

## 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.

Based on different academic research results, board diversity can enhance the performance of both the majority and minority groups and improve average overall outcomes. Women are shown to be generally more risk-averse than men. Having women on a corporate board may achieve a balance of opinions. Therefore, we support the initiative to promote board diversity in Hong Kong listed companies.

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 believe that the Corporate Governance Code and Corporate Governance Report is the appropriate place for the new measures on board diversity. However, given each issuer has its own business needs, history and background as well as style of management, it could be difficult for each and every issuer to immediately set down a clear policy on board diversity or provide concrete objective measures for achieving board diversity. We suggest that the proposed changes to CP A.5.6 and L(d)(ii) be made as recommended best practices for the time being. After the community has developed a stronger understanding and consensus of board diversity, we may consider elevating the recommended best practices as code provisions.

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.

See response to Q2 above.

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.

See response to Q2 above.

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 response to Q2 above.

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.

6 months after publication of consultation conclusions

- End -