

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 Potential Capital Adjustment of Sunac China Holdings Limited Stock Futures Contracts – Conditional Distribution

**Enquiry:** HKATS Hotline<sup>1</sup> Tel: 2211-6360  
DCASS Hotline Tel: 2979-7222

Sunac China Holdings Limited (“Sunac”) announced the declaration of a special dividend by way of a distribution in specie of Sunac Services Holdings Limited (Sunac Services) Shares, indirectly held by the Company to the Qualifying Shareholders. Capital adjustment to the stock futures contracts below will be made if the Conditional Distribution becomes unconditional:

<b>Underlying Stock Name of the Stock Futures Contracts (Stock Code)</b>	Sunac China Holdings Limited (01918)
<b>HKATS Code</b>	SUN
<b>Corporate Action</b>	Spin-off and separate listing of Sunac Services on the SEHK by way of a distribution in specie (“Entitlement”)
<b>Entitlement Ratio</b>	0.0322 (one Sunac Services Share for about every 31.07 Shares held on the Record Date (the “Distribution Basis”, subject to adjustment as described in the <a href="#">Sunac’s announcement</a> , where applicable)
<b>Ex-date</b>	3 November 2020
<b>Listing Day of Sunac Services</b>	Yet to be announced by Sunac

<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 announcement made by Sunac on 26 October 2020, please refer to the hyperlink below:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1026/2020102600171.pdf>

### *Trading Arrangements*

#### 1. Transfer of Outstanding Positions

Outstanding positions of Sunac stock futures class which exist after the market close on the business day immediately before the ex-date will be **transferred** on a **one-to-one** basis to a temporary trading symbol SUA.

#### 2. Suspension of Trading

Since the value of the Entitlement is not available until the value of Sunac Services is determined, trading of outstanding positions under temporary trading symbol SUA will be suspended from the ex-date (i.e. 3 November 2020) to the listing day of Sunac Services (Yet to be announced by Sunac) (both dates inclusive).

#### 3. Introduction of New Series for Trading

On the ex-date, new series of Sunac stock futures series based on the standard contract multiplier will be introduced for trading under the standard trading symbol SUN.

#### 4. Adjustment to Outstanding Positions upon the Determination of Sunac Services's Value

The value of Sunac Services will be determined by the volume weighted average price (VWAP) of those auto-matched trades of Sunac Services on its listing day on the SEHK. When the value of the Entitlement has been determined, adjustment will be made to outstanding positions under trading symbol SUA after market close on the first trading day of Sunac Services (Yet to be announced by Sunac). The adjusted positions will be transferred to trading symbol SUB. Positions under trading symbol SUB will commence trading from the business day immediately after the listing day of Sunac Services (Yet to be announced by Sunac).

Details of the adjustment procedures are as follows:

<b>Adjustment Term</b>	<b>Formula</b>	<b>Remarks</b>
<b>Adjustment Ratio (AR)</b>	(Underlying stock closing price before the ex-date minus Entitlement) / Underlying stock closing price before the ex-date	Rounded to the nearest 4 decimal places
<b>Adjusted Contracted Price (ACP)</b>	Contracted price of outstanding stock futures series x AR	Rounded to the nearest 2 decimal places
<b>Adjusted Contract Multiplier (ACM)</b>	Contracted price of outstanding stock futures series x (2,000 shares / ACP)	Rounded to the nearest 4 decimal places

Remark: Entitlement is Sunac Services's value times the Entitlement Ratio for each Sunac share

Below is a summary of the trading arrangement for all Sunac stock futures contracts:

<b>Contract</b>	<b>Trading Symbol</b>	<b>Underlying Stock</b>	<b>Contract Size (Shares)</b>	<b>Introduction Date</b>	<b>Availability For Trading</b>	<b>Addition of New Stock Futures Series on and after Ex-date</b>
Standard	SUN	Sunac (Ex-entitlement)	2,000	Ex-date	From the ex-date onwards	Yes
Adjusted	SUA	Sunac & Entitlement	2,000	Ex-date	Nil	No
Adjusted	SUB	Sunac (Ex-entitlement)	ACM	The 1 <sup>st</sup> business day after the Listing day of Sunac Services	From introduction date to a date yet to be announced	

For stock futures of Sunac under trading symbols SUN and SUB, the trading fee level shall be Tier 1.

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 "Capital Adjustment Series" TP011 after the DCASS batch processing on the business day immediately before the ex-date day.

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 among the standard SUN, the adjusted SUA and the adjusted SUB stock futures series is **NOT allowed**.

For risk management arrangements of the stock futures contracts for such corporate action, please refer to the Attachment for details.

#### *Inform Your Staff and Clients*

Participants should notify all clients holding positions in the captioned stock futures class of the details of the arrangements for trading and clearing. **In particular, Participants should fully communicate with your clients on the transfer of outstanding position to the temporary trading symbol SUA and its suspension from the ex-date until the listing day of Sunac Services (both days inclusive)**. 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 adjusted and standard futures series and when advising your clients.

Sanly Ho  
Co-Head  
Trading Operations  
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

### **Risk Management Arrangements**

The difference<sup>1</sup> of the opening price of Sunac shares on the ex-date (i.e. 3 November 2020) and the closing price on the trading day prior to the ex-date (i.e. 2 November 2020) would be used as an estimate<sup>2</sup> of the value of Entitlement for the purpose of daily settlement price determination, margin and variation adjustment calculation of the SUA stock futures contracts.

Participants should note that SUA stock futures contracts would be margined **separately from the standard SUN stock futures contracts** from the ex-date to the date of capital adjustment made (i.e. The 1<sup>st</sup> business day after the Listing Day of Sunac Services) since they would no longer be sharing the same underlying<sup>3</sup>. After the capital adjustment made on the 1<sup>st</sup> business day after the listing day of Sunac Services, the positions of standard SUN and adjusted SUB stock futures contracts would be margined together according to normal procedures as they would be sharing the same underlying (i.e. Sunac).

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<sup>1</sup> Would be set to zero should the opening price on ex-date is higher than the closing price on the trading day prior to ex-date.

<sup>2</sup> HKCC may, in its discretion, adjust the value of such estimation.

<sup>3</sup> The underlying of the SUA stock futures series would be Sunac and the Entitlement (i.e. Sunac Services), while that of the SUN stock futures series would be Sunac only.