

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.

We think that listed companies should have the option of releasing PSI without a trading halt or of requesting a trading halt before the issue of PSI. Existing use of the former option in Hong Kong by certain dually listed companies, at least one of which is heavily traded in Hong Kong, would suggest that it does not in practice result in retail investors being disadvantaged by having unequal access to PSI. The latter option would be useful where a listed company knows that it will shortly be releasing PSI but cannot do so immediately because, for instance, the terms of a transaction are still being finalised.

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.

See our answer to question 1 above.

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.

Two trading days should be sufficient for a listed issuer to finalise an announcement of PSI.

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.

We see no reason why results announcements should be treated any differently from other announcements of PSI, as to which see our response to question 1 above.

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 see no reason why announcements of non-PSI should be treated any differently from announcements of PSI, as to which see our response to question 1 above.

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.

We have no firm views on this question, but would observe that, if our suggestion (in our answer to question 1 above) that listed companies should have the option of announcing PSI without a trading halt is followed, there would (and this is desirable) be a level playing field between single and dually listed issuers.

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

Our answer is without prejudice to our suggestion (in answer to question 1) that listed companies should have the option of announcing PSI without a trading halt.

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

Our answer is without prejudice to our suggestion (in answer to question 1) that listed companies should have the option of announcing PSI without a trading halt.

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 have no firm views on this point, but saying this is without prejudice to our suggestion (in answer to question 1) that listed companies should have the option of announcing PSI without a trading halt.

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 with the reasons given in paragraph 64. The notification arrangements should also apply if our suggestion (in answer to question 1) that listed companies should have the option of announcing PSI without a trading halt is followed.

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 have no firm views on this point (which might not in any event arise if our suggestion in answer to paragraph 1 is followed).

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 have no firm views on this point (which might not in any event arise if our suggestion in answer to paragraph 1 is followed).

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 have no firm views on this point (which might not in any event arise if our suggestion in answer to paragraph 1 is followed).

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.

We have no firm views on this point (which might not in any event arise if our suggestion in answer to paragraph 1 is followed).

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.

We have no firm views on this point (which might not in any event arise if our suggestion in answer to paragraph 1 is followed).

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 have no firm views on this point (which might not in any event arise if our suggestion in answer to paragraph 1 is followed).

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.

We have no firm views on this point (which might not in any event arise if our suggestion in answer to paragraph 1 is followed).

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 -