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:_Overall this should be positive for the market, for clients and for brokers. In terms of managing this, MF Global already has a night desk servicing our clients for overseas markets. There are some operational and IT aspects that need to be addressed before this commences. ☐ No, please specify your concerns and impact to you or to the market:

2. Do you have any comments or concerns on:

a) the proposed trading arrangements?

___In principle this is positive and should not be problematical for MF Global.

b) the proposed clearing arrangements?

____These appear feasible especially as the T+1 clearing session does not provide for T session clearing post 18.45pm. There maybe some detailed operational processes that require further study.

c) the proposed risk management arrangements?

_The CBPL monitoring needs to be addressed. In times of high volatility during the T+1 session, how is the CBPL going to be monitored? At present, practically this can only be done on a once a day basis. Also given that the banking system is not open for brokers to collect/pay margins, there maybe risk that a highly volatile environment (during T+1) could affect clients/brokers ability to trade.

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

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

_____Client agreements require amendments to reflect valid instructions from clients (e.g. after close of trading).____

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