

**香港聯合交易所有限公司**

(香港交易及結算所有限公司全資附屬公司)

**The Stock Exchange of Hong Kong Limited**

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

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**通告 CIRCULAR**

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事項

Subject: Addition of Seven Stock Option Classes under the Primary Market Maker Program and Appointment of the Primary Market Makers

查詢

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Reference is made to the circular (ref: DMD/177/13) dated 25 November 2013 regarding the addition of stock option classes under the Primary Market Maker (PMM) program. The Exchange is pleased to announce the further addition of seven stock option classes under the PMM program beginning from 2 July 2014, namely:

- Agricultural Bank of China Limited (1288)
- Bank of China Limited (3988)
- Galaxy Entertainment Group Limited (27)
- Hong Kong Exchanges and Clearing Limited (388)
- Industrial and Commercial Bank of China Limited (1398)
- Sands China Ltd. (1928)
- Tencent Holdings Limited (700)

In addition, the following PMMs will be appointed for the period from 2 July to 31 December 2014:

- BNP Paribas Securities (Asia) Limited
- Citadel Securities (Hong Kong) Limited
- Eclipse Options (HK) Limited
- Timber Hill Securities Hong Kong Limited

PMM is required to provide continuous quotes in not less than 150 option series for at least 80% of the trading hours and respond to at least 80% of the quote requests for each option class. The list of stock option classes under the PMM program and details of PMM obligations are specified in the Attachment I and II respectively.

香港交易及結算所有限公司  
Hong Kong Exchanges and Clearing Limited

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*This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.*

**The List of Stock Option Classes Under the PMM Program**

No.	Underlying Stock Name	Primary Market Maker
1	Agricultural Bank of China Limited *#	Eclipse Options (HK) Limited
2	AIA Group Limited	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
		Timber Hill Securities Hong Kong Limited
3	Bank of China Limited *#	Eclipse Options (HK) Limited
4	China Construction Bank Corporation *	BNP Paribas Securities (Asia) Limited
		Eclipse Options (HK) Limited
5	China Life Insurance Company Limited	BNP Paribas Securities (Asia) Limited
		Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
		Timber Hill Securities Hong Kong Limited
6	China Mobile Limited	BNP Paribas Securities (Asia) Limited
		Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
		Timber Hill Securities Hong Kong Limited
7	China Petroleum & Chemical Corporation	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
		Timber Hill Securities Hong Kong Limited
8	CNOOC Limited	BNP Paribas Securities (Asia) Limited
		Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
		Timber Hill Securities Hong Kong Limited
9	Galaxy Entertainment Group Limited #	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
10	Hong Kong Exchanges and Clearing Limited #	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
11	HSBC Holdings Plc.	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
		Timber Hill Securities Hong Kong Limited
12	Industrial and Commercial Bank of China Limited *#	BNP Paribas Securities (Asia) Limited

		Eclipse Options (HK) Limited
13	iShares FTSE A50 China Index ETF	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
14	PetroChina Company Limited	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
		Timber Hill Securities Hong Kong Limited
15	Ping An Insurance (Group) Company of China, Ltd.	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
		Timber Hill Securities Hong Kong Limited
16	Sands China Ltd. #	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited
17	Tencent Holdings Limited #	Citadel Securities (Hong Kong) Limited
		Eclipse Options (HK) Limited

*\*Option class with minimum price fluctuation of HK\$0.001.*

*# Addition to the PMM program beginning from 2 July 2014*

**Primary Market Maker (PMM) Obligations**

**Table A – Obligation to provide Continuous Quotes (CQ)**

Assigned CQ series		150 series (chosen from series selection pool below)	
Option series selection pool:			
<u>Contract Month</u>	<u>Series</u>	<u>Call Series</u>	<u>Put Series</u>
Spot month	Out-of-the-money	10	10
	In-the-money	2	2
The 2 <sup>nd</sup> calendar month	Out-of-the-money	10	10
	In-the-money	2	2
The 3 <sup>rd</sup> calendar month	Out-of-the-money	10	10
	In-the-money	2	2
The 4 <sup>th</sup> calendar month	Out-of-the-money	10	10
	In-the-money	2	2
The 1 <sup>st</sup> calendar quarter month	Out-of-the-money	10	10
	In-the-money	2	2
The 2 <sup>nd</sup> calendar quarter month	Out-of-the-money	10	10
	In-the-money	2	2
The 3 <sup>rd</sup> calendar quarter month	Out-of-the-money	10	10
	In-the-money	2	2
Sub-total		84	84
Total		168	
Minimum Quote Size		See Table C below	
Maximum Bid/Offer Spread			
Minimum Trading Hours		80% of trading hours in a month	

**Table B - Obligation to Respond to Quote Requests (QR)**

Minimum Respond to QR Requirement	Respond to 80% of QR received in a month for all expiry months
Minimum Quote Size	See Table C below
Maximum Bid/Offer Spread	
Maximum Time Limit for Responding to QR	20 seconds
Minimum Display Time	20 seconds

**Table C – Obligation Level and Maximum Bid/Offer Spread Group for Stock Option Classes**

<b>Underlying Stock Name</b>	<b>Obligation Level</b> (see table below)	<b>Spread Group</b> (see table below)
Agricultural Bank of China Limited *	2	A
AIA Group Limited	1	A
Bank of China Limited *	2	A
China Construction Bank Corporation *	1	A
China Life Insurance Company Limited	1	A
China Mobile Limited	1	A
China Petroleum & Chemical Corporation	1	A
CNOOC Limited	1	A
Galaxy Entertainment Group Limited	1	B
Hong Kong Exchanges and Clearing Limited	1	B
HSBC Holdings Plc.	1	A
Industrial and Commercial Bank of China Limited *	1	A
iShares FTSE A50 China Index ETF	1	A
PetroChina Company Limited	1	A
Ping An Insurance (Group) Company of China, Ltd.	1	A
Sands China Ltd.	1	B
Tencent Holdings Limited	1	B

\*Option class with minimum price fluctuation of HK\$0.001.

		<b>Contract Month</b>		<b>Obligation Level</b>	
				<b>Level 1</b>	<b>Level 2</b>
<b>Minimum Quote Size</b>		Spot and the next 3 calendar expiry months		30	35
		The next 3 calendar quarter expiry months		15	20
<b>Max. Bid/Offer Spread</b>	Spread Group A	Spot month	with 3 Business Days or less to expiry	20% of the bid price of the quote or 4 times the best underlying spread, whichever is the lower	20% of the bid price of the quote or 4 times the best underlying spread, whichever is the lower
			with 4 Business Days or more to expiry	10% of the bid price of the quote or 4 times the best underlying spread, whichever is the lower	10% of the bid price of the quote or 4 times the best underlying spread, whichever is the lower
		The next 3 calendar expiry months		20% of the bid price of the quote or 6 times the best underlying spread, whichever is the lower	20% of the bid price of the quote or 5 times the best underlying spread, whichever is the lower
		The next 2 calendar quarter expiry months		20% of the bid price of the quote or 12 times the	20% of the bid price of the quote or 10 times
		The 3rd calendar quarter expiry month			

			best underlying spread, whichever is the lower	the best underlying spread, whichever is the lower
Spread Group B	Spot month	with 3 Business Days or less to expiry	25% of the bid price of the quote or 6 times the best underlying spread, whichever is the lower	N/A
		with 4 Business Days or more to expiry	15% of the bid price of the quote or 6 times the best underlying spread, whichever is the lower	N/A
	The next 3 calendar expiry months		25% of the bid price of the quote or 8 times the best underlying spread, whichever is the lower	N/A
	The next 2 calendar quarter expiry months		30% of the bid price of the quote or 14 times the best underlying spread, whichever is the lower	N/A
	The 3rd calendar quarter expiry month		30% of the bid price of the quote or 14 times the best underlying spread, whichever is the lower	N/A

Note: Notwithstanding the above, a PMM that provide quotes in Options Classes in spread group A with minimum price fluctuation of HK\$0.01 will not be obliged to quote a spread narrower than the best bid/offer of the underlying security (at the time of issuing the quote) plus 5 minimum price fluctuations (if the numerical value of the nominal price of such underlying security is below 100) or plus 10 minimum price fluctuations (if the numerical value of the nominal price of the underlying security is equal to or above 100), and a PMM that provide quotes in Options Classes with minimum price fluctuation of HK\$0.001 will not be obliged to quote a spread narrower than HK\$0.03.

A PMM that provide quotes in Options Classes in spread group B with minimum price fluctuation of HK\$0.01 will not be obliged to quote a spread narrower than the best bid/offer of the underlying security (at the time of issuing the quote) plus 10 minimum price fluctuations (if the numerical value of the nominal price of such underlying security is below 100) or plus 20 minimum price fluctuations (if the numerical value of the nominal price of the underlying security is equal to or above 100)

In addition, a PMM will not be obliged to quote for the bid side in response to a quote request for a far out-of-the-money Contract which has a value near zero. A PMM shall remain obliged to quote for the sell side by issuing a sell limit order with a limit price no greater than 10 and 30 minimum price fluctuations in Options Classes with minimum price fluctuations of HK\$0.01 and HK\$0.001 respectively within the required response time and for the minimum required quantity and duration.