

## Part B Consultation Questions

Please reply to the questions below that are raised in the Consultation Paper downloadable from the HKEX website at:

<http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201604.pdf>

Please indicate your preference by checking the appropriate boxes.

Where there is insufficient space provided for your comments, please attach additional pages.

1. Do you support the revision of the current model with the introduction of a three-tier system with a review mechanism for HKEX's stock option position limit to address the issues with the existing regime?

Yes

No

Please give reasons for your view.

The new three-tier regime will able to have position limit more in line with derivatives demand especially for liquid "low dollar" value stocks (i.e BOC, CCB...)

2. Do you agree the implementation of the proposed model (three-tier system with review mechanism) would be an important step in enhancing Hong Kong's stock options market and increasing its competitiveness?

Yes

No

Please give reasons for your view.

As above, this three-tier mecanism should help in being able to trade larger size on HKEX which gives a better visibility of the whole derivatives flow (versus OTC market)

3. Do you have any comments on the proposed model? Please give reasons for your view.

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