

Signature (with Company Chop if the response represents company view)

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes and provide reasons to support your views. Where there is insufficient space, please attach additional pages as necessary.

1. Do you agree that the Hong Kong market should not adopt a model without a halt in trading after the release of PSI during trading hours (i.e. the UK model as described in paragraph 48)?

Yes

No

Please give reasons for your views.

2. Do you agree with our proposal to allow publication of PSI announcements on the HKExnews website during trading hours subject to a short trading halt?

Yes

No

Please give reasons for your views.

3. Do you agree that the maximum period for which a trading halt may be granted is two trading days and the trading halt will be treated as suspension thereafter if the issuer fails to publish the PSI announcements by end of the following trading day after the trading halt is imposed?

Yes

No

Please give reasons for your views.

4. Do you agree that results announcements should be published during the existing publication windows as far as possible?

Yes

No

Please give reasons for your views.

5. Do you agree that the existing arrangement for non-PSI announcements to be published outside trading hours should remain unchanged?

Yes

No

Please give reasons for your views.

6. Do you agree that the trading halt should not apply to dually listed issuers under the circumstances as described in paragraph 57 above?

Yes

No

Please give reasons for your views.

7. What is the minimum period for a trading halt after the publication of PSI announcement?

30 minutes

45 minutes

60 minutes

Other, please specify and give reasons

Trading halts and PSI announcements should be allowed at anytime during the morning session, with 12:30 as the latest time for PSI announcements. Given that there is a 60 minute lunch break which allows the market to digest the PSI, we believe all trading halts should be lifted when the afternoon session starts. If trading halts are not lifted when the afternoon session starts, they should continue for the remainder of the trading day and be lifted on the next trading day.

Listed companies should be incentivised to make PSI announcements earlier in the day (rather than in the afternoon) to avoid the risk of information leakage to the market. We believe that preventing the lifting of a trading halt in the afternoon session reduces this risk substantially.

8. Do you agree that trading halts should be lifted at regular intervals?

- on the quarter hour
- on the half hour
- Other, please specify and give reasons

Prefer all trading halts and PSI announcements to be in the morning session and lifted when the afternoon session starts, so that the market will not be frequently disturbed by trading halts throughout the trading day. Please also refer to 7 above.

9. Do you agree that at least 30 minutes of trading should be provided after lifting of a trading halt?

- Yes
- No

Please give reasons for your views.

Please refer to 7 above.

10. Do you agree with the proposed notification arrangements for the trading halt and resumption information as set out in paragraph 64?

Yes

No

Please give reasons for your views.

If existing orders before the trading halt are not purged, then a separate information page on the Exchange website is sufficient. However, if existing orders are purged, Exchange should send the trade resumption announcement in a separate email notification to Exchange Participants to ensure that they are able to re-enter orders to the market on a timely basis.

11. Do you agree that all existing orders of the securities entered before a trading halt or a suspension be purged by the Exchange at time of the halt?

Yes

No

Please give reasons for your views.

All existing orders before the trading halts should be retained instead of purged as proposed as we believe this would cause less disruption to clients having to re-enter their orders after the trading halt is lifted.

12. Do you agree that all existing orders of the Exchange's stock options / futures market practices should remain unchanged (i.e. all outstanding orders will be purged automatically by the system at the time of trading halt of the underlying stocks)?

Yes

No

Please give reasons for your views.

13. Do you agree with the implementation of a single price auction upon lifting of a trading halt?

Yes

No

Please give reasons for your views.

Based on past experience on the HK closing auction model, we would like to suggest that reference to be made to the Singapore/Thailand auction model to determine the auction price, all orders should be placed with a limit price during the auction period, no 'at-market' orders should be allowed.

The auction model should take the form of a randomised auction at 12:50 which precedes the afternoon session by 10 minutes.

Existing orders before the trading halt should not be purged. With reference to the Australia and Singapore model, orders should be able to be entered, amended or cancelled during the trading halt.

14. Do you agree with the implementation of a single price auction also applies for trading resumption at the commencement of afternoon trading session upon lifting of a trading halt following the release of a PSI announcement during the lunch publication window?

Yes

No

Please give reasons for your views.

15. Do you agree that if an issuer has not requested for any trading halt or suspension of its securities and is able to maintain the confidentiality of the PSI announcement before releasing it during the lunch publication window, in these circumstances the single price auction will apply to the issuer's securities?

Yes

No

Please give reasons for your views.

16. Do you agree that a single price auction will only apply to securities traded in the securities market upon lifting of a trading halt of the underlying?

Yes

No

Please give reasons for your views.

17. Do you agree with the proposed duration of the mid-session auction (i.e. 10 minutes)?

Yes

No

Please give reasons for your views.

18. How much lead time would be required after the relevant system specifications were available to prepare for the implementation of trading halts?

Three months

Six months

Other, please specify and give reasons

At least 6 months.

- End -