



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,

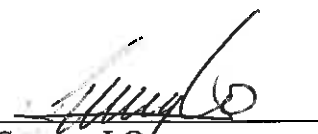
**Re: Proposal of Hong Kong Exchanges and Clearing Limited (“HKEx”) to Introduce After-hours Futures Trading**

As 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, we would like to submit our view for the Panel’s consideration.

We support on HKEx’s proposal to introduce after-hours futures trading as it will help expanding our brokerage business. There are client demands for managing their risk exposures during night time in response to events or news in the European or US time zones. After-hours futures trading will allow brokers to manage clients’ risks and positions as well.

We believe that HKEx’s proposed price limit +/-5% for after-hours futures trading is an appropriate measure for guarding against potential excessive price movement. We note that some market participants suggest reducing the price limit from +/-5% to +/-2.5%. Our viewpoint is that reducing the price limit to +/-2.5% will affect hedging efficiency for our clients and will defeat the purpose of offering after-hours futures trading. To our knowledge, major overseas derivatives markets, such as CME, SGX, ASX and OSE are not imposing price limit lower than +/-5%.

Yours faithfully,

  
Sammy LO  
Director & Responsible Officer  
First Shanghai Futures Limited