

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. We agree, based on the rationale set out in the Consultation Paper.

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

Yes. We agree. HK\$1,000 seems to be a meaningful reduction.

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

Yes. We agree. This will support broader retail participation by making board lot values more accessible for retail investors.

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

Yes. We agree, based on the retail participation rates observed across the board lot values as set out in the Consultation Paper.

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.

No. We do not agree with applying the ceiling only to issuers with board lot units exceeding 100 shares. If the purpose of the ceiling is to prevent excessively high per lot values, it is respectfully submitted that such objective should apply uniformly to all issuers, irrespective of whether their lot size is below or above 100 shares. Creating an exemption solely for issuers with 100-share board lot units would result in inconsistent regulatory treatment.

Issuers may take necessary corporate actions, such as share consolidations or subdivisions, to align with the proposed standardisation.

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

No. We do not support further reduction at this stage.

Any further reduction should only be considered after assessing post-implementation market impact, including trading activity patterns and global market developments. A data-driven and evidence-based review should therefore precede any future reduction.

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

No. While we are generally supportive of the benefits intended by the initiative to enhance the board lot framework, it is not immediately apparent to us from the consultation paper what specific 'market complexity' or 'operational difficulties' arise under the current board lot structure in Hong Kong.

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.

No. We do not support the eight prescribed board lot sizes as currently proposed. The set excludes certain widely used board lot sizes (such as the 200 shares, as used by the Company), while including others that are relatively uncommon (such as 50 shares). This appears inconsistent with the stated objective of minimising issuer disruption. We urge the Exchange to adopt more prescribed board lot sizes (such as 10 in total as set out in the Consultation Paper, that also includes the board lot size of 200 shares).

In addition, the selection of the eight prescribed board lot sizes was not supported by the statistics set out in the Consultation Paper (such as Figure 1 on page 5 of the Consultation Paper).

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.

Yes. We support the 'ten board lot unit option' that includes 200 shares per board lot. A broader set of options would better accommodate the existing distribution of board lot sizes in the market, particularly where certain sizes are widely used but not captured within the proposed set.

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.

Yes. Six months can be an appropriate duration for those board lot unit adjustments that do not require corporate actions. More time may be needed for planning and executing the corporate actions. A longer transition period would offer greater flexibility for orderly implementation.

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

Yes. We support the alignment with the USM initiative.

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

No. We are not currently aware of any anticipated challenges.

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

No.