

Submitted via Qualtrics
Company / Organisation view

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

Yes. Yes, we strongly support revising the board lot value floor guidance as it will significantly improve retail investor accessibility, enhance overall market liquidity and better align Hong Kong with modern global standards.

From the perspective of affiliates of Korean financial institutions (with headquarters in Korea), many Korean retail investors currently find Hong Kong equities quite inaccessible due to the high board lot values and associated entry barriers, particularly when compared to Korea's 1-share minimum trading unit which allows much lower capital requirements and greater flexibility for individual positions.

Lowering the floor would help attract more Korean retail participation, boost cross-border flows and strengthen HKEX's appeal as a global investment destination.

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

Yes.

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

Yes. Yes, the current system allows board lot values to grow unchecked over time (due to stock price appreciation without adjustment) which can make certain stocks effectively unaffordable for retail investors, especially in a market where retail participation is key to liquidity.

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

Yes.

5. 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.

Yes.

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

Yes.

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

Yes.

8. 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.

Yes.

9. 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.

N/A

10. (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.

N/A

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

Yes.

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

No.

13. Do you have any other comments regarding the board lot framework enhancements in the Hong Kong securities market?

We hope HKEX will eventually adopt a global standard like the US or Korea, allowing single-share trading in the regular market. Board lot adjustments are helpful but improving odd-lot trading efficiency is equally urgent. Hong Kong's odd-lot system lacks automatic matching, trades rely on manual "hit or grab" in a separate special lot market, which is highly inefficient.

Korean asset managers running Hong Kong equity portfolios often find this structure baffling. We have to explain that odd lots can't use MOC orders and must be routed separately, usually at worse prices. Intraday orders face the same issue, odd lots require contacting dedicated odd lot brokers for OTC matching, which is cumbersome and costly.

For example, a basket order with odd-lot portions across 30 stocks means negotiating each one individually—multiply that by multiple baskets. It becomes extremely time-consuming and primitive compared to other markets.

We simply want to place an order like 103 shares of Alibaba directly into the market and execute at fair prices, without segregation or disadvantages. Please prioritize odd-lot mechanism improvements alongside the board lot reforms. This would greatly enhance accessibility and efficiency for institutional and retail investors alike.