

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: Belle International Holdings Limited – Proposed Privatisation

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

Reference is made to the joint announcements made by Belle International Holdings Limited (Belle) and the offeror (Muse Holdings-B Inc.) on 28 April 2017, 18 May 2017 and 23 June 2017 in relation to a proposed privatisation (“the Scheme”).

Exchange Participants and Clearing House Participants (“Participants”) are requested to note that subject to the approval of the meeting of the disinterested shareholders to be convened at the direction of the Grand Court of the Cayman Islands (“Grand Court”) for the propose of approving the Scheme (“Court Meeting”) and Extraordinary General Meeting on the Scheme to be held on 17 July 2017, the following corporate action will be made as below:

Underlying Stock Name of the Stock	Belle International Holdings Limited
Option Contracts (Stock Code)	(01880)
HKATS Code	BIH
Corporate Action	The Cancellation Consideration Price of HK\$6.30 in cash for every Scheme Share
Last day for dealing in Belle (“LDD”)	18 July 2017

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 Belle on 28 April 2017, 18 May 2017 and 23 June 2017, please refer to the hyperlinks below:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0428/LTN20170428843.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0518/LTN20170518710.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0623/LTN20170623458.pdf>

Trading Arrangements

Once the Court Meeting and Extraordinary General Meeting approve the Scheme, there will be no Belle stock option contracts available for trading after the LDD.

Margining, Clearing and Settlement Arrangements

Margining, clearing and settlement arrangements of Belle stock option contracts are as normal on or before LDD.

All in-the-money outstanding Belle stock option contracts (regardless of their maturities) will be converted into their intrinsic values in cash based on the difference between the strike price and the cancellation consideration price of HK\$6.30 on the business day immediately after the LDD (i.e. 19 July 2017). The Belle stock option positions will be closed by the The SEHK Options Clearing House Limited (“SEOCH”) and the corresponding cash value will be credited to / debited from the relevant CCMS collateral accounts before market open on 19 July 2017. No physical delivery of underlying shares will be involved and Participants will not be charged for the cash conversion.

Please refer to the details of margining, clearing, settlement and exercise / assignment arrangements of Belle stock option contracts set forth in the Attachment.

For the avoidance of doubt, if the proposed privatisation is not sanctioned by the Grand Court, the cash conversion will not be made and the Belle stock option contracts will still be available for trading (subject to further announcements of Belle). Privatisation adjustments, once being made, are conclusive and binding on all relevant stock option contracts.

Inform Your Staff and Clients

Participants and their clients must understand the nature and risks of trading Belle stock option contracts in relation to this corporate action and assess their ability to undertake the exposure and risks related.

Participants should notify all clients holding positions in the Belle stock option contracts the details of trading and clearing operational arrangements and the associated risk. In particular, Participants shall inform their clients that the trading and clearing arrangement are subject to the approval of the Court Meeting and Extraordinary General Meeting on the Scheme to be held on 17 July 2017. Participants shall also inform their clients that the Belle stock option contracts will no longer be available for trading after the LDD and all Belle stock option positions will be closed on 19 July 2017 as stipulated in this circular.

Please ensure that your back office systems are ready for a smooth operation. In addition, all your staff should be fully aware of the trading and clearing arrangements, and should exercise caution when dealing with the exercise and settlement of Belle stock option contracts and when advising your clients.

Sanly Ho
Head
Derivatives Trading
Markets Division

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.

Attachment

Margining, Clearing, Settlement and Exercise / Assignment Arrangements of Belle Stock Option Contracts

1. Margining, clearing and settlement arrangements of Belle stock option contracts, including the settlement by covered shares collateral, are as normal on or before the last day for dealing ("LDD"). Delivery obligations arising from the exercise / assignment of the Belle option contracts on or before the LDD will be settled by Belle shares in CCASS according to the normal procedures.
2. The right to exercise with physical settlement for all Belle stock option contracts, regardless of their maturities will expire at 6:45 pm on the LDD. All in-the-money Belle stock option contracts will be converted into their intrinsic values in cash based on the difference between the strike price and the cancellation consideration price of HK\$6.30 on the business day immediately after the LDD (i.e. 19 July 2017).
3. Belle shares will be allowed to cover short call positions on or before LDD. Those covered Belle stock option positions will be decoupled on 19 July 2017 automatically.
4. The Belle stock option positions will be closed and the corresponding cash value will be credited to / debited from the relevant CCMS collateral accounts by the SEOCH before market open on 19 July 2017.