HKEX
香港交易所

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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 the Capital Adjustment of Sunac China Holdings Limited Stock Option Contracts - Conditional Distribution

Enquiry: HKATS Hotline[1] Tel: 2211-6360
DCASS Hotline Tel: 2979-7222

Reference is made to the circular dated 30 October 2020 (Ref. No.: MO/DT/232/20). Based on the announcement made by Sunac Services Holdings Limited ("Sunac Services") on 9 November 2020, Sunac Services will be listed on The Stock Exchange of Hong Kong Limited ("SEHK") on 19 November 2020. Participants are requested to note that capital adjustment to the stock options contracts below will be made on the first trading day of Sunac Services (i.e. 19 November 2020) if the Conditional Distribution becomes unconditional:

Underlying Stock Name of the Stock Options Contracts (Stock Code)	Sunac China Holdings Limited (01918)
HKATS Code	SUN
Corporate Action	Spin-off and separate listing of Sunac Services on the SEHK by way of a distribution in specie ("Entitlement")
Entitlement Ratio	0.0322 (one Sunac Services Share for every 31.08 Shares held on the Record Date)
Listing Day of Sunac Services	19 November 2020

For details of the announcements made by Sunac on 26 October 2020 and 9 November 2020, please refer to the hyperlink below:
https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1026/2020102600171.pdf
https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1109/2020110900042.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/Global/Exchange/Privacy-Policy?sc_lang=en

For details of the announcement made by Sunac Services on 9 November 2020, please refer to the hyperlink below:
https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1109/2020110900019.pdf

Trading Arrangements

1. 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 (i.e. 19 November 2020) (both dates inclusive).

2. 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 (i.e. 19 November 2020). 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 (i.e. 20 November 2020).

Details of the adjustment procedures are as follows:

Adjustment Term	Formula	Remarks
Adjustment Ratio (AR)	(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
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

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 option contracts:

Contract	Trading Symbol	Underlying Stock	Contract Size (Shares)	Introduction Date	Availability For Trading	Addition of New Stock Futures Series on and after Ex-date
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)	ACS	The 1st business day after the Listing day of Sunac Services	From introduction date to 29 September 2021	

Clearing, Settlement and Risk Management Arrangements

Please refer to the circular issued on 30 October 2020 (Ref. No.: MO/DT/232/20) for details.

Inform Your Staff and Clients

Participants should notify all clients holding positions in the captioned stock options class of the details of the arrangements for trading and clearing and the associated risk. **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 dates 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 option 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.