

PART 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.

Section I: HKEx's Proposal

Change (A): Advance the morning continuous trading session (CTS) by 0.5 hours. The morning CTS of the securities and stock futures/options markets will open at 09:30 and close at 12:00; the index futures/options markets will open at 09:15 and close at 12:00 (i.e. our markets will open at the same time as the Mainland's in the morning).

Change (B): Advance the opening times of the afternoon CTS:

Option 1: the afternoon CTS of all markets will open at 13:00 resulting in a 1-hour lunch break from 12:00 to 13:00 (i.e. our markets will open at the same time as the Mainland's in the afternoon); or

Option 2: the afternoon CTS of all markets will open at 13:30 resulting in a 1.5-hour lunch break from 12:00 to 13:30 (i.e. our markets will open 0.5 hours later than the Mainland's in the afternoon).

1. Do you/your company support *Change (A) of the Proposal*, i.e. advance the morning CTS by 0.5 hours?

Yes, due to reason(s) stated below (multiple selection allowed):

- Better price discovery
- Enhanced compatibility with the Mainland
- Better service to investors
- Strengthened competitiveness
- Other reason(s), please specify:

No, due to reason(s) stated below (multiple selection allowed):

- System/operational issues
- Insufficient time to digest market news before market open
- Business commitments (e.g. morning briefings)
- Longer and earlier working hours
- Other reason(s), please specify:

2. Do you/your company support **Change (B) of the Proposal**, i.e. advance the opening times of the afternoon CTS?

Yes, due to reason(s) stated below (multiple selection allowed):

- Better price discovery
- Enhanced compatibility with the Mainland
- Better service to investors
- Strengthened competitiveness
- Other reason(s), please specify:

No, due to reason(s) stated below (multiple selection allowed):

- System/operational issues
- Insufficient time to digest market news before market open
- Business commitments (e.g. lunch meetings with clients)
- Change of lunch practice
- Other reason(s), please specify:

3. Which of the **two options of Change (B) of the Proposal** would you prefer:

- Option 1: the afternoon CTS of all markets will **open at 13:00 resulting in a 1-hour lunch break from 12:00 to 13:00** (i.e. our markets will open at the same time as the Mainland's in the afternoon)
- Option 2: the afternoon CTS of all markets will **open at 13:30 resulting in a 1.5-hour lunch break from 12:00 to 13:30** (i.e. our markets will open 0.5 hours later than the Mainland's in the afternoon)

As a Chamber representing listed companies, our view is that the impact of the duration of the lunch break is relatively small compared to other market participants. Hence, we do not have a strong opinion on whether the lunch break should be 1 hour or 1.5 hours. Either way is fine with us. The effects of a shorter lunch break to listed companies, as the consultation paper pointed out, is the reduction of the window for publishing announcements. But we agree to the observation that most companies are publishing either before the market opens in the morning or after the market closes in the afternoon. So the impact is small. For those companies who prefer or need to put out announcements during the lunch break, such as results announcements, they could still do so with better

preparation and time planning. So this is not infeasible either.

4. *(For respondents representing your company's view)*
If Changes (A) and (B) in the Proposal are adopted, does your company need to prepare for implementation? How much *lead time* would be required?

N/A

Section II: Auction Sessions

No change in the auction sessions except that they will move along with the CTS as follows:

- **Morning auction sessions for securities market and index futures/options markets will become 09:00 to 09:30 and 08:45 to 09:15 respectively; and**
- **Afternoon auction session for index futures/options markets will become 12:30 to 13:00 (Option 1) or 13:00 to 13:30 (Option 2).**

5. If *Change (A)* is adopted, should the *morning auction sessions* remain *0.5 hours*? If not, what is your/your company's suggestion? Please state reason(s).

We agree.

6. If **Change (B)** is adopted, should the **afternoon auction session** remain **0.5 hours** for Option 1 and Option 2? If not, what is your/your company's suggestion? Please state reason(s).

We agree.

Section III: Other issues

7. Are there any other issues regarding the Proposal to change trading hours that HKEx should consider?

We observe a potential operational issue on days of typhoon signal No. 8 or black rainstorm, particular to the afternoon trading session. The current Exchange rules state that if these signals are lowered after the pre-opening and at or before 12 noon, the afternoon trading session will resume. In the scenario of an afternoon session that starts earlier, either at 1 p.m. or 1:30 p.m., the current timeline would not give sufficient time for employees of brokerage firms to get back to office in time for the afternoon session. The Exchange would need to look at the whole typhoon and black rainstorm arrangements in light of the new commencement time of the afternoon session.

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