

6 Dec 2021

HKICPA Best Corporate Governance and ESG Award 2021

President Raymond, ladies, and gentlemen,

It is my pleasure to speak at this meaningful event and share the joy with the awardees. I would like to extend my heartiest congratulations to your good work. Today's award ceremony not only publicly recognizes your achievements and accomplishments, but also the orchestration of good work by everybody on your team, including your Chairman and the board.

WHY ESG REPORTING & WHAT IS THE ROLE OF COMPANIES?

In recent years, ESG has been receiving increasing attention not only from enterprises but also from investors, the accounting and finance profession and regulators.

Company reporting must be of high quality for investors and other stakeholders, who rely upon such data for their decisions.

According to Morningstar, asset flows into sustainable funds in the United States continued at a record pace through the third quarter of 2020 from \$22 billion to nearly \$31 billion, 40% higher than asset flows attracted to sustainable funds in all of 2019. The numbers speak loud and clear. Hence, companies are increasingly reporting ESG information on a voluntary basis to help satisfy investor inquiries and provide greater insight into a company's enterprise value.

WHAT IS THE ROLE OF THE FRC?

As the regulator of the accounting profession, the FRC not only regulates but also promotes the long-term sustainable development of the accounting profession. Our role is to ensure and encourage quality reporting of company information to enhance decision making of its users.

Today marks the 21st anniversary of the Institute's persistent, and successful effort in promoting and elevating the quality of reporting among companies. I look forward to the Institute's assuming even more leadership role in future regarding reporting standards, particularly in sustainability and business valuation. As the strategic partner of the Institute, the FRC is ready to support the Institute whenever possible to ensure further professional development that is to the best interest of Hong Kong as an IFC.

CONGRATULATIONS

With Christmas just around the corner, may I wish you all a Merry Christmas and a Happy New Year.

Thank you.