Operational Trading Procedures for Options Trading Exchange Participants

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3.10A Order Amendment and Cancellation

An order in a stock options contract entered into the Central Orderbook on behalf of a client or an Options Exchange Participant and designated a particular order number may be amended or cancelled provided that the amendment or cancellation is made in compliance with the instructions of that client or Options Exchange Participant, as the case may be, in respect of that particular order.

Options Trading Exchange Participants may amend, cancel or inactivate orders resident in the Central Orderbook ("Valid Orders") only during trading hours and the pre-trading period of 30 minutes before the opening of each trading session.

A Valid Order that is amended in connection with a reduction in size, a change in the duration of validity, or modification of optional "free" text information shall not affect the time priority of the original Valid Order.

A Valid Order that is amended in connection with price or an increase in size: (i) will result in the loss of time priority of the original Valid Order if the amendment is made during trading hours; and (ii) will be immediately converted into an inactive order if the amendment is made during the 30-minute pre-trading period.

In emergency situations where an Options Trading Exchange Participant loses connection to HKATS and wishes to delete any of its orders in the order book, it can request the Exchange to delete such orders on its behalf, subject to a charge (See Appendix A).

Chapter 7 : Contingency Procedures

7.1 **[Repealed]**

7.1A **[Repealed]**

7.1B **System Failure**

The Exchange has installed a parallel set of production and back up computer facilities, either of which can support the operation of HKATS.

In the event of a disaster or other event affecting the production facilities which results in the failure in whole or in part of HKATS and system recovery fails, the Exchange may temporarily suspend trading on HKATS until failover of the system to the backup facilities has been completed and the operation of HKATS can be resumed. Options Trading Exchange Participants should refer to the HKATS User's Guide for further particulars and procedures regarding system malfunction or failure.

7.1C **Equipment Failure**

In case of a failure, error or defect in any of the equipment relating to the trading of an Options Trading Exchange Participant on HKATS (including but not limited to terminals, network equipment and communication lines), whether installed at the Options Trading Exchange Participant's office premises or any other location, the Options Trading Exchange Participant shall report the incident to the HKATS hotline immediately. Options Trading Exchange Participants are requested to follow the procedures stipulated in the HKATS User's Guide regarding equipment failure.

An Options Trading Exchange Participant can apply to the Exchange to rent an HKATS terminal at its SOS Centre temporarily in case of lost connectivity. The Exchange has the absolute discretion to determine whether or not to approve such application and allow the Options Trading Exchange Participant to use any such HKATS terminal.

An Options Trading Exchange Participant experiencing a temporary loss of connectivity to HKATS may also request the Exchange to delete orders from or conduct other processes on HKATS on its behalf ("On-Behalf-Of Processing"). On-Behalf-Of Processing is principally intended for real contingency situations to reduce the financial risk of an Options Trading Exchange Participant when there is an unexpected temporary failure in system access. It is not intended to be a long-term alternative for the Options Trading Exchange Participant. The Options Trading Exchange Participant is expected to restore its access to HKATS in the shortest time practicable. On-Behalf-Of Processing is subject to the availability of the resources of the Exchange at the time of an Options Trading Exchange Participant's request. The Exchange will appraise each request for On-Behalf-Of Processing on a case-by-case basis and shall have the absolute discretion to turn down any request which it deems inappropriate. The Exchange shall not be liable to any Options Trading Exchange Participant for any On-Behalf-Of Processing conducted on its behalf.

A fee shall be payable by an Options Trading Exchange Participant for renting an SOS HKATS terminal and for any On-Behalf-Of Processing executed by the Exchange on its behalf.

7.2 **[Repealed]**

7.3 **[Repealed]**

7.4 **[Repealed]**

7.5 **[Repealed]**

7.5A **[Repealed]**

7.6 **[Repealed]**

APPENDIX L: **[Repealed]**

APPENDIX M: **[Repealed]**