



The Stock Exchange of Hong Kong Limited
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Our Ref: CRO20130312-005

15 March 2013

To: Main Board Listed Issuers (Attn: Authorised Representatives)
GEM Listed Issuers (Attn: Authorised Representatives)
Market Practitioners

Dear Sirs

Consultation Conclusions on Trading Halts

We have published today the Consultation Conclusions on Trading Halts. The consultation found a majority of respondents supported the proposal to allow a listed issuer's inside information¹ announcement to be released during the Exchange's trading hours subject to a short trading halts.

On 27 July 2012, the Exchange published a consultation paper to seek market views on a proposed model for implementing a trading halt that would allow publication of inside information announcements during trading hours subject to a short trading halt in shares of the issuer. The consultation period ended on 8 October 2012.

The Exchange received a total of 58 submissions from listed companies, professional bodies/industry associations, Exchange Participants, broker associations and individuals. The Exchange thanks the respondents for sharing their suggestions and views.

The consultation paper and consultation conclusions are available on the HKEx website along with copies of respondents' submissions.

We are aware of that the implementation of trading halt proposals, particularly the mid-session auction proposal would involve significant changes to Exchange Participants' systems and operations. In view of the concerns raised by some respondents on the change efforts required, we consider that implementation of the trading halt proposals should coincide with the rollout of other upcoming major market infrastructure initiatives. This is to minimize the development and testing efforts to the market systems.

¹ Following the Listing Rules changes consequential on the statutory backing to issuers' continuing obligation to disclose inside information effective on 1 January 2013, the term "price sensitive information" has been replaced with the term "inside information" in the consultation conclusions.

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We shall provide sufficient lead time to the market for preparation. As a result, implementation of the trading halt proposals will not be earlier than mid-2014. A possibility under consideration is to introduce trading halts as part of the Exchange's new Orion Trading Platform infrastructure. The implementation date and schedule will be announced in due course.

Yours faithfully
For and on behalf of
The Stock Exchange of Hong Kong Limited

[Signed]

David Graham
Chief Regulatory Officer and Head of Listing