

Rules, Regulations and Procedures of the Futures Exchange

CHAPTER VIII

TRADING ARRANGEMENTS - PRACTICES AND SYSTEMS

815A.

(2) Minimum Volume Threshold

- (a) Subject to Rule 815A(2A), an Exchange Participant shall not execute any order as a Block Trade unless that order meets the applicable Minimum Volume Threshold set forth below and the Exchange Participant has received instructions or has been specifically authorized to execute the order as a Block Trade:

Exchange Contract	Minimum Volume Threshold (no. of contracts)
London Aluminium Mini Futures	50
London Zinc Mini Futures	50
London Copper Mini Futures	50

APPENDIX B - FEES

Description		Amount¹
<i>Exchange trading fees</i>		
London Aluminium Mini Futures	House/Client a/c MM a/c	RMB3.00/Lot RMB3.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
London Zinc Mini Futures	House/Client a/c MM a/c	RMB3.00/Lot RMB3.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
London Copper Mini Futures	House/Client a/c MM a/c	RMB5.00/Lot RMB5.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant

¹ Unless otherwise specified, the amounts listed in this appendix are in HK dollars

² The number of contracts that are eligible for a reduced Exchange Fee may be limited as specified in the Procedures relating to Stock Index Futures and Stock Index Options contained in these Rules

<p>Contract Specifications For London Aluminium Mini Futures</p>
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The following Contract Specifications shall apply to the London Aluminium Mini Futures Contract:-

Underlying	High Grade Primary Aluminium as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per tonne
Minimum Fluctuation	RMB5 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which a London Aluminium Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	25,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and 25,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and 500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:15 p.m. (day trading session) and 5:00 p.m. – 1:00 a.m. (after-hours trading session) There is no trading after 12:00 noon on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:00 noon

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:15 p.m. (day trading session) There shall be no trading after 12:00 noon on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:00 noon
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Aluminium Futures Contract (i.e. usually two business days before the third Wednesday of the Spot Month) If it is not a Hong Kong Business Day, the Last Trading Day shall be the immediately preceding Hong Kong Business Day
Final Settlement Day	The second Hong Kong Business Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	RMB
Final Settlement Price	The Final Settlement Price of London Aluminium Mini Futures Contracts shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Aluminium Futures Contract, and converted to RMB equivalent using the spot USD/RMB fixing published by the Treasury Markets Association in Hong Kong at 11:15 a.m. Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee RMB3.00 The amount indicated above is subject to change from time to time.
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance Exchange Participants shall pay the prescribed amount of Commission Levy in RMB equivalent (at the conversion rate determined by the Exchange, rounded to the nearest RMB Cent)
Commission Rate	Negotiable

Note:

Copyright, rights of confidentiality and all other rights attaching to or associated with the official settlement prices of The London Metal Exchange (“LME Pricing Information”) belong to The London Metal Exchange. All references to LME Pricing Information are used with the permission of The London Metal Exchange but The London Metal Exchange has no involvement with and accepts no responsibility for use of the LME Pricing Information by the Exchange or for any contract dealt with on the Exchange or its suitability for any purpose. The LME Pricing Information may not be utilized for any purpose without the prior written agreement of The London Metal Exchange.

<p>Contract Specifications For London Zinc Mini Futures</p>

The following Contract Specifications shall apply to the London Zinc Mini Futures Contract:-

Underlying	Special High Grade Zinc as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per tonne
Minimum Fluctuation	RMB5 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an London Zinc Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	25,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and 25,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and 500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:15 p.m. (day trading session) and 5:00 p.m. – 1:00 a.m. (after-hours trading session) There is no trading after 12:00 noon on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:00 noon

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:15 p.m. (day trading session) There shall be no trading after 12:00 noon on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:00 noon
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Zinc Futures Contract (i.e. usually two business days before the third Wednesday of the Spot Month) If it is not a Hong Kong Business Day, the Last Trading Day shall be the immediately preceding Hong Kong Business Day
Final Settlement Day	The second Hong Kong Business Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	RMB
Final Settlement Price	The Final Settlement Price of London Zinc Mini Futures Contracts shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Zinc Futures Contract, and converted to RMB equivalent using the spot USD/RMB fixing published by the Treasury Markets Association in Hong Kong at 11:15 a.m. Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee RMB3.00 The amount indicated above is subject to change from time to time.
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance Exchange Participants shall pay the prescribed amount of Commission Levy in RMB equivalent (at the conversion rate determined by the Exchange, rounded to the nearest RMB Cent)
Commission Rate	Negotiable

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<p>Contract Specifications For London Copper Mini Futures</p>

The following Contract Specifications shall apply to the London Copper Mini Futures Contract:-

Underlying	Copper – Grade A as defined in the rules and regulations of The London Metal Exchange from time to time
Contract Size	5 tonnes
Trading Currency	RMB
Contract Months	Spot Month and the next eleven calendar months. The Chief Executive may, in consultation with the Commission, introduce additional Contract Months for trading from time to time as he considers appropriate
Price Quotation	RMB per tonne
Minimum Fluctuation	RMB10 per tonne
Maximum Fluctuation	As prescribed by the Exchange from time to time
Contracted Price	The price at which an London Copper Mini Futures Contract is registered by the Clearing House
Contracted Value	Contracted Price multiplied by the Contract Size
Position Limits	50,000 net long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and 50,000 net long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and 500 open contracts, in any one Contract Month, per Client
Pre-Market Opening Period	Nil
Trading Hours (Hong Kong time)	9:00 a.m. – 4:15 p.m. (day trading session) and 5:00 p.m. – 1:00 a.m. (after-hours trading session) There is no trading after 12:00 noon on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:00 noon

	There is no after-hours trading session if it is a bank holiday in the United Kingdom, the United States and the People's Republic of China
Trading Hours on Last Trading Day (Hong Kong time)	9:00 a.m. – 4:15 p.m. (day trading session) There shall be no trading after 12:00 noon on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 9:00 a.m. – 12:00 noon
Trading Method	The Exchange's Automated Trading System (HKATS)
Last Trading Day	The Last Trading Day determined by The London Metal Exchange for its Copper Futures Contract (i.e. usually two business days before the third Wednesday of the Spot Month) If it is not a Hong Kong Business Day, the Last Trading Day shall be the immediately preceding Hong Kong Business Day
Final Settlement Day	The second Hong Kong Business Day after the Last Trading Day
Settlement Method	Cash settled contract of difference
Settlement Currency	RMB
Final Settlement Price	The Final Settlement Price of London Copper Mini Futures Contracts shall be a whole number, determined by the Clearing House, and shall be the Official Settlement Price determined and published by The London Metal Exchange for its Copper Futures Contract, and converted to RMB equivalent using the spot USD/RMB fixing published by the Treasury Markets Association in Hong Kong at 11:15 a.m. Hong Kong time on the Last Trading Day. It is rounded up if the figure in the first decimal place is 5 or above and rounded down if it is below 5
Cash Settlement Value	The Final Settlement Price multiplied by the Contract Size
Trading Fee (per contract per side)	Exchange Fee RMB5.00 The amount indicated above is subject to change from time to time.
Levies	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance Exchange Participants shall pay the prescribed amount of Commission Levy in RMB equivalent (at the conversion rate determined by the Exchange, rounded to the nearest RMB Cent)
Commission Rate	Negotiable

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REGULATIONS FOR TRADING METAL FUTURES CONTRACTS

INTERPRETATION

002 The Exchange Rules and the Clearing House Rules (referred to collectively as the “Rules”) including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

“London Business Day” for Gold Futures, means any day during which the London Gold Fixing carried out by The London Gold Market Fixing Limited and published by The London Bullion Market Association is available;

for London Aluminium/ Zinc/ Copper Mini Futures, means any day during which the official settlement price for the relevant metal determined and published by The London Metal Exchange is available;

“Maximum Fluctuation” the maximum allowable movement in the price of any Metal Futures Contract per trading session above or below the last Closing Quotation or such reference price as may be specified by the Exchange from time to time;

CONTRACT SPECIFICATIONS

003 The terms and conditions for each Metal Futures Contract shall include, among other things:

- (a) Cash Settlement Value;
- (b) Commission Rate;
- (c) Contract Months;
- (d) Contract Size;
- (e) Contracted Price;
- (f) Contracted Value;
- (g) Final Settlement Day;
- (h) Final Settlement Price;
- (i) Large Open Positions;
- (j) Last Trading Day;
- (k) Maximum Fluctuation;
- (l) Minimum Fluctuation;
- (m) Position Limits;
- (n) Price Quotation;
- (o) Settlement Currency;
- (p) Settlement Method;

- (q) Trading Currency;
- (r) Trading Hours; and
- (s) Trading Method.

FINAL SETTLEMENT PRICE

- 012 If, in the opinion of the Chief Executive, circumstances have developed which prevent the determination of a Final Settlement Price in accordance with the Contract Specifications, or which may render a Final Settlement Price unrepresentative of the price of the underlying metal in the Metal Futures Contract at the close of trading hours on the Last Trading Day, the Chief Executive, after consultation with the Commission, may either on his own or in conjunction with the Clearing House take such steps as he deems appropriate to enable the Final Settlement Price to be determined.

COMMISSION AND LEVIES

- 020 (b) Trading of Metal Futures Contracts shall be subject to an Exchange Fee which shall become immediately payable to the Exchange upon registration of each Contract with the Clearing House. The Exchange Fee shall be paid to the Exchange through the Clearing House and shall be set by the Board from time to time.

LIQUIDITY PROVISION

- 024 Notwithstanding anything contained in the Rules, the Exchange may from time to time, in its absolute discretion, appoint Exchange Participants to provide liquidity for Metal Futures Contracts in the Metal Futures Market at any time and on such terms and conditions as the parties may agree. For the avoidance of doubt, the terms and conditions of any appointment, including the liquidity providing activities, the liquidity providing arrangements, the liquidity providing requirements, the Exchange Fee concessions and/or other incentives upon meeting the liquidity providing requirements, are subject to negotiation between the Exchange and the relevant Exchange Participant and may therefore vary among different appointments of different Exchange Participants.

MAXIMUM FLUCTUATION

- 025 The Chief Executive, after consultation with the Commission and the Exchange Board, may from time to time, specify a Maximum Fluctuation. Whenever a Maximum Fluctuation has been specified, trading can only occur at prices within the limit of the Closing Quotation from the last trading session or a reference price specified by the Exchange, plus or minus the Maximum Fluctuation.

**TRADING PROCEDURES FOR METAL FUTURES TRADED ON THE
AUTOMATED TRADING SYSTEM OF THE EXCHANGE (“HKATS”)**

- 3.4.4 In the event an Order for a standard combination is executed in the standard combination market and not as Bait Orders in the individual market series, the executed price of the standard combination may not necessarily correspond with the prevailing market prices of the Metal Futures Contracts comprising the standard combination. The matched standard combination will be recorded in HKATS as separate trades in the individual market series.

CHAPTER 4

CONTINGENCY PROCEDURES

4.1 *Typhoon Signals and Black Rainstorm Warnings*

Unless otherwise decided by the Exchange, the trading arrangements upon the approach and the retreat of Typhoons and/or the issuance and cancellation of Black Rainstorm Warnings shall be as follows:

(a) Trading arrangement for all trading days except the eves of Christmas, New Year and Lunar New Year where the Hong Kong Observatory has hoisted or lowered a Typhoon Signal No. 8 or above	
(i) If a Typhoon Signal no. 8 or above is hoisted at any time prior to 8:30 a.m.:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Commencement of trading will take place ^(Note 1): - at 8:30 a.m. if the Signal is lowered at or before 6:30 a.m.; ^(Note 2) - at 9:00 a.m. if the Signal is lowered at or before 7:00 a.m.; - at 9:30 a.m. if the Signal is lowered at or before 7:30 a.m.; - at 10:00 a.m. if the Signal is lowered at or before 8:00 a.m.; - at 10:30 a.m. if the Signal is lowered at or before 8:30 a.m.; - at 11:00 a.m. if the Signal is lowered at or before 9:00 a.m.; - at 11:30 a.m. if the Signal is lowered at or before 9:30 a.m.; - at 12:00 noon if the Signal is lowered at or before 10:00 a.m.; - at 12:30 p.m. if the Signal is lowered at or before 10:30 a.m.; - at 1:00 p.m. if the Signal is lowered at or before 11:00 a.m.; - at 1:30 p.m. if the Signal is lowered at or before 11:30 a.m.; or - at 2:00 p.m. if the Signal is lowered at or before

	<p>12:00 noon;</p> <ul style="list-style-type: none"> - There will be no trading for the day if the Signal is lowered after 12:00 noon.
(ii) If a Typhoon Signal no. 8 or above is hoisted during the trading hours at or between 8:30 a.m. and 12:00 noon:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Trading will be terminated 15 minutes after the hoisting of the Signal. - Trading will resume from 2:00 p.m. if the Signal is lowered at or before 12:00 noon ^(Note 1). - There will be no trading for the rest of the day if the Signal is lowered after 12:00 noon.
(iii) If a Typhoon Signal no. 8 or above is hoisted during the trading hours after 12:00 noon:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Trading will be terminated 15 minutes after the hoisting of the Signal and there will be no trading for the rest of the day.
(iv) If a Typhoon Signal no. 8 or above is hoisted after the end of the day trading session but before the commencement of the after-hours trading session:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - There will be no trading in the after-hours trading session.
(v) If a Typhoon Signal no. 8 or above is hoisted during the after-hours trading session:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Trading will be terminated 15 minutes after the hoisting of the Signal and there will be no trading in the after-hours trading session.

(aa) Trading arrangement for the eves of Christmas, New Year and Lunar New Year where the Hong Kong Observatory has hoisted or lowered a Typhoon Signal No. 8 or above	
(i) If a Typhoon Signal no. 8 or above is hoisted at any time prior to 8:30 a.m.:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Commencement of trading will take place ^(Note 1): <ul style="list-style-type: none"> - at 8:30 a.m. if the Signal is lowered at or before 6:30 a.m.; ^(Note 2) - at 9:00 a.m. if the Signal is lowered at or before 7:00 a.m.;

	<ul style="list-style-type: none"> - at 9:30 a.m. if the Signal is lowered at or before 7:30 a.m.; - at 10:00 a.m. if the Signal is lowered at or before 8:00 a.m.; or - at 10:30 a.m. if the Signal is lowered at or before 8:30 a.m.. - There will be no trading for the day if the Signal is lowered after 8:30 a.m..
(ii) If a Typhoon Signal no. 8 or above is hoisted during the trading hours at or between 8:30 a.m. and 12:00 noon:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Trading will be terminated 15 minutes after the hoisting of the Signal and there will be no trading for the rest of the day.

Note 1: In the event the Pre-Market Opening Period applies to any Metal Futures Contract, the Pre-Market Opening Period for that Metal Futures Contract will commence thirty (30) minutes before the indicated time of resumption of trading.

Note 2: Applicable only to the trading of Gold Futures

(b) Trading arrangement for all trading days where the Hong Kong Observatory has issued or cancelled a Black Rainstorm Warning	
(i) If a Black Rainstorm Warning is issued at any time prior to 8:30 a.m.:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - Commencement of trading will take place ^(Note 1): - at 8:30 a.m. if the Warning is cancelled at or before 6:30 a.m.; ^(Note 2) - at 9:00 a.m. if the Warning is cancelled at or before 7:00 a.m.; - at 9:30 a.m. if the Warning is cancelled at or before 7:30 a.m.; - at 10:00 a.m. if the Warning is cancelled at or before 8:00 a.m.; - at 10:30 a.m. if the Warning is cancelled at or before 8:30 a.m.; - at 11:00 a.m. if the Warning is cancelled at or before 9:00 a.m.;

	<ul style="list-style-type: none"> - at 11:30 a.m. if the Warning is cancelled at or before 9:30 a.m.; - at 12:00 noon if the Warning is cancelled at or before 10:00 a.m.; - at 12:30 p.m. if the Warning is cancelled at or before 10:30 a.m.; - at 1:00 p.m. if the Warning is cancelled at or before 11:00 a.m.; - at 1:30 p.m. if the Warning is cancelled at or before 11:30 a.m.; or - at 2:00 p.m. if the Warning is cancelled at or before 12:00 noon. - There will be no trading for the day if the Warning is cancelled after 12:00 noon.
(ii) If a Black Rainstorm Warning is issued during any trading hours:	Trading will continue as normal.
(iii) If a Black Rainstorm Warning is issued after the end of the day trading session but before the commencement of the after-hours trading session:	<p>The position will be as follows:</p> <ul style="list-style-type: none"> - If there was trading in the day trading session, trading in the after-hours trading session will take place.
(iv) If a Black Rainstorm Warning is issued during the after-hours trading session:	Trading will continue as normal.

Note 1: In the event the Pre-Market Opening Period applies to any Metal Futures Contract, the Pre-Market Opening Period for that Metal Futures Contract will commence thirty (30) minutes before the indicated time of resumption of trading.

Note 2: Applicable only to the trading of Gold Futures