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Research on the influence of board decision-making and corporate governance on market value management of listed companies

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Abstract:

With the continuous development and improvement of the global capital market, market value management is an important element in the management of listed companies. Only by effectively improving the quality and efficiency of market value management can the efficiency of listed companies in capital operation be effectively improved, the social influence of listed companies be improved, and the important foundation for the sustainable and stable development of listed companies be laid. Listed companies carry out market value management centering on the management of board of directors' decisions and corporate governance, so as to create more profits for the company's business development and promote the sustainable development of listed companies. Based on this, this essay provides a relevant overview of market value management, and also analyses the impact of board decision and corporate governance on the market value management of listed companies, and summarises the current status quo and bottlenecks of market value management and proposes relevant countermeasures.

Keywords:

listed company, board decision-making, corporate governance, market value management

1. Research background

At present, listed companies in China are facing increasingly severe market competition under the new economic development situation of economic globalisation. And market value management has become an important strategy for enterprises to enhance their competitiveness and stabilise their market value, but market value management will face many difficulties and challenges in practice. As shown in Table 1-1.

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Table 1-1 Cumulative market value of Shanghai listed companies in 2021-2023

Year	Number of listed companies in Shanghai	Cumulative market value of listed companies (billion)
2021	417	86718.91
2022	422	75773.95
2023	437	72309.23

According to Table 1, the market value of listed companies in Shanghai from 2021 to 2023 has not been effectively managed. Although the number of listed companies in Shanghai is increasing, the market value of companies is decreasing, which will have a series of negative impacts on enterprises and stakeholders. Therefore, listed companies must strengthen market value management. Market value management is important for the long-term development and competitiveness enhancement of enterprises. Enterprises should improve the returns to shareholders by strengthening market value management, strictly follow the development core of enterprise intrinsic value, actively change the advanced market value management concept, and carry out comprehensive and scientific integration of corporate assets, so as to continuously improve the value creation ability of listed companies. Through scientific and reasonable market value management strategies, enterprises can improve financing capacity, enhance market competitiveness, protect shareholders' interests, optimize resource allocation, cope with market fluctuations, and promote sustainable development. Moreover, the level of market value management of a listed company is directly related to the interests of all parties in the company.Therefore, it is very important to examine the factors that affect the effectiveness of the market value management level of listed companies. There are both market factors and internal factors of the company. This paper will select two factors of board decision-making and corporate governance among many factors to conduct in-depth research on market value management of listed companies, And from the board of directors decision-making and corporate governance two aspects of the market value management of listed companies to put forward the corresponding policy recommendations.

2. Literature review and outlook

2.1.Literature research on board decision-making

On the theoretical side, the board of directors is the decision-making centre of the company and the core of corporate governance, which generally consists of directors elected by the general meeting of shareholders and is accountable to the general meeting of shareholders. There are many theoretical bases for its role as a decision-making centre at home and abroad. Two of the important theories that are closely related to the decision-making of the board of directors are the principal-agent theory and the stakeholder theory. The principal-agent theory is based on the separation of powers and its key idea is the agency relationship. It mainly focuses on the relationship between the owners and operators of a business in which directors are considered to serve the interests of shareholders, mainly to maximise their interests. Stakeholder theory suggests that an enterprise is jointly "owned" by stakeholders, and that in addition to the interests of shareholders, the interests of other stakeholders should also be taken into account. Maximising the interests of all stakeholders is the fundamental purpose of a modern company, and joint ownership and management of an enterprise by stake-

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holders is not only fair but also the most efficient. Stakeholder theory just makes up for the defects of principal-agent theory that the qualification of principal governance is limited to shareholders, which makes the theoretical system of corporate governance structure more perfect. It promotes the change of corporate governance concept and corporate governance structure, and people no longer limit the understanding of corporate governance to the principal-agent relationship between owners and operators, but further realize that corporate governance is a system composed of various stakeholders. The board of directors is the core of corporate governance, and access to the board of directors is an effective way for stakeholders to actively safeguard their legitimate rights and interests, and the board of directors should also take into account the interests of all stakeholders when making decisions.

The board of directors of a company is a decision-making body consisting of directors whose role in the operation of the company is crucial, responsible for setting the strategic direction of the company and making decisions on important matters. As shown in Table 2-1.

Table 2-1

Author	Year	Main points
Cao Ying, Xue Kun Kun	2023	Strategic decision-making is one of the important functions of the board of directors, and the effect of the board of directors' decision-making will directly affect the investment efficiency of the company
Weiqun	2023	For major corporate decisions, the board of directors should not only adhere to the bottom line thinking, build a solid safety bottom line, but also adhere to strategic thinking, to achieve effective investment
Luo Hong, Jia Xiuyan, Wu Junfeng	2021	A more diligent board of directors means a stronger internal control environment and better assurance of the truth and integrity of the financial statements and related information
Zou Guoqing Fu Ruiheng	2020	The strategic decision-making power of the board of directors can influence major strategic decisions of the enterprise through better information gathering and processing and influence the internal mechanisms

Cao Yi and Xue Kunkun (2023) showed in their research that the chairman of the board of directors of listed companies in China, as the absolute leader of the company, has absolute authority in the board of directors, which leads to differences among different members of the board of directors and has a significant impact on the company's investment decisions. However, by strengthening the procedural rationality of board decision-making, the influence of directors' status difference can be reduced. Wei Qun (2023) mainly discussed in his research that the herd behavior in the decision-making of the board of directors, and provided eight suggestions to improve the decision-making quality. Luo et al. (2021) mainly examined the impact of board stability on risk decision-making and its mechanism, such as the size of the board, the frequency of board meetings, the change of representatives of major shareholders, and the change of chairman. Zou and Fu (2020) showed in their research that the board of directors has an important impact on the strategic decision-making of enterprises, which determines the future development direction and performance of enterprises. And from the CEO's succession decision, it explores how the board of directors influences information collection and successor characteristics through strategic decisions and thus has an impact on inter-organisational strategic

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imitation behaviours.

Overall, the effectiveness of board decision making can directly affect the growth of the company. A good mechanism for formulating board decisions will have a good impact on market value management. But making good board decisions requires companies to do many things well. For a board to make sound and effective decisions, it must understand the decision-making process, including inputs and outputs, and the composition of the board is critical to excellent decision-making.

2.2.Literature on corporate governance

Corporate governance has been the focus of domestic and foreign research in the last two decades. Corporate governance refers to the relationship of many stakeholders, mainly including shareholders, the board of directors, and managers, which determine the development direction and performance of enterprises. Taken together corporate governance is divided into a broad and a narrow sense. Corporate governance, in the narrow sense, refers to a mechanism of supervision and checks and balances by owners over operators. Its main feature refers to internal governance through the corporate governance structure consisting of the general meeting of shareholders, the board of directors, the supervisory board and the management. Corporate governance in the broader sense is the coordination of interests between the company and all stakeholders through a set of systems or mechanisms, including formal or informal, internal or external, to ensure that the company's decision-making is scientific, and thus ultimately the interests of all parties in the company.

In each of the literature, corporate governance is outlined and each scholar describes it differently, but all agree that corporate governance is very important in business operations. As shown in Table 2-2.

Table 2-2

Author	Year	Main points
Zhang Miao, Sun Guangguo	2024	The traditional corporate governance model can no longer meet the needs of the digital age, and the governance model of the heart needs to focus more on the use of data and networking to improve the operational efficiency and service quality of enterprises.
Wu Lidong, Wang Qingyun, Jinhe	2024	A good level of corporate governance creates effective monitoring and incentives and improves the business performance of the enterprise
Zhao Xudong	2021	The modern market economy is based on the theme of the company, and corporate governance not only directly determines the investment returns of investors, but also indirectly affects the economic efficiency and social development of society as a whole.
Shu Wei, Zhang Mimi	2020	Corporate governance, as an important part of the construction of a modern enterprise system, is undoubtedly one of the effective ways to improve the quality of listed companies, promote the development of the capital market, and thus enhance the ability of the capital market to serve the real economy.

Zhang Miao and Sun Guangguo (2024) in their research showed that with the development of the digital era, corporate governance needs to adapt to new changes in order to ensure the long-term development and stable operation of enterprises. However, the new governance model also has some risks and challenges, which need to be dealt with by corresponding measures of corporate finance. Wu et al. (2024) showed in

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their research that the level of corporate governance is crucial in the digital transformation of enterprises. For example, ownership structure and shareholder network are one of the main mechanisms of corporate governance, and major shareholders are more motivated to invest in projects that are expected to generate value and improve the decision-making quality of corporate digital transformation. Zhao Xudong (2021) expressed the importance of corporate governance as well as the importance of the corporate governance system in his research, which focuses on the difficulties and solutions encountered by the Chinese corporate governance system. Shu and Zhang (2020) showed in their research that good corporate governance is the cornerstone of the healthy development of the capital market, and according to the current corporate governance situation in China, they believed that to improve the level of corporate governance in China, it is necessary to further improve the quality and composition of the board of directors, vigorously develop institutional investors, and guide minority shareholders to transform into active shareholders.

Overall, corporate governance is the cornerstone of healthy enterprise development and involves a wide range of mechanisms and practices. Through effective governance, the company can achieve the optimization of internal governance, protect shareholders' rights and interests, improve corporate performance, enhance risk management ability and enhance investor confidence, and ultimately promote the long-term sustainable development of the enterprise, but also provide a solid guarantee for the healthy operation of the whole market and the stable development of the economy.

2.3.Literature on market value management

The concept of market value management was first proposed by scholar Shi Guangyao in 2005, who believed that it was necessary for listed companies to pay attention to market value management, so as to achieve steady growth of capital value. Market value management refers to that listed companies achieve the purpose of value creation and value realization through organizational mechanism construction and information interaction with the capital market based on market value signal, so that the stock price can fully reflect the intrinsic value of the company. In the research of many scholars, the content of market value management is divided into three links: value creation, value management and value realization. Some scholars believe that the focus of market value management should be on value operation and value realisation. However, in general, it is generally agreed that the content of market value management is based on value creation and value realisation.

Market value management is a must for every listed company because it is very important for the development of the company. As shown in Table 2-3.

Table 2-3

Author	Year	Main points
Zhao Shijun, Zhao Fangming, Li Yingying, Yang Huihui	2024	Market value management can weaken the degree of information asymmetry and reduce the principal-agent cost, thus reducing the cost of debt more significantly.
Yu Kai, Chen Zhihui	2021	Market value management has become an important way for listed companies to obtain resources, and has gradually become a new concept and trend of listed companies' governance and operation.

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Xie Yuobao, Ma Huiyu, Wei Qifang	2021	Market value management has become an important way for listed companies to obtain resources, and has gradually become a new concept and trend of listed companies' governance and operation.
Tan borine, Wu Qingyue	2020	Good market value management can, on the one hand, promote stable growth in valuation and raise more capital at lower cost, and on the other hand, strengthen its own risk "firewall" and lay a solid foundation for long-term development.

Zhao Shijun et al. (2024) in their research deeply investigated the impact of listed companies' level of market value management on the cost of debt financing through an empirical model, and found that firms can reduce the cost of debt financing through effective market value management. Yu and Chen (2021) took Ping An and China Life Insurance as examples to analyze the relationship between the market value management of listed companies and investors, and provided relevant suggestions for the market value management activities of listed companies in China and the improvement of corporate competitiveness. Xie Huobao et al. (2021) studied the governance role of market value management in commercial credit financing by taking corporate commercial credit financing as the entry point. The results show that market value management helps enterprises to obtain more commercial credit financing, and this effect is more significant for enterprises with slower regional marketization process and lower market position. Tan Boren and Wu (2020) indicated in their research that market value management is the core value-oriented mechanism to straighten out the concerns of listed companies and their stakeholders, and use the operational challenges of listed city firms and the necessity of strengthening market value management to show the importance of market value management and how to improve it.

Overall, it is an important need for listed companies to engage in market value management, due to the fact that it not only directly affects a company's market performance and position in the capital market, but also has a far-reaching impact on the long-term development and sustainable growth of the enterprise. Through effective market value management, listed companies can gain greater advantages in the highly competitive market environment and achieve long-term stability and sustainable development.

2.4.Comprehensive review

With the continuous development of global capital market, the study of market value management is of great significance to enterprises and investors, and the board of directors' decision-making and corporate governance are also studied as important factors affecting market value management.Based on the above literature review, the following conclusions and insights were obtained:

First, board decision-making plays a crucial role in market value management of listed companies. The quality and efficiency of the board's decision-making directly affects the market performance and shareholder value of the company. Companies should further optimise the board structure and decision-making process, enhance the independence and impartiality of decision-making, and focus on long-term strategy and sustainable development.

Second, corporate governance is an important guarantee for market value management practice. Good corporate governance not only enhances a company's market image and investor information, but also effec-

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tively promotes the stable growth of a company's market value. However, problems such as insufficient independence and inadequate information disclosure still limit the positive impression of corporate governance on market value management. Companies should further improve their corporate governance structures and mechanisms, enhance the quality and efficiency of governance, increase the transparency of information disclosure, and ensure the effective implementation of governance mechanisms.

Third, market value management is an important strategic management of listed companies. Effective market value management can not only improve the company's market valuation, but also enhance the company's overall competitiveness and shareholder value. However, market value management will have problems such as insufficient information disclosure, short-term behavior tendency, and weak investment in risk management. The company should further improve the market value management strategy, focus on long-term strategy and intrinsic value improvement, enhance the transparency and quality of information level road, and strengthen risk management.

3. Analysis of the current situation, bottlenecks and impact of board decision-making, corporate governance and market value management of listed companies

The decision-making and corporate governance of the board of directors of listed companies are closely related to the market value management, which is the key link of the long-term sustainable development of enterprises. However, many companies currently still face many challenges and bottlenecks in these areas. The following is an analysis of the current situation, bottlenecks and implications for listed companies in terms of board decision-making, corporate governance and market value management:

3.1.Analysis of board decisions-making

The effective implementation of corporate board decisions not only ensures the standardisation and effectiveness of board operations, but also improves the level of governance of state-owned enterprises, and thus the level of market value management of listed companies. However, in many enterprises, there are many loopholes in the decision-making itself before the implementation of the decision, resulting in the inability to effectively improve the level of corporate governance and market value management. For example, there are some enterprises in which the board of directors fails to play a real decision-making role due to the failure to establish a sound system related to board decision-making. Secondly, there are sometimes conflicts between board members and management, which affect the impartiality and independence of decision-making. Some companies have set up independent directors for this purpose, which is beneficial for the board of directors to have independent judgement in making decisions and to play a supervisory role. However, too high a level of independence can also lead to a failure of its supervision. And in fact, many independent directors of listed companies in China are not really independent and are still subject to the management, for example, the independent directors do not get salaries but are paid allowances by the management, which also makes the independent directors lose their due functions. On the other hand, independent directors do not have an obvious motivation to supervise, and they usually serve in a number of large companies, do not fully understand the affairs of each management company, and lack an advantage in terms of information, among other things,

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which results in their inability to provide effective advice in helping to formulate decisions, thus leading to the ineffectiveness of the independent directorship system. The relevant documents of China's Securities Regulatory Commission stipulate that the maximum number of listed companies in which an independent director may serve concurrently is no more than three, with the aim of ensuring that the independent director has sufficient time and experience to fulfil his or her duties as an independent director effectively. However, by the end of 2022, nearly 20% of independent directors were still working part-time in more than three. In addition, to a certain extent, the size of the board of directors also affects the efficiency of the board's supervision and the design of the internal control system, which in turn affects the company's decision-making. On the one hand, small boards of directors are inefficient due to the lack of personnel with professional backgrounds and are easily controlled by controlling shareholders, resulting in the board's supervisory duties not being fulfilled. On the other hand, according to organisational behaviour, when the size of the board of directors exceeds the capacity of the company, the excessive size of the board of directors not only increases the difficulty of coordination among the board members, but also the problem of "free-riding" will cause the board of directors to reduce the efficiency of supervision significantly. Although a large board of directors is conducive to providing more different views in making board decisions, the transaction costs among directors will be greater and the decision-making time will be longer, resulting in low decision-making effect. However, some researchers have argued that a larger board size means that directors are likely to have a wider range of professional backgrounds and can bring complementary experience and knowledge to the company, and thus be better able to keep abreast of changes in the external environment, leading to better operational efficiency and monitoring functions, which in turn enhances the effectiveness of corporate governance and improves the effectiveness of market value management.

In conclusion, board decision-making plays a crucial role in market value management, but still faces many bottlenecks in practice, such as insufficient independence and impartiality, inefficient decision-making, poor diversity and professionalism. These problems restrict the effectiveness and quality of board decision-making. In the future, the company needs to further optimize the structure and decision-making process of the board of directors, enhance the independence and fairness of decision-making, so as to realize the continuous improvement of market value management and maximize the value of the company.

3.2.Corporate governance analysis

Corporate governance plays a crucial role in market value management. Although many companies have made some progress in governance structure and system, they still face many challenges and bottlenecks in practice. For example, information disclosure is inadequate. Although many listed companies are constantly perfecting their disclosure systems, enabling investors to obtain more information about the company's operations and financial condition. However, some companies still do not disclose information in a timely and comprehensive manner, and conceal and mislead investors for their own benefit, affecting the market's trust and evaluation of the company. This leads to insufficient transparency in information disclosure, making it difficult for investors to obtain sufficient information to make decisions, increasing investment risk and thus affecting market value. Furthermore, there are inadequate internal control and oversight mechanisms in corporate governance. Despite the soundness of the internal control and supervision system, in actual implementation, it often exists only in form, and the implementation effect is not good. Moreover, some companies

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have an inadequate risk management system that fails to effectively identify and respond to potential risks, affecting the stability of the company's operations.

In conclusion, corporate governance has made some progress in terms of institution building, information disclosure and internal control, but still faces many bottlenecks and challenges. In the future, the Company needs to further improve its governance structure, enhance its governance level, strengthen information disclosure and transparency, protect shareholders' rights and interests and fulfil its social responsibilities in order to achieve long-term stable and sustainable development.

3.3.Market value management analysis

Market value management, as an important tool for listed companies to enhance valuation and shareholder value, has received widespread attention globally in recent years. Despite some progress in this area, there are still some notable bottlenecks and challenges. For example, although companies have a variety of tools to manage market value, the lack of independence and science in decision-making by the board of directors in market value management can still affect the effectiveness of market value management if the corporate governance structure is not sound. In addition, although more and more listed companies are incorporating market value management into their corporate strategies, some of them are overly concerned with short-term share price fluctuations for pseudo-market value management, ignoring long-term strategies and sustainable development. Pseudo-market value management is essentially stock price manipulation, and its market performance is usually the short-term large fluctuation of stock price and the serious deviation of the company's intrinsic value. Pseudo-market value management is a behaviour that seriously disrupts the fair order of the capital market and can bring huge losses to companies and small and medium-sized investors. In addition, some companies are insufficiently prepared to deal with market risks and emergencies, and their internal control system is not perfect, so they cannot effectively prevent and manage financial and operational risks, thus affecting the stability of market value.

In short, market value management is an important tools for the sustainable development of today's companies. Although some progress has been made in diversifying means and focusing on strategy, it still faces many bottlenecks, such as internal management and corporate governance issues and short-term behavioral tendencies. In the future, the Company needs to further improve its market value management strategy, focus on long-term strategy and intrinsic value enhancement, enhance the transparency and quality of information disclosure, and strengthen its internal governance, in order to achieve stable growth in market value and maximise the value of the Company.

4. Board decision-making, corporate governance on market value management countermeasures

First, strengthen the improvement of corporate value. For listed companies, finding ways to increase the market value of the company is an important purpose of market value management. Listed companies must pay more attention to corporate value management and take effective measures to continuously improve the market value of listed companies. The first step is to strengthen the company's internal control. Corporate de-

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velopment and capital market operation have their own regularity and periodicity, and the market value management of listed companies also needs to be carried out according to scientific laws. Through scientific management of listed companies, effectively implement the related work of market value management, improve the market value of listed companies. Listed companies need to establish a special company management team for market value management to comprehensively improve the company's operation and management level, especially to systematically plan and supervise the implementation of the market value management programme, so as to effectively improve the efficiency of the company's internal control and management level.

Second, strengthen information disclosure supervision and investor education. As listed companies carry out for market value management will cooperate with the manipulation of the secondary market through favourable announcements, the regulator has formulated a strict information disclosure standard and penalty mechanism which can reduce the information advantage of the relevant personnel of the listed companies, and at the same time, guide the investors to set up a correct concept of risky investment and improve the ability to identify and cope with the market risk, so that they can avoid falling into the traps of the for market value management.

Third, improve the corporate governance system and enhance the premium level of the company. Strong corporate governance is increasingly seen by international capital and global investors as a key focus for improving business performance, increasing investment returns and internationalisation. Listed companies are required to achieve scientific decision-making and maximise shareholder value by standardising and improving the effective checks and balances and independently functioning governance structure comprising the Company's general meeting, supervisory board and senior management. At the same time, protect the interests of minority shareholders, continuously improve the internal control and risk control system, and actively prevent the main risks in the operation and development.

Fourth, the establishment of a scientific and rational board of directors. A board of directors with moderate size, reasonable professional structure and more than half of the external directors is a prerequisite for scientific decision-making of the board of directors. In addition, enterprises should actively expand the sources of external directors, and select senior executives with relevant professional backgrounds and rich experience as external directors according to the actual production, operation and management of enterprises. It is necessary to set up a professional and standardized special committee of the board of directors, which is responsible for conducting preliminary research and checking decision-making matters of the board of directors, and providing advisory opinions and suggestions for the board of directors to make decisions.

Fifth, strengthen the process control of decision-making meetings. Improve the communication mechanism of the Board of Directors' decision-making before the meeting, promote the elimination of differences and consensus among all Board members, and enhance the scientific level of decision-making. In the meeting, a positive, progressive and effective board culture shall be actively cultivated to enhance the democratic atmosphere of discussion. All directors shall be diligent and responsible, express professional opinions independently and prudently, put an end to the false phenomenon that there is no different voice, no opposing opinion or no opposing vote at the board meeting, and form an internal check and balance mechanism of the board of directors. After the meeting, the board of directors shall establish a tracking and inquiring mecha-

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nism, a ledger of implementation and a regular feedback mechanism to ensure the implementation of decision-making matters.

Sixth, the use of equity incentives to optimise corporate governance mechanisms. Equity incentives, as part of corporate governance, can be used to enhance the effectiveness of market value management. Equity incentive has been developed in China for decades, and a large number of studies and practices have proved that the implementation of scientific and reasonable equity incentive is of great significance to enhance the operation ability of enterprises and enhance the value of enterprises. Theoretically, equity incentives can improve the intrinsic value and market value of listed companies by improving the operating performance of the enterprise, and ultimately achieve the goal of market value management, and realise a win-win situation for both the company and the incentive recipients. Moreover, as an incentive mechanism that can play a long-term role, equity incentive can stimulate employees' enthusiasm and initiative in market value management by adjusting the personal interests of the incentive object. However, as one of the means of corporate governance, the impact of equity incentive on the market value management of listed companies is not always positive. Improper implementation of incentives may lead to malicious manipulation of the stock market and other behaviors, which is not only detrimental to the long-term development of the company, but also has a negative impact on the operation of China's capital market.

5. Conclusion and Suggestion

5.1.Conclusion

Firstly, in the face of increasingly complex internal and external environments, the operation and development of any listed company will objectively face a diversity of risk factors. In order to achieve sustainable and stable development, listed companies must practise their internal skills, improve their operation and management capabilities, and establish and continuously strengthen their competitive advantages in the course of development. Along with the improvement of operational capability, it is also necessary to maintain and promote the continuous growth of the company's market value.

Second, board decision-making and corporate governance are the key factors that affect the management of market value. Through the development of scientifically sound strategic and financial decisions, effective risk management, and a sound governance structure, companies are able to enhance market competitiveness and investor confidence, and maintain and enhance market value. On the contrary, poor decision-making and governance may lead to a decline in the market value of the enterprise, affecting the long-term development of the enterprise. Therefore, enterprises should attach great importance to board decision-making and corporate governance, constantly optimize and improve the level of governance, and achieve steady growth of market value and maximization of shareholder value.

Thirdly, effective board decision-making can enhance a company's market competitiveness and operational efficiency through strategic planning, risk management, financial decision-making, mergers and acquisitions and restructuring, governance and supervision, and shareholder relationship management, and increase investor confidence and market recognition, thereby promoting stable growth and enhancement of the company's market value.

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Fourthly, corporate governance is not only the core element of enterprise internal management, but also an important guarantee for realizing market value growth and maintaining market stability. By enhancing transparency and disclosure, optimising the quality of decision-making, strengthening internal controls and risk management, protecting shareholders' rights and interests, and promoting long-term sustainable development, companies are able to increase market trust and recognition, attract more investors and enhance their market value. In the future, enterprises should continue to improve and innovate their governance mechanisms in order to cope with the ever-changing market environment and challenges and to achieve long-term stability and sustainable development.

In conclusion, board decision-making and corporate governance play a key role in market value management. High-quality board decision-making and sound corporate governance can enhance the transparency and quality of corporate disclosure, optimise strategic and financial decision-making, increase the independence and diversity of the board of directors, establish sound internal control and oversight mechanisms, and ensure shareholder participation and rights protection. These factors work together to not only improve the Company's market image and investor confidence, but also enhance the Company's market competitiveness and long-term sustainable development ability, thus promoting the steady growth and improvement of the Company's market value.

5.2.Suggestion

First, the core of market value management lies in value management, and only by continuously improving the company's real value creation ability will the company's market value growth have a solid foundation and stable development. Therefore, the management of the company should be committed to enhancing the intrinsic value of the company. An effective corporate governance mechanism is the institutional guarantee to maximize the value of the company. This is because the ownership structure of companies with good governance mechanisms is more optimized, which can not only play the role of checks and balances among shareholders, but also stimulate their initiative, thus improving the company's equity premium ability, which is the focus of market value management. Therefore, improving the corporate governance mechanism is conducive to improving the effectiveness of corporate value and market value management. In conclusion, value management is not a quick fix or short-term effect, but a strategic path for enterprises to persist in investing resources for a long time.

Second, today's environment of increasing responsibility and risk requires more powerful and effective board decision-making "power" than ever before. Boards must go beyond all good governance and learn how and when to make clear, ethical and appropriate decisions. Moreover, the board of directors should give full play to its leading role, strengthen the tracking research and study of cutting-edge trends, plan and improve strategic initiatives, improve the strategic management and control system, improve the tracking and feedback mechanism for the implementation of decision-making and the evaluation and appraisal mechanism, and strengthen the supervision of the implementation of the strategy, so as to comprehensively enhance the effectiveness of corporate governance of the central enterprises in the areas of innovation, safety and greenness.

Third, the corporate governance department should constantly sort out the various systems and requirements related to corporate governance issued and implemented by the SASAC and group companies in re-

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cent years, and review the work of each board of directors. The optimisation of the governance mechanisms for the Company's Board of Directors begins with a change in philosophy. After establishing a corporate governance philosophy that is in line with policy orientation and adapted to the stage of development of the enterprise, a series of actions are taken to implement the new control philosophy. For example, strengthening training and learning on policies related to corporate governance at the headquarters level and in subsidiaries, making management changes to intervene directly in matters, and emphasising the pulling of high-quality development of the enterprise through governance-based control of the boards of directors of subsidiaries.

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