

Trading Rules of Shanghai Stock Exchange

(2018 Revision)

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Chapter I General Provisions

1.1 The *Trading Rules* have been formulated in accordance with the *Securities Law of the People's Republic of China* and other laws, administrative regulations, rules of State departments and the *Constitution of Shanghai Stock Exchange* in order to regulate securities trading activities, safeguard the order in the securities market and protect the legitimate rights and interests of investors.

1.2 The *Trading Rules* are applicable to the trading of securities and derivatives (hereinafter collectively referred to as "securities") listed on Shanghai Stock Exchange (hereinafter referred to as the "SSE"). Any matter not specified in the *Trading Rules* shall be governed by other applicable rules of the SSE.

1.3 The trading of securities shall be conducted on an open, fair, and equitable basis.

1.4 The trading of securities shall comply with laws, administrative regulations, rules of State departments and applicable market rules of the SSE and shall abide by the principles of free will, compensation, honesty and good faith.

1.5 Securities shall be traded on a paperless and centralized basis or by such other means as China Securities Regulatory Commission (hereinafter referred to as "CSRC") may approve.

Chapter II Trading Market

Section 1 Marketplace

2.1.1 The SSE provides the marketplace and facilities for securities trading. The marketplace and facilities comprise the SSE trading system, trading floor, Participant Business Unit, order routing system and relevant communication systems.

2.1.2 The SSE has a trading floor. Members of the SSE (hereinafter referred to as "members") shall submit orders through their traders stationed at the trading floor.

Unless specially permitted by the SSE, only the following persons are admitted to the trading floor:

- (1) registered traders; and
- (2) in-floor supervisors.

Section 2 Trading Participants and Trading Rights

2.2.1 To trade securities on the SSE, members and the institutions approved by the SSE shall apply to the SSE for the right to trade to become trading participants of the SSE.

Trading participants shall trade securities through the Participant Business Unit established by the SSE and in compliance with the *Trading Rules* and applicable provisions of other market rules of the SSE with respect to securities trading.

2.2.2 Participant Business Unit refers to a basic unit that allows a trading participant to trade securities on the SSE, to hold and exercise relevant trading rights and to be subject to the administration of the SSE in respect of relevant trading activities.

2.2.3 Detailed rules on the administration of Participant Business Unit and relevant trading rights will be separately formulated by the SSE and shall come into effect upon the approval of the CSRC.

Section 3 Trading Instruments

2.3 The following securities can be listed and traded on the SSE:

- (1) stocks;
- (2) funds;
- (3) bonds;
- (4) bond repos;
- (5) warrants; and
- (6) other instruments as approved by the CSRC.

Section 4 Trading Hours

2.4.1 The SSE is open for trading from Monday to Friday.

The market is closed on public holidays and other days as announced by the SSE.

2.4.2 Except as otherwise specified herein, with respect to auction trading, the opening call auction runs from 9:15 to 9:25 on each trading day, the continuous auction from 9:30 to 11:30 and from 13:00 to 14:57 on each trading day, and the closing auction from 14:57 to 15:00 on each trading day.

With respect to the trading of funds, bonds or bond repos, the opening auction runs from 9:15 to 9:25 on each trading day, and the continuous auction from 9:30 to 11:30 and from 13:00 to 15:00 on each trading day.

Securities whose trading is suspended and resumed during trading hours are excluded from those auctions.

With the approval of the CSRC, the SSE may adjust trading hours based on market development.

2.4.3 Trading hours will not be extended in the event of a temporary market closure for reasons.

Chapter III Securities Trading

Section 1 General Rules

3.1.1 Upon accepting an investor's instruction, the member shall place an order with the SSE in accordance with the instruction and assume the corresponding trading and settlement obligations.

After the buy or sell order submitted by the member on behalf of the investor is executed, the investor shall deliver the purchase payment or the securities sold to the member, and the member shall deliver the securities purchased or the sale payment to the investor.

3.1.2 Trading participants shall send trading orders to the SSE trading system through relevant order routing system, Participant Business Units and order submission channels and effect trades according to the *Trading Rules*. Trading results and other records are sent to trading participants by the SSE.

3.1.3 Trading participants shall properly store the records on client instructions and order submissions according to relevant provisions.

3.1.4 Except for turn-around trades, securities purchased by investors shall not be resold before settlement.

A turn-around trade of securities refers to a complete or partial resale of any securities purchased by investors after confirmation of execution but before settlement.

3.1.5 Intraday turn-around trading is applicable to the following instruments:

- (1) bonds;
- (2) bond exchange-traded funds;
- (3) money market exchange-traded funds;
- (4) gold exchange-traded funds;
- (5) cross-border exchange-traded funds;
- (6) cross-border listed open-ended funds;
- (7) warrants; and
- (8) other instruments as approved by the CSRC.

The abovementioned cross-border exchange-traded funds and cross-border listed open-ended funds shall be limited to the open-ended funds that track index constituents or underlying investments to which intraday turn-around trades are applicable.

Turn-around trades of B-shares are available on the next trading day.

3.1.6 The SSE may adopt a market maker system in view of market conditions. The specific rules for the system will be separately formulated by the SSE and shall come into effect upon the approval of the CSRC.

Section 2 Designation

3.2.1 The SSE implements a designated trading system for all the securities traded on the SSE market, except B-shares traded by overseas investors.

3.2.2 Under the designated trading system, an investor who trades securities on the SSE must designate one member in advance as its agent and trade through its designated member.

3.2.3 An investor shall enter into an agreement with its designated member and specify therein the rights, obligations and responsibilities of both parties. After the agreement is executed, the member can complete the designation process through the SSE trading system based on the request of the investor.

3.2.4 The SSE accepts designation instructions during trading hours. Such instructions become valid immediately after being accepted by the SSE trading system.

3.2.5 An investor who intends to change its designation shall submit a cancellation request with its current designated member, who shall enter the request into the SSE trading system accordingly. The designated member may not restrict, obstruct or delay any cancellation request from an investor who meets applicable requirements.

3.2.6 Once a designation is cancelled, the investor may reapply to designate another member.

3.2.7 Other matters in respect of designated trading shall be governed by the relevant provisions of the SSE.

Section 3 Client Instruction

3.3.1 To trade securities, an investor shall open a securities account and a cash account and sign a broker-client agreement with a member. Once the agreement comes into effect, the investor will become a brokerage client (hereinafter referred to as “client”) of the member.

Investors shall open securities accounts according to the relevant provisions of the registration and clearing institution designated by the SSE.

3.3.2 Clients may instruct a member to buy or sell securities on their behalf either in writing or through self-service channels such as telephone, self-service terminal or the Internet. Clients shall follow the relevant operational procedures when placing an order through self-service channels.

3.3.3 A member shall enter into a self-service trading agreement with any of its clients who intends to trade securities through self-service channels.

3.3.4 Unless otherwise specified by the SSE, an order placed by a client shall include the following:

- (1) securities account number of the client;
- (2) code of the security;
- (3) trading direction;
- (4) instructed quantity;
- (5) instructed price; and
- (6) other information as required by the SSE and the designated member.

3.3.5 Clients may trade securities through their members by placing limit orders or market orders.

A limit order is an instruction given by a client to a member to buy a particular security at a specified price or lower, or to sell at a specified price or higher.

A market order is an instruction given by a client to a member to buy or sell a particular security at the current best market price.

3.3.6 Clients may cancel the unfilled portion of their client instructions.

3.3.7 Member shall return to its client the cash or securities corresponding to a cancelled or expired client instruction upon confirmation of the cancellation or expiry.

3.3.8 Margin trading and short selling services as may be provided by members to clients in securities trading shall be governed by relevant provisions.

Section 4 Order Placement

3.4.1 The SSE trading system accepts trading participants' auction orders between 9:15-9:25, 9:30-11:30 and 13:00-15:00 on each trading day.

The SSE trading system will not accept any order cancellation requests during the opening auction between 9:20-9:25 and the closing auction between 14:57 to 15:00 on each trading day. During other trading hours, unexecuted orders can be cancelled, effective upon the confirmation by the SSE trading system.

The SSE may at its discretion adjust the time of order acceptance.

3.4.2 A member shall timely submit client orders to the SSE trading system in the order that such client orders are received.

3.4.3 The SSE accepts limit orders and market orders from trading participants.

3.4.4 The SSE accepts the following types of market orders in view of market needs:

(1) Five Best Orders Immediate or Cancel: an order that is executed in sequence against the current five best prices on the opposite side, with the unfilled portion, if any, cancelled automatically.

(2) Five Best Orders Immediate to Limit: an order that is executed in sequence against the current five best prices on the opposite side, with the unfilled portion, if any, converted to a limit order whose limit price is set to the last executed price on the same side. If the Five Best Orders Immediate to Limit order cannot be filled at all, it is either converted to a limit order whose limit price is set to the best quotation on the same side, or, in the absence of such a quotation, cancelled; and

(3) other types of orders as specified by the SSE.

3.4.5 Except as otherwise specified by the SSE, market orders are only available to securities with daily price limit during the continuous auction.

3.4.6 A limit order shall contain such information as securities account number, brokerage branch code, code of the security, trading direction, quantity, and price.

A market order shall contain such information as order type, securities account number, brokerage branch code, code of the security, trading direction, and quantity.

Orders must be routed in the format specified by the SSE. The SSE may at its discretion adjust the content of orders and the method of their submission.

3.4.7 When buying stocks, funds or warrants through auction trading, each order shall be in multiple of 100 shares (units).

When selling stocks, funds or warrants, any remaining quantity less than 100 shares (units) shall be sold in a single order.

3.4.8 During auction trading, each order for bonds shall be in multiple of 1 lot, each order for bond collateral repos shall be in multiple of 100 lots, and each order for buyout repos shall be in multiple of 1,000 lots.

Except as otherwise specified by the SSE, 1 lot equals to a bond with par value of RMB 1,000 Yuan in the trading of bonds and buyout repos, and equals to a standard bond of RMB 1,000 Yuan in the trading of bond collateral repos.

3.4.9 The maximum order size is 1 million shares (units) for stocks, funds and warrants, 100,000 lots for bonds and bond collateral repos, and 50,000 lots for buyout repos.

The SSE may adjust the maximum order size for securities trading in view of market conditions.

3.4.10 The quotation unit varies by securities. Except as otherwise specified by the SSE, the quotation unit for stocks, funds, warrants, bonds, bond collateral repos, and buyout repos is, respectively, price per share, price per fund unit, price per warrant, price per RMB 100 Yuan

in par value, annualized yield-to-maturity per RMB 100 Yuan, and repurchase price at maturity per RMB 100 Yuan in par value.

3.4.11 The tick size of an order for A-shares, bonds, and bond buyout repos is RMB 0.01 Yuan, that for funds and warrants is RMB 0.001 Yuan, that for B-shares is USD 0.001, and that for bond collateral repos is RMB 0.005 Yuan.

3.4.12 For all types of securities, the SSE may adjust the size of each buy or sell order and the tick size in view of market conditions.

3.4.13 The SSE imposes daily price limit on the trading of stocks and funds in the form of a price fluctuation ratio, currently set to 10%.

The price limit for stocks and funds is calculated as: price limit = previous closing price \times (1 \pm price fluctuation ratio).

The result from this calculation shall be rounded to the nearest tick size.

The price limit does not apply in any of the following cases on the first trading day:

- (1) IPO shares or closed-end funds;
- (2) shares issued through secondary offerings;
- (3) shares whose listing is resumed after suspension;
- (4) shares which are relisted after being delisted; and
- (5) other cases as recognized by the SSE.

The SSE may adjust the price fluctuation ratio by approval of the CSRC.

3.4.14 In the trading of securities that are subject to the daily price limit, an order is valid only if its quotation is within the price limit; orders with quotations beyond the price limit are invalid.

3.4.15 Except as otherwise specified by the SSE, in the trading of securities that are not subject to the daily price limit, a valid quotation during auction shall meet the following requirements:

- (1) quotation for stocks during opening auction shall not be higher than 900% or lower than 50% of the previous closing price;
- (2) quotation for funds and bonds during opening auction shall not be higher than 150% or lower than 70% of the previous closing price;
- (3) quotation for stocks during closing auction shall not be higher than 110% or lower than 90% of the last executed price.

In the absence of any trade on the current day, the previous closing price shall be deemed as the last executed price.

Quotation for bond repos is not subject to any restriction during opening auction.

3.4.16 Except as otherwise specified by the SSE, in the trading of securities that are not subject to the daily price limit, a valid quotation during continuous auction and trading suspension within trading hours shall meet the following requirements:

(1) quotation for stocks during continuous auction and trading suspension within trading hours shall not be higher than 110% or lower than 90% of the last executed price.

(2) quotation for funds, bonds and bond repos during continuous auction shall neither be higher than 110% of the currently available lowest ask nor be lower than 90% of the currently available highest bid, and shall neither be higher than 130% nor be lower than 70% of the average of the foregoing highest bid and lowest ask; In the absence of any currently available bid, the lower of the currently available lowest ask and the last executed price shall be deemed as the foregoing highest bid; In the absence of any currently available ask, the higher of the currently available highest bid and the last executed price shall be deemed as the foregoing lowest ask.

In the absence of any trade on the current day, the previous closing price shall be deemed as the last executed price.

The SSE may adjust restrictions on quotations in view of market conditions.

3.4.17 An order is only valid on the day of placement. Except as otherwise specified by the SSE, where an order cannot be fully filled in one trade during auction trading, the remaining portion shall continue to be enrolled in auction trading for the rest of the day.

Section 5 Auction

3.5.1 Auction trading of securities is conducted either as an auction or a continuous auction.

Auction refers to the process of one-time, centralized matching of buy and sell orders accepted during a specified period.

Continuous auction refers to the process of continuous matching of buy and sell orders on an order-by-order basis.

3.5.2 Buy or sell orders not executed during the current auction trading session on a trading day will automatically enter the subsequent auction trading session on that day.

Section 6 Order Execution

3.6.1 During the auction trading of securities, orders are matched and executed based on the principles of price priority and time priority.

The principle of price priority: priority is given to orders with a higher bid or a lower ask.

The principle of time priority: for orders with the same bid or ask, priority is given to the order placed earlier. The sequence of orders is based on the time the SSE trading system accepts such orders.

3.6.2 During auction, the execution price shall be determined according to the following principles:

- (1) a price that will produce the highest trading volume;
- (2) a price that allows all buy orders with a higher bid and all sell orders with a lower ask to be executed; or
- (3) a price that allows all buy orders at that price to be executed, or all sell orders at that price to be executed, or both.

Where more than one price satisfies the conditions above, the one that minimizes the unfilled volume is taken as the execution price; where the minimum unfilled volume is achieved at two or more prices that satisfy the conditions above, their average is taken as the execution price.

In auction all trades shall be executed at the same execution price.

3.6.3 During continuous auction, the execution price shall be determined according to the following principles:

- (1) where the highest bid matches the lowest ask, such price shall be taken as the execution price;
- (2) where the bid is higher than the currently available lowest ask, such lowest ask shall be taken as the execution price;
- (3) where the ask is lower than the currently available highest bid, such highest bid shall be taken as the execution price.

3.6.4 In the event that an execution price determined according to the principles of order execution falls outside the tick size, the execution price shall be rounded to the nearest tick size.

3.6.5 A trade is concluded after a buy order and a sell order are matched and executed by the SSE trading system. A trade that is transacted in accordance with the *Trading Rules* is effective as from its conclusion. Both the buyer and the seller shall accept the trading results and perform their obligations of clearing and settlement.

Where any trade results in severe consequences due to force majeure, unexpected events or unauthorized access to the SSE trading system, the SSE is entitled to take appropriate actions in response or to void the trade.

Where any trade is grossly unfair, then after verifying this determination and receiving the approval of the board of the SSE, the SSE may take appropriate actions in response and report the matter to the CSRC.

Where any trade contravenes the *Trading Rules* and has seriously disrupted the normal course of trading in the securities market, the SSE is entitled to announce the cancellation of the trade and any losses incurred therefrom shall be borne by the offending trader.

3.6.6 The execution data kept by the SSE trading system shall be taken as the final results of the trades executed under the *Trading Rules*.

3.6.7 Clearing and settlement of securities trades shall be conducted in accordance with the provisions of the registration and clearing institution designated by the SSE.

Section 7 Block Trade

3.7.1 A securities trade on the SSE can be executed as a block trade if it meets any of the following thresholds:

(1) for a single order for A-shares, the intended trading volume is no less than 300,000 shares or the transaction value is no less than RMB 2 million Yuan;

(2) for a single order for B-shares, the intended trading volume is no less than 300,000 shares or the transaction value is no less than USD 200,000;

(3) for a single order for funds, the intended trading volume is no less than 2 million units or the transaction value is no less than RMB 2 million Yuan; or

(4) for a single order for bonds or bond repos, the intended trading volume is no less than 1,000 lots or the transaction value is no less than RMB 1 million Yuan.

The SSE may adjust the thresholds on block trades in view of market conditions.

3.7.2 The SSE accepts the following types of block trade orders:

(1) intent orders;

(2) execution orders;

(3) fixed-price orders; and

(4) other block trade orders recognized by the SSE.

3.7.3 The SSE accepts block trade orders at the following hours on each trading day:

(1) intent orders: 9:30-11:30 and 13:00-15:30;

(2) execution orders: 9:30-11:30, 13:00-15:30 and 16:00-17:00; and

(3) fixed-price orders: 15:00-15:30.

If certain securities are still suspended from trading as of 15:00 on a trading day, the SSE will not accept any further block trade order in such securities on that trading day.

3.7.4 Orders the execution of which is confirmed during 9:30-15:30 on a given trading day shall be cleared and settled on that trading day.

Orders the execution of which is confirmed during 16:00-17:00 on a given trading day shall be cleared and settled on the following trading day.

3.7.5 An intent order shall contain such information as securities account number, code of the security, and trading direction.

All intent orders shall be true and valid. An intent order without a specific price shall be deemed as consent to at least buy at the prescribed lowest price or sell at the prescribed highest price; an intent order without a specific quantity shall be deemed as consent to at least execute a trade at the lowest quantity required for a single block trade.

3.7.6 Once an intent order is accepted by members (including those other members who quote a better price than the one in the intent order), the order submitter shall place an execution order with at least one such member.

3.7.7 After trading parties agree on a block trade, they shall instruct their respective members to submit execution orders to the SSE trading system via Participant Business Units, indicating:

- (1) code of the security;
- (2) securities account number;
- (3) trading direction;
- (4) execution price;
- (5) trading volume; and
- (6) other content required by the *Trading Rules*.

The code of the security, execution price, and trading volume must be identical across all execution orders.

3.7.8 After the trading parties enter into an agreement on a block trade, they shall input execution orders into the SSE trading system with identical execution price and trading volume.

Except as otherwise specified by the SSE, the execution order and the execution results of a block trade, once confirmed by the SSE, shall not be cancelled or modified and the trading parties must accept the execution results as final and perform their obligations of clearing and settlement.

3.7.9 The trading parties to a fixed-price order on any given trading day may place the order either at the closing price of the auction trading market on that trading day or at the daily volume-weighted average price on that trading day.

A fixed-price order shall contain such information as security account number, code of the security, trading direction, type of trade, and trading quantity.

A fixed-price order may be cancelled during any period in which fixed-price orders are accepted; after the end of such a period, the SSE will match and execute fixed-price orders in

accordance with the principle of time priority, with the unfilled portion of these orders, if any, cancelled automatically.

3.7.10 The execution price of a block trade order for securities that are subject to daily price limit shall be determined and submitted by the trading parties within the price limit applicable to such securities on the day of trading.

The execution price of a block trade order for securities that are not subject to daily price limit shall be negotiated and submitted by the trading parties within $\pm 30\%$ of the previous closing price or between the highest and lowest executed prices on the day of trading.

Orders accepted during 16:00-17:00 on any given trading day shall be subject to the price limit applicable during the other trading hours on that trading day.

3.7.11 Relevant members shall ensure that the participants to a block trade have the securities or capital for the execution of their order.

An institution that holds or has leased a Participant Business Unit of the SSE shall submit block trade orders through the Participant Business Unit. The institution shall also ensure that it has the securities or capital for the execution of the orders.

3.7.12 The SSE adopts the market maker system in block trades of bonds.

Upon being specially recognized by the SSE, a member may serve as a market maker and issue two-way quotes for bonds through the block trading system of the SSE.

3.7.13 Block trades are not factored in the real-time quotations and the calculation of indices. However, the trading volumes from concluded block trades are added to the total trading volumes of the corresponding securities.

3.7.14 At the end of each trading day, the SSE will publish the following transaction information on its official website:

(1) execution orders for each block trade of stocks or funds, including the code of the security, short name of the security, trading volume, execution price, and names of the brokerage branches affiliated with the trading parties;

(2) execution orders for each block trade of bonds or bond repos, including the name of the security, execution price, and trading volume; and

(3) with respect to each security, the trading volume and transaction value of fixed-price orders in the security, and the names of the top five brokerage branches in terms of intraday purchase value and sale value in such security, and their respective purchase values and sale values.

3.7.15 If a block trade triggers the statutory conditions for information disclosure, the buyer and seller shall perform their disclosure obligations as required by relevant laws and regulations.

Section 8 Bond Repo Trading

3.8.1 Bond repo trading includes buyout repo trading, collateral repo trading, among others.

3.8.2 A buyout repo trade refers to a bond trade in which at the time the bond holder sells its bonds to the buyer, the two parties agree that the seller will buy back the same quantity of the same bonds at a specified price on a predetermined date.

A collateral repo trade refers to a bond trade in which at the time the bond holder pledges its bonds as collateral in exchange for a cash loan that corresponds to the number of standard bonds converted from such bonds at a conversion ratio, the two parties agree to return the cash and release the bonds pledged as collateral at the maturity of the repo.

3.8.3 The term of bond repo trading shall be based on the calendar day. In the event that the maturity day coincides with a non-trading day, settlement shall be performed on the following trading day.

Chapter IV Other Trading-Related Matters

Section 1 Opening Price and Closing Price

4.1.1 The opening price of a security on a trading day is the first execution price of such security on that day.

4.1.2 The opening price of a security is generated from auction. If no opening price can be generated thusly, it shall be generated from continuous auction.

4.1.3 Except as otherwise specified herein, the closing price of a security is generated from auction. If no closing price can be generated from closing auction or the security does not enter the closing auction, the closing price shall be the trading volume-weighted average price of all the trades of such security during the one minute before the last trade (including the last trade) on that day.

The closing price of a fund, bond, or bond buyout repo shall be the trading volume-weighted average price of all the trades of such fund, bond, or bond buyout repo during the one minute before the last trade (including the last trade) on that day.

The closing price of a bond collateral repo shall be the trading volume-weighted average price of all the trades of such bond collateral repo during the one minute before the last trade (including the last trade) on that day.

In the absence of any trade on the current day, the previous closing price shall be taken as the closing price of that day.

Section 2 Listing, Delisting, Trading Suspension and Resumption

4.2.1 Securities are traded after listing on the SSE.

4.2.2 Upon expiry of the listing term of any security or when any security no longer meets statutory listing criteria, the SSE will terminate the listing and trading of such security and delist it from the market.

4.2.3 The SSE is entitled to impose special trading suspension on the securities that are involved in suspected irregular trading. The parties involved shall submit written reports to the SSE as required.

The timing and approach of special trading suspension and resumption of trading are at the discretion of the SSE.

4.2.4 Quotations published by the SSE cover suspended securities but exclude delisted securities.

4.2.5 If a security is suspended from trading during trading hours, the orders submitted before the suspension will participate in the trading of the security when trading resumes. During trading suspension, orders can be submitted or cancelled. Upon trading resumption, an auction will be held for all the accepted orders, and the auction simulated reference price, virtual matched volume, and virtual unmatched volume will not be published during the trading suspension and auction.

If the trading of the security is suspended beyond 14:57 and must be resumed within the day, the security shall resume trading at 14:57 and then enter the subsequent trading session.

4.2.6 The SSE will announce the listing, delisting, and trading suspension and resumption of securities.

4.2.7 Other matters relating to the listing, delisting, trading suspension and trade resumption of securities shall be governed by the listing rules and other applicable rules of the SSE.

Section 3 Ex-right and Ex-dividend

4.3.1 In the event of interest distribution, transfer of reserves into share capital, or rights issues, the SSE will make ex-right and ex-dividend adjustment to relevant securities on the trading day following the record date (or, in the case of B-shares, following the last trading day), except as otherwise specified by the SSE.

4.3.2 The ex-right (ex-dividend) reference price shall be calculated as follows:

ex-right (ex-dividend) reference price = [(previous closing price – cash dividend) + price of rights issue (new shares) × percentage of change in floating shares] ÷ (1 + percentage of change in floating shares).

If a securities issuer wishes to adjust the above formula, it may file an application along with its reasons with the SSE. The SSE shall review the application and announce any adjustment it decides to make.

The previous closing price as displayed in the real-time quotations on the ex-right (ex-dividend) date is the ex-right (ex-dividend) reference price.

4.3.3 Unless otherwise specified by the SSE, on the ex-right (ex-dividend) date, the ex-right (ex-dividend) reference price shall be used as the basis for calculating the price fluctuation limit.

Section 4 Repayment of Principal on Bonds in Installments

4.4.1 The SSE treats installment repayment of principal on bonds as reduction of par value of the bonds.

In view of market conditions, the SSE may also process installment repayments by reducing the quantity of bonds being held or other methods.

4.4.2 Under the par value reduction method, installment repayments shall be processed as follows:

(1) The quantity of bonds being held remains unchanged while the par value of the bonds is reduced according to the repayment ratio. The reduced par value shall be: $\text{reduced par value} = \text{par value at issue} \times \text{ratio of the unpaid principal to the total principal}$;

(2) The quotation units for bonds, bond collateral repos, and buyout repos shall be, respectively, the price of the bonds as adjusted at the reduced par value, annualized yield-to-maturity per RMB 100 Yuan, and the repurchase price at maturity as adjusted at the reduced par value.

(3) The bonds shall be traded in lots and an order for the bonds shall be in multiple of 1 lot. The par value of 1 lot of bonds shall be: $\text{par value of 1 lot of bonds} = \text{RMB 1,000 Yuan} \times \text{ratio of the unpaid principal to the total principal}$.

(4) The SSE makes ex-right adjustments on the trading day following the record date. The ex-right reference price shall be: $\text{ex-right reference price} = \text{previous closing price} - \text{RMB 100 Yuan} \times \text{repayment ratio of the current installment}$.

4.4.3 Under the holdings reduction method, the par value of the bonds remains unchanged while the quantity of bonds being held is reduced according to the repayment ratio. An odd lot of bonds resulting from this reduction shall be repaid in full.

4.4.4 Matters relating to any other methods used to process installment repayment of principal on bonds shall be subject to rules separately promulgated by the SSE.

4.4.5 Other trading-related matters not covered in this section shall be subject to other provisions of the *Trading Rules*.

Section 5 Circuit Breaker

4.5.1 If the CSI 300 Index falls under any of the following circumstances, the SSE can halt the auction trading for the relevant instruments (e.g., stocks) (hereinafter referred to as “circuit breaker”) pursuant to the following rules and announce the halt to the market:

(1) if the CSI 300 Index rises or falls by 5% or more from its previous close for the first time of the day, trading will be halted for 15 minutes and resumed thereafter; if the circuit breaker

does not expire before 11:30, the remainder shall be filled after 13:00. If CSI 300 Index rises or falls by 5% or more from its previous close for the first time of the day during 14:45-15:00, trading will be halted till 15:00 and not be resumed on that day;

(2) if CSI 300 Index rises or falls by 7% or more from its previous close on a trading day, trading will be halted till 15:00 and not be resumed on that day.

If any of the above circumstances occurs during the opening auction, the circuit breaker will start from 9:30.

The specific time for the implementation of the circuit breaker mechanism is subject to the announcement of the SSE.

4.5.2 The SSE applies circuit breakers to the following instruments: stocks, funds, convertible corporate bonds, exchangeable corporate bonds, and other securities instruments recognized by the SSE. The specific list of such instruments shall be subject to the announcement of the SSE.

Circuit breakers do not apply to the following funds:

- (1) gold exchange-traded funds;
- (2) money market exchange-traded funds; and
- (3) bond exchange-traded funds.

4.5.3 If on the delivery date of a stock index futures contract a circuit breaker is triggered and it crosses 11:30, then trading will be resumed at 13:00 and no circuit breaker will apply during 13:00-15:00 on that day.

In the *Trading Rules*, “delivery date” shall mean the delivery date of the SSE 50 Index Futures Contract, the CSI 300 Index Futures Contract, and the CSI 500 Index Futures Contract, all of which are listed and traded on China Financial Futures Exchange, as well as other stock index futures contracts specified by the SSE.

4.5.4 If a circuit breaker expires before 15:00, orders may be placed or cancelled during the circuit breaker period.

If a circuit breaker does not expire until 15:00, the SSE trading system will not accept any orders except for cancellation requests during the circuit breaker period.

4.5.5 If a circuit breaker expires before 15:00, the SSE trading system will hold an auction to match and execute the accepted orders and proceed to continuous auction thereafter. If a circuit breaker does not expire until 15:00, no further auction will be held on that day.

During any circuit breaker period and the auction period following the expiration of the circuit breaker, the SSE will not publish the virtual reference price, virtual matched volume and virtual unmatched volume.

4.5.6 If the scheduled trade resumption of any securities coincides with a circuit breaker, such securities shall resume trading after the expiration of the circuit breaker. Securities instruments to which circuit breakers do not apply are not subject to the foregoing rule.

4.5.7 If a circuit breaker continues until 15:00 on a given trading day, no block trade of securities instruments affected by the circuit breaker shall be executed on that day.

Chapter V Trading Information

Section 1 General Rules

5.1.1 The SSE will publish real-time quotations, securities indices, public information on securities trading and other trading information on each trading day.

5.1.2 The SSE will timely prepare and publish various daily, weekly, monthly and yearly market reports.

5.1.3 The SSE owns the trading information generated from the markets of the SSE. Without the permission of the SSE, no entity or individual may use or publish such information.

Without the permission of the SSE, any entity or individual authorized by the SSE to use the said trading information shall not provide such information to other entity or individual for use or circulation.

5.1.4 The specific rules governing the administration of the securities trading information shall be separately formulated by the SSE.

Section 2 Real-Time Quotations

5.2.1 The real-time quotations during opening auction between 9:15-9:25 and closing auction between 14:57-15:00 include, with respect to each type of security, its code, short name, previous closing price, call-auction virtual reference price, virtual matched volume, and virtual unmatched volume.

5.2.2 The real-time quotations during continuous auction include, with respect to each type of security, its code, short name, previous closing price, last executed price, highest executed price of the day, lowest executed price of the day, cumulative trading volume and transaction value of the day, the five real-time highest bids and their quantities, and the five real-time lowest asks and their quantities.

5.2.3 Except as otherwise specified by the SSE, the previous closing price displayed in real-time quotations for a security on its IPO day is its issue price.

5.2.4 Real-time quotations are sent to trading participants via communication systems. Trading participants shall use real-time quotations within the scope authorized by the SSE.

5.2.5 The SSE may adjust the means of publication and the contents of real-time quotations based on market development.

Section 3 Securities Indices

5.3.1 The SSE compiles composite index, component index, sector index, and other securities indices to track the movement and trends of the entire securities market or that of a particular type of securities. The SSE publishes this information along with the real-time quotations.

5.3.2 Securities indices are compiled through an open, transparent process.

5.3.3 Rules governing the launch and compilation of securities indices shall be separately formulated by the SSE.

Section 4 Public Information on Securities Trading

5.4.1 Where any of the following circumstances occurs during the trading of the stocks or closed-end funds that are subject to a daily price limit, the SSE will publish the names of the top five brokerage branches in terms of intraday purchase value and sale value in such stocks and funds, and the branches' respective purchase values and sale values:

(1) the top three stocks (funds) whose intraday closing price deviation reaches $\pm 7\%$;

the closing price deviation is calculated as follows: closing price deviation = percentage change in price of a single stock (fund) – percentage change in corresponding sector index.

(2) top three stocks (funds) whose intraday price variation reaches 15%;

the price variation is calculated as follows: price variation = (intraday highest price – intraday lowest price) / intraday lowest price $\times 100\%$.

(3) top three stocks (funds) whose intraday turnover rate reaches 20%;

the turnover rate is calculated as follows: turnover rate = trading volume (shares or units) / floating volume (shares or units) $\times 100\%$.

In the event that the closing price deviation, price variation, or turnover rate of two or more stocks or funds is identical, the selection of stocks or funds shall be based first on transaction value and then on trading volume.

The corresponding sector indices include, among others, SSE A-Share Index, SSE B-Share Index and SSE Fund Index, each compiled by the SSE.

With respect to the stocks and closed-end funds that are not subject to the daily price limit under Article 3.4.13, the SSE will publish the names of the top five brokerage branches in terms of intraday purchase value and sale value in such stocks and funds, and the branches' respective purchase values and sale values.

5.4.2 The SSE considers each of the following situations that occurs during auction trading of stocks or closed-end funds to be an unusual movement. Once an unusual movement occurs, the SSE will publish the names of the top five brokerage branches in terms of cumulative

purchase value and sale value in relevant securities during the period of unusual movement, and the branches' respective purchase values and sale values:

(1) the cumulative intraday closing price deviation over three consecutive trading days has reached $\pm 20\%$;

(2) the average daily turnover rate over 3 consecutive trading days has reached 30 times the average daily turnover rate of the preceding 5 consecutive trading days, and the cumulative turnover rate of the relevant stock or closed-end fund in the aforementioned 3 consecutive trading days has reached 20%; or

(3) other circumstances deemed as unusual movement by the SSE or the CSRC.

The indicators of unusual movement shall be recalculated as from the day of announcement.

The stocks and closed-end funds that are not subject to the daily price limit under Article 3.4.13 shall be excluded from the calculation for unusual movement.

The SSE may adjust the cumulative percentage for deviation upon the approval of CSRC.

5.4.3 If a particular security becomes subject to special trading suspension under Article 4.2.3, the SSE may publish the following information as it deems necessary:

(1) the names of the top five brokerage branches in terms of transaction value in such security, and their respective purchase and sale volumes and values;

(2) statistical information on shares; and

(3) other information that the SSE believes should be published.

5.4.4 Where the public information on securities trading involves institutions, the name to be published will be "For Institutions".

5.4.5 The SSE may adjust the contents of public information on securities trading based on market development.

Chapter VI Supervision of Trading Activities

6.1 The SSE will closely monitor the following unusual trading activities which may affect the trading price or trading volume of securities:

(1) large purchases or sales of securities before disclosure of any information that may significantly affect the trading price of the securities;

(2) large or frequent trades between the securities accounts opened with the same identity certificate, business license or other valid certificates;

(3) large or frequent trades between the securities accounts through which the same institution or individual trades on behalf of others under their instruction or authorization;

- (4) large or frequent trades between two or more fixed securities accounts or suspected related securities accounts;
- (5) huge orders, successive orders or concentrated orders for the purpose of influencing the trading price of securities;
- (6) frequent submission or cancellation of orders for the purpose of influencing the price of securities or the decision-making of other investors;
- (7) enormous order with its quotation departing significantly from the execution price at the time of submission;
- (8) large and successive orders within a certain time interval;
- (9) large or frequent turn-around trades at the same or similar price;
- (10) large or frequent “buy high, sell low” trades;
- (11) trades at odds with the investment analysis, forecast or advice released by the trader itself;
- (12) in block trades, false orders or other orders that disrupt the order of the market; and
- (13) other unusual trading activities as recognized by the SSE that need to be closely monitored.

6.2 Where a member or any of its branches discovers that an investor is involved in any of the unusual trading activities under Article 6.1 and believes such activity may seriously affect the order of the securities market, it shall alert the investor and promptly report the situation to the SSE.

6.3 If any of the unusual trading activities under Article 6.1 has occurred and has materially affected the price or trading volume of securities, the SSE may conduct off-site investigations and on-site investigations regarding the activity and require relevant members and their branches to provide the account opening materials, power of attorney, fund deposit and withdrawal records, cash account information, and relevant trading information of investors. Where an investor is involved in an unusual trading activity, the SSE can directly require the investor to provide relevant information.

6.4 Members, their branches, other trading participants and investors shall cooperate with the SSE during investigations by providing true, accurate, and complete documents and information in a timely manner.

6.5 In serious cases of unusual trading activities, the SSE may take the following actions according to the specific circumstances:

- (1) issuing a verbal or written warning;
- (2) summoning the parties involved for a meeting;
- (3) requiring relevant investors to provide a written commitment;

- (4) restricting trading by relevant securities accounts;
- (5) requesting permission from CSRC to freeze relevant securities accounts or cash accounts;
and
- (6) reporting the activity to CSRC for investigation and punishment.

Any person objecting to measure (4) above may appeal to the SSE for a review. Enforcement of the said measure shall not be suspended during the review.

Chapter VII Handling of Extraordinary Events During Trading

7.1 If any of the following extraordinary events occurs and disables part or all of the trading activities, the SSE can at its discretion impose a technical suspension or temporary market closure:

- (1) force majeure;
- (2) unexpected event;
- (3) technical failure; or
- (4) other extraordinary events as recognized by the SSE.

7.2 The SSE may order a temporary market closure if quotation transmission has been interrupted or if more than 10% of all brokerage branches cannot submit orders due to an extraordinary event.

7.3 Where the SSE believes that any of the extraordinary events under Article 7.1 and Article 7.2 is likely to occur and may seriously affect the normal course of trading in the market, the SSE has the power to order a technical suspension or temporary market closure.

7.4 The SSE shall announce all technical suspensions and temporary market closure.

7.5 The SSE may resume trading after the cause of the technical suspension or temporary market closure has been resolved.

7.6 Except for the special situations recognized by the SSE, all orders already accepted by the SSE trading system prior to a technical suspension or temporary market closure shall continue to be valid once trading resumes. The SSE trading system continues to accept orders during technical suspension or temporary market closure and, once trading resumes, an auction will be organized for all the accepted orders.

7.7 The SSE shall not be liable for any losses arising from extraordinary events or from the actions taken by the SSE in response to extraordinary events.

Chapter VIII Trading Disputes

8.1 If a trading dispute arises between members or between a member and its client, the member(s) involved shall record the particulars of the dispute for review by the SSE. If the

trading dispute affects the normal course of trading, the member(s) involved shall promptly report the situation to the SSE.

8.2 When disputes arise between trading participants or between members and their clients, the SSE may supply the necessary trading data in accordance with applicable provisions.

8.3 Members shall work with any investor who has questions about a trade.

Chapter IX Trading Fees

9.1 Investors shall pay commissions to their members for completed securities transactions in accordance with applicable provisions.

9.2 Trading participants shall pay processing fees and other applicable fees and charges to the SSE in accordance with applicable provisions; members shall also pay their membership fees to the SSE as required.

9.3 The fees and charges for securities trading, their rates, and the administration of the fees, charges, and rates shall be governed by applicable provisions.

Chapter X Disciplinary Sanctions

10.1 Where any member or other trading participant violates the *Trading Rules*, the SSE will order the member or the trading participant to make rectification and may, depending on the seriousness of the circumstances, impose one or a combination of the following penalties:

- (1) circulating a notice of criticism;
- (2) issuing a public censure;
- (3) suspending or restricting trading privileges;
- (4) revoking the qualification of the trading participant; and/or
- (5) revoking the membership of the member.

10.2 Any member or other trading participant who wishes to dispute any of the disciplinary sanctions under Items (2), (3), (4), or (5) of the foregoing Article may appeal to the board of the SSE for a review within 15 days from the day of receipt of the notice of disciplinary sanction. Enforcement of the relevant disciplinary sanction shall not be suspended during the review.

Chapter XI Supplementary Provisions

11.1 Other trading-related matters in respect of exchange-traded funds, bonds, bond repos, warrants and other instruments, stocks under special treatment, and stocks under delisting process shall be governed by the rules separately formulated by the SSE.

11.2 The time specified in the *Trading Rules* refers to the time kept by the SSE trading system.

11.3 If there is any discrepancy between any provision of the SSE and the provisions of the *Trading Rules* on the unusual movement of stocks and funds, the *Trading Rules* shall prevail.

11.4 The following terms in the *Trading Rules* shall have the meanings given below:

(1) Market: the market established by the SSE for the trading of securities.

(2) Listing and trading: listing and trading of any security on the SSE.

(3) Client instruction: the act of an investor by which it authorizes a member to buy or sell securities.

(4) Order (submission): the act by which a member submits a securities trading order into the SSE trading system.

(5) Standard bonds: virtual bonds converted from different types of bonds at the corresponding conversion ratio to determine the amount of funds to be borrowed through collateral repos.

(6) Best price: the highest bid or lowest ask in the central order book. The central order book refers to the queue of all the unexecuted buy or sell orders that are ranked at a certain point of time within the SSE trading system according to trading directions, price, and time of acceptance.

(7) Auction virtual reference price : the virtual execution price, published in real-time, which is generated under call auction rules from all the valid orders as of the time of publication.

(8) Virtual matched volume: the volume published in real-time of all the orders that are virtually executed at the call-auction virtual reference price as of the time of publication .

(9) Virtual unmatched volume: the volume published in real-time of all the remaining buy or sell orders that cannot be virtually executed at the call-auction virtual reference price as of the time of publication.

(10) Stock under special treatment: any stock placed under special treatment in accordance with the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*.

(11) Stock under delisting process: any stock that is undergoing the delisting process by decision of the SSE but has not been delisted.

11.5 The *Trading Rules* shall come into effect after being adopted by the board of the SSE and approved by CSRC. These requirements shall also apply for any amendments to the *Trading Rules*.

11.6 The power to interpret the *Trading Rules* shall vest in the SSE.

11.7 The *Trading Rules* shall be implemented as of August 20, 2018.

the SSE