

**Submitted via Qualtrics**

**(Anonymous)**

**Company/Organisation view**

**Listed Company**

**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?**

No

**Please provide reasons for your views.**

Given that issuers have already been required under the CG Code to disclose shareholder's communication policy which sets out clearly the channels for shareholders communicating their view with issuers, it is onerous and unnecessary to designate a Lead INED to serve as such communication channel.

An INED, being not involved in day-to-day operations, may not be an effectual communication channel for the investors and shareholders.

Besides, it is also unfair to the INED.

**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?**

No

**Please provide reasons for your views.**

Current requirements are sufficient.

**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?**

No

**Please provide reasons for your views.**

12 - 18 hours are more than enough.

**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.**

**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.**

**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.**

**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?**

No

**Please provide reasons for your views.**

We agree with the proposal to conduct regular board performance reviews. However, we object to the proposal to require onerous disclosure on details of performance review.

**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?**

No

**Please give reasons for your views.**

Such skills have already been disclosed in the biographical details of directors.

**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?**

No

**Please provide reasons for your views.**

Whether an INED devotes sufficient time and makes good contribution to a listed issuer is up to the listed issuer to judge, not simply by the number of directorships he/she may hold. Focus should be on the INED's capability, professionalism, skills and experience rather than the number of other directorships he/she holds.

Competent and experienced INEDs are difficult to find.

**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?**

No

**Please provide reasons for your views.**

N/A - Please refer to our views set out in 6(a) above.

**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?**

No

**Please provide reasons for your views.**

We disagree with the proposal. It is inappropriate to disclose the assessment which may be of a sensitive nature.

**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?**

No

**Please give reasons for your views.**

We strongly disagree with the introduction of a "hard cap" of nine years on the tenure of INEDs due to the following reasons:

1. Independence is not related to nor jeopardized by the long tenure of service.
2. A long serving INED is familiar with the issuer's business and able to make constructive independent views for setting issuer's goals and strategies.
3. An INED's ability, professionalism and knowledge should be of utmost importance rather than his/her tenure of service with the issuer.
4. Competent and well experienced INEDs are difficult to find in Hong Kong.

**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?**

No

**Please provide reasons for your views.**

N/A - Because we disagree to Question 8(a)

**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?**

No

**Please provide reasons for your views.**

N/A - Because we disagree to Question 8(a)

**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.**

**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.**

We object to the proposal. When considering the appointment of directors to the nomination committee, an issuer should focus on the skills and experiences of the committee members, but NOT their gender.

**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.**

**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.**

**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?**

No

**Please provide reasons for your views.**

Different businesses have different gender requirement. Such disclosures provide no meaningful information and may be even misleading when comparison is made.

**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?**

Yes

**Please provide reasons for your views.**

**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.**

**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?**

No

**Please provide reasons for your views.**

Agree with the annual reviews but not the detailed disclosures which are too onerous.

**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.**

**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.**

**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.**

**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.**

**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?**

No

**Please provide reasons for your views.**

It is better to allow flexibility to the issuer's management to determine what information to be provided to directors for assessment of performance and prospect of the listed issuer.

**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.**

**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.**