

Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited

CHAPTER I

**INTERPRETATION ADMINISTRATION
AND AMENDMENT OF THE RULES**

Definitions and Interpretation

101. In these Rules, unless the context otherwise requires, the following expressions shall bear the following meanings:-

“Weekly Contract” means an Exchange Contract that is named a “Weekly” contract;

APPENDIX B - FEES

Description		Amount¹
<i>Exchange trading fees</i>		
HSI Futures	House/Client a/c	10.00/Lot
	MM in HSI Options, Mini-HSI Futures, <u>Weekly HSI Options</u> or Mini-HSI Options ²	3.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
HSI Options	House/Client a/c	10.00/Lot
	MM a/c	2.00/Lot
	MM in Mini-HSI Futures, <u>Weekly HSI Options</u> or Mini-HSI Options ²	3.50/Lot or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
<u>Weekly HSI Options</u>	<u>House/Client a/c</u> <u>MM a/c</u> <u>MM in Mini-HSI Futures, HSI Options or Mini-HSI Options²</u>	<u>10.00/Lot</u> <u>2.00/Lot</u> <u>3.50/Lot</u> or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
Mini-HSI Futures	House/Client a/c	3.50/Lot
	MM a/c	0.50/Lot
	MM in HSI Options, <u>Weekly HSI Options</u> or Mini-HSI Options ²	1.00/Lot or such lesser amount as the Exchange may from time to

		<u>time agree with the relevant Exchange Participant</u>
Mini-HSI Options	House/Client a/c MM a/c MM in HSI Options, <u>Weekly HSI Options</u> 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
HSCEI Futures	House/Client a/c MM a/c MM in HSCEI Options, <u>Weekly HSCEI Options</u> or Mini-HSCEI Options ²	3.50/Lot 0.50/Lot 1.00/Lot <u>or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant</u>
HSCEI Options	House/Client a/c MM a/c MM in HSCEI Futures, <u>Weekly HSCEI Options</u> or Mini-HSCEI 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
<u>Weekly HSCEI Options</u>	<u>House/Client a/c</u> <u>MM a/c</u> <u>MM in HSCEI Futures, HSCEI Options or Mini-HSCEI Options²</u>	<u>3.50/Lot</u> <u>0.50/Lot</u> <u>1.00/Lot</u> <u>or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant</u>
Mini-HSCEI Futures	House/Client a/c MM in HSCEI Futures, HSCEI Options, <u>Weekly HSCEI Options</u> or Mini-HSCEI Options ²	2.00/Lot 0.70/Lot <u>or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant</u>
Mini-HSCEI Options	House/Client a/c MM a/c MM in HSCEI Options, <u>Weekly HSCEI Options</u> or HSCEI Futures ²	1.00/Lot 0.20/Lot 0.35/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 Index (HSI) Futures

Position Limits

Position delta for Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time.

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

Position Limits

Position delta for Mini-Hang Seng Index Futures, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Mini-Hang Seng Index Futures, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time.

Contract Specifications
For
Hang Seng China Enterprises Index (HSCEI) Futures

Position Limits

Position delta for Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time.

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

Position Limits

Position delta for Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time.

Contract Specifications
For
Hang Seng Index (Gross Total Return Index) Futures

Position Limits

Position delta for Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, ~~and~~ Mini-Hang Seng Index Options and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index (Net Total Return Index) Futures, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, ~~and~~ Mini-Hang Seng Index Options and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time.

Contract Specifications
For
Hang Seng Index (Net Total Return Index) Futures

Position Limits

Position delta for Hang Seng Index (Net Total Return Index) Futures, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, ~~and~~ Mini-Hang Seng Index Options and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng Index (Net Total Return Index) Futures, Hang Seng Index (Gross Total Return Index) Futures, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, ~~and~~ Mini-Hang Seng Index Options and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time.

Contract Specifications
For
Hang Seng China Enterprises Index (Gross Total Return Index) Futures

Position Limits

Position delta for Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, ~~and~~ Hang Seng China Enterprises Index Options and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Hang Seng China Enterprises Index (Net Total Return Index) Futures, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, ~~and~~ Hang Seng China Enterprises Index Options and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time.

Contract Specifications
For
Hang Seng China Enterprises Index (Net Total Return Index) Futures

Position Limits

Position delta for Hang Seng China Enterprises Index (Net Total Return Index) Futures, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, ~~and~~ Hang Seng China Enterprises Index Options and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng China Enterprises Index (Net Total Return Index) Futures, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, ~~and~~ Hang Seng China Enterprises Index Options and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time.

Contract Specifications
For
Hang Seng Index (HSI) Options

Position Limits

Position delta for Hang Seng Index Options, Hang Seng Index Futures, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng Index Options, Hang Seng Index Futures, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time.

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

Position Limits

Position delta for Mini-Hang Seng Index Options, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, Hang Seng Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Mini-Hang Seng Index Options, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, Hang Seng Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng Index (Net Total Return Index) Futures and Weekly Hang Seng Index Options combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time.

Contract Specifications
For
Weekly Hang Seng Index (HSI) Options

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

Underlying Index/Index Hang Seng 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 Weeks Spot Week and the next week, except where the Expiry Day of the Weekly Contract is the same as the Expiry Day of the Spot Month Hang Seng Index Option Contract.

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)
5:15 p.m. - 3:00 a.m. (after-hours trading session)

There is no afternoon or after-hours 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.

There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States.

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 or after-hours 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 last Business Day of the Contract Week.

Option Premium Quoted in whole Index points.

Contracted Value Option Premium multiplied by the Contract Multiplier.

Strike Prices Strike Prices shall be set as follows:

<u>HSI (Index points)</u>	<u>Intervals</u>
<u>Below 5,000</u>	<u>50</u>
<u>At or above 5,000 but below 20,000</u>	<u>100</u>
<u>At or above 20,000</u>	<u>200</u>

On any Business Day, new consecutive Strike Prices may be set for, or added to, each Weekly HSI Option Contract such that at all times there will be Strike Prices representing not less than 10% above, and not less than 10% below the at-the-money Strike Price of the Weekly HSI Option Contract. On any Business Day in a given week, the at-the-money Strike Price of each Weekly HSI Option Contract shall be the previous Business Day's official closing value of the Hang Seng Index, rounded off to the nearest Strike Price, unless the official closing value of the Hang Seng Index 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.

<u>Exercise Style</u>	<u>European Style options which may only be exercised on Expiry Day.</u>
<u>Settlement on Exercise</u>	<u>Cash settlement of the Final Settlement Value.</u>
<u>Final Settlement Day</u>	<u>The Business Day immediately following the Expiry Day.</u>
<u>Official Settlement Price</u>	<u>The Official Settlement Price for Weekly HSI 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 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 Contracts to determine the Official Settlement Price under certain circumstances.</u>
<u>Position Limits</u>	<u>Position delta for Weekly Hang Seng Index Options, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures and Hang Seng Index (Net Total Return Index) Futures combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position</u>

delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time; and

Position delta for Weekly Hang Seng Index Options, Hang Seng Index Futures, Hang Seng Index Options, Mini-Hang Seng Index Futures, Mini-Hang Seng Index Options, Hang Seng Index (Gross Total Return Index) Futures and Hang Seng Index (Net Total Return Index) Futures combined of 10,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng Index Futures or Mini-Hang Seng Index Options shall not at any time exceed 2,000 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng Index Option Contract; and (ii) the position delta of one Hang Seng Index (Gross Total Return Index) Futures Contract and one Hang Seng Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng Index Futures and will be announced by the Exchange from time to time.

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 Fees
(per contract per side)

Exchange Fee HK\$10.00

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 Fee

A fee of HK\$10.00 will be charged by the Exchange for each Weekly HSI Option Contract exercised. Weekly HSI Option Contracts not exercised shall be deemed to have expired worthless and will not attract any Exercise Fee.

Commission Rate

Negotiable.

* Same as the Hang Seng Index Futures Contract and Hang Seng Index Option Contract.

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

Position Limits

Position delta for Hang Seng China Enterprises Index Options, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Hang Seng China Enterprises Index Options, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index (Gross Total Return Index), ~~and~~ Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time.

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

Position Limits

Position delta for Mini-Hang Seng China Enterprises Index Options, Mini-Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index), ~~and~~ Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Mini-Hang Seng China Enterprises Index Options, Mini-Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures, ~~and~~ Hang Seng China Enterprises Index (Net Total Return Index) Futures and Weekly Hang Seng China Enterprises Index Options combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time.

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

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

Underlying Index/Index Hang Seng China Enterprises 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 Weeks Spot Week and the next week, except where the Expiry Day of the Weekly Contract is the same as the Expiry Day of the Spot Month HSCEI Option Contract.

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)
5:15 p.m. - 3:00 a.m. (after-hours trading session)

There is no afternoon or after-hours 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.

There is no after-hours trading session if it is a bank holiday in both the United Kingdom and the United States.

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 or after-hours 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 last Business Day of the Contract Week.

Option Premium Quoted in whole Index points.

Contracted Value Option Premium multiplied by the Contract Multiplier.

Strike Prices Strike Prices shall be set as follows:

<u>HSCEI (Index points)</u>	<u>Intervals</u>
<u>Below 5,000</u>	<u>50</u>
<u>At or above 5,000 but below 20,000</u>	<u>100</u>
<u>At or above 20,000</u>	<u>200</u>

On any Business Day, new consecutive Strike Prices may be set for, or added to, each Weekly HSCEI Option Contract 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 Weekly HSCEI Option Contract. On any Business Day in a given week, the at-the-money Strike Price of each Weekly HSCEI Option Contract shall be the previous Business Day's official closing value of the Hang Seng China Enterprises Index, rounded off to the nearest Strike Price, unless the official closing value of the Hang Seng China Enterprises Index 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.

<u>Exercise Style</u>	<u>European Style options which may only be exercised on Expiry Day.</u>
<u>Settlement on Exercise</u>	<u>Cash settlement of the Final Settlement Value.</u>
<u>Final Settlement Day</u>	<u>The Business Day immediately following the Expiry Day.</u>
<u>Official Settlement Price</u>	<u>The Official Settlement Price for Weekly HSCEI 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 China Enterprises 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 Contracts to determine the Official Settlement Price under certain circumstances.</u>
<u>Position Limits</u>	<u>Position delta for Weekly Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures and Hang Seng China Enterprises Index (Net Total Return Index) Futures combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Exchange Participant for the Exchange Participant's own behalf. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will</u>

have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time; and

Position delta for Weekly Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index Futures, Hang Seng China Enterprises Index Options, Mini-Hang Seng China Enterprises Index Futures, Mini-Hang Seng China Enterprises Index Options, Hang Seng China Enterprises Index (Gross Total Return Index) Futures and Hang Seng China Enterprises Index (Net Total Return Index) Futures combined of 12,000 long or short in all Contract Months and Contract Weeks (where applicable) combined, provided the position delta for Mini-Hang Seng China Enterprises Index Futures or Mini-Hang Seng China Enterprises Index Options shall not at any time exceed 2,400 long or short in all Contract Months combined, per Client. For this purpose, (i) the position delta of one Mini-Hang Seng China Enterprises Index Futures Contract will have a value of 0.2 and the position delta of one Mini-Hang Seng China Enterprises Index Option Contract will be one-fifth of the position delta of the corresponding series in the Hang Seng China Enterprises Index Option Contract; and (ii) the position delta of one Hang Seng China Enterprises Index (Gross Total Return Index) Futures Contract and one Hang Seng China Enterprises Index (Net Total Return Index) Futures Contract will be based on their contract value ratios versus Hang Seng China Enterprises Index Futures and will be announced by the Exchange from time to time.

<u>Large Open Positions</u>	<u>500 open contracts in any one series per Exchange Participant for the Exchange Participant's own behalf; and</u> <u>500 open contracts in any one series per Client.</u>
<u>Minimum Fluctuation</u>	<u>One Index point.</u>
<u>Trading Fees</u> (per contract per side)	<u>Exchange Fee</u> <u>HK\$3.50</u> <u>The amount indicated above is subject to change from time to time.</u>
<u>Levies</u> (per contract per side)	<u>Commission Levy and Investor Compensation Levy are payable at the rate or of the amount prescribed from time to time pursuant to the Ordinance.</u>
<u>Cabinet Trade</u>	<u>No Exchange Fee is payable. Commission Levy and Investor Compensation Levy are applicable.</u>

Exercise Fee A fee of HK\$3.50 will be charged by the Exchange for each Weekly HSCEI Option Contract exercised. Weekly HSCEI Option Contracts not exercised shall be deemed to have expired worthless and will not attract any Exercise Fee.

Commission Rate Negotiable.

* Same as the Hang Seng China Enterprises Index Futures Contract and Hang Seng China Enterprises Index Option Contract.

REGULATIONS FOR TRADING STOCK INDEX OPTIONS CONTRACTS

INTERPRETATION

002 The Exchange Rules and the Clearing House Rules (referred to collectively as the “Rules”) including the definitions, rules of interpretation and administrative provisions shall apply for the purposes of these Regulations. Unless specifically provided otherwise, the terms and expressions set out below shall have the meanings attributed to them herein. In the event of any conflict or inconsistency between the Rules (other than these Regulations) and these Regulations, including the Contract Specifications (which form part of these Regulations), the Regulations shall in all cases prevail.

“Contract Week” the week, month and year in which an option expires;

“Spot Week” in a given week, the Contract Week of a Weekly Contract whose Expiry Day is within that week, if any;

CONTRACT SPECIFICATIONS

004 The terms and conditions for each option shall include, among other things:-.

- a) Underlying Index/Index;
- b) Contract Multiplier;
- c) Contract Months or Contract Weeks;
- d) Trading Hours;
- e) Trading Method;
- f) Expiry Day;
- g) Option Premium;
- h) ~~e~~Cash value of a Cabinet Trade;
- i) Strike Prices;
- j) Exercise Style;
- k) Settlement on Exercise;
- l) Position Limits;
- m) Large Open Positions;
- n) Minimum Fluctuation; and
- o) Commission Rate.

TRADING PROCEDURES FOR STOCK INDEX FUTURES AND STOCK INDEX OPTIONS TRADED ON THE AUTOMATED TRADING SYSTEM OF THE EXCHANGE (“HKATS”)

CHAPTER 3

MARKET MAKERS IN STOCK INDEX FUTURES AND STOCK INDEX OPTIONS CONTRACTS

3.1 *Application for a Market Maker Permit*

3.1.3 Granting and revocation of a Market Maker Permit

Upon granting a Market Maker permit in a Stock Index Options Contract and any subsequent approval thereunder, the Exchange shall assign the Market Maker (itself if applicable and each of its market making arrangements if any) with:

a. For a Regular Market Maker for the T Session and/or the T+1 Session:

- (i) not less than fifty (50) option series in the Stock Index Options Contract if it is not a Mini Contract ~~or a Weekly Contract; and~~
- (ii) not less than twenty-five (25) option series if it is a Mini Contract;
and
- (iii) (for Weekly Contracts) not less than thirty (30) option series in total for Spot Week and the next week, or not less than fifteen (15) option series if only one Weekly Contract is available,
to be determined by the Exchange from time to time, ~~if it is a Regular Market Maker for the T Session and/or the T+1 Session; and/or (ii);~~

b. For a Primary Market Maker for the T Session or the T+1 Session:

such number of option series as may be specified in its appointment letter ~~if it is a Primary Market Maker for either the T Session or the T+1 Session.~~

3.2 *Market Making Requirements of a Market Maker*

3.2.2 Market Making Requirements of a Regular Market Maker in a Stock Index Options Contract for the T Session

3.2.2.2 Responding to Quote Requests during the T Session

If a Regular Market Maker in a Stock Index Options Contract for the T Session elects to respond to Quote Requests, it shall:

- 3.2.2.2.3 display on HKATS a Quote made in response to a Quote Request for not fewer than twenty (20) seconds and (i) in respect of a Stock Index Options Contract which is not a Mini Contract or a Weekly Contract, for a size of not fewer than five (5) contracts for the first four calendar month contracts and not fewer than three (3) contracts for the subsequent three calendar

quarter month contracts; ~~and~~ (ii) for a Stock Index Options Contract which is a Mini Contract, for a size of not fewer than five (5) contracts for the first two calendar month contracts and not fewer than three (3) contracts for the subsequent two calendar quarter month contracts; and (iii) for a Stock Index Options Contract which is a Weekly Contract, for a size of not fewer than five (5) contracts for the Spot Week and the next Weekly Contract (where applicable), unless a change in the price level of the Spot Month Stock Index Futures Contract with the same underlying stock index occurs during the twenty (20) second display period, in which case, the Regular Market Maker may change its Quote provided the new Quote shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.2.2 for the original Quote;

3.2.2.2.4 quote the Stock Index Options Contract with a bid/offer spread of not greater than:

a. For Hang Seng a Stock Index Options Contract or Hang Seng China Enterprises Index Options Contract which is not a Mini Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 st to 4 th calendar months	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points
1 st and 2 nd calendar quarter months following the 4 th calendar month	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
3 rd calendar quarter month following the 4 th calendar month	1 – 750 points	50 points or 25% of bid price, whichever is higher
	751 points or more	200 points

b. For Mini-Hang Seng a Stock Index Options Contract or Mini-Hang Seng China Enterprises Index Options Contract which is a Mini Contract:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 st and 2 nd calendar months	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points

1 st and 2 nd calendar quarter months following the 2 nd calendar month	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points

c. For Weekly Hang Seng Index Options Contract or Weekly Hang Seng China Enterprises Index Options Contract:

<u>Contract Week</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
<u>Spot Week and the next Weekly Contract (where applicable)</u>	<u>1 – 750 points</u>	<u>30 points or 10% of bid price, whichever is higher</u>
	<u>751 points or more</u>	<u>75 points</u>

3.2.2.3 Providing Continuous Quotes during the T Session

If a Regular Market Maker in a Stock Index Options Contract for the T Session elects to provide continuous Quotes, it shall:

- 3.2.2.3.2 display on HKATS all Quotes made on the assigned option series in the Stock Index Options Contract for not less than twenty (20) seconds and (i) in respect of a Stock Index Options Contract which is not a Mini Contract or a Weekly Contract, for a size of not fewer than five (5) contracts for the first four calendar month contracts and for a size of not fewer than three (3) contracts for the subsequent three calendar quarter month contracts; ~~and~~ (ii) in respect of a Stock Index Options Contract which is a Mini Contract, for a size of not fewer than five (5) contracts for the first two calendar month contracts and not fewer than three (3) contracts for the subsequent two calendar quarter month contracts; and (iii) in respect of a Stock Index Options Contract which is a Weekly Contract, for a size of not fewer than five (5) contracts for the Spot Week and the next Weekly Contract (where applicable), unless a change in the price level of the Stock Index Futures Contract with the same underlying index occurs during the twenty (20) second display period, in which case, the Regular Market Maker may change its Quotes provided the new Quotes shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.2.3 for the original Quotes;
- 3.2.2.3.3 quote the assigned option series in the Stock Index Options Contract with a bid/offer spread of not greater than:

a. For Hang Seng a-Stock Index Options Contract or Hang Seng China Enterprises Index Options Contract ~~which is not a Mini Contract~~:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 st to 4 th calendar months	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points
1 st and 2 nd calendar quarter months following the 4 th calendar month	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
3 rd calendar quarter month following the 4 th calendar month	1 – 750 points	50 points or 25% of bid price, whichever is higher
	751 points or more	200 points

b. For Mini-Hang Seng a-Stock Index Options Contract or Mini-Hang Seng China Enterprises Index Options ~~which is a Mini Contract~~:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 st and 2 nd calendar months	1 – 750 points	30 points or 10% of bid price, whichever is higher
	751 points or more	75 points
1 st and 2 nd calendar quarter months following the 2 nd calendar month	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points

c. For Weekly Hang Seng Index Options Contract or Weekly Hang Seng China Enterprises Index Options Contract:

<u>Contract Week</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
<u>Spot Week and the next Weekly Contract (where applicable)</u>	<u>1 – 750 points</u>	<u>30 points or 10% of bid price, whichever is higher</u>
	<u>751 points or more</u>	<u>75 points</u>

3.2.2A Market Making Requirements of a Regular Market Maker in a Stock Index Options Contract for the T+1 Session

3.2.2A.2 Responding to Quote Requests during the T+1 Session

If a Regular Market Maker in a Stock Index Options Contract for the T+1 Session elects to respond to Quote Requests, it shall:

3.2.2A.2.1 respond to not less than thirty five (35) percent of the Quote Requests in the Stock Index Options Contract (if it is not a Weekly Contract) or respond to not less than seventy (70) percent of the Quote Requests in the Weekly Contract in the T+1 Session of each calendar month;

3.2.2A.2.3 display on HKATS a Quote made in response to a Quote Request for not fewer than twenty (20) seconds and (a) in respect of a Stock Index Options Contract which is not a Mini Contract or a Weekly Contract, for a size of not fewer than three (3) contracts for the first four calendar month contracts and not fewer than two (2) contracts for the subsequent three calendar quarter month contracts; ~~and~~ (b) for a Stock Index Options Contract which is a Mini Contract, for a size of not fewer than three (3) contracts for the first two calendar month contracts and not fewer than two (2) contracts for the subsequent two calendar quarter month contracts; and (c) for a Stock Index Options Contract which is a Weekly Contract, for a size of not fewer than five (5) contracts for the Spot Week and the next Weekly Contract (where applicable), unless a change in the price level of the Spot Month Stock Index Futures Contract with the same underlying stock index occurs during the twenty (20) second display period, in which case, the Regular Market Maker may change its Quote provided the new Quote shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.2A.2 for the original Quote; and

3.2.2A.2.4 quote the Stock Index Options Contract with a bid/offer spread of not greater than:

a. For Hang Seng Stock Index Options Contract or Hang Seng China Enterprises Index Options Contract ~~which is not a Mini Contract~~:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 st to 4 th calendar months	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points

1 st and 2 nd calendar quarter months following the 4 th calendar month	1 – 750 points	60 points or 30% of bid price, whichever is higher
	751 points or more	225 points
3 rd calendar quarter month following the 4 th calendar month	1 – 750 points	80 points or 40% of bid price, whichever is higher
	751 points or more	300 points

b. For Mini-Hang Senga–Stock Index Options Contract or Mini-Hang Seng China Enterprises Index Options Contract ~~which is a Mini Contract~~:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 st and 2 nd calendar months	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
1 st and 2 nd calendar quarter months following the 2 nd calendar month	1 – 750 points	60 points or 30% of bid price, whichever is higher
	751 points or more	225 points

c. For Weekly Hang Seng Index Options Contract or Weekly Hang Seng China Enterprises Index Options Contract:

<u>Contract Week</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
<u>Spot Week and the next Weekly Contract (where applicable)</u>	<u>1 – 750 points</u>	<u>40 points or 20% of bid price, whichever is higher</u>
	<u>751 points or more</u>	<u>150 points</u>

3.2.2A.3 Providing Continuous Quotes during the T+1 Session

If a Regular Market Maker in a Stock Index Options Contract for the T+1 Session elects to provide continuous Quotes, it shall:

3.2.2A.3.1 quote at least (i) in respect of a Stock Index Options Contract which is not a Mini Contract or a Weekly Contract, 50 option series out of the assigned option series in the Stock Index Options Contract during not less than thirty five (35) percent

of the trading hours of such Stock Index Options Contract in the T+1 Session of each calendar month; ~~and~~ (ii) in respect of a Stock Index Options Contract which is a Mini Contract, at least 25 option series out of assigned option series in the Stock Index Options Contract during not less than thirty five (35) percent of the trading hours of such Stock Index Options Contract in the T+1 Session of each calendar month; and (iii) in respect of a Stock Index Options Contract which is a Weekly Contract, at least 30 option series out of the assigned option series for the Spot Week and the next Weekly Contract or at least 15 option series out of the assigned option series if only one Weekly Contract is available during not less than seventy (70) percent of the trading hours of such Weekly Contract in the T+1 Session of each calendar month;

3.2.2A.3.2 display on HKATS all Quotes made on the assigned option series in the Stock Index Options Contract for not less than twenty (20) seconds and (a) in respect of a Stock Index Options Contract which is not a Mini Contract or a Weekly Contract, for a size of not fewer than three (3) contracts for the first four calendar month contracts and for a size of not fewer than two (2) contracts for the subsequent three calendar quarter month contracts; ~~and~~ (b) in respect of a Stock Index Options Contract which is a Mini Contract, for a size of not fewer than three (3) contracts for the first two calendar month contracts and not fewer than two (2) contracts for the subsequent two calendar quarter month contracts; and (c) in respect of a Stock Index Options Contract which is a Weekly Contract, for a size of not fewer than five (5) contracts for the Spot Week and the next Weekly Contract (where applicable), unless a change in the price level of the Stock Index Futures Contract with the same underlying index occurs during the twenty (20) second display period, in which case, the Regular Market Maker may change its Quotes provided the new Quotes shall be subject to the same display, spread and size requirements as specified in this procedure 3.2.2A.3 for the original Quotes; and

3.2.2A.3.3 quote the assigned option series in the Stock Index Options Contract with a bid/offer spread of not greater than:

a. For ~~Hang Seng Stock~~ Index Options Contract or Hang Seng China Enterprises Index Options Contract ~~which is not a Mini Contract~~:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 st to 4 th calendar months	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
1 st and 2 nd calendar quarter	1 – 750 points	60 points or 30% of bid price, whichever is higher

months following the 4 th calendar month	751 points or more	225 points
	1 – 750 points	80 points or 40% of bid price, whichever is higher
3 rd calendar quarter month following the 4 th calendar month	751 points or more	300 points

b. For Mini-Hang Seng Stock Index Options Contract or Mini-Hang Seng China Enterprises Index Options Contract ~~which is a Mini Contract~~:

<u>Contract Month</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
1 st and 2 nd calendar months	1 – 750 points	40 points or 20% of bid price, whichever is higher
	751 points or more	150 points
1 st and 2 nd calendar quarter months following the 2 nd calendar month	1 – 750 points	60 points or 30% of bid price, whichever is higher
	751 points or more	225 points

c. For Weekly Hang Seng Index Options Contract or Weekly Hang Seng China Enterprises Index Options Contract:

<u>Contract Week</u>	<u>Call/Put Option Price</u>	<u>Maximum Bid/Offer Spread</u>
<u>Spot Week and the next Weekly Contract (where applicable)</u>	<u>1 – 750 points</u>	<u>40 points or 20% of bid price, whichever is higher</u>
	<u>751 points or more</u>	<u>150 points</u>

3.2.4 During the Last Trading Day of a Stock Index Futures Contract, a Market Maker in the Stock Index Futures Contract shall not be required to respond to a Quote Request or to provide continuous Quotes for that Contract and during the Expiry Day~~te~~ of a Stock Index Options Contract other than a Weekly Contract, a Market Maker in the Stock Index Options Contract shall not be required to respond to a Quote Request or to provide continuous Quotes for that Contract.

3.3 Market Maker Incentives

A Market Maker in a Stock Index Futures Contract or a Stock Index Options Contract (other than a Regular Market Maker in a Stock Index Options Contract which is not a Weekly Contract for the T+1 Session) shall be entitled to pay a reduced Exchange Fee of an amount specified in

Appendix B on transactions effected in the Stock Index Futures Contract or the Stock Index Options Contract.

A Regular Market Maker in a Stock Index Options Contract which is not a Weekly Contract for the T+1 Session shall be entitled to pay a reduced Exchange Fee of an amount as prescribed by the Exchange from time to time on transactions effected in Stock Index Options Contracts during the T+1 Session if it satisfies the market making requirements applicable to the corresponding incentive tier:

Incentive tier	If the Regular Market Maker elects to respond to a Quote Requests and fulfills the following Quote Requests response percentage:	If the Regular Market Maker elects to provide continuous Quotes and fulfills the following percentage of trading hours coverage for the assigned option series below in the Stock Index Options Contract:			
		For a Stock Index Options Contract which is not a Mini Contract:		For a Stock Index Options Contract which is a Mini Contract:	
		Percentage of trading hours coverage	Assigned option series	Percentage of trading hours coverage	Assigned option series
1	70%	70%	50	70%	25
2	50%	50%	50	50%	25
3	35%	35%	50	35%	25

A Market Maker in a Stock Index Futures Contract or a Stock Index Options Contract shall also be entitled to pay a reduced Exchange Fee of an amount specified in Appendix B on transactions effected in other Stock Index Futures Contracts and Stock Index Options Contracts with the same underlying index, provided that:

- (i) the total number of other Stock Index Futures Contracts and Stock Index Options Contracts eligible for reduced Exchange Fees in any calendar month shall not exceed the volume of the Stock Index Futures Contract or the Stock Index Options Contract traded by the Market Maker in its capacity as such in that calendar month;
- (ii) for Market Makers in the Mini-Hang Seng Index Futures Contract or the Mini-Hang Seng Index Option Contract, the number of other eligible transactions in the Hang Seng Index Futures Contract, ~~and~~ the Hang Seng Index Option Contract and the Weekly Hang Seng Index Option Contract shall be multiplied by one-fifth;
- (iii) for Market Makers in the Hang Seng Index Option Contract or the Weekly Hang Seng Index Option Contract, the number of other eligible transactions in the Mini-Hang Seng Index Futures Contract and the Mini-Hang Seng Index Option Contract shall be multiplied by five;
- (iv) for Market Makers in the Hang Seng China Enterprises Index Futures Contract, ~~or~~ the Hang Seng China Enterprises Index Option Contract, or the Weekly Hang Seng China Enterprises Index Option Contract, the number of other eligible transactions in the Mini-Hang Seng China Enterprises Index Futures Contract and the Mini-Hang Seng China Enterprises Index Option Contract shall be multiplied by five; and
- (v) for Market Makers in ~~the Mini-Hang Seng China Enterprises Index Futures Contract or~~

the Mini-Hang Seng China Enterprises Index Option Contract, the number of other eligible transactions in the Hang Seng China Enterprises Index Futures Contract, ~~and~~ the Hang Seng China Enterprises Index Option Contract and the Weekly Hang Seng China Enterprises Index Option Contract shall be multiplied by one-fifth.