

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.

As a woman executive, I feel grossly under-represented on the board of listed companies. I fully welcome HKEx's observation of such a bias skewed towards male executives in Hong Kong, though not necessarily an intended one. According to the study disclosed in the consultation, it is the prevailing trend in the US, Asia-pacific regions and Europe to adopt board diversity in various approaches. HKEx as 7th biggest capital market (by market capitalisation) in the world after US, Japan, London, Europe and China shall also adopt such positive improvements without falling behind. I usually do not support any policy blindly following international markets, as I see it more as insecurity of HKEx for being different. But this time, it is a right alignment.

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.

It is appropriate for the corporate Governance Code and Corporate Governance Report to incorporate such changes as the policy is new and would need more time for listed issuers to adapt their own situation in implementing such change so that the "adopt or explain" approach would smooth the process than putting the policy into the compulsory listing rules or other regulations. It will also help shareholders to understand more about the appointment policy of the management of the listed issuers, which is vital important to performance of the listed issuers.

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.

Disclosure of relevant policies helps shareholders to monitor the progress and result of the effectiveness of the policy implementation. But only a summary would be good enough instead of detailed policies for disclosure purpose.

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.

Diversity can be achieved in many different approaches, not necessarily only on the number of women directors or ethnic groups on the board. Other factors such as educational background or professional experience are crucial factors affecting performance of the board and its decision making, without which, diversity is meaningless.

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.

Disclosure of a summary of the board's policy would be sufficient than detailed policies. But measurable objectives and progress on achieving the objectives should be set out as these are the actual implementation result that shareholders could reasonably access and making assessment.

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.

Listed issuers should be left with sufficient time to deal with this policy change amongst their busy daily operations. A period of one- year is reasonable.

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