

HKEX INFORMATION SERVICES LIMITED

(A wholly-owned member of the Hong Kong Exchanges and Clearing Limited Group)

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Our Ref: MDD/17/1588

By Email

To: All Market Data Vendors and End-Users (collectively “Clients”)

Dear Sirs,

Planned Activities / Initiatives In Relation to Market Data Systems for 2018

We would like to inform you of the planned activities / initiatives in relation to Market Data Systems¹ for 2018 and their tentative schedules. Please refer to the information provided in the table below and plan for your participation accordingly.

| Tentative Schedule | Systems | Planned Activity / Initiative | Details |
|---------------------------|----------------------------------|--------------------------------------|---|
| 2018 | OMD-C, OMD-D, MMDH, IIS | Operating System (OS) Upgrade | <p>In order to keep the Market Data Systems robust and stable, their Operating System (OS) will be upgraded to an updated version in 2018.</p> <p>The OS Upgrade should be transparent to Clients. As previous years, Market Rehearsals will be held to enable Clients to ensure that their systems connecting to the respective market data system will run as normal after the OS upgrade.</p> <p>Details of the testing schedule will be provided in due course.</p> |
| 2018 | OMD-C, OMD-D, MMDH | Capacity Review | <p>As a service commitment, HKEX conducts regular capacity review on its datafeed products to ensure delivery of quality service to Clients. If the review result of 2018 indicates a need for a capacity upgrade to any of the Systems, the line bandwidths of the Clients concerned will need to be increased accordingly.</p> <p>Advance notice of three months will be given if it is found necessary to increase the line bandwidth of Clients.</p> |

¹ Market Data Systems include (1) HKEX Orion Market Data Platform (OMD) - Securities Market and Index Datafeed Products (OMD-C), (2) OMD – Derivatives Market Datafeed Products (OMD-D), (3) Mainland Market Data Hub (MMDH) and (4) Issuer Information Feed System (IIS)

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| 1H 2018 | OMD-D | Introduction of After Hours Index Options | As mentioned in the Client Notice of 14 August 2017 , HKEX plans to include index options contracts and a trading halt mechanism for index options in the T+1 Session in the first half of 2018. Details of the implementation will be provided in the early first quarter of 2018. |
| Q1 2018 | OMD-C, OMD-D, MMDH | Independent Emergency Drill | HKEX-IS conducts independent emergency drills for the Market Data Systems regularly. This provides an opportunity for Clients to verify their emergency arrangements and procedures for, and ascertain their capability of dealing with, the emergency scenarios which include, among others, the failover of a market data system to the Disaster Recovery (DR) site on its own when other systems remain operating on the primary site. The Emergency Drill for OMD, including MMDH, is scheduled for first quarter of 2018. Further details will be provided in due course. |
| Q2/Q3 2018 | IIS | Independent Emergency Drill | Similar to the above for OMD, there will be an independent emergency drill for IIS scheduled for the second or third quarter of 2018. Further details will be provided in due course. |
| Q2 2018 | OMD-D | HKATS Load Rehearsal | Similar to the previous years, HKEX will arrange a Load Test in the second quarter of 2018 for the Exchange Participants (EPs) of its Derivatives Market to verify the robustness of their trading systems under high volume of order and trade activities, OMD-D will be operating during the Load Rehearsal to disseminate the test data from the Load Rehearsal to the EPs. Information Vendors (IVs) are also recommended to participate in the Load Test to verify their systems under high data volume. Details of the test including the schedule will be provided in the first quarter of 2018. |

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| 2H 2018 | OMD-D | Trading and Clearing System Upgrade for the Derivatives Market (HKATS and DCASS Upgrade) | <p>As communicated previously, HKEX has announced the upgrade of trading system (HKATS) and the clearing system (DCASS) scheduled for the second half of 2018 to support the on-going market development.</p> <p>Accordingly, data contents of OMD-D will be enriched in two phases. Phase 1 is to include additional data elements currently available in HKATS whereas Phase 2 is to include new data elements introduced in the HKATS and DCASS Upgrade. OMD-D Clients should refer to the Client Notices of 5 July 2017 and 26 October 2017 published on the HKEX website for more details and prepare for the changes. Further details will be provided in due course.</p> <p><i>Please also note the following business initiatives which are planned for implementation after the HKATS and DCASS Upgrade. OMD-D Clients should build the capability of handling the business initiatives in their systems before joining the Market Rehearsals for the HKATS and DCASS Upgrade.</i></p> <ol style="list-style-type: none"> <u>HKATS Root Symbol Up To 5 Characters</u> The length of HKATS Root Symbol (i.e. Trading Symbol of a product, e.g. "HSI" for Hang Seng Index) will be increased from 3 characters to 5 characters to support the future growth of the Derivatives Market. The length of existing symbol will remain unchanged. <u>Multiple Expiration</u> The enhanced features in HKATS and DCASS to support multiple expirations will enable HKEX to introduce new categories of contracts, such as weekly contracts. <u>Extension of After Hour Trading</u> After the HKATS and DCASS Upgrade, the systems will be able to support the extension of the closing time of the T+1 Session to 3 a.m. the next day. |

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|--------------------|---------|-------------------------------|--|
| | | | <p>4. <u>Holiday Trading of HKFE products</u></p> <p>After the HKATS and DCASS Upgrade, the systems will be able to support trading and clearing of contracts during Hong Kong holidays.</p> <p>Further updates on the implementation of the above initiatives will be provided in due course.</p> |

Should you have any queries, please contact us at (852) 2211 6558 or send your questions to IVSupport@hkex.com.hk.

Yours sincerely,

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