

**From Information to Transformation: Training Directors  
to Power Corporate Success**

**Keynote speech at Hong Kong Chartered Governance Institute's  
(HKCGI) 2025 Director Training Series**

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Good afternoon, David, Ellie, distinguished guests, ladies and gentlemen. Thanks for inviting me to speak today. It is a privilege to address such an accomplished audience.

The Securities and Futures Commission (SFC) fully supports director training. Effective training elevates Hong Kong's corporate governance standards, enhances company performance, maintains public trust, and strengthens our capital markets.

Hong Kong's position as a global financial hub hinges on the quality of its listing market. This year, we have reclaimed the top spot as the world's leading IPO<sup>1</sup> fund-raising centre. The SFC's 2024 survey also showed a strong rebound for Hong Kong as a pre-eminent global asset and wealth management hub, with robust growth in assets under management and net fund inflows. Meanwhile, Boston Consulting Group recently ranked Hong Kong alongside Switzerland as the world's top cross-border wealth centre.

This momentum is encouraging, but sustaining it demands collective efforts—from directors, company secretaries, and governance professionals like yourselves. Today, I want to highlight three core advocacies that matter most around director training: *why* it matters, *what* it should include, and *how* to deliver it effectively.

**Why: Training Directors to Drive Corporate Transformation**

First, why invest in quality director training? Simply put, it is critical to lifting Hong Kong's listing market standards and earning global investors' trust in our market's fairness, transparency, and efficiency.

After decades on boards, I have seen first-hand that directors must continuously refresh their knowledge and skills—especially in today's fast-changing business landscape, where new uncertainties emerge daily. For example, the UK Companies Act underscores directors' fiduciary duty to “promote the success of the company for its members,” meaning training must ultimately help directors drive sustainable growth, even amid economic shifts.

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<sup>1</sup> Initial public offering.

Note: This is the text of the speech as drafted, which may differ from the delivered version.

But here's the key: acquiring information is not enough. The goal of training should be transformative—turning learning into actionable steps. For instance, equipping directors with tools to reassess strategies in the face of disruptive technology. As the Chinese saying goes, “learning is for application” (學以致用). Effective training must inform and inspire, empowering both new and seasoned directors to make better decisions.

### **What: Tailored Training Over One-Size-Fits-All**

Next, what should director training cover? The Hong Kong Exchanges and Clearing Limited's enhanced Corporate Governance Code (CG Code)—which took effect this month—outlines five required topics, with one standing out: updates on industry-specific developments, business trends, and strategies relevant to the company.

Generic training is certainly a no-brainer—cost-effective and easy to arrange—but its impact is minimal, little more than a perfunctory exercise that does little to lift mediocracy.

Given that companies operate across diverse industries and are at varying stages of growth, and directors bring a wide range of experiences, effective training must target a company's specific challenges and pain points. Let me emphasise: the purpose of director training is not merely to inform, but also to transform—driving the behavioural changes needed to boost performance. To achieve this, training must align closely with the company's strategic goals and directors' professional needs, tailored to the issues they face.

Therefore, I urge company secretaries and governance professionals here to champion such tailored content. Leverage your expertise to align training agendas with your company's critical challenges. This demands both creativity and accountability in your role. For instance, a growth-oriented firm may prioritise training on mergers and acquisitions or international market expansion, while a stable, matured firm could focus on risk management and internal control.

In planning these sessions, you should engage directors to understand their learning needs and expectations. Where needed, you should propose to bring in external experts and consultants. Their specialised experience can significantly enhance the training's impact and deliver tangible results.

### **How: Group Learning for Stronger Boards**

Finally, how should training be delivered? Let's start with time requirements: under the enhanced CG Code, first-time directors must complete 24 hours of training within 18 months—that's less than 4 minutes per day. And there is no minimum requirement for existing directors. While this is a positive step, merely meeting this minimum risks undermining the full potential of what could be impactful training for the entire board.

To keep Hong Kong competitive, directors must go beyond these basics. This is especially critical given that Mainland enterprises now account for over 80% of our stock market capitalisation—we need standards that match, or even surpass, those of other major markets.

Beyond hours, the format of training also matters. Since COVID-19, virtual training has grown, but I want to emphasise group, face-to-face sessions are more effective and deliver the greatest impact, whether in a classroom or boardroom.

Why is group learning more powerful than individual learning? Because it fosters instant feedback, enables experience sharing, reinforces mutual rapport, and promotes collaborative problem-solving—all of which deepen understanding and drive positive behavioural change. Directors gain not only from the information itself, but also from transforming how they operate: both individually, as effective directors, and collectively, as a unified board. Group training strengthens team dynamics and board cohesion, empowering directors to act as one.

## **Closing**

In conclusion, the ultimate purpose of director training is to enhance the performance of individual directors, the board as a whole, and the company at large. There is no one-size-fits-all formula for effective training. When designing a director training programme, it is crucial to ensure it is relevant to both your company and its directors. Ultimately, such training should empower the board to steer the company towards sustainable growth and drive success for your organisation.

Thank you.