

Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited

Contract Specifications
For
Hang Seng Index Futures (HSIF) Options

The following Contract Specifications shall apply to the Hang Seng Index Futures Option Contract:

Official Settlement Price The Official Settlement Price for HSIF Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the HSIF Contract of the same Contract Month, taken at five (5) second intervals from 3:55 p.m.– 4:00 p.m. on the Expiry Day of the HSIF Options**. The Chief Executive of the Exchange has the power under the Regulations for Trading Stock Index Option Contracts to determine the Official Settlement Price under certain circumstances

** The quotation for each five-second period shall be taken according to the following sequence: (1) the last traded price of the underlying HSIF Contract within the five-second period; and if not available, (2) when both bid and offer prices are available, the mid-price of the last highest bid and lowest offer prices on the order book of the underlying HSIF Contract; and if no bid or offer price is available, (3) the index level of the Hang Seng Index as disseminated by the index provider at the end of the five-second period, as adjusted by the premium or discount calculated on the previous Trading Day. The premium or discount is computed by taking the difference between the daily Closing Quotation of the underlying HSIF Contract (as determined by the Clearing House pursuant to the Clearing House Rules) and the closing price of the Hang Seng Index

Where the Last Trading Day falls on Christmas Eve, New Year’s Eve or Lunar New Year’s Eve, the Official Settlement Price shall be the average of the quotations of the HSIF Contract of the same Contract Month, taken at five (5) second intervals from 11:55 a.m. – 12:00 noon

Where trading of the underlying HSIF Contract is not available due to typhoon, Extreme Conditions, black rainstorm warnings or otherwise during part of a Trading Day, the Official Settlement Price shall be the average of the quotations of the HSIF Contract of the same Contract Month, taken at five (5) second intervals during the last five (5) minutes of continuous trading of the HSIF contract, until 4:00 p.m., during such Trading Day

Contract Specifications
For
Hang Seng China Enterprises Index Futures (HSCEIF) Options

The following Contract Specifications shall apply to the Hang Seng China Enterprises Index Futures Option Contract:

Official Settlement Price The Official Settlement Price for HSCEIF Options shall be a number, rounded down to the nearest whole number, determined by the Clearing House and shall be the average of the quotations of the HSCEIF Contract of the same Contract Month, taken at five (5) second intervals from 3:55 p.m.– 4:00 p.m. on the Expiry Day of the HSCEIF Options**. The Chief Executive of the Exchange has the power under the Regulations for Trading Stock Index Option Contracts to determine the Official Settlement Price under certain circumstances

** The quotation for each five-second period shall be taken according to the following sequence: (1) the last traded price of the underlying HSCEIF Contract within the five-second period; and if not available, (2) when both bid and offer prices are available, the mid-price of the last highest bid and lowest offer prices on the order book of the underlying HSCEIF Contract; and if no bid or offer price is available, (3) the index level of the Hang Seng China Enterprises Index as disseminated by the index provider at the end of the five-second period, as adjusted by the premium or discount calculated on the previous Trading Day. The premium or discount is computed by taking the difference between the daily Closing Quotation of the underlying HSCEIF Contract (as determined by the Clearing House pursuant to the Clearing House Rules) and the closing price of the Hang Seng China Enterprises Index

Where the Last Trading Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve, the Official Settlement Price shall be the average of the quotations of the HSCEIF Contract of the same Contract Month, taken at five (5) second intervals from 11:55 a.m. – 12:00 noon

Where trading of the underlying HSCEIF Contract is not available due to typhoon, Extreme Conditions, black rainstorm warnings or otherwise during part of a Trading Day, the Official Settlement Price shall be the average of the quotations of the HSCEIF Contract of the same Contract Month, taken at five (5) second intervals during the last five (5) minutes of continuous trading of the HSCEIF contract, until 4:00 p.m., during such Trading Day