

香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

The Stock Exchange of Hong Kong Limited

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

事項

Subject: Appointment of Primary Market Makers for Stock Options Market

查詢

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Reference is made to the circular (ref: DMD/043/13) dated 20 March 2013 regarding the introduction of Primary Market Maker (PMM) program as part of the Stock Options Revamp. The Exchange is pleased to announce the appointment of the following PMMs for the period from the effective dates as stated below to 31 December 2013:

| Underlying Stock Name | Primary Market Maker | Effective Date |
|--------------------------------------|--|----------------|
| AIA Group Limited | BNP Paribas Securities (Asia) Limited | 2 May 2013 |
| | Eclipse Options (HK) Limited | |
| | Timber Hill Securities Hong Kong Limited | |
| China Mobile Limited | BNP Paribas Securities (Asia) Limited | 2 May 2013 |
| | Citadel Securities (Hong Kong) Limited | |
| | Eclipse Options (HK) Limited | |
| | Timber Hill Securities Hong Kong Limited | |
| China Life Insurance Company Limited | BNP Paribas Securities (Asia) Limited | 2 May 2013 |
| | Eclipse Options (HK) Limited | |
| | Timber Hill Securities Hong Kong Limited | |
| | Citadel Securities (Hong Kong) Limited | 2 July 2013 |
| CNOOC Limited | BNP Paribas Securities (Asia) Limited | 2 May 2013 |
| | Eclipse Options (HK) Limited | |
| | Timber Hill Securities Hong Kong Limited | |

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| | | |
|--------------------|--|-------------|
| | Citadel Securities (Hong Kong) Limited | 2 July 2013 |
| HSBC Holdings Plc. | BNP Paribas Securities (Asia) Limited | 2 May 2013 |
| | Citadel Securities (Hong Kong) Limited | |
| | Eclipse Options (HK) Limited | |
| | Timber Hill Securities Hong Kong Limited | |

PMM is required to provide continuous quotes in not less than 120 option series for at least 80% of the trading hours and respond to at least 80% of the quote requests for each option class. Any quote that PMM submit shall be not less than 30 contracts for the spot month and the next three calendar expiry months and not less than 15 contracts for the next three calendar quarter expiry months with the maximum bid/offer spread as specified by the Exchange. Details of PMM obligations are specified in the Attachment.

P C Wong
 Vice President
 Derivatives Trading
 Global Markets Division

This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.

Primary Market Maker (PMM) Obligations

Table A – Obligation of PMM to provide Continuous Quotes (CQ)

| | | | |
|--------------------------------|------------------|---|-------------------|
| Assigned CQ series | | 120 series (chosen from series selection pool below) | |
| Option series selection pool: | | | |
| <u>Contract Month</u> | <u>Series</u> | <u>Call Series</u> | <u>Put Series</u> |
| Spot month | Out-of-the-money | 8 | 8 |
| | In-the-money | 3 | 3 |
| 2 nd calendar month | Out-of-the-money | 8 | 8 |
| | In-the-money | 3 | 3 |
| 3 rd calendar month | Out-of-the-money | 8 | 8 |
| | In-the-money | 3 | 3 |
| 4 th calendar month | Out-of-the-money | 8 | 8 |
| | In-the-money | 3 | 3 |
| 1st calendar quarter month | Out-of-the-money | 8 | 8 |
| | In-the-money | 3 | 3 |
| 2nd calendar quarter month | Out-of-the-money | 8 | 8 |
| | In-the-money | 3 | 3 |
| 3rd calendar quarter month | Out-of-the-money | 8 | 8 |
| | In-the-money | 3 | 3 |
| Sub-total | | 77 | 77 |
| Total | | 154 | |
| Minimum Quote Size | | 30 contracts for spot month and the next three calendar expiry months; 15 contracts for the next three calendar quarter expiry months | |
| Maximum Bid/Offer Spread | | See Table C below | |
| Minimum Trading Hours | | 80% of trading hours in a month | |

Table B - Obligation of PMM to Respond to Quote Requests (QR)

| | |
|---|---|
| Minimum Respond to QR Requirement | Respond to 80% of QR received in a month for all expiry months |
| Minimum Quote Size | 30 contracts for spot month and the next three calendar expiry months; 15 contracts for the next three calendar quarter expiry months |
| Maximum Bid/Offer Spread | See Table C below |
| Maximum Time Limit for Responding to QR | 20 seconds |
| Minimum Display Time | 20 seconds |

Table C. Maximum Bid/Offer Spread

| Contract Month | | Maximum Bid/Offer Spread |
|--|--|--|
| Spot month | with 3 Business Days or less to expiry | 20% of the bid price of the quote or 4 times the best bid/offer spread of the underlying securities, whichever is the lower |
| | with 4 Business Days or more to expiry | 10% of the bid price of the quote or 4 times the best bid/offer spread of the underlying securities, whichever is the lower |
| Second, third and fourth calendar month | | |
| Next 1 st and 2 nd calendar quarter months | | 20% of the bid price of the quote or 6 times the best bid/offer spread of the underlying securities, whichever is the lower |
| 3 rd calendar quarter month | | 20% of the bid price of the quote or 12 times the best bid/offer spread of the underlying securities, whichever is the lower |

Note: Notwithstanding the above, PMM will not be obliged to quote a spread narrower than the best bid/offer of the underlying security (at the time of issuing the quote) plus 5 minimum price fluctuations (if the nominal price of the underlying security < \$100) or plus 10 minimum price fluctuations (if the nominal price of the underlying security ≥ \$100). PMM will not be required to provide bid side of CQ or respond to bid side of QR if the offer is at or below 10 minimum price fluctuations.