

Signature (with Company Chop if the response represents company view)

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below on the proposed change discussed in the Consultation Paper downloadable from the HKEx website at: <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201209q.doc>.

Where there is insufficient space provided for your comments, please attach additional pages.

1. Do you agree that the Exchange should promote board diversity?

Yes

No

Please give reasons for your views.

Board diversity is generally perceived as promoting board effectiveness and better governance.

2. If your answer to Q.1 is “yes”, do you agree that our Corporate Governance Code and Corporate Governance Report is the appropriate place for the new measures on board diversity?

Yes

No

Please give reasons for your views.

Appendix 14 is the most appropriate area to include the new measures as it avails the issuers with flexibility on the degree of compliance. This room for flexibility is essential since it is not easy or applicable to every issuer to strictly comply with the rule requirement on appointment of board members.

3. Do you agree with our proposal to introduce CP A.5.6 (*the nomination committee or the board should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report*)? Please give reasons for your views.

Yes

No

Please give reasons for your views.

This should be made a recommended practice instead of code provision.

4. Do you agree (i) with our proposal to introduce a note under CP A.5.6 to clarify what we mean by diversity; and (ii) with the content of the note? Please give reasons for your views.

(i)

Yes

No

(ii)

Yes

No

Please give reasons for your views.

The content of the note is agreed on condition that this be made a recommended practice instead of code provision.

5. Do you agree with our proposal to introduce a new mandatory disclosure provision in the Code stating that if the issuer has a policy concerning diversity, it should disclose details of the board's policy or a summary of the policy on board diversity, including any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives? Please give reasons for your views.

Yes

No

Please give reasons for your views.

This should be made a recommended practice and issuer should have a choice on disclosure of the policy. Besides, as the board diversity policy may have an impact on the issuer's succession planning, business strategy, policy on equal opportunity, etc., it should be more business-oriented than end up becoming a mere compliance checkbox.

6. Which of the following would you prefer as the implementation date of the amendments set out in this paper?

- 1 January 2013
- 1 April 2013
- 1 June 2013
- 1 September 2013
- Other, please specify and give reasons.

Not before 2014. Board diversity policy directly affects board composition, and, in turn, affects company performance as well as shareholder return. Therefore, sufficient lead time should be provided to issuers for compliance.

- End -