

16 January 2013

Clerk to Panel on Financial Affairs  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear Sir/Madam,

**Re: Proposal of Hong Kong Exchanges and Clearing Limited (“HKEx”) to Introduce After-hours Futures Trading**

As I am aware that the Legislative Council Panel on Financial Affairs will have a meeting on 28 January 2013 to discuss HKEx's proposal on after-hours futures trading, I would like to submit my view for the Panel's consideration.

I am in support of HKEx's proposal to introduce after-hours futures trading and will bring along the following advantages:

1. Expansion of Hong Kong Futures Industry

After-hours trading in Hong Kong futures will attract international traders especially those in different time zones. The volatility of Hong Kong futures will be able to entice traders with high risk appetites.

2. Better Risk Management

From my experience in trading overseas markets, after hours futures trading can offer better risk management to portfolios. Investors can react immediately to international market movements instead of waiting for Hong Kong markets to open the next day that may result in unfavorable positions. Brokerage houses would then be exposed to potential clients' over-loss situations.

3. Minimal Impact on Current Operations

Major bourses have been offering after hours futures trading for a long time and there are already many futures brokers who have been operating 24 hours night desks to support clients' trading in the overseas markets. As such, there is minimal impact on operations and profitability of the brokers who are already operating in that manner. In fact, brokers who only operate in their own time zones typically lose out in terms of global competitiveness and product range.

I believe that after-hours futures trading can bring more trading volume to Hong Kong which would benefit the futures industry as a whole.

Yours faithfully,