

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: Contract Adjustment to China Resources Land Limited Option Contract – Change in Contract Size

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

Participants are requested to note that due to the corporate action announcement made by China Resources Land Limited (“China Res Land”) on 31 January 2024, a contract adjustment to the stock option contract will be made on 23 February 2024 (“Effective Date”).

Details of the China Res Land announcement can be found at the following link:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0131/2024013100924.pdf>

Details of the contract adjustment to the stock option contracts can be found below:

Underlying Stock Name of the Stock Option Contracts (Stock Code)	China Resources Land Limited (“China Res Land”) (01109)
HKATS Code	CRL
Change in Contract Size	Change from 2,000 shares to 500 shares
Effective Date	23 February 2024

Trading Arrangements

Starting from the Effective Date, all existing option contracts on the subject underlying stock with old contract size will be denoted by a non-standard class symbol, while option contracts on the subject underlying stock with new contract size will be listed for trading and denoted by a standard class symbol.

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

1. Adjustment and Transfer of Outstanding Positions

Open positions of China Res Land stock option series under trading symbol CRL which exist after the market close on the business day immediately before the Effective Date will be converted and **transferred** on a **one-to-one** basis to non-standard trading symbol CRB.

2. Introduction of New Stock Option Series for Trading

On the Effective Date, the new China Res Land stock option series based on the standard contract size will be introduced for trading under the standard trading symbol CRL.

The trading arrangements for the standard and non-standard option contracts are tabulated below:

Contract	Trading Symbol	Contract Size (shares)	Availability For Trading	Addition of New Option Series on and after Effective Date
Standard	CRL	500	From 23 Feb 2024 onwards	Yes*
Non-standard	CRB	2,000	From 23 Feb 2024 to 30 Dec 2024	No

* Expiry months and option series will be listed according to normal operational procedures.

Starting from the Effective Date, for Stock Options of China Res Land under trading symbols CRL and CRB, the trading fee level shall be Tier 2 and 1 respectively.

The non-standard and standard stock option series are distinct contracts and are represented by different trading symbols in HKATS/DCASS. Particulars of all existing and non-standard stock option series will be shown in DCASS report TP011 after the DCASS batch processing on the business day immediately before the Effective Date.

Participants should pay particular attention that the settlement amount of non-standard and standard 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.

Position Limit

Participants are reminded that the position limit level for the subject option class remains unchanged and the computation of position limit will be based on the total number of open contracts in both the non-standard and standard option contracts in any one market direction for all expiry months combined, irrespective of the underlying shares involved.

Clearing and Settlement Arrangements

Position offset between the standard CRL and the non-standard CRB stock option series is not allowed.

For clearing and settlement arrangements relating to shares collateral and exercise / assignment of non-standard 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 option contracts of the details of the 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 contract 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 non-standard 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 Non-Standard Stock Option Series

Shares Used as Cover Collateral

All covered call positions will be decoupled automatically after the day-end margin calculation on the business day immediately before the Effective Date. Participants are requested to cover, if possible, those naked short call positions of the non-standard 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.

Pending Stock Positions

Pending stock positions resulting from exercise / assignment effected on or before the business day immediately before the Effective Date will be settled via CCASS.

Settlement of Exercised Options Trades

Exercise and assignment of standard and non-standard stock option series will result in stock settlement obligation with the respective number of shares as per standard and non-standard contract sizes, and settled in CCASS under normal procedures.