

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 mentioned in the consultation paper, board diversity is a global trend. We believe diversity (not just on board level) can help a company to sustain. We agree with the Exchange that board diversity should not limit to age or gender. We also agree that Issuers should define diversity according to their own business needs and culture etc..

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 an appropriate and reasonable place.

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 support the principle of 'board diversity' and the proposal to disclose the policy or a summary of the policy in the corporate governance report.

We agree with the good intention behind i.e. to increase transparency of an Issuer and to facilitate stakeholders' understanding in Issuer's board selection. We also believe mandatory disclosure helps facilitate level playing for all Issuers.

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.

The content of the clarification note is very broad and it gives sufficient flexibility to Issuers to formulate their own policy on board diversity.

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 our answer under Q3.

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.

Issuers need time to discuss and formulate an appropriate policy for their own. Moreover, most Issuers are occupied with their year-end results announcement and annual / interim reports in the first half of the year.

- End -

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