



HOPEWELL HOLDINGS LIMITED
合和實業有限公司

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Our Ref: HHL/CSD/11-009

18 March 2011

BY HAND

Corporate Communications Department
Hong Kong Exchanges and Clearing Limited
12th Floor, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Dear Sirs

**Re : Consultation Paper on Review of The Code on Corporate Governance
Practices ("CG Code") and Associated Listing Rules**

On behalf of Hopewell Holdings Limited and Hopewell Highway Infrastructure Limited, I am writing with regard to the captioned consultation paper published by the Hong Kong Exchanges and Clearing Limited (the "HKEx") in December 2010.

In general, we support HKEx's initiative to promote the development of higher corporate governance standards. A good framework of corporate governance should always strike a balance between cost and benefit. We are of the view that the characteristics of owner-management listed companies (which account for a major portion of companies listed on HKEx) and their high level of integrity should also be taken into account when formulating "effective" rules and procedures.

We would like to set out hereunder our views for your consideration:-

1) Nomination Committee

We do not agree that the recommended best practice ("RBP") on the establishment of a nomination committee should be upgraded to a code provision ("CP") as such requirement will not be effective in improving the quality of the board. Despite that such requirement is commonly adopted in UK, US, Australia and Singapore, no similar requirement is in place in the Mainland.

We would like to reiterate that many companies listed on the HKEx are majority owned or controlled by families. Any conflict between the nomination committee (if there were one) and the major shareholder(s) will certainly not improve the quality of the directors, nor the board. At the end, director nomination might still be achieved in a backhanded way by the major shareholder. Instead, better assurance on the quality of the board could be attained by uplifting the requirements on role and responsibilities of the chairman of a board, directors' training, as well as board evaluation (as referred to in paragraphs 4, 5 and 6 below respectively).

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2) Corporate Governance Committee

We agree with the introduction of the RBP to establish a corporate governance committee and that a listed company may choose to embed the duties of such committee into those of an existing committee, such as the Audit Committee.

3) Remuneration Committee

We agree with the proposal to move the requirements to establish a remuneration committee with a majority of INEDs; to have an INED as the chairman of such committee; and to have written terms of reference from the CG Code to the Listing Rules.

4) Chairman's Role and Responsibilities

We agree with the proposal to upgrade the RBP A.2.5 - A.2.9 on the role and responsibilities of the chairman of the board to CPs.

5) Directors' Training

We agree with the proposal to upgrade the RBP A.5.5 on directors' continuous professional development to a CP and consider that the minimum of 8 hours' training appropriate.

6) Board Evaluation

We agree with the proposal to add new RBP B.1.8 on regular evaluation on the performance of the board of a listed company and its individual directors.

Should you have any questions or comments on our views, please do not hesitate to contact

Yours sincerely