



# 2023

## AGM Intelligence Report HONG KONG

A look at the findings from the 2023  
annual meeting season.



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# Introduction

During the peak meetings season, from April to June 2023, Computershare managed over 980 shareholder meetings across Asia.

Throughout the 2023 peak meeting season, we have witnessed many companies returning to their pre-covid preferences, with **95.6% of our clients across Hong Kong and Mainland China opting for an “in-person” meeting**. This shows that companies highly value the opportunities face-to-face meetings offer, including in-person interactions with shareholders.

It is also pleasing to see companies continuing to explore meeting technology and how it can facilitate greater shareholder engagement. **Around one-third of companies holding a virtual or hybrid meeting did so for the first time in 2023** and reported a positive experience.

In 2023, **the volume of meetings that recorded over 100 attendees grew five-fold**. However, when compared to attendance levels in 2019, it's obvious that we have not yet returned to the same level of attendance overall.

Shareholder gifts continue to play a part in the meeting landscape, albeit for a smaller number of meetings, serving as a token of appreciation from companies to shareholders. **In 2023, the most popular types of gifts companies chose to offer were food and beverages or cash vouchers**. Some companies also took the opportunity to showcase their own products and innovations.

Computershare provides registry and meeting services to more than half of all listed issuers in Hong Kong. This, in addition to our global footprint, puts us in a unique position to provide analysis of the meeting landscape both here and abroad.

During the peak meetings season, from April to June 2023, Computershare managed over 980 shareholder meetings across Asia. The following insights are derived from these meetings and supplemented by global commentary from the other jurisdictions in which we operate.

We hope you find this report useful during your meeting planning process.



**Richard Houg**  
CEO, Issuer Services  
Asia

# MEETING FORMAT AND TIMING

Let's explore what meetings looked like during the peak meeting season.

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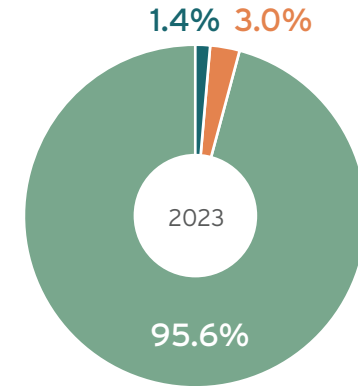
## MEETING FORMAT AND TIMING

# Overview

With restrictions from past years lifted, 2023 saw the return of in-person meetings as the most popular format, representing **95.6% of all client meetings**. This format offers many tangible benefits to companies and shareholders, especially following the removal of social gathering restrictions and borders reopening.

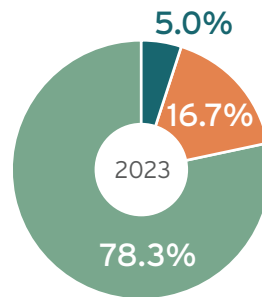
It also offers shareholders the ability to interact face-to-face with company management and the board of directors, enabling important rapport and relationship building conversations. In addition, companies often find it easier to effectively deliver their business vision and strategy in a face-to-face format.

In terms of key benefits, companies in the Consumer Goods sector will often use face-to-face shareholder events to create product marketing opportunities, as they have a 'captive' audience available.



2023 Meeting format

■ In-person ■ Hybrid ■ Virtual



Meeting format in the Hang Seng Corporate Sustainability Benchmark Index

■ In-person ■ Hybrid ■ Virtual

In-person meetings offer important engagement opportunities between companies and shareholders.

Looking at preferences across the **Hang Seng Corporate Sustainability Benchmark Index (HSSUSB)**, more than 20% of companies have used either hybrid or virtual formats to allow greater shareholder participation. There are still plenty of opportunities for companies to adopt these formats and enable greater shareholder participation.

## MEETING FORMAT AND TIMING

# Global overview

In-person meetings proved to be the most popular format in most regions across the globe, with a larger proportion of companies using online meeting formats in comparison to companies in Hong Kong.

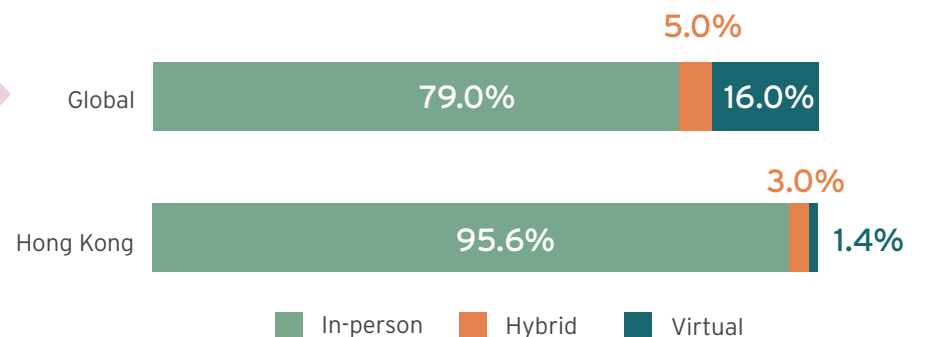
These differences are in part due to the requirements for annual meetings varying by country, and not all have laws in place to specifically allow or regulate their use. The use of virtual meetings can depend on the legal framework and corporate governance practices of each jurisdiction. For jurisdictions with less dense populations, such geographical characteristics may make virtual meetings more logistically appealing for both issuers and shareholders.

**In the United Kingdom,** 31.8% of our clients utilised hybrid meetings. Looking at the FTSE100 specifically, 60% of these companies used technology to facilitate greater shareholder engagement.

On 6 July 2022, the German Government adopted a bill regarding the permanent introduction of virtual shareholder meeting as a new type of general meeting similar to those with physical attendance. It replaces expiring legislation introduced during COVID-19. Provisions in the company's articles of association (with shareholder approval) are required.

In the United States 82.1% of companies in the S&P 100 used the virtual meeting format

### MEETING FORMAT COMPARISON





## MEETING FORMAT AND TIMING

# Online meetings

The overarching benefit that has materialised following the challenges of the last few years, is that many companies have greater flexibility than ever before when it comes to how they hold shareholder meetings.

It is well known that meetings with an online component, whether hybrid or fully virtual, remove geographical barriers, enabling greater shareholder participation and attendance. This meeting format also **enables companies to further their ESG strategy**, showcase a digital-first approach and improve overall meeting efficiency.

So, it's encouraging that our clients continue to explore the benefits that technology can offer, with 34.6% of those that held a virtual or hybrid meeting in 2023, doing so for the first time.

### REASONS COMPANIES HOLD ONLINE MEETINGS



Enhance shareholder participation by removing geographical barriers



Support their company's ESG strategy



Showcase a "digital-first" approach



Fulfill increasing demand/interest from shareholders



Improve efficiency

### COMPANY SECTORS WHERE CLIENTS HELD ONLINE MEETINGS



Communication services



Consumer goods and services



Finance



Healthcare



Industrials



Information technology



Materials



Real estate



Utilities

**34.6%**  
of clients that held virtual or hybrid meetings, did so for the first time in 2023.

**Smaller companies are reaping the benefits of online meetings.**

**53.5%**  
of companies that held online meetings in 2023 have fewer than 1000 registered holders.

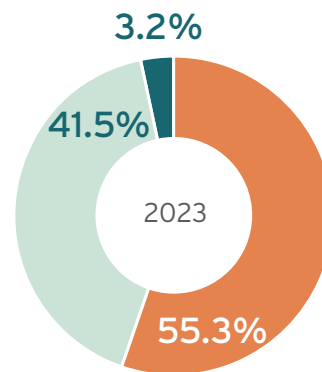
## MEETING FORMAT AND TIMING

# Scheduling and location

During the 2023 peak meeting season, **96.8% of Computershare Asia's client meetings were held in Mainland China and Hong Kong**, with 3.2% of meetings held elsewhere around the globe, in locations such as Australia, Canada and the United Kingdom.

Most of our clients still prefer to hold their meetings in June, which is understandable given this allows more time to prepare. However, we have seen a marginal increase in the number of meetings held in May this year, which could be due to numerous factors, including **rising venue costs and heavy competition for resources** such as executive/staff scheduling and service provider availability.

### MEETING LOCATIONS 2023



■ Mainland China ■ Hong Kong ■ Elsewhere

**29.6%**  
of meetings in May were held over the last three days of the month.

When it comes to preferred days of the week, **Friday meetings remain the favourite at 27.2%**, with a 2.1% increase in the number of companies opting to schedule their meetings for Mondays in 2023.

We saw a small increase in the number of Hong Kong-based meetings in 2023. This is largely due to borders re-opening.

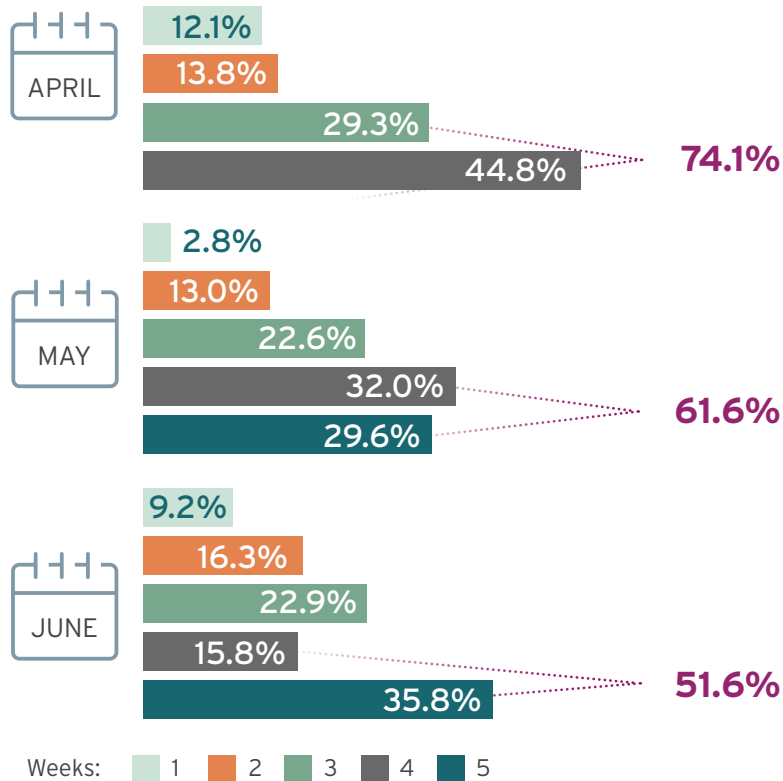


# MEETING FORMAT AND TIMING

## Scheduling and location

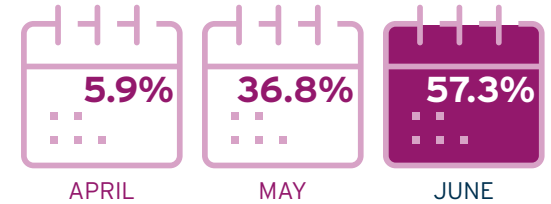
Scheduling a shareholder meeting in the last two weeks of the month may lead to difficulties booking a venue, or lower levels of attendance. Companies should consider their meeting schedule in relation to the popular periods. Choosing the first two weeks of the month, or a less popular day like Monday, **could help to improve attendance and reduce costs**, as there are often less shareholder meetings to contend with at these times.

### MEETINGS BY WEEK OF THE MONTH 2023

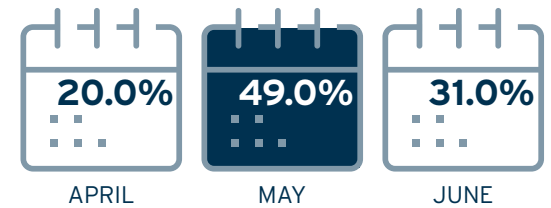


94.1% of all meetings are held throughout May and June, and 62.4% are held in the last two weeks of the month.

### MEETINGS BY MONTH 2023



### HONG KONG



### US

In the United States, of the three primary annual meeting months, May continues to be the most popular, with 49.0% of meetings taking place during this time.

# MEETING PROCEEDINGS

Let's explore what happened  
at meetings throughout the  
peak season.

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# MEETING PROCEEDINGS

## Attendance

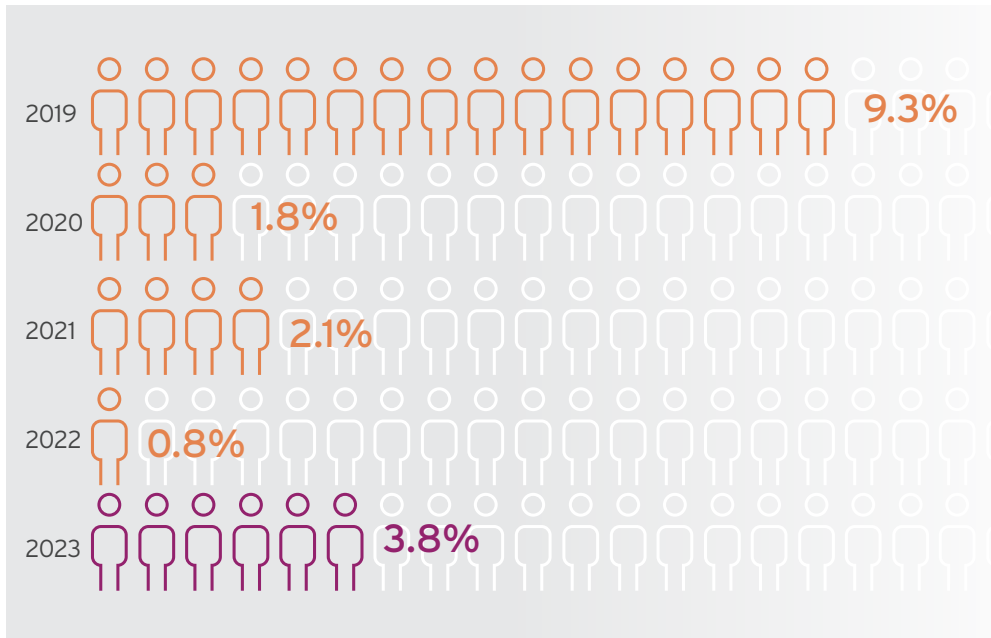
In 2023, while the majority of meetings had fewer than 100 attendees, meetings with more than 100 attendees increased five-fold. However, when compared to attendance levels in 2019, it's obvious that we have not yet returned to the same level of attendance overall.

Attendance is influenced by many factors. For example, in Hong Kong there is often a correlation between meeting attendance and whether companies offer shareholder gifts.

**In Australia**, during the last peak meetings season they saw meeting attendance increase by 17% overall, largely driven by AGMs held by companies in the ASX50.

The number of meetings with over 100 attendees grew five-fold in 2023.

### MEETINGS WITH OVER 100 ATTENDEES (2019-2023)





MEETING PROCEEDINGS

# Attendance

In the United Kingdom, our clients have witnessed a decrease in registered shareholders attending meetings as more of them begin to utilise Third Party Appointments and Corporate Representatives to participate in meetings.

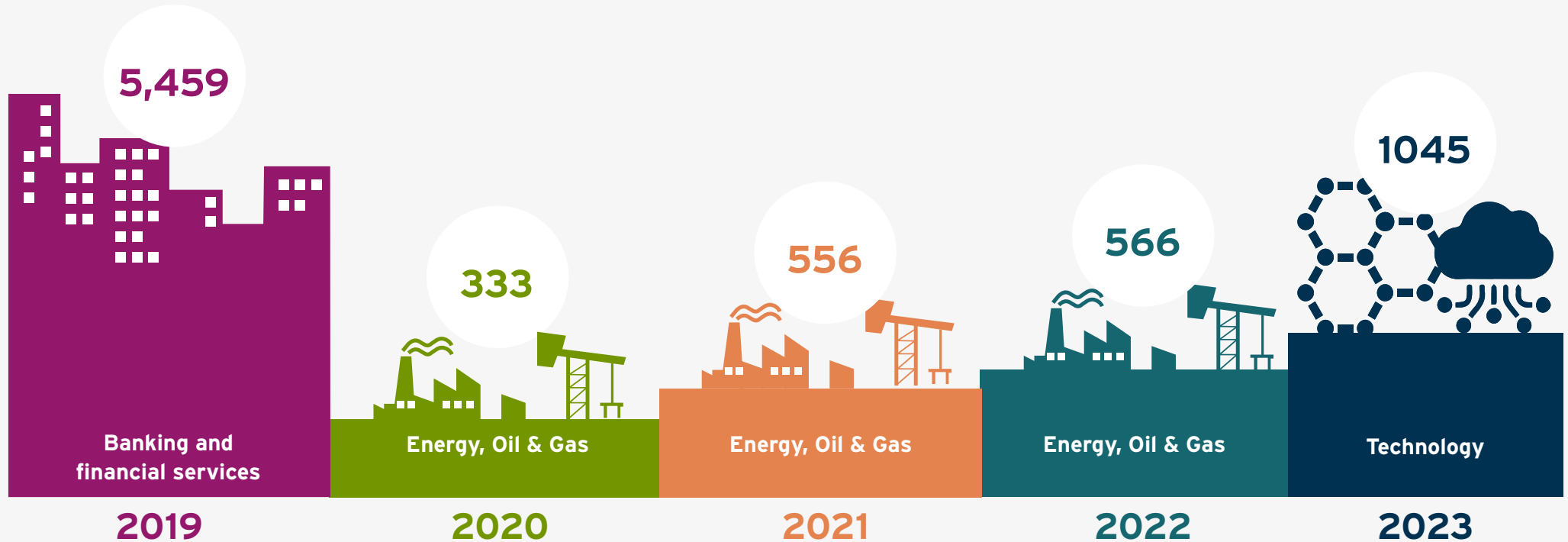
In the United States, companies that allowed guest access to meetings saw a

**24.1% increase in attendance.**

Allowing guest attendance can be a strategic move companies use to build and enhance relationships with their stakeholders, again demonstrating openness and transparency.

It may also help develop a positive perception about a company's corporate culture, allowing guests to network with company executives, board members, and shareholders.

## HIGHEST ATTENDED MEETINGS IN HONG KONG (YEAR ON YEAR)



## MEETING PROCEEDINGS

# Shareholder gifts

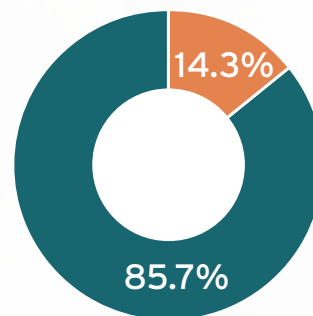
Shareholder gifts serve as a token of appreciation from companies to shareholders and continue to play a considerable part in the meeting landscape.

During the peak meeting season, 14.3% of our clients chose to offer shareholder gifts and the majority imposed a per-person limit. The most common type of gift offered was food and beverages, followed by cash vouchers.

Of the meetings where gifts were offered, most shareholders were satisfied with the arrangement, with only a small number of meetings encountering a disturbance. However, it is worth noting that most of these meetings with disruptions did not disclose their gift allocation arrangement in their Notice of General Meeting.

**Issuers should weigh the benefits of such up-front transparency which can reduce surprises, against the flexibility to adjust approaches based on evolving factors.**

### DID COMPANIES OFFER SHAREHOLDER GIFTS AT MEETINGS?



Yes No

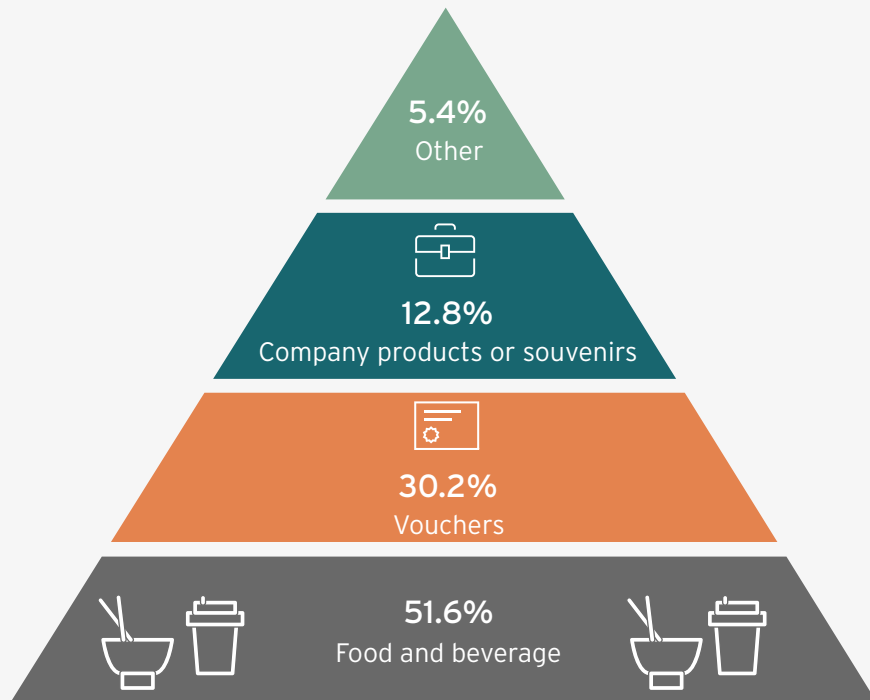
For those companies who choose not to offer shareholder gifts, some choose to give back to the community and donate the equivalent value to charities, to support those in need.

# MEETING PROCEEDINGS

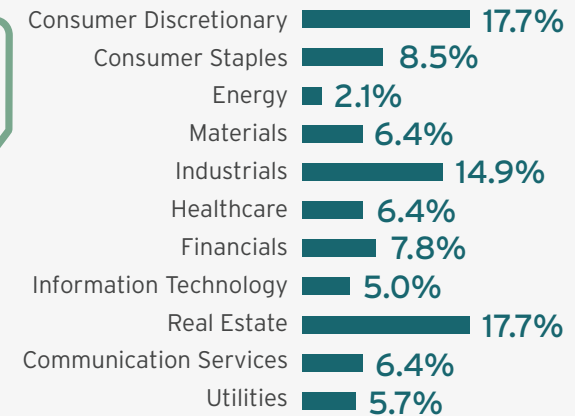
## Shareholder gifts

For issuers with tangible products, shareholder meetings present valuable marketing opportunities, giving them a chance to showcase new or popular offerings, and when managed correctly, can be an effective way to convert investors into “invest-omers” (investors who are also customers).

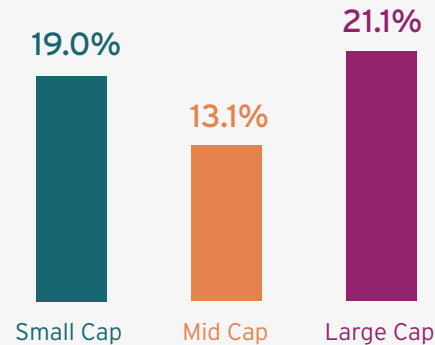
### TYPES OF GIFTS OFFERED



### INDUSTRIES WHERE GIFTS WERE OFFERED



### PERCENTAGE OF COMPANIES THAT OFFERED GIFTS (by market cap)



The majority of companies imposed a per-person limit



# CORPORATE GOVERNANCE

Let's unpack the key corporate governance themes our Georgeson team has recorded during the 2023 peak meeting season.

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## CORPORATE GOVERNANCE

# Key trends from 2023

The 2023 meeting season has highlighted several critical trends and challenges facing companies in Hong Kong and beyond. Companies that take steps to address these challenges and engage with their stakeholders are significantly more likely to achieve positive meeting outcomes and build long-term value for their shareholders.

### Director elections

This is the top concern for shareholders, with **12 companies not achieving the required support to re-elect directors**. Investors are paying close attention to directors' remuneration, board gender diversity, and ESG disclosure. Good and transparent corporate governance is also a crucial area of focus for investors.

### ESG-related proposals

The HKEX ESG consultation and the application of the new ISSB framework are both having a significant impact on AGM voting and will continue to do so. The proposed new climate-related disclosures cover four key areas: governance, strategy, risk management and metrics and targets. Full compliance will be required in financial years commencing on or after 1 January 2026. Although we have yet to see any ESG-related proposals in Hong Kong, climate-related shareholder proposals are increasing in Japan, Korea, and Australia, where they are being put forward by institutional investors and NGOs.

Companies that take steps to address these challenges and engage with their stakeholders are significantly more likely to achieve positive meeting outcomes and build long-term value for their shareholders.



# CORPORATE GOVERNANCE

## Key trends from 2023

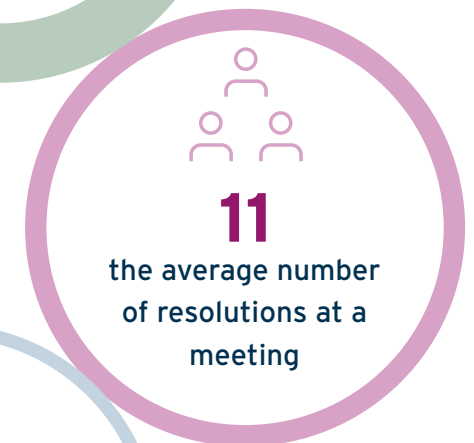
### Shareholder activism

Activism is on the rise in Hong Kong, with a global bank and a major media company both experiencing shareholder activism this year. The global bank faced a shareholder proposal from a retail shareholder, while the media company had a group of retail shareholders stand against the election of board directors at their AGM.

### Minority Shareholder Rights

Minority shareholder rights issues continue to generate investor opposition, especially when companies authorise share buybacks, approve restricted stock plans, and elect shareholder-nominees to the board. This resulted in **nine companies failing minority shareholder rights resolutions** for the following types of proposals: Authorize Share Repurchase Program, Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights, Approve Restricted Stock Plan, and Elect a Shareholder-Nominee to the Board (Proxy Access Nominee).

The HKEX ESG consultation and the application of the new ISSB framework are both having a significant impact on AGM voting and will continue to do so.





# CORPORATE GOVERNANCE

## Key trends from 2023

### Proxy advisors

Proxy advisors continue to have a significant impact on the outcome of proposals, with a clear correlation between negative proxy advisor recommendations and lower vote results.

In 2023, **ISS recommended against 226 management-sponsored resolutions** across the Hang Seng Index, compared to 254 in 2022. Of these resolutions, **40% received less than 80% shareholder support**.

### Adoption of New Articles of Association

In 2023, we witnessed a surge in company article amendments, including Party Committees and Party Organizations. These amendments have raised potential conflicts of interest, resulting in **nine companies failing to pass these resolutions in 2023**.



### Achieve positive meeting outcomes

To achieve positive meeting outcomes, companies need to take several steps, including conducting a vote audit, analysing their draft agenda, engaging with local and global proxy advisors, understanding and engaging with their shareholders, and analysing votes. It's also crucial to understand the passive funds' ESG voting strategy, as this can have a significant impact on the outcome of resolutions.

There is a clear correlation between negative proxy advisor recommendations and lower vote results.





# GLOBAL INSIGHTS

Let's review what the meetings landscape looks like around the globe.

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# GLOBAL INSIGHTS

## Australia

Following two years of predominately virtual meetings, Australian and New Zealand companies returned to pre-covid meeting formats during the second half of 2022. We have seen this continue in 2023, as companies choose between an in-person meeting or hybrid format. Meeting attendance has increased, however the number of attendees remains lower than pre-covid. In Australia, companies cannot hold a virtual only meeting unless shareholders support an amendment to the company constitution.

Key topics of interest raised at meetings are: cybersecurity and organisational readiness; board diversity; the companies ability to navigate through the current economic conditions; and audit processes. ESG continues to be a key discussion, as companies meet new annual reporting requirements. Activism is predominately targeted to energy, mining and financial institutions.

ASX 100 companies are providing shareholders the option to lodge questions prior to the meeting via online proxy voting, form or email. This assists in determining topics to be covered by the board and can assist in framing the Chair or CEO's presentation.

**Marnie Reid**  
CEO, Issuer Services  
Australia and New Zealand



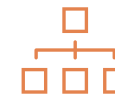
**Cybersecurity and organisational readiness**



**Board diversity**



**Ability to navigate through the current economic conditions**



**Audit processes**





## GLOBAL INSIGHTS Canada

Since 2020, the regulatory environment has changed to allow for companies to continue using virtual meetings, rather than mandating a return to in-person shareholder meetings. Most provincial business incorporation acts were permanently changed to allow for shareholder meetings to be held electronically. Many public companies also changed their by-laws to allow for the option of electronic meetings. With those regulatory hurdles cleared, the 2023 meeting season was a mix of virtual, hybrid and in-person meetings, as public companies chose the format that provided the best access for their shareholders.

The largest of the public companies in Canada opted for a virtual or hybrid model, recognizing that a virtual meeting allows for shareholders everywhere to attend. While smaller public companies with closely held shareholders returned to the local in-person shareholder meeting. Regardless the format, Computershare continues to support the largest number of shareholder meetings in Canada.

Like the U.S. market, the structure of the proxy system requires beneficial owners take an extra step to appoint themselves to vote their shares at a virtual meeting.

**1,742**  
meetings held  
across Canada

**173**  
were hosted on  
Computershare's  
virtual meeting  
platform

In 2023 appointee attendance trended down from the prior year, although guest attendance remained consistent. A Canadian equivalent API has not been developed yet, so companies continue to provide detailed instructions in the meeting information circular about how beneficial holders can attend the virtual meeting with the goal to remove barriers and support shareholder engagement.

The convenience, reach and accessibility of a virtual shareholder meeting format is drawing more companies to use this format. Provided there is no contrary direction from proxy advisory firms, Computershare expects the virtual and hybrid meeting trend will continue in 2024.

**Wouter Beerman**  
Head of Issuer Services  
Canada



## GLOBAL INSIGHTS

# Continental Europe

Following the covid pandemic, many countries in continental Europe have revised their legislation for general meetings and expanded the possibilities for virtual meetings. Now in the second year of the new world, we have seen large companies in particular sticking to the virtual format and making it increasingly professional. Shareholders, for example, can now complete their speeches and questions live via video and audio transmission, which was not the case in the past.

Smaller companies are returning to physical meetings. The reasons for this are likely to be primarily cost, but risk considerations and technical expertise certainly play a role as well. On the other side, the growing Climate Activism at shareholder meetings in Continental Europe is causing a lot of larger companies to remain with a virtual meeting.

We see continued pressure from climate activists who are attending shareholder meetings singing, chanting, screaming and putting pressure on management to lower their carbon foot print earlier and CO<sup>2</sup>-emission levels.

Some of the activist groups, like Extinction Rebellion are getting more aggressive during the meeting. In the Netherlands we have also seen MilieuDefensie rallying up shareholders to join training sessions on how to behave at shareholder meetings, and in return shareholders who attended the training were getting a refund on their investment made in that company. They even ran a campaign on national television to convince managers to think about the future and to reduce CO<sup>2</sup>-emission.

Large groups of shareholders therefore attended the AGMs and continuously asked the same question over and over again causing some of the shareholder meetings to last up to 1.5 hours longer (and chairmen had to suspend the meetings multiple times). Shareholder groups and Institutional investors in the Netherlands have now asked boards to take further measures to create a safe environment at the shareholder meeting and have a dedicated session with time management on these types of topics, so other topics can be discussed in a normal setting. It will be interesting to see how this will shape up in the next AGM season.

**Kirsten van Rooijen**

CEO, Issuer Services  
Europe





## GLOBAL INSIGHTS

# United Kingdom

During the 2023 peak meeting season, Computershare supported UK clients to successfully deliver 484 meetings, 381 of which were AGMs. As the market returned to 'normal' post-pandemic, more issuers returned to in-person meetings this year, driven by cost of facilitating online engagement, the lack of online shareholder engagement in previous years and desire of the Chairperson.

In 2023, we saw a decrease in registered shareholders attending and increase in third party appointments, corporate representative appointments and guests. The change in attendance type indicates that an increasing number of shareholders are holding their shares in custody accounts and having to seek attendance documentation from the service provider, which they may not always be able to obtain.

There was also an increase in shareholder activism from organisations such as Stop Oil and Share Action in 2023, which targeted several issuers on business practices and ethnicity reporting.

### **Mark Cleland**

CEO, Issuer Services  
UCIA

# 484

meetings held across  
the United Kingdom

# 381

of these meetings  
were AGMs

## GLOBAL INSIGHTS

# United States

In 2023, our team was entrusted to manage 1,183 annual meetings, 70% of which were in-person, 28% virtual and 2% hybrid.

As the corporate landscape continues to change, annual meetings and investor expectations around ESG issues are evolving as well.

In 2023, U.S. companies saw an increase in the number of ESG-related shareholder proposals that were submitted and voted on at annual meetings, continuing a year-on-year trend that we observed in 2022 as well. Anti-ESG proposals also increased by 5% from 2022 to 2023, the majority of which were related to social topics. Yet the number of such proposals receiving majority support has declined significantly this year.

Support for director elections and executive remuneration, “say-on-pay” advisory votes, remained relatively consistent with last year.

### **Ann Bowering**

CEO, Issuer Services  
U.S.

# 1,183

meetings held  
across the U.S.

# 70%

in-person

# 2%

hybrid

# 28%

virtual



**Good corporate governance, transparency, and minority shareholder rights are key areas for companies to focus on during the next 12 months.**

## CONCLUSION

# Meetings continue to evolve

In 2023, communication and transparency continue to be key themes for companies throughout meetings season and beyond.

It's in our nature to be drawn to face-to-face interactions. We value interpersonal connection and the opportunity to connect with those around us. It's clear there are many important benefits linked to face-to-face meetings, so it doesn't come as a surprise that companies are using in-person meetings to not only leverage important shareholder engagement opportunities, but also to showcase their products and offer tokens of their appreciation to their shareholders.

We cannot overlook the importance of technology in enabling shareholder engagement and participation in shareholder meetings. Meeting technology is well established in the current meeting landscape, and companies should consider ways to incorporate it, such as using Computershare's intuitive meeting solution. It's clear that technology can help to remove geographical barriers, and help companies to demonstrate that they are facilitating shareholder engagement and catering to various preferences.

Good corporate governance, transparency, and minority shareholder rights are key areas for companies to focus on during the next 12 months. Additionally, companies must consider the impact of ESG and proxy advisors on AGM voting and take steps to proactively engage with their stakeholders to increase effectiveness. In doing so, companies will build trust and confidence among their shareholders and set themselves up to achieve long-term success.



## About Computershare Investor Services

Computershare Investor Services encompasses a broad portfolio of products and services that cover an extensive range of financial markets across every major region. Register maintenance and corporate actions are at the core of our business. We offer global coverage and deep expertise in international markets, to guide our clients through highly complex transactions.



## About Georgeson – a Computershare company

Established in 1935, Georgeson is the world's original and foremost provider of strategic services to corporations and investors working to influence corporate strategy. We offer unsurpassed advice and representation for annual meetings, mergers and acquisitions, proxy contests and other extraordinary transactions. Our local presence and global footprint allow us to analyse and mitigate operational risk associated with various corporate actions worldwide.

For more information, visit [www.computershare.com/hk](http://www.computershare.com/hk)