

18<sup>th</sup> 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. We also note that 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. We have been operating night desk to support clients’ trading of overseas futures products and we have adequate risk management measures and funding arrangements in managing risk exposures of our clients. We believe after-hours futures trading can help us bring more trading business to Hong Kong which will benefit the Hong Kong futures brokerage industry as a whole.

Major overseas derivatives markets, such as CME, SGX, ASX and OSE have been offering after hours futures trading for years. From our experiences, there are no liquidity or financial stability issues. We also believe HKEx’s proposed price limit +/-5% for after-hours futures trading is an appropriate measure for guarding against potential excessive price movement.

Yours faithfully,

Nanhua Futures (Hong Kong) Co., Limited