

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: Li & Fung Limited – Proposed Privatisation

Enquiry: HKATS Hotline<sup>1</sup> Tel: 2211-6360

DCASS Hotline Tel: 2979-7222

Reference is made to the joint announcements made by Li & Fung Limited (Li & Fung) and the offeror (Golden Lincoln Holdings I Limited) on 20 March 2020, 25 March 2020, 9 April 2020 and 20 April 2020 in relation to a proposed privatisation (“the Scheme”).

Exchange Participants and Clearing Participants (“Participants”) are requested to note that subject to the approval of meeting of the Scheme Shareholders to be convened at the direction of the Supreme Court of Bermuda (“Court”) at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof (“Court Meeting”) and Special General Meeting on the Scheme to be held on 12 May 2020, the following corporate action will be made as below:

<b>Underlying Stock Name of the Stock Futures Contracts (Stock Code)</b>	Li & Fung Limited (00494)
<b>HKATS Code</b>	LIF
<b>Corporate Action</b>	The Cancellation Price of HK\$1.25 per Scheme Share
<b>Last day for dealing in Li &amp; Fung (“LDD”)</b>	15 May 2020

<sup>1</sup> 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](http://www.hkex.com.hk/eng/global/privacy_policy.htm)

For details of the announcements made by Li & Fung on 20 March 2020, 25 March 2020, 9 April 2020 and 20 April 2020, please refer to the hyperlinks below:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0320/2020032000519.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0325/2020032500576.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0409/2020040900599.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0419/2020041900047.pdf>

### ***Trading Arrangements***

Once the Court Meeting and Special General Meeting approve the Scheme, there will be no Li & Fung stock futures contracts available for trading after the LDD.

### ***Margining, Clearing and Settlement Arrangements***

Margining, clearing and settlement arrangements of Li & Fung stock futures contracts are as normal on or before LDD.

All outstanding Li & Fung stock futures contracts (regardless of their maturities) on LDD (i.e. 15 May 2020) will be converted into their cash value based on the cancellation price of HK\$1.25. Any resulting cash value will be credited to / debited from the relevant CCMS collateral accounts on 15 May 2020 day-end. Li & Fung stock futures open positions will be closed by HKFE Clearing Corporation Limited ("HKCC") before market open on the business day immediately after the LDD (i.e. 18 May 2020). Participants will not be charged for the cash conversion.

For the avoidance of doubt, if the proposed privatisation is not sanctioned by the Court, the foresaid arrangements will not be made and Li & Fung stock futures contracts will still be available for trading (subject to further announcements of Li & Fung). Privatisation adjustments, once being made, are conclusive and binding on all relevant stock futures contracts.

***Inform Your Staff and Clients***

Participants and their clients must understand the nature and risks of trading Li & Fung stock futures 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 Li & Fung stock futures 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 Special General Meeting on the Scheme to be held on 12 May 2020. Participants shall also inform their clients that Li & Fung stock futures contracts will no longer be available for trading after LDD and all Li & Fung stock futures positions will be closed on 18 May 2020 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 Li & Fung stock futures 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.*