UNLOCKING AGMs: FROM VOTES TO VOICE IN ASIA-PACIFIC

Hong Kong SAR 2026

Main Messages from Part I

- Annual general meetings (AGMs) remain the one universal, legally mandated, and documented forum for shareholder voice.
- Shareholder engagement should not be confined to AGMs; it is a year-round responsibility of issuers.
- Strong governance, anchored by an effective AGM, supports long-term value creation, market efficiency and competitiveness, and ultimately, economic growth.
- AGM practice across the region falls short of recognised standards, including G20/OECD Principles of Corporate Governance[1] and CFA Institute corporate governance guidance.[2]
- Meaningful progress requires coordinated action by issuers, investors, intermediaries, and regulators who are all part of the same ecosystem.
- Part I of this report is available on the CFA Institute Research and Policy Center website: https://rpc.cfainstitute.org/research/reports/2026/unlocking-agms-asia-pacific.

Key Findings for Hong Kong SAR

- Contestation softened from CY2020 to CY2025, yet approval outcomes remained largely unchanged: Proposals attracting >10% shareholder opposition declined from 14.6% to 9.9%, and average opposition fell from 4.6% to 3.3%. Yet only six proposals were defeated.
- Recurring board discretion resolutions dominate contested votes, particularly corporate structure and dilution-related mandates (55.5%), followed by director re-elections (31.4%) and equity-linked remuneration (9.5%).
- Proxy advisers function as coordinators of minority shareholder dissent in a concentrated-ownership market: Of contested management proposals, 90.4% received at least one negative recommendation.
- AGM season remains highly compressed into May–June (87% of meeting records).

Priority Actions

- Regulators (stock exchange): Strengthen disclosure requirements for annual issues. Design post-vote response mechanism to address material shareholder opposition. Alleviate the AGM season clustering problem.
- Issuers: Treat sustained opposition as an engagement signal. Provide issuer-specific information in clear and accessible language. Publish relevant, high-quality AGM materials in a timely manner.
- Investors: Stewardship approaches should reflect Hong Kong SAR's issuer dynamics. Repeated shareholder dissent should be regarded as escalation indicators and focuses.
- Proxy advisers: Enhance transparency, explainability, and market-specific calibration of voting recommendations, particularly for dilution-related mandates that attract significant opposition yet routinely pass.

[1] OECD, "G20/OECD Principles of Corporate Governance 2023," www.oecd.org/en/publications/2023/09/g20-oecd-principles-of-corporate-governance-2023_60836fcb.html.

[2] CFA Institute, "The Corporate Governance of Listed Companies: A Manual for Investors" (2018), https://rpc.cfainstitute.org/sites/default/files/-/media/documents/article/position-paper/corporate-governance-of-listed-companies-3rd-edition.pdf.

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Hong Kong SAR in Context

- **Hong Kong SAR's AGM framework is primarily exchange led.** The HKEX Listing Rules govern general mandates and disclosures, and the Companies Ordinance permits fully virtual and hybrid general meetings.
- **Minority shareholders have limited influence over AGM agendas**, given high proposal thresholds and ownership concentration of approximately 58%, which is among the highest in Asia-Pacific.

AGMs at a Glance

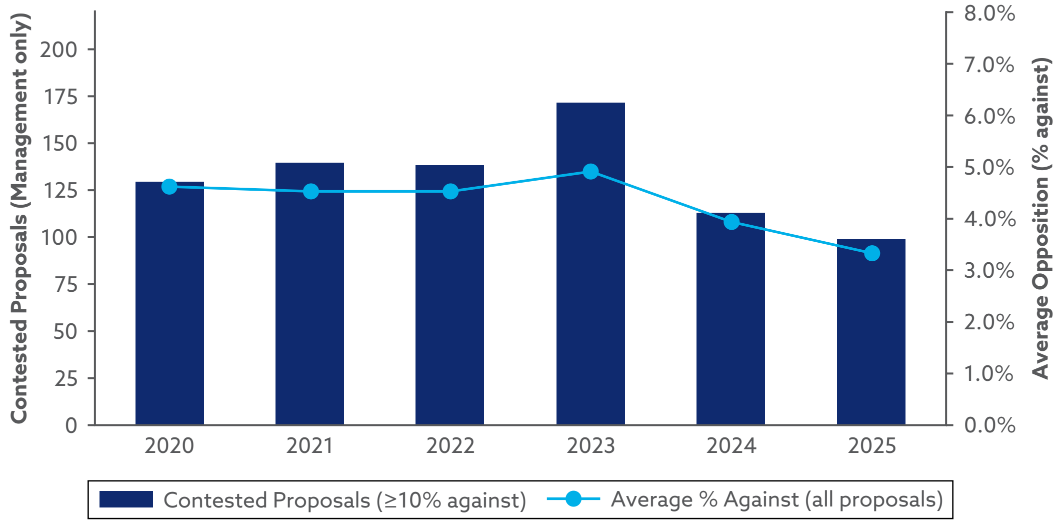
Our analysis covers 500 annual meeting records across 84 Hang Seng Index constituents from CY2020 to CY2025, including 6,143 management-sponsored proposals and 778 contested management proposals. **Exhibit 1** summarises voting activity and proposal outcomes across CY2020–CY2025. **Exhibit 2** then illustrates the trend in shareholder opposition to management-sponsored proposals over the same period.

Exhibit 1. AGM Voting Overview, CY2020–CY2025

Year	Distinct Companies	Management Proposals	Shareholder Proposals	Contested (All Proposals)	Contested (Management Only)	Contested (Shareholders)	Percentage Contested	Average Opposition
CY2020	74	934	1	129	128	1	14.6%	4.6%
CY2021	81	1,020	15	139	138	1	14.4%	4.5%
CY2022	83	1,085	5	138	137	1	13.6%	4.5%
CY2023	84	1,096	3	171	168	3	15.9%	4.9%
CY2024	83	1,010	4	112	111	1	11.3%	3.9%
CY2025	83	998	25	98	96	2	9.9%	3.3%

Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Exhibit 2. Declining Shareholder Opposition to Management Proposals, CY2020–CY2025



Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Note: This exhibit uses management-sponsored resolutions only.

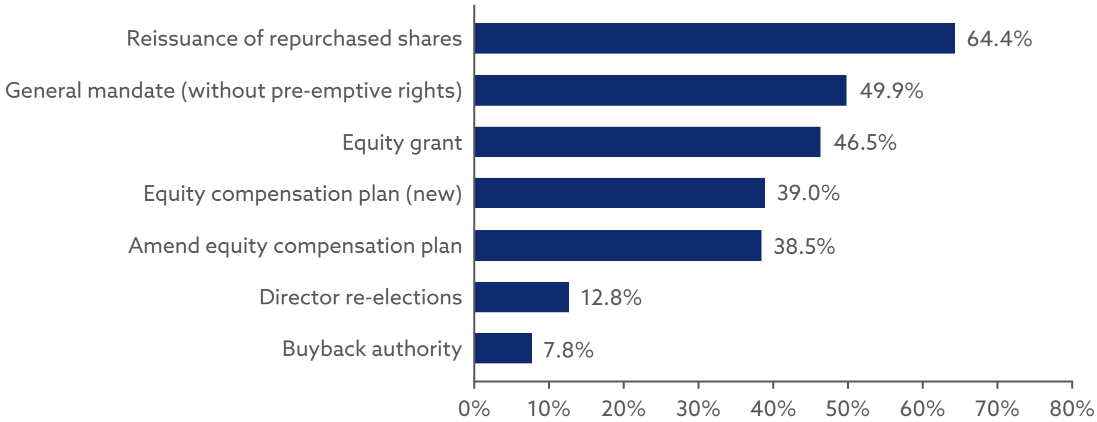
Contestation softened from CY2020 to CY2025. The share of management-sponsored proposals attracting at least 10% opposition fell from 14.6% in CY2020 to 9.9% in CY2025, while average opposition across the votes fell from 4.6% to 3.3%.

Nevertheless, lower opposition does not necessarily suggest stronger accountability. Across the six-year period, only six proposals that attracted at least 10% opposition were ultimately defeated, indicating that minority shareholder opposition rarely altered voting outcomes.

Voting Trends: The Board Discretion Issue

- **Share dilution is the primary flashpoint.** As shown in **Exhibit 3**, reissuance of repurchased shares (64.4%) and general mandates without pre-emptive rights (49.9%) draw the highest contestation rates, indicating that investors are repeatedly most concerned about board discretion over potentially dilutive capital issuance.
- **Contestation is targeted rather than broad based, and it shows persistence rather than a one-year spike.** As shown in **Exhibit 4**,

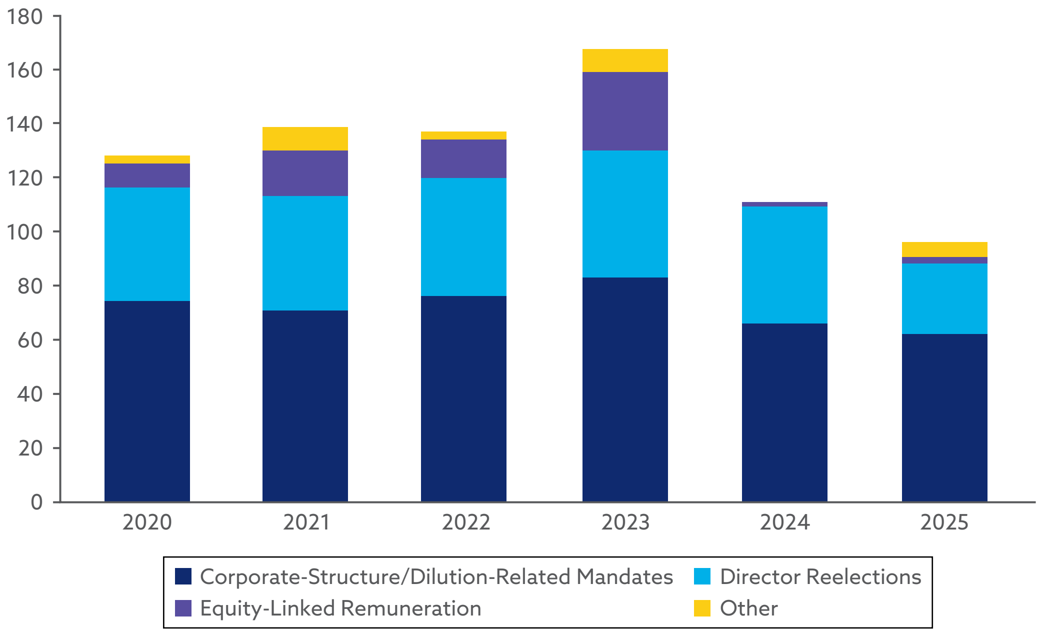
Exhibit 3. Corporate-Structure and Dilution-Related Mandates Attract the Highest Levels of Shareholder Opposition, CY2020–CY2025



Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Note: This exhibit uses management-sponsored resolutions only.

Exhibit 4. Shareholder Opposition Is Concentrated in Three Recurring Proposal Categories, CY2020–CY2025



Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Note: This exhibit uses management-sponsored resolutions only.

corporate-structure and dilution-related mandates, director re-elections, and equity-linked remuneration account for 96.4% of all contested management proposals. The same themes recur across the sample, indicating that the issue is embedded in the annual AGM architecture rather than triggered by isolated corporate events.

- Repeated opposition rarely translates into meaningful constraints on board discretion. Despite persistent shareholder concerns over dilution-related mandates and equity-linked remuneration, boards generally continue to secure the annual mandates at each AGM, preserving broad discretion over future corporate actions. **That is the core governance problem identified**.

The Role of Proxy Advisers

Exhibit 5 examines the relationship between proxy adviser recommendations and shareholder dissent.

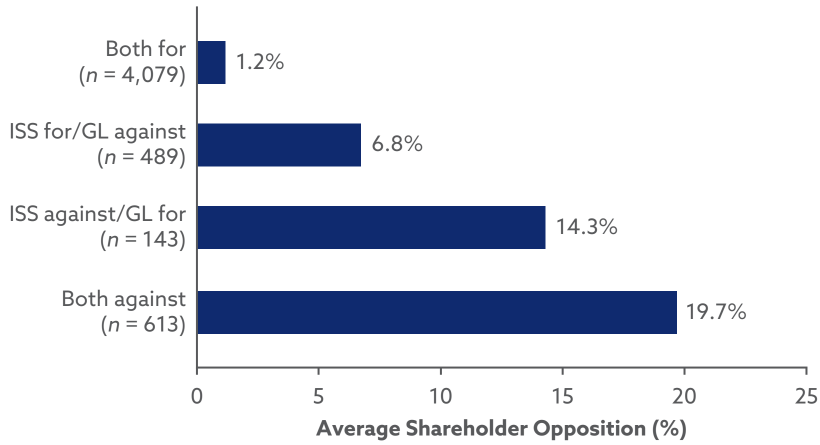
- Institutional Shareholder Services Inc. (ISS) and Glass Lewis agreed on 4,692 of 5,324 resolutions (88.1%), where both provided clear For/Against recommendations.
- Strong association between adviser signals and contested votes: Average opposition reaches 19.7% when both advisers recommend Against, 14.3% when only ISS recommends Against, and 6.8% when only Glass Lewis recommends Against.
- Of the 778 contested management proposals, 703 (90.4%) carry at least one negative ISS or Glass Lewis recommendation.
- In a market where most management proposals still pass, proxy advisers can help determine which minority concerns become visible and collectively expressed.
- Even with that coordination, however, they cannot impose effective discipline on board discretion through the voting channel alone.

AGM Clustering

Exhibit 6 uses a heat map to show AGM clustering patterns in Hong Kong SAR.

- **AGM season is repeatedly compressed into a two-month window across the sample period.** Of the 500 annual meeting records, 435 (87.0%) occurred in May or June each year. The busiest five dates account for 25%–33% of meetings in a given year.
- **This is a market-design constraint.** The voting systems might cope with clustering, but analysis, engagement, and real-time meeting participation are still being compressed into a short stewardship window.

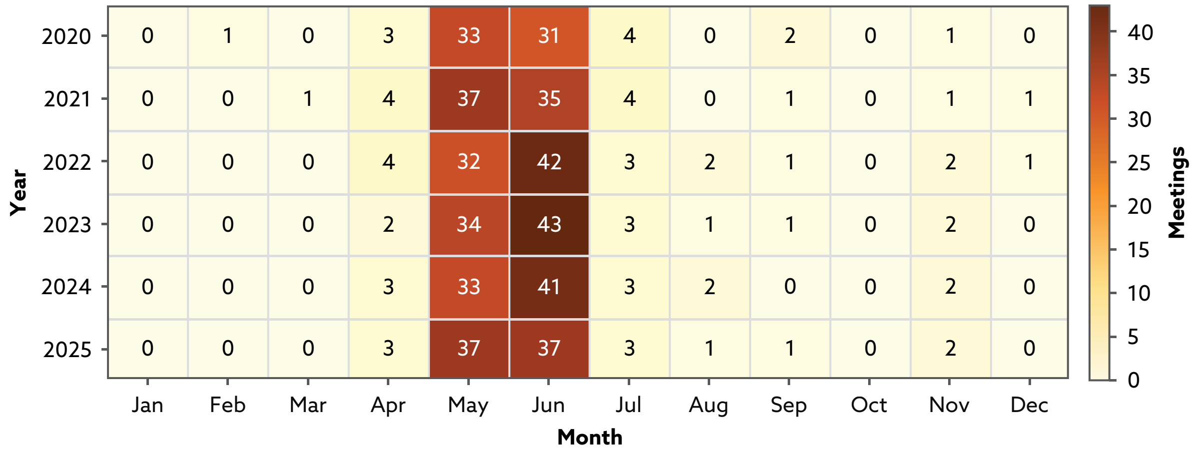
Exhibit 5. Proxy Adviser Opposition Is Associated with Higher Shareholder Dissent, CY2020–CY2025



Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Note: This exhibit uses all proposals where both ISS and Glass Lewis (GL) issued recommendations (n = 5,324 proposals).

Exhibit 6. AGM Calendar Compression Limits Effective Shareholder Oversight, CY2020–CY2025



Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Conclusion: What Needs to Change

The access mechanics of AGMs in Hong Kong SAR are relatively established: Listed issuers generally must hold AGMs within six months of year-end, shareholder votes must generally be taken by poll, HKEX guidance expects virtual participants to be able to ask questions and cast electronic votes in real time, and the Companies Ordinance permits physical, hybrid, and fully virtual meetings where the technology enables remote participants to listen, speak, and vote.

The core tension is whether these mechanics generate accountability on resolutions that attract significant shareholder opposition (e.g., over annual renewal of broad board discretion) in a market where minority shareholder dissent is visible and recurring but rarely outcome determinative. The 64.4% and 49.9% contestation rates, coupled with the fact that only six proposals were ultimately defeated, reveal the central governance dichotomy.

We provide the following recommendations for making the AGM a more credible accountability mechanism.

Regulators (stock exchange)	Strengthen disclosure requirements for dilution-related mandates, which have consistently elevated shareholder opposition over the sample period of CY2020–CY2025.
	Consider mechanisms requiring issuers to explain how they have responded to material shareholder dissent, even where resolutions ultimately pass.
	Explore measures to alleviate AGM season concentration and improve the effectiveness of shareholder oversight and engagement.
Issuers	Treat sustained minority opposition as a stewardship and engagement signal rather than a compliance obligation.
	Provide clear, issuer-specific justification for recurring requests for dilution-related mandates and equity-linked remuneration mandates. Boards should also avoid overreliance on generic arguments such as "financial flexibility."
	Publish high-quality AGM materials (e.g., notices, circulars, proxy forms) sufficiently in advance to support informed voting and engagement within the compressed window.
Investors	Calibrate stewardship approaches to Hong Kong SAR's concentrated ownership structure and general mandate framework.
	Focus engagement on recurring governance friction points, particularly dilution-related mandates and equity-linked remuneration.
Proxy advisers	Enhance transparency, explainability, and market-specific calibration of voting recommendations. Support informed stewardship, and provide clear analytical frameworks for matters that attract persistent shareholder opposition but are routinely approved.

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