



**THE FOUNDATION
FOR SECURE
MARKETS®**

#53105

Date: August 29, 2023

Subject: China Southern Airlines Company Limited - ADR Termination/Cash Settlement/Acceleration of Expirations
Option Symbol: ZNHYY
Date: 08/29/2023

On February 3, 2023, the Bank of New York Mellon (the "Depository") announced it will terminate the Amended and Restated Deposit Agreement among China Southern Airlines Company Limited (ZNHYY), the Depository, and holders of American Depositary Shares ("ADSs"). The termination became effective on March 6, 2023, and ZNHYY ADSs were suspended from trading on an over the counter market before the open on March 7, 2023.

ZNHYY ADS holders were able to surrender their ADSs for cancellation and take delivery of the underlying H shares until at least July 7, 2023. The Depository sold the underlying shares that underlie any remaining ADRs not surrendered, and the net proceeds were distributed to the remaining holders of ADSs on August 29, 2023. **The cash proceeds received per ZNHYY ADS will be \$29.749088 (\$29.799088 less \$0.05 cancellation fee).**

The option symbol ZNHYY will not change.

Date: August 29, 2023

**New Deliverable
Per Contract:** \$2,974.91 Cash (\$29.749088 x 100)

ZNHYY exercise and assignment activity, which was subject to delayed settlement from March 7, 2023 through August 28, 2023, is no longer subject to delayed settlement, effective August 29, 2023.

Settlement in ZNHYY 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 23707) Additionally, the exercise by exception (ex by ex) threshold for expiring series will be \$.01 in all account types.

All series of China Southern Airlines Company Limited options whose expiration dates are after 09-15-2023 will have their expiration dates advanced to 09-15-2023. Expiration dates occurring before 09-15-2023 (e.g., Flex options) will remain unchanged.

All China Southern Airlines Company Limited options will utilize a \$.01 exercise threshold.

Option Symbol: ZNHYY

Existing Expiration: All months

New expiration date: 09-15-2023

Existing American-style China Southern Airlines Company Limited options remain exercisable at the option of the holder prior to their expiration. Exercised options will continue to settle in two business days.

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.