

# **Trading Rules of Shanghai Stock Exchange (2023 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*, the *Measures for the Administration of Stock Exchanges*, other laws, administrative regulations, ministry-level rules, and normative documents (hereinafter referred to as the “laws and regulations”) as well as 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 stocks, funds, warrants, depositary receipts, and other trading instruments approved by the China Securities Regulatory Commission (the “CSRC”) (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.

Trading of depositary receipts is governed by the rules applicable to A-share trading. If the SSE has made separate rules on the trading of depositary receipts, preferred shares, and publicly offered infrastructure real estate investment trusts (REITs), those rules shall apply.

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 the 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.

### **Section 3 Trading Instruments**

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

- (1) stocks;
- (2) funds;
- (3) warrants;
- (4) depositary receipts; and
- (5) 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, 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) bond exchange-traded funds (ETFs);
- (2) money market ETFs;
- (3) gold ETFs;
- (4) commodity futures ETFs;
- (5) cross-border ETFs;
- (6) cross-border listed open-ended funds;

- (7) warrants; and
- (8) other instruments as approved by the CSRC.

The abovementioned cross-border ETFs 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.

3.1.7 An investor who participates in securities trading or related business on the SSE market shall fully know and understand the associated risks, the laws and regulations, and the business rules of the SSE, abide by relevant requirements for investor suitability management, and, in light of his risk perception and tolerance, prudently decide on whether to participate in the securities trading or related business.

Members shall duly fulfil their obligations to manage investor suitability by fully disclosing investment risks and guiding clients to invest rationally.

3.1.8 Program trading with orders automatically generated by or placed through computer programs shall be in compliance with the regulations of the CSRC and shall be reported to the SSE and shall not affect the system security or normal trading order of the SSE.

## **Section 2 Client Instruction**

3.2.1 The SSE implements a designated trading system or other SSE-prescribed commissioned trading system for all the securities traded on the SSE market. B-shares traded by overseas investors do not apply the rules applicable to designated trading.

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.

3.2.2 Under the designated trading system, 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.

An investor who intends to change its designation shall express its intent to cancel to its current designated member, who shall enter a cancellation 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.

The SSE accepts designation instructions during trading hours.

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

3.2.4 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 securities registration and clearing institution.

3.2.5 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.

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

3.2.7 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;
- (6) type of instruction; and
- (7) other information as required by the SSE and the designated member.

3.2.8 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.

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

3.2.10 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.

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

### **Section 3 Order Placement**

3.3.1 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.

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

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

3.3.4 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 execution 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;
- (3) Same-Side Best Price Order: an order whose quotation price will be the best price on the same side in the central order book when such order enters the SSE trading system. If there is no quotation on the same side in the central order book when the Same-Side Best Price Order enters the SSE trading system, the order will be automatically cancelled;
- (4) Opposite-Side Best Price Order: an order whose quotation price will be the best price on the opposite side in the central order book when such order enters the SSE trading system. If there is no quotation on the opposite side in the central order book when the Opposite-Side Best Price Order enters the SSE trading system, the order will be automatically cancelled; and

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

3.3.5 Market orders shall contain the highest bid price (the “bid limit price”) or the lowest ask price (the “ask limit price”) acceptable to the investor.

When the SSE trading system processes market orders specified in the preceding Paragraph, the execution price of any buy order and the price of any buy order converted into a limit order shall not be higher than the bid limit price, and the execution price of any sell order and the price of any sell order converted into a limit order shall not be lower than the offer limit price.

3.3.6 Except as otherwise specified by the SSE, market orders are only available to continuous auction.

3.3.7 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.

3.3.8 When buying securities through auction trading, each order shall be in multiple of 100 shares (units).

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

3.3.9 The maximum order size for securities is 1 million shares (units).

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

3.3.10 The quotation unit varies by securities. The quotation unit for stocks, funds, warrants, and depositary receipts is, respectively, price per share, price per fund unit, price per warrant, and price per depositary receipt unit.

3.3.11 The tick size of an order for A-shares is RMB 0.01 Yuan, that for funds and warrants is RMB 0.001 Yuan, and that for B-shares is USD 0.001.

The SSE may adjust the tick size of an order in view of stock price.

3.3.12 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.

3.3.13 The SSE imposes impose a price limit of 10% on the trading of stocks and funds.

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

The price limit does not apply to a stock that is involved in any of the following cases:

- (1) the first five trading days after the IPO and listing of a stock;
- (2) the first trading day of a stock under delisting arrangement;
- (3) the first trading day of a stock which is relisted after being delisted; and
- (4) other cases as recognized by the SSE.

The SSE may adjust the price limit by approval of the CSRC.

3.3.14 In the trading of stocks, a valid limit order during continuous auction shall satisfy the following requirements:

- (1) any bid price shall not be higher than 102% of the benchmark bid price or the price ten tick sizes above the benchmark bid price, whichever is higher; and
- (2) any ask price shall not be lower than 98% of the benchmark ask price or the price ten tick sizes below the benchmark ask price, whichever is lower.

The benchmark bid(ask) price as mentioned in the preceding Paragraph refers to the lowest ask (highest bid) price disclosed in real time; the highest bid (lowest ask) price disclosed in real time in the absence of the lowest ask (highest bid) price disclosed in real time; the last execution price in the absence of the highest bid (lowest ask) price disclosed in real time; or the previous closing price in the absence of any trade on the current day.

Limit orders during any temporary trading suspension within trading hours do not apply the preceding two Paragraphs of this Article.

The SSE may adjust the price range of orders for stocks in view of market conditions.

3.3.15 Except as otherwise specified by the SSE, in the trading of stocks that are not subject to price limit, a valid limit order during call auction and trading suspension within trading hours shall meet the following requirements:

- (1) quotation during opening auction shall not be higher than 900% or lower than 50% of the previous closing price; and
- (2) quotation during closing auction and trading suspension within trading hours shall not be higher than 110% or lower than 90% of the last execution price.

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

the last execution price.

The SSE may adjust the price range of orders for stocks in view of market conditions.

3.3.16 In the trading of securities, the price of an order shall comply with applicable rules on price limit and relevant provisions of the *Trading Rules*. Otherwise, the order will be deemed invalid.

3.3.17 The calculation results of limit prices and the price range of a valid order will be rounded to the nearest tick size.

If the absolute value of the difference between the limit price and the previous closing price or that of the difference between the upper or lower price of a valid order and the benchmark price is lower than the tick size, the corresponding price shall be calculated by the previous closing price or benchmark price adding or deducting a tick size.

If the limit price or the upper or lower price of a valid order is lower than the tick size, the corresponding price shall be such tick size.

3.4.18 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 4 Auction**

3.4.1 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.

3.4.2 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 5 Order Execution**

3.5.1 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.

3.5.2 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.

3.5.3 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.

3.5.4 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.

3.5.5 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 of the SSE, the SSE may take appropriate actions in response.

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.

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

3.5.7 Clearing and settlement of securities trades shall be conducted in accordance with the provisions of the securities registration and clearing institution.

## **Section 6 Block Trade**

3.6.1 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; or
- (3) 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.

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

3.6.2 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.

3.6.3 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.

The SSE confirms block trade execution orders during 15:00-15:30 on each trading day.

3.6.4 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.

3.6.5 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.

3.6.6 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.

3.6.7 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 SSE.

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

3.6.8 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.

3.6.9 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.

3.6.10 The execution price of a block trade order for securities that are subject to 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 price limit shall not be higher than the lower of the 120% of the average real-time execution price in auction trading or the highest execution price of the security concerned, nor lower than the higher of 80% of the average real-time execution price in auction trading or the lowest execution price of the security concerned.

The average execution price is calculated as follows: average execution price = transaction value / trading volume

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

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

3.6.11 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.

3.6.12 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.

3.6.13 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 securities, 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; and

- (2) 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.

3.6.14 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.

## **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 shall be the trading volume-weighted average price of all the trades of such fund 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 The SSE will impose an intraday temporary trading suspension of ten minutes if any of the following circumstances occurs during auction trading of a stock on a given trading day:

- (1) the intraday trading price of a stock not subject to price limit moves above or below its opening price on that day by 30% or more for the first time;
- (2) the intraday trading price of a stock not subject to price limit moves above or below its opening price on that day by 60% or more for the first time; or
- (3) any other circumstance prescribed by the CSRC or the SSE.

4.2.5 If a security is suspended from trading during trading hours, the orders not executed 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 virtual reference price, virtual matched volume, and virtual unmatched volume will not be published during the trading suspension and auction.

The time of securities trading suspension and resumption will be subject to the announcement of the SSE. If the trading of a security is suspended beyond 14:57 of a trading day and must be resumed within the day, the security shall resume trading at 14:57, and the accepted orders will be first matched by call auction upon trading resumption and then by closing auction.

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

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

4.2.8 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 × 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 Trading-related Matters of Risk Warning Board**

4.4.1 The SSE establishes a risk warning board for stocks of listed companies. A main board stock that has been issued a risk warning under the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* (the “stock under special treatment”) or a main board stock that is under delisting arrangement period by the SSE’s listing termination decision but has not been delisted (the “stock under delisting arrangement”) will be traded on the risk warning board and apply this Section. Any matters not covered in this Section shall be governed by the *Trading Rules* and other applicable provisions.

4.4.2 The stock of a listed company that is issued a delisting risk warning or non-delisting risk warning shall be traded on the risk warning board from the day when the risk warning is issued to the trading day preceding the day when the risk warning is lifted.

4.4.3 A stock under delisting arrangement is tradable for 15 trading days starting from the first day of the delisting arrangement period. Within 5 trading days upon expiry of the delisting arrangement period, the SSE will delist the stock, in which case the stock is terminated from listing.

If a stock under delisting arrangement traded on the risk warning board is suspended from trading for a whole day, such day will not be counted in the 15 trading days for delisting arrangement under the preceding Paragraph. The days of whole-day trading suspension shall not exceed five trading days in total.

4.4.4 The trading information of stocks under special treatment and stocks under delisting arrangement will be disclosed separately from that of other stocks. Members shall separately display the trading information of the two types of stocks.

4.4.5 An individual investor who intends to buy a stock under delisting arrangement shall have participated in the trading of stocks for more than 24 months, and have more than RMB 500,000 of daily average balance of assets in his securities account and funds account (excluding funds and securities borrowed through margin trading and short selling transactions) during the 20 trading days before he applies for trading the stock.

An individual investor who does not meet the foregoing requirements may only sell the shares of a stock under delisting arrangement already held by him.

4.4.6 A member shall prudently assess an individual investor's suitability for trading stocks under delisting arrangement according to the *Trading Rules*, and shall not accept instructions for purchase of stocks under delisting arrangement from unsuitable investors.

An investor shall make prudent decision on whether to participate in the trading of stocks under delisting arrangement based on the suitability requirements under the *Trading Rules* and its/his own risk tolerance, and shall not refuse to bear trading and settlement liabilities for stocks under delisting arrangement on the excuse of not meeting the suitability requirements.

4.4.7 If an ordinary investor issues an instruction to purchase stocks under special treatment or stocks under delisting arrangement for the first time, the member shall require the investor to sign a corresponding risk disclosure statement in paper or electronic form. The member shall not accept the investor's instruction until the investor signs such a risk disclosure statement.

4.4.8 A member shall disclose in particular the transaction risks of stocks under special treatment and stocks under delisting arrangement through multiple channels, including its premises, website, and trading system. For stocks under delisting arrangement, the member shall, before market open on each trading day, also disclose to clients such information as the remaining trading days of the stocks.

4.4.9 Investors shall trade stocks under special treatment and stocks under delisting arrangement through limit orders.

4.4.10 The price limit for stocks under special treatment is 5%, and that for stocks under delisting arrangement is 10%.

4.4.11 If the cumulative intraday closing price deviation of a stock under special treatment reaches  $\pm 12\%$  for three consecutive trading days, the SSE will consider this situation 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 the stock during the period of unusual movement, and the branches' respective purchase values and sale values.

4.4.12 The aggregate of shares that an investor buys in a stock under special treatment on a given day through auction trading and block trade shall not exceed 500,000 shares.

The aggregate of shares that an investor buys in a stock under special treatment on a given day is the combined volume of shares purchased through the securities account and the credit-based account opened in the investor's name; the sum of the quantity of shares under the purchase instruction submitted, the quantity of shares purchased, and the quantity of shares under orders submitted but unfilled and uncanceled by the investor in a given day shall not exceed 500,000 shares. The said purchase limit is not applicable to the share repurchase by a listed company and the shareholding increase by a company's shareholder holding 5% or more of its shares according to the disclosed shareholding increase plan.

A member shall take effective measures to monitor the aggregate of shares an investor buys in

a stock under special treatment on a given day. If it finds any client violates the preceding Paragraphs, it shall warn and stop the client from further purchase, and promptly report the situation to the SSE.

4.4.13 During the delisting arrangement period of a stock, the SSE will publish the names of the top five brokerage branches in terms of intraday purchase value and sale value in the stock, and the branches' respective purchase values and sale values.

4.4.14 During the delisting arrangement period of a stock, the trading in the stock will not be factored in the calculation of the SSE's indices, but the trading volume will be added to the total daily market-wide trading volume.

## **Chapter V Trading Information**

### **Section 1 General Rules**

5.1.1 The SSE will publish real-time quotations and securities indices on a real-time basis, public information, and other information on securities trading 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 execution price, highest execution price of the day, lowest execution 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 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 five 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 five 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 five 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 that are not subject to the price limit under Article 3.3.13, the SSE will publish the names of the top five brokerage branches in terms of intraday purchase value and sale value in such stocks on their first trading day, 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  $\pm 20\%$ , which is calculated as follows: cumulative intraday closing price deviation = (the ending closing price of a single stock / opening previous closing price - 1)  $\times$  100% - (ending closing points of corresponding index / opening previous closing points - 1)  $\times$  100%. The closing price will be adjusted if the SSE makes ex-right and ex-dividend adjustment to the stock during the period;
- (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 CSRC or the SSE.

The indicators of unusual movement shall be recalculated as from the day immediately following the announcement of the SSE or the day of trading resumption.

5.4.3 The SSE considers each of the following situations that occurs during auction trading of stocks to be a severe unusual movement. Once a severe unusual movement occurs, the SSE will publish the trading data of the stocks by investors:

- (1) the stock has the unusual movement in the same direction as described in Article 4.4.11 or 5.4.2 for four times over ten consecutive trading days;
- (2) the cumulative intraday closing price deviation over ten consecutive trading days has reached +100% (-50%);
- (3) the cumulative intraday closing price deviation over 30 consecutive trading days has reached +200% (-70%); or
- (4) other circumstances deemed as severe unusual movement by the CSRC or the SSE.

If more than one severe unusual movement occurs to a stock, the SSE will publish all such movements.

The indicators of severe unusual movement shall be recalculated as from the day immediately

following the announcement of the SSE or the day of trading resumption.

5.4.4 If a severe unusual movement occurs to the trading of a stock, the listed company shall promptly verify the situation and take corresponding measures according to the listing rules.

If the listed company finds no disclosable material matters undisclosed upon verification and is unable to give a reasonable explanation on the cause of the unusual movement, in addition to taking measures according to the listing rules, the Exchange may, in view of the market conditions, strengthen the monitoring of abnormal trading and require members to take effective measures to disclose to clients risks in trading the stock.

5.4.5 Stocks not subject to price limit will not be included in the calculation of the indicators of unusual movement and severe unusual movement.

5.4.6 The SSE may adjust the criteria for unusual movement and severe unusual movement in view of the market conditions.

5.4.7 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.

5.4.8 Where the public information on securities trading involves institutions, the name to be published will be “For Institutions”.

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

## **Chapter VI Special Provisions on Stock Trading on the STAR Market**

### **Section 1 General Rules**

6.1.1 This Chapter is applicable to the trading of stocks and depositary receipts listed on the SSE’s Science and Technology Innovation Board (the “STAR Market”). Any matters not covered by this Chapter shall be governed by the *Trading Rules* and other applicable rules.

6.1.2 To participate in the trading of stocks on the STAR Market (the “STAR stocks”), an individual investor shall meet the following conditions:

- (1) the daily average balance of assets in his or her securities account and funds account are no less than RMB 500,000 (excluding funds and securities borrowed through

margin trading and short selling transactions) over 20 trading days before he or she applies for trading STAR stocks;

- (2) he or she has participated in the trading of securities for more than 24 months; and
- (3) any other conditions as prescribed by the SSE.

To participate in the trading of STAR stocks, an institutional investor shall comply with the laws and regulations as well as the business rules of the SSE.

The SSE may, based on market conditions, adjust the above conditions.

6.1.3 If an ordinary investor issues an instruction to purchase any STAR stocks for the first time, its member shall require the investor to sign a risk disclosure statement for trading of STAR stocks in paper or electronic form. The risk disclosure statement shall fully disclose the major risk characteristics of the STAR Market. The member shall not accept the investor's instruction to subscribe for or purchase such STAR stocks until the investor signs such a risk disclosure statement.

6.1.4 STAR stocks can be traded through a market making mechanism, whereby market makers will provide two-way quotation services.

A market maker shall, according to the laws and regulations, the business rules of the SSE, and the market making agreement, fulfill its obligations, including the obligation to provide two-way continuous and response quotations for STAR stocks.

Matters such as the eligibility requirements, rights, obligations, and supervision of market makers for STAR stocks shall be subject to rules which will be separately prescribed by the SSE and come into force after being approved by the CSRC.

6.1.5 Securities companies may, according to applicable rules, borrow STAR stocks, the details of which shall be subject to rules separately prescribed by the SSE.

6.1.6 The SSE imposes a price limit of 20% on the trading of STAR stocks.

In any of the following circumstances, a STAR stock will not be subject to the price limit:

- (1) the first five trading days after the listing of an IPO stock;
- (2) the first trading day of a stock under delisting arrangement; or
- (3) other circumstances as recognized by the SSE.

The following funds listed and traded on the SSE will be subject to a price limit of 20%:

- (1) ETFs and listed open-ended funds (LOFs) that track an index whose constituent

securities include only STAR stocks or other stocks subject to a price limit of 20%;  
and

- (2) listed open-ended funds whose fund contracts stipulate that the fund assets invested in STAR stocks or other stocks subject to a price limit of 20% shall account for no less than 80% of the non-cash fund assets.

6.1.7 If STAR stocks are traded through limit orders, the size of each such order shall be no less than 200 shares and no more than 100,000 shares; if they are traded through market orders, the size of each such order shall be no less than 200 shares and no more than 50,000 shares. The sale of such stocks with an odd lot of less than 200 shares shall be made in one order.

6.1.8 A valid limit order for STAR stocks during continuous auction shall meet the following requirements:

- (1) any bid price shall not be higher than 102% of the benchmark bid price; and
- (2) any ask price shall not be lower than 98% of the benchmark ask price.

The benchmark bid (ask) price stated in the preceding Paragraph refers to the lowest ask (highest bid) price disclosed in real time; the highest bid (lowest ask) price disclosed in real time in the absence of the lowest ask (highest bid) price disclosed in real time; the last execution price in the absence of the highest bid (lowest ask) price disclosed in real time; or the previous closing price in the absence of any trade on the current day.

Limit orders are not subject to any restrictions during call auction and trading suspension within trading hours.

6.1.9 Upon the occurrence of any of the following circumstances during the auction trading of STAR stocks subject to the price limit on a given trading day, the SSE shall publish the names of the top five brokerage branches in terms of the cumulative purchase value and sale value in relevant stock on that day, and the branches' respective purchase values and sale values:

- (1) the top five stocks whose closing price on the day fluctuates at  $\pm 15\%$ ;
- (2) the top five stocks whose price amplitude on the day reaches 30%; or
- (3) the top five stocks whose turnover rate on the day reach 30%.

If the closing price fluctuations, price amplitudes, or turnover rates are identical, the top five stocks shall be selected in order of transaction value and then trading volume.

STAR stocks not subject to the price limit do not apply Paragraph 4 of Article 5.4.1.

6.1.10 The SSE considers each of the following situations that occurs during auction trading

of STAR stocks 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 the stocks 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  $\pm 30\%$ ; or
- (2) other circumstances deemed as unusual movement by the CSRC or the SSE.

The indicators of unusual movement shall be recalculated as from the day immediately following the announcement of the SSE or the day of trading resumption.

6.1.11 The SSE considers each of the following situations that occurs during auction trading of STAR stocks to be a severe unusual movement. Once a severe unusual movement occurs, the SSE will publish trading statistics by investor type during the severe unusual movement:

- (1) the stock has the unusual movement in the same direction as described in Paragraph 1 of Article 6.1.10 for three times over ten consecutive trading days;
- (2) the cumulative intraday closing price deviation over ten consecutive trading days has reached  $+100\%$  ( $-50\%$ );
- (3) the cumulative intraday closing price deviation over 30 consecutive trading days has reached  $+200\%$  ( $-70\%$ ); or
- (4) other circumstances deemed as severe unusual movement by the CSRC or the SSE.

If more than one severe unusual movement occurs to a stock, the SSE will publish all such movements.

The indicators of severe unusual movement shall be recalculated as from the day immediately following the announcement of the SSE or the day of trading resumption.

6.1.12 The intraday closing price deviation refers to the difference between movements in the price of a single STAR stock and in the corresponding benchmark index.

The corresponding benchmark index refers to the SSE STAR 50 Index compiled by the SSE.

The SSE will assess and adjust the above index as appropriate and announce the adjusted index to the market in view of the development of the STAR Market.

STAR stocks not subject to the price limit will not be included in the calculation of the indicators of unusual movement and severe unusual movement.

6.1.13 The SSE accepts and confirms block trade execution orders for STAR stocks during 9:30-11:30 and 13:00-15:30 every trading day.

Block trade of STAR stocks does not apply the rules on fixed-price orders.

6.1.14 A STAR stock that has been issued a delisting risk warning under the *Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange* or that is under delisting arrangement period by the SSE's listing termination decision but has not been delisted will not be traded on the risk warning board.

During the delisting arrangement period of a STAR stock, the SSE will publish the names of the top five brokerage branches in terms of intraday purchase value and sale value in the stock, and the branches' respective purchase values and sale values.

## **Section 2 After-Hours Fixed-Price Trading**

6.2.1 Investors may trade STAR stocks through after-hours fixed-price trading.

6.2.2 The after-hours fixed-price trading refers to the trading mode under which the SSE trading system will, after the closing call auction, match closing price orders under the principle of time priority, and execute such orders at the closing price of the day.

The after-hours fixed-price trading is permitted for stocks from 15:05-15:30 on each trading day except for stocks remaining under trade suspension at 15:00 on the day.

6.2.3 The SSE will accept the closing price orders from trading participants from 9:30 to 11:30 and from 13:00 to 15:30 on each trading day.

If a trade suspension is imposed on a stock when the market is open, orders for the stock may be placed during the trade suspension. If the trading of the stock is resumed on the day when the trade suspension is imposed, the accepted orders shall participate in the after-hours fixed-price trading of the stock after the resumption of trading on that day. If the stock remains under the trade suspension at 15:00 on that day, the SSE trading system will not accept any subsequent closing price orders, and the closing price orders accepted on that day shall be invalid.

During the sessions for accepting members' order routing, any unexecuted orders may be canceled, effective upon the confirmation by the SSE trading system.

6.2.4 A client who intends to trade STAR stocks through the after-hours fixed-price trading shall place a closing price instruction to its or his carrying member.

A closing price instruction shall include securities account number, securities code, trading direction, limit price, quantity, among others.

6.2.5 The SSE accepts closing price orders from trading participants for the after-hours fixed-price trading.

A closing price order shall include securities account number, securities code, brokerage branch code, trading direction, limit price, quantity, among others.

If the closing price is higher than the limit price of a closing price buy order, such order shall be invalid; if the closing price is lower than the limit price of a closing price sell order, such order shall be invalid.

6.2.6 The size of each closing price order for STAR stocks shall be no less than 200 shares and no more than one million shares.

The sale of such stocks with an odd lot of less than 200 shares shall be made in one order.

6.2.7 A closing price order is valid only for the day when it is placed.

6.2.8 The SSE will continuously match closing price orders, on a one-by-one basis, at the closing price under the principle of time priority during the after-hours fixed-price trading session.

6.2.9 Closing price orders submitted between 9:30 to 15:05 shall not be included into real time quotations; those submitted and executed between 15:05 to 15:30, i.e., the after-hours fixed-price trading session, shall be included into the real time quotations.

The real time quotations include securities code, securities short name, closing price, daily cumulative trading volume and value of stocks during the after-hours fixed-price trading, and real-time buy or sell quantities.

6.2.10 The trading volume and value from the concluded after-hours fixed-price trades shall be included into the daily aggregate trading volume and value of the corresponding stock after the end of the after-hours fixed-price trading session.

6.2.11 The reduction of shareholdings through the after-hours fixed-price trading shall be subject to rules governing the reduction of shareholdings through auction trading.

## **Chapter VII Supervision of Securities Trading**

7.1 The SSE will closely monitor the following matters in securities trading:

- (1) suspected insider trading, market manipulation, trading using undisclosed information, or other violations of securities laws and regulations;
- (2) trading of securities at such time or in such quantity or means as restricted by laws, regulations, and the business rules of the SSE;
- (3) abnormal trading activities that may affect the trading price or volume of securities;
- (4) securities that record obviously abnormal trading price or volume; or

(5) other matters for which the CSRC or the SSE deems close monitoring is necessary.

7.2 The abnormal trading activities that may affect the trading prices or volume of securities include:

- (1) fictitious orders, i.e., a large number of orders not intended to be executed are placed and cancelled to induce, mislead or influence other investors in their normal trading decision-making;
- (2) price pumping and dumping, i.e., orders are massively, continuously or intensively placed, or executed at a price obviously deviating from the last execution price, resulting in a significant rise or decline in the trading price of a security;
- (3) maintaining the trading price or volume of securities, i.e., orders are massively, continuously or intensively placed in order to maintain the trading price or volume of a security at a certain level;
- (4) large or frequent trades or reversal trades between a single account and the accounts under the *de facto* control of an investor or between suspected affiliated accounts;
- (5) orders placed massively, continuously or intensively or with the price obviously deviating from the reasonable value, for the purpose of aggravating unusual movement of securities price or affecting the normal trading order of the SSE;
- (6) program trading with orders automatically generated by or placed through computer programs, affecting the system security or normal trading order of the SSE;
- (7) suspected unlawful transfer of benefits through securities trading with the trading price obviously deviating from the reasonable value;
- (8) large and successive orders within a certain time interval;
- (9) influencing the price of a security using the trading in relevant securities or derivatives, or influencing the price of relevant securities or derivatives using the trading in the security; or
- (10) other abnormal trading activities for which the CSRC or the SSE deems close monitoring is necessary.

The SSE monitors, on a consolidated basis, one or more ordinary securities accounts, margin-based securities accounts and other suspected affiliated securities accounts (groups) opened by an investor in its or his own name or under the *de facto* control of a single investor.

7.3 A security will be deemed to have obviously unusual trading price or volume if:

- (1) its trading price experiences continuous large rise or fall or is maintained at a certain level, and obviously deviates from the rise or fall of relevant indices in the same

period;

- (2) it is massively and intensively purchased or sold by the same brokerage branch, brokerages in the same region, or through suspected affiliated accounts; or
- (3) for it the CSRC or the SSE deems close monitoring is necessary.

7.4 The SSE may, in light of market needs, collaborate with other stock or futures exchanges to investigate the situation under Item (9) of Article 7.2.

7.5 A member shall duly fulfil its obligation to manage clients' trading activities and monitor their securities trading activities. The member shall promptly notify, alert, or warn the client if it finds any abnormality in the client's trading activities. It shall refuse to accept any instruction from the client pursuant to the broker-client agreement and promptly report to the SSE if it finds any abnormal trading activity that may materially affect the securities trading order or any trading activity that is suspected to violate laws and regulations.

7.6 The SSE may conduct on-site or off-site investigations on matters that need close monitoring in the securities trading, and require relevant members and their branches, other trading participants, or investors to provide the account opening materials, power of attorney, fund deposit and withdrawal records, cash account information, and relevant trading information of investors.

7.7 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.

7.8 In the case of any matters that need close monitoring as set out in Article 7.1, the SSE may take the following actions according to the specific circumstances:

- (1) issuing a verbal warning;
- (2) issuing a written warning;
- (3) conducting a review for supervision purpose;
- (4) placing the relevant accounts under close monitoring;
- (5) requiring the investor to provide an undertaking for compliance of trading;
- (6) suspending the execution of trading through the investor's account;
- (7) suspending the execution of trading through SEHK Securities Trading Service Company;
- (8) restricting the execution of trading through the investor's account; and

- (9) other supervisory measures prescribed by the SSE.

Any person objecting to the measure under Item (8) of the above Paragraph may appeal to the SSE for a review. Enforcement of the said measure shall not be suspended during the review.

For any suspected insider trading, market manipulation, trading using undisclosed information, or other violations of laws and regulations found during trade monitoring, the SSE will promptly report to the CSRC for investigation and punishment.

## **Chapter VIII Handling of Extraordinary Events During Trading**

8.1 If any of the following emergency events occurs and prevents the normal trading of securities in whole or in part, the SSE can, at its discretion, impose such actions as technical suspension or temporary market closure, to maintain orderly trading activities and a fair market:

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

The SSE may impose such actions as cancellation of trading and notification to the competent securities registration and clearing institution to suspend settlement if any of the above emergency events causes a major abnormal trading result and the settlement based on the result would have a material effect on the orderly securities trading and market fairness.

8.2 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.

8.3 Where the SSE believes that any of the extraordinary events under Article 8.1 and Article 8.2 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.

8.4 The SSE shall announce all technical suspensions, temporary market closure, cancellation of trading, and notifications to the competent securities registration and clearing institution to suspend settlement, and timely report the same to the CSRC.

8.5 The SSE may resume trading and release an announcement after the cause of the technical suspension or temporary market closure has been resolved.

8.6 The SSE monitors risks associated with securities trading. In the event of a major

unusual movement during securities trading, the SSE may impose such actions as trading restriction or mandatory trading suspension, and report the same to the CSRC. If the major unusual movement materially affects stable operation of the securities market, the SSE may impose and announce a temporary market closure or any other actions. The specific rules governing such matters will be separately formulated by the SSE.

8.7 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.

8.8 The SSE shall not be civilly liable for any losses arising from extraordinary events, major unusual movements, or from the actions taken by the SSE in response thereto, except for gross fault on its part.

## **Chapter IX Trading Disputes**

9.1 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.

9.2 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.

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

## **Chapter X Trading Fees**

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

10.2 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.

10.3 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 XI Disciplinary Sanctions**

11.1 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.

11.2 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 XII Supplementary Provisions**

12.1 Other trading-related matters in respect of ETFs, warrants, and other instruments shall be governed by the rules separately formulated by the SSE.

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

12.3 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.

12.4 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) 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.
- (6) Call 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.

- (7) 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.
- (8) 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.

12.5 For the purpose of the *Trading Rules*, the terms “exceed”, “lower than”, and “less than” do not include the given figure, whereas the terms “reach”, “or more”, and “below” include the given figure.

12.6 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*.

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

12.8 The *Trading Rules* shall be implemented as of the listing day of the first main board stock offered under the *Measures for the Administration of Registration of Initial Public Offerings of Stocks*. The *Trading Rules of Shanghai Stock Exchange* (Revised for the second time in 2020) (Shangzhengfa [2020] No. 17), the *Special Rules Governing the Trading of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange* (Shangzhengfa [2019] No. 23), the *Measures for the Administration of Stock Trading on the Risk Warning Board of Shanghai Stock Exchange* (Revised in December 2020) (Shangzhengfa [2020] No. 103), and the *Guidelines for After-Hours Fixed-Price Trading of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange* (Shangzhengfa [2019] No. 26) shall expire on that same day.