

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 of Trading and Clearing Operational Arrangements Relating to the Capital Adjustment of Haitong Securities Co., Ltd. Stock Option Contracts – Merger

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

Haitong Securities Co., Ltd. (“Haitong Sec”) and Guotai Junan Securities Co., Ltd. (“GTJA”) made joint announcements on the merger by way of absorption and a share-for-share exchange. Participants are requested to note that a capital adjustment to the Stock Option contracts below will be made on the effective date (to be announced):

Underlying Stock Name of the Stock Option Contracts (Stock Code)	Haitong Securities Co., Ltd. (“Haitong Sec”) (06837)
HKATS Code	HAI
Corporate Action	1 Haitong Sec H Share in exchange for 0.62 GTJA H Shares to be issued by GTJA
Last Day of Dealings in Haitong Sec H Shares	5 February 2025
Effective Date of Corporate Action (“Effective Date”)	To be jointly announced by Haitong Sec and GTJA

¹ All calls to the HKATS hotline would be recorded. Please refer to the following link for HKEX privacy policy statement: https://www.hkex.com.hk/Global/Exchange/Privacy-Notice?sc_lang=en

For details of the joint announcement made by Haitong Sec and GTJA on 9 October 2024 and 21 January 2025, please refer to the hyperlinks below:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1009/2024100900977.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0121/2025012100978.pdf>

Trading Arrangements for the Merger

The trading arrangements after the completion of the merger for the existing Haitong Sec Stock Option under trading symbol HAI will be as follows:

1. Suspension of Trading and Exercise

In view of the closure of registers for transfer of Haitong Sec H Shares for the determination of the number of Haitong Sec H Shares held by Haitong Sec share exchange shareholders from date D²+3 and onwards and the commencement of dealings of the GTJA H Shares issued under the share exchange, trading of Haitong Sec Stock Option under trading symbol HAI will be suspended from 6 February 2025 to D+12, both days inclusive. **During the same period from 6 February 2025 to D+12, Haitong Sec Stock Option contracts cannot be exercised by Participants as Haitong Sec shares resulting from exercise will only be delivered after the latest time (i.e. 4:30 p.m. on D+2) for lodging Haitong Sec H Shares and transfer forms for the transfer of Haitong Sec H Shares.**

2. Adjustment and Transfer of Outstanding Positions

Outstanding positions of Haitong Sec Stock Option contracts under trading symbol HAI which exist after the market close on D+12, i.e. the business day immediately before the Effective Date, will be adjusted and transferred to the adjusted GTJA Stock Option contracts under trading symbol GJA. The adjusted GTJA Stock Option contracts will commence trading on D+13.

3. No additional expiries will be added for the adjusted GTJA Stock Option Class with the underlying stock as GTJA.

² This date is subject to approval by the Shanghai Stock Exchange (“SSE”) on the withdrawal of listing of Haitong A Shares on the SSE.

Details of the proposed adjustment procedures for Haitong Sec Stock Options series under trading symbol HAI are as follows:

Adjustment Term	Formula	Remarks
Adjustment Ratio (AR)	$1 / 0.62 = 1.6129$	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 (2,000 shares / AEP)	Rounded to the nearest 4 decimal places

More details will be announced after Haitong Sec and GTJA announced jointly on further details of the merger.

Participants should note that there are no standard Stock Options listed on GTJA currently, there will be no standard Stock Option listed on GTJA associated with the proposed merger unless otherwise added by the Exchange.

For adjusted GTJA Stock Option under trading symbol GJA, the trading fee level shall be Tier 3 and the position limit shall be 50,000 contracts combined.

The HKATS description of the trading symbol GJA will be "HAI CAP. ADJ."

All adjusted Stock Option 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 Option 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 Stock Option series on the expiry day will be calculated using their respective contract sizes. 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

For clearing and settlement arrangements relating to shares collateral and exercise / assignment of adjusted Stock Option class, please refer to the Attachment for details.

Risk Management Arrangement

SEOCH may temporarily increase the margin intervals for the HAI Stock Option class on 4 February 2025. Details will be announced via a separate circular.

Inform Your Staff and Clients

Participants should notify all clients holding positions in the captioned Stock Option 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 adjusted Stock Option contracts and when advising your clients.

Matthew Cheong
Co-Head
Trading Department
Operations 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

Clearing and Settlement Arrangements Relating to Shares Collateral and Exercise / Assignment of Adjusted Stock Option Series

Shares Used as Cover Collateral

All covered call positions will be decoupled by the market close on D+3. Participants are requested to cover, if possible, those naked short call positions of the adjusted Stock Option series before market open of the Effective Date. Otherwise, these naked short call positions will become marginable in the subsequent intra-day or day-end margin calculation. Since the contract sizes of the adjusted Stock Option series will carry odd lots and fractional shares, participants who wish to cover any adjusted Stock Option series must use the exact odd quantity of stock.

Pending Stock Positions

Pending stock positions resulting from exercise / assignment effected on or before the business day immediately before the Effective Date will be cum entitlement and settled via CCASS. Any failed delivery as a result of assignment on 5 February 2025 might be subject to buy-in after resumption unless buy-in exemption is granted.

Settlement of Exercised Options Trades

With reference to the trading and exercise arrangements above, all options exercise requests for the existing Haitong Sec Stock Option contracts input into DCASS between 6 February 2025 and D+12 (both days inclusive) will be rejected.

From D+13 onwards, delivery obligations arising from the exercise / assignment of the adjusted Stock Option contracts of GTJA will be settled by GTJA shares according to their adjusted contract size via CCASS.

The exercise and assignment of contracts in adjusted GTJA Stock Option series will result in odd lots and fractional shares. The integral number of shares (including the odd lots) will be settled via CCASS under normal procedures. The fractional shares of each contract exercised/assigned will be settled in cash via CCMS on the day of exercise. The actual cash settlement amount of the fractional shares is the difference between the exercise price of the Stock Option series and the market closing price of the underlying stock on the day of exercise times the fractional shares quantity for each contract exercised/assigned.

The settlement of fractional shares in cash is not liable to stamp duty provided that the contract notes so executed by the party for the sale and purchase of shares arising from the exercise of an option contract only include the whole number of shares.

In case the Effective Date occurs after 27 February 2025, the normal automatic exercise arrangement on the expiry day will **not** apply for spot month Haitong Sec Stock Option series. All

in-the-money Haitong Sec spot month Stock Option series will be exercised / assigned and settled in cash via CCMS according to the difference between the exercise price of the spot month Stock Options series and the settlement price as determined by SEOCH³.

³ The settlement price for spot month Haitong Sec Stock Option is the last available official closing price of the underlying stock as quoted by SEHK before the expiry date.