

Provisions on the Regulation of Short-Swing Trading

Article 1 This *Provisions* is made in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* ("Securities Law"), the *Law of the People's Republic of China on Administrative Penalty* ("Administrative Penalty Law"), the *Securities Investment Fund Law of the People's Republic of China* ("Fund Law"), and other laws, administrative regulations, and departmental rules, for the purposes of clarifying the criteria for determining short-swing trading activities in the securities market, protecting the lawful rights and interests of investors, and promoting the robust and stable development of the securities market.

Article 2 "Short-swing trading" as used in this *Provisions* means any purchase followed by a sale, or any sale followed by a purchase, of any securities of the same listed company or a company traded on other national securities trading venues approved by the State Council ("NEEQ-listed company") by a Specified Investor within a period of six months.

A "Specified Investor" as used in this *Provisions* means any shareholder holding five percent or more of the shares of a listed company or NEEQ-listed company, or any director, supervisor, or members of the senior management of such a company.

"Securities" as used in this *Provisions* means stocks and other equity-like securities, including but not limited to stocks, depositary receipts, exchangeable corporate bonds, and convertible corporate bonds.

Article 3 A "shareholder holding five percent or more of the shares" means a shareholder holding a total of five percent or more of the shares of the same listed company or NEEQ-listed company issued inside and outside the Chinese mainland ("Mainland").

Hong Kong Securities Clearing Company Limited is not deemed as a "shareholder holding five percent or more of the shares" under the preceding paragraph if it holds five percent or more of the shares of a listed company only in its capacity as a nominal holder under the mutual stock market access

Please note: This courtesy translation is furnished for information purposes only. The original Chinese text is binding in all respects.

以中文正式文件为准，英文译文仅供参考。

between the Mainland and Hong Kong (“Stock Connect”).

Article 4 This *Provisions* applies where a Specified Investor sells and purchases, or purchases and sells, the same securities within a period of six months. This *Provisions* also applies where an investor was not a Specified Investor at the time of purchase but is a Specified Investor at the time of sale.

Article 5 “Purchase” means an act that results in an increase in the quantity of securities held through payment of consideration; “sale” means an act that results in a decrease in the quantity of securities held in exchange for consideration. Unless otherwise provided by laws or administrative regulations, the time of purchase and sale shall be determined by the date on which the securities transfer is registered.

Article 6 The following activities, if resulting in a change in the quantity of securities held, do not constitute short-swing trading, except where illegal benefits are sought by such means as exploiting an advantage in information:

- (1) Conversion of preferred shares;
- (2) Exchange, redemption, or put of exchangeable corporate bonds;
- (3) Conversion, redemption, or put of convertible corporate bonds;
- (4) Subscription, creation, or redemption of shares of exchange-traded funds (ETFs) by any investor; or changes in the quantity of securities held by a fund that strictly replicates the constituent weightings of the underlying index due to tracking the index or due to subscription, creation, or redemption of the fund shares by its investors;
- (5) Non-trade activities such as enforcement by a judicial authority, inheritance, or donation;
- (6) Gratuitous transfer of state-owned shares pursuant to a decision made by an administrative authority for such shares;
- (7) Grant or registration of restricted shares, or the exercise of stock options, under the equity incentive plan of a listed company, or a NEEQ-listed company;
- (8) Purchase by a securities company of the remaining unsold shares from firm commitment underwriting;

Please note: This courtesy translation is furnished for information purposes only. The original Chinese text is binding in all respects.

以中文正式文件为准，英文译文仅供参考。

- (9) Trading activities conducted by entities such as securities companies in lawfully and compliantly carrying out securities market-making activities and fulfilling their quotation obligations in accordance with laws and regulations or other requirements;
- (10) Repurchase made pursuant to a repurchase order issued by the China Securities Regulatory Commission (“CSRC”) under Article 24 of the *Securities Law*;
- (11) Buyback of the shares previously sold through a non-compliant share reduction, either pursuant to a regulatory measure mandated by the CSRC or voluntarily by the offender;
- (12) Trading activities lawfully and compliantly conducted to address major financial risks or maintain financial stability; and
- (13) Other circumstances specified by the CSRC.

Article 7 In the determination of short-swing trading, the securities involved, such as stocks, depositary receipts, exchangeable corporate bonds, and convertible corporate bonds, shall be calculated separately based on the quantity of each type held.

Article 8 In the determination of short-swing trading, the securities held by any director, supervisor, member of the senior management, or natural-person shareholder shall include securities held by his or her spouse, parents, and children, as well as those held through the accounts of others.

Article 9 Any product or portfolio listed below that has lawfully opened a separate securities account and invests independently in accordance with relevant regulatory requirements may have its shareholding calculated separately. However, this excludes circumstances where products or portfolios are unable to operate on an independent or compliant basis because they are subject to the unified decision-making of the same manager or are under the de facto control of the same investor, or where conflicts of interest, violations of laws or regulations, or other such situations exist during the course of trading:

- (1) The National Social Security Fund, basic pension insurance funds, enterprise annuities, and insurance funds, etc.;
- (2) Publicly offered securities investment funds established in

Please note: This courtesy translation is furnished for information purposes only. The original Chinese text is binding in all respects.

以中文正式文件为准，英文译文仅供参考。

accordance with the *Fund Law* and other laws and administrative regulations;

- (3) Privately offered collective asset management products managed by securities, futures, and fund management institutions;
- (4) Privately offered securities investment funds that comply with relevant regulatory requirements, have been lawfully established, and for which separate securities accounts are opened for each product; and
- (5) Publicly offered funds that have, through Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors, opened securities accounts in the Mainland on a per-fund product basis, as well as publicly offered funds that have established Northbound Broker-to-Client Assigned Number (“BCAN”) on a per-fund product basis under the Stock Connect. Public fund management institutions that calculate securities holdings on a per-product basis as described above shall report, on a monthly basis, to the relevant stock exchanges its investments in securities held through the Stock Connect.

Article 10 An overseas investor shall calculate on an aggregate basis the quantity of securities held in the same listed company or NEEQ-listed company through the following channels: Qualified Foreign Institutional Investors, RMB Qualified Foreign Institutional Investors, foreign strategic investors in A-share listed companies, and the Stock Connect.

Article 11 The CSRC may, in accordance with the *Securities Law* and other relevant provisions, impose administrative regulatory measures or administrative penalties on any Specified Investor that violates the rules on short-swing trading.

Where a Specified Investor that has violated the rules on short-swing trading voluntarily reports to the CSRC previously undiscovered illegal activities or surrender all gains obtained from such violation to the relevant listed companies and NEEQ-listed companies, the CSRC may, in accordance with the *Administrative Penalty Law*, impose mitigated or lighter administrative penalties, or waive them altogether.

Article 12 This *Provisions* takes effect on April 7, 2026.