

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 reduces risks that a single view will prevail. It ensures that the best ideas are implemented and fosters good market development. Most importantly it fosters good corporate governance, which is the need of the hour in Asia.

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.

Yes, but there should not be compulsion to achieve any minimum level of diversity, just a requirement to report it. Also, diversity in Asia is not just women, its people of different races and nationalities.

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.

As a grey (qualitative) area, much is prone to mininterpretion. Makes sense to identify what is meant by diversity. Furthermore, there is too much focus on women as being the issue of diversity. To me, diversity is that of race/geography/culture/background etc, not only race.

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.

Diversity is not an ultimate destination but one of continuous improvement. So focus must be on the strategy, plans and approach of companies rather than the outcome. Details should include diversity goals, and strategies including board nomination process.

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.

1 Sep 2013. Companies should be educated about the benefits of diversity in board membership, which takes time. One year is probably too rushed for reporting requirements, but any later date risks that people will overlook the urgency of the need for board diversity.

- End -