

Consultation Paper

Board Lot Framework Enhancements in the Hong Kong Securities Market

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HOW TO RESPOND TO THIS CONSULTATION PAPER

The Stock Exchange of Hong Kong Limited ("the Exchange"), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited ("HKEX"), invites written comments on the matters discussed in this paper, or comments on related matters that may have an impact upon the matters discussed in this paper, on or before **12 March 2026**.

To submit written comments, please complete the questionnaire that can be accessed via the link and QR code below.

Link: https://surveys.hkex.com.hk/jfe/form/SV_7Vxfo4wB1Xo7fzU

QR code:



Our submission enquiry number is (852) 2840 3844.

Respondents are reminded that we will publish responses on a named basis in the consultation conclusions. If you do not wish to have your name disclosed to members of the public, please state so when responding to this paper. Our policy on handling personal data for consultation papers and white papers is set out in Appendix II.

Submissions received by **12 March 2026** will be taken into account before the Exchange decides upon any appropriate further action and a consultation conclusions paper will be published in due course.

DISCLAIMER

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DEFINITIONS

Term	Definition
“Applicable Securities”	Securities including equities (except Equity Warrants, Investment Companies, Trading Only Securities, SPAC Shares and SPAC Warrants) and REITs traded in the securities market of Hong Kong. Exchange Traded Products, Debt Securities and Structured Products are excluded from the scope.
“ADT”	Average Daily Turnover
“Board lot”	Trading unit with defined number of shares
“Board lot unit”	Number of shares in a single board lot
“Board lot value”	Product of multiplying the board lot unit by the stock price
“Debt Securities”	Debenture or loan stock, debentures, bonds, notes and other securities or instruments acknowledging, evidencing, or creating indebtedness, whether secured or unsecured and options, warrants or similar rights to subscribe or purchase any of the foregoing and convertible debt securities.
“Exchange”	The Stock Exchange of Hong Kong Limited
“ETP”	Exchange Traded Product, which includes Exchange Traded Fund and Leveraged and Inverse Product.
“HKEX”	Hong Kong Exchanges and Clearing Limited
“HKSAR”	Hong Kong Special Administrative Region
“Investment Companies”	Has the same meaning as in Chapter 21 of the Main Board Listing Rules
“JPX”	Japan Exchange Group
“KRX”	Korea Exchange
“LSEG”	London Stock Exchange Group
“Main Board Listing Rules”	The rules governing the listing of securities on the Main Board made by the Exchange from time to time
“Odd lot”	The quantity of the order or trade that is less than one board lot
“REITs”	Real Estate Investment Trusts authorised by the Securities and Futures Commission under the Code on Real Estate Investment Trusts
“SIX”	SIX Swiss Exchange
“SPAC Warrants”	Has the same meaning as in Chapter 18B of the Main Board Listing Rules
“SPAC Shares”	Has the same meaning as in Chapter 18B of the Main Board

	Listing Rules
“Structured Products”	Has the same meaning as in Chapter 15A of the Main Board Listing Rules
“Trading Only Securities”	Referring to the NASDAQ securities admitted to trading in the Nasdaq-Amex Pilot Program launched in 2000. They are traded but not listed on the Exchange. SEHK's Listing Rules do not apply to issuers of the Nasdaq-Amex Pilot Program.
“USM”	Uncertificated Securities Market
“YTD”	Year-to-date

EXECUTIVE SUMMARY

1. This Consultation Paper solicits market views on proposed enhancements to the board lot framework of the Hong Kong securities market, as recommended by the Task Force on Enhancing Stock Market Liquidity set up by the Hong Kong Special Administrative Region (“HKSAR”) Government in August 2023.
2. Board lots are a fundamental component of securities market structure, defining the standard trading unit for each stock. Under the current issuer-led framework, each issuer determines the board lot unit for its own stock. As a result, there are more than 40 different board lot units currently in use. The most popular board lot is 2,000 used by 25% of issuers, whereas the largest proportion of average daily turnover (“ADT”) and market capitalisation is attributable to the board lot unit of 100 shares (33% of ADT and 30% of market capitalisation)¹.
3. This wide distribution of board lot units has introduced complexity across trading, clearing, and settlement processes; increased the risk of input and operational errors; complicated hedging and product alignment; and in some cases, resulted in high board lot values for individual securities, potentially limiting retail investor participation.
4. The current board lot framework has been in place for many years, and it stands in contrast to the practices of many other major exchanges, which operate with a single unified board lot unit of 1 or 100 share(s). Careful consideration was given to potentially adopting the same structure, however an immediate move to this structure would present material challenges for the Hong Kong securities market. These challenges stem from the prevalence of low-priced securities, resulting in relatively small board lot values, and fixed execution costs. The combination of these two factors leads to heightened risk that the cost of a single board lot trade may exceed its value. While trading in multiple board lots may help to mitigate this issue, the board lot framework should inherently support cost-effective trading, regardless of the number of board lots transacted.
5. Other considerations include that adopting a single unified board lot unit may substantially increase the volume of low-value trades, which would place additional pressure on market infrastructure and negatively affect order book quality and price discovery.
6. Given these considerations, HKEX does not support immediate adoption of a single unified board lot structure and instead proposes a new board lot framework that takes into account the specific characteristics of the Hong Kong securities market. The new board lot framework would apply to equities² and REITs (collectively, “Applicable Securities”) and be comprised of three components.
7. The first component is standardisation of board lot units, which is designed to enhance

¹ Year-to-date (“YTD”) data as of 30 June 2025.

² Equity warrants, Investment Companies, Trading Only Securities, SPAC Shares, SPAC Warrants, Exchange Traded Products, Debt Securities and Structured Products are excluded from the scope.

the operational efficiency of the secondary market. Under this structure, issuers would retain flexibility to select their board lot unit but from a defined set of eight standardised board lot units: 1, 50, 100, 500, 1,000, 2,000, 5,000, and 10,000 share(s). These board lot units were selected to offer suitable options for securities across different price levels, helping to minimise the number of issuers that would need to adjust their existing board lot sizes and the number of resultant corporate actions and odd lots. This approach also supports the longer-term objective of facilitating a potential transition to a single unified board lot unit, should market conditions allow.

8. Standardising board lot sizes from the current structure of over 40 distinct units to a simplified set of eight units would require approximately 25% of issuers to revise their existing board lot structure to align with the new framework.
9. The second component of the proposal is to lower the board lot value floor guidance level from HK\$2,000 to HK\$1,000. Board lot value floor guidance is designed to help protect against negative value trades where execution costs exceed trade value. The proposed adjustment reflects recent reductions in execution costs and aims to enhance market accessibility, while continuing to safeguard against negative-value trades when board lot units are set or adjusted.
10. The final component introduces board lot value ceiling guidance of HK\$50,000, intended to encourage board lot unit adjustments where the board lot value has increased over time. This measure aims to support broader retail participation by making board lot values more accessible for retail investors.
11. The proposed board lot framework is expected to reduce operational complexity across trading, settlement and custody; lower the risk of input and booking errors; enhance precision in trading and hedging; improve alignment with related products and increase accessibility for international and Chinese Mainland investors.
12. To maximise operational efficiency and minimise market disruption, implementation of the new board lot framework is proposed to be coordinated with the Uncertificated Securities Market ("USM") initiative. The USM eliminates the need for physical share certificates by enabling electronic ownership and transfer of securities. Aligning these initiatives allows issuers to optimise resources and avoids the need to reprint share certificates following board lot unit changes.
13. The implementation is proposed to be conducted in two phases. In phase one, new issuers will be required to comply with all three components of the new board lot framework upon listing, while existing issuers will only be required to comply with the updated board lot value floor and new board lot value ceiling guidance. During phase two, each existing issuer will be required to adopt one of the standardised board lot units within a specified period following its transition to uncertificated shareholding under the USM initiative.

14. The details of the proposal and the related consultation questions are set out in Chapter 2. Consultation questions related to the implementation plan are set out in Chapter 3.
15. We would like to invite public comments on the proposal. Responses to this Consultation Paper should be submitted by **12 March 2026**. A Consultation Conclusions Paper will be issued after the consultation has been completed, tentatively by the end of the first half of 2026. It will summarise the main points made by respondents and indicate the way forward, including the detailed implementation timeline, should any of the proposed enhancements be implemented.

CHAPTER 1: BACKGROUND AND CURRENT MARKET LANDSCAPE

Background

16. A board lot defines the number of shares per trading unit in the securities market and is a fundamental component of market structure. Board lots help facilitate orderly trading by aligning buyer and seller interest in comparable quantities, while also supporting operational efficiency in clearing and settlement processes.
17. At HKEX, the board lot framework has remained largely unchanged for many years. In contrast, other major exchanges have progressively refined their board lot regimes to enhance market efficiency, improve accessibility, and better reflect evolving trading practices.
18. Review of the HKEX board lot framework was identified as a medium-term enhancement measure by the Task Force on Enhancing Stock Market Liquidity set up by the HKSAR Government in August 2023 and was noted in the 2025-26 Budget³. This paper seeks views and comments from all interested parties regarding the proposed new board lot framework for Applicable Securities including equities (except Equity Warrants, Investment Companies, Trading Only Securities, SPAC Shares and SPAC Warrants) and REITs in the Hong Kong securities market⁴.

Current Application of Board Lots in the Hong Kong Securities Market

19. The current board lot framework allows issuers to determine the board lot unit for their stock. HKEX provides issuers with guidance to assist in selecting appropriate board lot units to support orderly trading and operational efficiency.
20. The board lot guidance⁵ suggests a minimum board lot value of HK\$2,000, which is intended to represent a reasonable trade value, in excess of execution costs. It also recommends a board lot unit of fewer than 900,000 shares⁶, which serves as an upper bound, in consideration of system limitations faced by some market participants. In the case of a board lot unit change, issuers are encouraged to select a new board lot unit that minimises creation of odd lots, which are orders or trades smaller than one board lot, and special lots⁷.

³ The 2025-26 Budget, available at: <https://www.budget.gov.hk/2025/eng/budget10.html>.

⁴ Exchange Traded Products, Debt Securities and Structured Products are excluded in the scope.

⁵ Guide For New Listing Applicants (Section 3.13(3)(ix)), available at: https://en-rules.hkex.com.hk/sites/default/files/net_file_store/HKEX4476_6179_VER36277.pdf, and Guide on Trading Arrangements for Selected Types of Corporate Actions (paragraph 6.3), available at: https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Other-Resources/Listed-Issuers/Practices-and-Procedures-for-Handling-Listing-related-Matters/d_ta.pdf.

⁶ As part of the implementation process, the guidance on the maximum board lot unit of 900,000 shares will be removed

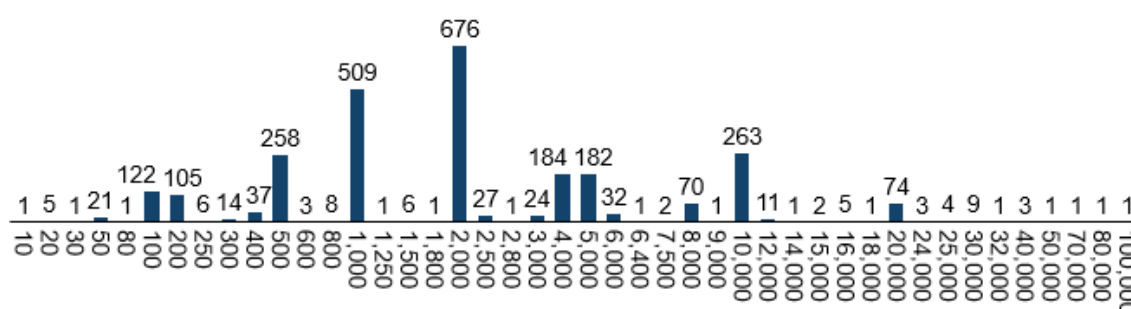
⁷ Special lot refers to orders or trades with a number of shares that does not conform to an integral multiple of the board lot unit but is greater than one board lot.

21. While HKEX currently provides guidance on minimum board lot value and maximum board lot unit size, it does not offer guidance on the maximum board lot value.
22. The current issuer-led board lot framework described above has resulted in the wide distribution of board lot units in the Hong Kong securities market, as discussed further below.

Board Lot Unit Distribution

23. There are 44 different board lot units in use among Applicable Securities. The smallest board lot unit currently in use is 10 shares and the largest is 100,000 shares. As illustrated in Figure 1, the most common board lot unit is 2,000 shares which is used by 676 (25%) of Applicable Securities.

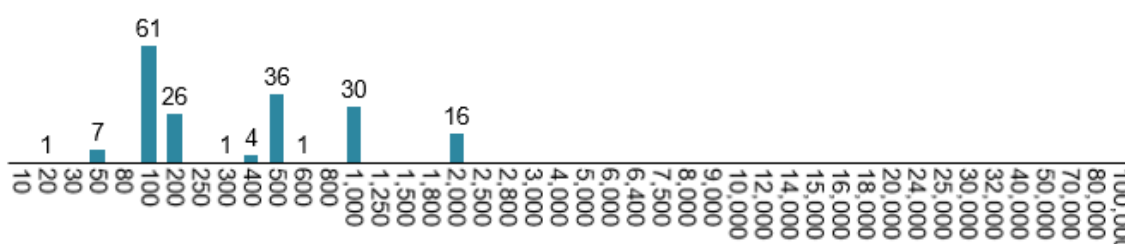
Figure 1: Board Lot Unit Distribution by Number of Applicable Securities



Source: HKEX; data as of 30 June 2025

24. While distribution by stock is broad, a tighter distribution is observed by turnover and market capitalisation, as shown in Figure 2 and Figure 3 below.

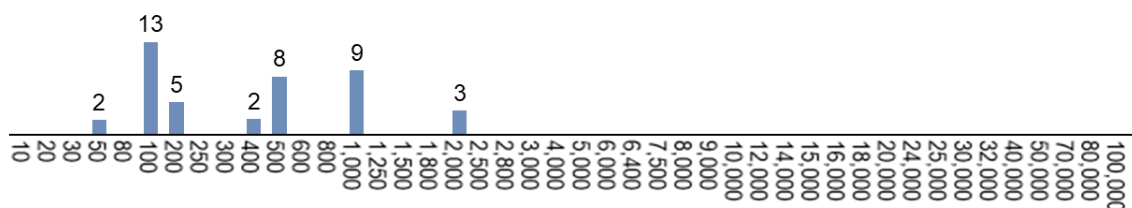
Figure 2: Board Lot Unit Distribution by ADT (HK\$ billion)⁸



Source: HKEX; YTD data as of 30 June 2025

⁸ Please refer to Appendix I for more details.

Figure 3: Board Lot Unit Distribution by Market Capitalisation (HK\$ trillion)⁹



Source: HKEX; data as of 30 June 2025

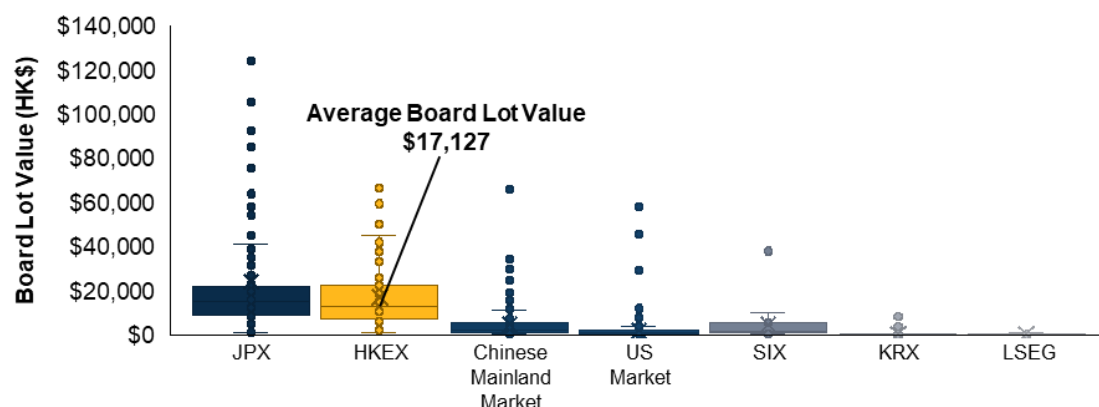
25. The distribution of board lot units in the Hong Kong securities market reflects issuer-specific considerations, including the management of board lot value, which is discussed further in the following paragraphs. However, this diversity has introduced inefficiencies and complexities, such as reduced precision in trading and hedging activities, increased system configuration requirements for market participants, and a greater potential for operational inefficiencies. The proposals presented within this Consultation Paper seek to reduce the operational complexities resultant from the current framework, while maintaining a level of autonomy for issuers.

Board Lot Value of Applicable Securities

26. Board lot value is the monetary worth of a board lot, calculated by multiplying the number of shares in the board lot unit by the stock price. Board lot value plays an important role in shaping investor accessibility, trading behaviour, and market efficiency.
27. Extremely low board lot values introduce the risk of negative value trades where execution costs exceed board lot value. On the other hand, extremely high board lot values can act as a barrier to entry for retail participation, as the cost of purchasing a single board lot may become prohibitively expensive. In addition, retail investors may face concentration risk if they lack sufficient funds to diversify their portfolios.
28. Board lot values on HKEX are on average higher and have a wider range than that of most major exchanges, as shown in Figure 4 below.

⁹ Please refer to Appendix I for more details.

Figure 4: Distribution of Board Lot Value of Index Constituent Securities across Major Exchanges¹⁰



Source: Bloomberg; data as of 30 June 2025

29. Among the markets reviewed, the Japan Exchange Group (“JPX”) is the only market with a wider range of board lot values than HKEX. JPX has identified this as an area for potential improvement within its own market structure¹¹.
30. The combined impact of wide board lot unit distribution and high board lot values has contributed to the need to review and enhance the existing board lot framework. To provide context for the proposed improvements, the following section outlines the board lot frameworks adopted by major exchanges.

Board Lot Frameworks of other Major Exchanges

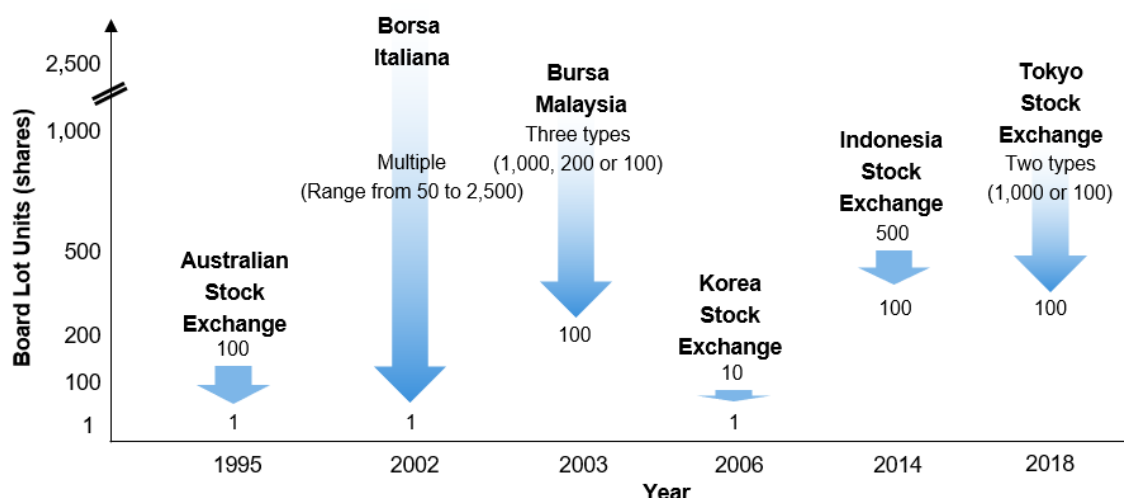
31. HKEX has undertaken a review of board lot practices across 15 major exchanges¹² as part of assessing potential enhancements for the board lot framework in Hong Kong. The review identified a consistent approach among the exchanges surveyed, with most adopting a single unified board lot unit of either 1 or 100 share(s).
32. In addition to the consistency observed in board lot framework adopted, the review also noted that changes to board lot frameworks have been relatively infrequent across major exchanges over the past three decades. Among the 15 markets reviewed, only six have made adjustments to their board lot framework during this period, as shown in Figure 5, although some have made multiple adjustments. Nevertheless, a clear trend towards consolidation and simplification of board lot units can be observed.

¹⁰ Figure 4 shows component securities as follows: Japan Exchange Group (“JPX”): Nikkei 225 Index; HKEX: Hang Seng Index; Chinese Mainland Market, including Shanghai Stock Exchange and Shenzhen Stock Exchange: CSI 300 Index; US Market, including NASDAQ and New York Stock Exchange: S&P 500; SIX Swiss Group (“SIX”): Swiss Market Index; Korea Exchange (“KRX”): KOSPI Index; London Stock Exchange Group (“LSEG”): FTSE 100 Index. Data shown for securities with board lot value ≤ HK\$140,000 to exclude outliers.

¹¹ Study Group on Small-Size Investments (First Meeting), available at: <https://www.jpex.co.jp/english/corporate/research-study/small-investments/dh30tn000000hfvrr-att/eg.pdf>.

¹² Australian Securities Exchange, B3, Deutsche Boerse, Euronext, JPX, KRX, LSEG, NASDAQ, National Stock Exchange of India, New York Stock Exchange, Saudi Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Singapore Exchange and SIX.

Figure 5: 30-Year Trend of Board Lot Framework Changes in other Major Exchanges¹³



33. To address the challenges associated with the current board lot framework and the limited alignment between HKEX's framework and those of other major exchanges, HKEX has undertaken a comprehensive review of its board lot framework. The findings of this assessment are presented in the following sections.

Consideration for a Single Unified Board Lot Unit

34. A unified board lot framework offers several potential benefits for the Hong Kong securities market. It can simplify the market, streamline trading and settlement operations, and improve tradability through better price transparency and accessibility. It could also help to reduce high board lot values. Adopting this framework would also bring HKEX into closer alignment with global practices and could significantly reduce the need for odd lot trading, which can present challenges for investors and intermediaries¹⁴.
35. While the potential benefits of a board lot framework with a single unified board lot unit are recognised, several factors present substantive challenges to its immediate adoption in the Hong Kong securities market. These factors can be classified into the categories of market structure implications, operational capacity constraints, and implementation complexity. Each category is discussed in detail below.

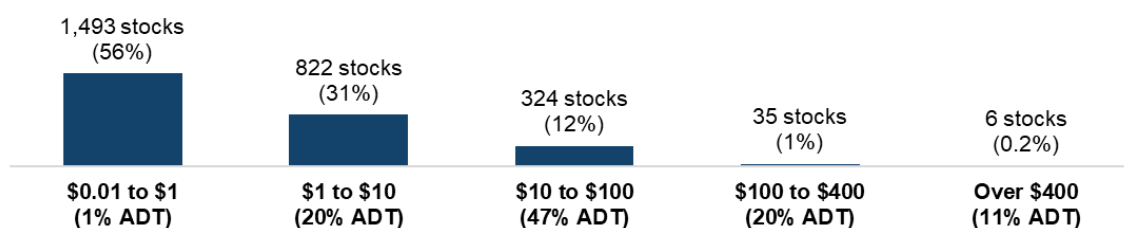
Market Structure Implications

36. Stock prices in the Hong Kong securities market are not evenly distributed with the majority (56%) of Applicable Securities priced at HK\$1.0 or below, as shown in Figure 6.

¹³ Information as of 30 June 2025. KRX changed board lot sizes for securities over KRW 100,000 in 2004 and for securities between KRW 50,000 and KRW 100,000 in 2006; Tokyo Stock Exchange consolidated board lots in 2014, requiring that board lot units for some securities were increased or decreased to use the standardised board lot unit (100 or 1,000).

¹⁴ Source: HKEX. Odd lot trades represent 0.2% of the total number of trades and 0.1% of the total turnover in the first half of 2025.

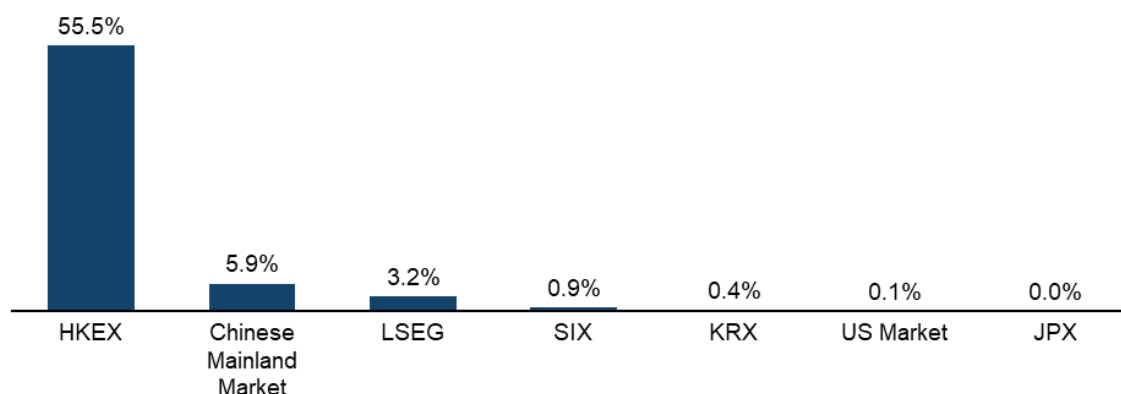
Figure 6: Distribution of Applicable Securities by Stock Price (HK\$)



Source: HKEX; YTD data as of 30 June 2025

37. Issuers of low-priced stocks commonly adopt larger board lot units to help ensure that the board lot value exceeds typical trading costs. This approach supports the economics of trading by making it more likely that a single board lot will be worth more than the cost of executing a trade. In line with this, HKEX offers issuers guidance to select board lot units that result in a board lot value of at least HK\$2,000.
38. Moving to a board lot framework with a single unified board lot unit would remove the flexibility which issuers currently have in determining board lot units. This would be particularly impactful for low-priced stocks, where the use of larger board lot units helps maintain board lot values above the guidance level. Under a single unified board lot unit, board lot values for these Applicable Securities would likely fall, as the number of shares per board lot would be reduced while the stock price remains unchanged, resulting in a high percentage of negative value trades (where trade cost exceeds trade value).
39. A board lot framework that results in negative value single board lot trades for a material portion of securities is not considered suitable for the Hong Kong securities market. While trading in multiple board lots may help to mitigate this issue, the board lot framework should inherently support cost-effective trading, regardless of the number of board lots transacted.
40. Additionally, the majority of securities would no longer meet the minimum board lot value guidance published by HKEX if a single unified board lot unit were adopted. This may prompt a large number of issuers to consider stock consolidations to maintain board lot value, which would have broader consequences for securities including potential impact on stock prices.
41. These considerations highlight the structural and cost-related challenges associated with adopting a board lot framework with single unified board lot unit. In evaluating why other major exchanges have been able to implement this framework, it is observed that HKEX differs from these markets in two key respects.
42. First, HKEX has a disproportionate number of low-priced stocks compared to most other markets, as illustrated in Figure 7.

Figure 7: Proportion of Securities Priced Lower than HK\$1.0¹⁵



Source: Bloomberg; data as of 30 June 2025

43. Second, many of these markets do not have fixed notional execution costs. The combination of higher-priced securities and lack of fixed notional execution costs helps reduce the likelihood of negative value trades in these markets and promotes use of a single unified board lot unit.
44. A separate aspect of market structure that warrants careful consideration is the potential impact of adopting a single unified board lot unit on order book quality. If the top levels of the book become populated with very low-value single board lot orders, this may result in quote flickering, leading to rapid and frequent changes in order book prices. This activity would contribute to short-term volatility and would not reflect genuine shifts in supply and demand, negatively impacting the price discovery process.

Operational Capacity Constraints

45. Adopting a single unified board lot unit has potential to impact the number of orders and trades in the market. Evidence from the Hong Kong securities market indicates that reducing board lot value increases the number of daily trades for the Applicable Securities¹⁶. If reduction of board lot units is undertaken on a market-wide basis, as would be the case if a single unified board lot unit were implemented, the associated increase in daily trade volumes may be significant and may pose practical challenges for some market participants in terms of operational capacity and system readiness.
46. While it is acknowledged that the market may be able to adapt to higher trade volumes over time, the immediate implementation of a single unified board lot unit would necessitate a rapid adjustment. This accelerated transition may not be feasible for all participants to accommodate effectively or safely.

¹⁵ Data shown for HKEX Applicable Securities and Common Securities from Major Exchanges.

¹⁶ From 2019 to 2024, among Applicable Securities that reduced their board lot value, 77% showed an increase in the number of trades over the next month with an average increase of 1,061 daily trades per Applicable Security, 83% showed an increase over the next six months with an average increase of 948 daily trades per Applicable Securities, and 86% had more trades over the next year with an average increase of 957 daily trades per Applicable Securities.

Implementation Complexity

47. Considerable implementation risk exists in transitioning directly from the current framework, which comprises over 40 distinct board lot units, to a board lot framework with single unified board lot unit. Such a transition would require more than 95% of issuers to revise their board lot units, representing a significant operational undertaking.
48. The scope and complexity of the resultant change would be substantial, given its impact across all market participants, the entire trade lifecycle, and not only the securities market but also related products such as equity derivatives. Notably, when other markets have reduced board lot units it has often been done in phases over multiple years. There is no international precedent for a market with the level of board lot variation seen in the Hong Kong securities market, to transition directly to a board lot framework with single unified board lot unit.

Summary of Issues and Considerations

49. The analysis above highlights several substantive challenges to the immediate adoption of a board lot framework with a single unified board lot unit for HKEX. These challenges span across market structure implications, operational constraints, and implementation complexity. In particular, the prevalence of low-priced stocks, the presence of fixed execution costs, and the scale of change required across issuers and market infrastructure collectively suggest that a direct transition would not be appropriate under current market conditions.
50. Nevertheless, HKEX remains committed to modernising the board lot framework and recognises the potential long-term benefits of a board lot framework with single unified board lot unit. To this end, HKEX will collaborate closely with relevant stakeholders to guide the market towards a position where the adoption of a single unified board lot unit may become feasible in the future.
51. The following section sets out HKEX's proposed approach to addressing the key challenges associated with the current board lot framework, through the introduction of a set of standardised board lot units. This proposed framework seeks to balance long-term market development objectives with the practical constraints of the existing market environment.

CHAPTER 2: THE PROPOSAL

Overview of the Proposal

52. HKEX has considered the specific characteristics of the Hong Kong securities market, the practices adopted by other major exchanges, potential impact to issuers, market participants and associated products, in determining the magnitude and arrangement of the proposed changes.
53. The proposed new board lot framework comprises of the following three components:
- i. **Reduction of board lot value floor guidance:** HKEX proposes decreasing the existing board lot value floor from HK\$2,000 to HK\$1,000.
 - ii. **Introduction of board lot value ceiling guidance:** HKEX proposes to introduce board lot value ceiling at HK\$50,000.
 - iii. **Standardisation of board lot units:** HKEX proposes to define a set of eight board lot units (i.e., 1, 50, 100, 500, 1,000, 2,000, 5,000 and 10,000 share(s)) which would be available for issuers to use.
54. As of the end of June 2025, the proposed new board lot framework would result in 657 securities¹⁷ needing to change board lot units, representing approximately 25% of the 2,680 Applicable Securities. These securities accounted for around 22% of the ADT of all Applicable Securities during the first half of 2025.

Details of the Proposal

Board Lot Value Floor Guidance

55. Board lot value floor guidance¹⁸ seeks to ensure that upon listing and when undertaking board lot unit changes, issuers select a board lot unit which results in a reasonable board lot value. The objective of this guidance is to protect against negative value trades, where the execution cost exceeds the value of the trade.
56. The current board lot value floor guidance states that the board lot value should not be less than HK\$2,000. This level has remained unchanged for at least a decade.

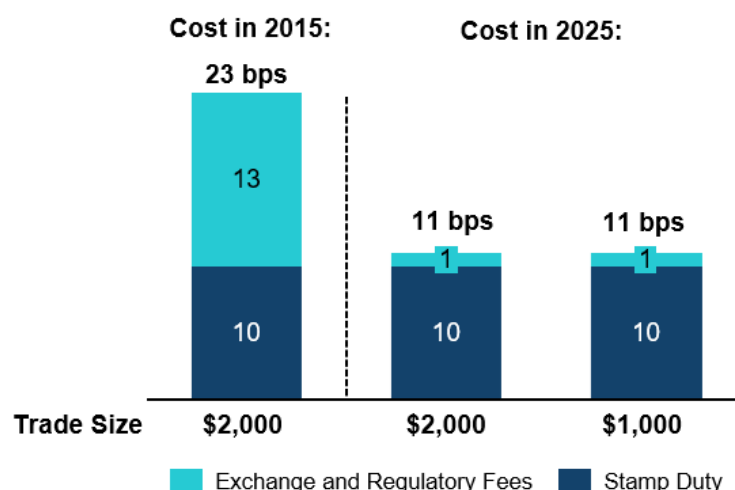
¹⁷ Including Applicable Securities that are not using the defined set of eight board lot units or not adhering to board lot value ceiling guidance. Board lot value ceiling is proposed to be HK\$ 50,000 and applies to Applicable Securities using board lot units larger than 100 shares.

¹⁸ Guide For New Listing Applicants (Section 3.13(3)(ix)), available at: https://en-rules.hkex.com.hk/sites/default/files/net_file_store/HKEX4476_6179_VER36277.pdf, and Guide on Trading Arrangements for Selected Types of Corporate Actions (paragraph 6.3), available at: https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Other-Resources/Listed-Issuers/Practices-and-Procedures-for-Handling-Listing-related-Matters/d_ta.pdf.

Reduction in Execution Cost has Prompted a Review of the Board Lot Value Floor Guidance

57. In recent years, the cost of executing low-value trades has decreased as most fixed notional fees have been replaced by fees based on value traded¹⁹. The impact of these changes is shown in Figure 8 below, which indicates that the cost to trade HK\$2,000 has reduced from 23 basis points (“bps”) in 2015 to 11 bps in 2025.

Figure 8: Execution Cost Comparison between 2015 and 2025²⁰



58. In light of the reduction in execution costs observed in the last decade, the possibility of a negative value trade resulting from a HK\$2,000 single board lot trade is low, even when considering other execution costs such as spreads and broker commission together with the possibility of subsequent stock price reduction. Accordingly, HKEX proposes lowering the board lot value floor guidance to a level that is more commensurate with current market conditions.
59. In line with the existing framework, HKEX proposes that the board lot value floor be retained as guidance for issuers when listing or making changes to board lot units. While board lot values may fall below the board lot value floor due to subsequent movements in stock price, the guidance is not intended to prevent such occurrences. However, it should be set at a level that allows for a reasonable degree of share price reduction before resulting in negative value trades.

Proposed Board Lot Value Floor Guidance Level

60. HKEX proposes reducing the board lot value floor guidance from HK\$2,000 to HK\$1,000. This level has been selected to allow market participants increased flexibility to trade in

¹⁹ HKEX Enhances Cash Market Trading Fee Structure to Boost Market Efficiency, available at https://www.hkex.com.hk/News/Market-Communications/2022/221101news?sc_lang=en, and HKEX Enhances Stock Settlement Fee Structure for Securities Market https://www.hkex.com.hk/News/Market-Communications/2025/250221news?sc_lang=en

²⁰ The costs apply to single-sided trade. Exchange and Regulatory Fees include SFC Transaction Levy, AFRC Transaction Levy, Trading Fee, and Stock Settlement Fee.

smaller sizes without increasing the potential risk of incurring negative value trades.

61. Lower board lot value guidance levels were considered, such as HK\$500, HK\$250, or HK\$100. However, these were found to increase the longer-term risk of negative value trades in the event of stock price depreciation.
62. Consideration was also given to how lowering the board lot value floor guidance may impact the number of daily trades in the market. For example, a single board lot trade of HK\$2,000 may in the future be executed as two trades of HK\$1,000, therefore increasing the number of daily trades. As shown in Table 1, reducing the board lot value floor to HK\$1,000 is estimated to result in a 1.9% increase in number of daily trades, which is considered to be within an acceptable range. Reducing the threshold below HK\$1,000 has the potential to more materially increase the number of daily trades.

Table 1: Potential Maximum Number of Additional Daily Trades Resulting from Reducing the Board Lot Value Floor²¹

Board Lot Value Floor (HK\$)	\$1,000	\$500	\$250	\$100
Number of Additional Trades	66,823	200,470	467,763	1,269,642
Increase in Daily Cash Market Trades (%)	1.9%	5.8%	13.5%	36.6%

Source: HKEX; YTD data as of 30 June 2025

63. HKEX proposes that the board lot value floor guidance apply only at listing, when issuers change their board lot units, and when issuers undertake other corporate actions such as share consolidations or sub-divisions. No action would be required if an issuer's board lot fell below HK\$1,000 solely due to a decrease in its share price.

Consultation Questions:

Q1. Do you agree that the board lot value floor guidance should be revised? If not, please provide reasons.

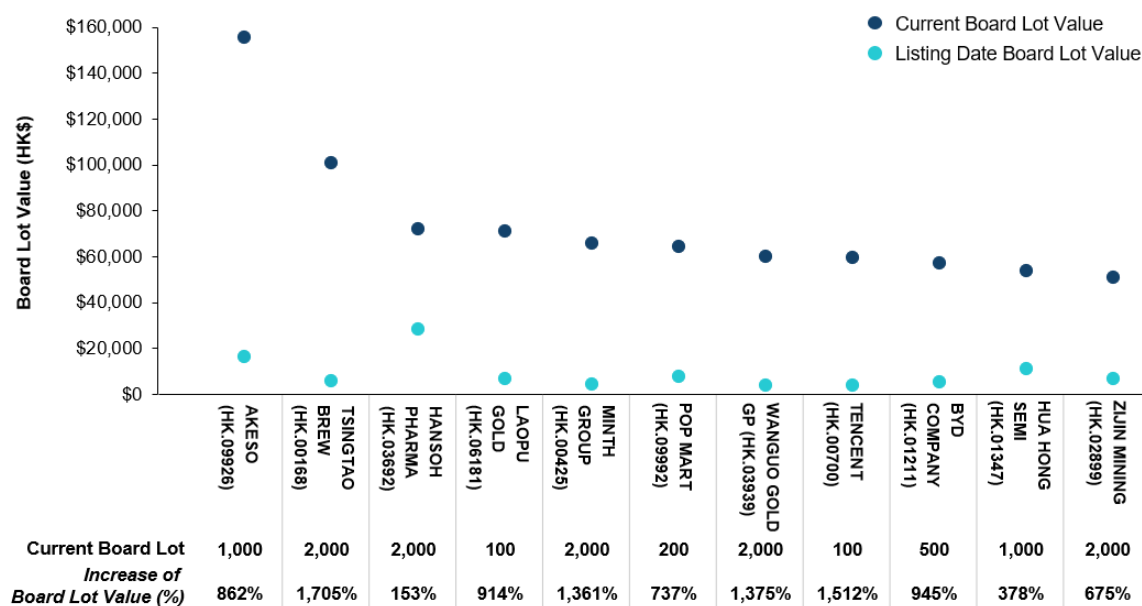
Q2. Do you agree that the board lot value floor guidance should be revised to HK\$1,000? If not, please provide reasons.

²¹ The number of additional trades is projected using the current number of single board lot trades with a trade value of approximately HK\$2,000. Assuming that HK\$2,000 trades will split into two, four, eight and 20 trades for board lot value floor at HK\$1,000, HK\$500, HK\$250 and HK\$100, respectively.

Board Lot Value Ceiling Guidance

64. At the time of listing, the average board lot value of Applicable Securities is approximately HK\$5,132²². As some securities have appreciated in price over time and issuers have retained the original board lot unit, the board lot values of these securities have increased significantly. This is illustrated in Figure 9 below.

Figure 9: Increase in Board Lot Value for Applicable Securities with the Largest Board Lot Values²³



Source: Bloomberg, HKEX; data as of 31 August 2025, excluding securities listed before 1993 and RMB counters

65. High board lot values can act as a barrier to retail investor participation, as the cost of purchasing a single board lot may become prohibitively expensive. In addition, investors who are able to afford a single board lot may face concentration risk if they lack sufficient funds to diversify or hedge their portfolios, potentially increasing their overall exposure.
66. HKEX proposes introducing board lot value ceiling guidance to help reduce the number of Applicable Securities with relatively high board lot values. Under this guidance, issuers would be encouraged to lower their board lot unit if the board lot value of their stock exceeds the specified ceiling, thereby promoting greater affordability and accessibility for investors.
67. Unlike the board lot value floor guidance, which applies when board lot units are set by issuers or changed, board lot value ceiling guidance is proposed to apply at all times, in order to cover instances where stock price appreciates over time.

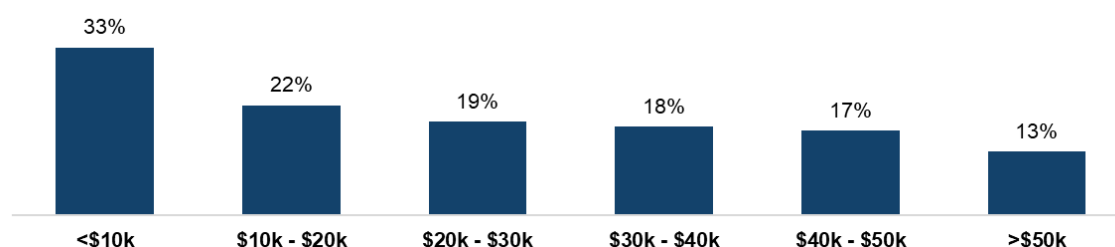
²² Source: HKEX; YTD data as of 30 June 2025.

²³ There are in total 16 Applicable Securities with board lot value over HK\$50,000 as of 31 August 2025. Three of these were listed before 1993 and two are RMB counters. BYD has further reduced its board lot unit to 100 shares, decreasing its board lot value to below HK\$20,000 on 19 September 2025.

Determining the Board Lot Value Ceiling Guidance Level

68. Careful consideration has been given to determining an appropriate level for the board lot value ceiling. The proposed level is not intended to reflect the average trade size of retail investors, but rather to serve as a threshold beyond which board lot values may constrain retail participation.
69. To help determine an appropriate board lot value ceiling, analysis of Applicable Securities was undertaken to estimate retail participation rates²⁴ across different board lot value levels, as illustrated in Figure 10.

**Figure 10: Estimate Retail Participation Rate Distribution
by Board Lot Value Band (2024)²⁵**



Source: HKEX; YTD data as of 31 December 2024

70. The highest retail participation rate (33%) is observed in securities with board lot values of HK\$10,000 or less. This may indicate a preference among retail participants for trading securities with lower board lot value. Retail participation remains relatively stable (22% to 17%) for securities with board lot values between HK\$10,000 and HK\$50,000. The retail participation rate notably declines when board lot value exceeds HK\$50,000, which is likely to indicate reduced retail participation due to affordability constraints.
71. In accordance with these observations and coupled with the complexities of a direct transition to a single unified board lot unit, HKEX proposes introducing a board lot value ceiling at HK\$50,000 for Applicable Securities.
72. To aide in transitioning to a single unified board lot unit in the future when market conditions permit, it is proposed that the board lot value ceiling would apply to securities with board lot units larger than 100 shares. This approach encourages issuers to gradually adopt smaller board lot units and future-proof their board lot unit. It also supports alignment with markets in the Chinese Mainland which use a board lot unit of 100 shares. This will help to facilitate Southbound trading and support issuers of both 'A' and 'H' shares who wish to align board lot units across the Chinese Mainland and Hong

²⁴ Retail participation rate is determined by a machine learning algorithm identifying retail trading characteristics and overlaying these on actual trading data.

²⁵ 2024 full year data was applied for this analysis.

Kong markets.

73. For example, a stock with stock price of HK\$605 and board lot unit of 100 shares would have a board lot value of HK\$60,500, exceeding the proposed board lot value ceiling level of HK\$ 50,000. As the issuer is using a board lot unit of 100 shares, it would not be expected to reduce its board lot unit to follow the board lot value ceiling guidance.
74. As of 31 August 2025, 16 issuers have board lot values that exceed the proposed board lot value ceiling. Of those 16, three issuers are using a board lot unit of 100 shares or less and would not be expected to reduce their board lot value.

Consultation Questions:

Q3. Do you agree with introducing board lot value ceiling guidance? If not, please provide reasons.

Q4. Do you agree that the board lot value ceiling guidance should be set at HK\$50,000? If not, please provide reasons.

Q5. Do you agree with applying the board lot value ceiling guidance only to issuers whose board lot units exceed 100 shares in order to facilitate potential future adoption of a single board lot unit and support alignment with Chinese Mainland markets? If not, please provide reasons.

Q6. Do you support further reduction of the board lot value ceiling guidance in the future? If not, please provide reasons.

Standardisation of Board Lot Units

75. Following a comprehensive review of various board lot framework options, HKEX identified standardisation of board lot units as the preferred solution for the Hong Kong securities market. Standardising board lot units allows issuers to choose from a set list of approved board lot units, thus reducing the number of board lot units from over 40 to those specified by HKEX. This will help to streamline secondary market trading and operational processes while preserving issuers' flexibility to select board lot units to suit their individual circumstances.
76. Under this framework, issuers will retain discretion to select a board lot unit that best aligns with their specific circumstances. For example, issuers of low-priced stocks may continue to choose a larger board lot unit to increase their board lot value, while issuers of high-priced stocks may opt for a lower board lot unit to reduce their board lot value.
77. Building on the flexibility provided to issuers, reducing the number of different board lot units will also enhance operational efficiency across the secondary market. A more streamlined set of board lot units simplifies order entry for trading participants and

reduces the likelihood of order input errors related to board lot unit selection. More consistent application of board lot units enhances the effectiveness of trading and hedging strategies that require precise coordination across multiple Applicable Securities, as the probability that those Applicable Securities will utilise the same board lot unit is increased. Improved alignment between underlying assets and associated products, such as derivatives and ETPs, minimises the need for complex adjustments.

78. From an operational standpoint, standardisation of board lot units simplifies trading workflows by enabling more consistent system configurations and order management, while also enhancing settlement and clearing processes. Fewer board lot unit permutations mean that system maintenance and testing are more straightforward, further supporting operational efficiency.
79. Beyond these improvements, standardising board lot units also strengthens HKEX's alignment with international best practices, making the Hong Kong securities market more accessible and intuitive for overseas investors. This harmonisation facilitates more efficient cross-market trading and integration, reinforcing Hong Kong's position as a leading global financial centre.
80. By adopting a standardised board lot framework, the market will also be better positioned for a potential future transition to a single unified board lot unit framework, once market conditions are ready to support such a change.

Determining Appropriate Board Lot Units for Standardisation

81. When determining the appropriate board lot units for standardisation, consideration was given to:
 - i. Reducing the wide range of board lot units to enhance secondary market operational efficiency.
 - ii. Ensuring that a sufficient range of board lot units would remain to accommodate securities across different price levels.
 - iii. Limiting impact to issuers who would be required to change board lot units.
 - iv. Limiting the number of potential corporate actions arising from issuers complying with board lot value floor and ceiling guidance²⁶.
 - v. Limiting the number of resultant odd lots²⁷.
82. HKEX considers that standardisation to any framework with more than ten board lot units would not materially enhance secondary market operational efficiency per consideration (i), whilst any fewer than six board lot units would not provide sufficient options to meet considerations (ii) to (v).

²⁶ For example, an issuer of a stock priced at HK\$0.05, currently using a board lot unit of 40,000, may undertake a share consolidation if the largest board lot unit available is 10,000 to comply with the board lot value floor level of HK\$1,000.

²⁷ Odd lots occur when the new standardised board lot unit is larger than the existing unit or is not an integral multiple of it.

83. Following in depth analysis, eight specific board lot units were identified as being optimal in meeting considerations (i) to (v). These board lots are shown in Table 2 below.

Table 2: Rationale for Selected Standardised Board Lot Units

Board Lot Unit	1 share	50 shares	100 shares	500 shares	1,000 shares	2,000 shares	5,000 shares	10,000 shares
Indicative Stock Price Range Covered	HK\$1,000+	HK\$20 – HK\$1,000	HK\$10 – HK\$500	HK\$2 – HK\$100	HK\$1 – HK\$50	HK\$0.5 – HK\$25	HK\$0.2 – HK\$10	HK\$0.1 – HK\$5
Currently used by a significant number of securities			✓	✓	✓	✓	✓	✓
Supports board lot value floor guidance							✓	✓
Supports board lot value ceiling guidance	✓	✓	✓					
Provides flexibility for issuers of higher-priced stocks to lower board lot values	✓	✓	✓					
Reduces odd lot creation		✓	✓					
Supports future transition to a single unified board lot unit	✓		✓					

84. As multiple factors have been considered when identifying board lot units for inclusion in the standardised framework, certain board lot units that may score highly in one area but do not offer balanced benefits across all areas may not have been selected for inclusion.
85. The impact of standardising board lots to these specific eight units is shown in Table 3 below, together with impact analysis of six and ten board lot unit options for comparison.

Table 3: Selection of Board Lot Units and Impact Analysis of Standardising Board Lot Units to Six, Eight, or Ten Units

		Current Utilisation		Included Within		
Board Lot Unit	Indicative Stock Price Covered	Percent of Stocks	Percent of ADT	Six Board Lot Units	Eight Board Lot Units	Ten Board Lot Units
20,000	Low value stocks	3%	<1%			✓
10,000		10%	<1%	✓	✓	✓
5,000		7%	<1%		✓	✓
2,000	Mid value stocks	25%	8%	✓	✓	✓
1,000		19%	16%	✓	✓	✓
500		10%	19%	✓	✓	✓
200	High value stocks	4%	14%			✓
100		5%	33%	✓	✓	✓
50		1%	4%		✓	✓
1		0%	0%	✓	✓	✓
Impacted stocks (%)				32%	25%	18%
Impacted ADT (%)				26%	22%	9%
Stocks potential for consolidation (%)				7%	5%	2%
Stocks with resultant odd lots (%)				11%	10%	9%

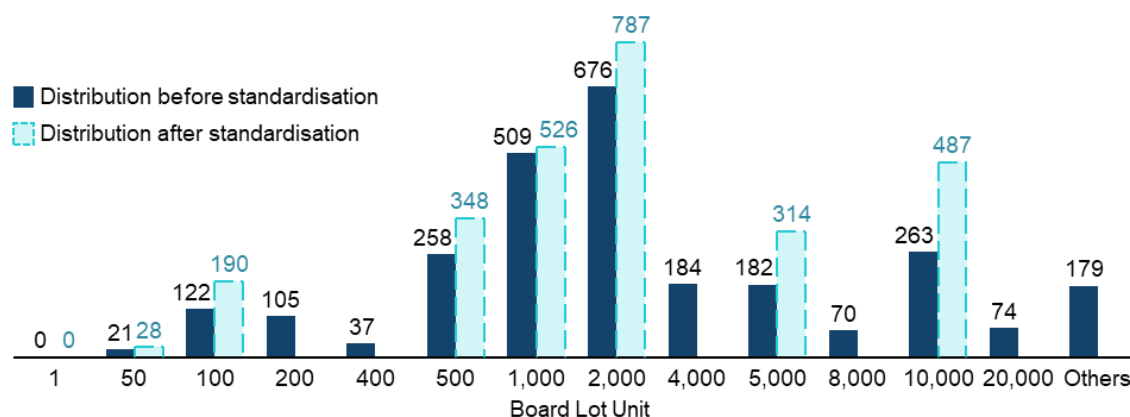
Source: HKEX; YTD data as of 30 June 2025

86. Table 3 illustrates that standardising to six board lot units would have a relatively high implementation impact with 860 Applicable Securities (32%) required to change their board lot units, equal to 26% of ADT. In addition, 188 Applicable Securities (7%) would need to consider corporate actions if they wish to comply with the proposed board lot value floor and ceiling guidance. This option would result in odd lot creation for 286 Applicable Securities (11%).
87. The ten board lot unit option would result in the least market impact with 479 Applicable Securities (18%), equal to 9% of ADT, required to change their board lot units. This may be considered too low to deliver meaningful improvement. Under this option 54 (2%) of Applicable Securities would need to consider corporate actions and 241 (9%) would have resultant odd lots.
88. In contrast, the eight board lot unit option offers a more balanced outcome. It achieves a meaningful reduction in the number of board lot units while limiting implementation impact. The number of Applicable Securities affected is 657 (25%), equal to 22% of ADT, with 132 potential consolidations (5%), and odd lots 270 (10%).
89. On the basis of the above analysis, HKEX proposes standardising board lots to eight specific units: 1, 50, 100, 500, 1,000, 2,000, 5,000, 10,000 share(s).

Board Lot Unit Distribution Post Standardisation

90. The distribution of board lot usage following standardisation will depend on each issuer's selection of a standardised unit. Figure 11 illustrates potential future board lot distribution, assuming issuers choose their board lot units according to the following priorities (i) adherence to board lot value floor and ceiling, (ii) minimising the creation of odd lots, and (iii) minimising changes to board lot value.

Figure 11: Potential Board Lot Distribution Post Standardisation



Source: HKEX; data as of 30 June 2025

Consultation Questions:

Q7. Do you support standardising board lot units as a pathway to reducing market complexity? If not, please provide reasons.

Q8. Do you support adopting the eight board lot units specified (1, 50, 100, 500, 1,000, 2,000, 5,000, 10,000 share(s))? If not, please provide reasons.

Q9. If you do not support adopting eight board lot units, do you prefer a larger number of board lot units? If yes, please provide reasons.

CHAPTER 3: IMPLEMENTATION TIMELINE

Considerations

Implementation Timing

91. HKEX recognises that the proposed new board lot framework will be a significant change for the market and that the timing of implementation needs to be considered alongside other market structure enhancements, such as the USM initiative. The USM initiative is a major reform designed to modernise Hong Kong's securities market infrastructure by eliminating the need for physical share certificates and enabling electronic ownership and transfer of securities.
92. To maximise operational efficiency and minimise market disruption, HKEX proposes to align the implementation methodology and timeline of the new board lot framework with the USM initiative. This alignment allows issuers to optimise resources and avoids the need to reprint share certificates following board lot unit changes.

Parallel Trading Arrangement

93. Parallel trading refers to a temporary period during which a security is traded under both a temporary trading counter and the original trading counter. This arrangement can occur during certain board lot unit changes and other corporate actions²⁸ and is primarily designed to give holders of physical share certificates sufficient time to convert their certificates following these changes.
94. With the adoption of USM and the associated decrease in dependence on physical share certificates, the necessity for parallel trading arrangements will be reduced. As a result, such arrangements will typically no longer be required for board lot unit changes relating to Applicable Securities that have migrated to USM. Additional information regarding these procedures will be communicated prior to the rollout of the new board lot framework.
95. Parallel trading arrangements will continue to be required for other corporate actions such as share consolidations and sub-divisions. These transactions are more complex and present a higher risk of operational errors compared to board lot unit changes. For this reason, even after the implementation of USM, parallel trading arrangements will remain in place for other corporate actions, serving as an important safeguard to ensure orderly trading and market integrity.
96. To summarise, aligning with the USM initiative eliminates the need to reprint share certificates following board lot unit changes and facilitates the removal of parallel trading for board lot unit changes relating to Applicable Securities that have migrated to USM.

²⁸ Selected types of corporate actions available at: https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Other-Resources/Listed-Issuers/Practices-and-Procedures-for-Handling-Listing-related-Matters/d_ta.pdf.

Two-phase Implementation

97. HKEX proposes to implement the new board lot framework in two phases:

- i. Phase One: New issuers will be required to comply with all three components of the new board lot framework upon listing, while existing issuers will only be required to comply with the updated board lot value floor and new board lot value ceiling guidance within a specified period after the effective date of phase one. In order to comply with the board lot value floor or ceiling guidance, existing issuers may consider adopting a standardised board lot unit or pursuing share consolidation or sub-division as needed.
- ii. Phase Two: Each existing issuer will be required to adopt one of the standardised board lot units within a specified period following its transition to uncertificated shareholding under the USM initiative.

Consultation Questions:

Q10. (For issuers only) If a change is required, is six months an appropriate duration for an issuer to adjust its board lot unit or undertake other corporate action, to comply with board lot value ceiling guidance or standardisation of board lot units? If not, please provide reasons.

Q11. Do you support aligning implementation of standardisation of board lot units with the USM initiative? If not, please provide reasons.

Q12. Are there any anticipated challenges, such as system limitations, in implementing the proposed board lot framework?

98. The consultation period for this paper is 12 weeks and will close on **12 March 2026**. HKEX will review and summarise the comments received and set out the finalised new board lot framework and the implementation plan in the Consultation Conclusions Paper which will tentatively be published by the end of the first half of 2026.

CHAPTER 4: OTHER CONSIDERATIONS

99. This section addresses other key considerations relating to enhancing the board lot framework, specifically fees charged by board lot, impact on associated products and odd lot trading.

Fees Charged by Board Lot

100. Currently, certain fees in the Hong Kong securities market, including some depository and nominee services fees²⁹, are charged on a per board lot basis.

101. Many of these fees will be restructured as part of the USM initiative and going forward will no longer reference to board lots. Information on relevant fee changes will be provided in due course.

102. Standardising board lot units is not expected to have a material impact on the remaining fees that are charged on a per-board-lot basis. While the number of shares in a board lot may change under the proposed framework, this does not necessarily result in higher or lower fees for shareholders. If the board lot unit increases, shareholders may hold fewer board lots; if it decreases, they may hold more with the overall fee impact therefore dependent on the board lot unit selected by the issuers.

Impact on Associated Products

103. Associated products, such as Structured Products (including derivative warrants and callable bull/bear contracts) and equity derivatives (such as stock options and stock futures), are designed with features and market making arrangements that are directly or indirectly influenced by the board lot unit of the underlying security.

104. When a board lot unit is set or changed, several product features, operational parameters, and hedging mechanics may be affected. For example, the number of shares that make up a contract for stock options or futures is often based on the board lot unit of the underlying security. If the board lot unit changes, the contract terms may need to be adjusted so that the product continues to reflect the same economic value. Similarly, for Structured Products any change in the underlying's board lot unit may require the board lot unit of the Structured Product to be adjusted.

105. Market makers and liquidity providers may also rely on board lot units when quoting prices and managing their positions. Having a wide variety of board lot units can make it more complicated to manage these products and can increase the risk of errors. Standardising board lot units helps simplify these processes, making it easier for market participants to manage, price, and hedge associated products.

²⁹ Details of the fees available at: [https://www.hkex.com.hk/Services/Rules-and-Forms-and-Fees/Fees/Securities-\(Hong-Kong\)/Clearing-and-Settlement/Operational?sc_lang=en](https://www.hkex.com.hk/Services/Rules-and-Forms-and-Fees/Fees/Securities-(Hong-Kong)/Clearing-and-Settlement/Operational?sc_lang=en).

106. As part of the board lot review, HKEX assessed the implications of changing board lot units on associated products and found that the necessary arrangements can be managed through established capital adjustment procedures. HKEX will coordinate with product issuers and market makers so that trading remains orderly, and investor protections are maintained throughout implementation of the new board lot framework.

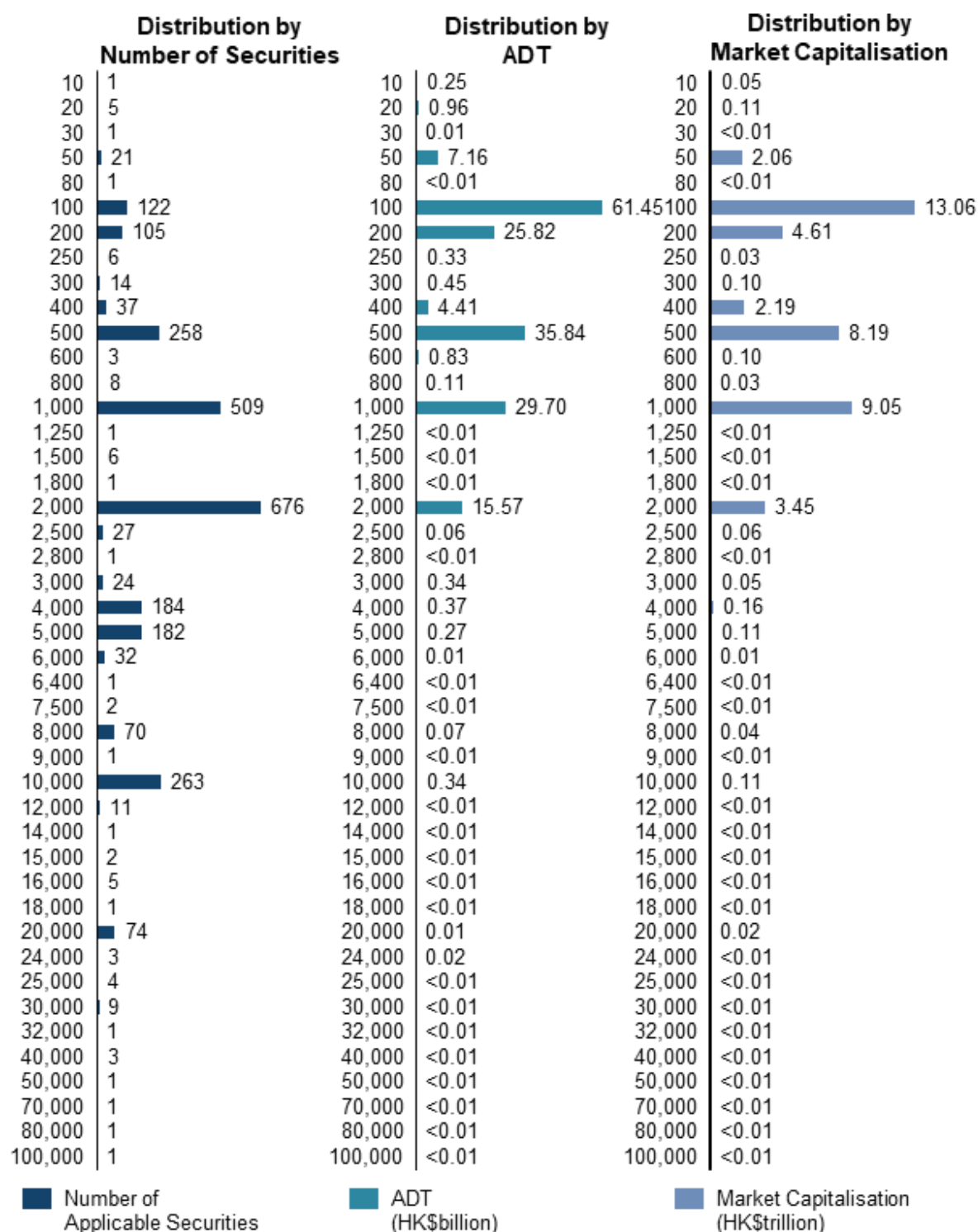
Odd Lot Trading

107. Despite the presence of a semi-automated trade matching mechanism and the manual trade reporting of odd lot transactions, odd lot trading turnover in Hong Kong remains low. HKEX has observed growing demand from Hong Kong and Stock Connect market participants to explore more effective and pragmatic mechanisms to facilitate odd lot trading.

108. A number of areas have been identified for improvement, for example, the efficiency of price discovery and ease of finding trade counterparties, etc. Developing an odd lot trading solution requires careful consideration of market preferences, stakeholder input, and technological complexities for the market. These preferences and other factors need to be considered when determining key aspects of how a new model may operate, for instance, the order matching mechanism, order book management, price determination, as well as accessibility by investors, including Southbound Stock Connect investors, etc.

109. HKEX is reviewing potential enhancements to the odd lot trading mechanism and will continue to analyse and evaluate possible odd lot trading models, with a view to enhance the existing framework, such that investors are able to buy and sell stocks in a quantity less than one board lot in a more efficient manner. We will continue to engage with market participants to design the model. More details of the enhancements to the odd lot trading mechanism for the Hong Kong securities market and implementation timeline will be shared in the consultation conclusions paper.

APPENDIX I: DISTRIBUTION OF BOARD LOT UNITS BY NUMBER, MARKET CAPITALISATION AND TURNOVER OF APPLICABLE SECURITIES³⁰



³⁰ Source: HKEX; YTD data as of 30 June 2025.

APPENDIX II: PRIVACY NOTICE

Hong Kong Exchanges and Clearing Limited and its affiliated companies (together "HKEX", "we", "our" or "us") are committed to protecting all Personal Data under our custody, control, or possession. "Personal Data" is any information that relates to an identifiable individual or can be used to identify an individual – sometimes the individual is referred to as a "Data Subject" or consumer.

This privacy notice ("Notice") applies to the Personal Data we collect and further process from Data Subjects who respond to our public consultation papers and white papers.

If the correct Personal Data is not submitted to HKEX then we may not be able to ensure the correct details are published or contact respondents if we have queries about their comments and/or we may be unable to process requests relating to their rights as Data Subjects under the applicable data protection laws.

What Personal Data do we collect and how do we collect it?

Information directly submitted by or collected from you:

- Identity data such as name and position in a company;
- Contact data such as phone number and email address;
- Opinion data such as your response to the consultation paper; and
- Communications data such as subsequent correspondence with you to clarify your comments or to confirm your identity data.

For Data Subjects in the Chinese Mainland:

- to verify your identity, we may process your name, position, phone number, and email address;
- to communicate with you, we may process your name, position, phone number, and email address;
- to register your response in our records or change your response upon your request, we may process your name, position, answers and reasons for those answers; and
- to prepare our publication material, we may process and publish your name and position (where your consent has been provided), and your answers and reasons for those answers.

For Data Subjects who are California residents:

To the extent the California Privacy Rights Act applies, the types of Personal Data we collect (and have collected in the past 12 months) includes the categories listed below, as defined by California state law:

Category	Source	Purpose of Processing
Personal identifiers such as your name and email address	Collected directly from you	For verification of identity, clarification of comments,

Category	Source	Purpose of Processing
Information About You including your name, position, and telephone number		record keeping and/or publication

Why do we use the Personal Data and how do we use it?

The “**Legal Basis**” is what data protection laws set out as the lawful reasons for processing Personal Data, such as a legitimate interest to operate our business so long as it does not materially and adversely impact your interests, rights, and freedoms.

Legal Basis	Purpose
Legitimate Interests	<ul style="list-style-type: none"> Opinion data as part of the consultation process to understand the market/public response to the proposal(s) set out in the consultation; Identity and contact data to verify and clarify responses; Identity data where consent has been provided for external publication;
Public Interest	<ul style="list-style-type: none"> We may also process your personal data on the basis that it is necessary for the performance by HKEX of a task in the public interest.
Consent	<u>Separate consent</u> <ul style="list-style-type: none"> Required if you are a Data Subject in the Chinese Mainland and we need to share your Personal Data with a third party, publicly disclose it, or transfer it outside the Chinese Mainland.
Legal or Regulatory Obligations	<ul style="list-style-type: none"> Discharge the functions of HKEX and any company of which HKEX is the recognised exchange controller; Comply with a court order, subpoena or other legal process; Comply with a request by a government authority, law enforcement agency or similar body; and Comply with laws applicable to us including domestic data protection laws.

Do we disclose Personal Data to third parties or transfer it to another jurisdiction?

HKEX discloses Personal Data to one or more third party organisations that enable us to process public consultation papers and white papers – and these include:

- Affiliates of Hong Kong Exchanges and Clearing Limited;
- Our contractors or vendors who provide telecommunications, IT security, or other technical assistance;

- Our vendors who facilitate the availability of online forms;
- Our vendors who provide strategy or other consultancy services in respect of our businesses; and
- Our agents, contractors or vendors who provide administrative support to us.

To fulfil our legal obligations, we may also share your Personal Data with courts, regulatory authorities, government and law enforcement agencies, and other public authorities.

Further details about these third parties may be provided upon request to the address in the “Contact Us” section below. We shall endeavour to provide such information to the extent we are required to do so under applicable data protection laws.

Where required under applicable data protection laws, HKEX will only disclose Personal Data to third parties with your prior consent. In certain jurisdictions, HKEX may also be required to take additional measures prior to giving effect to such transfers (e.g. carrying out privacy impact assessments prior to the transfer).

HKEX may process Personal Data outside of the Data Subject’s home jurisdiction, including sharing the Personal Data with third parties. HKEX shall use reasonable endeavours to ensure that the laws and regulations of the destination jurisdiction shall offer the same or comparable level of protection for Personal Data. Where this is not the case, we shall ensure appropriate safeguards are in place at the time of the transfer by implementing standard contractual clauses or other data transfer mechanism approved by the authorities of the relevant jurisdiction. Where required under applicable data protection laws, we shall also carry out additional measures for the offshore transfer such as carrying out a privacy impact assessment.

The regions where the Personal Data may be hosted or transferred to will vary from time to time, but typically include Hong Kong, the UK, US, EU, Switzerland, Singapore, Japan, India, and the Chinese Mainland.

Further details on the processing locations and our measures for safeguarding international transfers (including adequacy decisions) may be obtained upon request to the address in the “Contact Us” section below.

How long do we keep the Personal Data?

Personal Data is retained in accordance with our internal policies and applicable law.

Your Personal Data will be retained by us for as long as is necessary to fulfil the purposes required for the processing. HKEX will also refer to the following factors when determining or confirming the appropriate retention period of Personal Data:

- the original purpose of collection;
- the termination of any contract involving the Data Subject’s Personal Data;
- the limitation period as defined in the applicable law;
- the existence of any legal or regulatory investigations or legal proceedings;

- specific laws or regulations setting out HKEX's functions, obligations, and responsibilities;
- retention period set out in non-statutory guidelines issued by our regulators or international bodies; and
- the sensitivity of the Personal Data and the degree of risk from the associated processing activity.

For Data Subjects in the Chinese Mainland, we usually retain the Personal Data for not more than 3 years from the last activity or interaction with us. Further details of our Personal Data retention period may be obtained upon request to the address in the "Contact Us" section below.

Where any Personal Data is no longer necessary for the purposes for which it is collected, we shall cease the processing of that Personal Data as soon as reasonably practicable (although copies may be retained as necessary for archival purposes, for use in any actual or potential dispute, or for compliance with applicable laws), and take reasonable measures to destroy the relevant Personal Data.

How do we keep your Personal Data secure?

We will take all practicable and reasonable steps to promote the security of the Personal Data we process in a manner consistent with applicable data protection laws and established international security standards. This includes physical, technical and administrative safeguards, to help prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks, and the loss of any storage medium or device on which the Personal Data is stored, and to maintain the general security of the data.

Rights over the Personal Data

As a summary, the following Data Subject rights may be exercised to the extent provided under applicable data protection laws:

- confirm whether we hold the Data Subject's Personal Data and the type of Personal Data held by us;
- access a copy of the Personal Data held by us;
- delete your Personal Data held by us;
- correct or supplement your Personal Data where it is found to be inaccurate;
- restrict the processing performed on your Personal Data;
- withdraw consent to the processing of your Personal Data in certain situations (e.g. processing carried out on the basis of our legitimate interests); and
- transfer the Personal Data to another party in a machine readable format.

In certain jurisdictions, Data Subjects may also be provided with additional rights.

California	<ul style="list-style-type: none"> • Request that we disclose the categories of third parties with whom we have shared the information and the categories of Personal Data that we have shared with third parties for a business purpose.
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The Chinese Mainland	<ul style="list-style-type: none"> • Explanation on the rules of processing the Personal Data; • Extension of the Data Subject rights to a surviving next-of-kin where the applicable laws permit; and • Transfer of your Personal Data to your designated party, where the applicable laws permit.
United Kingdom and Europe	<ul style="list-style-type: none"> • Right to object to processing. You have the right to object to processing to the extent we process your Personal Data because the processing is in our legitimate interests.
Singapore	<ul style="list-style-type: none"> • In certain circumstances, receive information about the ways in which the Personal Data has been or may have been used or disclosed by us in the year before the date of the request.

Where these rights apply, we shall use reasonable endeavours to fulfil the request or provide an explanation. Please note that under applicable data protection law, we are only obligated to respond to Personal Data requests from the same Data Subject up to two times in a 12-month period, and we may be limited in what Personal Data we can disclose which is also for the protection of your Personal Data.

We will endeavour to respond to you as soon as possible and, in any event, within the timeframe stipulated under the applicable data protection law. In the event of a potential delay, we will provide an explanation and the expected timeframe for delivery. Under applicable data protection law, we may also be required to charge a reasonable fee for the cost of processing the request.

Please note that we may need to seek confirmation of identity or clarification in order to fulfil the request. If you as the Data Subject would like to appoint an authorised agent to make a request on your behalf, we may require you to verify your identity with us directly before we provide any requested information to your authorised agent unless your authorised agent has power of attorney or acts as a conservator. Information collected for purposes of verifying your request will only be used for verification. For deletion requests, you will be required to submit a verifiable request for deletion and then confirm separately that you want Personal Data about you deleted.

If you would like to exercise your Data Subject rights, please contact the HKEX Group Data Protection Office via one of the channels below.

Contact Us

If you have any questions or comments relating to the content of this Notice, report any concerns about our Personal Data processing, or if you would like to exercise your Data

Subject Rights, please contact us through the channels below:

Group Data Protection Officer
GDPO Office
Hong Kong Exchanges and Clearing Limited
8/F., Two Exchange Square 8 Connaught Place
Central
Hong Kong
DataPrivacy@hkex.com.hk

UK Representative:
10 Finsbury Square, London, EC2A 1AJ, United Kingdom

EU Representative:
De Cuserstraat 91, 1081 CN Amsterdam, Postbus/PO Box 7902, 1008 AC Amsterdam, Netherlands hkex.eurep@eversheds-sutherland.com

Please include the following details in any request to exercise your Data Subject Rights:

Identity of Data Subject

- Full Name
- Company Name
- Email Address
- Address of principal residence
- Identity particulars if acting on behalf of a Data Subject
- Contact details held on file or Document(s) to verify identity

Nature of the Request

- Product or Service to which the Data Subject has subscribed
- Specific Right
 - Purpose of the Request
 - Preferred communication channel and address for receiving the results of the request
 - Document(s) to support the rights request

Any Data Subject who has contacted us to express concerns about the way we manage their Personal Data and is of the view that we have not addressed the matter satisfactorily, may also contact the relevant privacy regulator to resolve the matter or seek assistance.

The privacy regulator in the United Kingdom is the Information Commissioner, who may be contacted at <https://ico.org.uk/make-a-complaint/> or by post to: Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, United Kingdom.

If you live outside of the UK, you may contact the relevant data privacy regulator in your country of residence.

Last updated: 18 November 2025

Annex

This Notice relates to privacy practices of the following HKEX group entities. For the contact details of the following entities, please refer to the “Contact Us” section.

- The Stock Exchange of Hong Kong Limited
 - The Stock Exchange Of Hong Kong Limited Singapore Branch
- Hong Kong Futures Exchange Limited
 - Hong Kong Futures Exchange Limited Singapore Branch
- Hong Kong Securities Clearing Company Limited
- HKFE Clearing Corporation Limited
- The SEHK Options Clearing House Limited
- OTC Clearing Hong Kong Limited
- HKEX Information Services Limited
- HKEX Information Services (China) Limited
- HKEX (China) Limited
- HKEX Investment (China) Limited
- HKEX Investment (Hong Kong) Limited
- Qianhai Mercantile Exchange Co. Ltd.
- HKEX (U.S.) LLC
- Integrated Fund Platform Limited
- HKEX (Middle East) Limited
- Core Climate Global Limited
- Sustainable and Green Exchange Limited