

APPENDIX A: FEES & COSTS PAYABLE TO THE EXCHANGE

A1 [Repealed]

A2 Training Fees

Training Fees	Amount
Course fee (Part I) - Exchange Participant	HK\$300
Course fee (Part II) - Exchange Participant	HK\$300
Course fee (Part I) - non-Exchange Participant	HK\$300
Course fee (Part II) - non-Exchange Participant	HK\$300

A3 Trading Expenses

For HK\$-denominated option classes

Fee Type	Charge Scale
Trading Tariff	
a. Contract Premium > Tick Size*	
(I) For Tier 1 Stocks	
Non-Market Maker	HK\$3 per contract side
Regular Market Maker	
1. which has responded to 70 percent or more of quote requests in a month	HK\$1.50 per contract side
2. which has responded to less than 70 percent of quote requests in a month	HK\$3 per contract side
3. which has provided continuous quotes on the required number of option series for 70 percent or more of the trading hours in a month	HK\$1.50 per contract side
4. which has provided continuous quotes on the required number of option series for less than 70 percent of the trading hours in a month	HK\$3 per contract side
Primary Market Maker	
1. which has fulfilled all of its relevant Primary Market Maker Obligations with respect to both providing continuous quotes and responding to quote requests for that month as set out in its relevant appointment letter	HK\$1.20 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
2. which has not fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter but has at least attained a performance level of a Regular Market Maker with respect to either providing continuous quotes or responding to quote requests for that month	HK\$1.50 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
3. which has neither fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter nor attained a performance level of a Regular Market Maker	HK\$3 per contract side

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<p>(II) For Tier 2 Stocks</p> <p>Non-Market Maker</p> <p>Regular Market Maker</p> <ol style="list-style-type: none"> 1. which has responded to 70 percent or more of quote requests in a month 2. which has responded to less than 70 percent of quote requests in a month 3. which has provided continuous quotes on the required number of options series for 70 percent or more of the trading hours in a month 4. which has provided continuous quotes on the required number of option series for less than 70 percent of the trading hours in a month 	<p>HK\$1 per contract side</p> <p>HK\$0.80 per contract side</p> <p>HK\$1 per contract side</p> <p>HK\$0.80 per contract side</p> <p>HK\$1 per contract side</p>
<p>Primary Market Maker</p> <ol style="list-style-type: none"> 1. which has fulfilled all of its relevant Primary Market Maker Obligations with respect to both providing continuous quotes and responding to quote requests for that month as set out in its relevant appointment letter 2. which has not fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter but has at least attained a performance level of a Regular Market Maker with respect to either providing continuous quotes or responding to quote requests for that month 3. which has neither fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter nor attained a performance level of a Regular Market Maker 	<p>HK\$0.60 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant</p> <p>HK\$0.80 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant</p> <p>HK\$1 per contract side</p>
<p>(III) For Tier 3 Stocks</p> <p>Non-Market Maker</p> <p>Regular Market Maker</p> <ol style="list-style-type: none"> 1. which has responded to 70 percent or more of quote requests in a month 2. which has responded to less than 70 percent of quote requests in a month 3. which has provided continuous quotes on the required number of options series for 70 percent or more of the trading hours in a month 4. which has provided continuous quotes on the required number of option series for less than 70 percent of the trading hours in a month 	<p>HK\$0.50 per contract side</p> <p>HK\$0.40 per contract side</p> <p>HK\$0.50 per contract side</p> <p>HK\$0.40 per contract side</p> <p>HK\$0.50 per contract side</p>
<p>Primary Market Maker</p> <ol style="list-style-type: none"> 1. which has fulfilled all of its relevant Primary Market Maker Obligations with respect to both providing continuous quotes and responding to quote requests for that month as set out in its relevant appointment letter 	<p>HK\$0.30 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant</p>

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<p>2. which has not fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter but has at least attained a performance level of a Regular Market Maker with respect to either providing continuous quotes or responding to quote requests for that month</p> <p>3. which has neither fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter nor attained a performance level of a Regular Market Maker</p>	<p>Exchange Participant</p> <p>HK\$0.40 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant</p> <p>HK\$0.50 per contract side</p>
b. Contract Premium = Tick Size (Cabinet Trade)*	Nil

* Trading Tariff for Options Contracts with Contract Premium equal to or less than HK\$0.01 will be waived.

For RMB-denominated option classes

Fee Type	Charge Scale
Trading Tariff	
a. Contract Premium > Tick Size*	
(I) For Tier 1 Stocks	
Non-Market Maker	RMB2.50 per contract side
Regular Market Maker	
1. which has responded to 70 percent or more of quote requests in a month	RMB1.30 per contract side
2. which has responded to less than 70 percent of quote requests in a month	RMB2.50 per contract side
3. which has provided continuous quotes on the required number of option series for 70 percent or more of the trading hours in a month	RMB1.30 per contract side
4. which has provided continuous quotes on the required number of option series for less than 70 percent of the trading hours in a month	RMB2.50 per contract side
Primary Market Maker	
1. which has fulfilled all of its relevant Primary Market Maker Obligations with respect to both providing continuous quotes and responding to quote requests for that month as set out in its relevant appointment letter	RMB1.00 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
2. which has not fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter but has at least attained a performance level of a Regular Market Maker with respect to either providing continuous quotes or responding to quote requests for that month	RMB1.30 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
3. which has neither fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter nor attained a performance level of a Regular Market Maker	RMB2.50 per contract side

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<p>(II) For Tier 2 Stocks</p> <p>Non-Market Maker</p> <p>Regular Market Maker</p> <ol style="list-style-type: none"> 1. which has responded to 70 percent or more of quote requests in a month 2. which has responded to less than 70 percent of quote requests in a month 3. which has provided continuous quotes on the required number of options series for 70 percent or more of the trading hours in a month 4. which has provided continuous quotes on the required number of option series for less than 70 percent of the trading hours in a month <p>Primary Market Maker</p> <ol style="list-style-type: none"> 1. which has fulfilled all of its relevant Primary Market Maker Obligations with respect to both providing continuous quotes and responding to quote requests for that month as set out in its relevant appointment letter 2. which has not fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter but has at least attained a performance level of a Regular Market Maker with respect to either providing continuous quotes or responding to quote requests for that month 3. which has neither fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter nor attained a performance level of a Regular Market Maker 	<p>RMB0.90 per contract side</p> <p>RMB0.70 per contract side</p> <p>RMB0.90 per contract side</p> <p>RMB0.70 per contract side</p> <p>RMB0.90 per contract side</p> <p>RMB0.50 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant</p> <p>RMB0.70 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant</p> <p>RMB0.90 per contract side</p>
<p>(III) For Tier 3 Stocks</p> <p>Non-Market Maker</p> <p>Regular Market Maker</p> <ol style="list-style-type: none"> 1. which has responded to 70 percent or more of quote requests in a month 2. which has responded to less than 70 percent of quote requests in a month 3. which has provided continuous quotes on the required number of options series for 70 percent or more of the trading hours in a month 4. which has provided continuous quotes on the required number of option series for less than 70 percent of the trading hours in a month <p>Primary Market Maker</p> <ol style="list-style-type: none"> 1. which has fulfilled all of its relevant Primary Market Maker Obligations with respect to both providing continuous quotes and responding to quote requests for that month as set out in its relevant appointment letter 	<p>RMB0.45 per contract side</p> <p>RMB0.35 per contract side</p> <p>RMB0.45 per contract side</p> <p>RMB0.35 per contract side</p> <p>RMB0.45 per contract side</p> <p>RMB0.25 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant</p>

2. which has not fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter but has at least attained a performance level of a Regular Market Maker with respect to either providing continuous quotes or responding to quote requests for that month	RMB0.35 per contract side or such lesser amount as the Exchange may from time to time agree with the relevant Exchange Participant
3. which has neither fulfilled its relevant Primary Market Maker Obligations for that month as set out in its relevant appointment letter nor attained a performance level of a Regular Market Maker	RMB0.45 per contract side
b. Contract Premium = Tick Size (Cabinet Trade)*	Nil

* Trading Tariff for Options Contracts with Contract Premium equal to or less than RMB0.01 will be waived.

A4 HKATS-Related Charges

Fee Type	Fee
HKATS Online fee for connection through the central gateway	HK\$2,600 per month/connection
OAPI sub-license fee for connection with a throughput rate of 5 transactions per second through the central gateway	HK\$2600 per month per OAPI provided that no OAPI sub-license fee will be charged for either the first 2 connections with a throughput rate of 5 transactions per second or the first connection with a throughput rate of 10 transactions per second of an Options Trading Exchange Participant
OAPI sub-license fee for connection with a throughput rate of 10 transactions per second through the central gateway	HK\$5200 per month per OAPI provided that no OAPI sub-license fee will be charged for either the first 2 connections with a throughput rate of 5 transactions per second or the first connection with a throughput rate of 10 transactions per second of an Options Trading Exchange Participant
HKATS Risk Functions sub-license fee for connection through the central gateway	HK\$1000 per month per connection provided that no fee will be charged for the first 3 connections of an Options Trading Exchange Participant
Access to the testing environment	HK\$100 per day or part thereof provided that no access fee will be charged for the first 5 business days
Performance of login test or transaction test outside of the hours from 9 a.m. to 6 p.m.	HK\$1,000 per day or part thereof regardless of test results
OAPI certification	HK\$2,000 per test regardless of test results
Resetting of password or reissuing of password notification letter	HK\$200 per user per occurrence

A5 Emergency Costs

Service	Costs	Remarks
Re-Print of reports	HK\$5 per page up to HK\$1,000 per report	Subject to availability.
On-Behalf-Of processing except bulk deletion	HK\$50 per accepted and executed transaction	1. Inclusive of Printed Trade Confirmation. 2. Exclusive of trading and clearing tariff.
On-Behalf-Of processing for bulk deletion	HK\$1,000	This includes deletion of more than 20 orders in one class or in all classes.
Error Trades / Handling of Large-Scale Error Trades	HK\$3,000 per trade payable by the party which initiated the claim	For handling of Large-Scale Error Trades, on trades to which the Options Trading Exchange Participant is a party only.

A6 Miscellaneous Costs

Fees for other services and facilities not specified here will be announced from time to time by the Exchange or upon request when needed.

The Exchange reserves the right to charge the Options Exchange Participants for any disbursements and out-of-pocket expenses it incurs in the delivery of services and facilities at the request of an Options Exchange Participant.

APPENDIX B: OPTIONS CONTRACT SPECIFICATIONS

B1 Options Contracts

The Chief Executive may, in consultation with the Commission, introduce an option class for trading from time to time. The options traded at the Exchange are conventional, American style put and call options on selected stocks which are listed on the Exchange, with physical delivery on exercise. Exchange Participants shall be notified of the introduction of any option classes accordingly.

A stock is eligible to be an underlying stock of an option class if it has been listed on the SEHK for a period of either:

- a) 60 consecutive trading days during which dealing in the shares of the stock has not been suspended; or
- b) not more than 70 consecutive trading days comprising 60 trading days during which dealing in the shares of the stock has not been suspended, i.e. not more than 10 trading days of trading suspension during the 70 consecutive trading 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 (or an equivalent amount) except where the public float capitalisation of the stock exceeds HK\$10 billion (or an equivalent amount), in which case the requirements set forth in paragraphs (a) and (b) above may be exempted.

B2 Options Contract Sizes

An options contract is the smallest unit that can be traded on the options market. Each option contract is generally listed with the same size as the board lot for the underlying stock, unless otherwise expressly specified by the Exchange. For example, if a board lot for a listed security currently contains 500 shares, the option contract on that security, at the time of listing, will give the holder an option over 500 shares.

However, subsequent capital adjustments on the underlying shares will render it necessary to adjust the contract size and the strike price of all unexpired series of that class to preserve the value of the options contract before the capital adjustment.

With each such adjustment, a new code will be assigned to the adjusted options contracts in HKATS. The Exchange will announce the new codes assigned upon capital adjustments prior to the effective date. All contracts which undergo capital adjustment may have an adjusted contract size not necessarily equal to the current board lot size of the underlying share. Refer to Chapter 8 of the *Operational Trading Procedures* for details.

B3 Expiry

The last trading day for spot month contracts is the second last business day of the month which is a trading day (or such other day as may be specified by the Exchange). Option series for new contract months will become available for trading on the last business day of the month.

B4 Expiry Months

The contract expiry months will be:

- the spot month (i.e. the month in which the next expiring date occurs);
- any of the next three calendar months; and

- any of the next three calendar quarter months (i.e. quarter months are March, June, September and December).

The Exchange may, in consultation with the Commission, introduce any other longer-dated expiry month in selected stock option classes as it deems necessary.

The increase in the number of expiry months will be announced prior to the effective day of trading.

B5 Strike Price Intervals

The intervals between strike prices are as shown below.

Strike Price (amount in the Currency of the Contract)	Interval Group A (amount in the Currency of the Contract)	Interval Group B (amount in the Currency of the Contract)
From 0.01 and up to 2	0.10	0.05
Above 2 and up to 5	0.20	0.10
Above 5 and up to 10	0.50	0.25
Above 10 and up to 20	1.00	0.50
Above 20 and up to 50	2.00	1.00
Above 50 and up to 100	5.00	2.50
Above 100 and up to 200	5.00	2.50
Above 200 and up to 300	10.00	5.00
Above 300 and up to 500	20.00	10.00

B6 Addition of New Strike Prices

New series are added either automatically by HKATS or manually by the Exchange at its absolute discretion.

1. Automatic addition of new series

New series will be generated under the following conditions:

a) Upon addition of a new contract month

i) Option classes under Interval Group A

Upon expiry of a contract month, call and put contracts for five new strike prices -- two out-of-the-money, one at-the-money (or nearest-the-money) and two in-the-money -- will be added for the new expiry month in the cycle.

ii) Option classes under Interval Group B

Upon expiry of a contract month, call and put contracts for nine new strike prices -- four out-of-the-money, one at-the-money (or nearest-the-money) and four in-the-money -- will be added for the new expiry month in the cycle.

b) Upon daily underlying price movements

i) Option classes under Interval Group A

Based on the closing price of the underlying security, new strike prices will be added such that there are at least two out-of-the-money strikes, one at-the-money (or nearest-the-money) and two in-the-money strikes for both puts and calls. Under normal circumstances, there will be no addition of new strike prices within the final 5 trading days before expiry.

ii) Option classes under Interval Group B

Based on the closing price of the underlying security, new strike prices will be added such that there are at least four out-of-the-money strikes, one at-the-money (or nearest-the-money) and four in-the-money strikes for both puts and calls. Under normal circumstances, there will be no addition of new strike prices within the final 5 trading days before expiry.

The at-the-money strike price is the closing price of the underlying security rounded off to the nearest strike price, unless the closing price is precisely midway between two strike prices in which case it shall be rounded off to the lower strike price.

2. Manual addition of new series

The Exchange may at its absolute discretion manually add new series with strike prices at such intervals as it deems necessary, but only within the expiry months defined above.

All new series, automatically generated or manually added, will be announced prior to the effective day for trading.

B7 Tick Size

The tick size, or minimum price fluctuation, of the stock option premium is one minimum price fluctuation for all premium level. The tick size for HK\$-denominated stock options shall be either HK\$0.01 or HK\$0.001. The tick size for RMB-denominated stock options shall be either RMB0.01 or RMB0.001. The Exchange will announce the applicable tick size for each option class by means of a circular.

B8 Exercise

Exercise is American style. This means that the holder of an option can exercise at any time during the life of the option. If the holder does exercise, the resulting contract obligations will be fulfilled by the delivery or purchase of the underlying stocks themselves.

B9 Clearing and Settlement

Options

Unless otherwise specified in these procedures, the *Clearing Rules* or the *Operational Clearing Procedures*, all option contracts traded via the Exchange will be cleared by SEOCH.

Stocks

Any stock trades resulting from exercise and assignment of options are settled under CCASS (the clearing and settlement system of Hong Kong Securities Clearing Company Limited). Details are set out in the *Operational Clearing Procedures*.

B10 Adjustments for Capital Changes

In the event of a rights issue, bonus issue, unusually large dividend etc., the strike price and contract size will be adjusted to hold constant, as far as possible, the value of the option position. See the *Operational Clearing Procedures*.

B11 Tier Levels

All option classes are classified into three tiers. Different trading tariffs are applicable to Tier 1, Tier 2 and Tier 3 option classes as specified in Appendix A. Unless otherwise expressly specified by the Exchange, the tier level of an option class is determined by the nominal value* of the total number of shares of the underlying stock in respect of an option contract fixed before introduction of the option class. An option class with a nominal value above HK\$25,000 (or an equivalent amount) will be classified as Tier 1, an option class with a nominal value of HK\$25,000 (or an equivalent amount) or below but above HK\$10,000 (or an equivalent amount) will be classified as Tier 2 and an option class with a nominal value of HK\$10,000 (or an equivalent amount) or less will be classified as Tier 3.

The Exchange has absolute discretion to determine the tier level and will review the tier level either on a regular basis or as and when there are capital adjustments to the underlying stock of the option class.

Any determination of a tier level for a new option class will be notified to Options Trading Exchange Participants via HKATS, email or such other means as the Exchange considers appropriate.

* The nominal value will be determined according to the closing price of the underlying stock one trading day before the consultation with the Commission. When the underlying stock has no prior trading on the Exchange, the offer price per share of the public offering of the underlying stock (exclusive of brokerage, SFC Transaction Levy, AFRC Transaction Levy and Investor Compensation Levy) will be used and in the event that the offer price is not available, the lowest offer price of the indicative offer price range stated in the prospectus will be used.

APPENDIX C: [Repealed]

APPENDIX D: [Repealed]

APPENDIX E: [Repealed]

APPENDIX F1: FACSIMILE INDEMNITY

This Facsimile Indemnity ("the Indemnity") is made on _____ by
_____ (hereinafter referred to as "the Exchange Participant")
whose registered business is at _____

1. Facsimile Instruction Entry

In circumstances where access to HKATS by the Exchange Participant is suspended, restricted or withdrawn pursuant to the Options Trading Rules, The Stock Exchange of Hong Kong Ltd. ("the Exchange") may allow the Exchange Participant to transmit its instructions relating to HKATS functions by facsimile as authorized by the Options Trading Rules and Operational Trading Procedures to designated Exchange or Hong Kong Exchanges and Clearing Limited personnel.

2. Authorisation

The Exchange is hereby authorised to act on any facsimile instruction permitted by the Options Trading Rules and the Operational Trading Procedures which in its sole discretion believes emanates from the Exchange Participant. The Exchange shall not be under any duty to verify the identity of the person or persons giving facsimile instructions purportedly made on the Exchange Participant's behalf.

3. Exclusion of Liability

The Exchange and a recognized exchange controller which is the controller of the Exchange shall not incur any liability (whether based on contract, tort (including, without limitation, negligence), misrepresentation, warranty or any other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim except in the case of wilfull misconduct) for, and the Exchange Participant hereby waives and releases any claims it might otherwise have to be compensated by the Exchange or a recognized exchange controller which is the controller of the Exchange for, any damages suffered or incurred by the Exchange Participant or any of its affiliates or any of their respective officers, directors, employees or agents or any other party as a result of approval and execution (or failure thereof) of facsimile instructions from the Exchange Participant to the Exchange, including but not limited to (1) direct, consequential, collateral, special or indirect damages (such as, without limitation, loss of revenue, loss of profit, loss of data, loss of use, loss of goodwill, loss of savings, interruption of business or claims of third parties), even if the Exchange has been advised of the possibility of such losses or damages, or (2) punitive or exemplary damages.

Signed by
Responsible Officer
(with company chop): _____

APPENDIX F2: FACSIMILE INDEMNITY

This Facsimile Indemnity (“the Indemnity”) is made on _____ by _____ (hereinafter referred to as “the SEOCH Participant”) whose registered business is at _____

1. Facsimile Instruction Entry

In circumstances where access to DCASS or CCMS by the SEOCH Participant is suspended, restricted or withdrawn pursuant to the Options Clearing Rules, The SEHK Options Clearing House Limited (“SEOCH”) may allow the SEOCH Participant to transmit its instructions relating to DCASS or CCMS functions by facsimile as authorized by the Options Trading Rules, Operational Trading Procedures, Options Clearing Rules and the Operational Clearing Procedures to designated SEOCH or Hong Kong Exchanges and Clearing Limited personnel.

2. Authorisation

SEOCH is hereby authorised to act on any facsimile instruction permitted by the Options Trading Rules, the Operational Trading Procedures, the Options Clearing Rules or Operational Clearing Procedures which in its sole discretion believes emanates from the SEOCH Participant. SEOCH shall not be under any duty to verify the identity of the person or persons giving facsimile instructions purportedly made on the SEOCH Participant’s behalf.

3. Exclusion of Liability

SEOCH, The Stock Exchange of Hong Kong Limited (the “Exchange”) and a recognized exchange controller which is the controller of the Exchange shall not incur any liability (whether based on contract, tort (including, without limitation, negligence), misrepresentation, warranty or any other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim except in the case of wilfull misconduct) for, and the SEOCH Participant hereby waives and releases any claims it might otherwise have to be compensated by SEOCH, the Exchange or a recognized exchange controller which is the controller of the Exchange for, any damages suffered or incurred by the SEOCH Participant or any of its affiliates or any of their respective officers, directors, employees or agents or any other party as a result of approval and execution (or failure thereof) of facsimile instructions from the SEOCH Participant to SEOCH, including but not limited to (1) direct, consequential, collateral, special or indirect damages (such as, without limitation, loss of revenue, loss of profit, loss of data, loss of use, loss of goodwill, loss of savings, interruption of business or claims of third parties), even if SEOCH has been advised of the possibility of such losses or damages, or (2) punitive or exemplary damages.

Signed by SEOCH Participant
(with company chop): _____

Name: _____

Title: _____

APPENDIX G: [Repealed]

APPENDIX H: CLIENT MARGINING USING THE PRiME CALCULATION ALGORITHM

H1. Margin Required in Respect of Client, NCP or Options Broker Exchange Participant

Client positions allocated to the Client Account or client positions allocated to the House Account (i.e. affiliate positions) being margined by an Options Exchange Participant, open positions of an NCP being margined by a GCP and open positions of an Options Broker Exchange Participant being margined by an Options Trading Exchange Participant should be margined by using the PRiME Calculation Algorithm. If positions of a client are allocated to the Client Account, the client must be margined gross in the same way as SEOCH margins the Omnibus Client Account. However, the open positions of a particular client of an Options Exchange Participant can be margined net provided that:

- i in the case of an Options Trading Exchange Participant which is a SEOCH Participant, it has maintained an Individual Client Account with SEOCH to record the open positions of a particular client on a net basis or, in respect of short open positions of a particular client which are eligible for margin offset, it has recorded such positions in a Client Offset Claim Account maintained by the Options Trading Exchange Participant with SEOCH;
- ii in the case of an Options Trading Exchange Participant which is an NCP, it has requested its designated GCP to maintain an Individual Client Account with SEOCH to record the open positions of a particular client on a net basis or, in respect of short open positions of a particular client which are eligible for margin offset, it has requested its designated GCP to record such positions in a Client Offset Claim Account maintained by the designated GCP with SEOCH, and the designated GCP has maintained an Individual Client Account or a Client Offset Claim Account with SEOCH in that regard; or
- iii in the case of an Options Broker Exchange Participant, it has requested the Options Trading Exchange Participant with whom it maintains an omnibus account to maintain with SEOCH an Individual Client Account to record the open positions of a particular client on a net basis or, in respect of short open positions of a particular client which are eligible for margin offset, to record such positions in a Client Offset Claim Account maintained by the Options Trading Exchange Participant with SEOCH, and the Options Trading Exchange Participant with whom it maintains an omnibus account has maintained an Individual Client Account or a Client Offset Claim Account with SEOCH in that regard.

In such case, that particular client of the Options Exchange Participant may be margined on a net basis.

Options Exchange Participants should margin their clients, NCPs or Options Broker Exchange Participants using the same algorithm as that employed by SEOCH but multiplied by a factor as prescribed by SEOCH from time to time. Please refer to the *PRiME Margining Guide* for illustration of the calculation.

H2. [Repealed]

H3. [Repealed]

APPENDIX I: STANDARD BROADCAST MESSAGES

This appendix shows an inventory of standard broadcast messages which may be used by the Exchange and seen by all Options Trading Exchange Participants.

In the Market Messages Window of HKATS

Daily Messages

yyyy-mm-dd hh:mm:ss	10 minutes until the STOCK OPTIONS Open
yyyy-mm-dd hh:mm:ss	5 minutes until the STOCK OPTIONS Open
yyyy-mm-dd hh:mm:ss	Status for market STOCK OPTIONS changed to open.
yyyy-mm-dd hh:mm:ss	10 minutes until the STOCK OPTIONS Pause
yyyy-mm-dd hh:mm:ss	5 minutes until the STOCK OPTIONS Pause
yyyy-mm-dd hh:mm:ss	Status for market STOCK OPTIONS changed to paused.
yyyy-mm-dd hh:mm:ss	10 minutes until the STOCK OPTIONS Close
yyyy-mm-dd hh:mm:ss	5 minutes until the STOCK OPTIONS Close
yyyy-mm-dd hh:mm:ss	Status for market STOCK OPTIONS changed to close.

Special Messages

yyyy-mm-dd hh:mm:ss	xxx UNUSUAL MKT COND:NO QUO OBLIGAT
yyyy-mm-dd hh:mm:ss	xxx UNUSUAL MKT COND OFF:QUO RESUME
yyyy-mm-dd hh:mm:ss	TYPHOON: TRADING STOPS IN nn MINS
yyyy-mm-dd hh:mm:ss	TYPHOON OFF: TRADING RESUMES nn MIN
yyyy-mm-dd hh:mm:ss	BLACK RAINSTORM: TRADE STOPS nn MIN
yyyy-mm-dd hh:mm:ss	RAINSTORM OFF: TRADE RESUMES nn MIN

POSITION LIMIT REPORTING FORM

Report Date : As at the close of trading on

[illegible]

For and On Behalf of : _____ Date : _____

- (1) In case the reporting is made by a person other than the Options Exchange Participant (e.g. the client) directly to the Exchange, please fill in the name of the Options Exchange Participant with which the position are held.
- (2) If the BI is a group company of the Options Exchange Participant, please mark * beside the name of the BI.
- (3) Please indicate the name of the transaction originator if the instruction in relation to the transaction is not originated by the ultimate BI.
- (4) Please indicate whether the person reporting the position is the ultimate BI, the transaction originator or an omnibus account operator.
- (5) Please indicate the type of account - house ("H"), client ("C") or Market Maker ("MM").
- (6) Please indicate whether the positions are executed for hedging ("HG"), trading ("T") or arbitraging ("A") purpose.
- (7) Pursuant to the Options Trading Rules, option series means the underlying security, expiry month, strike price, option type (put or call), and version number and expiration year (if any) capable of being specified in the Options System by an Options Trading Exchange Participant.
- (8) Please indicate on this form any change in account name, name of ultimate beneficial identity or transaction originator for any account that has been reported in a previous Position Limit Reporting Form.

APPENDIX K: [Repealed]

APPENDIX L: [Repealed]

APPENDIX M: [Repealed]

APPENDIX N: [Repealed]