

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.

We agree the promotion of board diversity, but it should not be mandatory in business context.

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.

We agree the inclusion of board diversity as Recommended Best Practice in the Corporate Governance Code and Corporate Governance Report.

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 do not agree that a policy concerning board diversity as Code Provision, it is rather a commercial decision for the effectiveness of board constitution and different companies have their own consideration which is in their best interest, so a Recommended Best Practice will suffice.

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.

i) It is not appropriate to add a note to define "diversity" by a no of factors including but not limited to, this is too prescriptive and in contradiction with
ii) Each issuer should take into account its own business model and specific needs and disclose the rationale for the factors it uses for this purpose, this is too burdensome to business.

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.

Same as Question 3 & 4 and it will be too prescriptive and burdensome to business for such mandatory disclosure provision, a Recommended Best Practice on policy of board diversity will suffice.

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.

A new fiscal year.

- End -