

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 agree that sufficient time should be given to the public to review the news and assess its impact.

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.

We support the idea that PSI to be released and disseminated to the investing public at the soonest possible and that sufficient time is provided for information digestion.

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.

It is not clear in the consultation paper that the suspension policy will remain unchanged with the introduction of trading halt (ie. Resumption arrangement after a suspension in the afternoon trading session).

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.

Publishing results announcement during existing publication windows allows investors / traders to focus on the market during trading hours

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.

This will avoid traders/investors being flooded by market news during trading hours

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.

Stocks listed in HK should follow the local trading halt mechanism. Exemptions should not be given to the dually listed issuers mentioned in paragraph 57.

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

Align with existing suspension arrangement.

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

This allows traders/investors sufficient time to check for possible resumptions.

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.

Sufficient trading time should be provided after the release of PSI.

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.

The Exchange should also facilitate Market Data vendor to disseminate related information (ie. halt time, resumption time, etc) timely.

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.

Orders entered before a trading halt should be purged by the Exchange at the time of halt. HKEx should provide data feed to brokers indicating the orders cancelled by the Exchange. Orders entered before a suspension should however follow the existing practice as described in paragraph 42 and 43.

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.

Market making of related warrant, CBBC, options and the trading of related stock options and stock futures should resume after the completion of single price auction of the underlying shares.

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.

To promote a fair trading environment after a trading halt.

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.

The same arrangement should be used for resumption in the morning and afternoon trading sessions for consistency.

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.

The same mechanism (ie. single price auction prior to continuous trading) should be applied to all instances where PSI information is released to ensure fair trading regardless the time of whether an announcement is made during the lunch publication window or following a halt within trading hours.

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.

The single price auction should not be applied to structural products or derivatives products

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.

10 minutes would be sufficient.

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

At least 6 months depending on the complexity of the finalized trading halt arrangement.

- End -