

Operational Trading Procedures for Options Trading Exchange Participants

**Chapter 1**

**The Options System: Operational and Service Schedule**

**1.5 Normal Trading Day**

The following table describes the time schedule for the trading of stock options on HKATS on a normal trading day:

<u>Time</u>	<u>Events in HKATS</u>
9: <del>03</del> 0 a.m.	Pre-Trading starts for all classes.
<del>10</del> : <del>30</del> 0 a.m.	Trading starts for all classes.
12: <del>03</del> 0 <del>noon</del> p.m.	Trading stops for all classes.
<del>12</del> :00 p.m.	Pre-Trading starts for all classes- <u>provided that with effect from 5 March 2012, pre-trading shall start at 12:30 p.m.</u>
<del>12</del> :30 p.m.	Trading starts for all classes- <u>provided that with effect from 5 March 2012, trading shall start at 1:00 p.m.</u>
4:00 p.m.	Trading stops for all classes.

**1.6 Half-Day Trading**

On the eves of Christmas, New Year and Lunar New Year (and on any other days declared by the Exchange to be Half-Day Trading days for underlying securities), the trading hours will be in accordance with the following table:

<u>Time</u>	<u>Events in HKATS</u>
9: <del>03</del> 0 a.m.	Pre-Trading starts for all classes.
<del>10</del> : <del>30</del> 0 a.m.	Trading starts for all classes.
12: <del>03</del> 0 <del>noon</del> p.m.	Trading stops for all classes.

**1.8 Approach and Retreat of Typhoon**

Unless otherwise announced by the Exchange, the trading arrangements upon the approach and the retreat of †Typhoons shall be as follows:

<b><u>(a) Trading arrangement for all trading days except the eves of Christmas, New Year and Lunar New Year where the Hong Kong Observatory has hoisted or lowered a Typhoon Signal No. 8 or above</u></b>		
	<b>Case</b>	<b>Effect on Trading</b>
(i)	<p><u>If a Typhoon Signal No. 8 or above is hoisted at any time prior to <del>9:00</del> 9:30 a.m. and lowered:</u></p> <ul style="list-style-type: none"> <li>- <u>at or before 7:30 a.m.</u></li> <li>- <u>after <del>by</del> 7:30 a.m. but at or before 8:00 a.m.</u></li> <li>- <u>after <del>between</del> 8:00 a.m. <del>but and</del> at or before 8:30 a.m.</u></li> <li>- <u>after <del>between</del> 8:30 a.m. <del>but and</del> at or before 9:00 a.m.</u></li> <li>- <u><del>between 9:00 a.m. and 9:30 a.m.</del></u></li> <li>- <u>after 9:00 a.m. but at or before 11:00 a.m.</u></li> <li>- <u>after <del>between</del> 11:30 a.m. <del>but and</del> 12:00 noon at or before 11:30 a.m.</u></li> <li>- <u>after 11:30 a.m. but at or before 12:00 noon</u></li> <li>- after 12:00 noon</li> </ul>	<p>Pre-Trading starts at      Trading starts at</p> <p><u>9:00 a.m.</u>                      <u>9:30 a.m.</u></p> <p>9:30 a.m.                      <u>10:00 a.m.</u></p> <p>10:00 a.m.                      <u>10:30 a.m.</u></p> <p>10:30 a.m.                      <u>11:00 a.m.</u></p> <p><del>11:00 a.m.</del>                      <del>11:30 a.m.</del></p> <p><u>1:00 p.m.</u>                      <u>1:30 p.m.</u> (prior to 5 March 2012)</p> <p><u>12:30 p.m.</u>                      <u>1:00 p.m.</u> (on or after 5 March 2012)</p> <p><u>12:00 p.m.</u>                      <u>12:30 p.m.</u></p> <p><u>1:30 p.m.</u>                      <u>2:00 p.m.</u></p> <p><u>There will be <del>n</del>No trading for the day.</u></p>
(ii)	<p><u>If a Typhoon Signal No. 8 or above is hoisted during <u>the</u> morning session and lowered:</u></p>	<p>Trading will be terminated 15 minutes after <u>the</u> hoisting of <u>the Signal. <del>Typhoon</del> Signal No. 8 or above, and:</u></p>

	<p>- <u>at or before 11:00 a.m.</u></p> <p>- <u>at or before 11:30 a.m.</u></p> <p>- at or before 12:00 noon</p> <p>- after 12:00 noon</p>	<p><u>Resumption of Trading:</u> <u>Commencement of trading in the afternoon session will take place:</u></p> <p>Pre-Trading starts at      Trading starts at</p> <p><u>1:00 p.m.</u>                      <u>1:30 p.m.</u> <u>(prior to</u> <u>5 March 2012)</u></p> <p><u>12:30 p.m.</u>                      <u>1:00 p.m.</u> <u>(on or after</u> <u>5 March 2012)</u></p> <p><u>1:00 p.m.</u>                      <u>1:30 p.m.</u></p> <p><u>12:30 p.m.</u>                      <u>2:00 p.m.</u></p> <p><u>There will be no trading in the afternoon session.</u></p>
(iii)	<p><u>If a Typhoon Signal No. 8 or above is hoisted after the end of close of the morning session but and before the commencement of the afternoon session:</u></p>	<p><u>There will be no trading in the afternoon session.</u></p>
(iv)	<p><u>If a Typhoon Signal No. 8 or above is hoisted during the afternoon session:</u></p>	<p><u>The position will be as follows:</u></p> <p>- <u>Trading will be terminated 15 minutes after the hoisting of the Typhoon Signal No. 8 or above and there will be</u></p> <p><u>no trading for the rest of the day.</u></p>

**(aa) Trading arrangement for the eves of Christmas, New Year and Lunar New Year where the Hong Kong Observatory has hoisted or lowered a Typhoon Signal No. 8 or above**

	<u>Case</u>	<u>Effect on Trading</u>
(i)	<p><u>If a Typhoon Signal No. 8 or above is hoisted at any time prior to 9:30 a.m. and lowered:</u></p> <p>- <u>at or before 7:30 a.m.</u></p> <p>- <u>after 7:30 a.m. but at or before 8:00 a.m.</u></p>	<p>Pre-Trading starts at      Trading starts at</p> <p><u>9:00 a.m.</u>                      <u>9:30 a.m.</u></p> <p><u>9:30 a.m.</u>                      <u>10:00 a.m.</u></p>

	<ul style="list-style-type: none"> <li>- <u>after 8:00 a.m. but at or before 8:30 a.m.</u></li> <li>- <u>after 8:30 a.m. but at or before 9:00 a.m.</u></li> <li>- <u>after 9:00 a.m.</u></li> </ul>	<p><u>10:00 a.m. 10:30 a.m.</u></p> <p><u>10:30 a.m. 11:00 a.m.</u></p> <p><u>There will be no trading for the day.</u></p>
(ii)	<u>If a Typhoon Signal No. 8 or above is hoisted during the morning session:</u>	<u>Trading will be terminated 15 minutes after the hoisting of the Signal and there will be no trading for the rest of the day.</u>

### 1.9 Issuance and ~~Cancellation~~Discontinuation of Black Rainstorm Warning

Unless otherwise announced by the Exchange, the trading arrangements upon issuance and ~~cancellation~~discontinuation of Black Rainstorm Warnings shall be as follows:

	Case	Effect on Trading
(i)	<p><u>If a Black Rainstorm Warning is issued at any time prior to <del>9:00</del>9:30 a.m. and <del>cancelled</del>discontinued:</u></p> <ul style="list-style-type: none"> <li>- <u>at or before 7:30 a.m.</u></li> <li>- <u>after 7:30 a.m. but at or before <del>by</del> 8:00 a.m.</u></li> <li>- <u>after <del>between</del> 8:00 a.m. <del>but and</del> at or before 8:30 a.m.</u></li> <li>- <u>after <del>between</del> 8:30 a.m. <del>but and</del> at or before 9:00 a.m.</u></li> <li>- <u><del>between 9:00 a.m. and 9:30 a.m.</del></u></li> <li>- <u>after 9:00 a.m. but at or before 11:00 a.m.</u></li> <li>- <u>after <del>between</del> 11:30 a.m. and <del>but</del> at or before 11:30 a.m. <del>12:00 noon</del></u></li> <li>- <u>after 11:30 a.m. but at or before 12:00 noon</u></li> <li>- after 12:00 noon</li> </ul>	<p>Pre-Trading starts at      Trading starts at</p> <p><u>9:00 a.m. 9:30 a.m.</u></p> <p>9:30 a.m.      <u>10:00 a.m.</u></p> <p>10:00 a.m.      <u>10:30 a.m.</u></p> <p>10:30 a.m.      <u>11:00 a.m.</u></p> <p><u>1:00 p.m. 1:30 p.m.</u> <u>(prior to 5 March 2012)</u></p> <p><u>11:00 a.m. 11:30 a.m.</u></p> <p><u>12:30 p.m. 1:00 p.m.</u> <u>(on or after 5 March 2012)</u></p> <p><u>12:00 p.m. 12:30 p.m.</u></p> <p><u>1:30 p.m. 2:00 p.m.</u></p> <p><u>There will be nNo trading for the day.</u></p>

(ii)	<p><u>If a Black Rainstorm Warning is issued during Pre-Trading, the morning session or the afternoon session any trading session:</u></p>	<p><u>The position will be as follows:</u></p> <ul style="list-style-type: none"> <li>- <u>If there was trading before the issuance of the Warning, trading will continue as usual.</u></li> <li>- <u>If there was no trading before the issuance of the Warning but trading on the Exchange has commenced, trading will commence as usual.</u></li> <li>- <u>If there was no trading before the issuance of the Warning and trading on the Exchange has not commenced, there will be no trading provided that if the Warning was issued during Pre-Trading or the morning session, commencement of trading in the afternoon session will take place:</u> <ul style="list-style-type: none"> <li>- <u>prior to 5 March 2012, at 1:30 p.m. if the Warning is cancelled at or before 11:00 a.m.; and on or after 5 March 2012, at 1:00 p.m. if the Warning is cancelled at or before 11:00 a.m.;</u></li> <li>- <u>at 1:30 p.m. if the Warning is cancelled at or before 11:30 a.m.; or</u></li> <li>- <u>at 2:00 p.m. if the Warning is cancelled at or before 12:00 noon.</u></li> </ul> </li> </ul> <p><u>There will be no trading for the day if the Warning is cancelled after 12:00 noon.</u></p> <p><del>Trading will continue.</del></p>
(iii)	<p><u>If a Black Rainstorm Warning is issued after <del>close the end of the</del> morning session <del>but and</del> before the commencement of <u>the</u> afternoon session:</u></p>	<p><u>The position will be as follows:</u></p> <ul style="list-style-type: none"> <li>- <u>If there was trading in the morning session, trading <del>will continue</del> in the afternoon session <u>will take place as usual.</u></u></li> <li>- <u>If there was no trading in the morning session, there will be no trading in the afternoon session.</u></li> </ul>