

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

Subject: Introduction of an exemption to the restriction in dealing in suspended securities

Enquiry: HKATS Hotline (Tel: 2211-6360)

The Stock Exchange of Hong Kong Limited (the “Exchange”) is introducing an exemption to the restriction in dealing in suspended securities effective on **Tuesday, 20 February 2024**.

Unless otherwise defined in this circular, terms used in this circular shall have the same meanings ascribed to them in the Rules of the Exchange (“SEHK Rules”).

Under Rule 539 of the SEHK Rules, Exchange Participants are prohibited from dealing in suspended securities, including borrowing and lending activities, except under the circumstances set out in that Rule. To facilitate the settlement, by Exchange Participants, of delivery obligations arising from the exercise and assignment of stock options, where trading in the underlying securities is suspended, the Exchange is introducing an additional exemption. Borrowing or lending activity in suspended security to facilitate the settlement of the delivery obligations which may arise from the exercise and assignment of stock options contracts on the suspended security under the Options Trading Rules and the Clearing Rules will not be considered by the Exchange to constitute a breach of SEHK Rule 539.

The exemption does not only apply to the Exchange Participant with stock option delivery obligations, but can be utilized by other Exchange Participants, where their borrowing and lending activity supports the settlement of another participant’s stock option delivery obligations.

As the exemption applies to delivery obligations which may arise from the exercise and assignment of stock option obligations, borrowing and lending activity is permissible ahead of the exercise and

assignment event to facilitate the settlement of the delivery obligations which may arise from exercise and assignment.

Please refer to the circular (ref: [LSD/016/2024](#)) for the relevant rule amendments.

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This circular has been prepared in English with a Chinese translation. If there is any inconsistencies between the two versions, the English version shall prevail.