

SECTION 2: QUESTIONS FOR RESPONSE

Please indicate your views by providing comments as appropriate. Where there is insufficient space, please use additional sheets of paper as necessary.

HKEx's Proposal 1: Revise HKEx Stress Testing Assumptions

Questions	
1.	<p>Do you support the proposed revision of the Price Movement assumptions in stress testing?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No } No Comment</p> <p>Please provide reasons for your response and include any other suggestions or comments you may have on this question:</p>
2.	<p>Do you support the proposed revision of the Counterparty Default assumption in stress testing?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please provide reasons for your response and include any other suggestions or comments you may have on this question:</p> <p>- We suggest the assumption should be tailor-made and based on individual CP's total exposures on market shares (i.e. by category), with different risk weights for different category of securities, and financial strength.</p>

HKEx's Proposal 2: Introduce Margining and Dynamic Guarantee Fund in HKSCC

Questions

3. Do you agree with the proposed margining arrangements at HKSCC?

- ☐ Yes
☐ No
- } N/A

Please provide reasons for your response and include any other suggestions or comments you may have on this question:

- N/A

4. Do you agree with the proposed Dynamic GF model at HKSCC?

- ☐ Yes
☐ No
- } N/A

Please provide reasons for your response and include any other suggestions or comments you may have on this question:

- N/A

HKEx's Proposal 3: Revise HKCC Reserve Fund Calculation

Questions

5. Do you support the proposed revisions to the HKCC Collateral assumption?

☒ Yes

☐ No

Please provide reasons for your response and include any other suggestions or comments you may have on this question:

6. Do you support the use of HKCC Contingent Advance in relieving burden of CPs?

☐ Yes

☐ No

} No Comment

Please provide reasons for your response and include any other suggestions or comments you may have on this question:

7. What is your view on allowing RF contribution to be counted as liquid capital? Will this help your company in terms of reducing liquid capital funding burden?

- RF contribution should be allowed to be counted as liquid capital to alleviate impact on CPs in arranging additional resources to meet the liquid capital obligation.

HKEx's Proposal 4: Revise SEOCH Reserve Fund Calculation

Questions

8. Do you support the proposed revisions to the SEOCH Collateral assumption?

- ☐ Yes }
☐ No } N/A

Please provide reasons for your response and include any other suggestions or comments you may have on this question:

- N/A