

Winning Global Investors: Why Hong Kong-Listed Companies Must Disclose Capital Allocation Policies



打開**國際資本大門**：
香港上市公司須
披露資本配置政策

The Stock Exchange of Hong Kong introduced sweeping enhancements to its Corporate Governance Code earlier this year that now require companies to disclose details of their dividend policy and confirm that all dividend decisions are made accordingly. Companies without a dividend policy must provide an explanation for the omission.

While this widely applauded move has set an important floor for transparency standards in Hong Kong's stock market, Hong Kong-listed companies seeking to attract a global investor base should go the extra mile by providing a clearly and consistently articulated capital allocation policy in their capital markets communications.

A capital allocation policy is a strategic framework that directs how a company allocates its financial resources – whether it is towards paying dividends, investing capex in the business, making acquisitions or conducting share buybacks. While companies very often have a detailed internal framework for decision making on capital allocation, many shy away from communicating it to avoid being held accountable or to preserve flexibility.

However, capital allocation policy is often the most crucial component of a company's equity story and can play a critical role in establishing management credibility. As some investors have said, it is not a company's capital but rather, investors' that is being deployed – this can only happen and continue if a company demonstrates an ability to generate attractive risk-adjusted returns. How a company allocates capital between shareholder returns and expanding the top line also enables investors to evaluate whether it is a good fit for a particular investment strategy, such as income versus growth.

When articulating capital allocation policy, a company must carefully balance having enough clarity and precision to inspire investor confidence with allowing sufficient flexibility to endure unexpected disruptions without shocking the market. Having advised hundreds of companies globally on capital markets communications, FGS Global's Equity Advisory and Investor Relations practice has garnered five practical recommendations for articulating and framing capital allocation policy to inspire investor confidence, build credibility and support valuations.

The Importance of Being Earnest When Defining a Capital Allocation Policy

Vague or generic language should be avoided as it can be a signal of low conviction. At a minimum, capital allocation priorities, as well as sources and uses of capital, must be clearly communicated and fully rationalized. It is not enough to simply show the order of preference; companies must justify it by showing alignment with overall corporate strategy. Investors will also want to know how the capital allocation policy will drive superior shareholder returns.

M&A must be fully integrated into capital allocation policy. Otherwise, acquisition announcements may become unwelcome surprises for investors. For serial acquirers, this means communicating a clear framework around M&A that outlines objectives, criteria and approach to integration. In FGS Global's experience, investors also

香港交易所（下稱「港交所」）於今年初全面優化《企業管治守則》。新規定要求公司披露其股息政策詳情，且需確保所有股息決策符合該政策。若公司未設有股息政策，則必須作出相關說明。

港交所新規定廣泛獲得好評，為香港股市的透明度標準奠定了重要基礎。然而，對於希望吸引全球投資者的香港上市公司而言，更應進一步在與資本市場的溝通中傳達清晰一致的資本配置政策。

資本配置政策就公司如何分配其財務資源提供了框架，包括股息派發、業務發展的資本支出、併購交易及股份回購。儘管不少公司內部在資本分配方面有明確的決策框架，但許多公司對外界選擇避而不談，從而在決策與披露上保留靈活性，以免遭到詬病。

然而，資本配置政策往往是公司股權敘事中至關重要的一環，對建立管理層的公信力起到關鍵作用。在投資者看來，管理層動用的資本不是公司的資本，而是其投資者的資本。若想獲得投資者的支持，公司必須展示他們有能力管理好風險並帶來可觀的收益。公司的資本配置在股東回報和業務拓展之間的權衡，為投資者提供具有指引性的指標，評估其是否符合特定投資策略，例如收益型投資或成長型投資。

在闡述資本配置政策時，公司需要謹慎平衡不同需要，從而傳遞清晰精確的訊息以激發投資者信心，同時留有足夠空間，以應對突發狀況而不驚動市場。FGS Global的股權諮詢及投資者關係團隊為全球數百家公司的資本市場溝通提供諮詢，並從中總結出五項實用建議，幫助公司在建構和講述資本配置政策時為投資者提高信心，亦能提升公司信譽及估值。

認真嚴謹地制定資本配置政策至關重要

闡述資本配置政策時，應避免使用含糊或籠統的措辭，因為這往往會被視為信心不足。公司最低限度需要能以合理的方式清晰傳達資本配置項目的輕重緩急以及資本的來源與用途。單單只是列出優先順序遠遠不足夠，公司必須從整體企業策略的層面出發，充分展示言行一致。此外，投資者亦會希望了解資本配置政策將如何提升股東的回報。

併購交易是資本配置政策的重要一環，否則出現投資者意料之外的收購公告可能會令他們感到不安。因此，經常進行收購的公司需要清楚傳達併購相關的框架，包含不同目標、考慮因素及整合方式。根據FGS Global的過往經驗，投資者也希望公司能夠對併購條件提供指引，例如公司明確表示不涉足核心業務範疇外或使每股盈利（EPS）攤薄超過5%的交易。若公司能夠對於剝離價值增長潛力有限的業務展現開放態度，亦會獲得正面評價。

與此同時，公司的股息政策需要既能穿越經濟週期，又能靈活地應對財務壓力。若公司在滿足相關支出後仍持有多餘現金，可以考慮適時把握機會進行股份回購，作為一項短期的靈活舉措。

appreciate having clear guidelines of what a company won't do – for example, deals outside their core competency or those that dilute EPS by more than 5%. Evidence of openness to divesting businesses that are not value accretive is also well received.

Similarly, it is helpful to have a dividend policy that is robust enough to cope with economic cycles, while providing flexibility in times of financial stress. If this approach leaves a company with excess cash, share buyback programs can be assessed as an opportunistic, flexible short-term instrument.

Announcing Corporate Actions and the Power of Repetition

We often underestimate the power of repetition. When announcing any corporate action, such as M&A, it can be extremely helpful to link it back to a company's corporate strategy. For example, positioning an acquisition as enabling the fulfilment of a strategic goal – such as increasing exposure to a focus market – allows a company to reiterate its key strengths and investment case. Of course, delivery of corporate strategy is not sufficient justification in isolation for an acquisition and overplaying this can come across as defensive or hint at overpaying. Therefore, it is important to accompany this with sufficient evidence of the investment being value accretive. Indicators of a positive returns profile will be scrutinized by investors and are therefore crucial in communications.

Getting ESG Right – Making the Connection to Return on Capital

While detailed discussions around a company's sustainability policy appear to be waning in recent times, risk assessment of its investments is not. As investors have told FGS Global, looking at a company's track record of past investments is an important part of their due diligence on governance. Therefore, it is beneficial for any major investment decision to be accompanied by transparency on how governance was factored into the process, such as evidence of a meaningful investment of CEO time, regular reviews and alignment of management incentives with the long-term success of a project.

Companies can also highlight how capital allocation to ESG-related projects creates value for shareholders. An example is explaining how these projects can create or deepen a competitive advantage, be at the forefront of innovation or futureproof for regulatory change and shifting market demands.

Building Credibility by Tracking Evidence of Success

Building investor confidence and credibility for a company's capital allocation policy starts with establishing and showcasing a track record of success. This is particularly true

披露公司動向 反覆強調重點

不厭其煩地反覆強調重點往往能帶來意想不到的效果。在宣佈併購等重大動向時，將交易與公司的整體策略掛鉤能夠發揮極大作用。例如，將收購定位為實現策略目標的一環（如提升重點市場的佔有率），成為公司表達自身的核心優勢與投資價值主張的機會。然而，單純表示收購符合戰略並不足以解釋收購的理由，過度強調這一點反而會被解讀成公司過於被動或溢價收購。因此，公司的解釋必須有充分證據支持，證明該項投資具有增值潛力。投資者對交易帶來的回報特別關注，因此提供溝通渠道至為關鍵。

精準掌握 ESG 連接資本回報

儘管近來針對公司可持續發展政策的深入討論有所降溫，但對相關投資的風險評估卻未因此而減弱。多位投資者向 FGS Global 指出，檢視公司過往投資紀錄是企業管治盡職調查中的重要一環。因此，在任何重大投資決策中，企業都應公開闡述決策過程中對治理因素的考量。這些信息可透過多種方式呈現，例如：CEO 投入的實質時間、定期表現評審、管理層獎勵機制與項目長期成功保持一致。

公司亦可強調資本配置中 ESG 相關項目如何為股東創造價值。具體而言，公司可以闡述這些項目如何創造或深化競爭優勢、引領創新，或提前為監管和市場需求上的變化做準備。




for companies with multiple segments. Delegation of decision making – including the implementation of capital allocation policies – can increase as companies become more complex and overload CEOs. Given the market has limited visibility beyond the top layer of management, it is helpful to tangibly demonstrate the effectiveness of the delegated decision-making process and emphasize that ultimate ownership lies with the CEO. There are many ways to achieve this. For example, companies can provide transparency around return on investment at the divisional level or host dedicated events for investors to showcase products and innovations that demonstrate the effectiveness of R&D spending.

What to Do When Things Don't Go According to Plan: Say It as You See it.

Even after following all due diligence and protocols, outcomes can still differ from expectations. Acquisitions may take longer than expected to close and realize synergies. Significant investments may fail to deliver the intended results, while deeper-than-expected market downturns can cause greater cash flow pressures than anticipated.

Delaying communication of negative news to the market and doubling down on the existing positive narrative until acknowledgement of the issues becomes inevitable should be avoided as it only adds to investor frustration and reduces credibility. Instead, the key is to be transparent in the face of unforeseen circumstances and minimize the degree of negative surprise. In doing so, companies demonstrate a clear understanding of what went wrong and a desire to address issues at hand.

Sometimes, it is necessary for shareholder return decisions to deviate from a company's capital allocation policy. Dividend cuts may be required because of cash flow pressures, while additional share buybacks may need to be conducted when growth opportunities are more limited than anticipated. Effective communications will help to cushion against potential damage to a company's credibility and share price. Any deviation can be positively framed as pragmatic and an opportunity for a company to address other investor concerns, such as strengthening the balance sheet or enabling delivery of corporate strategy.

A clear and consistent capital allocation policy should be an integral part of a company's capital markets communications. It should explicitly define what a company stands for and help set expectations for the future. It should carefully balance clarity and precision with flexibility. It should also avoid vague and generic language. When articulated and framed well, a capital allocation policy can enable a company to strengthen its equity story, build credibility and support valuations. 

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建立成功足跡 構築信譽基石


要贏得投資者對公司資本配置政策的信心和信譽，關鍵在於建立並展示過往業績的紮實記錄。這對於業務多元的企業而言尤為關鍵。隨著企業規模擴張與管理層級增加，資本配置等決策的流程越來越長。然而，由於市場對管理層以外的運作缺乏充分透明度，企業必須清晰呈現分權決策機制的有效性，同時明確最終問責仍由 CEO 承擔。實踐層面可採取多種措施，例如：在業務單元層面披露投資回報數據；舉辦專項活動展示產品創新成果；向投資者提供研發投入的成效反饋，從而建立正向的溝通循環。

直面挫敗 坦誠溝通

即使已完成所有盡職調查且遵循相關程序，項目的結果仍可能不似預期——併購可能需要花更長時間才能完成並實現協同效益；重大投資或未能取得預期成果；市場下行幅度超出預期時，現金流壓力可能更大。

面對這些情況，公司依然應該避免延遲向市場公佈負面消息，或在不得不承認問題時只是強調正面訊息，因為這類做法只會令投資者更加失望且降低公司信譽。相反而言，面對突發情況時更應保持實誠，盡量減少負面消息帶來的意外衝擊，才能展現公司對問題的清晰認知以及主動化解難題的決心。

此外，公司為股東創造回報的計劃可能迫不得已偏離原有的資本配置政策。原因可能是由於現金流的壓力不得不削減股息；或者當增長機會不及預期時，則又需要額外回購股份。有效的溝通能夠減輕這些決策變化對公司信譽和股價可能造成的損害。這些變動可以解釋為務實之舉，同時亦可看作是回應投資者其他關切的契機，例如強化資產負債表或推動企業策略。

明確清晰的資本配置政策是企業面對資本市場進行溝通的重要一環。資本配置政策應當明確公司立場，設立未來展望；在確保清晰準確的同時，保持適當的靈活性；避免使用模糊或空泛的語言。若能妥善制定並傳達資本配置政策，企業能夠有效強化股權敘事與市場信譽，進而推動公司估值。 

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