

User Guide for Derivative Warrant Information on the HKEX website

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As part of HKEX's commitment to enhancing the investors' understanding of derivative warrants (DWs), DW-related information is provided and centralized on the HKEX website. It covers basic terms and technical data (i.e. implied volatility, delta) of the DWs, trading information, issuers' information and educational materials. The provided features (e.g. search and download functions) help investors access the required information in a more efficient and convenient manner. In addition, DW-related information in both English and Chinese is also available where applicable. Data are generally updated once daily after market close and are provided for educational and reference purposes only. Below is a summary of information and tools that are available for access.

Derivative Warrant Information

1. Derivative Warrant Search

A search function is available to allow quick comparison of DWs with similar terms. You can specify one or more basic DW terms, such as underlying asset, issuer, type, listing date, maturity date, strike, implied volatility, etc. A list of DWs with similar terms will then be generated for comparison. After the list is generated, you can sort it by issuer, maturity date, strike, etc. In addition, you can access to the following information for each DW by clicking the warrant code:

- Derivative Warrant Summary

This table provides the basic information about a DW including its underlying asset, issuer name, style, type, issue price, strike, launch date, listing date, maturity date, entitlement ratio, board lot size, total issue size, trading currency and Derivative Warrant Liquidity Provider information. Day-end delta, implied volatility and the percentage of the warrant out in the market will also be available. In addition, you can link to the listing documents (including Base Listing Document and Supplemental Listing Document and other announcements) related to the DW, further issue and the relevant options information (if applicable). Links to Exotic Warrant Information and Basket Warrant Information will also be provided (if applicable).

- **Link to Base Listing Document**

This function provides you with a list of base listing documents published by issuers within 12 months prior to the listing of that DW. Based on the issuer name provided in the Derivative Warrant Summary, you can then select the appropriate documents from the list. Alternatively, to search for a specific base listing document, you can refer to the supplemental listing document of that DW (see below) to find out the publishing date of the base listing document, and then input the publishing date and select the Headline Category, “Debt and Structured Products >> Derivative Warrants (DW) >> Base Listing Document - DW”, under the Listed Company Information Advanced Search of the HKEXnews website.

- **Link to Supplemental Listing Documents and Announcements**

This function provides you with a list of all supplemental listing documents and announcements published by issuers starting from the launch date of that DW up to the current date.

- **Link to Further issue**

This function provides re-issuance information of the selected DW, if any including warrant code, name, issuer, underlying, call/put, listing date, issue price, initial issue size and subsequent issue size.

- **Link to relevant Options Information**

This function links to the daily market report of the Exchange traded options (i.e. stock options or index options) which has the same underlying of the selected DW. The daily market report contains information on trading volume, open interest and implied volatility of the Exchange traded options.

2. Derivative Warrants Issuance

The section provides 5 lists for selection:

- Newly Launched but not yet Listed Derivative Warrants
- Newly Listed Derivative Warrants in the past month

Each list provides the newly issued DW information including its warrant code, name, issuer, underlying, call/put, board lot, strike level, entitlement ratio, total issue size, launch date, listing date and effective dates for clearing and settlement arrangements. It also allows users to download the lists in Excel-like format. In addition, you can link to the Derivative Warrant Summary of each DW by clicking the warrant code or name.

- Derivative Warrants with Further Issuance

The list provides DW information including warrant code, name, issuer, underlying, call/put, listing date, issue price and issue size of each further issue. It also allows users to download the lists in Excel-like format. In addition, you can link to the Derivative Warrant Summary of each DW by clicking the warrant code or name.

- Exotic Warrants Information

This report provides a brief summary of salient features of each exotic DW currently traded on the Exchange.

- Basket Warrants Information

This report provides information about basket warrants including strike price, premium, gearing, implied volatility and weightings of each underlying stock.

3. Expiring Derivative Warrants

The section provides 2 lists of expiring DWs for selection.

- Derivative Warrants to be expired in the coming month
- Derivative Warrants expired in the past month

Each list provides expiring information on DW including warrant code, name, issuer, underlying, call/put, strike level, last trading date, maturity date and effective dates for clearing and settlement arrangements. It also allows users to download the lists in Excel-like format. In addition, you can link to the Derivative Warrant Summary of each DW by clicking the warrant code or name.

4. Download Historical Data

The section provides historical data for download.

- Download Historical Data by Warrant

User will be able to download the historical data for a single warrant by specifying the warrant code and the trading period within the past 12 months. If more than 1 DW is found, all DWs with the same warrant code will be listed for selection.

- Download Historical Data by Month for all Warrants

User will be able to select and download the historical data by month for all warrants for the recent 12 months. User will be able to base on the downloaded Excel file to identify the DW in the market on any particular trading day as well as information on the DW.

Information on delisting date is also available. It is in general equal to the next trading day following the maturity date.

5. Trading Information

Trading information of DWs are available in this section.

- Latest Derivative Warrant News

It shows the latest issuer documents submitted by the DW issuers on the current day.

- Pre Listing Trading Summary

It shows dealings by the issuer and its related companies in the DW between the date of launch and the start of dealing in that issue on the Exchange.

- Daily Trading Summary

The summary report is filed daily by issuers showing the aggregate sales and purchases of each DW, related average prices and the total amount of that issue in the market, the total issue size and the percentage of that issue still out in the market.

- Derivative Warrants Manual Transaction for the Day

It shows the trade information of each DW on transactions not concluded by automatic order matching through the trading system for the securities market.

- Derivative Warrants with Change in Stock Short Name in Current Two Weeks

It provides the change in stock short name, including original stock short name, new stock short name and effective date, in the current two weeks.

6. Derivative Warrant Eligible Underlying Assets

The section provides the following information:

- Eligible Single Hong Kong Stocks for Derivative Warrant Issuance in Current Quarter

It provides the latest list of stocks that are listed on the Exchange, which are eligible as underlying securities for derivative warrants issued over a single class of shares. The list will generally be published at approximately quarterly intervals.

- Eligible Single Hong Kong Stocks for Derivative Warrant Issuance in Previous Quarter

It provides the previous list of stocks that are listed on the Exchange, which are eligible as underlying securities for derivative warrants issued over a single class of shares. The lists will generally be published at approximately quarterly intervals.

- Structured Products on Non-Hong Kong Underlying Assets

Non-Hong Kong underlying assets eligible for derivative warrant issuance will be given in this section.

- List of Underlying Assets (except Hong Kong Stocks) for Derivative Warrants Issued in Past Years

The list provides underlying assets (except Hong Kong stocks) over which derivative warrants were issued since January 2009.

7. Derivative Warrant Issuer and Liquidity Provider Information

Issuer and liquidity provider information will be given in this section.

- **Hyperlinks to Issuers**

This section provides the contact information of issuers, include the telephone numbers, website address and email account.

- **Issuers Credit Rating**

It provides the information on issuers' current credit ratings awarded by the Exchange recognized rating agencies, (i) Moody's; and (ii) Standard and Poor's (S&P). The information will generally be updated after market close when there is a change of credit rating notified by the issuer. Users should refer to real-time information services for the latest ratings.

- **Derivative Warrants Liquidity Provider Information**

This report provides the liquidity provider information of each DW, including issuer name, liquidity provider broker number, liquidity provider name and telephone number for quote request, currently traded on the Exchange.

- **Guide on Enhancing Regulation of the Listed Structured Products Market**

This guidance material provides formulated industry principles on liquidity provision for the listed structured products market in Hong Kong.

- **Industry Principles on Liquidity Provision for Listed Structured Products**

These are industry principles intended to encourage improved market conduct and the development of consistently high standards across the listed structured products' industry.

- **Industry Frequently Asked Questions on Issuers' Websites**

These FAQs will give investors a better understanding of derivative warrants listed in Hong Kong. They include examples and quick facts about some of their key features and risks, as well as some information about how they work in practice.

8. Derivative Warrants Pricing Calculation

This section explains the factors affecting the price of a warrant together with an example on calculation of theoretical price of warrant by linking to the Options / Warrants Calculator on the HKEX website. Users will be able to input different variables and find out how the theoretical value may vary with changes to the variable for educational purpose. In addition, it provides a link to Options Education in which user will be able to learn more about the basic concepts on options.

9. List of Derivative Warrant

- List of Derivative Warrant

The hyperlink will direct you to the webpage where you could refer to the market data of derivative warrants currently traded on the Exchange.

- List of Derivative Warrant meeting Active Quote Criteria

It is a historical list of derivative warrants meeting Active Quote criteria prepared based on the Daily Trading Summary submitted by issuers for the previous trade date.

10. Quick Links

The following useful links are available for educational information and reference.

- Options Education
- HKEX Listing Rule (Main Board) – Chapter 15A Structured Products
- SFC Investor Education Portal

11. FAQ

This section provides a list of frequently asked questions together with the responses in relation to derivative warrant related issues.