

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?

No

Please give reasons for your views.

It is a good idea of enabling shareholders to understand the culture of issuers.

But the proposed disclosures of an issuer's culture in alignment with issuer's purpose, value and strategy are too much (particularly, the success measurements (e.g. KPI in terms of revenue growth, profit margins, etc), measures used for assessing and monitoring culture (e.g. any specific indicators such as turnover rate, whistleblowing data, etc), and discussion on company's financial and non-financial incentives which support desired culture.). In fact, there are many other factors which will affect the suggested measurements set out in the consultation paper.

It may be an alternative for the Stock Exchange to require the issuers to disclose their purpose, value and strategy and let them to disclose the alignment of their purpose, value and strategy with their culture at their own discretion.

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.

Anti-corruption is important to the good corporate governance of a company

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 policy is important to the good corporate governance of a company

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.

Issuers can set criteria of an independent director (similar to factors set out in Listing Rule 3.13) but may not be feasible to set a policy to ensure independent views since each independent non-executive director ("INED") has his/her own views. It may be subjective as to whether a view is independent. INED himself/herself may opine that his/her view is independent but other directors/issuers may feel such view is not independent.

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.

Re-election of a Long Serving INED is not a connected transaction. It is unclear of the definition of independent shareholders as set out in the proposal. In case of Long Serving INED has no connection with any shareholders (including substantial shareholders), holders of same class of shares shall have equal voting rights (that means all shareholders can re-elect the Long Serving INED). As such, the proposal by adding a word "independent" before "shareholders" in the provision may not have any effect.

The proposed Additional Disclosure can provide more information to shareholders. But it is only a form of paperwork and may not have any effect on the re-election of a Long Serving INED.

As the existing concern of Long Serving INED is not independent, it will be direct approach to set INED served more than 9 years is not consider as independent in the MB Rule 3.13.

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.

This proposal can at least required issues to invite a new INED to the board. Also, proposed a longer transitional period of implementing this change for financial year commencing 1 Jan 2023 is reasonable.

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.

For good corporate governance and from independence perspective, it is better that INED does not hold any share of an issuer. MB Rule 3.13 stated that director holds more than 1% do not consider as independent.

According to the said rationale, agreed that equity-based remuneration with performance-related elements to INEDs may lead to bias in their decision making and affect their independency.

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.

Agreed, single gender board has no diversity. This will remind issuers to appointment at least one female on the board in order to make the board diversity policy effective.

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.

Difficult for issuers to set numerical targets and timeline since gender is not the only factor for the composition of a board and workforce (including senior management).

Suggest to change this MDR to "comply or explain" so that company has a chance of get use of setting the numeric targets and timeline.

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.

To ensure the effectiveness of a board diversity policy, annual review is required.

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.

This allows Stock Exchange to have reliable information to conduct directors' gender statistics of issuers.

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.

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?

No

Please give reasons for your views.

Most of the issuers have shareholders communication policy. Therefore upgrading a CP to a MDR is reasonable. But proposed more information for understanding the board performance (particularly, company's business strategies) seems duplicate to the business review/chairman's statement in the annual report.

Also, INED is not involving in the day-to-day operation of an issuer, it is not appropriate to have a lead or senior INED to facilitate the communication between issuer and its investors.

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.

As disclosure of directors' attendance in general meeting is required in the Corporate Governance

Report, there is no problem to disclose the attendance in the poll results announcement.

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.

There is no reason of keeping the specific terms since directors are subject to retirement by rotation at least once every 3 years under the current CP.

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.

By including ESG risks in the context of risk management under new CP will provide a comprehensive risk management assessment.

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 is good for shareholders to have annual report and ESG report for the same financial period at the same time.

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 proposed change can made Appendix 14 more friendly reading

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?

Yes

Please give reasons for your views.

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.