

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: Trading and Clearing Operational Arrangements Relating to the Capital Adjustment of New World Development Company Limited Stock Futures Contracts – Share Consolidation

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

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)	New World Development Company Limited (New World Dev) (00017)
HKATS Code	NWD
Corporate Action	Every four (4) issued Existing Shares be consolidated into one (1) Consolidated Share
Effective Date of Share Consolidation	23 June 2020

For details of the announcements made by New World Dev on 27 April 2020, please refer to the hyperlink below:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042701954.pdf>

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

Trading Arrangements

The trading arrangements for the existing New World Dev stock futures under trading symbol NWD will be as follows:

1. Adjustment and Transfer of Outstanding Positions

Open positions of New World Dev stock futures series under trading symbol NWD 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 NWA.

2. Introduction of New Stock Futures Series for Trading

On the Effective Date, new New World Dev stock futures series with Contract Multiplier of 1,000 shares will be introduced for trading under the standard trading symbol NWD.

Details of the adjustment procedures for New World Dev stock futures series under trading symbol NWD are as follows:

Adjustment Term	Formula	Remarks
Adjustment Ratio (AR)	4 Shares / 1 Consolidated Share = 4.0000	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 (1,000 shares / ACP)	Rounded to the nearest 4 decimal places

Contract	Trading Symbol	Contract Multiplier (Shares)	Availability For Trading	Addition of New Stock Futures Series on and after the Effective Date
Adjusted	NWA	ACM	From Effective Date to 30 December 2020	No
Standard	NWD	1,000	From Effective Date onwards	Yes

For stock futures of New World Dev under trading symbols NWD and NWA, the trading fee level shall be Tier 1 and Tier 2 respectively.

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 NWD and the adjusted NWA 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
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.