

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 on Trading and Clearing Operational Arrangements Relating to the Capital Adjustment of BYD Company Limited Stock Options Contracts – Proposed Bonus Shares and Capitalization Issue

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

BYD Company Limited (“BYD Company”) announced the proposal to issue of Bonus Shares on the basis of eight (8) Bonus Shares for every ten (10) Shares in issue; and to issue Capitalization Shares on the basis of twelve (12) Capitalization Shares for every ten (10) Shares in issue. Please refer to the hyperlinks below for details of the announcement made by BYD Company on 22 April 2025 and 7 May 2025.

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0507/2025050701357.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0507/2025050701504.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0422/2025042202081.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042400107.pdf>

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

Capital adjustment to the Stock Options contracts² below will be made on the ex-date based on the proposed corporate action announced, subject to the satisfaction of all the conditions, including but not limited to such conditions specified in the company's announcement:

Underlying Stock Name of the Stock Options Contracts (Stock Code)	BYD Company Limited ("BYD Company") (01211)
HKATS Code	BYD
Corporate Action	The issuance of Bonus Shares on the basis of eight (8) Bonus Shares for every ten (10) Shares in issue; and the issuance Capitalization Shares on the basis of twelve (12) Capitalization Shares for every ten (10) Shares in issue
Ex-date	10 June 2025

Trading Arrangements

The trading arrangements for the existing BYD Company Stock Options contracts under trading symbol BYD will be as follows:

1. Adjustment and Transfer of Outstanding Positions

Open positions of BYD Company Stock Options contracts under trading symbol BYD which exist after the market close on the business day immediately before the ex-date will be adjusted and transferred to Stock Options contracts under trading symbol BYD.

2. Introduction of New Stock Options Contracts for Trading

On the ex-date, new BYD Company Stock Options contracts based on the standard contract size will be introduced for trading under the standard trading symbol BYD.

² Stock Options contracts include both Monthly Stock Options and Weekly Stock Options contracts of BYD Company.

Details of the adjustment procedures for BYD Company Stock Options contracts under trading symbol BYD are as follows:

Adjustment Term	Formula	Remarks
Adjustment Ratio (AR)	10 Shares / (10 Shares + 8 Bonus Shares+12 Capitalization Shares) = 0.3333	Rounded to the nearest 4 decimal places
Adjusted Exercise Price (AEP)	Exercise price of outstanding Stock Options contracts x AR	Rounded to the nearest 2 decimal places
Adjusted Contract Size (ACS)	Exercise price of outstanding Stock Options contracts x (500 shares / AEP)	Rounded to the nearest 4 decimal places

Contract	Trading Symbol	Contract Size (Shares)	Availability For Trading	Addition of New Stock Options Contracts on and after the ex-date
Adjusted	BYA	ACS	From ex-date to 29 June 2026	No
Standard	BYD	500	From ex-date onwards	Yes

For Stock Options of BYD Company under trading symbols BYD and BYA, the trading fee level shall be Tier 1 and the position limit shall be 100,000 contracts combined.

The adjusted and standard Stock Options contracts are distinct contracts and are represented by different trading symbols in HKATS/DCASS. Particulars of all existing and adjusted Stock Options contracts will be shown in DCASS report TP011 after the DCASS batch processing on the business day immediately before the ex-date.

Capital adjustments, once being made, are conclusive and binding on all relevant Stock Options 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 Options contracts 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

Position offset between the standard BYD and the adjusted BYA Stock Options contracts is not allowed.

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

Inform Your Staff and Clients

Participants should notify all clients holding positions in the captioned Stock Options contracts of 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 Options 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 Options Contracts

Shares Used as Cover Collateral

All covered call positions will be discovered automatically after the day-end margin calculation on the business day immediately before the ex-date. Participants are requested to cover, if possible, those naked short call positions of the adjusted Stock Options contracts before market open of the ex-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 Options contracts will carry odd lots and fractional shares, participants who wish to cover any adjusted Stock Options contracts must use the exact odd quantity of stock while standard board lots can only be used to cover the standard Stock Options contracts.

Pending Stock Positions

Pending stock positions resulting from exercise / assignment effected on or before the business day immediately before the ex-date will be cum entitlement and settled via CCASS.

Settlement of Exercised Options Trades

The exercise and assignment of contracts in adjusted Stock Options contracts 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 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 Options contracts 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.

Exercise and assignment of standard Stock Options contracts will result in stock settlement obligation of a standard board lot of shares per contract and settled in CCASS under normal procedures.