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#51363

Date: November 15, 2022

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

PTRCY exercise and assignment activity has been subject to delayed settlement since October 20, 2022. Effective November 15, 2022, OCC has determined that, effective with exercises of October 20, 2022 and thereafter, all PTRCY exercise and assignment activity will settle on a broker to broker basis.

All delayed settlement obligations from October 20, 2022 through November 14, 2022 will no longer be delayed and will settle on a broker to broker basis. The deliverable for PTRCY options will remain the underlying PTRCY ADSs.

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 became 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. PTRCY ADRs ceased trading OTC before the open on October 20, 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

No Exercise Restrictions

OCC has determined not to impose any exercise restrictions with respect to PTRCY options. Therefore OCC will continue to accept and process exercise instructions in accordance with its Rules and as further described below. Because OCC has been informed NSCC will not accept exercise/assignment transactions involving the PTRCY for settlement, such settlement will be effected as follows.

Broker to Broker Settlement

Pursuant to OCC By-Law Article VI, Section 19, OCC has determined that, effective with exercises of October 20, 2022 and thereafter, all PTRCY exercise and assignment activity shall settle on a broker to broker basis. The deliverable for PTRCY options will remain the underlying PTRCY ADSs.

If it is not possible for the delivering Clearing Member to effect delivery of the PTRCY shares on the designated settlement date, then the settlement obligations of both delivering and receiving Members shall be delayed until such time as OCC designates a new exercise settlement date, settlement method and/or settlement value. This determination allows delivering Members the opportunity to effect settlement if they have PTRCY shares and are able to effect delivery, but delays the settlement obligation when this is not possible. Both the delivering and receiving Clearing Members are required to immediately notify OCC if they are unable to effect settlement.

In determining that delivery of the PTRCY shares is in fact not possible in respect of a given exercise or assignment, OCC shall require an appropriate officer(s) of the delivering Clearing Member to represent in writing that delivery is not possible. (Upon exercise or assignment of PTRCY options, OCC will contact each delivering Clearing Member to provide the specific requirements and procedures for such representation.)

Pursuant to customary OCC broker to broker settlement procedures, inability to effect delivery may subsequently occasion cash settlement as determined by OCC.

Broker to Broker Delivery Advice/Settlement Procedures

Clearing Members should note that PTRCY exercise and assignment activity will be reported on the Broker to Broker Delivery Advice, which is a separate report from the regular Delivery Advice. Members will need to refer to this report each day to be informed of PTRCY exercise/assignment activity. The Broker to Broker Delivery Advice will also identify the opposite side Clearing Member with whom settlement is to be made. Members are responsible for contacting the opposing side on all PTRCY activity and for making arrangements for settlement. Both delivering and receiving Members are also reminded of their obligation to inform OCC when settlement is made. OCC will continue to margin PTRCY exercise/assignment activity until settlement is accomplished.

Special Risks

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 Depositary, 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 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.