

Submitted via Qualtrics

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Personal view

Accountant

Question 1

Do you agree with our proposal to introduce a new Code Provision (CP) under the Corporate Governance Code (CG Code) requiring issuers without an independent board chair to designate one independent non-executive director (INED) as a Lead INED to enhance engagement with investors and shareholders?

Yes

Please provide reasons for your views.

The proposal to introduce a new CP requiring issuers to designate Lead INED when there is no independent board chair is considered as appropriate, that helps in facilitating the communication between investor and board. Apart from serving as contact point of investors or shareholders, it is suggested for Lead INED to take up more role and responsibilities. For instance, Lead INED could convene regular INEDs meetings, preferably without the involvement of senior executives to discuss any issues or concerns in the board meetings.

Question 2(a)

Regarding continuous professional development for directors, do you agree with our proposal to make continuous professional development mandatory for all existing directors, without specifying a minimum number of training hours?

Yes

Please provide reasons for your views.

Agreed but it is suggested to specify minimum training hours for exiting director to take continuous professional development (CPD) training to refresh skills in compliant with the applicable laws and regulations, since the training requirement (including training hours) should be more clearly defined and followed.

Question 2(b)

Regarding continuous professional development for directors, do you agree with our proposal to require First-time Directors to complete a minimum of 24 hours of training within 18 months following their appointment?

Yes

Please provide reasons for your views.

The approach of 24-hour training within 18 months following appointment is considered as appropriate because issuer is obligated to disclose whether First-time Directors is fulfilled within training requirements at inception within a reasonable time.

Question 2(c)

Regarding continuous professional development for directors, do you agree with our proposal to define “First-time Directors” to mean directors who (i) are appointed as a director of an issuer listed on the Exchange for the first time; or (ii) have not served as a director of an issuer listed on the Exchange for a period of three years or more prior to their appointment?

Yes

Please provide reasons for your views.

Agreed but it is suggested to consider whether the working experience of director of issuer listed in other exchange (e.g. the one in other jurisdictions) would also be qualified for First-time Directors.

Question 2(d)

Regarding continuous professional development for directors, do you agree with our proposal to specify the specific topics that must be covered under the continuous professional development requirement?

Yes

Please provide reasons for your views.

Agreed but it is suggested to include code of conduct and ethics in topics of CPD.

Question 3

Do you agree with the proposed consequential changes to Principle C.1 and CP C.1.1 of the CG Code?

Yes

Please provide reasons for your views.

The proposed consequential changes to relevant areas in the CG Code are considered as appropriate and consistent approaches for regulatory updates.

Question 4

Do you agree with our proposal to upgrade the current Recommended Best Practice (RBP) in the CG Code to a CP requiring issuers to conduct regular board performance reviews at least every two years and make disclosure as set out in CP B.1.4?

Yes

Please provide reasons for your views.

In view of importance on board performance review, the upgrade of RBP to CP is considered as appropriate since it helps in facilitating the issuer to follow and comply with provisions.

Question 5

Do you agree with our proposal to introduce a new CP requiring issuers to maintain a board skills matrix and make disclosure set out in CP B.1.5?

Yes

Please give reasons for your views.

The introduction of new CP requiring board is considered as appropriate since it is essential to align qualification and skills with the long-term strategic goal of issuer.

Question 6(a)

In relation to our proposal to introduce a “hard cap” of six listed issuer directorships that INEDs may hold, do you agree with the hard cap to ensure that INEDs are able to devote sufficient time to carry out the work of the listed issuers?

Yes

Please provide reasons for your views.

The cap is aligned with the practice run by other professional or public bodies that considered as appropriate.

Question 6(b)

In relation to our proposal to introduce a “hard cap” of six listed issuer directorships that INEDs may hold, do you agree with the proposed three-year transition period to implement the hard cap?

Yes

Please provide reasons for your views.

Agreed but it would be better to consider longer transition period since the issuers may need time to have extensive research, consultancy, arrangement of contract, change of

company policy or process etc., to cater the changes.

Question 7

Do you agree with the proposal to introduce a new Mandatory Disclosure Requirement (MDR) in the CG Code to require the nomination committee to annually assess and disclose its assessment of each director's time commitment and contribution to the board?

Yes

Please provide reasons for your views.

Agreed but it is suggested to have more guidance on the expected level of professional qualifications and working experience for the proposed annual assessment and disclosure.

Question 8(a)

In relation to our proposal to introduce a "hard cap" of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree with the proposed hard cap to strengthen board independence?

Yes

Please give reasons for your views.

The introduction of tenure for INED is considered to enhance the independency of INED in the board, since the risk of reliance to or familiarity by long serving executive for the issuer would be mitigated.

Question 8(b)

In relation to our proposal to introduce a "hard cap" of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree that a person can be re-considered as an INED of the same issuer after a two-year cooling-off period?

Yes

Please provide reasons for your views.

Resumption after two-year cooling period as INED is reasonable and practical for one to be isolated from the operation and involvement of matter in the issuer.

Question 8(c)

In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree with the proposed three-year transition period in respect of the implementation of the hard cap?

Yes

Please provide reasons for your views.

Agreed but it would be better to consider longer transition period since the issuers may need time to have extensive research, consultancy, arrangement of contract, change of company policy or process etc., to cater the changes.

Question 9

Do you agree with the proposal to require all issuers to disclose the length of tenure of each director in the CG Report?

Yes

Please provide reasons for your views.

Disclosure not only enhances the transparency of issuer, but also facilitates the investor to make informed decision.

Question 10

Do you agree with our proposal to introduce a CP requiring issuers to have at least one director of a different gender on the nomination committee?

No

Please provide reasons for your views.

The proposal to include at least one director of different gender to nomination committee is considered as unnecessary, since it is not quite practical.

Question 11

Do you agree with our proposal to introduce a Listing Rule to require issuers to have and disclose a diversity policy for their workforce (including senior management)?

Yes

Please provide reasons for your views.

The formulation of diversity policy for workplace is considered as appropriate since the mission and objective of company can be applied consistently.

Question 12

Do you agree with our proposal to upgrade from a CP to a MDR the requirement on the annual review of the implementation of an issuer's board diversity policy?

Yes

Please provide reasons for your views.

Disclosure could enhance the transparency of issuer, but also facilities the investor to make informed decision

Question 13

Do you agree with our proposal to require as a revised MDR separate disclosure of the gender ratio of: (i) senior management; and (ii) the workforce (excluding senior management) in the CG Report?

Yes

Please provide reasons for your views.

To enhance transparency and support investor to make decision, the disclosure on workforce should be included. However the gender ratio is considered as unnecessarily

disclosed.

Question 14

Do you agree with our proposal to codify the arrangements during temporary deviations from the requirement for issuers to have directors of different genders on the board as set out in draft Main Board Listing Rule 13.92(2) in Appendix I?

No

Please provide reasons for your views.

The proposal to codify the arrangement during temporary deviation is considered as unnecessary, since the requirement of including different genders in board is not quite practical.

Question 15(a)

Do you agree with our proposal to emphasise in Principle D.2 the board's responsibility for the issuer's risk management and internal controls and for the (at least) annual reviews of the effectiveness of the risk management and internal control systems?

Yes

Please provide reasons for your views.

Proposal enable the board to increase its awareness of risk and deficiency of internal control under check and balance.

Question 15(b)

Do you agree with our proposal to upgrade the requirement to conduct (at least) annual reviews of the effectiveness of the issuer's risk management and internal control systems to mandatory and require the disclosures set out in MDR paragraph H?

Yes

Please provide reasons for your views.

Proposal enable the board to increase its awareness of risk and deficiency of internal control under check and balance.

Question 16

Do you agree with our proposal to refine the existing CPs in section D.2 of the CG Code setting out the scope of the (at least) annual reviews of the risk management and internal control systems?

Yes

Please provide reasons for your views.

For the refinement existing CPs to set out scope of RMIC review, it is suggested to include

- the disclosure on reason / explanation for changes of system (if applicable) in point (a); and
- the details of non-compliance issues identified during the review in point (d).

Question 17

Do you agree with our proposal to introduce a new MDR requiring specific disclosure of the issuer's policy on payment of dividends and the board's dividend decisions during the reporting period?

Yes

Please provide reasons for your views.

Proposal on issuer's dividend policy is considered as appropriate. Yet it is suggested to have some additional disclosure on change of current dividend policy from last reporting period.

Question 18

Do you agree with our proposal to introduce a Listing Rule requirement for issuers to set a record date to determine the identity of security

holders eligible to attend and vote at a general meeting or to receive entitlements?

Yes

Please provide reasons for your views.

Setting record date of holders is considered as an appropriate security measure that facilitates the identify of person eligible for voting at a general meeting or receiving entitlement.

Question 19

Do you agree with our proposal to codify our recommended disclosures in respect of issuers' modified auditors' opinions into the Listing Rules?

Yes

Please provide reasons for your views.

Considering the consequences of undisclosed information to investor for making informed decision, it is important to codify the recommended disclosure.

Question 20

Do you agree with our proposal to clarify our expectation of the provision of monthly updates in CP D.1.2 and the note thereto?

Yes

Please provide reasons for your views.

The clarification on the expectation is considered as necessary since the provision can be clearer.

Question 21

Do you agree with our proposal to align requirements for the nomination committee, the audit committee and the remuneration committee on establishing written terms of reference for the committee and the arrangements during temporary deviations from requirements as set out in draft Main Board Listing Rules 3.23, 3.27, 3.27B, 3.27C and 8A.28A in Appendix I?

Yes

Please provide reasons for your views.

For consistency of practice and understanding, the alignment is considered as appropriate.

Question 22

Do you agree with the proposed implementation date of financial years commencing on or after 1 January 2025, with transitional arrangements as set out in paragraphs 182 to 183 of the Consultation Paper?

Yes

Please provide reasons for your views.

Agreed but it would be better to consider longer transition period since the issuers may need time to have extensive research, consultancy, arrangement of contract, change of company policy or process etc., to cater the changes.