

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: Update on the Capital Adjustment of Hengan International Group Company Limited
Stock Option Contracts – Conditional Distribution

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Reference is made to the circular issued on 21 June 2016 (Ref. No.: [MO/DT/070/16](#)). Based on the announcement made by QinQin Foodstuffs Group (Cayman) Company Limited (“QinQin”) on 24 June 2016, QinQin will be listed on The Stock Exchange of Hong Kong Limited (“SEHK”) on 8 July 2016, subject to the granting of listing approval by SEHK. When the conditional distribution has become unconditional, capital adjustment will be made to the existing Hengan International Group Company Limited (“Hengan”) stock options under temporary trading symbol HGA **on the first trading day of QinQin (i.e. 8 July 2016)**.

For details of the announcements made by QinQin on 24 June 2016, please refer to the hyperlink below:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0623/LTN20160623676.pdf>

Trading Arrangements

The trading arrangements for the existing Hengan stock options under temporary trading symbol HGA will be as follows:

The value of QinQin will be determined by the volume weighted average price (“VWAP”) of those auto-matched trades of QinQin on its first trading day on the SEHK. When the value of the Entitlement has been determined, adjustment will be made to outstanding positions under trading symbol HGA. The adjusted positions will be transferred to trading symbol HGB. Positions under trading symbol HGB will commence trading from the business day immediately after the first trading day of QinQin.

Details of the adjustment procedures for Hengan stock option series under trading symbol HGA are as follows:

Adjustment Term	Formula	Remarks
Adjustment Ratio (AR)	(Underlying stock closing price before ex-date minus Entitlement value) / Underlying stock closing price before ex-date	Rounded to the nearest 4 decimal places
Adjusted Exercise Price (AEP)	Exercise price of outstanding stock option series x AR	Rounded to the nearest 2 decimal places
Adjusted Contract Size (ACS)	Exercise price of outstanding stock option series x (500 shares / AEP)	Rounded to the nearest 4 decimal places

Remark: Entitlement is QinQin's value times the Entitlement Ratio for each Hengan Share.

Clearing, Settlement and Risk Management Arrangements

Please refer to the circular issued on 21 June 2016 (Ref. No.: [MO/DT/070/16](#)) for details.

Inform Your Staff and Clients

Participants should notify all clients holding positions in the captioned stock option class of the details of trading, clearing, settlement 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 option contracts when advising your clients.

Sanly Ho
Head
Derivatives Trading
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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.