

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 believe that on a diverse board promotes a varied approach to problem solving and decision making at the board level.

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.

Board diversity is a matter relating to board governance. It is therefore appropriate to place this in the Corporate Governance Code and in a listed issuer's 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 agree that the NC or the Board should have a policy concerning diversity of board members. However, we are of the view that it is not necessary for such policy to be publicly disclosed since views on the appropriate composition of a board are highly subjective. We would suggest that the requirement to disclose the Board’s diversity policy (or a summary thereof) be an optional one and that there should not be a requirement that “any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives”, to be reflected in the Note to A.5.6.

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) | (ii) |
| <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> Yes |
| <input type="checkbox"/> No | <input type="checkbox"/> No |

Please give reasons for your views.

We agree that appropriate board diversity should be left to the boards to determine as any specified quota or definition may not suit boards depending on the industry, market and availability of human resources.

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.

Please refer to the reasons set out in our response to 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.

We suggest 1 Jan 2014, so that a listed issuer can have up to one-year from the conclusion of the consultation period (assuming conclusion paper will be released by year end or early Jan 2013) to prepare an appropriate policy.

- End -