

香港期貨交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

HONG KONG FUTURES EXCHANGE LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Update on the Trading and Clearing Operational Arrangements Relating to the Capital Adjustment of Semiconductor Manufacturing International Corporation Stock Futures Contracts – Share Consolidation

Enquiry: HKATS Hotline¹ Tel: 2211-6360
DCASS Hotline Tel: 2979-7222

Reference is made to the circular dated 15 November 2016 (Ref: [MO/DT/126/16](#)) relating to the deferral of the capital adjustment of Semiconductor Manufacturing International Corporation stock futures contracts.

Participants are requested to note that capital adjustment to the stock futures contracts below will be made on the Effective Date of Share Consolidation (“Effective Date”) based on the corporate action announced:

Underlying Stock Name of the Stock Futures Contracts (Stock Code)	Semiconductor Manufacturing International Corporation (“SMIC”) (Stock code: 00981)
HKATS Code	SMC
Corporate Action	Every ten (10) issued Existing Shares will be consolidated into one (1) Consolidated Share
Effective Date of Share Consolidation	7 December 2016
Corporate Action	The board lot size of SMIC for trading on the Stock Exchange will be changed from 1,000 Existing Shares to 500 Consolidated Shares
Effective Date of Change of Board Lot Size	21 December 2016

Capital adjustment to the SMIC stock futures contracts **will be made on the Effective Date. No adjustment** to the SMIC stock futures contracts will be made **due to change of board lot size.**

¹ All calls to the HKATS hotline would be recorded. Please refer to the following link for HKEX privacy policy statement: http://www.hkex.com.hk/eng/global/privacy_policy.htm

For details of the announcements made by SMIC on 30 September 2016, 11 November 2016 and 17 November 2016, please refer to the hyperlinks below:

<http://www.hkexnews.hk/listedco/listconews/sehk/2016/0930/LTN201609301162.pdf>

<http://www.hkexnews.hk/listedco/listconews/sehk/2016/1111/LTN20161111633.pdf>

<http://www.hkexnews.hk/listedco/listconews/sehk/2016/1117/LTN20161117691.pdf>

Trading Arrangements

The trading arrangements for the existing SMIC stock futures under trading symbol SMC will be as follows:

1. Adjustment and Transfer of Outstanding Positions

Open positions of SMIC stock futures series under trading symbol SMC which exist after market close on the business day immediately before the Effective Date will be adjusted and transferred to stock futures series under trading symbol SMA.

2. Introduction of New Stock Futures Series for Trading

On the Effective Date, new SMIC stock futures series with Contract Multiplier of 5,000² shares will be introduced for trading under the standard trading symbol SMC.

Details of the adjustment procedures for SMIC stock futures series under trading symbol SMC are as follows:

Adjustment Term	Formula	Remarks
Adjustment Ratio (AR)	10 Shares / 1 Consolidated Share = 10.0000	Rounded to the nearest 4 decimal places
Adjusted Contracted Price (ACP)	Contracted price of outstanding stock futures series x AR	Rounded to the nearest 2 decimal places
Adjusted Contract Multiplier (ACM)	Contracted price of outstanding stock futures series x (50,000 shares / ACP)	Rounded to the nearest 4 decimal places

² The contract multiplier of SMIC stock futures contracts will be changed from the existing 50,000 Shares to 5,000 Shares

Contract	Trading Symbol	Contract Multiplier (Shares)	Availability For Trading	Addition of New Stock Futures Series on and after the Effective Date
Adjusted	SMA	ACM	From Effective Date to 29 June 2017	No
Standard	SMC	5,000	From Effective Date onwards	Yes

The adjusted and standard stock futures series are distinct contracts and are represented by different trading symbols in HKATS/DCASS. Particulars of all existing and adjusted stock futures series will be shown in DCASS report TP011 after the DCASS batch processing on the business day immediately before the Effective Date.

Capital adjustments, once made, are conclusive and binding on all relevant stock futures contracts. The capital adjustments made will not be reversed even if the proposed corporate action is subsequently disapproved by relevant authorities, including but not limited to regulatory authorities and the Court.

Participants should pay particular attention that the settlement amount of adjusted and standard stock futures series on the expiry day will be calculated using their respective contract multipliers. There will not be any changes to the number of open positions and other contract terms after the transfer of positions.

Clearing and Settlement Arrangements

Position offset between the standard SMC and the adjusted SMA stock futures series is not allowed.

Inform Your Staff and Clients

Participants should notify all clients holding positions in the captioned stock futures contracts the details of trading and clearing operational arrangements and the associated risk. Please ensure that your back office systems are ready for a smooth operation in handling this capital adjustment. In addition, all your staff should be fully aware of the trading and clearing arrangements, and should exercise caution when dealing with the standard and adjusted stock futures contracts and when advising your clients.

Sanly Ho
Head
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This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.