

Subject Code	AF5508
Subject Title	Corporate Governance
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Completion of 5 core subjects
Role and Purposes	This subject aims to instil students with the knowledge and skills in applying the best corporate governance practices in Hong Kong. It contributes to the achievement of the PgDPA / MPA Programme Outcomes by enabling students to <u>identify and analyze business ethics issues pertaining to corporate governance, apply the concepts and principles of corporate governance to current corporate governance practices in the working environment and critically evaluate corporate governance systems of Hong Kong and PRC listed companies</u> (Programme Outcome 4).
Subject Learning Outcomes	Upon completion of the subject, students will be able to: (a) <u>identify and analyze business ethics issues pertaining to corporate governance</u> ; (b) <u>interpret the corporate governance system and best practices of Hong Kong companies especially the listed companies</u> ; (c) <u>critically evaluate the effectiveness of the Hong Kong corporate governance system in protecting the interests of the investing public, the members and the creditors of Hong Kong listed companies; and</u> (d) <u>evaluate the criteria of listing in Hong Kong Stock market, and examine the effectiveness of monitoring framework governing the listing process.</u>
Subject Synopsis/ Indicative Syllabus	General Historical development of the system of corporate governance. Corporate governance reports/principles/codes. Agency framework for evaluation of alternative corporate governance system. The role of the Companies Registry, the Stock Exchange and the Securities and Futures Commission in the corporate governance system of Hong Kong. Business Ethics Corporate responsibility. Ethical dilemmas. Individual and corporate standards of behaviour. Corporate codes of conduct. Professional ethics. Social responsibility. Stakeholders' interest. Ethics and international business.

	<p>Directors The position, power and responsibilities of directors, non-executive directors and independent non-executive directors. Duties under the Companies Ordinance, the Listing Rules, the Securities and Futures Ordinance, and the Codes of Takeovers and Mergers and Share Repurchases. Qualification and disqualification of directors. Appointment and vacation of office. Remuneration, loans and compensation for loss of office. Restrictions on securities dealings. Insider dealing. CEO duality.</p> <p>Board Committees The roles of audit committee, remuneration committee and nomination committee.</p> <p>Company Secretary Qualifications, appointment and vacation of office. Duties and responsibilities. The role of the secretary in the corporate governance system.</p> <p>Auditor The position, duties and responsibilities of auditors. Appointment, termination and vacation of office. Access to corporate information. The role of the auditor in the corporate governance system. Audit quality. Auditors' independence and non-audit services. Role of the Financial Reporting Council.</p> <p>Disclosure of Information Disclosure of information in interim accounts and annual reports. Contents of director's report. Notifiable and connected transactions. Loan transactions. Disclosure of interests in shares and debentures. Disclosure of directors' dealings in securities. Voluntary disclosures.</p> <p>Rights of Shareholders Access to corporate information. The law relating to meetings of shareholders. The conduct and management of general meetings: notice, agenda, quorum, ordinary and special resolutions, voting, polls, proxies, adjournment, powers and duties of chairman. Appointment and removal of directors. Protection of minority interests.</p>
<p>Teaching/Learning Methodology</p>	<p>Lectures emphasize concepts and key principles of corporate governance with reference to the practical application in the workplace. Seminars provide students with a forum for discussion on the application of concepts to current corporate governance practices in their working environment. Students are required to present cases, problems or articles in seminars.</p>

Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)					
			a	b	c	d		
	Participation in discussion	10%	√	√	√	√		
	Assignment or Test	20% - 25%	√	√	√	√		
	Presentation	15%-20%		√	√			
	Final examination	50%	√	√	√	√		
	Total	100 %						

Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:

Participation in discussion allows students to freely share their views and experiences in achieving good corporate governance practices in the workplace.

Assignment / Test / Presentations / Final examination requires students to: (a) understand and to apply the statutory and non-statutory regulations; (b) identify and to analyze business ethics issues and practices, (c) apply the concepts and principles of corporate governance to best practices with reference to other countries' best corporate governance practices and (d) critically evaluate the effectiveness of the Hong Kong/PRC corporate governance system.

Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.

Student Study Effort Expected	Class contact:	
	▪ 13 weeks of three-hour seminar	39 Hrs.
	Other student study effort:	
	▪ Class preparations, reading subject materials/textbook, assignments and group discussions	78 Hrs.
	Total student study effort	117 Hrs.
Reading List and References	<p>Bob Tricker, <i>Corporate Governance: Principles, Policies, and Practices</i>, latest edition, Oxford University Press.</p> <p>Larcker, David and Tayan, Brian, <i>Corporate Governance Matters: A Closer Look at Organizational Choices and Their Consequences</i>, latest edition, Pearson Education.</p> <p>Monks, Robert A.G. and Minow, Nell, <i>Corporate Governance</i>, latest edition, Wiley.</p> <p>Fisher C. and Lovell A., <i>Business Ethics and Values – Individual, Corporate and International Perspectives</i>, latest edition, Prentice Hall.</p> <p>De Jonge, A., <i>Corporate Governance and China's H-Share Market</i>, latest edition, Edward Elgar.</p> <p>Cheng, P.W., Sum, H. S., and Yuen, K. T., <i>The Hong Kong Company Secretary's Handbook: Practice & Procedure</i>, latest edition, Longman.</p> <p>Stott, V., <i>Hong Kong Company Law</i>, latest edition, Longman.</p> <p>Companies Ordinance, Cap. 622</p> <p>Companies (Winding Up and Miscellaneous Provisions) Ordinance, Cap 32</p> <p>Electronic Transactions Ordinance, Cap. 553.</p> <p>Financial Reporting Council Ordinance, Cap. 588.</p> <p><i>Guide for Directors of Listed Companies</i>, latest edition, The Stock Exchange of Hong Kong Limited.</p> <p>Rules governing the Listing of Securities, The Stock Exchange of Hong Kong Limited.</p> <p>Securities and Futures Ordinance, Cap. 571.</p> <p>The Best Corporate Governance Disclosure Award 2015 – Judges' Report, Hong Kong Institute of Certified Public Accountants</p> <p>A Guide on Better Corporate Governance Disclosure, Hong Kong Institute of Certified Public Accountants</p> <p>A practical guide to good governance: Directors' Induction, Hong Kong Institute of Chartered Secretaries</p>	