

**L.N. 220 of 2002****SECURITIES AND FUTURES (CONTRACTS LIMITS AND  
REPORTABLE POSITIONS) RULES****CONTENTS**

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## SECURITIES AND FUTURES (CONTRACTS LIMITS AND REPORTABLE POSITIONS) RULES

(Made by the Securities and Futures Commission under section 35(1) of the Securities and Futures Ordinance (Cap. 571), and in relation to rules made under section 35(1)(e) of that Ordinance after consultation with the Financial Secretary)

### 1. Commencement

These Rules shall come into operation on the day appointed for the commencement of the Securities and Futures Ordinance (Cap. 571).

### 2. Interpretation

- (1) In these Rules, unless the context otherwise requires—
- “Listing Rules” (《上市規則》) means the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited made by the Stock Exchange Company;
- “prescribed limit” (訂明上限), in relation to a futures contract or a stock options contract, means the limit on the number of contracts prescribed for it under section 5;
- “reportable position” (須申報的持倉量) means an open position in futures contracts or stock options contracts the number of which is—
- (a) in the case of a futures contract specified in column 2 of Schedule 1, in excess of that specified opposite to it in column 4 of that Schedule; and
  - (b) in the case of a stock options contract specified in column 2 of Schedule 2, in excess of that specified opposite to it in column 4 of that Schedule;
- “reporting day” (申報日) means a day other than—
- (a) a public holiday;
  - (b) a Saturday; and
  - (c) a gale warning day or a black rainstorm warning day as defined in section 71(2) of the Interpretation and General Clauses Ordinance (Cap. 1).
- (2) For the purposes of these Rules, a reference to control, in relation to futures contracts or stock options contracts, shall be construed as a reference to control of such futures contracts or stock options contracts, either directly or indirectly.

### 3. Application

These Rules apply to futures contracts and stock options contracts that are traded through the facilities of a recognized exchange company in accordance with the rules of the recognized exchange company.

### 4. Restrictions on number of contracts held or controlled

(1) No person, other than a person referred to in subsections (2) and (4), may hold or control futures contracts or stock options contracts in excess of the prescribed limit.

(2) A person specified in subsection (3) may be authorized under the rules of the recognized exchange company concerned to hold or control futures contracts or stock options contracts in excess of the prescribed limit.

(3) A person who may be authorized for the purposes of subsection (2) is—

- (a) a person registered with the Futures Exchange Company for the purpose of performing market making or liquidity providing activities in respect of futures contracts in accordance with its rules;
- (b) a person registered with the Stock Exchange Company for the purpose of performing market making or liquidity providing activities in respect of stock options contracts in accordance with its rules;
- (c) an issuer of securities listed under Chapter 15A of the Listing Rules who holds or controls futures contracts or stock options contracts in the course of hedging the risks of positions previously acquired in such listed securities for the purpose of performing liquidity providing activities in respect of such listed securities; or
- (d) a related corporation of an issuer of securities listed under Chapter 15A of the Listing Rules, where the related corporation holds or controls futures contracts or stock options contracts in the course of hedging the risks of positions previously acquired in such listed securities for the purpose of performing liquidity providing activities in respect of such listed securities.

(4) A person, other than a person who may be authorized under subsection (3), may hold or control futures contracts or stock options contracts in excess of the prescribed limit if—

- (a) such person is able to satisfy the Commission that special circumstances exist which warrant the person holding or controlling the futures contracts or the stock options contracts in excess of the prescribed limit;

- (b) the Commission is satisfied that the excess would not be prejudicial to the interest of the investing public having regard to the prescribed limit and the liquidity of the futures contracts or the stock options contracts in question; and
- (c) the Commission has given the person notice in writing that it is satisfied of the matters referred to in paragraphs (a) and (b).

## **5. Prescribed limits**

For the purposes of section 4(1), the limit on the number of contracts that may be held or controlled is—

- (a) in the case of a futures contract specified in column 2 of Schedule 1, that specified opposite to it in column 3 of that Schedule; and
- (b) in the case of a stock options contract specified in column 2 of Schedule 2, that specified opposite to it in column 3 of that Schedule.

## **6. Notice of reportable positions**

(1) Any person who holds or controls a reportable position shall lodge a notice in writing of that reportable position with the recognized exchange company concerned within one reporting day following—

- (a) the day on which the person first holds or controls that reportable position; and
- (b) each succeeding day on which the person continues to hold or control that reportable position.

(2) A notice referred to in subsection (1) shall be accompanied by the following information—

- (a) the number of futures contracts or stock options contracts held or controlled by the person in respect of the reportable position in each relevant contract month; and
- (b) if the reportable position is held or controlled for a client, the identity of the client.

## **7. Compliance by exchange participants**

In their application to an exchange participant of a recognized exchange company, the prescribed limits and reportable positions apply—

- (a) to futures contracts or stock options contracts held or controlled by the exchange participant for his own account; and
- (b) separately, to futures contracts or stock options contracts held or controlled by the exchange participant for each of his clients.

**8. Penalties**

Any person who, without reasonable excuse, fails to comply with section 4(1) or 6 commits an offence and is liable—

- (a) on conviction on indictment to a fine at level 6 and to imprisonment for 2 years; or
- (b) on summary conviction to a fine at level 3 and to imprisonment for 6 months.

## SCHEDULE 1

[ss. 2(1) &amp; 5(a)]

PRESCRIBED LIMIT AND REPORTING LEVEL  
FOR FUTURES CONTRACTS

Item	Futures contract	Prescribed limit	Reporting level
1.	HSBC Holdings Plc stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
2.	CITIC Pacific Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
3.	Cheung Kong (Holdings) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
4.	Swire Pacific Ltd. 'A' stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
5.	CLP Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
6.	China Resources Enterprise, Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
7.	Hang Seng Bank Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
8.	Henderson Land Development Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
9.	Hopewell Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
10.	Hutchison Whampoa Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
11.	New World Development Co., Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
12.	Shanghai Industrial Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
13.	Sun Hung Kai Properties Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
14.	The Wharf (Holdings) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month

Item	Futures contract	Prescribed limit	Reporting level
15.	Hang Seng China-Affiliated Corporations Index futures contract	10 000 open contracts for any one contract month	500 open contracts for any one contract month
16.	Hang Seng China-Affiliated Corporations Index options contract	10 000 open contracts for any one contract month	500 open contracts for any one contract month
17.	Three-Month Hong Kong Interbank Offered Rate futures contract	Nil	1 000 open contracts for any one contract month; 4 000 open contracts for all contract months
18.	COSCO Pacific Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
19.	The Hong Kong & China Gas Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
20.	Hongkong Electric Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
21.	China Mobile (Hong Kong) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
22.	HKFE Taiwan Index futures contract	Nil	500 open contracts for any one contract month
23.	HKFE Taiwan Index options contract	Nil	500 open contracts for any one series
24.	Hang Seng 100 futures contract	Nil	500 open contracts for any one contract month
25.	Hang Seng 100 options contract	Nil	500 open contracts for any one series
26.	One-Month Hong Kong Interbank Offered Rate futures contract	Nil	1 000 open contracts for any one contract month; 4 000 open contracts for all contract months
27.	Hang Seng Index futures and options contracts, and Mini-Hang Seng Index futures contracts and options contracts	10 000 long or short position delta limit for all contract months combined, provided the position delta for the Mini-Hang Seng Index futures contracts or Mini-Hang Seng Index options contracts shall not at any time exceed 2 000 long or short for all contract months combined	500 open Hang Seng Index futures contracts for any one contract month; 500 open Hang Seng Index options contracts for any one series; 2 500 open Mini-Hang Seng Index futures contracts for any one contract month and 2 500 open Mini-Hang Seng Index options contracts for any one series
28.	Hang Seng Finance Sub-Index futures contracts	300 open contracts for any one contract month	50 open contracts for any one contract month
29.	Hang Seng Utilities Sub-Index futures contracts	300 open contracts for any one contract month	50 open contracts for any one contract month
30.	Hang Seng Commerce and Industry Sub-Index futures contracts	300 open contracts for any one contract month	50 open contracts for any one contract month

Item	Futures contract	Prescribed limit	Reporting level
31.	Hang Seng Properties Sub-Index futures contracts	250 open contracts for any one contract month	50 open contracts for any one contract month
32.	Hang Seng Properties Sub-Index options contracts	250 open contracts for any one series	50 open contracts for any one series
33.	Hang Seng China Enterprises Index futures contracts	6 000 open contracts for any one contract month	250 open contracts for any one contract month
34.	Hang Seng China Enterprises Index options contracts	6 000 open contracts for any one series	250 open contracts for any one series
35.	PCCW Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
36.	The Bank of East Asia Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
37.	Legend Group Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
38.	MSCI China Free Index futures contract	10 000 open contracts for any one contract month	500 open contracts for any one contract month
39.	MSCI China Free Index options contract	10 000 open contracts for any one contract month	500 open contracts for any one contract month
40.	Amoy Properties Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
41.	Cathay Pacific Airways Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
42.	Cheung Kong Infrastructure Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
43.	China Merchants Holdings (International) Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
44.	China Petroleum & Chemical Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
45.	China Unicom Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
46.	Dah Sing Financial Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
47.	Guoco Group Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
48.	Hang Lung Development Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
49.	Henderson Investment Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
50.	Hong Kong Exchanges and Clearing Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
51.	Hysan Development Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month

Item	Futures contract	Prescribed limit	Reporting level
52.	Johnson Electric Holdings Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
53.	Li & Fung Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
54.	MTR Corporation Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
55.	PetroChina Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
56.	Shangri-La Asia Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
57.	Sino Land Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
58.	South China Morning Post (Holdings) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
59.	Television Broadcasts Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
60.	Wheelock and Co. Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
61.	Wing Hang Bank, Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
62.	Yue Yuen Industrial (Holdings) Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
63.	Cisco System Incorporated stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
64.	IBM Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
65.	Intel Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
66.	Microsoft Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
67.	Oracle Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
68.	NTT DoCoMo Incorporated stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
69.	Sony Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
70.	Nippon Telegraph & Telephone Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
71.	Fujitsu Limited stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month



Item	Futures contract	Prescribed limit	Reporting level
72.	Toyota Motor Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
73.	Korea Electric Power Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
74.	KT Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
75.	Samsung Electronics Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
76.	SK Telecom Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
77.	Kookmin Bank stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
78.	Mosel Vitelic Incorporated stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
79.	Ritek Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
80.	Taiwan Semiconductor Manufacturing Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
81.	United Micro Electronics Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
82.	Winbond Electronics Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
83.	Options on Cisco System Incorporated stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
84.	Options on IBM Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
85.	Options on Intel Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
86.	Options on Microsoft Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
87.	Options on Oracle Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
88.	Options on NTT DoCoMo Incorporated stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
89.	Options on Sony Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
90.	Options on Nippon Telegraph & Telephone Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month

Item	Futures contract	Prescribed limit	Reporting level
91.	Options on Fujitsu Limited stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
92.	Options on Toyota Motor Corporation stock futures contract	50 000 open contracts for any one contract month	10 000 open contracts for any one contract month
93.	Options on Korea Electric Power Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
94.	Options on KT Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
95.	Options on Samsung Electronics Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
96.	Options on SK Telecom Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
97.	Options on Kookmin Bank stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
98.	Options on Mosel Vitelic Incorporated stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
99.	Options on Ritek Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
100.	Options on Taiwan Semiconductor Manufacturing Company Limited stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
101.	Options on United Micro Electronics Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
102.	Options on Winbond Electronics Corporation stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
103.	Dow Jones Industrial Average futures contract	20 000 open contracts for any one contract month	1 000 open contracts for any one contract month
104.	Dow Jones Industrial Average options contract	20 000 open contracts for any one contract month	1 000 open contracts for any one contract month
105.	Three Year Exchange Fund Note (EFN) futures contract	5 000 open contracts for any one contract month except that the limit for the spot month contract during the last 6 trading days is 1 000 open contracts	1 000 open contracts for any one contract month except that the reportable position for the spot month contract during the last 6 trading days is 200 open contracts
106.	CNOOC Ltd. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month
107.	Huaneng Power International, Inc. stock futures contract	5 000 open contracts for any one contract month	1 000 open contracts for any one contract month

## SCHEDULE 2

[ss. 2(1) &amp; 5(b)]

PRESCRIBED LIMIT AND REPORTING LEVEL  
FOR STOCK OPTIONS CONTRACTS

Item	Stock options contract	Prescribed limit	Reporting level
1.	HSBC Holdings Plc stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
2.	Cheung Kong (Holdings) Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
3.	CITIC Pacific Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
4.	Swire Pacific Ltd. 'A' stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
5.	CLP Holdings Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
6.	Henderson Land Development Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
7.	Hutchison Whampoa Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
8.	Sun Hung Kai Properties Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
9.	Hopewell Holdings Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
10.	Amoy Properties Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
11.	The Bank of East Asia Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
12.	Hang Seng Bank Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
13.	Hongkong Electric Holdings Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
14.	The Hong Kong & China Gas Co. Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
15.	Hysan Development Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
16.	New World Development Co., Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
17.	The Wharf (Holdings) Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
18.	Wheelock and Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
19.	Cathay Pacific Airways Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month

Item	Stock options contract	Prescribed limit	Reporting level
20.	Hang Lung Development Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
21.	Henderson Investment Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
22.	Johnson Electric Holdings Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
23.	Shangri-La Asia Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
24.	Sino Land Co. Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
25.	South China Morning Post (Holdings) Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
26.	Television Broadcasts Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
27.	Cheung Kong Infrastructure Holdings Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
28.	China Resources Enterprise, Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
29.	COSCO Pacific Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
30.	Shanghai Industrial Holdings Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
31.	China Merchants Holdings (International) Co. Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
32.	China Mobile (Hong Kong) Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
33.	Tracker Fund of Hong Kong stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
34.	Legend Group Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
35.	PCCW Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
36.	China Petroleum & Chemical Corporation stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
37.	China Unicom Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
38.	Dah Sing Financial Holdings Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
39.	Guoco Group Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
40.	Hong Kong Exchanges and Clearing Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month

Item	Stock options contract	Prescribed limit	Reporting level
41.	Li & Fung Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
42.	MTR Corporation Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
43.	PetroChina Co. Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
44.	Wing Hang Bank, Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
45.	Yue Yuen Industrial (Holdings) Ltd. stock options contract	5 000 contracts in any one expiry month	1 000 contracts in any one expiry month
46.	CNOOC Ltd. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month
47.	Huaneng Power International, Inc. stock options contract	25 000 contracts in any one expiry month	5 000 contracts in any one expiry month

Andrew Len Tao SHENG  
Chairman,  
Securities and Futures Commission

9 December 2002

### **Explanatory Note**

These Rules are made by the Securities and Futures Commission under section 35(1) of the Securities and Futures Ordinance (Cap. 571)—

- (a) to prohibit a person (except an authorized person) from holding or controlling futures contracts and stock options contracts in excess of the prescribed limit;
- (b) to require a person who holds or controls a reportable position in such futures contracts or stock options contracts to notify the recognized exchange company concerned; and
- (c) to provide for penalties for contravention of such prohibition or requirement.