORS BY SHAREHOLDING STRUCTURE — HSLI



AVERAGE NUMBER OF BOARD DIRECTORS BY INDUSTRY — HSLI



Chair

HKEX has long encouraged companies to separate the board chair and CEO roles, in order to promote a balanced distribution of power and authority. The percentage of HSI and HSLI boards with separate chairs and CEOs remained largely unchanged in 2025. Among the companies in our index, four that were also in our 2023 study — Alibaba Group Holding, Alibaba Health Information Technology, Postal Savings Bank of China and Sands China — have separated the roles in the past two years. Meanwhile, Kuaishou Technology combined these roles since our last study.

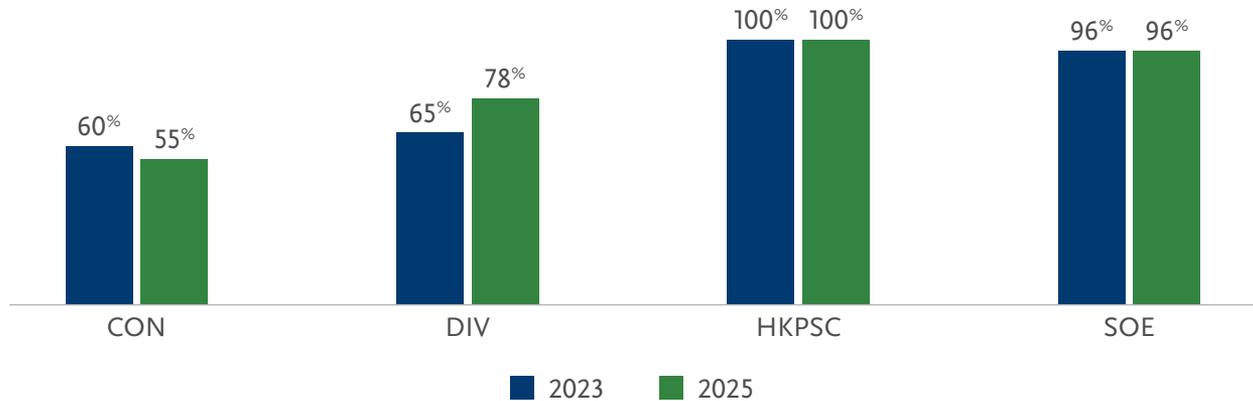
Despite ongoing efforts to strengthen governance, the prevalence of independent board chairs remains low. As of 2025, only 5% of HSI and HSLI companies have appointed an independent chair. Additionally, female representation among board chairs has declined, with just 3% of HSI and 5% of HSLI board chairs being women — a drop from 2023 levels.

CHAIRS

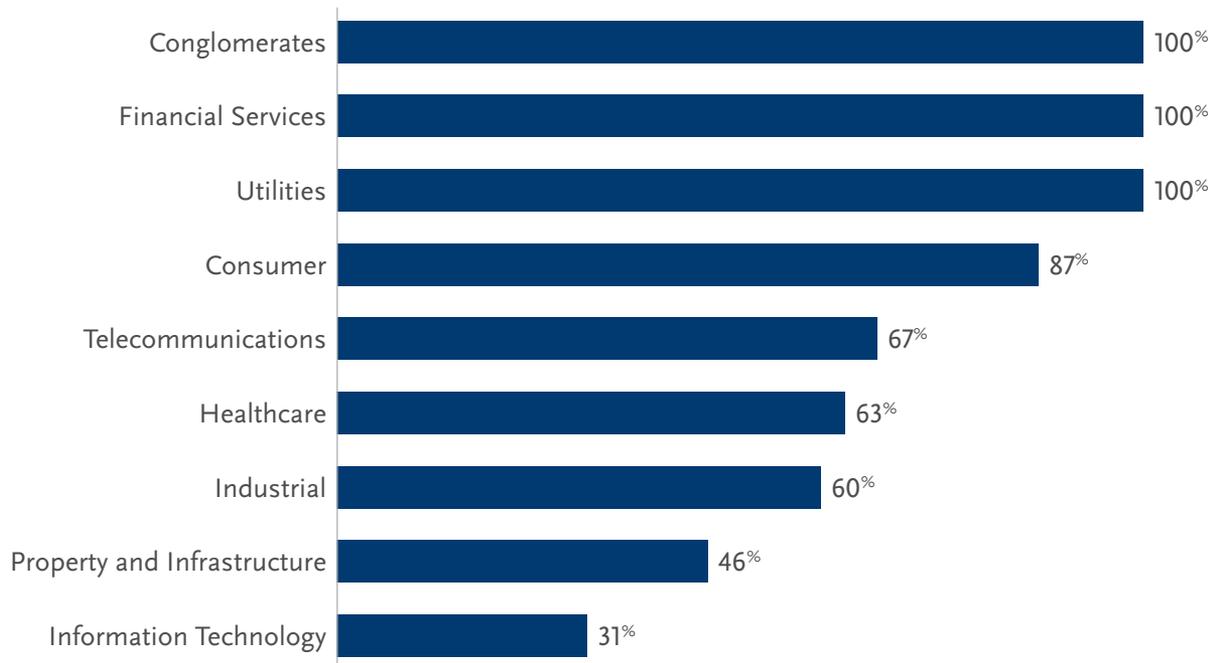
	2023		2025	
	HSI	HSLI	HSI	HSLI
Chair/CEO Separation	76%	69%	75%	70%
Independent Chair	5%	4%	5%	5%
Female Chair	7%	6%	3%	5%

Across different shareholding structures, all HKPSC and the vast majority of SOEs separate chair and CEO roles. Among the CON companies that make up more than half of HSI and HSLI constituents, the number of boards separating the roles declined slightly. From an industry perspective, all conglomerates, financial services and utilities companies have adopted a split leadership structure. The consumer sector follows closely, with 87% of companies separating the two roles. In contrast, only 31% of information technology companies have separated the chair and CEO roles.

COMPANIES WITH SEPARATE CHAIR AND CEO ROLES BY SHAREHOLDING STRUCTURE — HSLI



COMPANIES WITH SEPARATE CHAIR AND CEO ROLES BY INDUSTRY — HSLI 2025



Independent non-executive directors

Unlike some jurisdictions where all non-executive directors are independent, Hong Kong-listed companies distinguish between non-independent non-executive directors (NEDs) and independent non-executive directors (INEDs). NEDs are often executives from affiliated companies within the same group, representatives of major shareholders or recently retired executives from the company. While their presence can offer valuable insights — such as identifying synergies across group entities or leveraging institutional knowledge — the responsibility of balancing minority shareholder interests and mitigating potential conflicts typically falls on INEDs. They play a critical role in safeguarding the interests of minority shareholders and ensuring board independence.

According to the HKEX Listing Rules, INEDs should represent at least one-third of board members. All boards reviewed in this study met this requirement. Among HSI and HSLI boards, INEDs, including those serving as chairs, now represent 48% and 49% of all board members, respectively, up from 47% and 46% in 2023. This marks the highest level of INED representation since tracking began in 2010. Notably, within the broader group of HSLI companies, the percentage of boards with only 33% to 49% INED representation has declined from 65% to 59% over the past two years, while the share of boards comprised of more than two-thirds INEDs has edged up from 14% to 16%, indicating a gradual shift toward stronger board independence.

PERCENTAGE OF INEDS

	2010	2013	2015		2018		2021		2023		2025	
	HSI	HSI	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Average %	39%	42%	44%	41%	46%	42%	45%	43%	47%	46%	48%	49%
Fewer than 33%	24%	4%	2%	2%	0%	2%	0%	1%	0%	1%	0%	0%
33% to 49%	52%	72%	72%	80%	71%	77%	72%	77%	62%	65%	62%	59%
50% to 65%	22%	18%	14%	11%	18%	15%	19%	15%	25%	20%	25%	25%
66% or more	2%	6%	12%	7%	12%	6%	9%	8%	13%	14%	13%	16%

Overboarding

To ensure directors' time commitment, recent amendments to the HKEX Listing Rules now limit INEDs to serving as directors on a maximum of six Hong Kong-listed companies. Currently, INEDs of HSLI companies hold an average of 2.2 public directorships, consistent with findings from 2023. Only two directors (less than one-half of one percent) exceed the six-board limit, reflecting the positive trend toward more focused board engagement. The highest number of public board positions held by a single INED is 10.

Director tenure

The average tenure of directors on HSI boards has risen slightly to 8.2 years, up from eight years in 2023.

The average tenure of INEDs (excluding independent chairs) at HSI companies has increased to 7 years, up from 6.8 years in 2023, while the average tenure on HSLI boards has remained steady at 6.6 years over the past two years.

INED TENURE (YEARS)

	2023		2025	
	HSI	HSLI	HSI	HSLI
Average INED tenure (excluding independent chairs)	6.8	6.6	7.0	6.6
Companies with 9 years or above average INED tenure	25%	27%	24%	22%

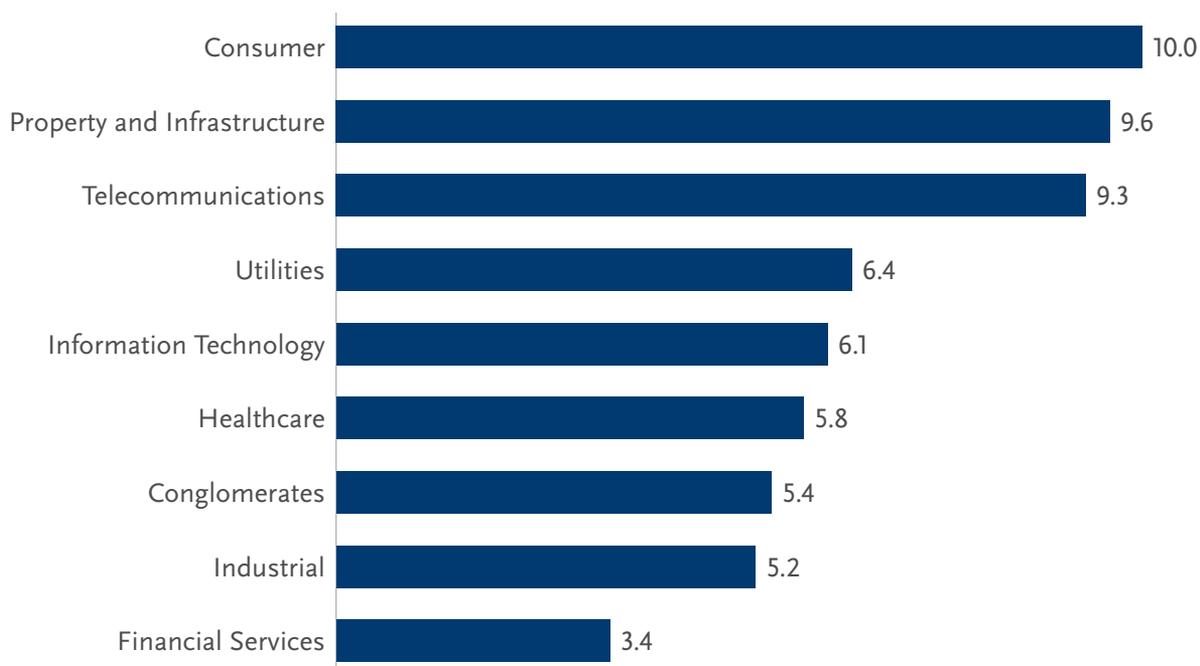
Between 2023 and 2025, the average tenure of INEDs increased slightly across companies, regardless of shareholding structure — except for SOEs, where it declined from 5.9 years to 5 years. This increase is likely attributable to a wave of new INED appointments in 2023, driven by the HKEX's requirements to eliminate single-gender boards and boards composed entirely of long-serving INEDs.

AVERAGE TENURE OF INEDS (EXCLUDING INDEPENDENT CHAIRS) BY SHAREHOLDING STRUCTURE — HSLI



By industry, consumer companies have the highest average INED tenure at 10 years, followed by property and infrastructure boards at 9.6 years, and telecommunications at 9.3 years. In contrast, as in our previous research in 2023, financial services firms report the lowest average tenure at 3.4 years, reflecting the Hong Kong Monetary Authority (HKMA)'s guidance that INEDs should serve no more than nine years to safeguard board independence.

AVERAGE INED TENURE (EXCLUDING INDEPENDENT CHAIRS) BY INDUSTRY — HSLI 2025



Under the revised HKEX Corporate Governance Code and Listing Rules, INEDs who have served for more than nine years would be regarded as “long-serving INEDs,” and all companies must not include any long-serving INEDs at the conclusion of their first AGM held on or after July 1, 2031.

Currently, 24% of HSI boards and 22% of HSLI boards have an average INED tenure of nine years or more — a slight decrease from 25% and 27%, respectively, two years ago. Notably, 27% of HSLI INEDs were appointed within the past two years, a significant increase from 11% in 2023, signalling ongoing efforts toward board refreshment in Hong Kong. We believe term limits are a valuable tool for promoting board turnover, accelerating refreshment efforts, and maintaining the independence of directors’ judgment.

The average tenure of HSI board chairs stands at 11.2 years, up from 10.6 years in 2023. Notably, 30% of chairs have held their positions for 15 years or more, while 26% have served for two years or less. The longest-serving chair has been in the role for 40.5 years.

Consistent with previous findings, Henderson Land Development continues to have the longest average director tenure at 24.3 years. Meanwhile, Sir Michael Kadoorie of CLP Holdings remains the longest-serving individual director, having been on the board for approximately 58.5 years.

Lastly, the CEOs of HSI companies have an average tenure of 7.2 years, down slightly from 7.4 years in 2023. About 26% have held their roles for a decade or more, while 35% have been in the position for two years or less.

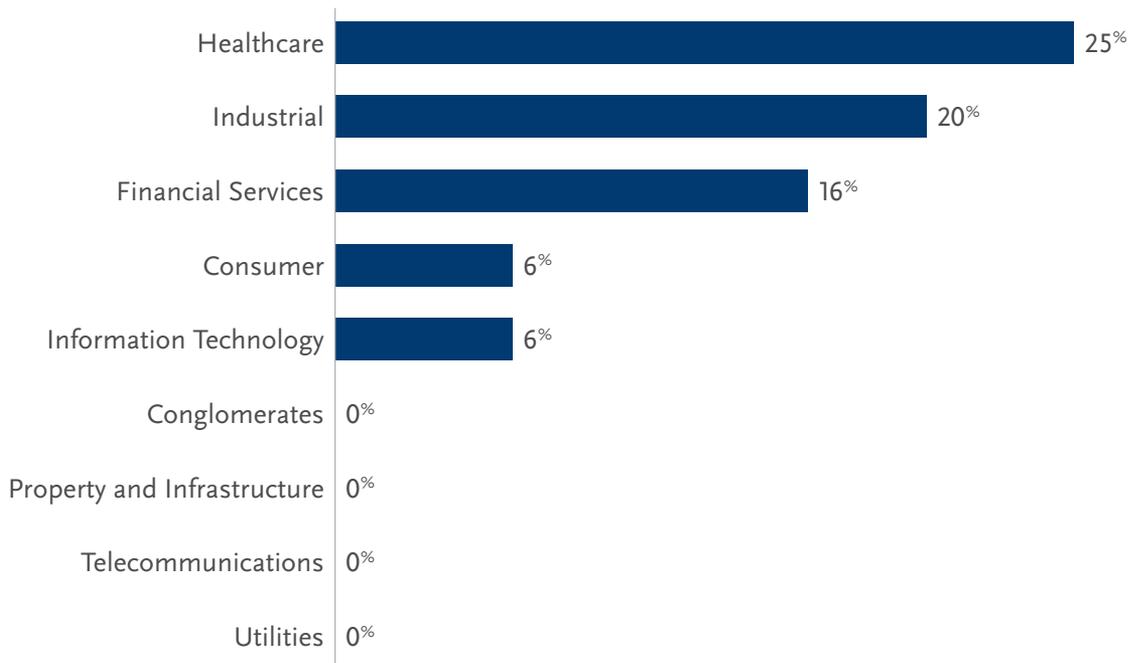
Lead INEDs

Under the revised HKEX Corporate Governance Code, it is now a recommended best practice to appoint a lead INED when the board chair is not independent. The lead INED plays a vital role in facilitating communication among INEDs, engaging with shareholders, and serving as a bridge between independent directors and the broader board.

Although still a relatively new concept in Hong Kong, as of 2025 6% of HSI companies and 9% of HSLI companies have introduced a lead INED role.

From an industry standpoint, healthcare companies lead with 25% having appointed a lead INED, followed by industrial firms at 20% and financial services at 16%. Meanwhile, sectors such as conglomerates, property and infrastructure, telecommunications, and utilities have yet to adopt this practice.

PERCENTAGE OF COMPANIES WITH LEAD INEDs BY INDUSTRY — HSLI 2025



Board Diversity

Age

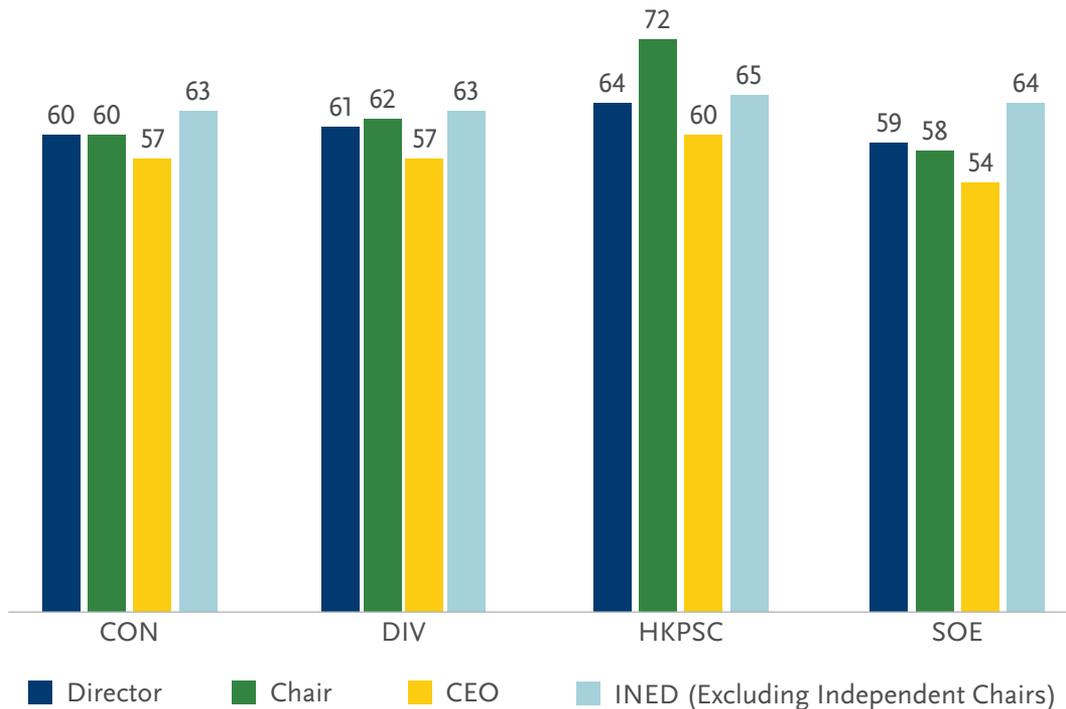
The average age of directors on HSI and HSLI boards is 60. Chairs of HSI and HSLI companies have average ages of 61 and 60, respectively. The oldest chair was Edmund Tse of AIA who was 87; he stepped down as chair on September 30. The youngest is Theresa Tse of Sino Biopharmaceutical at 33. Among HSI chairs, 9% are under 50, and 17% are over 70.

For CEOs, the average age is 57 for HSI companies and 56 for HSLI companies. The oldest CEO is Hing Lam Kam of CK Infrastructure at 79, and the youngest is Eric Tse of Sino Biopharmaceutical at 30. Within the HSI group, 14% of CEOs are under 50, while 7% are over 70.

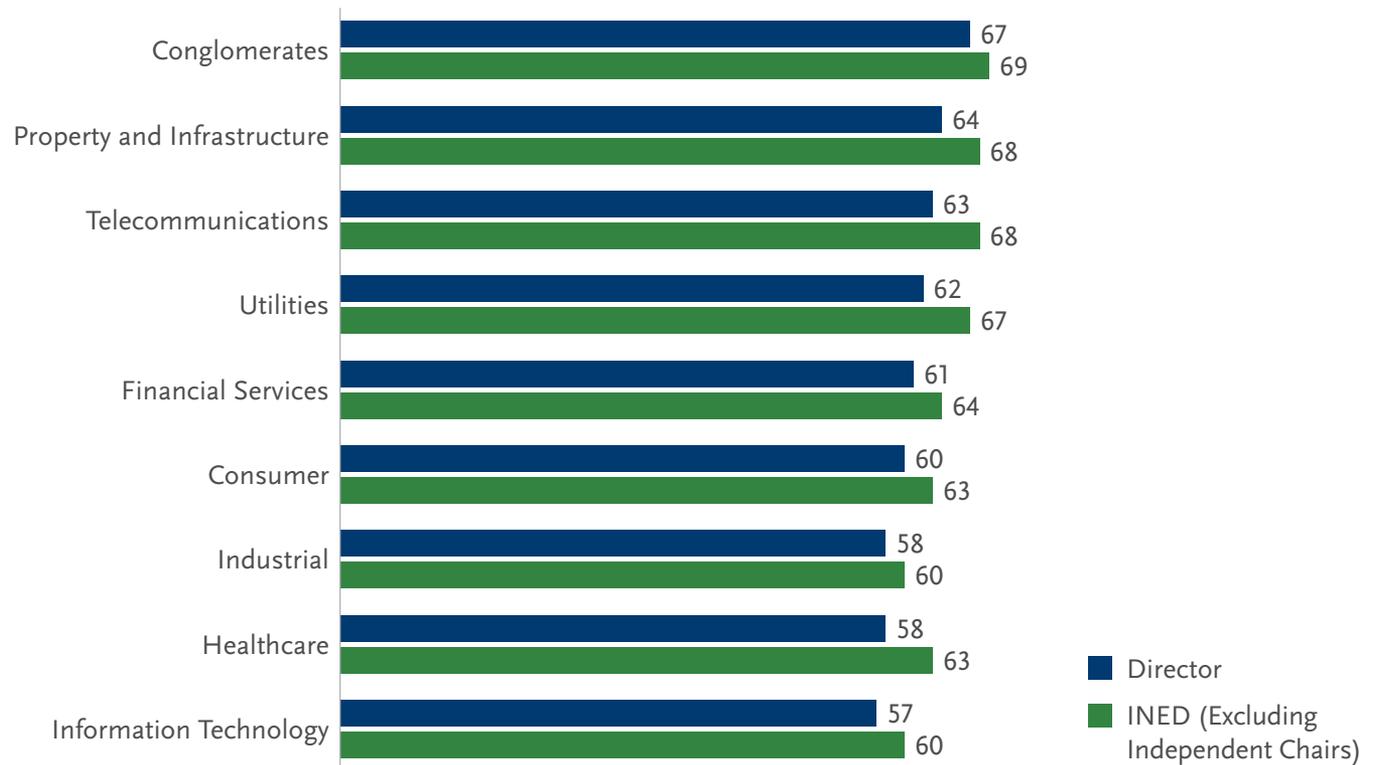
The average age of INEDs on both HSI and HSLI boards is 64. CK Infrastructure has the oldest average INED age at 80, while BYD Electronic (International) has the youngest at 50. Notably, companies headquartered in Hong Kong and Macau have higher average ages — 66 for directors and 69 for INEDs — than those based in Mainland China, where the averages are 58 and 62, respectively. These figures and findings are consistent with our previous research.

Across different shareholding structures, SOEs tend to have the youngest directors, chairs, and CEOs on average, largely due to retirement age policies in China, while interestingly, they have the second-highest average INED age. Within the HSLI, director age varies by sector, ranging from 57 to 67 years, and INED ages span from 60 to 69 years.

AVERAGE AGE OF BOARD DIRECTORS BY SHAREHOLDING STRUCTURE — HSLI 2025



AVERAGE AGE OF BOARD DIRECTORS BY INDUSTRY — HSLI 2025



Foreign directors

In 2025, foreign directors¹ make up 13% of all HSI board members, continuing a downward trend from 14% in 2023, 17% in 2021, and 19% in 2018. The percentage of HSI companies without any foreign board members has also risen, from 55% in 2023 to 59% in 2025. Similarly, the share of HSLI companies with no foreign directors slightly increased from 51% to 52% over the same period. This indicates that more than half of Hong Kong-listed boards now consist solely of directors of Chinese nationality.

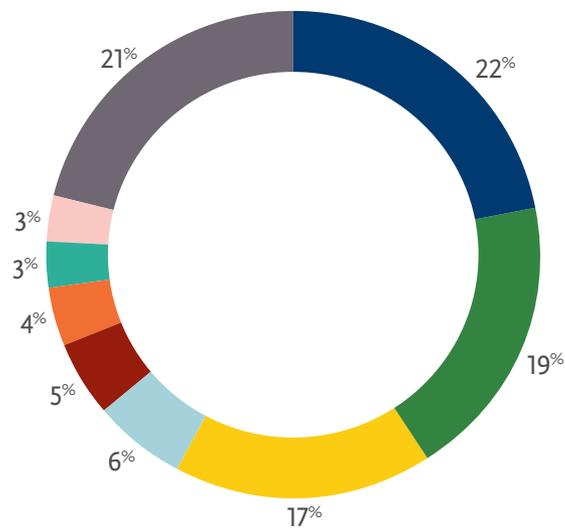
HSI boards have an average of two nationalities represented, showing a slight decline from 2.1 in 2023. HSBC Holdings stands out with directors from nine different nationalities, reflecting the global scope of its operations. Interestingly, Prada, an international company listed in Hong Kong but headquartered in Italy, is the only board composed entirely of foreign directors (non-Chinese).

¹ Foreign directors are defined as ethnic background other than mainland Chinese, Hong Kong Chinese or Taiwanese.

FOREIGN REPRESENTATIONS

	2023		2025	
	HSI	HSLI	HSI	HSLI
Foreign directors on the board	14%	16%	13%	17%
Foreign executive directors	8%	9%	7%	10%
Foreign non-executive directors	12%	16%	12%	18%
Foreign independent non-executive directors	19%	22%	18%	22%
Companies with no foreign director	55%	51%	59%	52%
Average number of nationalities represented	2.1	2.2	2	2.2

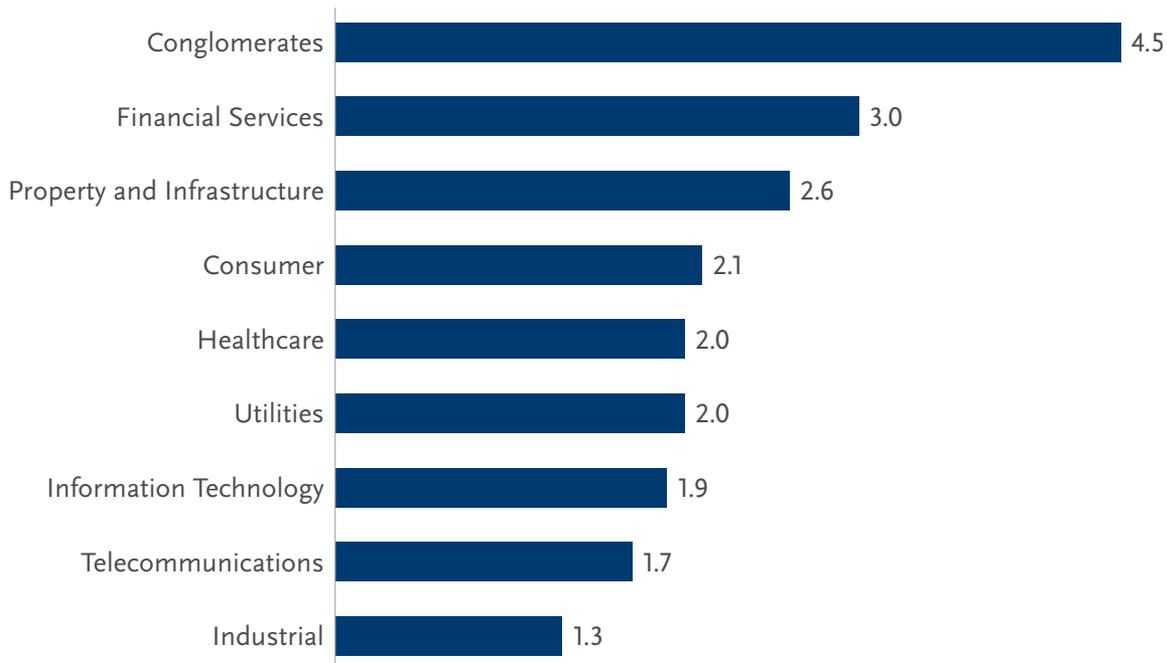
DISTRIBUTION OF NATIONALITIES OF FOREIGN DIRECTORS — HSLI 2025



- British
- American
- Southeast Asian
- Italian
- Australian
- Japanese
- Indian
- Canadian
- Others

From an industry perspective, conglomerates lead with the highest average number of nationalities among foreign directors at 4.5, followed by financial services boards with an average of 3. In contrast, industrial companies have the lowest diversity in this regard, averaging just 1.3 nationalities. These findings are consistent with our 2023 research.

AVERAGE NUMBER OF NATIONALITIES OF BOARD DIRECTORS BY INDUSTRY — HSLI



Female directors

In recent years, HKEX has made significant strides in promoting greater female representation in boardrooms. A growing body of evidence highlights that diverse boards are essential for enhancing business resilience, driving long-term financial performance and supporting sustainable growth.

To advance board diversity, HKEX implemented a rule in 2024 requiring all listed companies to eliminate single-gender boards. This policy has successfully driven HSI and HSLI companies to improve gender representation at the board level, with female participation increasing by over 12 percentage points over the past 15 years.

Women account for 21.7% of all directors in HSI companies, up from 19.2% in 2023 and 9% in 2010. Among the three board roles, the percentage of female INEDs has seen particularly strong growth, rising from 24% to 29% in HSI companies and from 25% to 30% in HSLI companies over the past two years. 65% of HSI and 68% of HSLI companies, up from 58% and 57% in 2023, have two or more female directors. Encouragingly, all boards across HSI and HSLI companies now include directors of both genders, marking a significant milestone in Hong Kong's journey toward diversity governance.

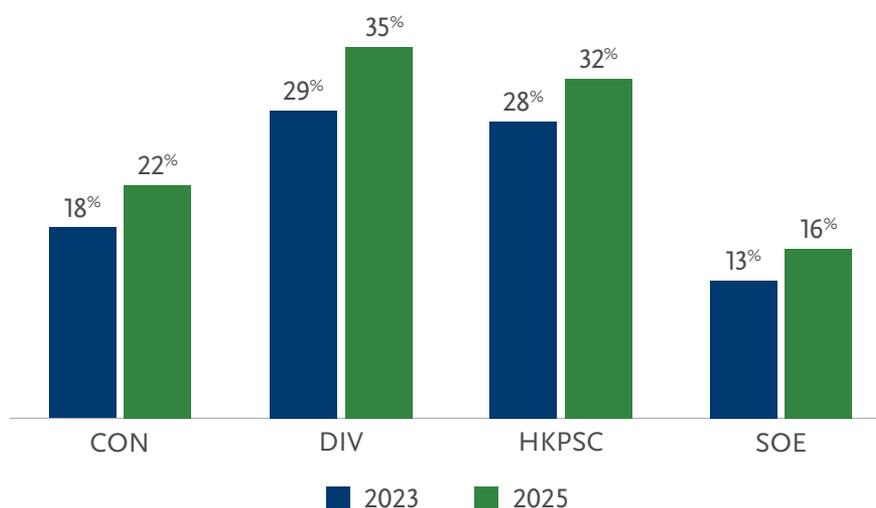
Among all HSI and HSLI companies, Hang Seng Bank and HSBC Holdings have the highest number of female directors, each with eight women on their boards.

FEMALE REPRESENTATION ON HONG KONG BOARDS

	2010	2013	2015		2018		2021		2023		2025	
	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%	21.7%	22.9%
Boards with two or more female directors	-	-	34%	36%	43%	39%	40%	41%	58%	57%	65%	68%
Boards with no female directors	-	-	26%	27%	22%	28%	28%	27%	11%	12%	0%	0%
Female executive directors	-	-	8%	8%	11%	10%	11%	13%	14%	14%	14%	15%
Female non-executive directors	-	-	9%	11%	11%	12%	14%	13%	18%	15%	18%	19%
Female independent non-executive directors	-	-	14%	14%	15%	14%	16%	15%	24%	25%	29%	30%
Female Chair	-	-	-	-	-	-	7%	7%	7%	6%	3%	5%
Female CEO	-	-	-	-	-	-	4%	4%	9%	8%	6%	8%

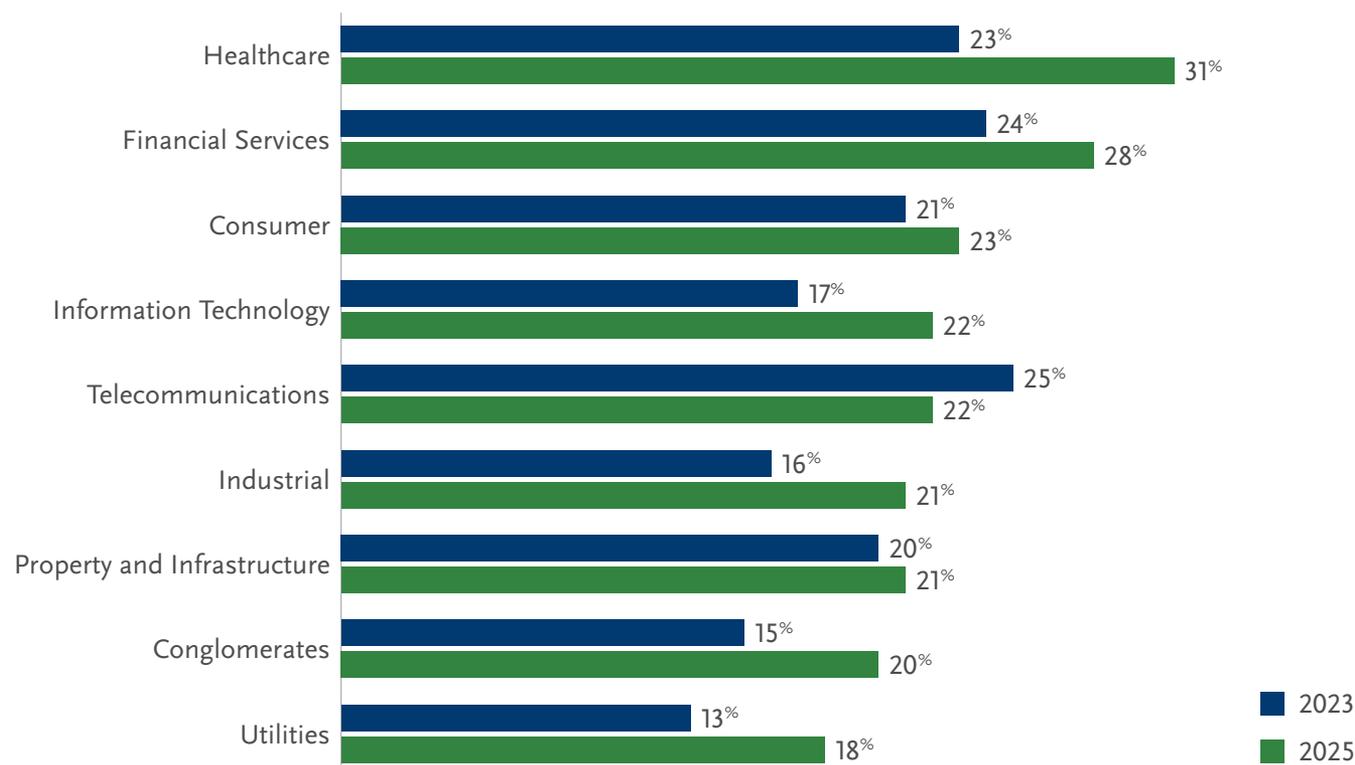
Consistent with our previous findings, boards across all shareholding structures — CON, DIV, HKPSC, and SOE — have continued to show progress in improving gender diversity. DIV boards lead with the highest average female representation at 35%, while SOE boards have the lowest at 16%. Looking at company headquarters, Hong Kong/Macau-headquartered companies continue to outperform their mainland China counterparts in terms of female board representation, averaging 25% compared to 21%.

FEMALE DIRECTORS BY SHAREHOLDING STRUCTURE — HSLI



Across industries, most sectors have shown an upward trend in female board representation over the past two years, with the exception of telecommunications, which slightly declined from 25% to 22%. Healthcare leads with the highest average female representation, rising significantly from 23% to 31%, followed by financial services at 28% and consumer companies at 23%.

FEMALE DIRECTORS BY INDUSTRY — HSLI



Among companies listed on the HSI and HSLI, one has a woman serving as both chair and CEO, four are chaired by women, and seven have female CEOs. Companies led by a woman chairperson and/or CEO tend to have a higher percentage of women on their boards — 38% compared to 21% in companies led by men.

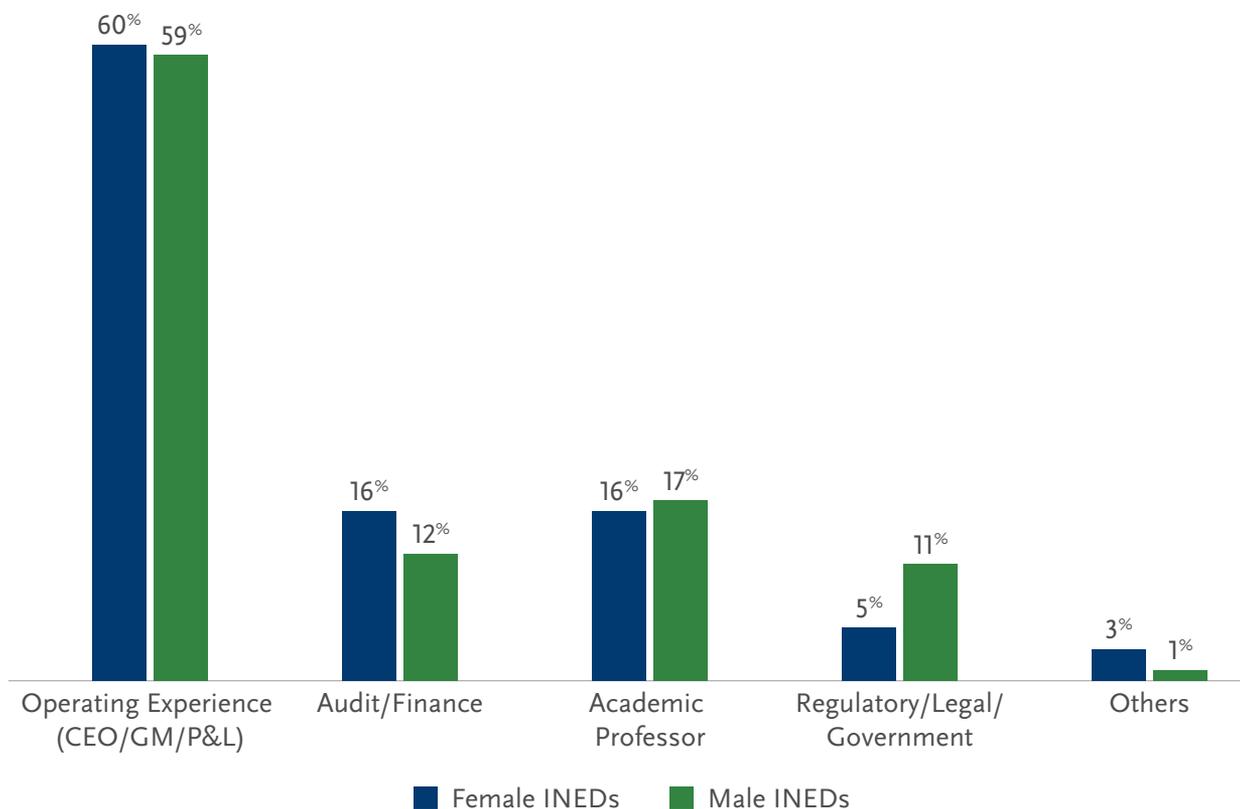
COMPANIES WITH WOMEN SERVING AS CHAIR OR CEO

Companies	Chair	CEO	Percentage of Female Directors
Hansoh Pharmaceutical Group	Huijuan Zhong	Huijuan Zhong	50%
Sino Biopharmaceutical	Theresa Tse	-	27%
PICC Property and Casualty	Xiangqun Ding	-	20%
Prudential plc	Shriti Vadera	-	42%
Standard Chartered	Maria Ramos	-	45%
Hang Seng Bank	-	Diana Cesar ²	73%
Hong Kong Exchanges and Clearing	-	Bonnie Chan	31%
China Resources Gas Group	-	Yan Qin	20%
HKT	-	Susanna Hui	27%
JD.com	-	Sandy Xu	56%
Trip.com Group	-	Jane Sun	13%
Yum China Holdings Inc.	-	Joey Wat	50%

² Diana Cesar stepped down as the CEO of Hang Seng Bank on 20 October 2025, succeeded by Luanne Lim.

In terms of INED backgrounds, most possess P&L operating experience, followed by expertise in audit and finance and academia. Female INEDs are slightly more likely to be active executives than retired, 52% vs. 50% among men. Notably, female INEDs tend to have shorter tenures, are younger on average and hold slightly fewer public directorships than males. International proxy advisory firms recommend that non-executive directors limit their board appointments to no more than four public company roles. Taken together, these findings suggest that female INEDs on Hong Kong boards still have capacity and potential for additional board positions.

BACKGROUNDS OF INEDS — HSLI 2025



	Female INEDs	Male INEDs
Average tenure (years)	3.9	7.5
Average age (years)	60.7	65.7
Average public directorships	2.1	2.3

Women in senior management

Senior executives often form a key talent pool for future board director appointments. While female representation at the board level has seen notable progress, advancement at the senior management level remains comparatively slow. Women now account for 18.2% of all senior management roles within HSI companies, up slightly from 17.3% in 2023. In contrast, the proportion of female executives in HSLI companies has remained at 18.3%.

FEMALE SENIOR MANAGEMENT

	2023		2025	
	HSI	HSLI	HSI	HSLI
Female representation	17.3%	18.3%	18.2%	18.3%
Companies with at least two women	44%	40%	45%	41%
Companies with no female	31%	33%	27%	29%

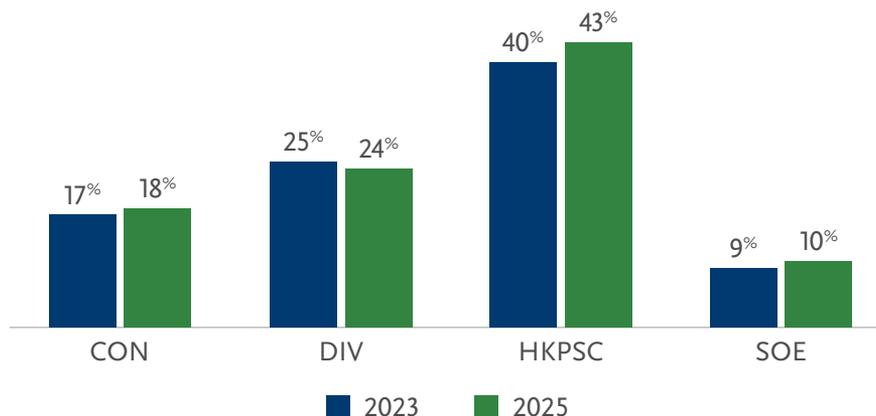
Most shareholding structures have had slight growth in women in senior management. The exception is diversified companies, which had a one-percentage-point decline.

Most industries had fewer companies with only men in senior management between 2023 and 2025. Exceptions include the consumer sector, which rose from 28% to 35%, a surprising increase given the nature of the industry; telecommunications and industrial, which remained at 33%; and property and infrastructure, which increased from 22% to 31%. Conglomerates is the only sector with no single-gender executive teams.

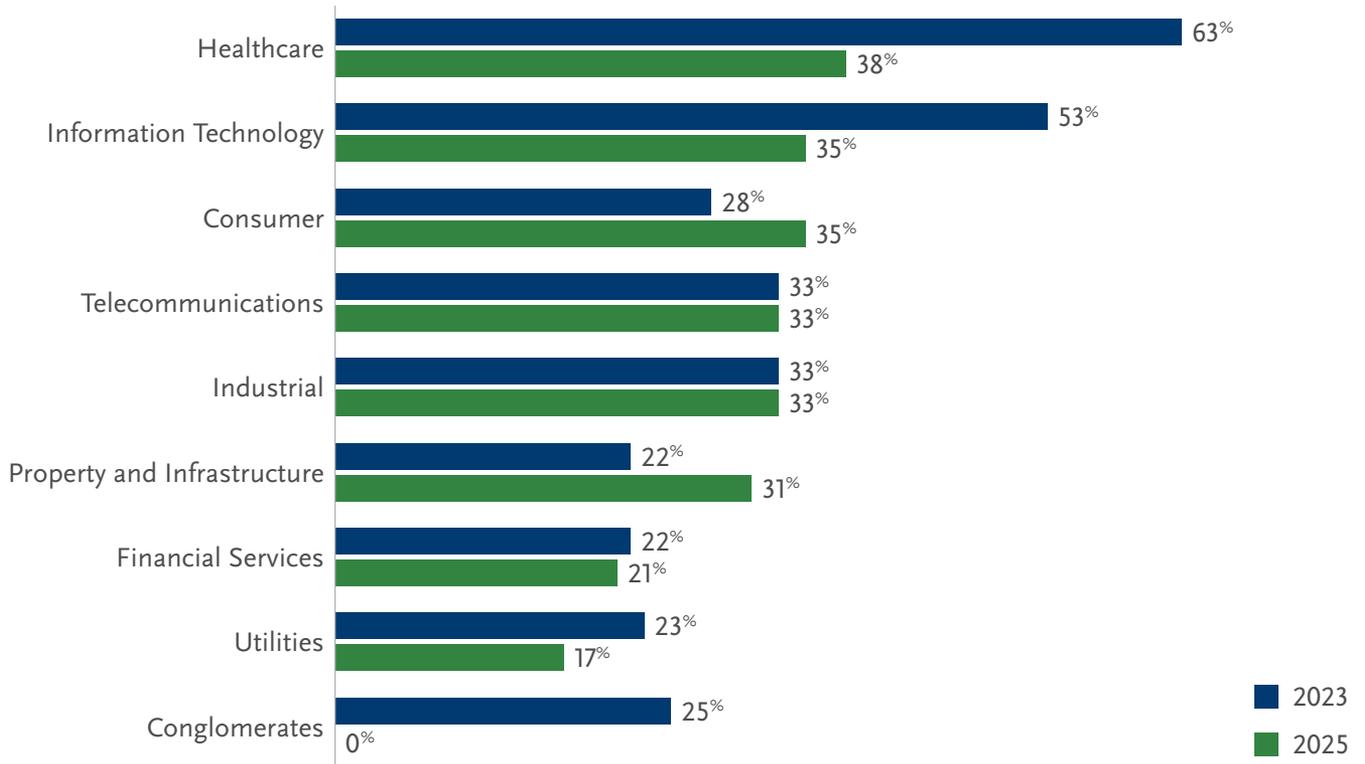
Representation of women executives in the mainland Chinese-headquartered and Hong Kong/Macau-headquartered companies both slightly increased by one percentage point, to 16% and 21% in 2025, respectively.

Hong Kong’s progress in terms of gender diversity on boards shows how HKEX’s target-setting approach can be effective — that clear goals and regulatory encouragement can drive meaningful change. Observations from our work also suggest that implementing rigorous, independent assessments of executive candidates can play a vital role in mitigating unconscious bias. These evaluations help ensure that leadership selection is based on merit, thereby creating more equitable opportunities for capable women to advance into top-tier roles.

FEMALE SENIOR MANAGEMENT BY SHAREHOLDING STRUCTURE — HSLI

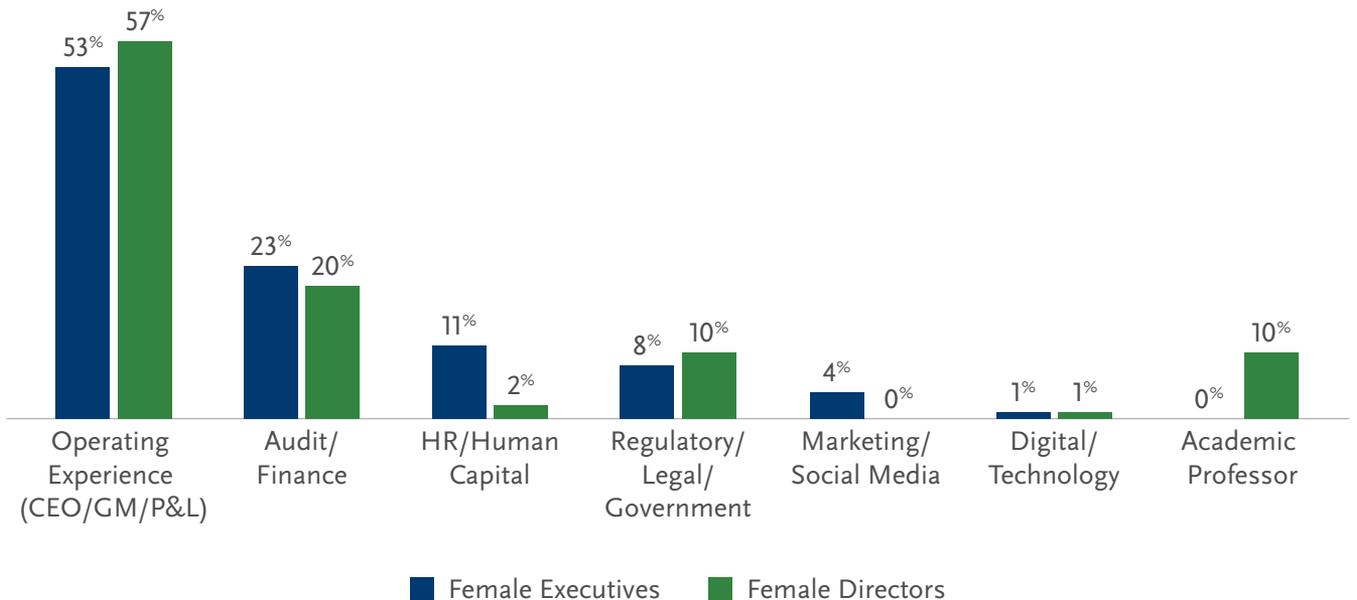


PERCENTAGE OF COMPANIES WITH NO FEMALE SENIOR MANAGEMENT BY INDUSTRY — HSLI



What does it take for a woman to rise to the level of senior executive or board director? Consistent with our findings from 2021 and 2023, the most common professional backgrounds among female leaders are P&L operating and finance experiences, followed by HR/human capital for senior management, and regulatory/legal/government and academia for board directors.

BACKGROUNDS OF FEMALE SENIOR MANAGEMENT AND DIRECTORS — HSLI 2025



Directors with technology experience

Companies today are navigating a rapidly evolving landscape, marked by emerging risks and transformative technologies such as artificial intelligence and machine learning. These developments are driving a growing demand for digital expertise at the highest levels of leadership, particularly within the boardroom. In 2025, we interviewed a select group of nomination committee members and INEDs in Hong Kong, who emphasized cybersecurity and IT development expertise as a top priority for boards.

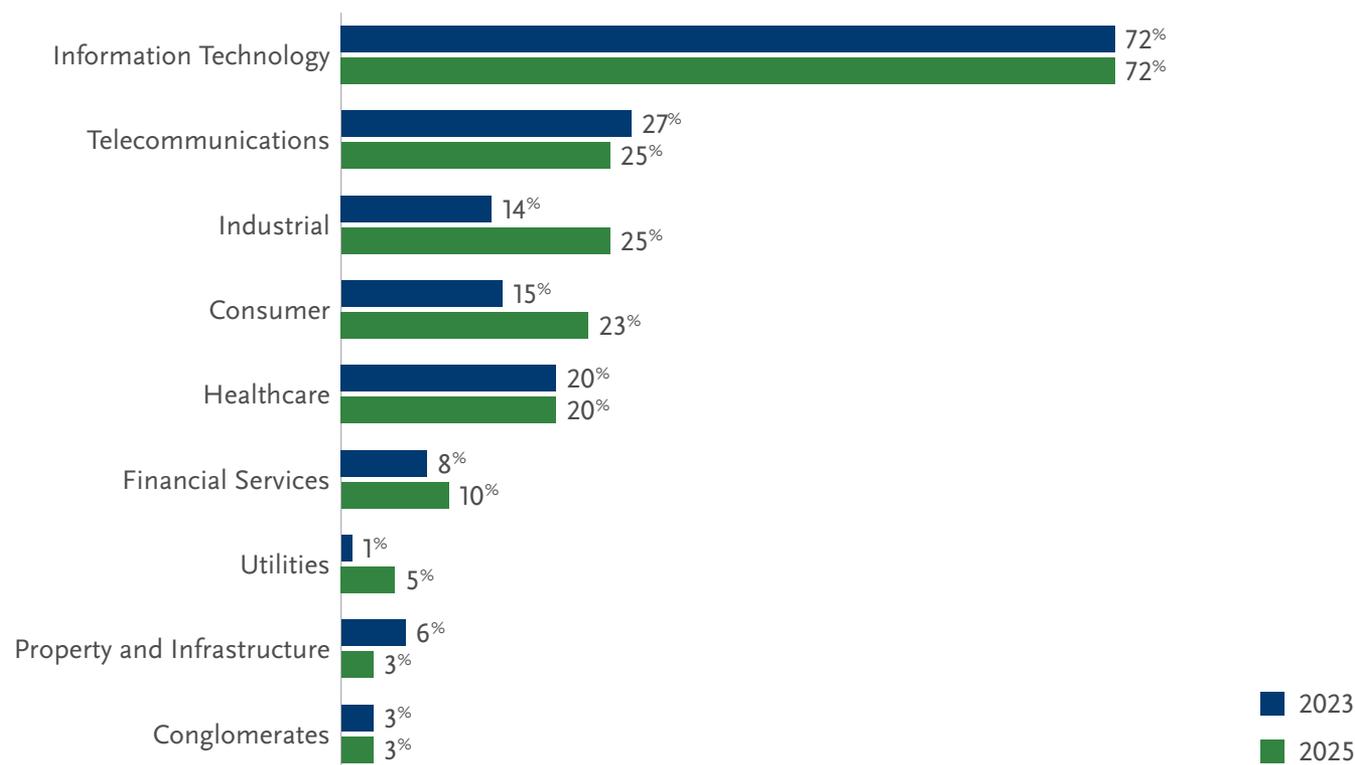
Among HSI companies, the percentage of board directors with technology and digital expertise rose from 14% in 2023 to 18% in 2025. A similar upward trend is evident on HSLI boards, where the percentage increased from 16% to 19% over the same period. Encouragingly, the share of HSI and HSLI companies with at least two technology directors also saw a notable rise — from 29% to 40% and from 33% to 42%, respectively.

TECHNOLOGY DIRECTORS

	2023		2025	
	HSI	HSLI	HSI	HSLI
Technology directors	14%	16%	18%	19%
Companies with at least two technology directors	29%	33%	40%	42%
Companies with no technology director	40%	39%	31%	35%

From an industry standpoint, certain sectors have shown notable growth in digital expertise. For example, the proportion of technology-savvy directors in industrial companies rose from 14% to 25%, while consumer companies saw an increase from 15% to 23%; industrial firms are leveraging technology to enhance operational efficiency and profitability, while consumer companies are increasingly adopting digital tools to elevate customer experience.

TECHNOLOGY DIRECTORS BY INDUSTRY — HSLI



Board refreshment

In the 12 months leading up to July 2025, HSLI companies made 145 new board appointments. Consistent with previous findings, 25% of these are executive directors, 34% are NEDs, and 41% are INEDs. Among the newly appointed board members, 12% are foreign nationals and 48% are first-time directors, figures that align closely with those from two years ago. Only 19% of the new directors are under the age of 50, marking a decline from 25% in 2023.

However, the pace of appointing women directors appears to be slowing. The percentage of women among new board appointees dropped from 39% in 2023 to 32% in 2025. This trend is particularly evident among INEDs, where female representation fell from 53% to 42%.

NEW DIRECTOR SNAPSHOT — HSLI

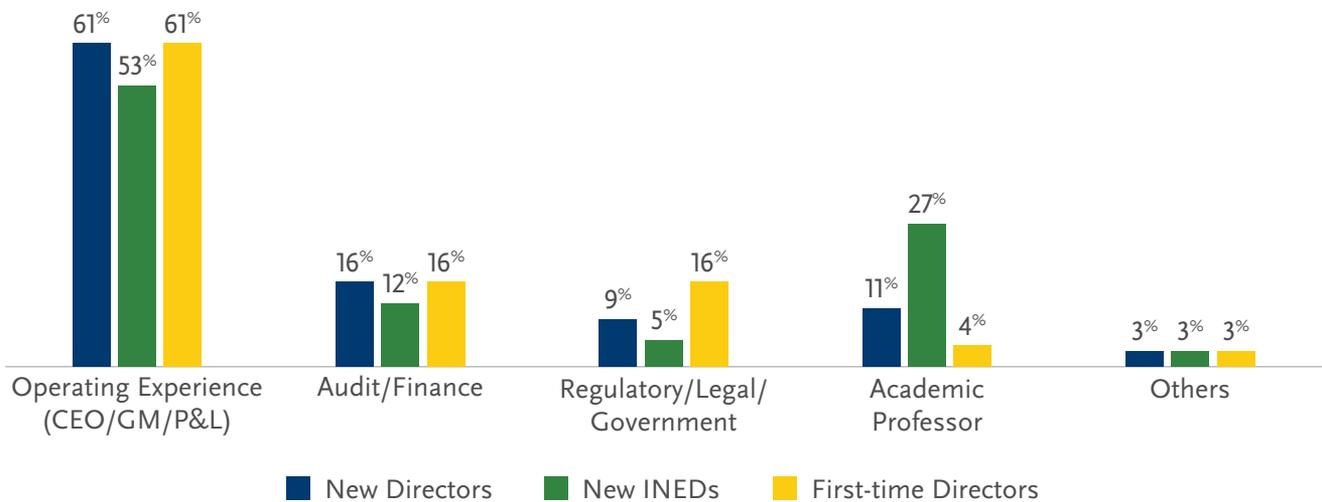
	2023		2025	
	New Directors	New INEDs	New Directors	New INEDs
Total	118	58	145	60
Average age	55.5	59.6	55.8	58.4
Younger than 50	25%	12%	19%	15%
Female directors	39%	53%	32%	42%
Foreign directors	12%	16%	12%	17%

FIRST-TIME DIRECTOR SNAPSHOT — HSLI

	2023		2025	
	New Directors	New INEDs	New Directors	New INEDs
% of first-time directors	45%	29%	48%	33%
Average age of first-time directors	53.5	58.9	54.2	56.5
% of first-time female directors	42%	65%	30%	40%

An analysis of the backgrounds of newly appointed directors, including INEDs and first-time board members, shows a continued trend consistent with previous research: the most common background remains P&L operating experience, followed by audit/finance.

BACKGROUNDS OF NEW DIRECTORS — HSLI 2025



Comparisons between retiring and new directors — HSLI 2025

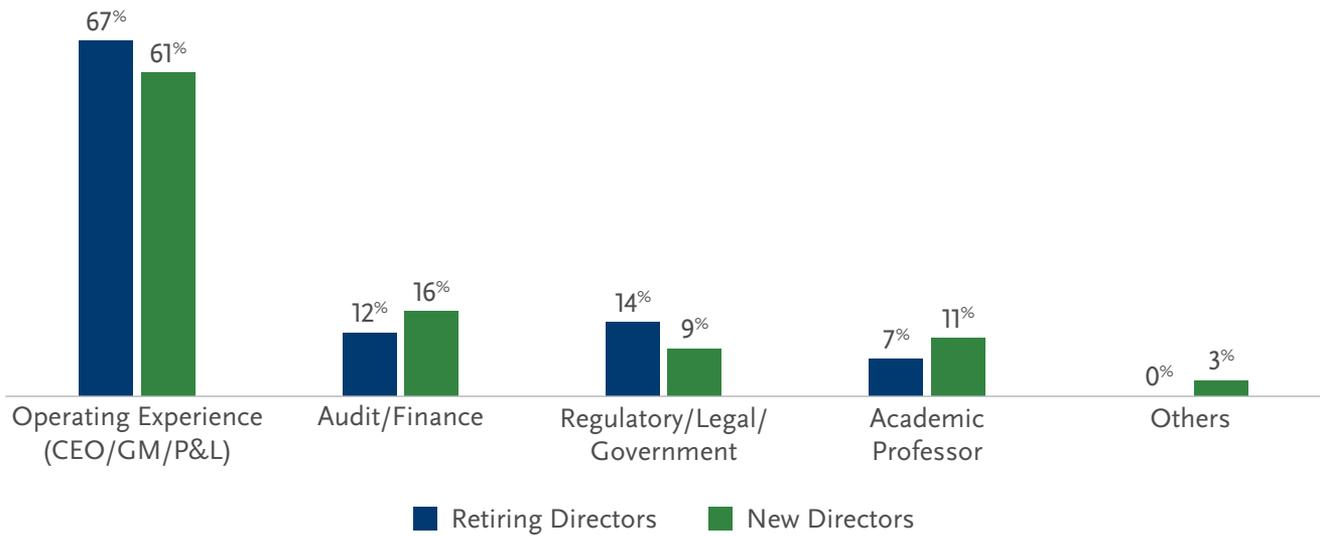
This year, we also look into the backgrounds of both retiring and newly appointed directors on HSLI boards. The average age of retiring INEDs is 66.8, while newly appointed INEDs are an average 58.4 years old. Among all outgoing directors and INEDs, 85% and 78% were men. In contrast, 32% of new directors and 42% of new INEDs were women, highlighting a positive trend in gender diversity at refreshment on Hong Kong boards.

Interestingly, 65% of retiring INEDs had P&L operating experience, whereas nearly half of the newly appointed INEDs do not, suggesting a potential broadening of the skill sets sought in board appointments.

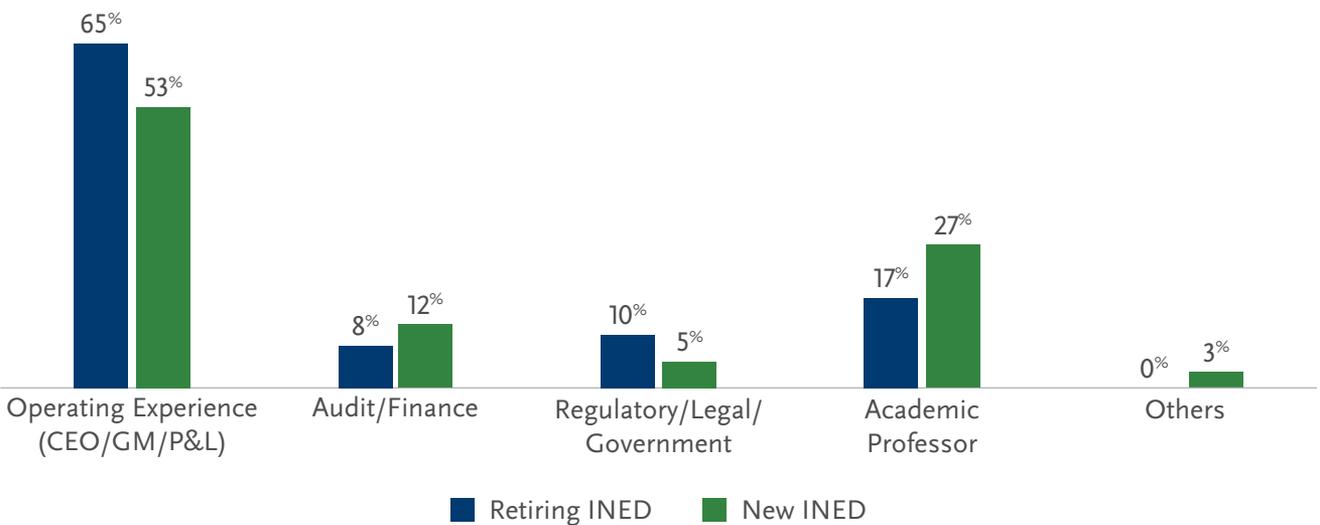
RETIRING AND NEW DIRECTORS — HSLI 2025

	Retiring Directors	Retiring INEDs	New Directors	New INEDs
Total	134	51	145	60
Average age	62.0	66.8	55.8	58.4
% of younger than 50	8%	4%	19%	15%
% of female directors	15%	22%	32%	42%
% of foreign directors	19%	33%	12%	17%

BACKGROUNDS OF RETIRING AND NEW DIRECTORS — HSLI 2025



BACKGROUNDS OF RETIRING AND NEW INEDS — HSLI 2025



Board Organization and Process

Board meetings

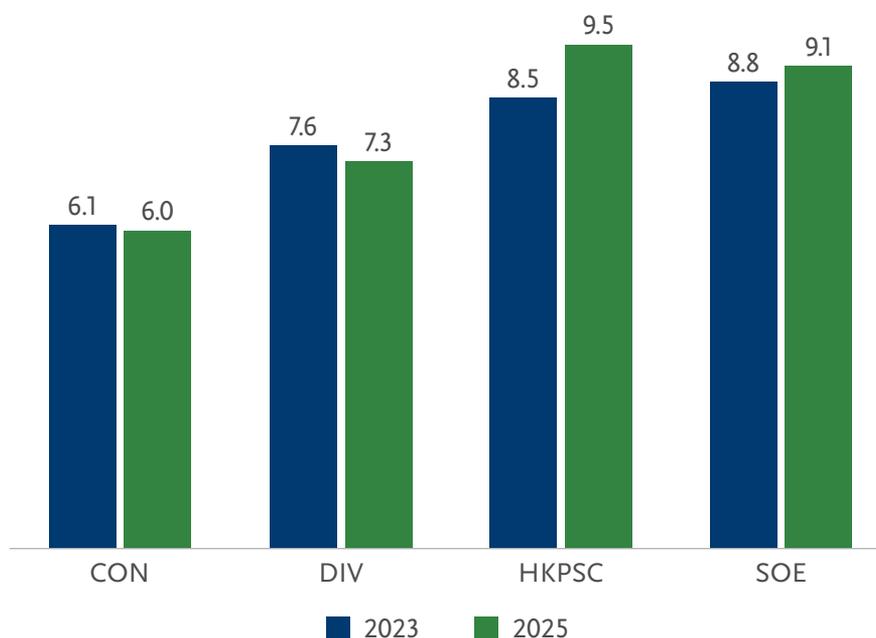
HSI and HSLI boards held an average of 7.2 meetings in 2025, a slight increase from 7.1 in 2023. As observed in our previous research, half of HSI boards convened five or fewer times, while around 20% met 10 times or more. Notably, Geely Automobile Holdings held the highest number of board meetings, convening 25 times during the financial year.

BOARD MEETING DISTRIBUTION

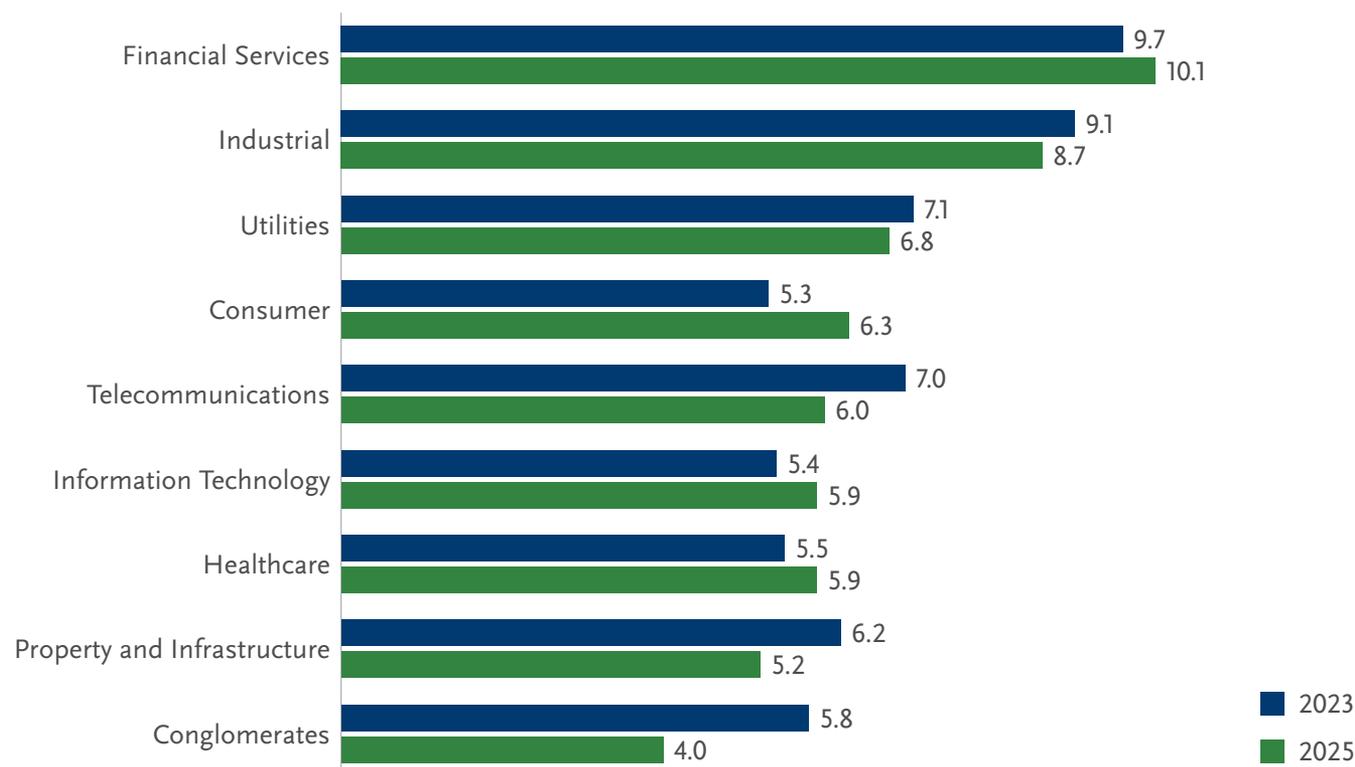
	2023		2025	
	HSI	HSLI	HSI	HSLI
Average Number of Board Meetings	7.1	7.1	7.2	7.2
5 or fewer board meetings	50%	48%	50%	47%
6 to 9 board meetings	27%	30%	28%	33%
10 or more board meetings	23%	22%	22%	20%

Among the four shareholding structure categories, HKPSC companies held the most board meetings, averaging 9.5 in 2025 — up from 8.5 in 2023. In contrast, CON companies convened the least, with an average of six meetings. Across industries, financial services boards continued to meet most frequently, followed by those in the industrial and utilities companies.

AVERAGE NUMBER OF BOARD MEETINGS BY SHAREHOLDING STRUCTURE — HSLI



AVERAGE NUMBER OF BOARD MEETINGS BY INDUSTRY — HSLI



Board committee meetings

The nomination committee³ plays a critical role in shaping board composition through succession planning and director renewal. On average, HSI and HSLI boards held 2.1 and 2.3 nomination committee meetings, respectively — up from 1.8 and 1.9 in 2023 — indicating a growing emphasis on board refreshment.

Another committee that has garnered a lot of attention in recent times is the remuneration committee, which advises the board on compensation strategies for directors and senior management. Its role is essential in attracting, retaining and motivating top talent, thereby supporting long-term value creation for shareholders. In 2025, remuneration committees also increased their activity, with average meetings rising from 2.3 to 2.5 for HSI boards and from 2.5 to 2.7 for HSLI boards.

AVERAGE NUMBER OF BOARD COMMITTEE MEETINGS

Categories	2023		2025	
	HSI	HSLI	HSI	HSLI
Audit committee meetings	4.0	4.3	4.1	4.6
Remuneration committee meetings	2.3	2.5	2.5	2.7
Nomination committee meetings	1.8	1.9	2.1	2.3

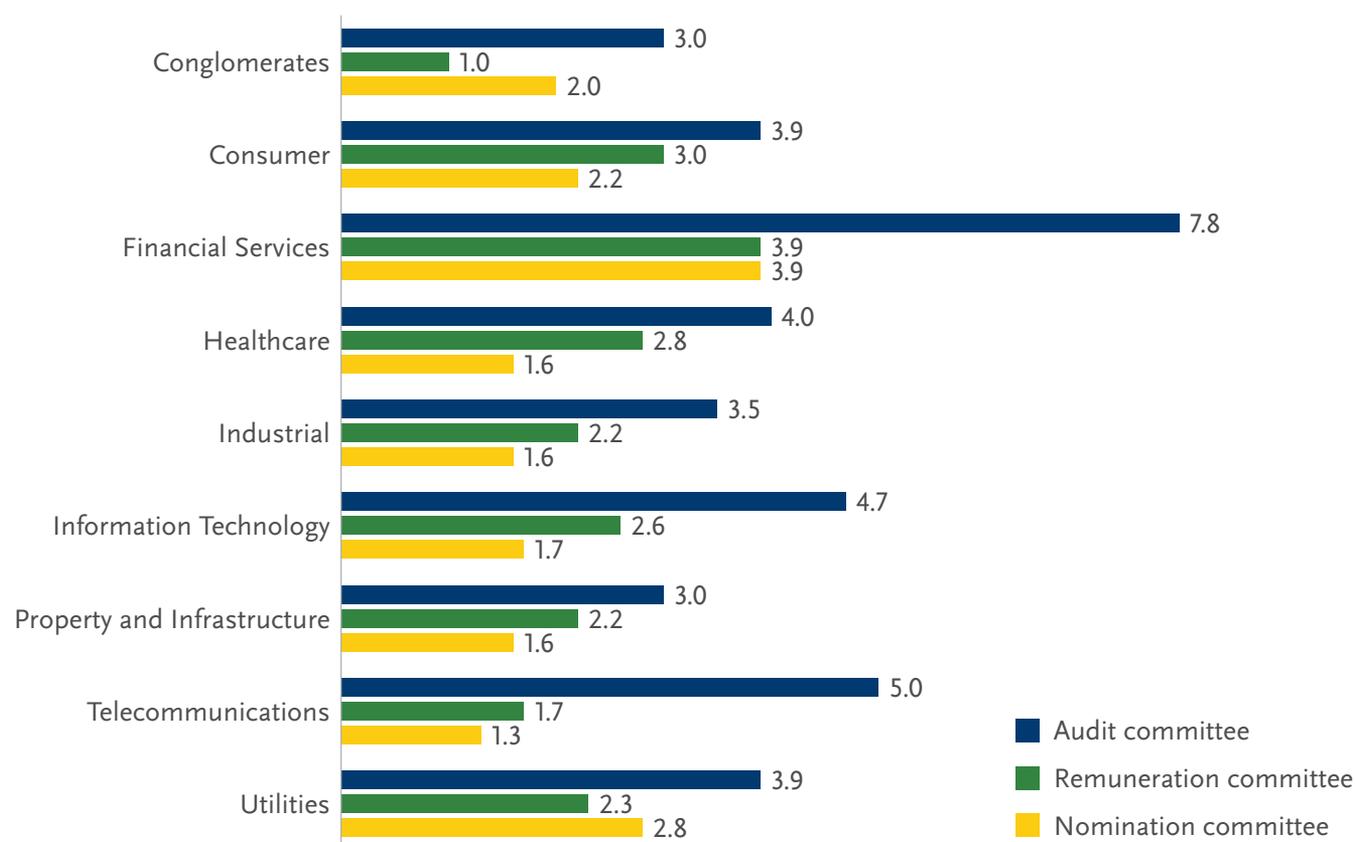
³ 8 and 13 of HSI and HSLI companies have merged remuneration and nomination into one committee.

When analyzed by shareholding structure, DIV companies held the highest number of audit and remuneration committee meetings, while SOE boards convened the most nomination committee meetings. Consistent with our 2023 findings, financial services companies — operating in a highly regulated environment — continued to lead all sectors in the frequency of board and committee meetings this year.

AVERAGE NUMBER OF COMMITTEE MEETINGS BY SHAREHOLDING STRUCTURE — HSLI 2025

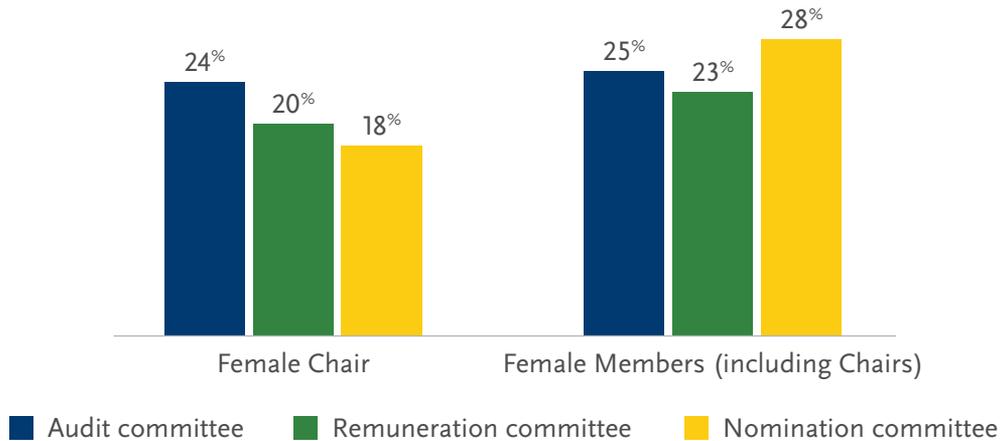
	CON	DIV	HKPSC	SOE
Audit committee meetings	3.6	6.3	3.0	5.5
Remuneration committee meetings	2.0	4.7	3.0	2.8
Nomination committee meetings	1.5	3.0	3.0	3.2

AVERAGE NUMBER OF COMMITTEE MEETINGS BY INDUSTRY — HSLI 2025



We also examined women’s representation on board committees. In 2025, 24% of HSLI audit committees were chaired by women, up from 13% in 2023. Women’s representation on remuneration committees remained steady, at 20% in both 2023 and 2025. For nomination committees, the percentage of women chairs rose from 15% in 2023 to 18% in 2025.

FEMALE REPRESENTATION OF BOARD COMMITTEES — HSLI 2025



Nomination committee and chair

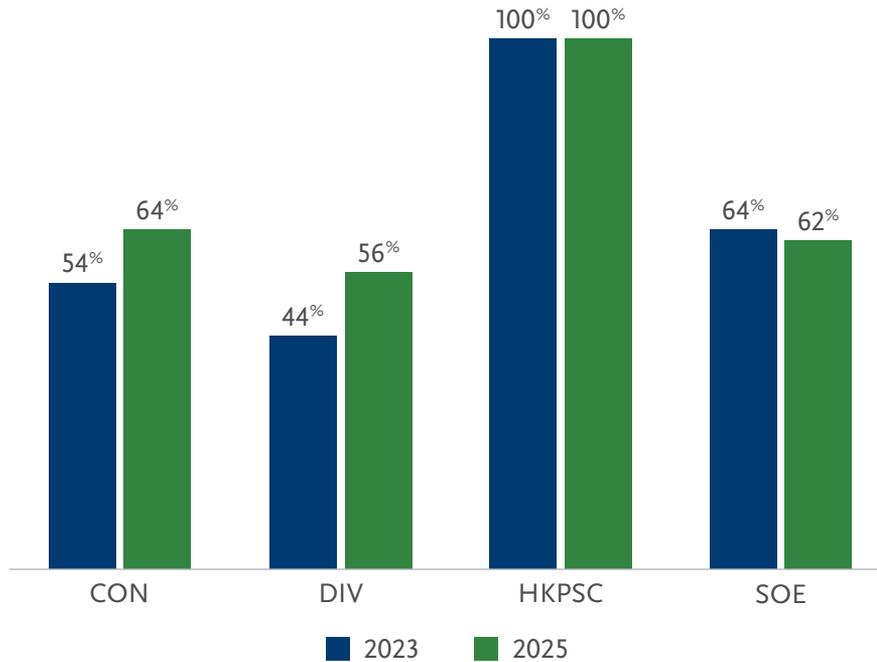
To strengthen corporate governance and enhance board independence, the HKEX Listing Rules have required all Hong Kong-listed companies to establish a nomination committee since 2022. This committee must be chaired by either the board chair or an INED. All HSI and HSLI boards have established nomination committees, with the exception of three companies — H World Group, Tencent Music Entertainment Group, and Trip.com Group — that are secondarily listed in Hong Kong and have been granted waivers from this requirement.

This year, 60% of HSI boards and 63% of HSLI boards have an INED serving as the chair of the nomination committee, up from 53% and 56% in 2023, respectively. By shareholding structure, CON and DIV companies saw an increase in the appointment of INEDs as nomination committee chairs, while SOE companies saw a decline of two percentage points.

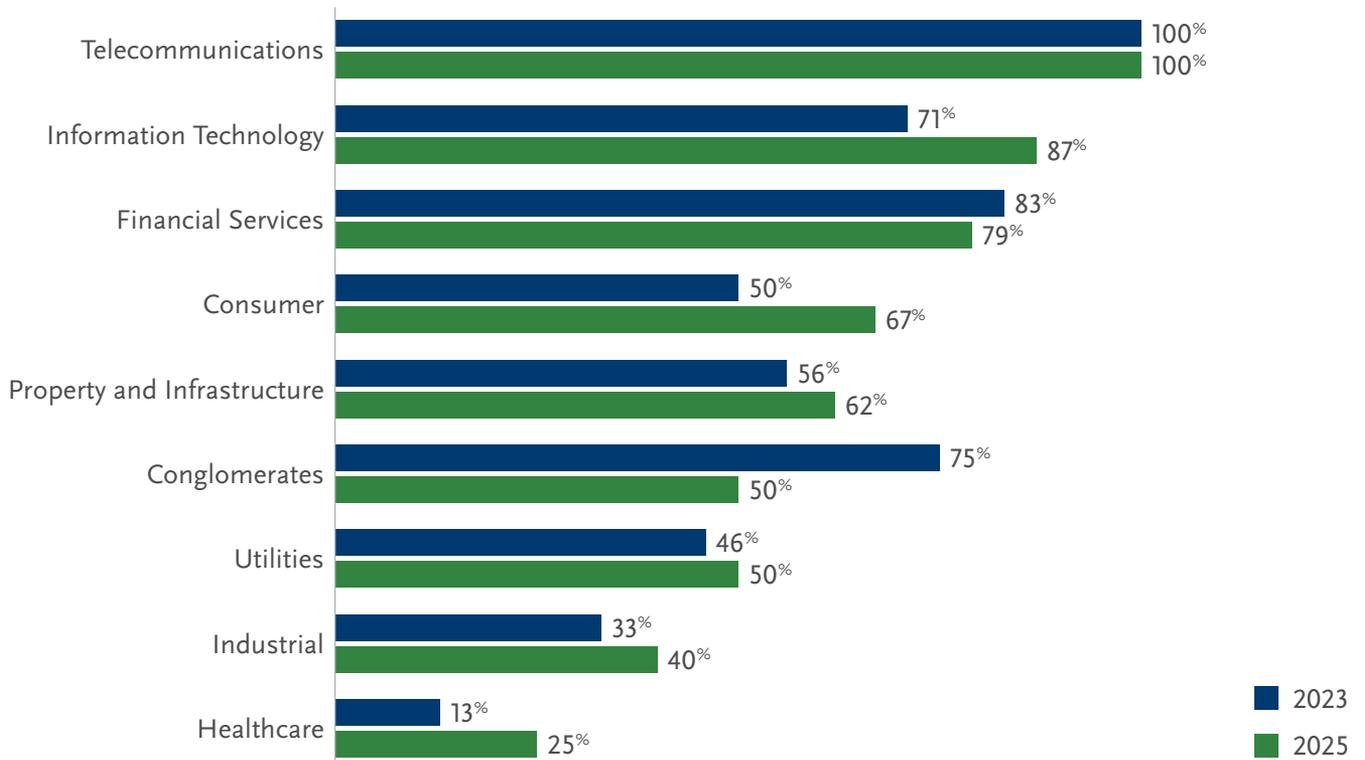
From an industry perspective, all telecommunications boards appointed an INED as nomination committee chair, followed by information technology (87%) and financial services companies (79%). In contrast, healthcare companies — most of which are concentrated ownership firms — continued to have the lowest representation, with only 25% of nomination committees chaired by an INED.

Our analysis indicates that companies with a woman as nomination committee chair tend to have higher board-level female representation — 28% compared to 22%.

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



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



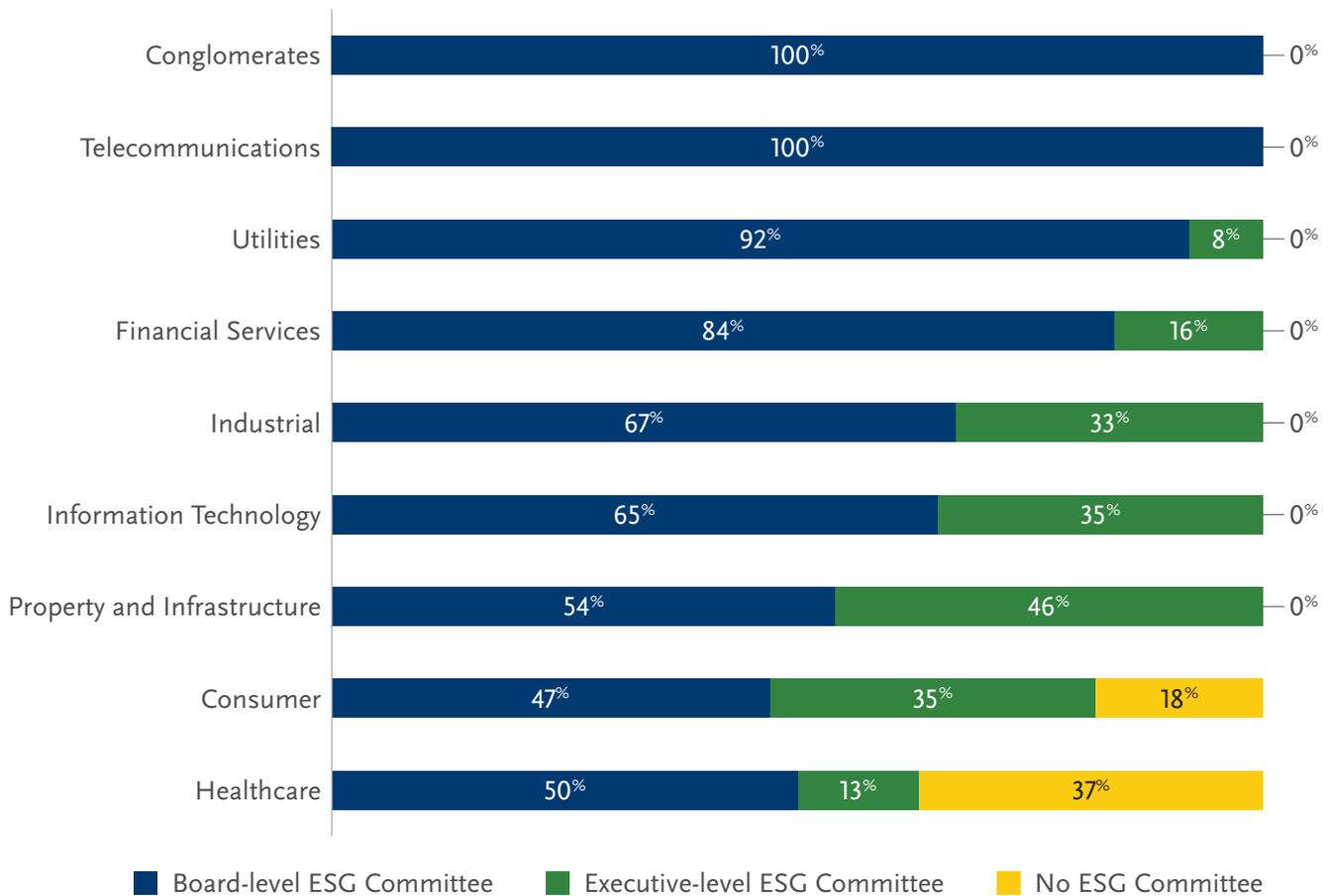
ESG committee

Integrating environmental, social, and governance (ESG) principles into a company’s strategic framework enhances risk management and supports long-term business resilience and sustainability. In line with HKEX recommendations, establishing a dedicated ESG committee enables companies to effectively implement ESG strategies, oversee goal setting and reporting, ensure operational execution, and strengthen engagement with external stakeholders.

As of 2025, 67% of HSI companies had established a board-level ESG committee, up from 63% in 2023, while 28% had an executive-level ESG committee, slightly down from 30%. Among HSLI companies, 68% had a board-level ESG committee and 26% had one at the executive level. Overall, approximately 95% of Hong Kong-listed boards now have some form of ESG committee in place.

From an industry perspective, nearly all sectors have adopted either a board-level or executive-level ESG committee. However, gaps remain, with 18% of consumer companies and 37% of healthcare companies yet to establish such committees.

PERCENTAGE OF COMPANIES WITH ESG COMMITTEES BY INDUSTRY — HSLI 2025



Board evaluation

Annual board evaluations are widely regarded as a key governance practice, helping to enhance director accountability and improve overall board effectiveness. In 2025, HKEX elevated the importance of such evaluations by upgrading regular board performance reviews from a recommended best practice under the Corporate Governance Code to a Code Provision. Under the new requirement, boards must conduct performance evaluations at least once every two years on a “comply or explain” basis.

This regulatory shift has led to a noticeable rise in the adoption of board evaluations — both internally and externally facilitated — among HSLI companies, increasing from 37% in 2023 to 45% in 2025. In contrast, the adoption rate among HSI companies remained steady at 42%. Despite this progress, the use of external facilitators remains limited, with only 1% of HSI and 2% of HSLI companies reporting the engagement of an external facilitator, even though such evaluations are generally recommended at least once every three years.

INTERNAL VERSUS EXTERNAL EVALUATION

	2023		2025	
	HSI	HSLI	HSI	HSLI
Board evaluation — external	3%	3%	1%	2%
Board evaluation — internal	39%	34%	41%	43%
Board evaluation — overall	42%	37%	42%	45%

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.

Board Remuneration

Chairs

In 2025, the average total compensation for INED chairs on HSLI boards reached US\$653,000, up from US\$579,000 in 2023 and US\$322,000 in 2018.

INEDs

The average total compensation for INEDs (excluding chairs and including cash, equity, and committee fees) on HSI boards rose by 13% to US\$112,000. For the broader HSLI group, the increase was even more significant, up 17% to US\$116,000.

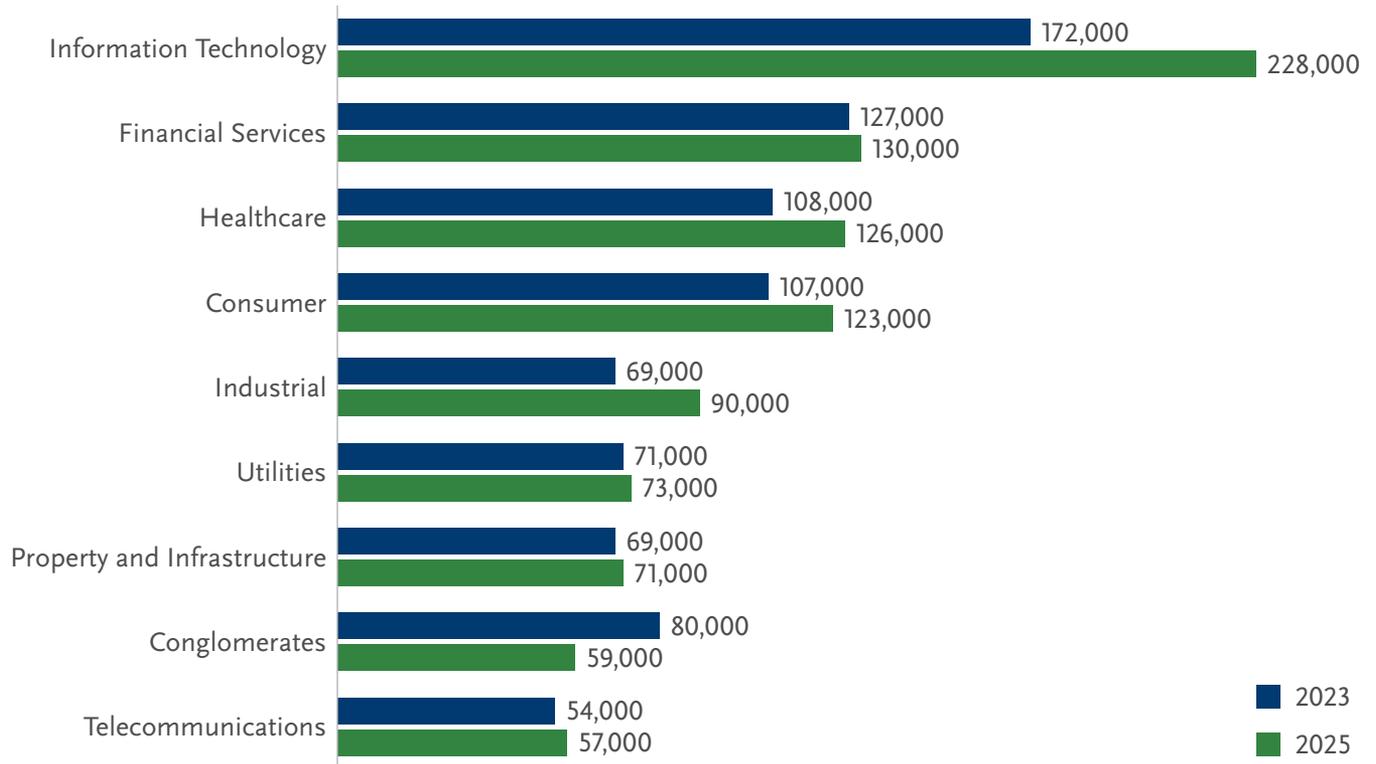
AVERAGE TOTAL INED COMPENSATION (US\$)

	2018		2021		2023		2025	
	HSI	HSLI	HSI	HSLI	HSI	HSLI	HSI	HSLI
Average INED Compensation	96,000	85,000	96,000	95,000	99,000	99,000	112,000	116,000
Lowest INED Compensation	7,000	4,000	11,000	11,000	14,000	14,000	15,000	17,000
Highest INED Compensation	558,000	558,000	630,000	630,000	710,000	710,000	790,000⁴	790,000

By industry, INEDs serving on information technology boards received the highest average compensation in 2025, reflecting a notable 33% increase compared to 2023. In contrast, INEDs in the telecommunications sector received the lowest average compensation. This year, 11 boards included equity as part of INED compensation packages, with the majority of these companies from the IT sector.

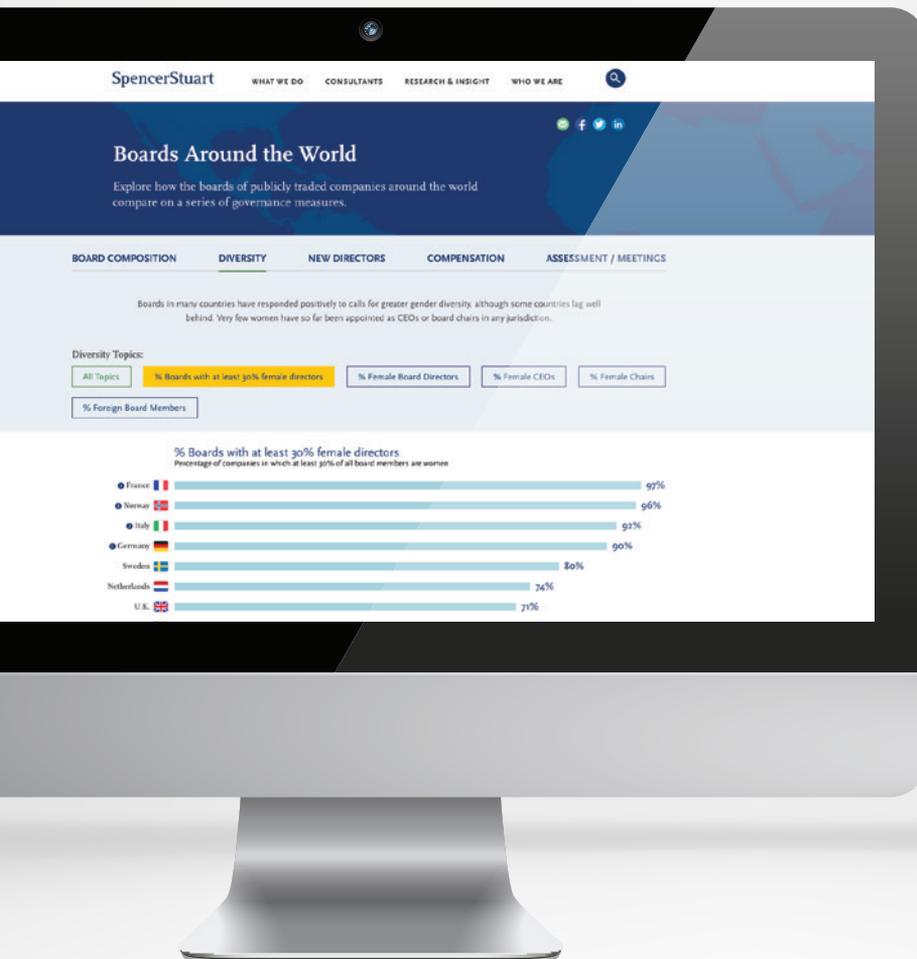
⁴ This company is Tencent, which includes equity as part of their INED compensation package.

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



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