

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

Subject: Introduction of New Stock Option Class on NetEase, Inc.

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The Stock Exchange of Hong Kong Limited (the "Exchange") is pleased to announce that stock option class on NetEase, Inc. ("NetEase") will commence trading on **Thursday, 11 June 2020** (the "Commencement Date"), subject to the successful listing of NetEase:

Underlying Stock (Stock Code)	HKATS Code	Contract Size (shares)	Minimum Price Fluctuation (HK\$)	No. of Board Lots	Tier Level	Trading Tariff (HK\$)	Expiry Months Available on the Commencement Day
NetEase (9999)	NTE	500	\$0.01	5	1	\$3	2020: June; July; August; September and December 2021: March and June

The list of stock option classes available for trading is set forth in Attachment I. For details of the contract specifications, please refer to Appendix B of the Operational Trading Procedures for Options Trading Exchange Participants (Options Contract Specifications).

Strike Price

In order to offer more choices for investors, 12 strikes above and below HK\$125 (which is the nearest strike to the maximum offer price (i.e. HK\$126) of the underlying stock) will be available for trading on the Commencement Date (see Attachment II). New strike prices subsequent to the Commencement Date will be introduced according to the Operational Trading Procedures for Options Trading Exchange Participants.

Position Limit

The position limit for NetEase options contracts will be 50,000 open contracts in any one market direction for all expiry months combined.

Market Making

The Exchange is currently inviting applications for market maker permits. Interested parties should contact Ms. Emily Huang (EmilyHuang@hkex.com.hk) for details.

During the first two weeks (i.e. between 11 June 2020 and 24 June 2020), the market making obligations in terms of the maximum bid / ask spread will be two times of the original obligation.

Pre-launch Arrangements

The following pre-launch arrangements will be implemented on **Wednesday, 10 June 2020** (i.e. one business day before the Commencement Date):

- a. option series of the new stock option class will be displayed, but not tradable; and
- b. the risk parameter files (RPF), clearing and open interest reports on new stock option class will be generated.

The purpose of the generation of RPF one business day before the Commencement Date is to assist Participants in estimating the margin requirements for the new stock option class trading on the Commencement Date.

Please note that the margin requirements estimated using the RPF available after the settlement process on the business day before the Commencement Date may not be the same as the actual amounts required on the Commencement Date. HKEX and its subsidiaries accept no liability whatsoever for any loss or damage arising from or in connection with the use of the information contained in such RPF. Participants who wish to use the above-mentioned RPF are reminded to update the PC-SPAN Organisation Master File. For details, please refer to the relevant Clearing House circular to be issued in due course.

Trading Information

The access codes of information vendors will be posted on the HKEX website in due course.

Inform Staff and Clients

Please notify all interested clients about the introduction of NetEase stock option and **pay attention that the contract multipliers will be in multiple board lots of the underlying stock.** Please ensure that your back office systems are ready for a smooth operation. In addition, all your staff should be fully aware of the above and should exercise caution when dealing with new stock option contract and when advising your clients.

Investors should also be aware that some stock options have market makers signed up while others do not. Availability of market makers, depending on their sign-up, may also change from time to time. The availability of market makers will be updated on the [HKEX website](#) from time to time. Investors should exercise due caution in trading stock options

without market makers and understand the liquidity risk involved. They would have to trade against other investors with opposite views when they open or close their stock options positions.

Wong Pak Chung
Co-Head
Equities Product Development
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.

List of Stock Option Classes Available for Trading

a) Stock Option Classes with Contract Size with More Than One Underlying Board Lot Shares

No.	SEHK Code	Underlying Stock Name	HKATS Code	Contract Size (shares)	No. of Board Lots	Tier No.*
1	16	Sun Hung Kai Properties Limited	SHK	1,000	2	1
2	175	Geely Automobile Holdings Ltd.	GAH	5,000	5	1
3	288	WH Group Ltd.	WHG	2,500	5	2
4	688	China Overseas Land & Investment Limited	COL	2,000	4	1
5	788	China Tower Corporation Limited	XTW	10,000	5	2
6	823	Link Real Estate Investment Trust	LNK	1,000	10	1
7	1099	Sinopharm Group Co. Ltd.	SNP	800	2	2
8	1113	CK Asset Holdings Ltd.	CKP	1,000	2	1
9	1177	Sino Biopharmaceutical Ltd.	SBO	5,000	5	1
10	1288	Agricultural Bank of China Limited	XAB	10,000	10	1
11	1299	AIA Group Limited	AIA	1,000	5	1
12	1336	New China Life Insurance Co. Ltd.	NCL	1,000	10	1
13	1339	The People's Insurance Company (Group) of China Limited	PIN	5,000	5	2
14	1359	China Cinda Asset Management Co., Ltd	CDA	5,000	5	3
15	1658	Postal Savings Bank of China Co. Ltd.	XPB	5,000	5	2
16	1810	XiaoMi Corporation	MIU	1,000	5	3
17	1816	CGN Power Co., Ltd	CGN	10,000	10	2
18	1876	Budweiser Brewing Company APAC Limited	BUD	1,000	10	1
19	1918	Sunac China Holdings Ltd.	SUN	2,000	2	1
20	1988	China Minsheng Banking Corporation Limited	MSB	2,500	5	2
21	2007	Country Garden Holdings Co. Ltd.	COG	5,000	5	1
22	2018	AAC Technologies Holdings Inc.	AAC	1,000	2	1
23	2202	China Vanke Co. Ltd.	VNK	1,000	10	1
24	2238	Guangzhou Automobile Group Co. Ltd.	GAC	4,000	2	1
25	2313	Shenzhen International Group Holdings Ltd.	SHZ	500	5	1
26	2382	Sunny Optical Technology (Group) Co. Ltd.	SNO	1,000	10	1
27	2601	China Pacific Insurance (Group) Co., Ltd.	CPI	1,000	5	1
28	2822	CSOP FTSE China A50 ETF	CSA	5,000	25	1
29	2823	iShares FTSE A50 China Index ETF	A50	5,000	50	1

No.	SEHK Code	Underlying Stock Name	HKATS Code	Contract Size (shares)	No. of Board Lots	Tier No.*
30	2828	Hang Seng H-Share Index ETF	HCF	1,000	5	1
31	3188	ChinaAMC CSI 300 Index ETF	AMC	2,000	10	1
32	3333	China Evergrande Group	EVG	2,000	2	1
33	3690	Meituan Dianping	MET	500	5	1
34	6030	CITIC Securities Co. Ltd.	CTS	1,000	2	2
35	6837	Haitong Securities Co., Ltd.	HAI	2,000	5	2
36	9988	Alibaba Group Holding Limited	ALB	500	5	1
37	9999	NetEase, Inc.^	NTE	500	5	1

^ Trading will commence on 11 June 2020.

b) Stock Option Classes with Contract Size Equal to One Underlying Board Lot Shares

No.	SEHK Code	Underlying Stock Name	HKATS Code	Contract Size (shares)	Tier No.*
1	1	CK Hutchison Holdings Ltd.	CKH	500	1
2	2	CLP Holdings Limited	CLP	500	1
3	3	The Hong Kong and China Gas Company Limited	HKG	1,000	2
4	4	The Wharf (Holdings) Limited	WHL	1,000	2
5	5	HSBC Holdings Plc.	HKB	400	2
6	6	Power Assets Holdings Limited	HEH	500	1
7	11	Hang Seng Bank Limited	HSB	100	2
8	12	Henderson Land Development Company Limited	HLD	1,000	1
9	17	New World Development Company Limited	NWD	1,000	2
10	19	Swire Pacific Limited 'A'	SWA	500	1
11	23	The Bank of East Asia, Limited	BEA	200	3
12	27	Galaxy Entertainment Group Limited	GLX	1,000	1
13	66	MTR Corporation Limited	MTR	500	2
14	135	Kunlun Energy Co. Ltd.	KLE	2,000	2
15	151	Want Want China Holdings Ltd.	WWC	1,000	3
16	267	CITIC Limited	CIT	1,000	2
17	293	Cathay Pacific Airways Limited	CPA	1,000	2
18	358	Jiangxi Copper Company Limited	JXC	1,000	3
19	386	China Petroleum & Chemical Corporation	CPC	2,000	2
20	388	Hong Kong Exchanges and Clearing Limited	HEX	100	1
21	390	China Railway Group Limited	CRG	1,000	3
22	489	Dongfeng Motor Group Co. Ltd.	DFM	2,000	2

No.	SEHK Code	Underlying Stock Name	HKATS Code	Contract Size (shares)	Tier No.*
23	669	Techtronic Industries Co. Ltd	TIC	500	1
24	700	Tencent Holdings Limited	TCH	100	1
25	728	China Telecom Corporation Limited	CTC	2,000	3
26	753	Air China Ltd.	AIR	2,000	2
27	762	China Unicom (Hong Kong) Limited	CHU	2,000	2
28	857	PetroChina Company Limited	PEC	2,000	3
29	883	CNOOC Limited	CNC	1,000	2
30	902	Huaneng Power International, Inc.	HNP	2,000	3
31	914	Anhui Conch Cement Company Limited	ACC	500	2
32	939	China Construction Bank Corporation	XCC	1,000	3
33	941	China Mobile Limited	CHT	500	1
34	992	Lenovo Group Limited	LEN	2,000	2
35	998	China CITIC Bank Corporation Limited	CTB	1,000	3
36	1044	Hengan International Group Co. Ltd.	HGN	500	1
37	1088	China Shenhua Energy Company Limited	CSE	500	3
38	1093	CSPC Pharmaceutical Group Ltd.	CSP	2,000	1
39	1109	China Resources Land Ltd.	CRL	2,000	1
40	1171	Yanzhou Coal Mining Company Limited	YZC	2,000	2
41	1186	China Railway Construction Corporation Limited	CRC	500	3
42	1211	BYD Company Limited	BYD	500	2
43	1398	Industrial and Commercial Bank of China Limited	XIC	1,000	3
44	1800	China Communications Construction Company Limited	CCC	1,000	3
45	1898	China Coal Energy Company Limited	CCE	1,000	3
46	1928	Sands China Ltd.	SAN	400	2
47	2020	ANTA Sports Products Ltd.	ANA	1,000	1
48	2282	MGM China Holdings Limited	MGM	400	3
49	2318	Ping An Insurance (Group) Company of China, Ltd.	PAI	500	1
50	2319	China Mengniu Dairy Co. Ltd.	MEN	1,000	1
51	2328	PICC Property and Casualty Company Limited	PIC	2,000	2
52	2333	Great Wall Motor Co. Ltd.	GWM	500	3
53	2388	BOC Hong Kong (Holdings) Limited	BOC	500	2
54	2600	Aluminum Corporation of China Limited	ALC	2,000	3
55	2628	China Life Insurance Company Limited	CLI	1,000	2

No.	SEHK Code	Underlying Stock Name	HKATS Code	Contract Size (shares)	Tier No.*
56	2777	Guangzhou R&F Properties Co., Ltd.	RFP	400	3
57	2800	Tracker Fund of Hong Kong	TRF	500	2
58	2888	Standard Chartered PLC	STC	50	3
59	2899	Zijin Mining Group Company Limited	ZJM	2,000	3
60	3323	China National Building Material Company Limited	NBM	2,000	2
61	3328	Bank of Communications Co., Ltd.	BCM	1,000	3
62	3888	Kingsoft Corporation Ltd.	KSO	1,000	2
63	3968	China Merchants Bank Co., Ltd.	CMB	500	2
64	3988	Bank of China Limited	XBC	1,000	3

* Unless otherwise specified, tier levels of adjusted contracts shall be the same as their standard contracts.

List of Stock Options Strike Price Available for Trading on Commencement Date

Strike Price (HK\$)

95.0
97.5
100.0
102.5
105.0
107.5
110.0
112.5
115.0
117.5
120.0
122.5
125.0
127.5
130.0
132.5
135.0
137.5
140.0
142.5
145.0
147.5
150.0
152.5
155.0