

PART B: DETAILED QUESTIONS FOR RESPONSE

Please indicate your preference by providing comments as appropriate. Where there is insufficient space, please attach additional pages as necessary.

- (1) Do you support Approach 1, Approach 2, Approach 3 or suspending the CAS as a whole? Please state.
Suspense CAS indefinitely.

- (2) If Approach 1 is adopted,
 - (i) Do you prefer the price limit to be set at 5%, 10% or other percentages?
Set at 3%.

 - (ii) How much lead time would your firm require for its implementation?
Immediate implementation.

- (3) If Approach 2 is adopted,
 - (i) Do you prefer the price limit to be set at 10 spreads, 24 spreads or other spreads?
Set at 10 spreads is acceptable.

 - (ii) How much lead time would your firm require for its implementation?
With immediate effect.

- (4) If Approach 3 is adopted,
 - (i) Do you prefer the outstanding orders priced outside the pre-set range to be cancelled instead of carrying forward to the CAS?
Carry forward.

(ii) For securities without the day high and day low prices at 4 pm, do you prefer disallowing order input during the CAS for these securities or not imposing a price control limit at all?

Disallowed.

(iii) Do you prefer the price control limit to be set at 0 spreads (i.e. simply using the day high and day low prices as limit), 10 spreads or other spreads above the day high and below the day low prices?

8 spreads.

(iv) How much lead time would your firm require for its implementation?

With immediate effect.

(5) If suspension of the CAS is adopted, how much lead time would your firm require for its implementation?

Right away.

(6) Do you have other proposed measures to reduce price volatility during the CAS or other comments or suggestions regarding the CAS? Please state.

CAS is not suitable for HK, on the ground that most investors cannot really participate. In many occasions, it doesn't reflect a fair condition of the market or the health of the individual stocks.

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