

Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited

Contract Specifications
For
Hang Seng Index (HSI) Options

Strike Prices

Strike Prices shall be set as follows:

<u>HSI (Index points)</u>	<u>Intervals</u>
<i>Short-dated Options</i>	
Below <u>25,000</u>	50
At or above <u>25,000</u> but below <u>820,000</u>	100
At or above <u>820,000</u>	200
 <i>Long-dated Options</i>	
Below <u>45,000</u>	100
At or above <u>45,000</u> but below <u>820,000</u>	200
At or above 820,000 but below 12,000	400
At or above 12,000 but below 15,000	600
At or above 15,000 but below 19,000	800
At or above 19,000	1,000

Flexible Options

Any Strike Price, in whole index points, that is within Strike Prices representing not more than 30% above and not less than 30% below the opening price of the Spot Month HSI Futures Contract or at other specified range as stipulated by the Exchange from time to time can be accepted for option series described under Note 2.

On any business day, new consecutive Strike Prices may be set for, or added to, each Short-dated 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 Short-dated Option Contract shall be the previous business day's Closing Quotation (as defined in the HKCC Rules) of (i) the Spot Month HSI Futures Contract for any day prior

to the Expiry Day; and (ii) the next month HSI 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.

For Long-dated Options, Strike Prices shall be set or added in the same manner as for Short-dated Options except that there shall at all times be Strike Prices representing 20% above, at and 20% below the at-the-money Strike Price, rounded off to the nearest Strike Price, unless the 20% is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price.

For both Short- and Long-dated Options, 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.

Contract Specifications
For
Mini-Hang Seng Index (HSI) Options

Strike Prices

Strike Prices shall be set as follows:

<u>HSI (Index points)</u>	<u>Intervals</u>
Below 25 ,000	50
At or above 25 ,000 but below 820 ,000	100
At or above 820 ,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 Mini-HSI Futures Contract for any day prior to the Expiry Day; and (ii) the next month Mini-HSI 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.

Contract Specifications
for
Hang Seng China Enterprises Index (HSCEI) Options

Strike Prices

Strike Prices shall be set as follows:

<u>HSCEI (Index points)</u>	<u>Intervals</u>
<i>Short-dated Options</i>	
Below 25 ,000	50
At or above 25 ,000 but below 820 ,000	100
At or above 820 ,000	200
<i>Long-dated Options</i>	
Below 45 ,000	100
At or above 45 ,000 but below 820 ,000	200
At or above 820 ,000 but below 12,000	400
At or above 12,000 but below 15,000	600
At or above 15,000 but below 19,000	800
At or above 19,000	1,000

Flexible Options

Any Strike Price, in whole index points, that is within Strike Prices representing not more than 30% above and not less than 30% below the opening price of the Spot Month HSCEI Futures Contract or at other specified range as stipulated by the Exchange from time to time can be accepted for option series described under Note 2.

On any business day, new consecutive Strike Prices may be set for, or added to, each Short-dated 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 Short-dated Option Contract shall be the previous business day's Closing Quotation (as defined in the HKCC Rules) of (i) the Spot Month HSCEI Futures Contract for any day prior to the Expiry Day; and (ii) the next month HSCEI 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.

For Long-dated Options, Strike Prices shall be set or added in the same manner as for Short-dated Options except that there shall at all times be Strike Prices representing 20% above, at and 20% below the at-the-money Strike Price, rounded off to the nearest Strike Price, unless the 20% is precisely midway between two Strike Prices in which case it shall be rounded off to the lower Strike Price.

For both Short- and Long-dated Options, 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 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.

Contract Specifications
For
Mini-Hang Seng China Enterprises Index (HSCEI) Options

Strike Prices

Strike Prices shall be set as follows:

<u>HSCEI (Index points)</u>	<u>Intervals</u>
Below <u>25,000</u>	50
At or above <u>25,000</u> but below <u>820,000</u>	100
At or above <u>820,000</u>	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 Mini-HSCEI Futures Contract for any day prior to the Expiry Day; and (ii) the next month Mini-HSCEI 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.