

**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?**

**Please give reasons for your views.**

No comment

**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.**

**Question 2b**

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

**Please give reasons for your views.**

No comment

**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?**

**Please give reasons for your views.**

No comment

#### **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.**

- 1) The existing Rules, CPs and RBPs in place have already imposed enough measures to ensure independence of INEDs:
  - i) Rule 3.13: 8 factors assessing independence
  - ii) CP A 4.3 of Appendix 14: serving more than 9 years could be relevant to the determination of a NED's independence
- 2) The demand for the number of INEDs is huge:
  - i) Rule 3.10: Every board must include at least: 3 INEDs and 1 INED must have professional qualifications / accounting / financial management expertise
  - ii) Rule 3.10A: INEDs representing at least 1/3 of the board
- 3) The availability of competent persons to act as INEDs, especially of large-size listed issuers with diversified businesses is limited
  - i) Rule 3.13: 8 factors assessing independence
  - ii) RBP A.3.3 of Appendix 14: Explanation required for proposed INED is independent notwithstanding that the individual holds cross-directorships
  - iii) CP A 5.5 of Appendix 14: Explanation required for proposed INED re-elected at AGM holding 7 or more listed company directorship
- 4) INEDs of large-scale listed issuer need more time to familiarize with the group business development and operation.

#### **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.**

Please see reply to Question 4(a)

**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?**

**Please give reasons for your views.**

No comment

**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 encompasses more than simply gender. Diversity should be promoted in the broad sense and it is about the composition of a board with the right mix of skill set that will improve board effectiveness and bring long-term shareholder value. Other factors including age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service should also be considered.

**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.**

Diversity has to be promoted, but the decision must be vested on the board of each listed issuer to determine the right mix of skills sets of the board to best suit its needs. Board diversity must not be forced upon regulation. The listed issuer must consider each proposed candidates' contribution in achieving board / company's effectiveness along with the Company's development, not only meeting certain targets or timelines.

**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?**

**Please give reasons for your views.**

No comment

**Question 6d**

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

**Please give reasons for your views.**

No comment

**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?

**Please give reasons for your views.**

No comment

**Question 9**

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

**Please give reasons for your views.**

No comment

**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?**

**Please give reasons for your views.**

No comment

**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?**

**Please give reasons for your views.**

No comment

**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?**

**Please give reasons for your views.**

No comment

**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?**

**Please give reasons for your views.**

No 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.**

**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.**

See reply to Questions 4(a) and (b)