

Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited

CONTRACT SPECIFICATIONS FOR STOCK FUTURES CONTRACTS

I. HONG KONG STOCK FUTURES

HONG KONG STOCK FUTURES CONTRACT SPECIFICATIONS

Contract Multiplier	Board lot size of the underlying stock, unless otherwise specified by the Exchange
Final Settlement Price	The Final Settlement Price shall be the average of readings of (i) the midpoints of the best bid and best ask prices for the underlying stock taken at five-minute intervals from five minutes after the start of, and up to five minutes before the end of, the Continuous Trading Session of SEHK and (ii) the closing price of the underlying stock as quoted by SEHK on the Last Trading Day as provided in Regulation 012 and subject to Regulation 013

REGULATIONS FOR TRADING STOCK FUTURES CONTRACTS

INTERPRETATION

“Hong Kong Stock Futures Contract”	means a Stock Futures Contract, the underlying stock of which is listed on The Stock Exchange of Hong Kong Limited;
“stock”	has the same meaning as “securities” in the Rules of The Stock Exchange of Hong Kong Limited;

TRADING

007 Subject to the Rules of the Exchange, trading in Stock Futures Contracts in a given Contract Month shall cease at the close of Trading Hours on the Last Trading Day or at such other times as specified by the Board. Unless otherwise determined by the Exchange, the Exchange will, by notice to Exchange Participants using the Market Messages Window of HKATS and/or such other means as it considers appropriate, suspend trading of a Stock Futures Contract as soon as practicable after trading of the underlying stock is suspended in the stock market on which the underlying stock is listed. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange directly or indirectly in connection with any such suspension of Stock Futures Contracts.

FINAL SETTLEMENT PRICE

- 012A The Final Settlement Price of a Hong Kong Stock Futures Contract shall, subject to Regulation 013, be the average of readings of (i) the midpoints of the best bid and best ask prices for the underlying stock taken at five-minute intervals from five minutes after the start of, and up to five minutes before the end of, the Continuous Trading Session of SEHK and (ii) the closing price of the underlying stock as quoted by SEHK on the Last Trading Day, rounded to the nearest cent, as calculated and published by the Exchange.
- 012B The Final Settlement Price of an International Stock Futures Contract shall, subject to Regulation 013, be the official closing price on the Last Trading Day of the underlying stock as quoted in the cash market on which the underlying stock is listed. The Exchange may determine the cash market to be used for determining the Final Settlement Price.
- 013 If, in the opinion of the Chief Executive, circumstances are developing or have developed which are capable of preventing calculation of the Final Settlement Price, or which may render a Final Settlement Price unrepresentative of the level of prices at which the underlying stock is traded during the Last Trading Day in the cash market, then the Chief Executive, after consultation with the Commission, may either on his own or in conjunction with the Clearing House take such steps as he deems appropriate to enable the Final Settlement Price to be determined including, but not limited to, the designation of the closing price of the relevant Spot Month contract as the Final Settlement Price.

SELECTION CRITERIA

Hong Kong Stock Futures Contracts

- 028 A stock is eligible to be an underlying stock of a Hong Kong Stock Futures Contract if it has been listed on the SEHK for a period of either:
- (a) 60 consecutive Hong Kong Business Days during which dealing in the underlying stock has not been suspended; or
 - (b) not more than 70 consecutive Hong Kong Business Days comprising 60 Hong Kong Business Days during which dealing in the underlying stock has not been suspended, i.e. not more than 10 Hong Kong Business Days of trading suspension during the 70 consecutive Hong Kong Business Days; and
- the public float capitalisation (i.e. stocks in the hands of the public pursuant to Chapter 8 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of the stock is at least HK\$4 billion except where the public float capitalisation of the stock exceeds HK\$10 billion, in which case the requirements set forth in paragraphs (a) and (b) above may be exempted.