

Update on S&P Dow Jones Indices Treatment of Luokung Technology Corp and Xiaomi Corp

NEW YORK, MARCH 22, 2021: On March 10, 2021 S&P Dow Jones Indices (“S&P DJI”) announced the removal of certain securities from indices effective March 15, 2021. S&P DJI removed these securities because they were identified to have been impacted by the U.S. Department of Defense publication of a “Tranche 5” list of “Communist Chinese Military Companies” prepared in response to Section 1237 of the National Defense Authorization Act for Fiscal Year 1999. These “Tranche 5” entities are also “Communist Chinese Military Companies” pursuant to Sec. 4(a) of the Executive Order No. 13959 (Nov. 12, 2020), as amended by Executive Order No. 13974 (Jan. 13, 2021). Executive Order 13959 prohibits U.S. persons from engaging in transactions in publicly traded securities of Communist Chinese Military Companies as well as in derivatives of, or securities designed to provide investment exposure to, such securities.

Following receipt of updated information concerning certain companies named in the “Tranche 5” list, S&P DJI would like to provide the following updates:

Luokung Technology Corp

- Luokung Technology Corp (Ticker: LKCO.US)

The U.S. Department of the Treasury Office of Foreign Assets Control (“OFAC”) has confirmed that the prohibition in section 1(a)(ii) of E.O. 13959 will take effect with respect to Luokung Technology Corp. (LKCO) 60 days after March 9, 2021 (i.e., May 8, 2021).

S&P DJI confirms it will not consider Luokung Technology Corp for addition to indices prior to May 8, 2021. Effective from May 8, 2021, Luokung Technology Corp will become ineligible for indices, following the entry into effect of the prohibition in section 1(a)(ii) of E.O. 13959 and in accordance with the guidelines described in the Sanctions section of [S&P DJI Equity Indices Policies & Practices Methodology](#)

Xiaomi Corporation

- Xiaomi Corporation – H Share (Ticker: 01810.HK)
- Xiaomi Corporation ADR (Ticker: XIACY.US)
- Xiaomi Corp (RIC: CN032000316=RRPS, ISIN: CND1000311G9)

On March 12, 2021, the U.S. District Court for the District of Columbia issued an order in *Xiaomi Corporation v. Department of Defense* (Case No. 1:21-cv-00280-RC) preliminarily enjoining the implementation and enforcement of the E.O. 13959 prohibitions against Xiaomi. Consequently, the prohibitions in E.O. 13959 do not apply with respect to Xiaomi pending further order of the Court.

S&P DJI therefore currently considers Xiaomi Corporation eligible for index inclusion. Indices that removed Xiaomi Corporation effective March 15, 2021 will review the above-listed Xiaomi Corporation

securities for eligibility at their next scheduled rebalancing. In the case of the S&P Global BMI and Dow Jones Global Index Families, the next scheduled rebalancing will be the June 2021 quarterly rebalancing, effective prior to the open on June 21, 2021. In the case of the S&P Fixed Income Index Families, the next scheduled rebalancing will be effective April 1, 2021.

S&P DJI will continue to monitor for further information and guidance from the relevant authorities and will issue further notices as required.

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