

Rules of the Exchange

ELEVENTH SCHEDULE

SHORT SELLING REGULATIONS (“REGULATIONS”)

- (18) An automatch stock may be designated by the Exchange as Designated Security from time to time if it falls within or is otherwise included in any one or more of the following categories:-
- (a) all constituent stocks of indices which are the underlying indices of equity index products traded on the Exchange;
 - (b) all constituent stocks of indices which are the underlying indices of equity index products traded on HKFE;
 - (c) all underlying stocks of stock options traded on the Exchange;
 - (d) all underlying stocks of Stock Futures Contracts (as defined in the rules, regulations and procedures of HKFE) traded on HKFE;
 - (e) stocks which maintain a public float capitalisation (i.e. stocks in the hands of the public as in Chapter 8 of the Main Board Listing Rules) of not less than HK\$1 billion for either (i) a period of 60 consecutive trading days during which dealings in such stocks have not been suspended; or (ii) a period of no more than 70 consecutive trading days comprising 60 trading days during which dealings in such stocks have not been suspended;
 - (f) stocks with market capitalisation of not less than HK\$1 billion and an aggregate turnover during the preceding 12 months to market capitalisation ratio of not less than 40%;
 - (g) Exchange Traded Funds approved by the Board in consultation with the Commission;
 - (h) all securities traded under the Pilot Program;
 - (i) stocks that have been listed on the Exchange for not more than 60 trading days, with a public float capitalisation of not less than HK\$10 billion for a period of 20 consecutive trading days commencing from the date of their listing on the Exchange and an aggregate turnover of not less than HK\$200 million during such period;
 - (j) all underlying stocks of Structured Product which is based on one single class of shares traded on the Exchange; and
 - (k) applicable Market Making Securities (other than the securities described in categories (g) and (h) above) approved by the Board in consultation with the Commission.

For the purposes of this Regulation (18), where the stocks of an issuer have been accepted for trading on the Exchange in more than one currency under different designated stock codes, the Exchange may regard the stocks traded under all stock codes as a single automatch stock and calculate the public float capitalization, market capitalization and aggregate turnover referred to above on a combined basis so long as the stocks traded under different stock codes constitute securities of the same class of the issuer and the transfer of stocks between different stock codes is allowed.