

Signature (with Company Chop if the response represents company view)

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.

A halt is important to enable investors to read and evaluate the information (i.e. price sensitive information) before trading resumes and it is flexible for the time of resumption compared with the existing system of suspension as trading resumption is allowed during trading hours.

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 is the way that investors can access the PSI information in a timely and effective manner. It helps to keep the suspension of trading as short as possible.

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 maximum of 2-day trading halt is in line with the leading overseas market practices and there is a need for issuers' announcements to be more timely disseminated while the duration of any suspension should be kept as short as possible.

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.

Board meeting dates are published at least seven working days in advance and it is sufficient for investors to be aware of the date of results announcement. Suspension should not be required for the publication of results announcements.

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 agree the existing arrangement should remain unchanged so as to avoid overflow of information.

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.

In order to avoid putting Hong Kong investors at a disadvantage in terms of information access and trading opportunity, no trading halt should be in place and agreed the granting of waivers to the dually listed issuers to publish PSI announcement during trading hours without a trading halt is required. If the circumstances allow, PSI announcement should be published in both markets simultaneously and thus trading should be resumed after a short trading halt.

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

A minimum of 30-minute halt strikes a balance between allowing investors to digest the published PSI and giving them the opportunity to trade.

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

It is easier to manage if the regular intervals set on the half-hour basis. Investors would have an expectation and would be able to check at intervals for possible resumption.

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.

In order to give investors sufficient time and opportunity to trade after lifting of a trading halt, at least 30 minutes of trading is required. The proposal may also provide more accurate intraday prices in 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.

The proposed notification arrangements can improve market awareness and reduce risks that investors may overlook the release of PSI announcement.

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.

Purging all orders before a trading resumption would serve as a precautionary measure and it can put investors on an equal footing.

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.

The existing practice can maintain a fair and orderly market.

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.

For the purpose of price discovery, a 10-minute single price auction is required after the lifting of 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.

We agree to the proposed implementation as for consistency purpose.

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 believe that measures to ensure no leakage of confidential information during lunch publication window are required.

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 proposal can provide more accurate intraday prices in securities since price discovery would occur once all material information relevant to a security's value has been released.

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.

The proposed duration will be more efficient to facilitate the price discovery.

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

Market participants have long been geared to current suspension and resumption arrangements. Hence it may be proper to have more time for market readiness.

- End -