



Date: July 06, 2022
Subject: Adjusted Fanhua Inc. – Cash In Lieu Settlement
Adjusted Option Symbol: FANH1

Adjusted Fanhua Inc. options were adjusted on June 8, 2022 (See OCC Information Memo #50663).

The new deliverable became 1) 100 Fanhua Inc. (FANH) American Depositary Shares, 2) 23 CNFinance Holdings Limited (CNF) American Depositary Shares, and 3) Cash in lieu of 0.55 fractional CNF American Depositary Shares, less \$1.15 issuance fees (\$0.05 x 23). Only settlement of the cash portion of FANH1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$2.58996 per whole CNF share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.55 \times \$2.58996 = \$1.42 \text{ per FANH1 Contract}$$

Additionally, a \$0.05 issuance fee per issued ADS is applicable. Thus, the total cash amount included in the FANH1 deliverable is:

$$\$1.42 - (23 \text{ shares issued} \times \$0.05) = \$1.42 - \$1.15 = \$0.27 \text{ per FANH1 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of June 8, 2022 through July 06, 2022, to deliver the appropriate cash amount.

The cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.

Terms of the FANH1 options are as follows:

**New Deliverable
Per Contract:**

- 1) 100 Fanhua Inc. (FANH) American Depositary Shares
- 2) 23 CNFinance Holdings Limited (CNF) American Depositary Shares
- 3) \$0.27 Cash

Strike Prices: Unchanged

CUSIPS: FANH: 30712A103

CNF: 18979T105

Multiplier: 100 (i.e., a premium of 1.50 yields \$150)

Settlement

The FANH and CNF components of FANH1 exercise/assignment activity from June 8, 2022 through July 5, 2022, have settled through National Security Clearing Corporation (NSCC). The \$0.27 cash amount will be settled by OCC.

Pricing

The underlying price for FANH1 will be determined as follows:

$$\text{FANH1} = \text{FANH} + 0.23 (\text{CNF}) + 0.0027$$

For example, if FANH closes at 5.16 and CNF closes at 2.53, the FANH1 price would be calculated as follows:

$$\text{FANH1} = 5.16 + 0.23 (2.53) + 0.0027 = 5.74$$

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

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. 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.