



**Date:** June 16, 2022

**Subject:** FANH1 Options - Expiration Pricing Consideration

FANH1 (adjusted Fanhua Inc. options) will be subject to special pricing consideration in expiration processing on June 17, 2022. The pricing consideration is due to the undetermined final distribution rate and cash in lieu of fractional shares amount, if any, included in the option deliverable of FANH1 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex by Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

**FANH1**

FANH1 options are adjusted Fanhua Inc. options, adjusted June 8, 2022, (see OCC Information Memo #50533). The deliverable of FANH1 options is:

**NEW DELIVERABLE**

**PER CONTRACT:**

- 1) 100 Fanhua Inc. (FANH) American Depositary Shares
- 2) Approximately 23 CNFinance Holdings Limited (CNF) American Depositary Shares
- 3) Cash in lieu of approximately 0.55 fractional CNF American Depositary Shares, if any, less \$1.15 issuance fees (\$0.05 x 23)

As of June 16, 2022, the CNF Distribution Agent has not yet determined the final distribution rate and the price to be used to determine the cash in lieu amount, if any.

For purposes of calculating an FANH1 price for use in expiration processing, OCC will use the following formula:

$$\text{FANH1} = \text{FANH} + 0.2355 (\text{CNF})$$

For example, if FANH closes at 4.65, and CNF closes at 2.84, the FANH1 price would be:

$$\text{FANH1} = 4.65 + 0.2355 (2.84) = 5.32$$

This formula includes an estimate for the number of shares and value of the cash in lieu amount and not the actual amounts applicable in the distribution.

**ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.**

For questions regarding this memo, please email the Investor Education team at [options@theocc.com](mailto:options@theocc.com).  
Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).