

APERCU

AUGUST 2022

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BDO ANNOUNCES WINNERS OF THE BDO ESG AWARDS 2022

BDO ESG Awards 2022
BDO 環境、社會及管治 (ESG) 大獎 2022

Organiser: **BDO**

Official Supporting Media Partners: **hket**, **South China Morning Post**

Online Media Partner: **CORPHUB**

Supporting Organisations: **ACCA** Think Ahead, **HKSI** Hong Kong Institute of Certified Public Accountants, **CFA Institute** Asia Pacific Research Exchange, **CHIC** Chinese Institute of Certified Public Accountants, **hkira** 香港註冊會計師公會, **BDO** The Hong Kong Institute of Certified Public Accountants, **ESG** BDO Global Centre for ESG Education & Research, **WORLD GREEN ORGANISATION** 世界綠色組織

BDO ESG AWARDS
環境、社會及管治大獎 2022

THURSDAY, 19 MAY 2022 AT 3:00PM

We express our gratitude to all media partners and supporting organisations for their support

BDO ESG Awards 2022 (the Awards) Presentation Ceremony was successfully held online on 19 May 2022 via BDO ESG Awards official online channel. Launched in 2018, the Awards was the first in the city to recognise listed companies which have implemented outstanding sustainability initiatives with remarkable results and achieved high standards in environmental, social and governance (ESG) reporting.

This competition is widely supported by listed enterprises and this year's winners were selected from a pool of 90 nominations, all of which showcased excellence in ESG reporting and disclosure. The awardees were chosen by a prestigious and professional panel of judges in recognition of the outstanding sustainability initiatives they have implemented. Due to the COVID-19 pandemic, this year's BDO ESG Awards Presentation Ceremony was held online, with stakeholders and the general public invited to witness the efforts and achievements of the winning companies in relation to ESG reporting over the past year.



Managing Director of Assurance Clement Chan (left) and Managing Director of Non-Assurance Johnson Kong (right) conveyed their congratulations to all winning companies

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In response to rapid global warming, companies should fulfil their corporate responsibilities and implement measures to reduce carbon emissions and greenhouse gases generated from business activities, thus realising a long-term net zero emission business model. This year, the Theme Award adopts the theme of 'Carbon Neutrality', and in 2021 BDO International launched the BDO Sustainability Movement, promising to achieve net zero greenhouse gas

emissions by 2050. All BDO offices are working together to fulfil this commitment and to avoid adverse impacts on the planet. BDO also aims to recognise companies that have achieved net zero emissions and have performed well in all aspects of carbon reduction.

In addition to the 'Theme Award', 'Best in ESG', 'Best in Reporting', and 'ESG Report of the Year' will be awarded to recognise companies that

have outstanding performance in the areas of ESG.

Congratulations to all Awards Winners and big thanks to our professional judges who have applied their expertise and rich experience to select the Awards winners while ensuring the credibility and representativeness of the Awards.

Special thanks go to all the judges who played such an important role in helping to make BDO ESG Awards 2022 an extraordinary success.

- **Dr Artie Ng**, Director of Global Centre for ESG Education and Research, Hong Kong Management Association
- **Dr Carlye Tsui** BBS MBE JP, Chief Executive Officer, The Hong Kong Institute of Directors
- **Mr Ernest Wong**, President and Group Chief Financial Officer, KVB Holdings Limited & Immediate Past Chairman, ACCA HK & Global Council Member, ACCA
- **Ms Karen Ho**, Head of Corporate and Community Sustainability, WWF-Hong Kong
- **Mr Leung Wing Mo**, Former Assistant Director of Hong Kong Observatory & Host of popular science TV programme
- **Ms Mary Leung**, Head of Advocacy, Asia Pacific, CFA Institute
- **Mr Mike Wong**, CEO, The Chamber of Hong Kong Listed Companies
- **Mr Mohan Datwani**, FCG HKFCG(PE), Deputy Chief Executive, The Hong Kong Chartered Governance Institute
- **Ms Wendy Yung**, Corporate Governance Advocate and Founder of Practising Governance
- **Dr William Yu**, Founder and Chief Executive Officer, World Green Organisation

BDO ESG AWARDS 2022 WINNERS (In alphabetical order)

ESG Report of the Year Awards			
Large Market Capitalisation [#]	CLP Holdings Limited (002.HK)		
Middle Market Capitalisation [#]	Kerry Properties Limited (683.HK)		
Small Market Capitalisation [#]	China Everbright Greentech Limited (1257.HK)		
GEM	Allied Sustainability and Environmental Consultants Group Limited (8320.HK)		
Best in ESG Awards			
Large Market Capitalisation [#]	CLP Holdings Limited (002.HK)	New World Development Company Limited (017.HK)	The Hong Kong and China Gas Company Limited (003.HK)
Middle Market Capitalisation [#]	COSCO SHIPPING Ports Limited (1199.HK)	Kerry Properties Limited (683.HK)	Xinyi Energy Holdings Limited (3868.HK)
Small Market Capitalisation [#]	China Everbright Greentech Limited (1257.HK)	Miramar Hotel and Investment Company Limited (071.HK)	Sunlight Real Estate Investment Trust (435.HK)
GEM	Allied Sustainability and Environmental Consultants Group Limited (8320.HK)	Roma Group Limited (8072.HK)	
Best in Reporting Awards			
Large Market Capitalisation [#]	CLP Holdings Limited (002.HK)	Lenovo Group Limited (992.HK)	New World Development Company Limited (017.HK)
Middle Market Capitalisation [#]	China Everbright Environment Group Limited (257.HK)	China Power International Development Limited (2380.HK)	Kerry Properties Limited (683.HK)
Small Market Capitalisation [#]	China Everbright Greentech Limited (1257.HK)	Miramar Hotel and Investment Company Limited (071.HK)	Tai Hing Group Holdings Limited (6811.HK)
GEM	Allied Sustainability and Environmental Consultants Group Limited (8320.HK)	Roma Group Limited (8072.HK)	
Theme Award			
CLP Holdings Limited (002.HK)			

[#] Large Market Capitalisation: > HK\$50 billion
 Middle Market Capitalisation: HK\$10 billion - HK\$50 billion
 Small Market Capitalisation: < HK\$10 billion

CLEMENT CHAN WAS APPOINTED AS CHAIRMAN OF THE CONSUMER COUNCIL AND MEMBER OF THE ADVISORY COMMITTEE OF THE ACCOUNTING AND FINANCIAL REPORTING COUNCIL

Managing Director of Assurance **Clement Chan** was appointed as Chairman of the Consumer Council (the Council) for a term of two years with effect from 15 July 2022. With his extensive experience in and strong commitment to public service, Clement will provide able leadership for the development of the Council in protecting and promoting consumer interests in Hong Kong.

In addition to his leadership role of the Council, Clement was also appointed by the Financial Secretary as a member of the Advisory Committee of the Accounting and Financial Reporting Council (AFRC) for a term of two years from 1 August 2022 to 31 July 2024. With the breadth of experience, Clement and other members will assist the AFRC in the effective discharge of its various regulatory functions under the new regime.



FRANK LAM WAS APPOINTED AS THE COUNCIL MEMBER OF THE HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Director of Assurance & Leader of Family Office **Frank Lam** was appointed as the council member of the Hong Kong Institute of Certified Public Accountants (HKICPA).

Frank has also been members of Branding and Communication Committee of the HKICPA since 2017 and Small and Medium Practices Committee of the HKICPA since 2020.



APPOINTMENT OF THE NEW BDO GLOBAL CEO

BDO is delighted to announce that **Pat Kramer**, CEO of BDO in Canada and currently a member of BDO's Global Board, will succeed **Keith Farlinger** as the Global CEO of the BDO organisation, effective 1 November 2022.

Keith will step down as CEO on 31 October 2022, having been in the role for five years. As Global CEO, Keith's focus has been to unify the global network with a common dream of 'It's time for BDO to lead'. He has solidified BDO as a global organisation, based on a strong leadership strategy, with risk & quality and digital transformation as guiding principles. Driving adoption of our shared purpose of people helping people achieve their dreams, he has fostered strong collaboration among BDO firms and won exceptional commitment from BDO professionals worldwide, despite challenging circumstances. In 2021, he made a strong global commitment on behalf of BDO to achieving net zero greenhouse gas emissions by 2050.

Pat Kramer has been CEO of BDO in Canada since 2015, during which time the firm has grown impressively in revenues, celebrated its centennial in 2021 and joined the ranks of Canada's Top 100 employers. Pat's leadership is marked by a focus on culture and digital transformation. He has been the Canadian member of the BDO Global Board since his appointment as CEO. Pat has been integrally involved in strategic planning and execution and is keenly committed to our international organisation.

Wayne Berson, BDO's Chair of the Global Board: "Owing to his previous international role Pat has won great respect throughout BDO and was the unanimous choice of the BDO Global Board. We wish Pat every success in his new role and thank Keith for his exemplary service these past five years."



Pat Kramer



Keith Farlinger

BDO DISCOVER – A NEW ONLINE EVALUATION TOOL

BDO is pleased to introduce our new online evaluation tool - BDO Discover. BDO Discover will enable users to obtain a health-check scorecard on any business and/or perform simple business valuations including deriving an appropriate discount rate. Whether you want to value, analyse or review financial data, you can do it all online on BDO Discover. If you are interested to explore more this tool, please register now to receive a free three-month trial period: <https://bdodiscover.bdo.com.hk/BDOWeb/>.



CLIMATE GOVERNANCE AND RISK MANAGEMENT BUILDING 'CLIMATE RESILIENT' BOARD

The globe is moving towards a low- to zero-carbon emission economy in coming 20-30 years driven by an extremely dynamic, diverse and uncertain issue, namely climate change. In recent years, international regulators such as IFRS, IOSCO, ISSB, US SEC and the EU have been introducing climate-related disclosure requirements for the business sectors to follow and be more resilient and conscious about climate-related physical and transition risks. Similarly, SFC, HKMA and HKEx in Hong Kong require corporates to integrate climate change into corporate governance and risk management (refer to table 1). A company is also expected to manage longer term impact that extend beyond a typical business planning cycle, on organisation strategy and future business model.

Climate risks not only lead to risks but also opportunities. The board, being the governing body of a corporate, should act swiftly to cope with the challenges ahead in order to become a 'climate resilient' corporate. This article highlights some suggested actions to be taken by the board on climate governance and risk management.

Table 1

Recent development in climate change governance and risk management (last 12 months)	
<p>Hong Kong</p> <ul style="list-style-type: none"> SFC issued Consultation Conclusion on the Management and Disclosure of Climate-related Risk by Fund Managers in August 2021 HKEx Exchange published Corporate Governance and ESG (Climate Disclosures) Guidance and Net-Zero Guide for Business in December 2021 HKMA issued the Supervisory Policy Manual on Climate Risk Management in December 2021 	<p>Worldwide – up to first half 2022</p> <ul style="list-style-type: none"> International Organisation of Securities Commissions (IOSCO) said independent assurance of the quality of corporate reporting was a key element of building trust in sustainability disclosures and the development of assurance standards for corporate disclosures will be a focus of 2022 ISSB released exposure drafts on first two IFRS Sustainability Disclosure Standards European Commission confirmed the Carbon Border Adjustment Mechanism, which will tax carbon-intensive imports US SEC proposed rules for climate disclosure

As a starting point to become a climate resilient corporate, the board should

- establish a climate governance structure to manage its responses to climate-related risks and opportunities including setting direction, making policy and strategy decision, overseeing and monitoring organisational performance, and ensuring overall accountability
- establish a climate change awareness culture within the board and ensure that climate change is on the board agenda for assessing and monitoring climate change performance regularly
- consider and evaluate a range of material sustainability-related issues including climate risk and ensure the accessibility to necessary information and expertise
- understand how these material issues may affect the company's overall risk profile
- determine the metrics (goals and objectives) for monitoring performance
- establish controls and policies to safeguard the interest of the company and provide assurance to its stakeholders on climate-related data and information for disclosure purpose
- establish designated board committee. Such committee should be charged to lead and steer climate-related management over risks and opportunities and across the organisation

Examples of climate goals and objectives:

- Commit to reduction and ultimately net-zero commitment by year 20XX
- Grasp the opportunities brought about by the climate change
- Address stakeholders' concern
- Be a purpose-driven business that helps combat climate change and make impact for good via its business platform

Examples of board's mandate on climate:

- Develop the company's climate strategy and oversee the management of climate-related issues
- Establish mechanisms to be informed of climate-related issues
- Monitor and review of metrics, targets and action plan
- Designate responsible individual(s)/committee(s) for the assessment and management of climate-related issues at operation level

Once a governance structure has been set up, the next focus area is to maintain governance oversight and accountability on climate issue. The board should

- integrate climate change into part of their accountability for the long-term stewardship of the organisation
- incorporate climate change into business strategy, business objectives and enterprise risk management framework for effective oversight
- ensure the best available information on climate-related risks and opportunities for decision making
- be informed, strategically and closely aligned with company's business model and operations to create long-term value

As climate change is a broad and ever evolving subject, having sufficient knowledge on this area is crucial to facilitate decision making. The board should

- equip with a robust awareness and understanding how climate change may affect company (eg receive regular training and brainstorming discussion on climate change's impact on business)
- seek advices from external expert with relevant knowledge, skills, experience and background on climate issues
- consider and discuss board diversity and competence on climate change during nomination committee meeting
- enable informed and constructive debate before decision-making on climate issues
- devise succession planning of directors to ensure consistent strategic and long-term climate resilience

Ways to enhance board's competence on climate risk management

- Recruit new directors with relevant sustainability expertise onto corporate boards
- Incorporate material sustainability expertise into board skills matrix when recruiting potential candidates
- Find directors that can make the connections between environmental and social issues and the business context
- Identify directors who represent key stakeholder groups relevant to a company's sustainability impacts
- Recruit candidates representing a diversity of backgrounds and skills to improve decision-making
- Consider including climate-related targets and indicators in the executive incentive schemes, where appropriate, and extend variable incentives to non-executive directors, to promote the long-term prosperity of the company

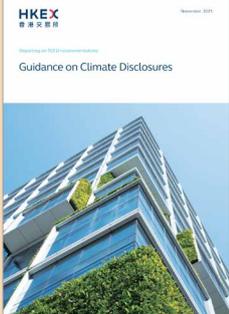
Requirements on climate disclosure is ever-increasing. The publication of HKEX's new 'Guidance on Climate Disclosure' (see summary table 2) is a starting point for listed companies in Hong Kong to enhance climate-related disclosure. In addition to committing the default net zero target by 2050/2060, the board should keep abreast of international trend for more comprehensive and transparent disclosure including:

- commit to UN Race-to-Zero
- commit to consume over 50% of energy from renewable sources
- integrate energy target into business operations, eg increase X% of productivity from every unit of energy consumed
- commit to green or renewable project investment
- commit to significantly reduce scope 3 emission by 20XX

- commit to lobbying or influencing stakeholders in the supply chain to be more sustainable
- voluntary adoption of TCFD reporting, Carbon Disclosure Project, Climate Disclosure Standards Board framework

Finally, it is worth noting that Hong Kong's Green and Sustainable Finance Cross-Agency Steering Group has announced plans for mandatory TCFD-aligned climate-related disclosures by 2025. The Board should be ready and feel confident that sufficient resources are in place to address material climate-related risks and develop a roadmap for complying with TCFD disclosures.

Table 2

HKEX 'Guidance on Climate Disclosure' November 2021:	
<p>Key components</p> <ul style="list-style-type: none"> • Prioritisation of climate-related risks and opportunities • Carrying out climate scenario analysis to understand the relationship with climate-related risks and their impacts on value chain • Determination of climate performance metrics • Formulation climate-related action plan 	

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BDO GLOBAL RISK LANDSCAPE 2022

For the seventh year, BDO Global Risk Landscape 2022 report surveyed over 500 C-suite executives across Europe, MEA, APAC and the Americas running to understand their approach to risk management and how they are responding to global events that threaten their businesses.

With COVID-19 disrupted supply chains on a global scale, businesses continue to experience supply chain challenges. This year's survey focused on the disrupted supply chains as a major concern of business and how businesses focused on supply chain resilience, with almost half of C-Suite respondents said their supply chains have been severely affected by disruption over the last 18 months.

The report examines different factors that cause supply chain disruption and investigates whether businesses are prepared for ongoing and future challenges. 77% of survey respondents citing geopolitical risk as a significant priority or the highest priority risk for their business, with geopolitical factors continue to create issues, companies are forced to find alternative suppliers and transportation routes. Businesses consider transparency as the second-biggest threat to supply chains (75%) and the third-biggest risk is cyber-attacks (72%).

The report also allows readers to find out more about how businesses are adapting their risk management frameworks to meet new

challenges, the importance of the role of the chief risk officer in businesses worldwide, why supply chain transparency is becoming crucial to success and how business leaders assess supply chain risks like conflict and the climate crisis.

If you would like to obtain a copy of Global Risk Landscape 2022 report, please visit <https://www.bdo.com.hk/en-gb/insights/publications/global-risk-landscape/global-risk-landscape-2022>.

CHANGE MANAGEMENT IN THE AGE OF DIGITAL TRANSFORMATION

'Digital transformation' has become one of those ubiquitous phrases that is heard in nearly every business strategy meeting. Businesses have been proactive about sourcing technology to meet their transformation needs, leading to a huge rise in the take-up of cloud-based software. But most companies have neglected one important aspect of change management – people.

Businesses can get hold of the most advanced technology money can buy, but without the right people to manage and use it, transformation projects will often fail. In fact, research carried out by McKinsey & Company¹ has found that under 30% of businesses succeed in making a digital transformation. Not surprisingly, the research also states that putting the right, digital-savvy leaders in place ensures commitment at the top of an organisation, which directly improves the likelihood of success.

The importance of people in the context of digitisation ties in with a fundamental concept of change management: the people, process and technology (PPT) framework. This framework has been around for decades, and countless businesses have used it to improve their operational efficiency. The need to consider people in the transformation process is also in line with the philosophy of yin and yang, which focuses on the balance between opposing forces.

People, process and technology are interdependent factors. Without people who will embrace change, and without a person who will design a process that unleashes the power of technology, your digital transformation can turn into a lingering project that doesn't add much value.

When businesses lack the right process and workflow design, employees often attempt to

use new technology in the way their old process suggests. A classic example of a 'garbage in, garbage out' scenario is a salesperson who creates their own way of logging activities into a customer relationship management (CRM) system. Without a standardised process that makes sure information is entered into certain fields and the right key performance indicators (KPIs) are tracked, it is impossible for the management to gain insights from the data.

We all know that technology plays a crucial role in successful digitisation, but it needs to be the right technology. It is not uncommon for companies to implement a highly sophisticated enterprise resource planning (ERP) solution but end up using only a few modules, wasting both time and money.

According to the Hong Kong Government's 2022–23 Budget Speech², the number of start-ups quadrupled between 2014 and 2021 and the amount of venture capital investment surged by a multiple of 34 to HK\$41.7 billion in the same seven years, demonstrating the market's commitment to drive economic growth. Although money is certainly being channelled into developing innovation and technology, perhaps what we need to add to this is a methodology like the PPT framework that makes the most out of the IT budget. After all, choosing the right advisor to design the right workflow with the right technology makes good sense, especially in the era of digital transformation.



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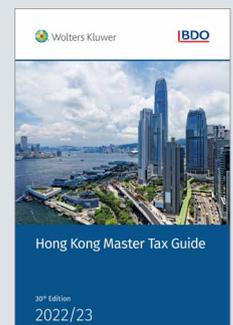
¹ <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/unlocking-success-in-digital-transformations>

² <https://www.budget.gov.hk/2022/eng/budget17.html>

BDO HONG KONG COLLABORATES WITH WOLTERS KLUWER HONG KONG ON THE HONG KONG MASTER TAX GUIDE 2022/23TH EDITION

BDO Hong Kong is proud to be the technical reviewer of the Hong Kong Master Tax Guide 2022/23 (the Guide), which is the flagship product of Wolters Kluwer, a leading global provider of professional services and digital solutions. The Guide provides technical guidance and updates on the latest Hong Kong taxation as well as post-BEPS international tax and transfer pricing developments. It aims to provide tax and accounting professionals the critical information they need to work more quickly and efficiently.

The Guide is one of the most updated tax reference books in Hong Kong. It is used by universities as textbook and reference book for tax practitioners. The latest edition of the Guide is now available!



BDO 立信德豪開展家族辦公室業務



作為頂尖的國際金融中心及財富管理中心，香港致力成為全球領先的家族辦公室樞紐，不僅商業機構紛紛在此地設立專門的家族辦公室業務，香港政府投資推廣署也正式成立了專屬的家族辦公室部門。事實上，香港是鏈接中國內地與世界各地的重要門戶，家族辦公室正在利用香港的多重優勢，把握亞洲及全球接踵而來的投資機會。我們留意到以下因素在客觀上也正在推動香港家族辦公室的發展：

- 香港是亞洲最大的跨境私人財富管理中心，全球排名僅次於瑞士¹
- 亞太地區（大中華區是其中主要地區）高淨值人士及金融資產增長迅速
- 香港的多元化產品平台可以滿足家族辦公室資產配置的需求
- 香港是卓越的國際資產管理中心，也是亞洲最具深度的國際資本市場
- 香港擁有完善的銀行中心，通過日益增多的渠道加強與中國內地的金融聯繫
- 亞太私募股權交易由大中華主導，香港是私募股權投資的理想平台
- 香港是投資大灣區機遇的最佳跳板
- 香港擁有成熟的專業服務和人才配置，獲得政府和行業的高度支持
- 健全的監管框架，簡單的低稅環境，提供多種稅務優惠便利營商
- 擁有龐大的國際學校網絡，便利的輸入人才政策

正是由於香港在金融領域的巨大優勢，金融行業的專家們在較早前已經組建了家族辦公

室，向高淨值家族提供優質的財富增值服務。然而，在今天更為複雜的市場環境中，高淨值人士需要在專家團隊的協助下重新審視海外公司架構在法務與稅務上的新挑戰，也需要評估在資產保護與傳承方面的財務安排是否與時俱進。比如，世界經濟合作與發展組織（OECD）在全球信息交換與國際稅收上作出的新規定，在一定程度上對跨境持股架構與交易流程構成了挑戰。

因此，市場上需要專門提供海外持股架構與跨境交易流程等支持性服務的專業人士提供綜合的、一站式的家族辦公室服務，以作通盤籌劃。這個專家團隊的發起人，可以是企業的財務顧問-國際會計師事務所的專業人士，他們在熟悉國際會計準則之餘，也得到國際稅務專家、企業併購團隊等的支持，與保薦人、律師、銀行家、信托人等一樣活躍於香港的資本市場。在新的形勢下，會計專才不應只是站在幕後支持金融界的財富管理活動，而應更為積極的走上台前，主動並直接協助客戶首先在控股架構的設計與審視上提供更多支持。

BDO 網路遍佈全球，我們的資深會計專才在世界各地為客戶提供商務諮詢服務。作為 BDO 國際網絡的香港成員所，BDO 立信德豪亦得到市場的支持與政府的鼓勵，成立了家族辦公室服務團隊，正式設立了香港立信德豪家族辦公室服務有限公司，向客戶提供一站式專業服務。我們的主要服務包括協助客戶處理以下事務：

- 組建適合客戶的家族辦公室專業團隊
- 組織商談資產及財富增值與保護計劃
- 海外信託架構的建議
- 與海外信託團隊緊密合作並作為與客戶的溝通橋樑
- 協助制定家族財富傳承計劃
- 客戶私人股權架構的搭建與剝離
- 公司秘書服務
- 會計審計、財務與商業服務
- 人才資源配置與管理
- 商業與銀行文書服務

我們家族辦公室服務團隊的核心成員包括董事林兆豐先生以及主管利文歡先生。林先生在香港的資本市場服務領域積累了豐富的經驗與廣泛的人脈，已協助眾多企業成功在香港上市，亦在香港建立起了高淨值人士服務領域的合作網路；利先生則專注中國企業與個人稅、海關、外匯、內地企業赴境外投資的諮詢服務，並熟悉大灣區主要內地城市的營商環境與企業營運文化。我們已經和香港的其他專業團隊建立了緊密的合作關係，包括海外信託人、律師、投資銀行、國際人才配置專家等等。

相對於之前的外資大舉進入中國內地以開拓巨大的消費與投資市場，如今市場更多關注的是成熟的內地企業走出去以完成國際化的進程。在對外投資的戰略部署上，我們極力推薦香港作為海外市場的營運總部，善用香港的各種優質資源，再進軍國外目標市場。而作為家族辦公室服務提供者，我們正是協助企業管理層設立香港總部的理想團隊。同時，我們也會專注大灣區的新興民營企業的企業主，他們的家族企業在公開上市前也需要建立家族辦公室，以制定更完善的發展計劃。

在往後的時間，我們會分享更多的行業發展資訊以及我們的觀察。我們也期待在瞭解客戶的切身需求的前提下提供精準而專業的家族辦公室服務。

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¹ https://www.hkma.gov.hk/gb_chi/news-and-media/insight/2021/02/20210208/

BDO EVENT HIGHLIGHTS

BDO webinars cover a wide range of business topics and hot issues to provide valuable opportunity for our participants to interact with our experienced professionals and to gain insights into today's market update and challenge.

With work from home (WFH) becoming the new norm of working style, company leaders have to implement a lot of transformation, change management related plannings and investments to operate business smoothly on a remote basis. Building business resilience is the key to achieve long term sustainability, and not to mention potential future growth.

Director and Head of Professional Services Solutions & Client Services **Portia Tang**, Senior Manager of Digital Transformation Services **Andrew Yung**, Senior Finance Consultant of Onsite Consulting Team - Professional Services Solutions **Eddie Cheng** shared their experience and insights on how to manage business in a remote way and how companies should transform during this disruptive period from finance, HR and technology aspects.



(From left to right) Eddie Cheng, Portia Tang, Andrew Yung

BUSINESS HACKS: THE 2022 WAY OF MANAGING YOUR BUSINESS AND RESOURCES ANYTIME, ANYWHERE

APR
26

In the first webinar, the speakers demonstrated that remote working will not necessarily reduce the productivity and operational efficiencies of a company. With the key is the willingness to explore, change, transform and adapt to the new normal, speakers discussed and provided insights on how companies should prepare for opportunities and risks under remote working. Project examples on how to identify potential issues and areas for improvement, as well as redefine processes, workflow and reallocate resources were shared.

BUILDING RESILIENCE: THE KEY TO BUSINESS SURVIVAL & SUSTAINABILITY

JUN
28

In the second webinar, speakers spoke on how companies should transform, including the changes businesses should make and new things that they can do to build resilience in each of the three pillars – process, people & technology (PPT). Examples of different ways companies in certain highly COVID-affected industries have reacted and transformed with the aim to continue to survive and build resilience for the future were shown.

MANAGING CUSTOMER DUE DILIGENCE, OR MANAGED BY CUSTOMER DUE DILIGENCE

MAY
12

With the ever increasing pressure for the globe to combat money laundering, terrorist financing and fraudulent activities, Customer Due Diligence (CDD) is no longer just a process that financial institutions, lawyers, brokers or other service providers conduct when entering into a business relationship with clients for the first time. Regular review has become a new routine that every business will have to face for continuing their day-to-day banking operation or for receiving professional services.

To help attendees understand more about CDD, Director and Head of Business Services & Outsourcing **Dorothy Pak** and Director and Head of Corporate Secretarial Services **Teresa Lau** shared their experience on CDD requirements in Hong Kong, including the relevant legislation and regulated businesses, regular CDD review of financial institutions and handling of CDD requests and the impact of CDD on commercial escrow services arrangement.



Dorothy Pak (left) and Teresa Lau (right)

CORPORATE GOVERNANCE CODE UPDATE

MAY
31

The latest Corporate Governance Code (CG Code) enhancement published on 10 December 2021 had generally taken effect on 1 January 2022. Some of the key changes include corporate culture expectations, the strengthening of board independence and INEDs rotation, the implementation measures and transparency of board diversity and information, anticorruption and whistleblowing policies, ESG reporting timeline, and other corporate transparency and disclosure requirements.



Moon Ho (left) and Vivian Chow (right)

Aiming at facilitating listed companies to adopt the latest CG code enhancement and achieve good corporate governance, Principal of Risk Advisory **Vivian Chow** and Senior Manager of Risk Advisory **Moon Ho** highlighted the key changes to the latest requirement and their rationale and implications to the listed companies.



Angel Wong

Ricky Cheng

Pokit Lok



Vivian Chow (left) and Ivan So (right)

INED VIRTUAL FORUM



By playing a vital role in risk management oversight and improving the credibility and effectiveness of governance practices, independent non-executive directors (INEDs) need to keep abreast of the latest development in the trends of enforcement actions, emerging issues and governance best practices. To this end, BDO organised the INED Forum on 12 and 13 July 2022 to meet their needs.

The forum was held virtually in two consecutive half days. We are pleased to have invited Partner of ONC Lawyers Angel Wong to be our guest speaker of the forum, joining colleagues from BDO Risk Advisory Services, Director & Head of Risk Advisory **Ricky Cheng**, Principals **Vivian Chow** and **Pokit Lok** and Manager **Ivan So**. Several topics were discussed, including the updates on the listing rules and Corporate Governance Code, role of INEDs in suspension and resumption cases, navigating corporate culture, regulatory actions against INEDs, the rise of artificial intelligence-based machine and recent development in ESG disclosure requirements.

RPA'S TREND TO WATCH IN 2022 (9 AUG)



Have you ever heard of the term robotic process automation (RPA) during these years? With disruption of supply chain leading to high inflation and operation cost across the globe, it is important for business to release their staff for more productive work while leaving mundane works to the robot. Enterprises also need more intelligent digital workforce to cope with ever-changing challenges and enhance its efficiency and responsiveness to the market, where 'intelligent automation' comes to play. Manager of Risk Advisory **Rodney Chan** introduced RPA & intelligent automation in this webinar, while sharing examples and difficulties of implementation.



NEW APPOINTMENT



CHIWI LAI
Director
Assurance Services

Chiwi Lai has been appointed as Director of Assurance Services with effect from 1 May 2022.

Chiwi has been providing assurance services mainly to listed companies in Hong Kong and also MNC and SMEs. Chiwi's clientele includes manufacturing, energy exploration, trading, insurance, pharmaceutical, legal firm, property development, and financial services.

Besides audit engagements, he is also experienced in transaction support assignments such as debt offerings, due diligence, initial public offering and mergers & acquisitions.

Qualifications and professional affiliations

- Association of Chartered Certified Accountants
- Hong Kong Institute of Certified Public Accountants



KAORI YOSHIDA
Principal
Assurance Services

Kaori Yoshida has been appointed as Principal of Assurance Services with effect from 11 May 2022. She is also the Head of BDO Japan desk, which is set up to assist Japanese clients to start and expand their business in local and international markets.

Kaori was qualified when she worked at an international accounting firm in London. In 2011, she relocated and started working in Hong Kong at another international accounting firm.

Kaori has extensive experiences in audit & assurance services and risk advisory services including J-SOX compliance audit with multinational Japanese companies operating in various industries such as food & beverages, beauty, media, trading houses and manufacturing.

She has expertise in the areas of internal audit, financial audits, financial reporting and enterprise risk management.

Qualifications and professional affiliations

- Member of American Institute of Certified Public Accountant

RECENT BDO PUBLICATIONS

TAX PUBLICATIONS

Corporate Tax News



Issue 62 –
May 2022



Issue 63 -
August 2022

Indirect Tax News



Issue 2/2022

Hong Kong Tax

- ▶ May 2022 - Tax deduction for domestic rent
- ▶ June 2022 - Proposed tax concessions for shipping-related activities
- ▶ August 2022 - Foreign source income exemption for passive income
- ▶ August 2022 - Hong Kong defers implementation of Pillar Two of BEPS 2.0



RISK ADVISORY PUBLICATIONS

ESG Updates

Issue 2/2022



Financial Services Sector Updates

Issue 2/2022



Technology Updates

Issue 2/2022



HKFRS/IFRS UPDATE

HKFRS/IFRS Update 2022/02

30 June 2022 period-end HKFRS/IFRS Update



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