

## 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.

HSBC requires the ability to make PSI announcements when we are required to do so under UK regulation (i.e. as soon as possible at any time). Our preference would be for there to be no break in trading in Hong Kong. For dual listed issuers, Hong Kong investors can be disadvantaged if they are unable to transact following a PSI announcement while trading is ongoing in another market. As such, if a pause in trading is deemed to be required as a market practice in Hong Kong, that pause should be as short a period as possible.

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.

Please refer to our views in item 1.

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 length of any trading halt should be as short as possible and as such would not be expected to be a period over several days. It is for the Exchange to determine the boundary between a trading halt and a suspension.

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.

In our view, an issuer should be able to make all announcements as soon as the information is known or agreed, including during trading hours.

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 do not see any negative effect from the publication of non-PSI announcements within trading hours.

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.

The question should relate to the market's ability to assimilate PSI and continue trading following a PSI announcement during trading hours. Whether the market can or cannot assimilate PSI without some form of a break in trading is a market-wide issue unrelated to an issuer's listings on other exchanges. The logic of a two-speed approach for dual listed issuers would need to be carefully considered. Our preference would be for there to be no break in trading in Hong Kong. For dual listed issuers, Hong Kong investors could be disadvantaged if there were a trading halt while trading was ongoing in another market.

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

It should be the shortest period possible.

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

We have no objection to the lifting of trading halts at regular intervals for better market awareness and ease of administration. However, the intervals should be kept as short as possible.

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.

Please see other responses.

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.

We support mechanisms that enable investors to check news release in relation to trading halts.

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.

This is a question for market participants rather than a listed issuer.

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.

This is a question for market participants rather than a listed issuer.

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.

This is a question for market participants rather than a listed issuer.

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.

This is a question for market participants rather than a listed issuer.

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.

This is a question for market participants rather than a listed issuer.

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.

This is a question for market participants rather than a listed issuer.

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.

This is a question for market participants rather than a listed issuer.

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

This is a question for market participants rather than a listed issuer.

- End -