

## 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.

*Diversity has a very wide definition and diversity perspectives can be achieved by a broad spectrum of characteristics and attributes (as pointed out in your consultation document) such as age, cultural, educational and professional background, amongst others. It also include industries experience, special skills and contribution to the society.*

*The consultation document issued by HKSE is gender focused and we do not find it useful.*

*It is our view that many listed issuers in Hong Kong are already practicing board diversity as described in your document.*

*[REDACTED] supports board diversity but we absolutely do not support HKSE to impose quota on any aspect of diversity if this is the long term intention of HKSE.*

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.

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.

***We support board diversity and already practicing it and we support that an issuer should have this policy.***

***But we do not support the disclosure requirement for the following reasons:***

***(i) You rightly pointed out diversity is not limited to one or two aspects. Issuers may consider diversity in various ways, reflecting different perspective. It is so unique that one cannot measure or compare the level of diversity from one company to another. The consultation paper is a good example in which the Exchange could only obtain market data relating to gender and age but not any of the other perspectives. This indicates that mandatory disclosure is not going to be meaningful.***

***(ii) It is our believe that all issuers will be able to comply with the proposed code. As mentioned above each issuer has a unique situation. No one can truly challenge an issuers' policy on board diversity. The disclosure requirement will only be a mechanical exercise and at the same time wasting valuable management time of the issuers to prepare such disclosure and the time of HKSE to monitor disclosure.***

***(iii) Existing disclosure requirement on the board is very extensive. We should leave it to the shareholders, potential investors and other market users to determine by themselves if the issuer has a diverse board or not.***

***Comply or explain is adequate.***

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.

***We are happy with your proposed note which is kept quite general. As mentioned in question 1, we support board diversity but we do not support HKSE to impose quota on any aspect of diversity if this is the long term intention of HKSE.***

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.

***See comments for question 3.***

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.

***Suggest 1 January 2014 as the effective date. If we only the 4 choices, our preference will be 1 September 2013.***

***The new Code effective in April 2012 already placed extreme burden (in some cases the requirements such as translation of M&A are unhelpful to the public) to many listed issuers.***

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