



21 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 HKEX for the Introduction of After-hours Futures Trading**

Tibra Trading Hong Kong Limited would like to outline our view on the above concept briefly in the hope that this may be useful for your panel as it seeks to make a decision on the proposal. We support HKEX's proposal to introduce after-hours.

Firstly, as a market maker this will assist us in managing our risk more closely during the overnight markets as we will be able to cover our delta risk after the close of normal trading. The same can be said for many styles of clients or trading businesses that are looking to actively manage risk.

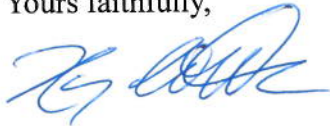
We also feel that this will bring new business to HKEX as they are able to compete on better terms with foreign exchanges with longer trading hours and to some extent allow them to guard against such exchanges listing Hong Kong based and RMB products that take volume away from the domestic market. It would also allow the more effective listing of other commodity and FX products that traditionally have near 24 hour trading globally.

HKEX's proposed price limit +/-5% for after-hours futures trading is an appropriate measure for guarding against potential excessive price movement and other products that trade on other exchanges such as ETF's and foreign stock exchange listings of companies like HSBC should serve to stop the after-hours dislocating from a "fair" price significantly. Certain products will lend themselves to stability of this nature while others may prove too illiquid and have not enough correlated products trading elsewhere to ensure stability so product choice in the after-hours market will be important.

Major overseas derivatives markets, such as CME, SGX, ASX and OSE have been offering after hours futures trading for years without significant price stability issues. More recently the introduction of overnight trading in Kospi futures on CME and Kospi options on Eurex have been successful which would tend to indicate there is global interest in trading products from the Asian region during European and US business hours.

We believe the introduction of after-hours futures trading could provide opportunity for many trading and brokerage businesses in Hong Kong to grow and urge the panel to look favorably on HKEX's proposal which has highly significant industry support.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Kinsey Cotton', written in a cursive style.

Kinsey Cotton  
Director  
Tibra Trading Hong Kong Limited