

## Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited

Contract Specifications
For
Hang Seng Index (HSI) Options

Strike Prices shall be set as follows:

	Intervals
Short-dated Options Below 25,000	50
At or above $25,000$ but below $820,000$	
At or above <u>820</u> ,000	200
Long-dated Options	
Below 4 <u>5</u> ,000	100
At or above 4 <u>5</u> ,000 but below 8 <u>20</u> ,000	) 200
At or above <u>820</u> ,000 but below 12,000	400
At or above 12,000 but below 15,000	<u> </u>
At or above 15,000 but below 19,000	<u> </u>
At or above 19,000	<del></del>

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 5<sup>th</sup> 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 Strike Prices shall be set as follows:	
	$\frac{\text{HSI (Index points)}}{\text{Below } 25,000} \qquad \qquad \underline{\text{I}}$ At or above $25,000$ but below $820,000$ At or above $820,000$	<u>ntervals</u> 50 100 200
	On any business day, new consecutive s may be set for, or added to, each Opti (other than the Spot Month Option Co after the 5 <sup>th</sup> business day preceding the such that at all times there will be S representing not less than 10% above, less than 10% below the at-the-money of the Option Contract. On any busin given month, the at-the-money Strike F Option Contract shall be the previo day's Closing Quotation (as defined in Rules) of (i) the Spot Month Mini-I Contract for any day prior to the Expiry the next month Mini-HSI Futures Com day on or after the Expiry Day, rounde nearest Strike Price, unless the Closing precisely midway between two Strik which case it shall be rounded off t Strike Price.	ion Contract intract on or Expiry Day) strike Prices at, and not Strike Price ess day in a Price of each us business in the HKCC HSI Futures Day; and (ii) tract for any ed off to the Quotation is the Prices in
	Strike Prices shall be set on a tempor other intervals as may from time determined by the Chief Executive in with the Commission or at other inter from time to time be determined by the consultation with the Commission. The reserves the right to introduce new existing Strike Prices at any time.	to time be consultation vals as may he Board in he Exchange

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

Strike Prices shall be set as follows:

HSCEI (Index points)	Intervals
Short-dated Options	
Below <u>25</u> ,000	50
At or above <u>25</u> ,000 but below <u>820</u> ,000	100
At or above <u>820</u> ,000	200
Long-dated Options	
Below <u>45</u> ,000	100
At or above 4 <u>5</u> ,000 but below <u>820</u> ,000	200
At or above <u>820</u> ,000 <del>-but below 12,000</del>	400
At or above 12,000 but below 15,000	<del>600</del>
At or above 15,000 but below 19,000	<del>800</del>
At or above 19,000	<del>1,000</del>

## 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

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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:

HSCEI (Index points)	Intervals
Below <u>25</u> ,000	50
At or above $\frac{25}{0.00}$ but below $\frac{820}{0.00}$	0 100
At or above <u>820</u> ,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 5<sup>th</sup> 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.