

Question 1

Do you agree with our proposal to introduce a code provision ("CP") requiring an issuer's board to set culture in alignment with issuer's purpose, value and strategy?

Yes

Please give reasons for your views.

The aligned culture allows penetration of governance framework throughout the organisation.

Question 2a

Do you agree with our proposal to introduce a CP requiring establishment of an anti-corruption policy?

Yes

Please give reasons for your views.

This is very important from the aspect of governance as bribery cases are way too common in less developed jurisdictions.

Question 2b

Do you agree with our proposal to upgrade a Recommended Best Practice ("RBP") to CP requiring establishment of a whistleblowing policy?

Yes

Please give reasons for your views.

Whistleblowing itself is a good governance mechanism. The more important issue is to prevent victimisation.

Question 3

Do you agree with our proposal to introduce a CP requiring disclosure of a policy to ensure independent views and input are available to the board, and an annual review of the implementation and effectiveness of such policy?

Yes

Please give reasons for your views.

Quite a lot of the boards of issues are controlled by their respective substantial shareholders and even INEDs are actually persons appointed for supporting the EDs and major shareholders. It is important to ensure genuine independent views and input are available to the board.

Question 4a

Do you agree with our proposal regarding re-election of an independent non-executive director serving more than nine years ("Long Serving INEDs") to revise an existing CP to require (i) independent shareholders' approval; and (ii) additional disclosure on the factors considered, the process and the board or nomination committee's discussion in arriving at the determination in the explanation on why such Long Serving INED is still independent and should be re-elected?

Yes

Please give reasons for your views.

The independence of Long Serving INEDs is highly likely to be compromised as they worked too closely with EDs for such a length period of time. In the future, INEDs serving for the same board for more than 9 years should not be allowed and fresh INED replacement should be brought.

Question 4b

Do you agree with our proposal to introduce a CP requiring an issuer to appoint a new independent non-executive director ("INED") at the forthcoming annual general meeting where all the INEDs on the board are Long Serving INEDs, and disclosing the length of tenure of the Long Serving INEDs on the board on a named basis in the shareholders' circular?

Yes

Please give reasons for your views.

As stated at my response to the last question, in the future the serving period of all INEDs should be limited at 9 years and compulsory replacement is needed once any INED reached the 9 year threshold.

Question 5

Do you agree with our proposal to introduce a new RBP that an issuer generally should not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to INEDs as this may lead to bias in their decision-making and compromise their objectivity and independence?

Yes

Please give reasons for your views.

As INEDs are not executives, their roles should be scrutinizing the performance of EDs but not performing and generating business. Remuneration for INEDs should be fixed but also adequate for them to take up the role independently.

Question 6a

Do you agree with our proposal to highlight that diversity is not considered to be achieved by a single gender board in the note of the Rule?

No

Please give reasons for your views.

Diversity should be promoted but try not to emphasise the issue on gender. Ability and competency should be the prime factors for electing the directors. The over-emphasis on gender issue may bring a situation that some same gender candidate is competent for the role but not selected simply due to the gender-diversified requirements.

Question 6b

Do you agree with our proposal to introduce a Mandatory Disclosure Requirement ("MDR") requiring all listed issuers to set and disclose numerical targets and timelines for achieving gender diversity at both: (a) board level; and (b) across the workforce (including senior management)?

No

Please give reasons for your views.

As stated at my response for the last question, over-emphasis on gender issue may not be fair for individuals who are genuinely competent for the role. Instead, issuers should be recommended that during all decision-making process, no matter it is a business decision or recruitment decision, considerations from all genders should be taken in account and issuers should ensure in every decision it is fair to all genders and all individuals.

Question 6c

Do you agree with our proposal to introduce a CP requiring the board to review the implementation and effectiveness of its board diversity policy annually?

Yes

Please give reasons for your views.

Instead of gender issue, a good diversity policy should be fair to all individuals, inside or outside the organisation, nationality, academic background or experience, etc., and assessment should be based on competency of any individuals.

Question 6d

Do you agree with our proposal to amend the relevant forms to include directors' gender information?

No

Please give reasons for your views.

Again, gender issue should not be over-emphasised.

Question 7

Do you agree with our proposal to upgrade a CP to Rule requiring issuers to establish a nomination committee chaired by an INED and comprising a majority of INEDs?

Yes

Please give reasons for your views.

An issuer may under the "comply-or-explain" mechanism not to comply with the INED chaired and majority on INEDs requirements. Under a Rule requirement, issuers no longer has the option of explaining any non-compliance and therefore may nominate a candidate not being introduced by EDs. In the future, the board chair who is also a ED should be barred from participating the nomination committee in order to prevent the chair asserting his/her influence over the committee members.

Question 8

Do you agree with our proposal to upgrade a CP to a MDR to require disclosure of the issuer's shareholders communication policy (which includes channels for shareholders to communicate their views on various matters affecting issuers, as well as steps taken to solicit and understand the views of shareholders and stakeholders) and annual review of such policy to ensure its effectiveness?

Yes

Please give reasons for your views.

Communication with shareholders, especially minority shareholders, is important to understand what the public expects the issuer on business and governance issues.

Question 9

Do you agree with our proposal to introduce a Rule requiring disclosure of directors' attendance in the poll results announcements?

Yes

Please give reasons for your views.

Directors are highly recommended to attend issuer's affairs and especially during a poll in order to listen the shareholders' opinion.

Question 10

Do you agree with our proposal to delete the CP that requires issuers to appoint non-executive directors for a specific term?

Yes

Please give reasons for your views.

No specific comment.

Question 11

Do you agree with our proposal to elaborate the linkage in the Code by (a) setting out the relationship between corporate governance and environmental, social and governance ("ESG") in the introductory section; and (b) including ESG risks in the context of risk management under the Code?

Yes

Please give reasons for your views.

Issuers should pay more attention on ESG issues in order to bring long-term success to shareholders as a whole. Recent incident on European Super League (football) shows issuers should have take reputation risk during decision making.

Question 12

Do you agree with our proposal to amend the Rules and the ESG Guide to require publication of ESG reports at the same time as publication of annual reports?

Yes

Please give reasons for your views.

This allows investors and public understand what ESG the issuer is doing at the same time when assessing financial performance.

Question 13

Do you have any comments on how the re-arranged Code is drafted in the form set out in Appendices III and IV to the Consultation Paper and whether it will give rise to any ambiguities or unintended consequences?

Yes

Please give reasons for your views.

The revised one should be able to provide a clearer picture for issuers to follow and prepare the report.

Question 14

In addition to the topics mentioned in the Consultation Paper, do you have any comments regarding what to be included in the new guidance letter on corporate governance (i.e. CG GL) which may be helpful to issuers for achieving the Principles set out in the Code?

No

Please give reasons for your views.

No further comment.

Question 15a

Do you agree with our proposed implementation dates for all proposals (except the proposals on Long Serving INED): the financial year commencing on or after 1 January 2022?

Yes

Please give reasons for your views.

If possible, the implementation dates should be as early as possible in order to ask issuers to take governance issues more seriously.

Question 15b

Do you agree with our proposed implementation dates for proposals on Long Serving INED: the

financial year commencing on or after 1 January 2023?

No

Please give reasons for your views.

It should be on the same path as other amendments.