

香港聯合交易所有限公司
(香港交易及結算所有限公司全資附屬公司)
The Stock Exchange of Hong Kong Limited
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

事項

Subject: **SHORT SELLING OF CHINA CONNECT SECURITIES THROUGH SHANGHAI-HONG KONG STOCK CONNECT**

查詢

Enquiry: **Participant General Enquiry Hotline (Tel : 2840 3626 E-mail : trd@hkex.com.hk)**

Reference is made to the Exchange circular (Ref: [CT/004/15](#)) dated 23 January 2015 regarding short selling of China Connect Securities through Shanghai-Hong Kong Stock Connect. China Connect Exchange Participants (“CCEPs”) are requested to note that the Securities and Futures Commission (“SFC”) has approved [the amendments to the Rules of the Exchange](#) in relation to short selling of China Connect Securities. The short selling of eligible China Connect Securities (“Short Selling Security”) will be allowed starting 2 March 2015 and the [list of Short Selling Security](#) can be found on the HKEx website.

To facilitate short selling by CCEPs, HKEx will publish on its website (<http://www.hkex.com.hk/chinaconnect>) on each CSC trading day and for each Short Selling Security the following information (a sample layout is shown in Attachment 1):

	Information Display	Update time / frequency
a.	Maximum number of shares available for short selling for the CSC trading day	Before market open
b.	Remaining balance available for short selling	Every 15 minutes
c.	Short selling turnover (in shares and in value) for each Short Selling Security	After the close of morning session and after market close
d.	Respective daily and 10-day cumulative short selling percentage	After market close

..... / Page 2

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CCEPs are reminded that if they need to conduct stock borrowing and lending (“SBL”) for the purpose of short selling, they must submit to the Exchange the [Undertaking by China Connect Exchange Participant Lending China Connect Securities to Clients](#) (“Undertaking”) and/or the [Confirmation by China Connect Exchange Participant Borrowing China Connect Securities](#) (“Confirmation”). There will also be mandatory reporting requirements for SBL and short selling activities as follows:

1. [Stock Borrowing and Lending Monthly Report for China Connect Securities](#): CCEPs and (including EPs referred to in Rule 590(1) (“TTEPs”)) are required to submit this report to the Exchange if they have submitted to the Exchange the Undertaking and/or the Confirmation. This report should be submitted to the Exchange on or before the 7th day of the following month.
2. [Short Selling Weekly Report for China Connect Securities](#): CCEPs should report to the Exchange on the open short positions of any Short Selling Securities and the return of borrowed shares to stock lender during a reporting week. This report should be submitted to the Exchange on or before the first working day of the following week.
3. [Large Open Short Position Report for China Connect Securities](#): CCEPs and TTEPs should report to the Exchange if the open short position of any short selling security they have executed for their own account or for the account of any of their clients as of the market close on the last CSC trading day of a calendar week exceeds the prescribed thresholds as follows:
 - (i) RMB 25 million (based on the closing price of the Short Selling Security on the last CSC trading day of the week);
 - (ii) 0.02% of the total issued shares of the Short Selling Security as indicated on the website of the Shanghai Stock Exchange.

This report should be submitted to the Exchange within 2 working days after the last CSC trading day of the week.

The prescribed form of the reports and the related explanatory notes are available on the [Shanghai-Hong Kong Stock Connect web corner](#) for reference.

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