

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes and provide reasons to support your views. Where there is insufficient space, please attach additional pages as necessary.

1. Do you agree that the Hong Kong market should not adopt a model without a halt in trading after the release of PSI during trading hours (i.e. the UK model as described in paragraph 48)?

Yes

No

Please give reasons for your views.

Having a trading halt after the release of PSI during trading hours will allow investors time to evaluate the content of the announcement before making a more informed investment decision.

2. Do you agree with our proposal to allow publication of PSI announcements on the HKExnews website during trading hours subject to a short trading halt?

Yes

No

Please give reasons for your views.

Having a trading halt after the release of PSI during trading hours will allow investors time to evaluate the content of the announcement before making a more informed investment decision. We also agree that the PSI announcements should be made available in a centralised and readily accessible location, such as the HKExnews website.

3. Do you agree that the maximum period for which a trading halt may be granted is two trading days and the trading halt will be treated as suspension thereafter if the issuer fails to publish the PSI announcements by end of the following trading day after the trading halt is imposed?

Yes

No

Please give reasons for your views.

We feel that trading halt lasting for two trading days is too long and may create too much uncertainty and interruptions to trading in the market. We suggest that the maximum trading halt should be one trading day.

4. Do you agree that results announcements should be published during the existing publication windows as far as possible?

Yes

No

Please give reasons for your views.

Given the large volume of results announcements, we agree that they should be published during the existing publication windows as far as possible, so that interruptions to trading can be kept to a minimum.

5. Do you agree that the existing arrangement for non-PSI announcements to be published outside trading hours should remain unchanged?

Yes

No

Please give reasons for your views.

We are indifferent with the existing arrangement.

6. Do you agree that the trading halt should not apply to dually listed issuers under the circumstances as described in paragraph 57 above?

Yes

No

Please give reasons for your views.

Trading halt should apply to all listed issuers on the HKEx.

7. What is the minimum period for a trading halt after the publication of PSI announcement?

30 minutes

45 minutes

60 minutes

Other, please specify and give reasons

8. Do you agree that trading halts should be lifted at regular intervals?

on the quarter hour

on the half hour

Other, please specify and give reasons

9. Do you agree that at least 30 minutes of trading should be provided after lifting of a trading halt?

Yes

No

Please give reasons for your views.

We agree at least 30 minutes of trading should be provided after lifting of a trading halt, so that the investors have enough time to trade after digesting the PSI announcement.

10. Do you agree with the proposed notification arrangements for the trading halt and resumption information as set out in paragraph 64?

Yes

No

Please give reasons for your views.

We agree that a robust notification arrangement is necessary to ensure such information is disseminated out on a timely basis.

11. Do you agree that all existing orders of the securities entered before a trading halt or a suspension be purged by the Exchange at time of the halt?

Yes

No

Please give reasons for your views.

We agree that all existing orders of the securities entered before a trading halt or a suspension be purged by the Exchange at time of the halt, so that it would not be unfair to investors who have existing orders in the trading system, as the order price may not reflect the newly disseminated information.

12. Do you agree that all existing orders of the Exchange's stock options / futures market practices should remain unchanged (i.e. all outstanding orders will be purged automatically by the system at the time of trading halt of the underlying stocks)?

Yes

No

Please give reasons for your views.

We agree that the current Exchange's stock options/futures market practices should remain unchanged to be consistent with the treatment of the underlying stocks.

13. Do you agree with the implementation of a single price auction upon lifting of a trading halt?

Yes

No

Please give reasons for your views.

We agree that the implementation of a single price auction upon lifting of a trading halt is necessary to facilitate price discovery after the release of PSI announcements.

14. Do you agree with the implementation of a single price auction also applies for trading resumption at the commencement of afternoon trading session upon lifting of a trading halt following the release of a PSI announcement during the lunch publication window?

Yes

No

Please give reasons for your views.

A single price auction is necessary to facilitate price discovery after the release of a PSI announcement during the lunch publication window.

15. Do you agree that if an issuer has not requested for any trading halt or suspension of its securities and is able to maintain the confidentiality of the PSI announcement before releasing it during the lunch publication window, in these circumstances the single price auction will apply to the issuer's securities?

Yes

No

Please give reasons for your views.

A single price auction is necessary to facilitate price discovery after the release of a PSI announcement during the lunch publication window. However, since no trading halt or suspension will apply to the security, the Exchange should ensure that market participants are made aware of the single price auction.

16. Do you agree that a single price auction will only apply to securities traded in the securities market upon lifting of a trading halt of the underlying?

Yes

No

Please give reasons for your views.

We agree that a single price auction is also necessary for price discovery purpose for all securities traded in the securities market, as the release of PSI announcements on the underlying security will have price impact on its other related securities traded in the securities market.

17. Do you agree with the proposed duration of the mid-session auction (i.e. 10 minutes)?

Yes

No

Please give reasons for your views.

18. How much lead time would be required after the relevant system specifications were available to prepare for the implementation of trading halts?

Three months

Six months

Other, please specify and give reasons

- End -