



# Investor Relations Survey

## Findings & Analysis

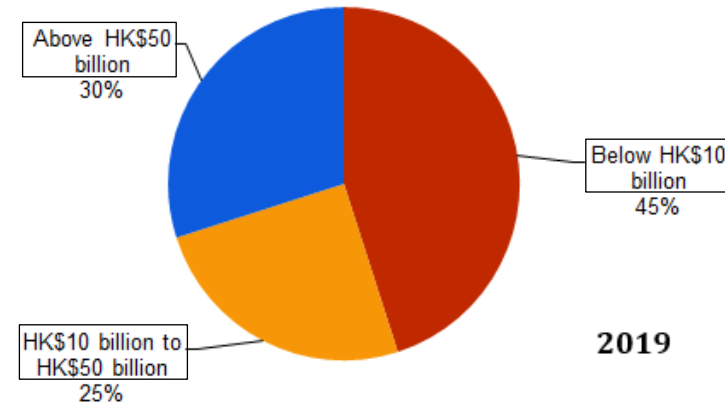
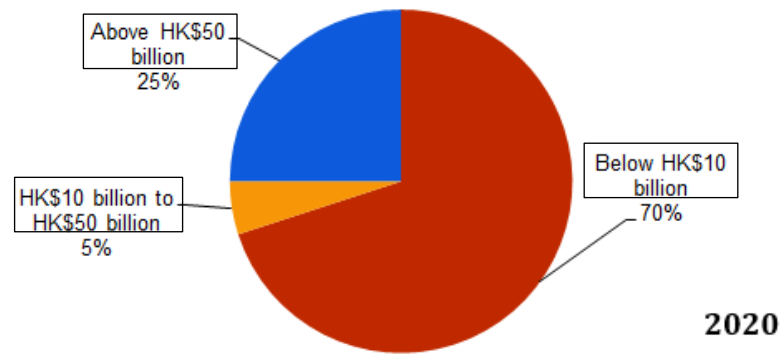
[Background]

With the purpose of achieving a more detailed understanding of the current Investor Relations industry among the Hong Kong listed companies, professionals working in listed companies are cordially invited to complete a short annual IR Survey.

Last year 2020 the survey was conducted during HKIRA IR Symposium on 8 January 2021. A total of 20 responses were received.

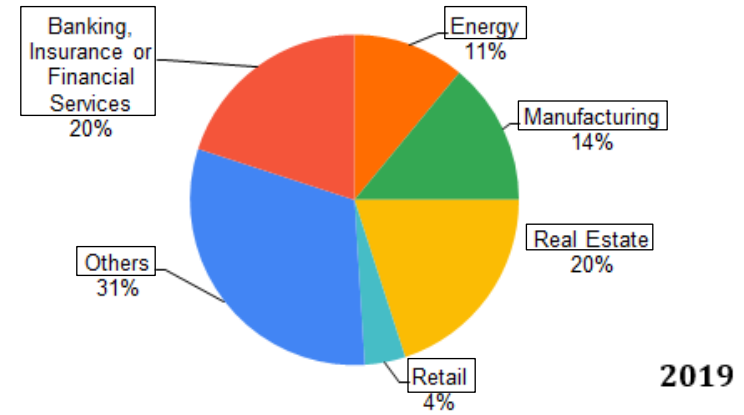
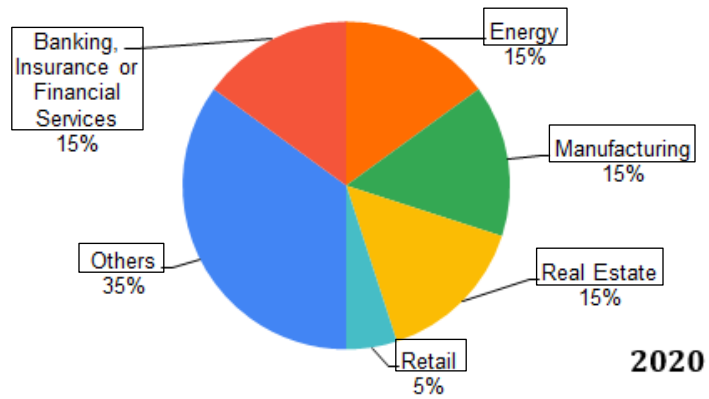
A report compared the results of these two years was produced to help us reflect a meaningful understanding of our local IR industry, which in turn help promote the best IR practice in Hong Kong.

### 1. What is the market capitalisation of your company?



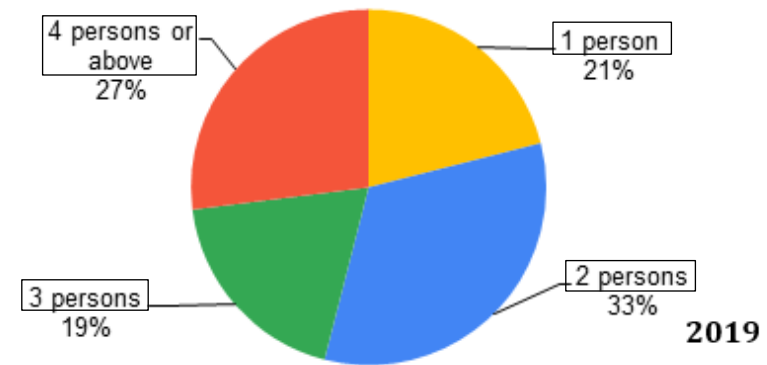
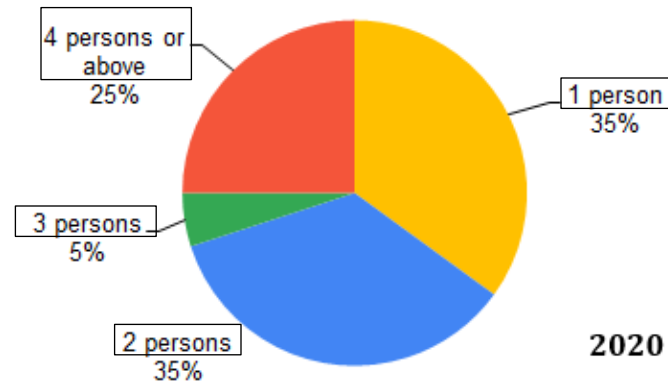
The mix of respondents representing the companies with market cap below HK\$10 billion increased in 2020.

## 2. Which sector does your company belong to?



Although the number of interviewees was lower in 2020, the distribution of sectors of their companies was similar with 2019.

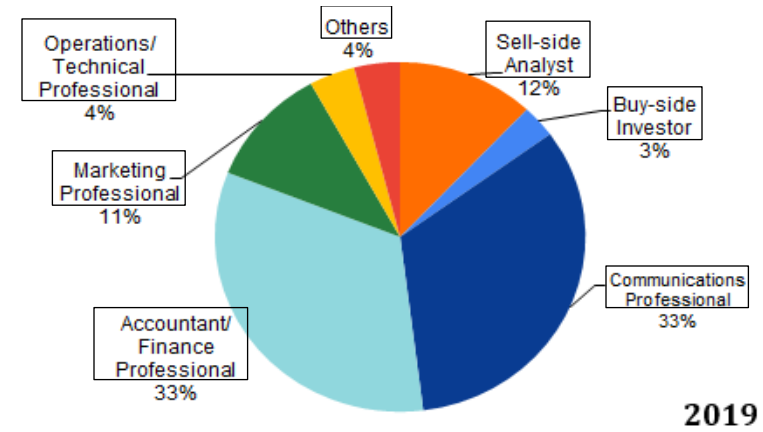
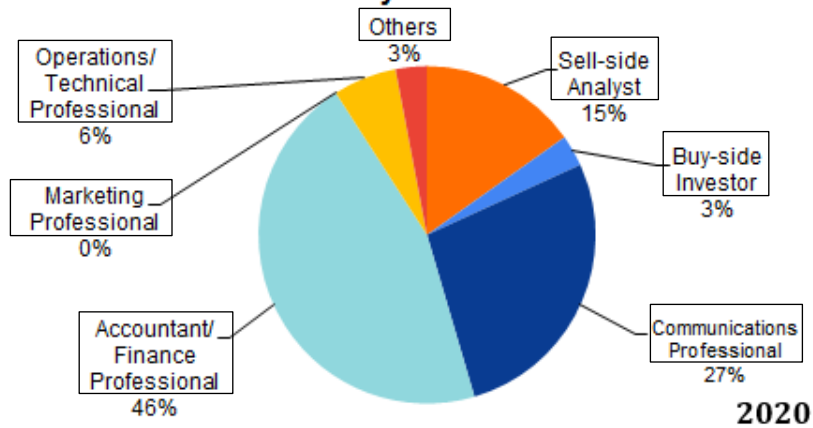
### 3. How many professional and supporting staff are there in your IR team?



- A total of 2 (or below) professional and supporting staffs in IR team increased from 54% in 2019 to 70% in 2020.
- A total of 3 team members have dropped significantly from 19% a year ago to 5% in 2020 where the team of 1 increased from 21% in 2019 to 35% in 2020.

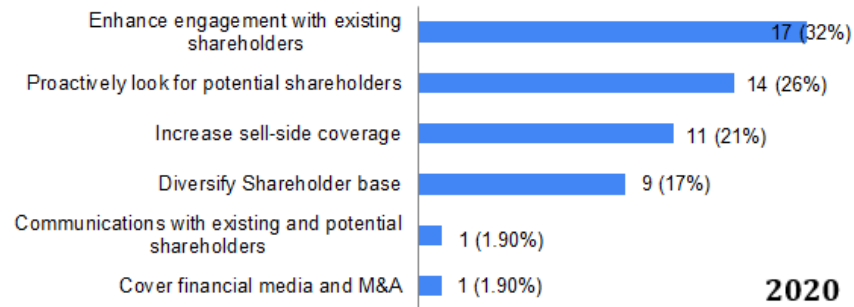
The significant change may be correlated to the reduction in overall IR budget. Another possible explanation is that the mix of respondents representing the companies with market cap below HK\$10 billion increased in 2020.

#### 4. What is the background of the professional staff in your IR team?

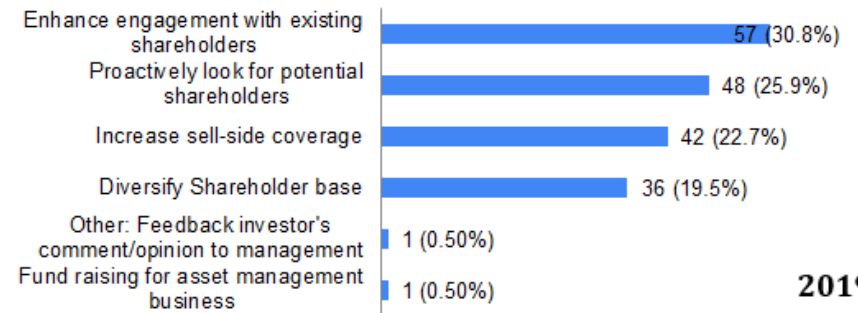


Similar to previous year, the background of the IRO were mainly from accounting/finance and communications professions.

**5. What are the top goals of the IR function in your company? (tick one or more options)**



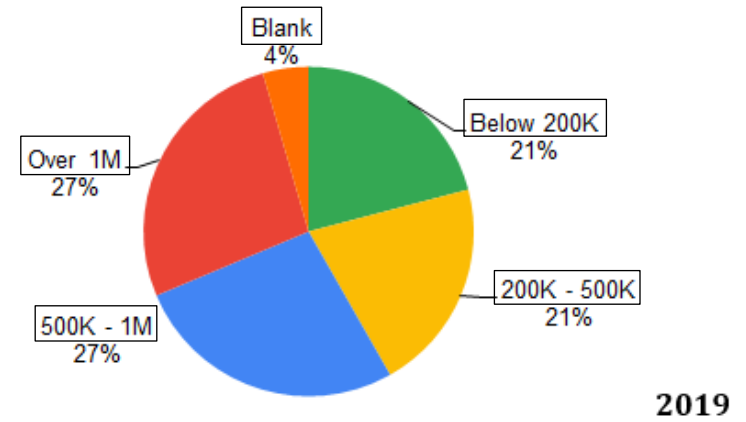
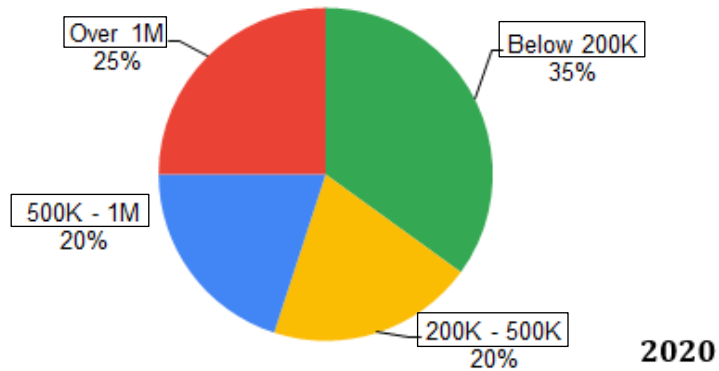
**2020**



**2019**

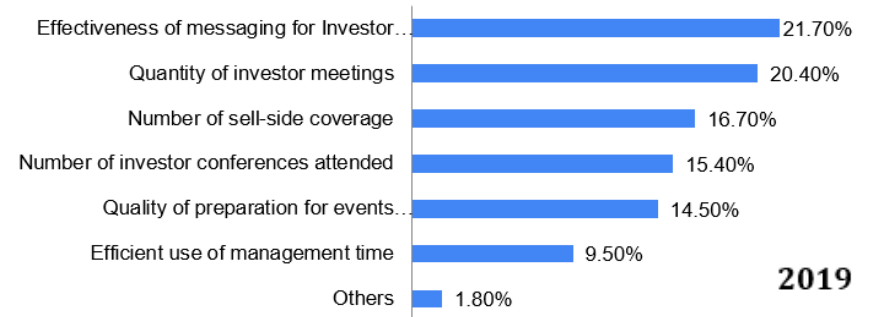
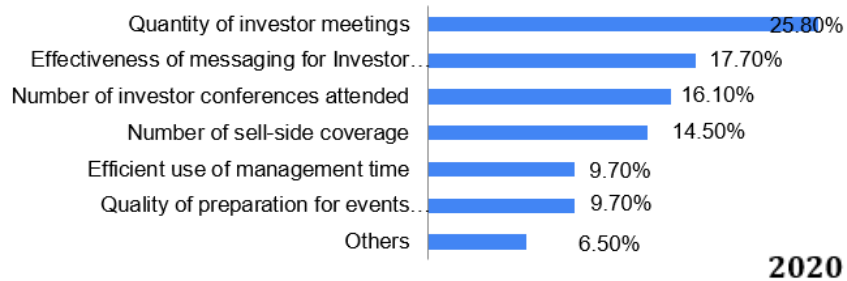
The priorities of the goals of IR function were basically the same when comparing pre- and post-COVID periods.

6. What is your annual IR budget in HKD, excluding salary & travel expenses?



The mix of the lowest end of annual IR budget increased, possibly was attributed by the increased mix of small cap companies being responded or the tightening of budget amid the economic downturn.

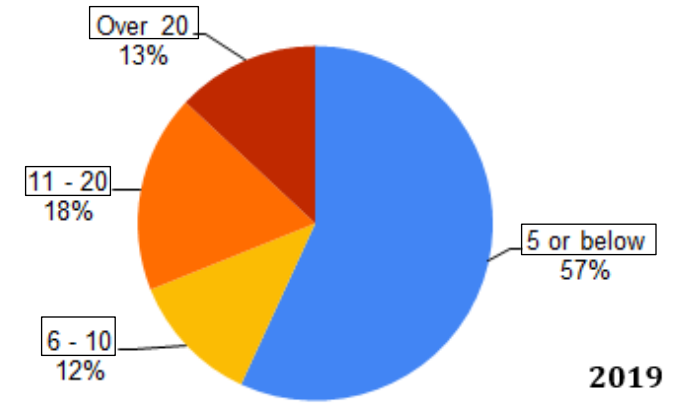
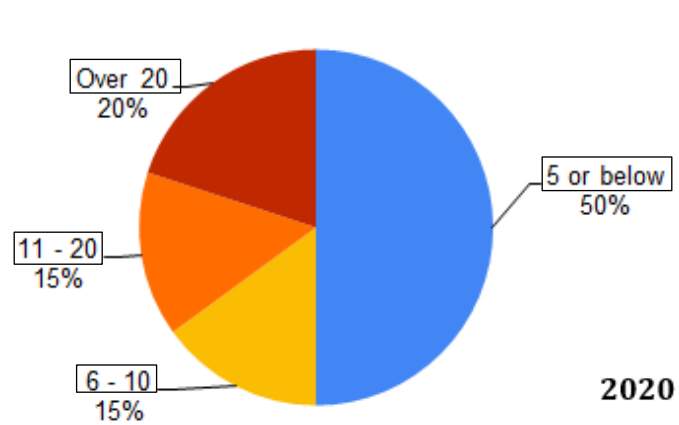
**7. What metrics are used to measure the effectiveness of your IR programme?  
(tick one or more options)**



Quantity of investor meetings and effectiveness of messaging for investor remained the most recognized metrics for measuring the effectiveness of IR programme.

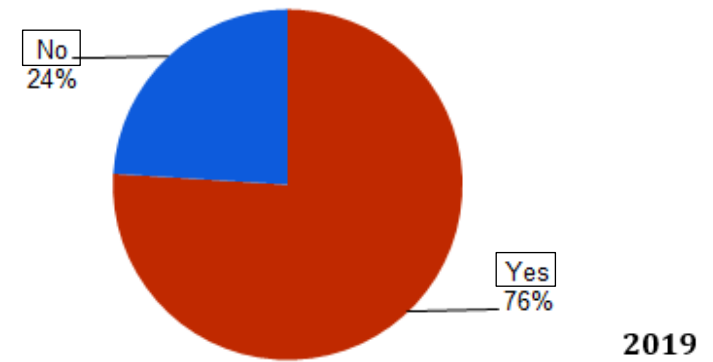
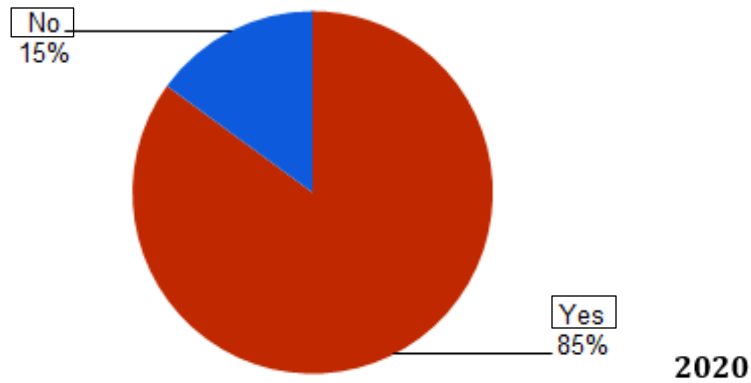


### 8. How many sell-side brokers are there to cover your stock?



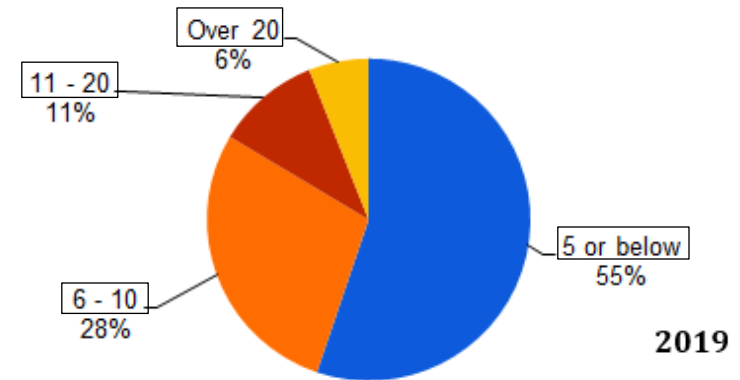
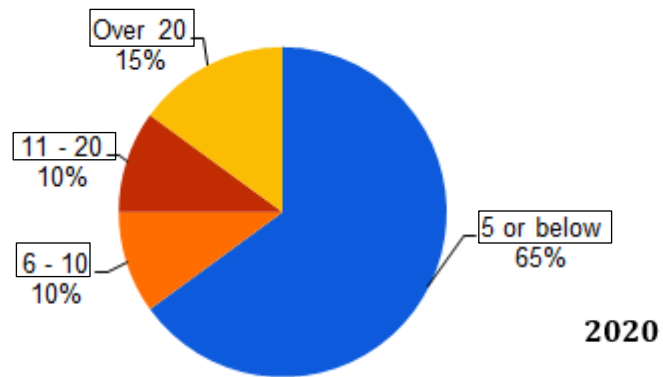
Similar to previous year, around 50% of the companies had 5 (or below) sell-side brokers to cover their stocks. It indicated that the sell-side coverage remained low.

### 9. Do you use brokers to organise your non-deal roadshow?



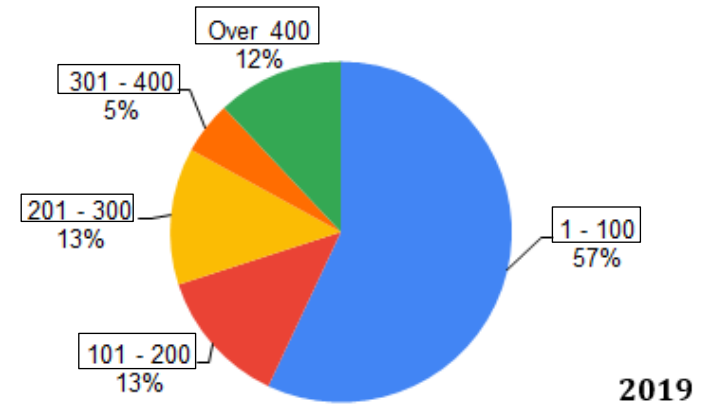
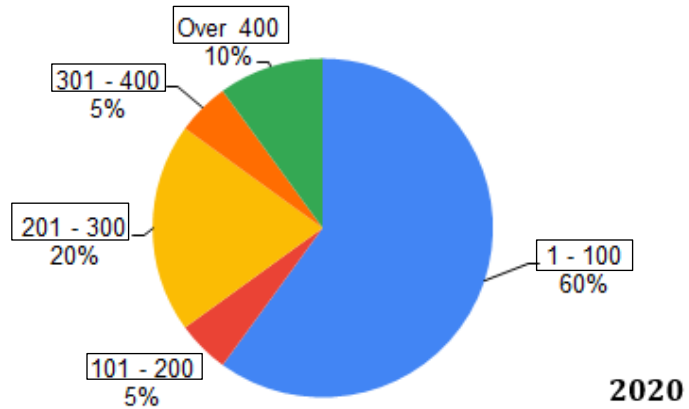
The majority of IRO still engaged brokers to organize non-deal roadshows and more broker-sponsored conferences were participating in 2020 than previous year.

10. How many broker-sponsored conferences did your company participate in the past twelve months?



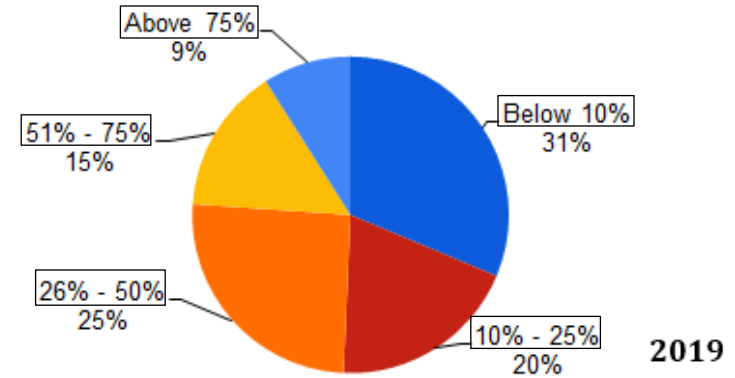
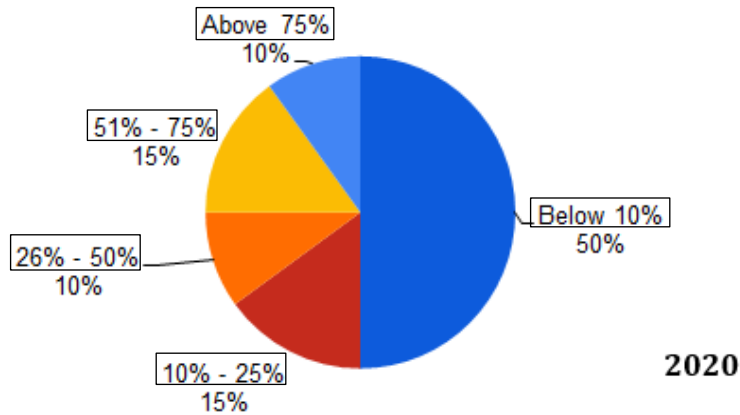
The increase in broker-sponsored conferences was a possible consequence of the increased use of virtual formats.

11. How many investor meetings did your company host in the past twelve months?



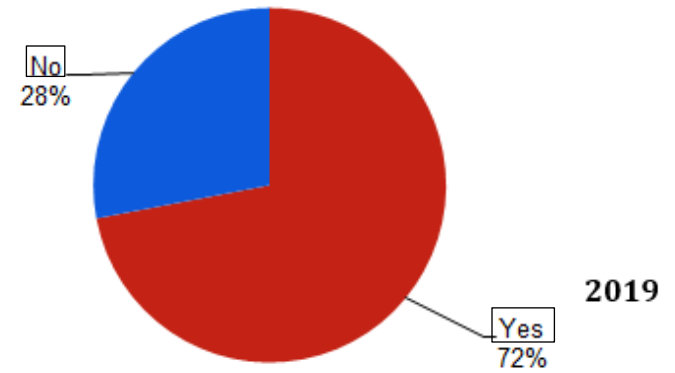
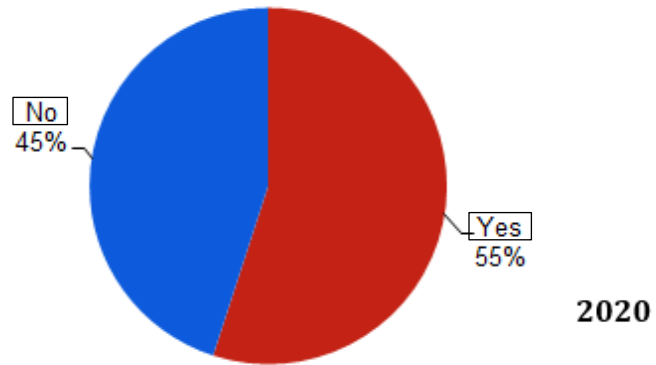
Company hosted investor meetings were broadly unchanged versus 2019 despite Covid-related disruption.

**12. What is the percentage for investor meetings taken by C-Suite executives in the past twelve months?**

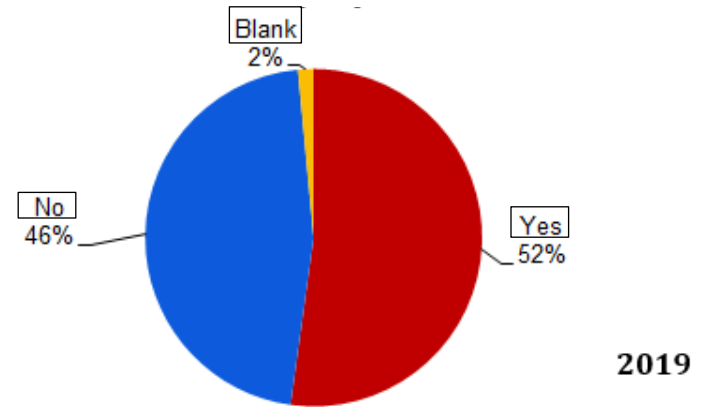
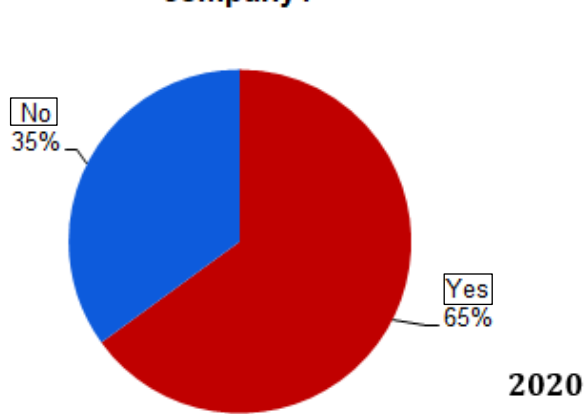


C-suite participation was not satisfactory in 2020. Those C-suites' participation rate below 10% increased from 31% in 2019 to 50% in 2020, indicating half of executives rarely participated in investor meetings.

13. Does your Board ask feedback about business strategies from investors?

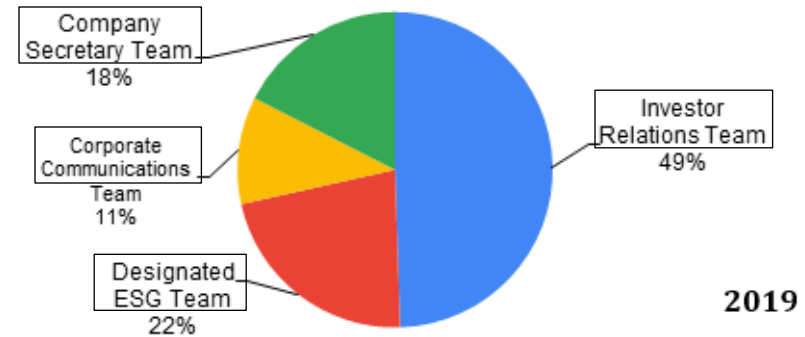
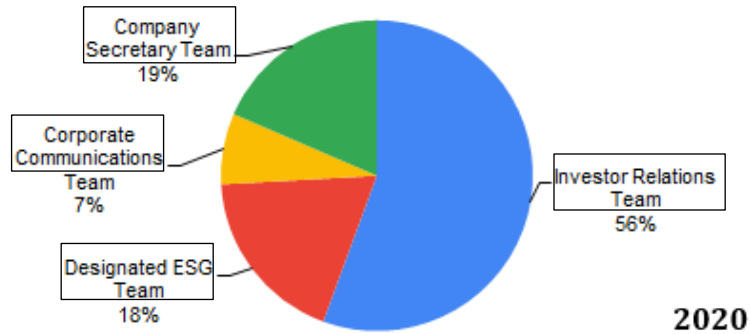


14. Is there a designated ESG team in your company?



The number of respondents indicating that they had a designated ESG team increased from 52% in 2019 to 65% in 2020, likely the result of sharp increase in interest and activity surrounding ESG.

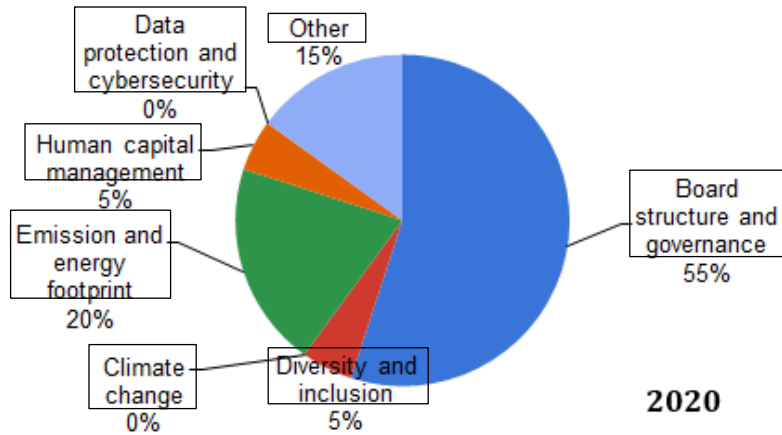
**15. Who is responsible to handle investor's ESG inquires in your company?  
(tick one or more options)**



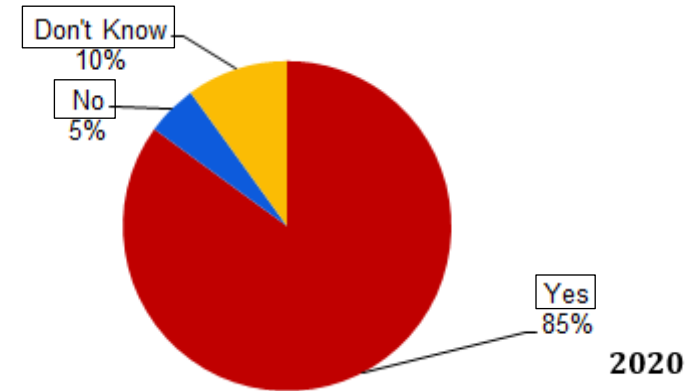
IR team continued to be the window to communicate with investors for ESG areas, implying that the IRO should be well equipped with the ESG knowledge, especially on the board structure and governance issues, which was most commonly asked by investors.



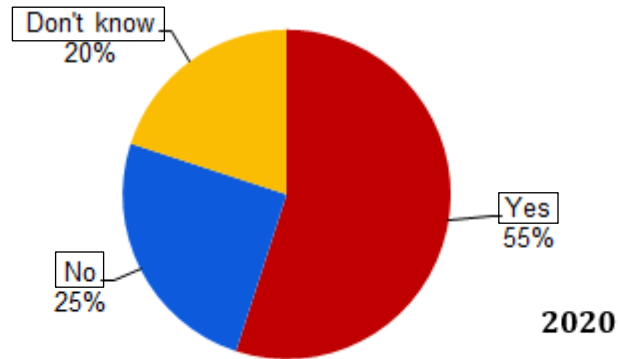
16. What are the most commonly asked ESG topics in your investor meetings?



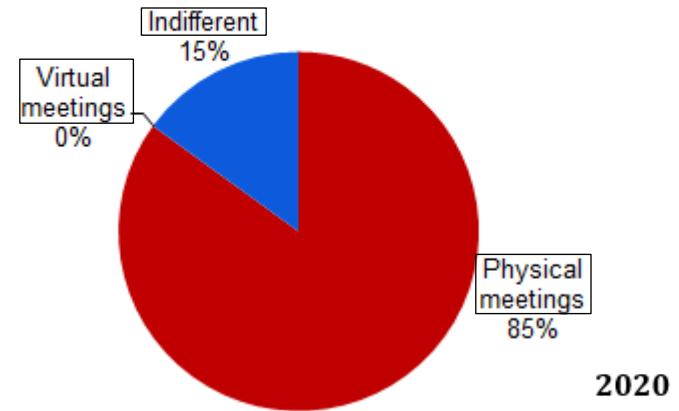
17. Do you think COVID-19 and travel restrictions have negatively impacted your outreach to new shareholders?



18. Do you expect virtual meetings to remain a significant part of investor engagement plan even after it is safe to travel again?

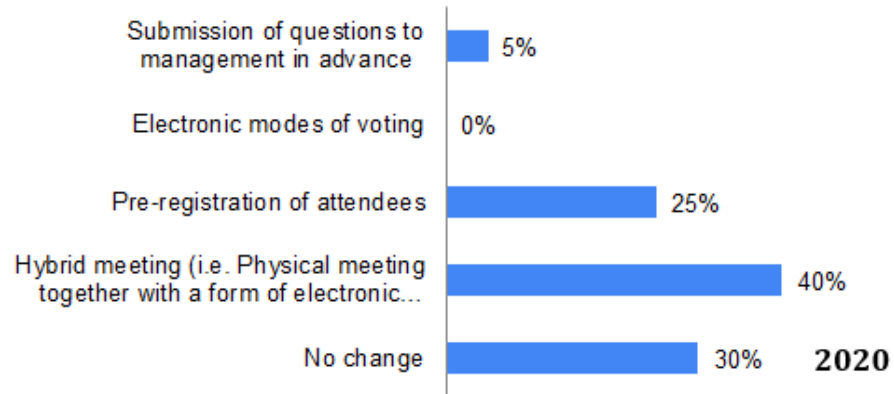


19. Do you prefer physical meetings or virtual meetings?



It is expected that the virtual meetings will remain as the most important investor engagement plan in the near future, surprisingly none of the respondents preferred virtual meeting. It shows that face-to-face meetings will not be fully replaced by virtual, and somehow it can achieve certain qualitative satisfaction among the participants.

## 20. How was your company's 2020 AGM modified under the pandemic?



From the above statistics, 40% companies were using hybrid AGM..

## Final Remarks

This IR Survey managed to gather data from local IR teams of Hong Kong Listed Companies and study the influence over these listed companies during the COVID and specifically related to ESG.

In general, the IR budget for Year 2020 was reduced. The majority of IRO still engaged brokers to organize non-deal roadshows and more broker-sponsored conferences were participating in 2020 than previous year. The increase in broker-sponsored conferences was a possible consequence of the increased use of virtual formats.

The number of respondents indicating that they had a designated ESG team increased from 52% in 2019 to 65% in 2020, likely the result of sharp increase in interest and activity surrounding ESG. IR team continued to be the window to communicate with investors for ESG areas, implying that the IRO should be well equipped with the ESG knowledge, especially on the board structure and governance issues, which was most commonly asked by investors.

It is expected that the virtual meetings will remain as the most important investor engagement plan in the near future, surprisingly none of the respondents preferred virtual meeting. It shows that face-to-face meetings will not be fully replaced by virtual, and somehow it can achieve certain qualitative satisfaction among the participants.