

CHAPTER 9

EMERGENCY PROCEDURES

Suspension of Options Trading

901. Facilities for trading Options Contracts on the Exchange may at any time be suspended, restricted or withdrawn for a temporary period or for such longer period as may be determined by the Board in prior consultation with the Commission.
902. Suspension, restrictions or withdrawals of facilities for trading Options Contracts on the Exchange may be ordered by the Chief Executive, in consultation with the Commission, notwithstanding Options Trading Rule 901 if, in his opinion, it is not possible for a meeting of the Board to be convened immediately. The Chief Executive, in consultation with the Chairman, shall arrange a meeting of the Board as soon as possible after such suspension, restriction or withdrawal. The Chief Executive may not otherwise suspend, restrict or withdraw facilities for the trading of Options Contracts on the Exchange.
903. If, in the opinion of the Board, or the Chief Executive in consultation with the Commission, the functioning or operation of the Options System is, or is threatened or likely to be, impaired (whether by reason of any fire, other casualty, accident, typhoon, Extreme Conditions, power failure, communications breakdown, computer malfunction or any other event) in relation to one or more Options Trading Exchange Participants, the Board shall have full authority to take such action as it may, in its absolute discretion, consider necessary to deal with such impairment, including, but not limited to, the adjustment of the times for the commencement and closure of various activities in the Options System. Any such action may result in the inability of one or more Options Trading Exchange Participants to enter into Options Contracts and, accordingly, in the inability of one or more Options Broker Exchange Participants to enter into Options Broker Client Contracts and of clients of Options Exchange Participants to enter into Client Contracts. Furthermore, Options Trading Exchange Participants may from time to time be prevented from, or hindered in, entering into Options Contracts as a result of a failure of communications, of an HKATS workstation or of the Options System.

Special Events

904. Trading in all option classes may be temporarily suspended in accordance with the Operational Trading Procedures in the event of a Typhoon Signal No. 8 or above being hoisted, Extreme Conditions being announced or a black rainstorm warning being issued.
- 904A. Unless otherwise determined by the Exchange, the Exchange will, by notice to Options Trading Exchange Participants using the Market Messages Window of HKATS and/or such other means as it considers appropriate, suspend trading of an option class as soon as practicable after trading of the underlying stock is suspended in the stock market on which the underlying stock is listed. If the trading of the underlying stock has been suspended for three months or more, or if a shareholders' resolution is passed and the relevant regulatory authority's approval is granted for the privatization of the issuer of the underlying stock, the Chief Executive, in consultation with the Commission, may

discontinue the trading of the option class. No action shall lie against and no liability of whatsoever nature and howsoever arising, whether in contract, tort or otherwise, shall be incurred by the Exchange directly or indirectly in connection with any such suspension of option classes.

Facsimile Instruction Entry

905. In circumstances where access to the Options Trading System and/or the Options Clearing System is suspended, restricted, or withdrawn pursuant to these Options Trading Rules in relation to one or more Options Trading Exchange Participants, the Exchange may allow those Options Trading Exchange Participants which have entered into a facsimile indemnity agreement with the Exchange to transmit their orders, quotes and other permitted instructions relating to the Options Trading System functions, and SEOCH may allow those Options Trading Exchange Participants that are SEOCH Participants and have entered into a facsimile indemnity agreement with SEOCH to transmit their give-up, take-up, exercise and other permitted instructions relating to the Options Clearing System functions, by facsimile to designated HKEX staff who will, subject to and in accordance with the Operational Trading Procedures and Operational Clearing Procedures, perform the relevant Options Trading System and/or Options Clearing System functions on behalf of such Options Trading Exchange Participant. All the provisions of these Options Trading Rules and the Clearing Rules, other than in relation to the entry of instructions into the Options System, shall apply to any resulting Options Contracts and other Contracts as if the Options Trading Exchange Participant had itself entered them into the Options Trading System and/or the Options Clearing System.