

## SECTION 2: QUESTIONS FOR RESPONSE

Please indicate your views by providing comments as appropriate. Where there is insufficient space, please use additional sheets of paper as necessary.

### HKEx's Proposal:

- HKEx is proposing an after-hours trading session for the futures market (T+1 Session). The opening time of the T+1 Session will be 30 minutes after the close of the regular trading session (T Session), i.e. 4:45 p.m. for Hang Seng Index futures and H-shares Index futures and 5:30 p.m. for gold futures. The T+1 Session will end at 11:15 p.m.
- All trades transacted in the T+1 Session will be registered as T+1 Trades and will be cleared and settled on the following trading day.
- At the initial stage, Hang Seng Index futures, H-shares Index futures and gold futures will be traded in the T+1 Session. Other derivatives products might be considered at a later stage.
- HKEx will manage the risk of after hours trading through appropriate regular, ad-hoc and/or real time monitoring during the T+1 Session and via a new mandatory variation adjustment and margin call following the market open of each T Session and payable by 11:00 a.m.

### Questions

1. Do you agree with the proposal to introduce after-hours futures trading?

Yes, please state your views: \_\_\_\_\_

---

---

---

---

---

No, please specify your concerns and impact to you or to the market:

No, please see Q2 for answers.

---

---

---

---

---

2. Do you have any comments or concerns on:

a) the proposed trading arrangements?

Additional trading staffs are required for the extended session. Cash equity market is closed and no reference can be made between futures and cash markets during the extended sessions

---

---

b) the proposed clearing arrangements?

The handling of client cash deposits/withdrawals during the extended session while banks are closed. If trades are considered as T+1, are IM and MM required during the extended sessions?

---

c) the proposed risk management arrangements?

No hedging can be done while cash equity market is closed. The settlement arrangement of margin call while banks are closed

---

d) the use of the Calculated Opening Price as the basis for the proposed mandatory variation adjustment and margin call?

Unable to comment as definition of "Calculated Opening Price" is not available

---

3. Are there any other issues regarding the Proposal that HKEx should consider?

The trading might be thin and could be subject to market / price manipulation.

---