

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.

It is critical for company culture that issues such as accountability and communications and recognition of talent are clearly set out. Stakeholders, in addition to employees, would also wish to see a healthy corporate culture, transparency, measurement of success and overall good governance as increasing investor confidence in the company.

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.

Both these are essential tools to good corporate governance and to the maintenance of healthy practices to reflect the corporate culture.

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.

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?

No

Please give reasons for your views.

This is not necessary as views of all board members should be properly reflected in the minutes of board meetings and in written communications. It is necessary for the Listing Rules including the corporate governance code to strike the right balance between requiring good governance and over-prescribing how good governance should be implemented. The policy suggested is well intended but difficult to implement in particular as to what actions the company is expected to take in the annual review of the “effectiveness” of the policy.

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?

No

Please give reasons for your views.

We believe that it is necessary to allow flexibility for companies to conduct their business and to take a view whether long serving INED should stay on as an INED. Long serving INEDs may be able to contribute greatly to the company and it would be an unnecessary use of resources to require shareholders to vote on their continuing service to the company. We would recommend that there should be an option for companies to add another INED.

The meaning of “independent” shareholders requires clarification. All shareholders, except the relevant director himself, should be permitted to vote.

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?

No

Please give reasons for your views.

Not all companies can afford to engage the services of an additional INED. Flexibility should be given to

allow companies to replace INED.

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?

No

Please give reasons for your views.

We do not agree that having equity based remuneration gives rise to loss of objectivity. If anything, INEDs with share options would be conscientious that they must perform their duty so that the company is perceived as one with good governance.

This proposal is not consistent with the Listing Rule provisions where independence is called into question if INEDs own more than a 1% interest in a listed issuer. This latter provision envisages the holding of equity by INEDs.

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?

Yes

Please give reasons for your views.

We would argue against those who say that it may be difficult to find females to fill certain roles in a company. There are many fields where female experts/ professionals continue to be significant in numbers or in some cases, surpass the male population.

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)?

Yes

Please give reasons for your views.

We advocate setting and disclosing numerical targets and timelines. Three years should be the timeline target to achieve the gender diversity target. For numerical targets as board level of a listed issuer, we should strive for a 30% female board.

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.

Question 6d

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

Yes

Please give reasons for your views.

However, as there are social movements involving gender identification, it may be necessary to allow directors not to fill in their gender, to avoid allegations of discrimination.

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?

No

Please give reasons for your views.

It is sufficient that INEDs form a majority of the board. Further requirement to chair the NC will be a

burden to INEDs. Final recommendation of NC should be subject to board approval.

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.

We disagree with the suggestion that INEDs should be a channel of communication for shareholders. INEDs can discuss the issue raised but to be a first point of contact is too much of a burden on INEDs. Talented people will be reluctant to become INEDs.

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.

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.

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.

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.

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?

No

Please give reasons for your views.

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.

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?

No

Please give reasons for your views.

Both implementation dates should be the financial year commencing on or after 1 January 2023

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?

Yes

Please give reasons for your views.