HKEX
香港交易所

Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited

REGULATIONS FOR TRADING STOCK FUTURES CONTRACTS

ADJUSTMENTS

Standard Adjustment Methodology

010D For each Adjustment, there will be an adjustment ratio. In each case, the old Contracted Price of the Stock Futures Contract will be multiplied by this adjustment ratio to obtain the adjusted Contracted Price. The corresponding adjusted Contract Multiplier is obtained by dividing the old Contracted Value by the adjusted Contracted Price, unless otherwise specified. The old Contracted Value is simply the product of the old Contracted Price and the old Contract Multiplier.

The following table describes the rules for all the standard capital adjustment events.

Event	**Adjusted Contracted Price (ACP) =**	**Adjusted Contract Multiplier (ACM) =**
Spin-off[3] **(with Entitlement)** E is the value of the entitlement of the spin-off calculated using VWAP[4] on its first trading day. S is the value of the share calculated using VWAP[4] on E's first trading day.	Old Contracted Price (OCP) times: $\frac{S}{S+E}$	If S/S+E is equal to or above the Exchange's prescribed limit[5] $\frac{OCP * \text{Old Contract Multiplier}}{ACP}$ If S/S+E is below the Exchange's prescribed limit[5] $\frac{\text{Old Contract Multiplier}}{\text{the Exchange's prescribed limit}^5}$

[3] No capital adjustment will be made in respect of any preferential offering arising from a spin-off as entitlement will not be extended to all shareholders. Adjustments in respect of spin-offs which do not involve the listing of the relevant company's shares will be considered on a case-by-case basis.

[4] The Volume Weighted Average Price (VWAP) is determined by calculating the summation of the value of each transaction (i.e. price multiplied by number of shares traded) and then dividing it by the total shares traded for the day.

[5] The Exchange's prescribed limit shall be such adjustment ratio floor value as may be prescribed by the Exchange from time to time.