CHAPTER VIII

TRADING ARRANGEMENTS - PRACTICES AND SYSTEMS

815A. An Exchange Participant must ensure that the following criteria are satisfied when conducting a Block Trade:

(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)**
Stock Index Futures [Note 3]	100
Hang Seng TECH Index Futures	50
Hang Seng TECH Index Options	50

APPENDIX B - FEES

Description		Amount[1]
Exchange trading fees		
Mini-HSI Futures	House/Client a/c MM a/c MM in HSI Options, Weekly HSI Options or Mini-HSI Options[2]	3.50/Lot 0.50/Lot 1.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Mini-HSI Options	House/Client a/c MM a/c MM in HSI Options, Weekly HSI Options or Mini-HSI Futures[2]	2.00/Lot 0.40/Lot 0.70/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng TECH Index Futures	House/Client a/c MM a/c	5.00/Lot 1.00/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Hang Seng TECH Index Options	House/Client a/c MM a/c	5.00/Lot 1.00/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*

Contract Specifications
For
Hang Seng TECH Index Options

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

Underlying Index/Index	Hang Seng TECH Index (the share price index of that name compiled, computed and disseminated by Hang Seng Indexes Company Limited)*
Contract Multiplier	HK$50 per Index point.*
Contract Months	Spot Month, the next calendar month and the next two calendar quarter months (i.e. quarter months are March, June, September and December)
Trading Hours (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:30 p.m. (afternoon trading session) There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours of the morning trading session on those three days shall be 9:15 a.m. – 12:30 p.m.
Trading Hours on Expiry Day (Hong Kong time)	9:15 a.m. – 12:00 noon (morning trading session) 1:00 p.m. – 4:00 p.m. (afternoon trading session) There shall be no afternoon trading session if the Expiry Day falls on Christmas Eve, New Year's Eve or Lunar New Year's Eve
Trading Method	The Exchange's Automated Trading System (HKATS).
Expiry Day	The Business Day immediately preceding the last Business Day of the Contract Month.
Option Premium	Option Premium is quoted in whole Index points.
Contracted Value	Option Premium multiplied by the Contract Multiplier.

Strike Prices	Strike Prices shall be set as follows: <u>Hang Seng TECH Index (Index points)</u> <u>Intervals</u> Below 5,000 50 At or above 5,000 but below 20,000 100 At or above 20,000 200 On any Business Day, new consecutive Strike Prices may be set for, or added to, each Option Contract (other than the Spot Month Option Contract on or after the 5th Business Day preceding the Expiry Day) such that at all times there will be Strike Prices representing not less than 10% above, at, and not less than 10% below the at-the-money Strike Price of the Option Contract. On any Business Day in a given month, the at-the-money Strike Price of each Option Contract shall be the previous Business Day's Closing Quotation (as defined in the HKCC Rules) of (i) the Spot Month Hang Seng TECH Index Futures Contract for any day prior to the Expiry Day; and (ii) the next month Hang Seng TECH Index Futures Contract for any day on or after the Expiry Day, rounded off to the nearest Strike Price, unless the Closing Quotation is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price. Strike Prices shall be set on a temporary basis at other intervals as may from time to time be determined by the Chief Executive in consultation with the Commission or at other intervals as may from time to time be determined by the Board in consultation with the Commission. The Exchange reserves the right to introduce new or delete existing Strike Prices at any time.
Exercise Style	European Style options which may only be exercised on Expiry Day.
Settlement on Exercise	Cash settlement of the Final Settlement Value.
Final Settlement Day	Business Day immediately following Expiry Day.
Official Settlement Price	The Official Settlement Price for Hang Seng TECH Index 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 Hang Seng TECH Index compiled, computed and disseminated by Hang Seng Indexes Company Limited* taken at (i) five (5) minute intervals from five (5) minutes after the start of, and

	up to five (5) minutes before the end of, the Continuous Trading Session of SEHK; and (ii) the close of trading on SEHK on the Expiry Day. The Chief Executive of the Exchange has the power under the Regulations for trading Stock Index Options to determine the Official Settlement Price under certain circumstances
Position Limits	Position delta for Hang Seng TECH Index Futures and Hang Seng TECH Index Options combined of 21,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf; and Position delta for Hang Seng TECH Index Futures and Hang Seng TECH Index Options combined of 21,000 long or short in all Contract Months combined, per Client
Large Open Positions	500 open contracts, in any one series, per Exchange Participant for the Exchange Participant's own behalf; and 500 open contracts, in any one series, per Client.
Minimum Fluctuation	One Index point.
Trading Fee (per contract per side)	Exchange Fee HK$5.00 The amount indicated above is subject to change from time to time.
Levies (per contract per side)	Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.
Cabinet Trade	No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable.
Exercise Fees	Options that are exercised on Expiry Day shall attract an Exercise Fee of HK$2.50 per contract. Contracts that are not exercised by the Clearing House will be deemed to have expired worthless and will not attract an Exercise Fee.
Commission Rate	Negotiable

* Same as the Hang Seng TECH Index Futures Contract.