



Date: September 09, 2022

Subject: PetroChina Company Limited – ADR Termination/Anticipated Cash Settlement
Option Symbol: PTRCY
Date: ???
*** Update ***

The Bank of New York (the “Depository”) announced it will terminate the Deposit Agreement among PetroChina Company Limited (PTRCY), the Depository, and Owners and Holders of PTRCY ADRs. The termination will become effective at 5:00 PM (Eastern Time) on Monday, October 17, 2022.

PTRCY ADR holders have until at least Friday, October 20, 2023, to surrender their PTRCY ADRs for delivery of PetroChina Company Limited H shares, which underlie the ADRs. PTRCY ADR holders who surrender their ADRs for the underlying shares will be required to pay a cable fee of \$17.50, a cancellation fee of up to \$5.00 per 100 ADRs surrendered, and any applicable U.S. or local taxes or governmental charges.

Subsequent to Friday, October 20, 2023, the Depository may attempt to sell the H shares that underlie any remaining ADRs not surrendered. If the Depository sell such shares, shareholders must surrender their ADRs to obtain payment of the sale proceeds, net of the expenses of sale, withholdings, and a cancellation fee of up to \$0.05 per ADS.

PetroChina Company Limited ADRs were delisted from the New York Stock Exchange (“NYSE”) and started trading OTC under the trading symbol PTRCY on September 9, 2022.

Exercise Consideration - At the time of the contract adjustment, the deliverable for adjusted PTRCY options will be 100 x the net cash proceeds received per PTRCY ADR from the sale of remaining underlying H shares after October 20, 2023. PTRCY call option holders who wish to receive the corresponding ADRs and who do not wish to receive the cash proceeds from the sale of ADRs, should exercise their options in sufficient time to receive the ADRs. In all cases, it is the sole responsibility of persons holding call options seeking to receive the underlying securities to determine when to exercise their options.

Contract Adjustment

The option symbol PTRCY will not change

Date: ???

New Deliverable Per Contract: 100 x the cash proceeds received per PTRCY ADR, less applicable fees and withholdings, if any

Settlement in PTRCY options will take place through OCC's cash settlement system. Settlement will be accomplished by payment of the difference between the extended strike amount and the cash deliverable.

Acceleration of Expirations

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to **an acceleration of the expiration dates for outstanding option series** (See OCC Information Memo 23988).

Special Risks

If an OTC trading market is not sustained, it is uncertain if the National Securities Clearing Corporation (NSCC) will continue to accept for settlement PTRCY options exercise and assignment activity. If these circumstances cause impairments in the ability of OCC to settle PTRCY options exercise and assignment activity, OCC may take the following actions: 1) if PTRCY ADRs are only transferrable to the Depository, OCC **may** delay settlement of PTRCY options exercise and assignment activity until the final net cash proceeds from the sale of the underlying shares amount is available (which is not expected to occur before October 20, 2023), or 2) if PTRCY ADRs remain transferrable, OCC **may** direct that the PTRCY options exercise and assignment activity be settled on a broker to broker basis through OCC's system; however, OCC **may** delay the settlement obligations of both the delivering and receiving parties if the delivering party is not able to effect broker to broker settlement on the original exercise settlement date. **Such a delay in settlement may extend until the final PTRCY cash proceeds amount is determined, after which time the unsettled obligations would settle for cash.**

The possible absence of an OTC trading market for the PTRCY ADRs and the possibility that PTRCY options exercise and assignment activity may be delayed until the final cash proceeds amount is determined pose possible risks for PTRCY options exercisers and assignees: If subject to delayed settlement, an exerciser or assignee may be impaired in ability to protect himself from a decrease or increase in the value of the PTRCY deliverable which occurs from the original exercise date to the date the final cash proceeds amount is determined. Under normal circumstances, an offsetting sale or purchase could be effected in the marketplace to protect against the increase or decrease in value of the deliverable security. But if a market for the PTRCY ADRs does not exist, price protection may require a purchase or sale of PetroChina Company Limited H shares on the home market.

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.