

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)

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?

Yes, the lead time is around 1 month for preparation.

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 suggest shortening the morning auction sessions to 15 minutes for securities market. There is a 10 minutes break from 9:50 to 10:00 under current practice. We view the break can be shortened. In addition the auction sessions in Mainland is 15 minutes from 9:15 to 9:30. Therefore we suggest the morning auction sessions for securities also starts from 9:15, lasts for 15 minutes, finish at 9:30, and followed by continuous trading sessions starting at 9:30.

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).

Section III: Other issues

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

We also suggest extending the afternoon trading hour to close at 5pm. Under proposal Option 2, there are 5 hours of trading in securities market. This is still less than that of Australia (6), New York, Nasdaq and Singapore (6.5), and also that of London (8+). By extending the trading hour to 5pm, there will be 6 hours of trading. This will be more comparable with Australia, New York, Nasdaq and Singapore.

Lastly, extending closing time to 5pm can pave for any future plans to move into 24 hours trading. The trading times of securities market in HK have been at its current status for almost 20 years. Given the advancement in technology and connectivity in settlement and clearing, HKEx might as well consider extending the closing time to 5pm.