This product sheet is for the purpose of providing guidance to structured products issuers on general product terms. Structured products issuers should consult the Exchange if they propose to issue structured products with terms or conditions that deviate from the requirements as set out in this product sheet, or that include new or additional features not expressly contemplated herein. Investors should refer to the actual terms that are set out in the listing documents when considering their investment decisions, and not rely on this product sheet.

Inline Warrant[1] (IW)

General Product Terms

A holder of IW is entitled to receive a pre-determined fixed payment at expiry, depending on whether the underlying price / level falls at or within (i.e. In-The-Range) or outside (i.e. Out-of-The-Range) the upper and lower strikes at expiry.

Product Terms	
Product class	Leveraged structured product
Style[2]	European
Issue size	Minimum of HK$10 million in market capitalization
Issue price (not applicable to further issue)	(a) Minimum of HK$0.25 for new issue (b) Minimum of HK$0.15 for emulation issue

1 IW was launched in July 2019. Please refer to "Launch of Inline Warrants on HKEX" for background information.

2 Structured products issuers proposing to issue IW in American or any other style not covered by this product sheet should provide detailed terms and arrangements for the Exchange's consideration. For reference, where American-style IW linked to securities listed on the Exchange is exercised prior to maturity, the valuation method for determining the cash settlement amount shall refer to the closing price of the underlying security on the exercise day in case the product is exercised before commencement of the morning trading session or any pre-opening session on that day. In the case the product is exercised after such time, references would be made to the closing price on the following trading day.

Product Terms	
Underlying asset	The latest list of eligible underlying[3] is set out in the List of eligible underlying assets. Securities listed on the Exchange (a) Shares of a company[4] which is among the top 5 stocks with highest turnover value for the previous three-month period and is listed on the Exchange for not less than three months; and (b) Shares of a company[4] which has public float capitalization of at least HK$10 billion at end of the period Indices Hang Seng Index Other underlyings (e.g. overseas stocks, indices, currencies, commodities) The Exchange may consider eligibility of other underlying securities not listed on the Exchange or other underlying assets. For more information, please see the New Product Guide[5]
Strike price / level	Lower strike and upper strike
Expiry date	(a) At least six months normally and not more than five years from the date of listing (not applicable to further issue nor emulation issue) (b) In respect of emulation issue, the tenor should normally be at least three months and not more than five years (c) In respect of IW which uses settlement prices of futures contracts for determining valuation at expiry, the expiry date should generally be the same as that of futures contracts
Entitlement ratio	One
Minimum fixed payment at expiry	HK$ 0.25
Maximum fixed payment at expiry	HK$ 1

[3] The list is generally updated quarterly, with additional eligible assets added from time to time between the quarterly updates. The Exchange will typically prepare the list based on criteria set out in the product sheet but may amend or vary the basis of preparation where it considers appropriate.

[4] Excludes an exchange traded fund.

[5] The New Product Guide may be updated from time to time and is subject to change as the Exchange considers appropriate.

Product Terms	
Board lot	Listed securities (a) One board lot of the IW is entitled to a whole number of board lots of the underlying security; or (b) One board lot of the IW is entitled to one tenth of a board lot of the underlying security (applicable to cash settlement only) Indices 10,000 IWs
Trading / settlement currency	HKD
Further issue	(a) An issuer may only launch a further issue when it holds no more than 50% of the existing issue; and (b) Terms and conditions of the further issue and existing issue must be identical
Emulation issue	The expiry date, upper strike and lower strike must be identical to those of an existing emulated IW
Valuation at expiry[6]	Listed securities The average of closing prices of the underlying share for the five business days immediately prior to the expiry date Indices Settlement price of the related futures contracts[7] on the valuation date Note: the valuation date is generally the same as the expiry date, subject to time difference
Settlement amount at expiry	In-The-Range Pre-determined cash amount of HK$1 if the valuation at expiry is at or falls within the upper strike and lower strike Out-of-The-Range Pre-determined cash amount of HK$0.25 if the valuation at expiry falls outside the upper strike or lower strike
Arrangement upon maturity	Automatic exercise without the need to deliver a notice of exercise (applicable to cash settlement only)
Settlement	Cash settled
Settlement date	Generally no later than the third settlement day after the expiry date
Status	Uncollateralised

6 Where there are two or more valuation points, the valuation method for determining the amount of the cash settlement on expiry or maturity needs prior agreement with the Exchange.

7 Refers to the futures contract, if available, with the same expiry month as that of the IW.

Liquidity Provision Requirements	
Quote request ("QR")[8]	Minimum service level applicable to all possible market conditions (subject to "Exemptions" set out below): (a) Maximum bid-ask spread: HK$0.08 (b) Minimum quotation size: 20 board lots (c) Maximum quote response time: 10 minutes (d) Minimum holding time: five minutes[9] Exemptions – QR is not required to be provided in the following circumstances: (a) during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Exchange; (b) during the first 5 minutes of each morning trading session or the first 5 minutes after trading commences for the first time on a trading day; (c) when the IWs or the underlying is suspended from trading for any reason; (d) when there are no IWs available for market making activities (in such event, the liquidity provider shall continue to provide bid prices); (e) if the theoretical value of the IWs is less than HK$0.01 (if the liquidity provider chooses to provide liquidity under this circumstance, both bid and ask prices will be made available); (f) if the theoretical value of the IWs is at HK$1.00, the liquidity provider shall continue to provide bid prices; (g) in the case of IWs with an index underlying, if there occurs or exists any suspension of or limitation imposed on trading of options or futures contracts relating to the index or if the index level is not calculated or published as scheduled for any reason; (h) when there are operational and technical problems beyond the control of the liquidity provider hindering the ability of the liquidity provider to provide liquidity; or (i) if the underlying or the stock market experiences exceptional price movement and high volatility[10] over a short period of time which materially affects the liquidity provider's ability to source a hedge or unwind an existing hedge.

[8] Liquidity providers who provide liquidity by means of QR should also provide active quote whenever the criteria set out in this Product Sheet are met, even though they are under no legal obligations to provide such active quote.

[9] If the price of the underlying or the prevailing market circumstance changes, liquidity providers can refresh the quote by posting a new pair of quotes. The obligation to maintain the five-minute minimum holding time lapses if any investor has proceeded with a trade with such quote provided by a liquidity provider during this period.

[10] Examples of situations where exceptional price movements and high volatility have occurred include:

(i) *financial uncertainty* - exceptionally volatile market conditions linked to financial uncertainty (called a "fast market" by certain other exchanges) - for example, the period following Lehman Brothers' bankruptcy in September 2008 and the "flash crash" of 6 May 2010 (when the Dow Jones Industrial Average suffered its worst intra-day point loss). A "fast market" occurs when financial markets experience unusually high levels of volatility over a short period of time with unusually heavy trading resulting in a sudden increase in risk and uncertainty. It is generally more difficult to provide quotes momentarily when prices are changing rapidly; or

(ii) *underlying uncertainty* – the occurrence of events causing the intraday market price of the underlying stock or index to experience significant fluctuation and/or material reduction in liquidity of the underlying momentarily - for example, Japan's earthquake on 11 March 2011 which resulted in a drastic fall in Nikkei index in the immediately following period and fluctuation in prices of the related structured products.

Liquidity Provision Requirements	
Active quote ("AQ")[11]	AQ is to be provided during the "Qualified Period", with the minimum service levels at: (a) Maximum bid-ask spread: (i) HK$0.02 for local index as underlying[12] (ii) HK$0.04 for actively traded stock as underlying[13] (b) Minimum quotation size: 20 board lots (c) Quotation continuity: at least 90% of the Qualified Period with no interruption exceeding 10 minutes of a trading day for each IW Qualified Period for providing AQ applies when: (a) The underlying is an actively traded stock or local index; (b) The IWs have 50% or less of total issue size outstanding in the market; (c) time to maturity is 30 calendar days or more; (d) when the underlying price / level between the range from 20% below the lower strike price / level and 20% above the upper strike price / level; and (e) the circumstances do not fall under the exemptions for providing QR.

Last updated: 18 June 2026

[11] The term "Active quote" refers to "Continuous Quotes" as defined in Note 2 to Appendix E5-5A of the Listing Rules.
[12] Any local index such as Hang Seng Index, Hang Seng China Enterprises Index, Hang Seng TECH Index.
[13] Actively traded stock means securities on the current list of eligible underlying stocks for CBBC issuance.