



# Survey of ESG Reports in Hong Kong 2017

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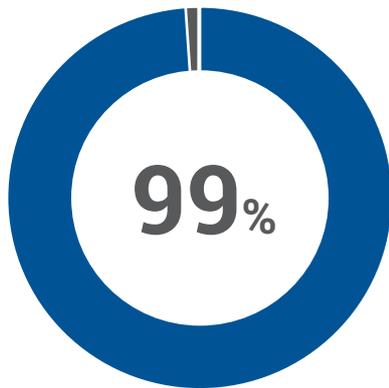
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## EXECUTIVE SUMMARY

This is the second year for Alaya Consulting to conduct a research on Environmental, Social and Governance (“ESG”) reports published by top Hong Kong 200 listed companies. For a full list of the top 200 listed companies (“T200”) by market capitalisation, please refer to the Appendix of this report on page 17.

### Level of Compliance

Companies that reported all General Disclosures



Not surprisingly, almost all of the 200 largest listed companies have met the “Comply or Explain” provisions stipulated in Appendix 27 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited for financial year 2016. Appendix 27 or the Environmental, Social and Governance Reporting Guide (“ESG Guide”) requires listed companies to report on all aspects of ESG under General Disclosures for FY 2016. Besides complying with the existing provisions, most of the T200 have also begun to disclose environmental KPIs, which shall be officially applicable from FY 2017. Only 17% disclosed all the 12 environmental KPIs in FY 2016.

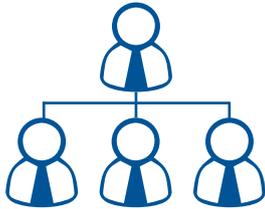
**24%** adopted GRI reporting framework



### GRI Framework and Assurance

Except a couple of companies, all followed the ESG Guide in reports for the year under review. Approximately 24% of the T200 have adopted the reporting framework developed by the Global Reporting Initiative (“GRI”). We expect gradual growth in the number of GRI-aligned reports since the T200 seem to be generally willing to adhere to international standards which are more familiar to investors. Regarding report assurance, only 20.5% have opted to obtain assurance from external firms.

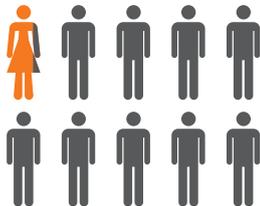
**32%** companies have established sustainability governance structures



### Sustainability Governance

A positive correlation has been found between sustainability governance and level of disclosure. Governance is an integral part of sustainability management. The natural next step for companies is to establish a governance structure to manage and measure ESG performance more effectively. Among T200, only 31.5% have established sustainability governance structures. Less than 20% have set targets on KPIs. And only 6% have aligned their ESG performance with United Nation's Sustainable Development Goals (SDGs).

**9%** of board members are female



### Females on Company Boards

Hong Kong continues to be a laggard in terms of gender diversity of company boards. Although over 60% of the companies have one or more females on their boards, females account for only 9% of the total number of board members. Extant research<sup>1</sup> has demonstrated that gender diversity of boards is critical to good corporate governance. Therefore, T200 needs to embrace the international trend more in the near future.

<sup>1</sup> Sealy, R.; Doldor, E.; Vinnicombe, S. (2016) The Female FTSE Board Report 2016, Cranfield University School of Management. [Online] Available at: [https://www.cranfield.ac.uk/~media/files/school\\_specific\\_documents/som/crt054761d-cranfield-female-ftse-report-inserts-v8-hr.ashx](https://www.cranfield.ac.uk/~media/files/school_specific_documents/som/crt054761d-cranfield-female-ftse-report-inserts-v8-hr.ashx) [Accessed 16 August 2017]

## RESEARCH PURPOSE

Sustainability has had a growing impact on businesses in recent years and many corporations have realized the reciprocal relationship between their operations and ESG issues. Effective sustainability related measures and evaluation thereof has become a global phenomenon, as an increasing number of corporations attempt to create value for their businesses through addressing and responding to sustainability issues.

Moving a step further from the previous year's research, besides looking at the level of disclosure, this year we have also examined how companies are managing sustainability, e.g., by establishing a governance structure to manage sustainability, setting up targets and aligning performance with SDGs. We believe compliance is only the first milestone of the sustainability journey. Alaya Consulting plans to start tracking how well companies are managing sustainability in the future.

For the first time, we have developed a scoring mechanism to rank companies based on both the level of disclosure as well as the governance initiatives implemented. We have also attempted to provide recommendations for Hong Kong companies that can help improve ESG reporting since disclosure rules and regulations are likely to become more stringent and concerns of stakeholders shall broaden and deepen in coming years.

### Scope and Methodology

ESG reports of the Top 200 listed companies<sup>2</sup> (ranked by market capitalisation during the week ended 17 July 2017) have been examined. These companies account for approximately two-third of the total market capitalisation, according to the HKEX database.

A survey was carried out by several of our team members<sup>3</sup> and a separate unit verified the details of each disclosure item across all T200 reports. Only ESG information in sustainability reports and annual reports published on company websites and the HKEX website is evaluated. Loose information from other sources is not included. Companies with fiscal year ending on 30 June are excluded from the research as their reports for 2016/17 are yet to be published.

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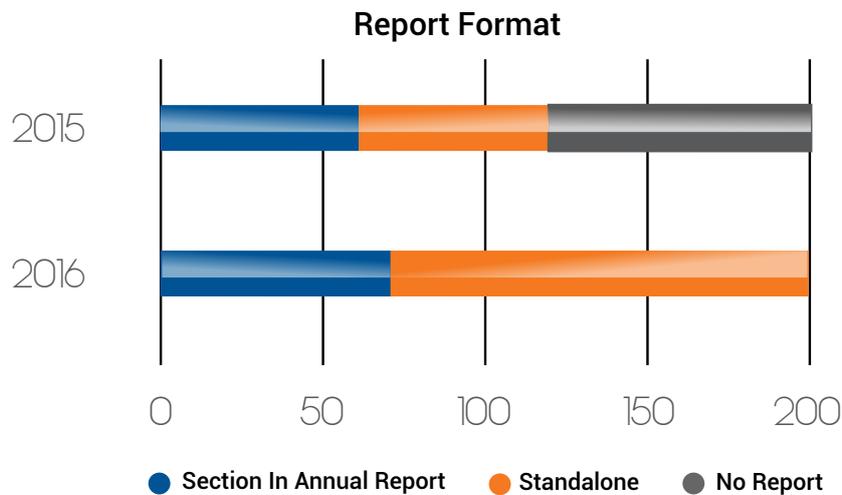
<sup>2</sup> Refer to Appendix for full list.

<sup>3</sup> For the full list of research team, please refer to the acknowledgements section on P.16.

## REPORT CHARACTERISTICS

### 60% published separate ESG Reports

Listed companies are given the flexibility to present their ESG disclosures either as a standalone report or integrated as a section in the company's annual report. In 2016, 123 companies from the Top 200 published a separate ESG report. This is more than a double from 2015 in which 60 standalone reports were released.

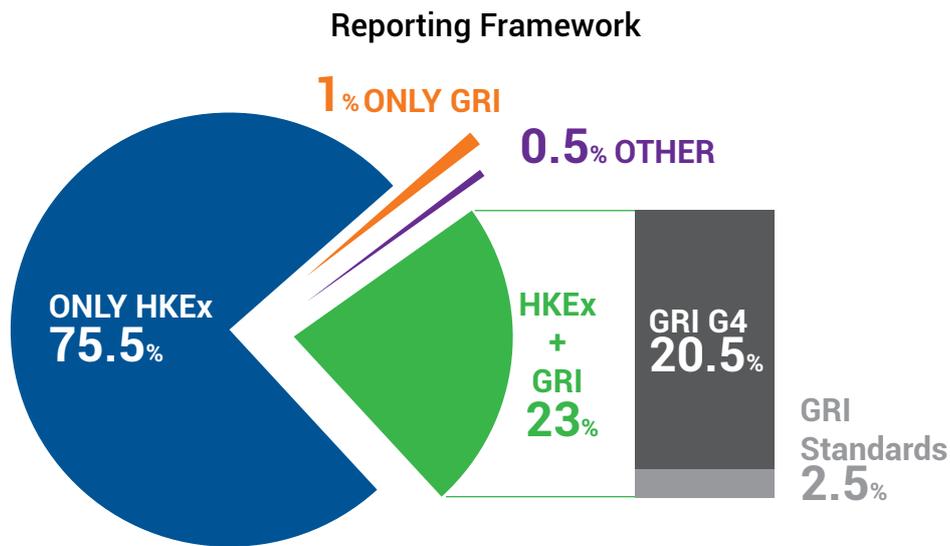


### Assurance remains lackluster

Only 20.5% of the T200 reports carry assurance. Getting the report assured by external parties is critical for gaining confidence of stakeholders, including investors, on reliability of the data.

## 24% adopted GRI framework

The ESG Guide was followed by 98.5% of the reports while 46 companies took a step further to adopt the GRI reporting framework, a set of international standards for sustainability disclosures. Also, there are a handful of early-movers (5 companies) who have taken the lead and adopted the newest GRI Standards, which are due to replace the GRI G4 by the 1st of August, 2018.

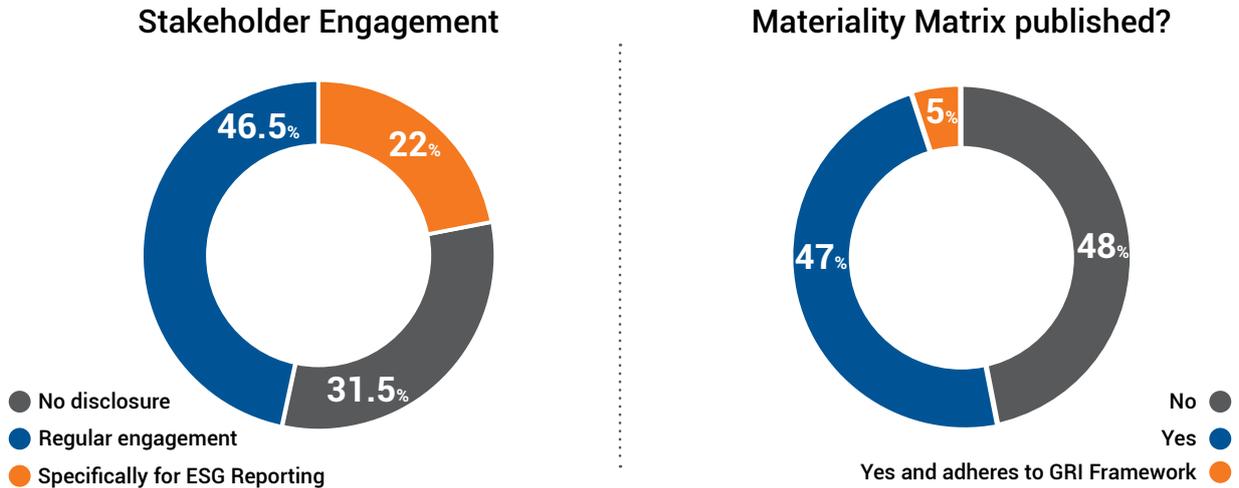


### OUR VIEW

*It is heartening to note that 24% of companies are willing to adopt GRI as the reporting framework, showing that they are eager to improve sustainability reporting to meet international standards. We expect continuous growth in the number of reports meeting GRI standards in the future.*

## Stakeholder engagement and materiality matrix

Nearly 70% of the companies reported that they engage with their stakeholders regularly or specifically for the purpose of ESG. Over one half of the 200 companies have used a materiality matrix. However, only 5% have ensured that the axis adheres to GRI guidelines.



### OUR VIEW

*Engaging stakeholders is crucial for companies to understand their concerns. This enables companies to identify material ESG issues, the related risks and opportunities and to address them accordingly. In addition, displaying the diverse range of ESG issues on a materiality matrix is effective in communicating the outcome of a company's materiality assessment. Companies complying with GRI framework are advised to follow the requirements when portraying the matrix.*

## LEVEL OF DISCLOSURE

### 99% reported general disclosure

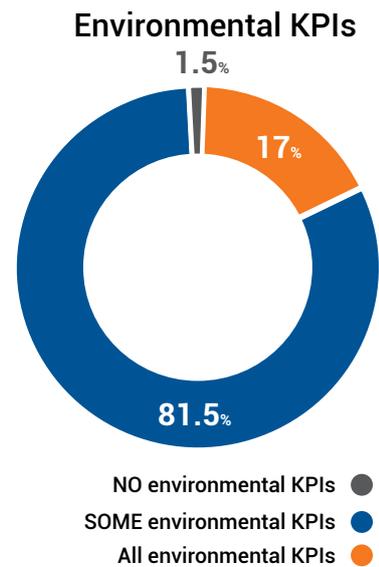
The “comply or explain” provisions became effective in FY2016 for all General Disclosures. 99% of the companies surveyed have met the requirement, adhering to the “comply or explain” provisions on all 11 aspects in environmental and social areas. However, two companies omitted some general disclosures, without providing an explanation.

#### OUR VIEW

*The essence of “comply or explain” is that companies must consider their individual circumstances. While comply or explain is not mandatory, companies should be aware of the negative perceptions likely to be formed by stakeholders if they choose to omit certain material disclosure without having constructive dialogue with stakeholders.*

### 17% disclosed all 12 environmental KPIs

As the “comply or explain” provision shall expand to Environmental KPIs in FY 2017, our research also studied the level of disclosure on the 12 environmental KPIs. Among the 200 reports, only 17% have complied with or explained all Environmental KPIs. The majority (81.5%) of the companies disclosed only some of the environmental KPIs. We have also scrutinized environmental KPIs not disclosed, and discovered that only a minority have been explained.

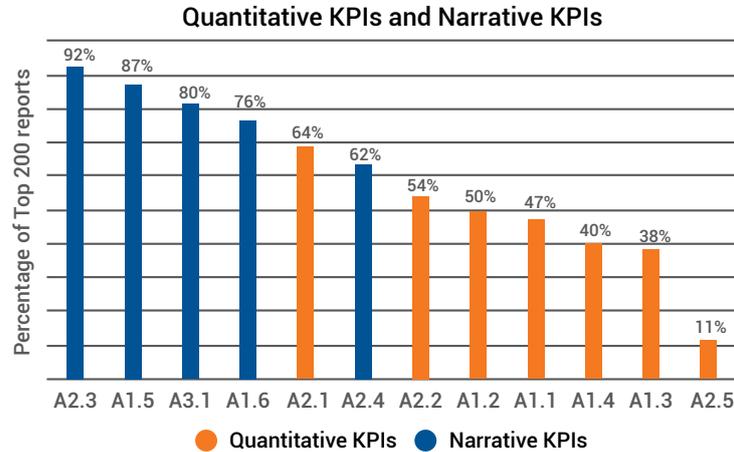


#### OUR VIEW

*The fact that most companies have begun to disclose environmental KPIs marks a good starting point. We expect the level of disclosure to grow significantly in FY2017 as additional compliance requirements come into effect. We advise companies to give detailed explanations as to why particular KPIs are not material to the company or relevant reasons for inability to provide such information.*

## Energy most favourable KPI, packaging materials the least

Among the 12 environmental KPIs, 5 are narrative KPIs, such as energy saving and emissions mitigation measures, while the remaining 7 are quantitative KPIs such as the total greenhouse gas emitted. Narrative KPIs have a higher level of disclosure than quantitative KPIs.



### Top 3 Narrative Environmental KPIs

A2.3 Energy use efficiency initiatives and results achieved

A1.5 Measures to mitigate emissions and results achieved

A3.1 Significant impacts of activities on the environment

### Top 3 Quantitative Environmental KPIs

A2.1 Energy consumption in total and intensity

A2.2 Water consumption in total and intensity

A1.2 Greenhouse gas emissions in total and intensity

It seems that companies find energy consumption and conservation relatively easy to disclose. In contrast, consumption of packaging materials remains the least favourite KPI to disclose.

### OUR VIEW

*Data collection and determining the reporting boundary<sup>4</sup> might be challenging for some companies. As stakeholders, especially investors, place strong emphasis on data integrity, it is necessary for companies to establish effective mechanisms and practices for collecting quantitative data.*

*It is also imperative to disclose reporting boundaries in the ESG report. It is not only required by the HKEX but also helps trace the source of data during the assurance process. To ensure the accuracy of the data collected for environmental KPIs, companies must state which entities or operations are included in the scope of the report and provide explanation if there are any changes on the reporting boundary.*

<sup>4</sup> 70% of the companies have disclosed reporting boundaries of their ESG reports.

## Variation on disclosing social KPIs

The level of disclosure on social KPIs is varied. Though there are KPIs with over 70% disclosure, T200 seem to be reluctant to report some of the social KPIs at this stage. Product recall (KPI B6.1) is the KPI with the lowest disclosure, which is often claimed to be 'non-applicable' to business operations of the reporting company. Days lost due to work injury (KPI B2.2) also lacks disclosure, though it is a fundamental indicator of a company's occupational health and safety management. Hong Kong companies are typically not directly exposed to child and forced labour practices. This is reflected in the significant number of reports which have not disclosed KPI B4.2.

Top 3 Social KPIs with the <u>highest</u> level of disclosure	%
B8.1 Focus areas of Community Investments	96.5
B4.1 Measures to avoid child and forced labour	82
B8.2 Resources contributed to the community	76.5

Top 3 Social KPIs with <u>no</u> disclosure	%
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	86
B4.2 Steps taken to eliminate child and forced labour practices when discovered	79.5
B2.2 Days lost due to injury	70.5

### OUR VIEW

*Reasons behind low disclosure on social aspects may vary. Since social KPIs remain recommended disclosures, companies may lack incentives to gather data. However, we believe as more companies begin to disclose on social aspects, it would be only appropriate for others to follow suit. We advise companies to look deeper and reconsider the impact on well-being of employees, customers and community and respond to the concerns of their stakeholders.*

## SUSTAINABILITY GOVERNANCE

### Governance structure boosts disclosure

Given the interdisciplinary nature of sustainability risks, a governance structure is necessary to bring together the roles of various company functions. Along with the audit, remuneration and nomination committees, a board-level committee overseeing sustainability risks and opportunities is common in some of the sustainability leaders.

As many of the T200 have just embarked on the ESG reporting journey, only 31.5% (63 companies) have established an ESG governance structure, such as a sustainability committee. But if we rank the companies according to their overall ESG disclosure and performance, taking the 50 companies with the highest scores, the percentage increases to 80%. This indicates that companies adopting a more structured approach usually performs better in ESG, compared to the rest of the sample.

#### OUR VIEW

*Sustainability considerations should be embedded into the entire company's strategy and direction. The performance on sustainability heavily relies on whether the company has a clear and effective structure governing the process. Having a governance structure that reports to the Board is one of the more advocated practices indicating that the top management is willing to take responsibility and provide leadership for pushing sustainable development.*

*Our analysis also shows that there is a significant correlation between there being a sustainability committee and ESG disclosure, implying that having a governance structure specifically for sustainability benefits the ESG disclosure level significantly.<sup>5</sup> It is, therefore, crucial for the top management to realize the importance of sustainability and take the lead in implementing relevant initiatives.*

<sup>5</sup> A spearman correlation analysis was conducted, showing a positive correlation between sustainability committee and ESG disclosure. [r = 0.39, n = 200, p = 0.000000009].

## Less than 20% set environmental targets, SDGs<sup>6</sup> are not on radar yet

While the level of disclosure indicates how much effort a company is putting into ESG reporting, it does not completely reflect the actual performance, commitment and resources dedicated to sustainability. Thus, we examined targets setting and whether the T200 have aligned Sustainable Development Goals (SDGs).

Carbon reduction is one issue on which about 19% of the T200 have set a target. This is followed by water consumption (16%), energy reduction (16%), waste (9%) and occupational health and safety targets (9%).

Only 6% of the top 200 companies listed in Hong Kong have integrated SDGs into their reports.

### OUR VIEW

*It is still a long way to go for target-setting to become a normal practice in sustainability management in Hong Kong. It is expected that as companies move further in the sustainability journey, they will realize that target setting is a critical tool for improving ESG performance. Companies are advised to set S.M.A.R.T. targets (Specific, Measurable, Attainable, Relevant and Time Bound). Having effective targets can imply that the company has looked deep into material aspects, understood the potential risks and is willing to mitigate the risks gradually and in a measurable way.*

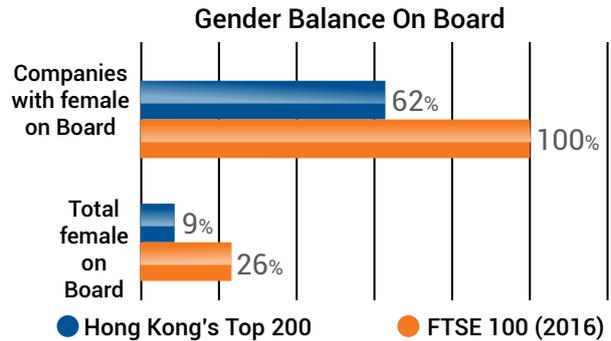
*Alignment of SDGs seems to be receiving less attention in Hong Kong than elsewhere in the world. Hong Kong companies are encouraged to consider connecting themselves to the world standards not only in the economic but also environmental and social aspects. Implementation of SDGs should not be seen as the job for academics or NGOs but a social responsibility for corporations as well.*

<sup>6</sup> The Sustainable Development Goals ("SDGs") are a set of 17 ambitious targets set by the United Nations in 2015 for governments and businesses to follow in order to promote the World's sustainable development of the next 15 years.

## BOARD DIVERSITY AND INDEPENDENCE

### Only 9% females on T200 boards

Our research looked at performance on corporate governance. Gender diversity is arguably one of the factors affecting governance of the companies. While T200 seem to fare well with approximately 62% having at least one female on board, only 9 out of 100 board members are female.



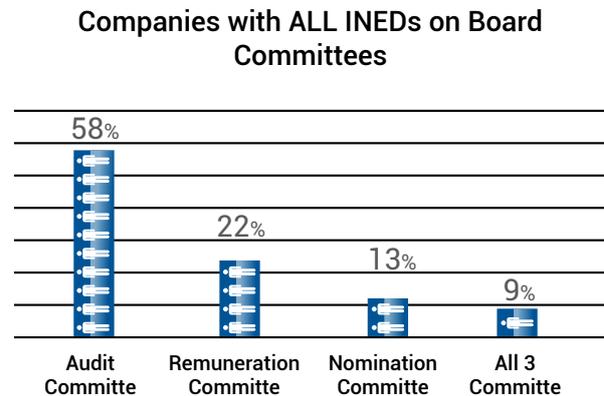
#### OUR VIEW

*Most companies understand the importance of gender diversity but female board members remain a small minority in company boards. Considering that more than a quarter of board members in FTSE 100<sup>7</sup> companies are female, Hong Kong companies should perhaps consider more openness and diversity when appointing new directors.*

### Board Independence

A non-executive chairman of a board does not hold operational duties, which serves as a sort of checks and balances in decision-making. Our research shows that only one-fifth of the companies have a non-executive chairman.

While over 95% of the companies have complied with the Corporate Governance Code stipulation that at least one-third of the board members should be INEDs (Independent Non-Executive Directors), only 9% of the companies have audit, remuneration and nomination committees comprising only INEDs. Additionally, only 40% of the companies have fully disclosed the remuneration policy and process for determining remuneration of directors.



#### OUR VIEW

*It is good to observe that more than half of the companies have only INEDs in their respective audit committees. Companies must realize the importance of keeping the audit, remuneration policy and nomination processes independent, transparent and objective. We hope to see more companies working towards best practices in corporate governance.*

<sup>7</sup> Sealy, R.; Doldor, E.; Vinnicombe, S. (2016) The Female FTSE Board Report 2016, Cranfield University School of Management. [Online] Available at: [https://www.cranfield.ac.uk/~media/files/school\\_specific\\_documents/som/crt054761dcranfield-female-ftse-report-inserts-v8-hr.ashx](https://www.cranfield.ac.uk/~media/files/school_specific_documents/som/crt054761dcranfield-female-ftse-report-inserts-v8-hr.ashx) [Accessed 16 August 2017]

## ALAYA'S SUSTAINABILITY RANKING

To identify companies with good performance in ESG, we have adopted a scoring mechanism to calculate ESG performance. In addition to ESG disclosure, we have added Corporate Governance, Sustainability Governance, Target Setting and Reporting Standards as part of the main criteria. Each carries different weightings. These criteria are chosen because we believe that merely measuring level of disclosure cannot capture all the factors that contribute to good ESG reporting and performance.

Some of the best practices of the Top 5 companies with the highest scores are summarized below. We identified 4 common characteristics of these companies: 1) long term strategy and framework are established; 2) SMART targets are set for all material aspects; 3) progress towards achieving the targets is communicated on a regular basis; and 4) sustainability initiatives are aligned with companies' core businesses.

### TOP 5

### HIGHLIGHTS

Swire Properties Ltd.

- **SD 2030 Strategy**  
Guided framework for developing objectives, focus areas, targets and approach for each sustainability aspect.
- **Target setting**  
Targets on carbon intensity, renewable energy, energy and fresh water savings and demolition and construction waste recycling.

CLP Holdings Ltd.

- **Climate change and risk management**  
Incorporate climate change into risk management framework, describing the impacts to the company, strategy and actions to mitigate such risks.
- **SDGs**  
Prioritized 6 SDGs in relation to material issues, linking them to respective sustainability initiatives.

Hong Kong Exchanges and Clearing Ltd.

- **CSR plan and progress update**  
Report on the progress and plans for 2017 in each ESG aspect
- **Office waste reduction data**  
Report the amount of office waste recycled such as paper, plastic, metal, wooden board and electronic waste.

HK Electric Investments Ltd.

- **Supply Chain**  
Conducted on-site CSR assessments at the coal mines and held discussions with suppliers on improving fuel quality control.

The Hongkong and Shanghai Hotels, Ltd.

- **Sustainable Luxury Vision 2020**  
A road map towards industry best practices, integrating them into core business strategy.
- **Target setting and progress reporting**  
A set of commitments covering environmental, health and safety, employment, supply chain and community investment.

## CONCLUSION

The Top 200 listed companies have concluded the first year of implementation of the “Comply or Explain” provisions with a pretty impressive level of compliance.

Moreover, most of them appear to have moved towards the next phase of disclosure rules regarding the environmental KPIs. In addition to the high level of disclosure, we would expect them to progress from the current compliance phase to the next phase of value creation in the next few reporting cycles.

To take it to the next level, the immediate next step for T200 is to set up board-level governance structures, overseeing the risks and opportunities of ESG. The four common characteristics identified among the top 5 companies imply the need for rolling out a long-term strategy in line with the company's core business, and the companies are recommended to communicate and track their progress by setting SMART targets.

## ABOUT ALAYA CONSULTING

Alaya Consulting is a specialist consultancy firm focusing on non-financial reporting and sustainability process improvement. We are the Global Reporting Initiative Certified Training Partner and Data Partner for Hong Kong, and are an AA1000 Licensed Assurance Provider.

## ACKNOWLEDGEMENTS

We would like to take this opportunity to recognize and salute our team of talented interns for their hard work and significant contribution to this research:

1. Accerbi, Francesca, Norwegian School of Economics, Strategy and Management, in 2018
2. Kim Mul Kyeol, The University of Hong Long, Bachelor of Social Science (Government and Laws) & LLB, in 2019
3. Lin Kai Lai, Hong Kong Shue Yan University, Bachelor of Arts (Hons) in Journalism and Mass Communication, in 2018
4. Sung Hiu Fai, Lingnan University, Bachelor of Business Administration (Hons), in 2020
5. Tsang Ka Lai, Hong Kong University of Science and Technology, BSc in Environmental Management and Technology, in 2018

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## APPENDIX I: LIST OF HONG KONG'S TOP 200 COMPANIES BY MARKET CAPITALISATION

3SBio Inc.  
AAC Technologies Holdings Inc.  
Agile Group Holdings Ltd.  
Agricultural Bank of China Ltd. - H Shares  
AIA Group Ltd.  
Air China Ltd. - H Shares  
Alibaba Health Information Technology Ltd.  
Alibaba Pictures Group Ltd.  
Aluminum Corporation of China Ltd. - H Shares  
Anhui Conch Cement Co. Ltd. - H Shares  
ANTA Sports Products Ltd.  
ASM Pacific Technology Ltd.  
Bank of China Ltd. - H Shares  
Bank of Communications Co., Ltd. - H Shares  
Bank of East Asia, Ltd., The  
Bank of Jinzhou Co., Ltd. - H Shares  
Beijing Capital International Airport Co. Ltd. - H Shares  
Beijing Enterprises Holdings Ltd.  
Beijing Enterprises Water Group Ltd.  
Belle International Holdings Ltd.  
BOC Aviation Ltd.  
BOC Hong Kong (Holdings) Ltd.  
Brilliance China Automotive Holdings Ltd.  
BYD Co. Ltd. - H Shares  
BYD Electronic (International) Co. Ltd.  
Cathay Pacific Airways Ltd.  
CGN Power Co., Ltd. - H Shares  
Cheung Kong Infrastructure Holdings Ltd.  
Cheung Kong Property Holdings Ltd.  
China Cinda Asset Management Co., Ltd. - H Shares  
China CITIC Bank Corporation Ltd. - H Shares  
China Communications Construction Co. Ltd. - H Shares  
China Conch Venture Holdings Ltd.  
China Construction Bank Corporation - H Shares  
China Eastern Airlines Corporation Ltd. - H Shares  
China Everbright Bank Co. Ltd. - H Shares  
China Everbright International Ltd.  
China Everbright Ltd.  
China Evergrande Group  
China Galaxy Securities Co., Ltd. - H Shares  
China Huarong Asset Management Co., Ltd. - H Shares  
China International Capital Corporation Ltd. - H Shares  
China Int'l Marine Containers (Group) Co., Ltd. - H Shares  
China Jinmao Holdings Group Ltd.  
China Life Insurance Co. Ltd. - H Shares  
China Longyuan Power Group Corporation Ltd. - H Shares  
China Medical System Holdings Ltd.  
China Mengniu Dairy Co. Ltd.  
China Merchants Bank Co., Ltd. - H Shares  
China Merchants Port Holdings Co. Ltd.  
China Minsheng Banking Corp., Ltd. - H Shares  
China Mobile Ltd.  
China Overseas Land & Investment Ltd.  
China Pacific Insurance (Group) Co., Ltd. - H Shares  
China Petroleum & Chemical Corporation - H Shares  
China Power International Development Ltd.  
China Railway Construction Corporation Ltd. - H Shares  
China Railway Group Ltd. - H Shares  
China Resources Beer (Holdings) Co. Ltd.  
China Resources Cement Holdings Ltd.  
China Resources Gas Group Ltd.  
China Resources Land Ltd.  
China Resources Pharmaceutical Group Ltd.  
China Resources Power Holdings Co. Ltd.  
China Shanshui Cement Group Ltd.  
China Shenhua Energy Co. Ltd. - H Shares  
China State Construction International Holdings Ltd.  
China Taiping Insurance Holdings Co. Ltd.  
China Telecom Corporation Ltd. - H Shares  
China Traditional Chinese Medicine Holdings Co. Ltd.  
China Unicom (Hong Kong) Ltd.  
China Vanke Co., Ltd. - H Shares  
China Zhongwang Holdings Ltd.  
Chinese Estates Holdings Ltd.  
Chow Tai Fook Jewellery Group Ltd.  
CIFI Holdings (Group) Co. Ltd.  
CITIC Ltd.  
CITIC Securities Co. Ltd. - H Shares  
CK Hutchison Holdings Ltd.  
CLP Holdings Ltd.  
CNOOC Ltd.  
COSCO SHIPPING Ports Ltd.  
Country Garden Holdings Co. Ltd.  
Credit China FinTech Holdings Ltd.  
CRRC Corporation Ltd. - H Shares  
CSPC Pharmaceutical Group Ltd.  
Dah Sing Banking Group Ltd.  
Dah Sing Financial Holdings Ltd.  
Dali Foods Group Co. Ltd.  
Dongfeng Motor Group Co. Ltd. - H Shares  
ENN Energy Holdings Ltd.  
Far East Horizon Ltd.  
FIH Mobile Ltd.  
First Pacific Co. Ltd.  
Fosun International Ltd.  
Fullshare Holdings Ltd.  
Galaxy Entertainment Group Ltd.  
Geely Automobile Holdings Ltd.  
Genting Hong Kong Ltd.  
GF Securities Co., Ltd. - H Shares  
Glencore plc

GOME Electrical Appliances Holding Ltd.  
 Great Eagle Holdings Ltd.  
 Great Wall Motor Co. Ltd. - H Shares  
 Greentown China Holdings Ltd.  
 Guangdong Investment Ltd.  
 Guangzhou Automobile Group Co., Ltd. - H Shares  
 Haier Electronics Group Co., Ltd.  
 Haitian International Holdings Ltd.  
 Haitong International Securities Group Ltd.  
 Haitong Securities Co., Ltd. - H Shares  
 Hanergy Thin Film Power Group Ltd.  
 Hang Seng Bank Ltd.  
 Henderson Land Development Co. Ltd.  
 Hengan International Group Co. Ltd.  
 HK Electric Investments and HK Electric Investments Ltd. -SS  
 HKT Trust and HKT Ltd. - SS  
 Hong Kong and China Gas Co. Ltd., The  
 Hong Kong Exchanges and Clearing Ltd.  
 Hongkong and Shanghai Hotels, Ltd., The  
 HSBC Holdings plc  
 Huaneng Power International, Inc. - H Shares  
 Huatai Securities Co., Ltd. - H Shares  
 Hysan Development Co. Ltd.  
 IGG Inc  
 Industrial and Commercial Bank of China Ltd. - H Shares  
 International Business Settlement Holdings Ltd.  
 Jiangxi Copper Co. Ltd. - H Shares  
 KAZ Minerals PLC  
 Kerry Logistics Network Ltd.  
 Kerry Properties Ltd.  
 Kingboard Chemical Holdings Ltd.  
 Kingboard Laminates Holdings Ltd.  
 Kingsoft Corporation Ltd.  
 Kingston Financial Group Ltd.  
 Kunlun Energy Co. Ltd.  
 Lee & Man Paper Manufacturing Ltd.  
 Li & Fung Ltd.  
 L'Occitane International S.A.  
 Logan Property Holdings Co. Ltd.  
 Longfor Properties Co. Ltd.  
 Man Wah Holdings Ltd.  
 Meitu, Inc.  
 Melco International Development Ltd.  
 MGM China Holdings Ltd.  
 Minth Group Ltd.  
 MMG Ltd.  
 MTR Corporation Ltd.  
 New China Life Insurance Co. Ltd. - H Shares  
 Nexteer Automotive Group Ltd.  
 Orient Overseas (International) Ltd.  
 PCCW Ltd.  
 PetroChina Co. Ltd. - H Shares  
 Ping An Insurance (Group) Co. of China, Ltd. - H Shares  
 Postal Savings Bank of China Co., Ltd. - H Shares  
 Power Assets Holdings Ltd.  
 PRADA S.p.A.  
 Prudential plc  
 Samsonite International S.A.  
 Sands China Ltd.  
 Semiconductor Manufacturing International Corporation  
 Shanghai Industrial Holdings Ltd.  
 Shangri-La Asia Ltd.  
 Shenzhen International Holdings Ltd.  
 Shenzhen Investment Ltd.  
 Shenzhou International Group Holdings Ltd.  
 Shimao Property Holdings Ltd.  
 Sihuan Pharmaceutical Holdings Group Ltd.  
 Sino Biopharmaceutical Ltd.  
 Sino-Ocean Group Holding Ltd.  
 Sinopharm Group Co. Ltd. - H Shares  
 SJM Holdings Ltd.  
 SOHO China Ltd.  
 Standard Chartered PLC  
 Sun Art Retail Group Ltd.  
 Sunac China Holdings Ltd.  
 Sunny Optical Technology (Group) Co. Ltd.  
 Swire Pacific Ltd. 'A'  
 Swire Properties Ltd.  
 Techtronic Industries Co. Ltd.  
 Tencent Holdings Ltd.  
 The People's Insurance Co. (Group) of China Ltd. - H Shares  
 Tingyi (Cayman Islands) Holding Corp.  
 TravelSky Technology Ltd. - H Shares  
 Tsingtao Brewery Co. Ltd. - H Shares  
 Uni-President China Holdings Ltd.  
 United Company RUSAL Plc  
 VTech Holdings Ltd.  
 Wang On Properties Ltd.  
 Want Want China Holdings Ltd.  
 Yue Yuen Industrial (Holdings) Ltd.  
 Zall Group Ltd.  
 Zhongsheng Group Holdings Ltd.  
 Zhou Hei Ya International Holdings Co. Ltd.  
 Zhuzhou CRRC Times Electric Co., Ltd. - H Shares