

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.

We believe that the proposed revisions can help to increase the trading volume for derivatives in Hong Kong, which can help to provide liquidity to the market and also help to increase market transparency by attracting more market participants to trading on the exchange.

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.

For similar reasons as noted in response 1, above, we believe that the proposed model can help provide liquidity in the market and can also to increase market transparency by attracting more market participants to trading on exchange.

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

We believe that the current stock option reporting limit (1,000 open contracts) is too low and that the proposal should also consider the possibility of increasing the reporting limit in line with the proposed increase in position limits.

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