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**RELATIONSHIP BETWEEN CORPORATE GOVERNANCE &  
COMPANY PERFORMANCE OF HONG KONG BASED & CHINA  
BASED FAMILY-CONTROLLED PROPERTY DEVELOPMENT  
COMPANIES**

**Abstract:**

This study is to investigate the relationship between Corporate Governance (CG) disclosure and financial performance of both Hong Kong based and China based family-controlled property development companies listed on Hong Kong Stock Exchange. 10 leading companies with the largest market capitalization are studied in each category. Evaluation of the quality of CG disclosure is conducted through a checklist of mandatory and recommended disclosures developed with reference to the Hong Kong Listing Rules about CG disclosure and financial information, the Best Practice Guidance of CG disclosure provided by Hong Kong Institute of Certified Public Accountants (formerly Hong Kong Society of Accountants), and the information about the specific performance evaluation indicator in the property development companies. It is found that there is a positive relationship between CG disclosure and financial performance in Hong Kong based companies, especially operating profit margin and net profit margin. This study provides evidence to support the relationship between CG disclosure and financial performance.

**Keywords:**

Corporate Governance, financial performance, Hong Kong property industry,

**JEL Classification:** O53, M41