

## Notice of Introduction of Closing Auction Session to Securities Market

Hong Kong Exchanges and Clearing Limited (HKEx) will introduce a closing auction session (CAS) for its securities market by two phases. Phase 1 of CAS will be launched on 25 July 2016. After implementation of the CAS, the closing prices of securities will be determined by an auction mechanism.

### The Closing Auction Session

The CAS will be applicable to constituents of Hang Seng Composite LargeCap and MidCap indexes, A+H shares and all ETFs (Before the Phase 1 implementation, the finalized list of the Phase 1 CAS securities will be published on the HKEx website). It will be held immediately after the continuous trading session and last for 8 - 10 minutes. The different stages of the CAS are summarized in the following table:

Full Day Trading	Half Day Trading (e.g. Christmas Eve)	
4:00 p.m. – 4:01 p.m.	12:00 p.m. – 12:01 p.m.	<b>Reference Price Fixing Period</b> <ul style="list-style-type: none"> <li>● Calculation and dissemination of reference price.</li> <li>● Reference price is determined by taking the median of 5 nominal prices in the last minute of the continuous trading session.</li> </ul>
4:01 p.m. – 4:06 p.m.	12:01 p.m. – 12:06 p.m.	<b>Order Input Period</b> <ul style="list-style-type: none"> <li>● Price limit is <math>\pm 5\%</math> from reference price.</li> <li>● System will automatically carry over orders from the session that are within the price limit.</li> <li>● At-auction orders* and at-auction limit orders within the price limit can be entered, amend# or cancelled.</li> </ul>
4:06 p.m. – 4:08 p.m.	12:06 p.m. – 12:08 p.m.	<b>No-Cancellation Period</b> <ul style="list-style-type: none"> <li>● Price limit is further tightened to between the lowest ask and the highest bid.</li> <li>● At-auction orders* and at-auction limit orders within the price limit can be entered, but cannot be amended or cancelled.</li> </ul>
4:08 p.m. – 4:10 p.m.	12:08 p.m. – 12:10 p.m.	<b>Random Closing Period</b> <ul style="list-style-type: none"> <li>● At-auction orders* and at-auction limit orders can still be entered before the random close, but cannot be amended or cancelled.</li> <li>● Actual closing time is determined randomly by the system.</li> <li>● System will match all orders at the price where the highest volume can be traded</li> </ul>

#### Note:

\* The Bank will only accept at-auction limit order during the CAS.

# During the Order Input Period, if customer want to amend the order price of at-auction limit orders within the price limit, it should be made by first cancelling the original orders and then entering new orders.

All orders which remain wholly or partly unmatched after the CAS will be deleted automatically at the market at the end of the trading day.

For full details of closing auction model for the CAS, please refer to the document “Trading Mechanism of Closing Auction Session (CAS) in the Securities Market” which is available at HKEx website: [www.hkex.com.hk/cas](http://www.hkex.com.hk/cas)

This notice is for reference only and should not be relied on for any purpose. In case of any inconsistencies between the English version and the Chinese version, the former shall prevail.

OCBC Wing Hang Bank Limited  
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