

<p>Contract Specifications For Three-Year Exchange Fund Note (EFN) Futures</p>
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The following Contract Specifications shall apply to the Three-Year Exchange Fund Note (EFN) Futures Contract:

Underlying Contract	Three-year notional Exchange Fund Notes with a coupon of 6%
Contract Size	HK\$1,000,000
Contract Months	Quarter months on the March, June, September, December cycle such that there are always four (4) months listed at any one time
Contracted Value	Contracted Price multiplied by Contract Size divided by 100 [e.g. (101.00 x HK\$1,000,000)/100]
Contracted Price	The price at which a Three-Year EFN Futures Contract is registered by the Clearing House
Minimum Fluctuation	0.01 percent of the Contract Size, which is equivalent to HK\$100
Trading Hours	8:30 a.m. - 12:00 noon and 1:30 p.m. - 5:00 p.m. (Hong Kong time) There is no afternoon trading session on the eves of Christmas, New Year and Lunar New Year. The trading hours on those three days shall be 8:30 a.m. – 12:00 noon (Hong Kong time)
Trading Hours on the Last Trading Day	8:30 a.m. - 11:00 a.m. (Hong Kong time)
Trading Method	The Exchange's Automated Trading System (HKATS)
Special Trading Session	The Chief Executive, from time to time, may authorize a Special Trading Session to coincide with potentially significant market events. Not less than three Trading Days prior to a Special Trading Session, Exchange Participants will be notified of the Trading Hours of the Special Trading Session
Price Quotation	As a percentage of the Contract Size, quoted to 2 decimal places. The value of each whole percentage point is HK\$10,000
Position Limits	5,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own

behalf; and

5,000 open contracts, in any one Contract Month, per Client

except that position limits for the Spot Month EFN Futures Contract during the last 6 Trading Days shall be as follows:

1,000 open contracts, in the Spot Month, per Exchange Participant for the Exchange Participant's own behalf; and

1,000 open contracts, in the Spot Month, per Client

Large Open Positions

1,000 open contracts, in any one Contract Month, per Exchange Participant for the Exchange Participant's own behalf; and

1,000 open contracts, in any one Contract Month, per Client

except that large open positions for the Spot Month EFN Futures Contract during the last 6 Trading Days shall be as follows:

200 open contracts, in the Spot Month, per Exchange Participant for the Exchange Participant's own behalf; and

200 open contracts, in the Spot Month, per Client

Settlement Method

Physical delivery of Deliverable Exchange Fund Notes against cash payment of the Final Settlement Value in accordance with the mechanism and provisions set forth in the Regulations for trading EFN Futures Contracts and the Clearing House Rules

Deliverable Exchange Fund Notes

Exchange Fund Notes with maturity of not shorter than 2 years and 6 months and not longer than 3 years and 6 months as at the Final Settlement Day

Final Settlement Value

Contract Size x Final Settlement Price x Conversion Factor¹ + Accrued Interest²

Final Settlement Day

The third (3rd) Wednesday of the Contract Month. If the third (3rd) Wednesday of such Contract Month is not a Trading Day then the Final Settlement Day of the Contract shall be the next Trading Day following the third (3rd) Wednesday of the Contract Month

Final Settlement Price

The volume-weighted average traded price of all trades in the Contract Month executed during the 5 minute-interval on the Last Trading Day in which the last trade in the Contract Month was executed. If no trade in the Contract Month is executed on the Last Trading Day, the

Final Settlement Price shall be the previous Trading Day's Closing Quotation

Last Trading Day The Last Trading Day of a Contract shall be two Trading Days before the third (3rd) Wednesday of the Contract Month

Trading Fee (per contract per side) Exchange Fee HK\$6.00
 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.

Commission Rate Negotiable

Notes:

1. Conversion Factor = $(A - B) / 100$

where

$$A = \frac{PV}{(1 + 0.06 / 2)^{d/182.5}}$$

$$PV = \frac{C}{2} + \frac{C}{0.06} \times \left(1 - \frac{1}{(1 + 0.06 / 2)^n}\right) + \frac{100}{(1 + 0.06 / 2)^n}$$

$$B = \frac{C}{2} \times \frac{D - d}{182.5}$$

C = annual coupon per nominal value of HK\$100 of the Deliverable Exchange Fund Note
 n = number of half years from the next payment date to the maturity date
 D = number of days between the last coupon date and the next coupon date; and
 d = number of days between the Final Settlement Day and the next coupon date

The value date for calculating the Conversion Factor shall be the Final Settlement Day

2. Accrued Interest = the accrued interest calculated based on the coupon of the Exchange Fund Notes to be delivered for the period from the last coupon date to the Final Settlement Day