

## 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.

This is because the UK investors are predominantly institutional investors who are expected to be able to access and digest information quickly while Hong Kong market has a relative large retail investor base and the trading halt would give such retail investors time to evaluate the information.

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.

Allowing trading to resume after publication of announcements during trading hours would allow investors to deal with the securities promptly after all material information relevant to a security's value has been released. This will bring Hong Kong in line with international market practices.

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 issuer requesting for trading halts should have their PSI announcements ready for publication as soon as practical. Thus, the duration of two trading days is sufficient.

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.

The trading halt is not applicable to results announcements because of the large volume of results announcements, in particular during certain periods throughout the year and in other overseas exchanges, the results announcements are published outside 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.

It is noted that non-PSI announcements account for a significant number of total announcements published and such non-PSI announcements are not required an urgent attention of the investors.

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.

Such dually listed issuers can apply to the Stock Exchange for waivers from compliance in same manner as the current practice.

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

It is sufficient for investors to evaluate the information contained in PSI announcement.

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

Trading resumption takes place on a half hour interval for better market awareness and ease of administration.

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 gives sufficient time for entering and matching trading orders of securities.

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.

A separate information page through different Hong Kong stock exchange system channels including the HKExnews website to provide information about when and where announcements are released and the timing of any trading resumption can ensure that market users access such information on a timely manner.

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.

All orders of the securities entered before a trading halt or a suspension to be purged at the time of the halt will put all investors on an equal footing upon the lifting the trading halt.

12. Do you agree that all existing 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.

Same as stated in paragraph 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.

No particular views on this question.

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.

No particular views on this question.

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.

No particular views on this question.

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.

No particular views on this question.

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.

No particular views on this question.

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

The 3-month period is sufficient for brokers to handle such changes.

- End -