

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 support the argument relating to the characteristic of the Hong Kong securities market as described in paragraph 49 of the Consultation Paper.

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.

This will give the investing public some time to evaluate the PSI announcements and make necessary investment decisions before trading resumption of the relevant securities.

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.

The proposed two trading days as the maximum duration of the trading halt sounds arbitrary. "Trading halt" literally means "a short trading interruption" and the investing public may expect trading of the securities to be resumed on the same day or at most, the commencement of the next trading session. The Consultation Paper fails to explain the purpose and rationale of the proposed treatment.

Further, it is logical to expect that at the time when an issuer applies for a trading halt (as opposed to a trading suspension), (1) there should have been no leakage of the PSI and (2) a PSI announcement should have been prepared and be ready for publication, or else the issuer should go for a trading suspension instead due to the leakage and/or the uncertainty in respect of the timing for the release of the PSI announcement.

Based on the above, we suggest that the maximum duration of the trading halt to be 30 minutes instead.

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.

This could avoid or minimize unnecessary interruptions to the trading of the securities.

Further, trading halts are intended to provide the market with information relating to unexpected price-sensitive events, as opposed to scheduled price-sensitive events, the release of which should be done outside trading hours so as to minimise trading interruptions.

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.

Given that non-PSI announcements should not contain information which may affect the investment decisions of the investing public, the reason set out in paragraph 56 of the Consultation Paper does not support the proposal to maintain the status quo. We fail to see the rationale of not allowing non-PSI announcements to be published during trading hours, whereas PSI announcements would be allowed to be published both during and outside trading hours.

However, we appreciate that the Exchange may need to consider and overcome certain technical or administrative hurdles in respect of the electronic publication system in the event that non-PSI announcements are also allowed to be published 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.

We support the argument set out in paragraph 58 of the Consultation Paper.

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

Based on the reasoning set out in our response to Question 1 above - we suggest that the maximum duration of the trading halt to also be 30 minutes.

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.

This could leave some time for the investing public to trade, which justifies the lifting of a trading halt on that same day.

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 proposed arrangements will be useful to the investing public if the information to be contained in the separate information page can be published in a timely manner, i.e. simultaneous dissemination.

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.

The same current practice that applies to a trading suspension should apply to trading halt.

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.

Please see our response to Question 11 above.

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.

Please see our response to Question 11 above.

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.

Please see our response to Question 11 above.

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.

Please see our response to Question 11 above.

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.

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 -