

## 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: After-hours trading can provide our clients to hedge or adjust their cash market positions in HKEx's futures market after regular trading hours and attract more clients to participate in Hong Kong market so that it would add our business. Considering the experience for our company on providing global futures trading service, it is reliable for us to manage the risk for after-hours trading.

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?

Arrangement of trading T+1 Session is reasonable for brokers and investors, including Hong Kong, European and US investors, to trade HHI and HSI futures. The proposed trading session cover the most active trading period in the European and US market.

b) the proposed clearing arrangements?

It might not be sufficient to conduct post-trade activities for T+1 Session trade, though there are two time windows.

c) the proposed risk management arrangements?

No comment

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

It is reasonable to use the Calculated Opening Price as the basis for mandatory VA and margin call.

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

If AHFT is introduced by phases, our company can adjust the operation, arrange sufficient recourses and train the staff involved in after hours trading business.