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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)*

通告 CIRCULAR

事項

Subject: **UPGRADE OF SECURITIES AND DERIVATIVES NETWORK (SDNet 2.0) AND BRIEFING SESSIONS**

查詢

Enquiry: **Participant General Enquiry Hotline (Tel : 2840 3626 E-mail : trd@hkex.com.hk)**

HKEx is pleased to announce that the existing Securities and Derivatives Network (SDNet 1.0), supporting AMS/3/CCASS/3 for securities trading, clearing and settlement; HKATS/DCASS for derivatives trading, clearing and settlement; and MDS/PRS for securities and derivatives market data services will be upgraded soon.

The objectives of the upgrade are to further improve capacity and performance of the network infrastructure to support the foreseeable growth of trade/market data volume as well as the emergence of new market data products. The upgraded Securities and Derivatives Network (SDNet 2.0) is designed for high resilience and its circuits are powered by optical fibres with higher bandwidth options and lowered round-trip latency.

In contrast to the existing network SDNet 1.0 where PCCW is appointed as the sole service vendor for participant circuits, SDNet 2.0 will adopt a multi-carrier network approach with circuit services provided to Exchange Participants (EPs) by multiple vendors accredited by HKEx (Accredited Vendors). EPs can select one or more vendors to install SDNet 2.0 circuits for their trading devices based on their business needs and pay the circuit charges directly to the respective vendors. Initially, the following 3 network vendors (in alphabetic order) have been accredited by HKEx:

- Hong Kong Telecommunications (HKT) Limited (also known as PCCW)
- Hutchison Global Communications Limited
- Wharf T&T Limited

Under SDNet 2.0, EPs shall pay the circuit charges directly to their selected vendors. As such, the existing monthly user fees (inclusive of circuit charges) for AMS terminals and Open Gateways will be revised accordingly to the effect that no EPs will pay more than what they are paying today for the same devices and circuits bandwidth.

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Migration of the existing market system networks to SDNet 2.0 will be conducted in three phases with the following tentative cutover schedule. All of the EPs have to migrate their circuits to SDNet 2.0 according to the prescribed timetable. The existing SDNet 1.0 will be shut down after successful cutover to SDNet 2.0.

Phase	Market System	Tentative Cutover Schedule
Phase I	AMS/3 and MDS/IIS	Q3 2012
Phase II	HKATS/DCASS/PRS	Q2 2013
Phase III	CCASS/3	Q4 2013

To prepare for the migration of the AMS/3 network, the Accredited Vendors will first install the fibre cables to the EPs' offices. Such arrangement would not have any impact on EPs' daily operations. EPs are requested to provide necessary support to the Accredited Vendors in the coordination with their Building Management Office for the confirmation of the fibre cables installation work. In addition, Accredited Vendors will separately schedule a site survey at EPs' offices before performing the link installation (i.e. line provision and router installation) in EPs' offices.

It should be noted that SDNet 2.0 circuit installation at EP offices has to be started several months prior to network cutover and market rehearsals will be organized by HKEx to verify proper end to end connection for all of the new circuits before production rollout.

To enable EPs to have a better understanding on the arrangement and implementation of the AMS/3 network migration, a series of briefing sessions will be held between 8 - 10 November 2011. EPs are required to nominate their IT and operation staffs to participate in the briefing sessions by returning the completed Enrolment Form (Attachment 1) to HKEx **on or before 3 November 2011**.

Should EPs have any questions regarding the upgraded network (SDNet 2.0), please email to our email account at sdnet@hkex.com.hk.

David Lo
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