

## 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: \_\_\_\_\_

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

The proposed introduction of after-hours futures trading would seriously affect the current trading arrangement for retail investors who are satisfy with current trading hours. The proposed arrangement would constitute an unfair advantage to institutional investors whereas the later would have sufficient personnel to monitor / supervise and trade on their portfolios in the extended hours.

Moreover, the initial stage ignores the interest of Mini-HSI futures, any movements in the after-hours market would seriously jeopardise, or increase the risk of those mini-HSI futures holders and they cannot manage their risk exposure at this initial stage.

2. Do you have any comments or concerns on:

a) the proposed trading arrangements?

The proposed change would cause local investors unable to monitor / hedge their trading positions due to volatile market conditions may arise during local investors daily resting hours.

b) the proposed clearing arrangements?

No Comments

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c) the proposed risk management arrangements?

No Comments

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

No Comments

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

We should keep the newly implemented trading hours to run for a period of time, in-line with China A-share markets trading hours' arrangement.

The proposed change of after-hours trading could be applied to products that are currency related, for example, RMB related financial products, this would be more in-line with international practice for the interrelationship between Cash Market and Future Market

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