

**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:

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*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:

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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:

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**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:

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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)

Remarks: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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?  
*No infrastructure change is needed*

**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).

*It should remain 0.5 hours*

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).

*It should remain 0.5 hours*

**Section III: Other issues**

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

*Longer trading hours to have more overlaps with European markets*

I am writing this email to explain our suggestion to extend the market hours to have more overlap with Europe. HK market opening prices are quite correlated to the overnight movement in Europe and US. Instead of reflecting the lagging pricing information in the next day, it can be minimized by extending the market hours. There are news related to stocks which trade in both HK and Europe, e.g. HSBC, Standard Chartered bank...etc, and European economic figures announce at around 4 – 6pm HK time. These overnight movement information is particularly important on expiry day, as the exercise decision largely depends on expected movement. The more overlap HK trading hours with the European and US trading hours, the less uncertainties in exercise decision.

In addition, this also in line with

~~~~~ Quoted from Exchange consultation paper P. 7

***To Strengthen Our Competitiveness by Narrowing the Gap between Our Opening Times and those of Our Regional Competitors***

**13. We should ensure the Hong Kong market is not disadvantaged due to our late openings.** Today, our opening times are the latest in the region and we have the shortest trading hours among global exchanges; hence our price discovery function during the market open in the morning for overnight market information may be compromised.

**14. Direct competition from other regional markets may become more significant over**

**time.** Many of our ETFs and some equities are cross-listed on other regional exchanges, which also trade structured products on Hong Kong stocks. Furthermore, with some regional markets following the direction of the US and European markets, new platforms such as regional broker internalisation systems, Electronic Crossing Networks and Dark Pools could be launched trading either Hong Kong stocks or depositary receipts on Hong Kong stocks. The proposed trading hours will also extend our overlap with the stock exchanges in Japan, Taiwan and Singapore and facilitate trading strategies among these markets.

**15. It is important for us not only to overlap our trading hours with the Mainland's but also to**

**be compatible with the rest of the world if we wish to function fully as the international financial centre of China.**

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