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

Dear Sirs

**Consultation Paper on Risk Management and Internal Control: Review of the Corporate Governance Code and Corporate Governance Report**

We refer to the subject consultation paper published by the Stock Exchange of Hong Kong Limited (the Exchange) on 20 June 2014.

In general, we support the proposals of the Exchange to strengthen risk management and internal control of listed companies by adopting international best practices, thereby further enhancing their corporate governance and reinforcing Hong Kong's status as an international financial centre.

Please find our specific responses to the consultation questions as follows:

Q.10 - Do you agree with our proposal to move the existing recommendation that issuers disclose details of any significant areas of concern (Section S., paragraph (a)(ix)) to a new RBP C.2.7, and to amend the provision to widen its application by removing the reference to areas of concern "which may affect shareholders"?

**HKAB response:** We agree to the principle of the proposed changes but suggest the reference to "which may affect shareholders" be kept to avoid ambiguity.

Q.18 - What would be an appropriate period of time between the publication of the consultation conclusions and the implementation of the amendments set out in the Consultation Paper?



HKAB response: To allow sufficient time for listed issuers which have diverse business models and scale of operation to get prepared, we would suggest a 12-month period between the publication of the consultation conclusions and the implementation of the proposed amendments.

For any enquiries, please contact the [REDACTED]

Yours faithfully

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