

**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.**

**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?**

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.**

The current Listing Rules, issuers' constitutional documents and applicable laws and regulations have

already conferred rights on INEDs to express their independent views and opinion while imposing onerous obligations on them to discharge their duties. Issuers are already obliged to take into account INEDs' views and opinion when deciding on corporate transactions and disclose such views/opinion where appropriate. It could be superfluous or repetitive for issuers to establish such policy which will not be as exhaustive as the aforesaid Listing Rules, constitutional documents, etc.

#### **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) Each shareholder should have equal right to vote on the reappointment of an INED. The proposed requirement will unfairly prejudice the right of the controlling shareholders, directors and chief executives of the issuers and their associates in voting for the INEDs who have served the issuers, the boards and their shareholders well over years.
- (2) The existing CP is already adequate. There is no conceivable logic or science that having 9 years of service would make an INED less independent than one with less years' of service.
- (3) There could be discrimination or biased view towards Long Serving INEDs that because of their long service, they would be more prone to losing their independence or colluding with non-independent shareholders (e.g. controlling shareholder).
- (4) Independent shareholders do not know the INEDs' merits and contribution to the boards as much as their fellow directors do and may make the wrong decision against the reappointment thereby causing harm to the issuers.
- (5) The reappointment may play into the hands of malicious minority shareholders who may use the chance to cause nuisance or disruption to the operations or governance of the issuers.
- (6) If any reappointment is not approved by the independent shareholders, the issuers will have to consume board and management resources and to undertake cumbersome procedure for looking for and appointing a new INED in order to fulfill at least the minimum no. of INEDs required by the Listing Rules. The process could take months. The situation will be aggravated if multiple INEDs' reappointments were voted down. That will certainly not be in the interest of the issuers and their shareholders, particularly for those issuers which are active where the presence of a full team of INEDs could be critical.

#### **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.**

No for requiring an issuer to appoint a new INED at the forthcoming AGM where all the INEDs on the board are Long Serving INEDs. The reasons are similar to those answers to (a) above.

Yes for disclosing the length of tenure of the Long Serving INEDs on the board on a named basis in the shareholders' circular.

#### **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.**

#### **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.**

#### **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.**

(1) Gender diversity is widely accepted but should be a naturally evolving process without coercion in the form of setting and disclosing numerical targets and timelines.

(2) There should be no gender diversity requirements on the workforce as the employees are recruited on their academic achievements, qualifications, experience, competitiveness and other merits. Certain industries and professions have naturally uneven gender proportions. Issuers know the right mix for their businesses and should not be cornered for gender diversity at the expense of their businesses and interest of their shareholders.

#### **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?**

No

**Please give reasons for your views.**

Please refer to answer (1) to (b) above.

#### **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.**

#### **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.**

- (1) Yes for requiring disclosure of the issuer's shareholders communication policy.
- (2) No for annual review of such policy. Annual review is not necessary as the policy is generally broad enough and the communication channels are common.

### **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.**

The commencement date should be deferred so as to allow more time for the issuers to make necessary preparations.

**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.**

the proposal of disclosing the length of tenure of the Long Serving INEDs on the board on a named basis in the shareholders' circular.