

**Rules Governing the Listing
of Shares on the ChiNext Market of Shenzhen Stock
Exchange
(2018 Revision)**

Shen Zheng Shang [2018] No. 556

(Effective as of July 2007, revised for the first time in April 2012, the second time in October 2014, the third time in April 2018, and the fourth time in November 2018.)

Disclaimer:

The English version of the content is only for reference. The Shenzhen Stock Exchange and/or its subsidiaries accept no liability (whether in tort or contract or otherwise) for any loss or damage, and make no warranty, guarantee, undertaking or representation in relation to the accuracy, reliability, availability, accessibility, or completeness of the content, in particular the English version thereof. Should there be any discrepancy between contents in Chinese and English versions, the original Chinese text is binding in all respects.

Contents

| | | |
|------------------------|--|------------|
| Chapter I | General Rules | 3 |
| Chapter II | Basic Principles and General Provisions on Information Disclosure..... | 4 |
| Chapter III | Directors, Supervisors and Senior Executives, Controlling Shareholder and <i>De Facto</i> Controller..... | 9 |
| | Section 1 Declaration and Undertaking | 9 |
| | Section 2 Secretary to the Board of Directors..... | 14 |
| Chapter IV | Sponsors..... | 17 |
| Chapter V | Listing of Shares and Convertible Bonds..... | 21 |
| | Section 1 Listing of IPO Shares..... | 21 |
| | Section 2 Offering and Listing of New Shares and Convertible Bonds by Listed Companies | 23 |
| | Section 3 Listing of Restricted Shares | 25 |
| Chapter VI | Periodic Reports | 27 |
| Chapter VII | General Provisions on Announcements | 31 |
| Chapter VIII | Resolutions of Board of Directors, Board of Supervisors and General Meeting of Shareholders..... | 33 |
| | Section 1 Resolutions of Board of Directors and Board of Supervisors | 33 |
| | Section 2 Resolutions of General Meeting of Shareholders | 35 |
| Chapter IX | Disclosable Transactions..... | 36 |
| Chapter X | Related Party Transactions..... | 42 |
| | Section 1 Related Party Transactions and Related Parties | 42 |
| | Section 2 Approval Procedure for and Disclosure of Related Party Transactions | 43 |
| Chapter XI | Other Material Events | 48 |
| | Section 1 Material Litigations and Arbitrations | 48 |
| | Section 2 Management of Proceeds | 49 |
| | Section 3 Earnings Preannouncement, Preliminary Results and Earnings Forecast..... | 50 |
| | Section 4 Profit Distribution and Transfer of Capital Reserve into Share Capital..... | 52 |
| | Section 5 Unusual Share Price Movement and Clarification | 53 |
| | Section 6 Repurchase of Shares..... | 54 |
| | Section 7 Material Matters Related to Convertible Bonds..... | 56 |
| | Section 8 Acquisition and Equity Changes..... | 58 |
| | Section 9 Share Incentive..... | 60 |
| | Section 10 Bankruptcy | 61 |
| | Section 11 Others | 65 |
| Chapter XII | Trading Halt and Trading Resumption | 69 |
| Chapter XIII | Suspension, Resumption and Termination of Listing and Re-listing | 73 |
| | Section 1 Suspension of Listing..... | 73 |
| | Section 2 Resumption of Listing..... | 78 |
| | Section 3 Voluntary Termination of Listing..... | 85 |
| | Section 4 Forced Termination of Listing..... | 90 |
| Chapter XIV | Application for Review..... | 99 |
| Chapter XV | Domestic and Overseas Listings..... | 100 |
| Chapter XVI | Regulatory Measures and Disciplinary Actions Against Breaches | 101 |
| Chapter XVII | Interpretation..... | 103 |
| Chapter XVIII | Supplementary Rules..... | 105 |
| Appendices..... | | 107 |
| | Appendix 1: Declaration and Undertaking with regard to Directors | 108 |
| | Appendix 2: Declaration and Undertaking with regard to Supervisors | 113 |
| | Appendix 3: Declaration and Undertaking with regard to Senior Executives | 118 |
| | Appendix 4: Declaration and Undertaking with regard to the Controlling Shareholders and <i>De Facto</i> Controller..... | 123 |
| | Appendix 4: Declaration and Undertaking with regard to the Controlling Shareholders and <i>De Facto</i> Controller..... | 127 |
| | Notes:..... | 133 |

Chapter I General Rules

1.1 These Rules are formulated in accordance with the *Company Law of the People's Republic of China* (hereinafter, the *Company Law*), the *Securities Law of the People's Republic of China* (hereinafter, the *Securities Law*) and other laws, administrative regulations, rules of competent authorities, regulatory documents as well as the *Articles of Association of Shenzhen Stock Exchange*, for the purposes of regulating the listing of corporate shares, corporate bonds convertible into shares (hereinafter, convertible bonds) and other derivatives (hereinafter collectively, shares and derivatives) as well as the information disclosure by issuers, listed companies and relevant persons subject to disclosure obligations (hereinafter, relevant disclosing parties), maintaining the order of the securities market, and protecting the legitimate rights and interests of investors.

1.2 These Rules shall be applicable to the shares and derivatives listed on the ChiNext Market of Shenzhen Stock Exchange (hereinafter, the Exchange). Where China Securities Regulatory Commission (hereinafter, the CSRC) or the Exchange has other provisions in regard to the listing, information disclosure or trading halt of warrants, other derivatives, shares of overseas companies and derivatives thereon, such provisions shall prevail.

1.3 The application for listing shares and derivatives on the ChiNext market of the Exchange shall be subject to the approval of the Exchange. Prior to listing, the applicant shall enter into a listing agreement with the Exchange specifying the rights and obligations of both parties and other relevant matters.

1.4 An issuer, listed company on the ChiNext Market (hereinafter, listed company), and its directors, supervisors, senior executives, shareholders, *de facto* controller, acquirers, other individuals, institutions and relevant parties involved in substantial restructuring, sponsor and sponsor representatives, and securities service providers and relevant parties shall comply with laws, administrative regulations, rules of competent authorities, regulatory documents, these Rules, and relevant regulations including the implementation rules, guidelines, notices, measures and memoranda issued by the Exchange (hereinafter, other relevant regulations of the Exchange), and shall strictly fulfill their fiduciary duties and due diligence duties.

1.5 The Exchange will, supervise issuers, directors, supervisors, senior executives, shareholders, *de facto* controller, acquirers, other individuals, institutions and relevant parties involved in substantial restructuring, sponsor and sponsor representatives, and securities service providers and relevant parties in accordance with laws, administrative regulations, rules of competent authorities, regulatory documents, these Rules, other relevant regulations of the Exchange, the listing agreement, declarations and undertakings.

Chapter II Basic Principles and General Provisions on Information Disclosure

2.1 In accordance with laws, administrative regulations, rules of competent authorities, regulatory documents, these Rules, and other relevant regulations of the Exchange, a listed company and relevant disclosing parties shall disclose information that is likely to exert significant influence on the trading prices of its shares and derivatives (hereinafter, material information) in a timely and fair manner and guarantee its truthfulness, accuracy and completeness. False statements, misrepresentative and material omissions are not allowed.

2.2 A listed company and its directors, supervisors, senior executives shall guarantee the truthfulness, accuracy, completeness of information disclosed and that it be disclosed timely and fair. Otherwise, a declaration and explanatory reasons shall be disclosed accordingly in the announcement.

2.3 For the purposes of these Rules, “truthfulness” means that a listed company and the relevant disclosing parties shall disclose information based on objective facts or the judgments and opinions based on objective facts. Such information shall reflect realities and contain no false statements and misrepresentations.

2.4 For the purposes of these Rules, “accuracy” means that a listed company and the relevant disclosing parties shall make unambiguous and precise statements in an announcement and that the information disclosed shall be concise and intelligible. The contents shall be easy to comprehend and shall not contain any promotional, advertising, flattering or exaggerating words or any misrepresentations.

Where a company is forecasting its future operation and financial performances in an announcement, the information shall be presented in a reasonable, cautious and objective manner.

2.5 For the purposes of these Rules, “completeness” means that the information disclosed by a listed company and the relevant disclosing parties shall be complete in content and proper in format, having all the relevant documents available and no material omissions.

2.6 For the purposes of these Rules, “timely” means that a listed company and the relevant disclosing parties shall disclose material information within a time limit specified in these Rules,.

2.7 For the purposes of these Rules, “fair” means that a listed company and the relevant disclosing parties shall disclose material information to all investors simultaneously, ensuring that all investors have equal access to the information, and shall not disclose, reveal or leak such information to any investor privately in advance.

The company shall not reveal or leak any material information that has not been publicly disclosed, especially when communicating with investors on the company’s operating status, financial status or

any other matters through occasions such as annual report briefings, analyst meetings and roadshows, and shall conduct live webcasts to create fair access for all investors.

When specified parties such as institutional investors, analysts and the press visit the site of the company or get involved in panel discussion, the company shall arrange the visiting process reasonably and properly so as to prevent visitors from gaining access to undisclosed material information.

In special cases where the company needs to offer files and undisclosed material information to its shareholders, *de facto* controller or banks, tax departments, statistical departments, intermediary agencies and business negotiation counterparts, it shall report timely to the Exchange and shall comply with disclosing obligations according to relevant regulations of the Exchange. The company shall also require intermediary agencies and business negotiation counterparts to sign confidentiality agreements to make promises to prevent information leakage and to keep away from trading for themselves or recommending others to trade the company's shares or derivatives.

2.8 A listed company shall establish a management regime in accordance with relevant regulations and strictly implement it.

The company shall register the information disclosure management regime approved by its board of directors with the Exchange in a timely manner, and disclose the same on websites designated by the Exchange.

2.9 Prior to information disclosure, a listed company and its directors, supervisors, senior executives, relevant disclosing parties and other insiders shall minimize the scope of persons with knowledge of the information. They shall not leak undisclosed material information, engage in insider trading or cooperate with others to manipulate the prices of the company's shares and derivatives.

In the event of leakage of undisclosed material information, circulation of market rumors or unusual fluctuations in stock trading, the company and relevant disclosing parties shall promptly take measures, report to the Exchange and make an announcement immediately.

2.10 A listed company shall issue regulations to regulate the disclosing behaviors of directors, supervisors and senior executives, specifying the information undisclosable without permission from the board of directors.

2.11 The controlling shareholders, *de facto* controller and other relevant disclosing parties of the listed company shall exercise the rights of shareholders in accordance with law and shall not abuse such rights to the detriment of the interests of the company or any other shareholders.

The controlling shareholders, *de facto* controller, purchasers and other relevant disclosing parties of the company shall comply with the disclosing obligations in accordance with relevant regulations,

actively cooperate with the company in the information disclosure, inform the company in time of material events that have occurred or are about to occur and strictly stick to their commitments.

The controlling shareholders and *de facto* controller shall pay particular attention to the confidentiality of material events during planning stages. When public media reports news or rumors relevant to the controlling shareholders, *de facto* controller and might have a significant effect on the trading price of the company's shares and derivatives, the controlling shareholders and *de facto* controller shall inform the company promptly and correctly of the matters involved in the report and actively cooperate with the company in relevant investigations and information disclosure.

2.12 Information disclosed by a listed company includes periodic reports and announcements.

Company and relevant disclosing parties shall file the announcements and reference documents with the Exchange as soon as possible. Such announcements and documents shall meet the requirements of the Exchange.

The announcements and reference documents filed by the company and the relevant disclosing parties shall be presented in Chinese. Where the Chinese version is accompanied by a foreign language version, disclosing parties shall ensure the consistency between the two versions. In case of any discrepancy between the two versions, the Chinese version shall prevail.

2.13 In accordance with applicable laws, administrative regulations, rules of competent authorities, regulatory documents, these Rules and other relevant regulations issued by the Exchange, the Exchange conducts formality review of information disclosed by listed companies and relevant disclosing parties. The Exchange is not liable for the truthfulness thereof.

Periodic reports shall be registered before they are published and be reviewed by the Exchange after they are published, while announcements shall be reviewed by the Exchange before they are published, or be registered before they are published and reviewed by the Exchange after they are published, depending on the circumstances.

If any errors, omissions or misrepresentations are found in the periodic report or the announcement, the Exchange is entitled to require the company to make a clarification and the company shall act upon the requirement of the Exchange.

2.14 After being registered with the Exchange, the periodic reports and announcements of a listed company shall be disclosed on the websites designated by the CSRC (hereinafter, designated websites) and the company's website. The preannouncement of the periodic reports shall be disclosed additionally on the press designated by the CSRC (hereinafter, designated media).

If the company fails to make disclosures as scheduled, or the contents of the documents disclosed in the designated media are inconsistent with what has been filed and registered with the Exchange, the

company shall report to the Exchange in a timely manner.

2.15 A listed company and the relevant disclosing parties shall not disclose any material information in other public media earlier than their disclosure thereof in the designated media, nor shall they reveal or leak undisclosed material information through news releases, Q & A with reporters or any other means prior to their announcement thereof in the designated media.

The directors, supervisors and senior executives of a listed company shall comply with the provisions of the preceding paragraph and urge that the company shall so comply.

2.16 A listed company and the relevant disclosing parties shall pay close attention to media coverage of the company as well as the market performance of its shares and derivatives and ascertain the facts from relevant parties in a timely manner.

The company shall truthfully respond to the inquiries of the Exchange on the relevant matters within the required time limit, and make an announcement of such matters timely, truthfully, accurately and completely in accordance with these Rules and the requirements of the Exchange. They shall not breach their obligations of reporting, announcing and responding to the inquiries of the Exchange under the excuse that such matters are uncertain or confidential.

2.17 Where a listed company and the relevant disclosing parties fail to respond to the inquiries of the Exchange within the required time limit, or fail to make an announcement in accordance with these Rules and the requirement of the Exchange, or when the Exchange deems necessary, the Exchange may make a public explanation in such form as the stock exchange announcement.

2.18 When a listed company releases its periodic reports, announcements, relevant reference documents or other disclosure documents, it shall file the documents at its domicile for public inspection at the same time.

2.19 A listed company shall be equipped with necessary communication facilities for information disclosure and strengthen its communication with investors, especially the investing public. The company shall prepare a hotline for investors and shall announce and post on its website the hotline numbers as well as the new numbers in case of any changes.

The company shall ensure that the hotline is not busy and that persons specially responsible for it are ready to answer during working hours. In case of material events or other times of necessity, the company shall open several hotlines for consulting.

The company shall set up a column for investor relations on the company's website, hold regular meetings with investors, and shall reply in a timely manner to questions of the investing public to enhance their understanding of the company.

2.20 Where the information intended to be disclosed by a listed company is uncertain, or is temporarily a business secret, or deemed to be confidential by the Exchange, and premature disclosure thereof would be detrimental to the interests of the listed company or would be a misrepresentation to investors, moreover, one or more of the following apply, the listed company shall apply to the Exchange for a postponement with a reasonable explanation and the intended postpone-period:

- (1) The information intended to be disclosed has not been leaked;
- (2) Relevant insiders have made a written undertaking to keep such information confidential; and
- (3) There has not been an unusual movement in the prices of the company's shares and derivatives.

With the approval of the Exchange, a company may delay its disclosure, generally by no more than two months.

A timely disclosure is still required if the application for delayed disclosure is rejected by the Exchange, or the reasons for postpone-disclosure no longer apply, or the postpone-period expires.

2.21 Where the information intended to be disclosed by a listed company is a State secret or business secret, or deemed to be confidential by the Exchange, and premature disclosure thereof would lead to violations of the applicable State laws or administrative regulations relating to the protection of State secrets or would be detrimental to the interests of the company, the company may apply to the Exchange for exemption from disclosure or from fulfillment of relevant obligations under these Rules.

2.22 If any event occurring on the part of or in connection with a listed company does not meet the disclosure requirements under these Rules, but is deemed to have a significant impact on the prices of the company's shares and derivatives by the Exchange or the board of directors of the company, the company shall make a timely disclosure as per these Rules.

2.23 A listed company and the relevant disclosing parties should consult the Exchange when in doubt as to the specific provisions under these Rules.

2.24 The Exchange may conduct a field inspection on a listed company and the relevant disclosing parties according to these Rules, other relevant regulations and its regulatory needs, and the company and the relevant disclosing parties shall cooperate.

The field inspection above includes looking up and copying documents, inspecting physical evidences, speaking to or making inquiries to the company and its subordinates (hereinafter, inspected parties) in their production, operation, management places and other relevant places, inspecting the inspected parties about their compliance in information disclosure and corporate governance.

2.25 When preparing and issuing sponsor's letters for listing, opinions of continuing supervision, auditor's reports, asset appraisal reports, financial advisory reports, credit rating reports, or legal opinions with respect to the securities operations of issuers, listed companies and the relevant disclosing parties, sponsors and its sponsor representatives and securities service providers and their relevant persons shall exercise due diligence to check and verify the truthfulness, accuracy and completeness of the contents of the documents prepared and issued by them. Such documents shall contain no false statements, misrepresentations or material omissions.

2.26 Sponsors, sponsor representatives and securities service providers and their relevant persons shall prepare the working paper in a timely manner, keep a complete record on activities of issuers, listed companies and the relevant disclosing parties.

The Exchange may access and examine the working paper, the record on securities activities and relevant materials according to its regulatory needs.

Chapter III Directors, Supervisors and Senior Executives, Controlling Shareholder and *De Facto* Controller

Section 1 Declaration and Undertaking

3.1.1 The directors, supervisors and senior executives of a listed company shall, prior to the initial listing of the company's shares, sign a *Declaration and Undertaking with regard to Directors (Supervisors or Senior Executives)* in triplicate and file the same with the Exchange and the board of directors of the company. Newly appointed directors and supervisors shall do so within one month upon the approval of their appointment by the general meeting of shareholders, and the newly appointed senior executives shall do so within one month upon the approval of their appointment by the board of directors.

The controlling shareholders and *de facto* controller of a listed company shall, prior to the initial listing of the company's shares, sign a *Declaration and Undertaking with Regard to Controlling Shareholders and De Facto Controller* in triplicate and file the same with the Exchange and the board of directors of the company. New controlling shareholders and *de facto* controller shall do so within one month upon taking over the company.

The foregoing institutions and individuals shall sign the *Declaration and Undertaking with regard to Directors (Supervisors, Senior Executives, Controlling Shareholders or De Facto Controller)* in the presence of attorneys who are responsible for the explanation of the documents. Foregoing institutions and individuals shall sign and seal the documents with full understanding of the contents.

The board secretary shall urge that the directors, supervisors, senior executives, controlling

shareholders and *de facto* controller shall sign the *Declaration and Undertaking with regard to Directors (Supervisors, Senior Executives, Controlling Shareholders or De Facto Controller)* in a timely manner and submit both written and electronic copies thereof to the Exchange in a way required by the Exchange.

3.1.2 The directors, supervisors and senior executives of a listed company shall declare the following in the *Declaration and Undertaking with regard to Directors (Supervisors or Senior Executives)*:

- (1) Their shareholdings (including those held directly and indirectly) in the company;
- (2) Any investigation and punishment on them for violations of laws, administrative regulations, rules of competent authorities, regulatory documents, these Rules or other relevant regulations of the Exchange;
- (3) Any security-business training received;
- (4) Other positions held and the work experience in the most recent five years;
- (5) Citizenship or permanent right of residence in another country or region, if any; and
- (6) Other matters that must be declared as required by the Exchange.

3.1.3 The directors, supervisors and senior executives of a listed company shall guarantee that the matters they declare in the *Declaration and Undertaking with regard to Directors (Supervisors or Senior Executives)* are true, accurate and complete and free from false statements, misrepresentations and material omissions.

3.1.4 In case of any changes in the matters declared by any director, supervisor or senior executives of a listed company during his tenure (including the renewed term), the director, supervisor or senior executive shall, within five trading days since such changes take place, submit the updated materials to the Exchange and the board of directors of the company.

3.1.5 The directors, supervisors and senior executives of a listed company shall perform the following duties and make a corresponding undertaking in the *Declaration and Undertaking with regard to Directors (Supervisors or Senior Executives)*:

- (1) That he shall comply with State laws, administrative regulations, rules of competent authorities and regulatory documents, urge that the listed company shall so comply, and fulfill his fiduciary duties and due diligence duties;
- (2) That he shall comply with these Rules and other relevant regulations of the Exchange, urge that the company shall so comply, and be subject to the supervision of the Exchange;
- (3) That he shall comply with the articles of association of the company and urge that the company shall so comply; and
- (4) Other duties and undertakings that must be performed or made as required by the Exchange.

The supervisors shall also make an undertaking of supervising that the directors and senior executives act in compliance with their undertakings.

The senior executives shall also make an undertaking of reporting to the board of directors in a timely manner about potential impacts on the prices of shares and derivatives caused by any operational or financial activities of the company.

3.1.6 The controlling shareholders and *de facto* controller of a listed company shall declare the following in the *Declaration and Undertaking with Regard to Controlling Shareholders and De Facto Controller*:

- (1) Their shareholdings (including those held directly and indirectly) in the company;
- (2) Any investigation and punishment on them for violations of laws, administrative regulations, rules of competent authorities, regulatory documents, these Rules or other relevant regulations of the Exchange;
- (3) Basic information on related parties; and
- (4) Other matters that must be declared as required by the Exchange.

3.1.7 The controlling shareholders and *de facto* controller of a listed company shall perform the following duties and make a corresponding undertaking in the *Declaration and Undertaking with regard to Controlling Shareholders and De Facto Controller*:

- (1) That he shall comply with State laws, administrative regulations, rules of competent authorities and regulatory documents, and shall urge that the company shall so comply;
- (2) That he shall comply with these Rules and other relevant regulations of the Exchange, and shall urge that the company shall so comply, and be subject to the supervision of the Exchange;
- (3) That he shall comply with the articles of association of the company and urge that the company shall so comply;
- (4) That he shall exercise the shareholders' rights in accordance with law and shall not abuse the controlling power to the detriment of the interest of the company or other shareholders, including but not limited to:
 - a) That he shall not misappropriate the funds of the listed company illegally in any form, neither shall he require the company to grant guarantee illegally;
 - b) That he shall not damage the legitimate rights and interests of the listed company and other shareholders through in any forms including unfair related party transactions, profit distributions, asset restructuring or company investment;
 - c) That he shall not seek profits through undisclosed material information of the listed company, and shall not reveal undisclosed material information of the listed company in any method or engage in illegal acts such as insider trading, short-swing trading or market manipulation;
 - d) That he shall ensure the integrity of the assets of the listed company and the independence of its personnel, finance, organization and business, and shall not affect its independence in any way.
- (5) That he shall strictly fulfill its declaration and undertaking, and shall not alter or rescind them without authorization;
- (6) That he shall strictly fulfill the obligation of information disclosure in strict accordance with relevant regulations and guarantee that the information disclosed is true, accurate and complete with no false statements, misrepresentative and material omissions; that he shall also actively cooperate with the company in information disclosure, inform the company in time of material

events that have occurred or are about to occur and reply truthfully to the inquiries from the Exchange;

(7) Other obligations and undertakings that must be fulfilled or made as required by the Exchange.

3.1.8 The controlling shareholders and *de facto* controller of a listed company shall guarantee the truthfulness, accuracy and completeness of the declarations in *Declaration and Undertaking with regard to Controlling Shareholders and De Facto Controller*. False statements, misrepresentative and material omissions are not allowed.

In case of any changes in the matters declared by any controlling shareholder or *de facto* controller, the controlling shareholder and *de facto* controller shall, within five trading days since such changes take place, submit the updated materials to the Exchange and the board of directors of the company.

3.1.9 The fiduciary duties and due diligence duties to be performed by a director of a listed company shall include:

- (1) Attending the board of directors general meeting in person, acting with due diligence and reasonable prudence, and expressing opinions explicitly on the matters under consideration. In case of absence for any reason, a proxy shall be selected cautiously;
- (2) Carefully reading all the business and financial reports of the company as well as any media coverage on the company, keeping informed of and paying continuous attention to the company's operations and management as well as the material events that have occurred or are likely to occur and the effect of such material events, reporting in a timely manner to the board of directors about the problems existing in the company's operations, and may not shirk his responsibility under the excuses that he is not directly engaged in operation and management of the company or has no knowledge thereof;
- (3) Being honest and trustworthy while performing duties, exercising rights in the overall interests of the company and those of all shareholders within the scope of authority, and avoiding *de facto* and potential conflicts engaged in interests and duties; and
- (4) Performing other fiduciary duties and due diligence duties as set forth in the *Company Law* and the *Securities Law* as well as those acknowledged by the public.

3.1.10 The directors, supervisors and senior executives of a listed company shall report to the Exchange and apply for a lock-up on the shares they hold in the company prior to the listing of the company's shares, when their appointment takes effect, when they increase their interest in the company, or when their application for resignation takes effect.

In case of any changes in the shareholdings of directors, supervisors, senior executives or the securities affairs representative of the company (excluding any changes arising from dividend distribution and transfer of capital reserve into share capital), they shall report to the company in a timely manner and the company shall make an announcement on the website designated by the Exchange.

3.1.11 The directors, supervisors and senior executives of a listed company shall comply with the *Company Law*, the *Securities Law*, the relevant regulations of the CSRC and the Exchange and the articles of association of the company when they trade in the shares of the company.

3.1.12 Where the directors, supervisors or senior executives of a listed company or shareholders holding five percent or more of the shares of a listed company (hereinafter, five percent shareholders) purchase and then sell, or sell and then purchase, the shares of the company within six months, the profits derived from such short-swing trading shall belong to the company. The board of directors of the company shall confiscate the short-swing profits and disclose the relevant information in a timely manner.

3.1.13 When a listed company gives notice of the general meeting of shareholders for the election of independent directors, it shall file the relevant materials of the candidates (including but not limited to the nominator's statement, the candidate's statement and the independent director's resume) with the Exchange for the record. The election of independent directors shall be held through cumulative voting.

When the board of directors of the listed company objects to any independent director candidacy, the company shall also file the written opinions of its board of directors with the Exchange.

3.1.14 The Exchange will, within five trading days of receiving the materials described in the preceding Rule 3.1.13, review the competence and independence of the candidacy for independent directors. If the Exchange raises an objection to a certain candidacy, the listed company shall not propose such person for election as an independent director to the general meeting of shareholders.

The board of directors of the listed company shall state at the general meeting of shareholders whether the Exchange has raised objection to the candidacy for independent directors.

3.1.15 A listed company shall guarantee that independent directors have the same rights to know as other directors, and shall provide working conditions necessary for the independent directors to perform their duties. During time when independent directors exercise their powers and perform their duties, relevant personnel shall actively cooperate with them and shall not reject, obstruct or conceal, or interfere in the process.

3.1.16 The Exchange has established a management system for independent directors' integrity files to record their performance of duties and to disclose relevant information of the system to the public via the website of the Exchange or other means.

3.1.17 A listed company shall establish an Audit Committee under the board of directors. The company's auditing department shall be accountable to and report its work to the Audit Committee. Independent directors shall constitute more than half of the Audit Committee and act as the convenor, and at least one independent director shall be a professional in the accounting field.

Section 2 Secretary to the Board of Directors

3.2.1 A listed company shall appoint a secretary to its board of directors (hereinafter, the board secretary) who shall act as the company's designated point of contact with the Exchange.

The company shall establish an information disclosure department and put the board secretary in charge of the department.

3.2.2 The board secretary shall be accountable to the listed company and the board of directors, and perform the following duties:

- (1) Responsible for information disclosure, coordinating corporate disclosure affairs, organizing the establishment of management systems for information disclosure, and urging the company and the relevant disclosing parties to observe the relevant disclosure regulations;
- (2) Being responsible for investor-relationship management and shareholder information management, coordinating communications between the company and the securities regulatory authority, shareholders and *de facto* controller, securities service providers and the media;
- (3) Organizing and preparing the board of directors meeting (hereinafter, the board meeting) and the general meeting of shareholders, attending the general meeting of shareholders, the board meeting, the board of supervisors meeting and senior executives' meeting, keeping the minutes of board meetings and signing thereon for confirmation;
- (4) Being responsible for confidentiality with respect to information disclosure, and reporting to the Exchange and making an announcement in a timely manner when any unpublished material information is leaked;
- (5) Paying close attention to public media coverage on the company and ascertaining whether the coverage is true or not, and urging the board of directors to respond to all the inquiries of the Exchange in a timely manner;
- (6) Organizing trainings for directors, supervisors and senior executives on securities-related laws and regulations, these Rules and other relevant regulations of the Exchange, and helping them understand their respective rights and obligations in information disclosure;
- (7) Urging directors, supervisors and senior executives to comply with securities-related laws and regulations, these Rules, other relevant regulations of the Exchange and the articles of association of the company, and conscientiously fulfill their undertakings; whenever the board secretary becomes aware that the company has made or is likely to make any decision in violation of relevant regulations, he shall remind the relevant parties and promptly and truthfully report to the Exchange; and
- (8) Other duties prescribed in the *Company Law* and the *Securities Law* or required by the CSRC and the Exchange.

3.2.3 A listed company shall establish working system and provide conveniences for the board secretary to perform his duties. The directors, supervisors, principal financial officer, other senior executives and relevant persons of the company shall support and cooperate with the board secretary

in information disclosure.

In the performance of his duties, the board secretary shall be entitled to look into the financial and operating conditions of the company, attend disclosure-related meetings, consult all the disclosure-related documents, and require the relevant departments and persons of the company to furnish relevant materials and information in a timely manner.

The board secretary may report to the Exchange directly if he meets with improper interference or serious obstruction in the performance of his duties.

3.2.4 The board secretary shall have the necessary financial, management and legal expertise for performing his duties, have good professional and personal ethics, and have obtained the qualification certificate of board secretaries issued by the Exchange. Any of the following persons shall not serve as the board secretary of a listed company:

- (1) Any person enumerated in Article 146 of the *Company Law*;
- (2) He has been banned from the securities market by the CSRC and the time limit has not yet expired;
- (3) He has been censured publicly or criticized more than three times through circulating notices by stock exchanges in the most recent three years;
- (4) He is the incumbent supervisor of the company; or
- (5) Other persons deemed by the Exchange as inappropriate for serving the position.

Where the secretary of the board of directors is intended to be appointed under any of the following circumstances, the listed company shall, in a timely manner, disclose the reasons for the intention of appointment and whether the circumstances affecting the standard operation of the listed company exist, and shall disclose relevant risks:

- (1) He has received administrative sanctions from the CSRC in the most recent three years;
- (2) He has been investigated by judicial organs for suspected crimes or investigated by the CSRC for suspected violations of laws or regulations, and that no definite conclusion has been reached yet.

3.2.5 A listed company shall, within three months since the listing of its IPO shares or within three months since the former secretary leaves office, appoint a board secretary.

3.2.6 A listed company shall, five trading days before convening a board meeting for appointing the board secretary, file the recommendee's relevant materials with the Exchange. If the Exchange does not raise any objection within five trading days of receiving the relevant materials, the board of directors may appoint the proposed board secretary through legal procedures.

3.2.7 Before appointing a board secretary, a listed company shall file the following materials with the Exchange:

- (1) Recommendation letter of the board of directors, including a statement on the recommendee's

compliance with the qualification requirements set forth in these Rules, his position, performance record, personal ethics, etc;

- (2) The recommendee's resume and academic certificate (photocopy); and
- (3) The recommendee's qualification certificate of board secretaries (photocopy).

3.2.8 While appointing the board secretary, a listed company shall also appoint a securities affairs representative who shall assist the secretary in performing his duties. In case that the board secretary is unable to perform his duties, the securities affairs representative shall exercise the rights and perform the duties of the board secretary. In this case, the board secretary shall not be naturally exempt from his responsibilities for corporate disclosure.

The securities affairs representative shall participate in the board secretaries training program organized by the Exchange and obtain the qualification certificate of board secretaries.

3.2.9 After the board of directors of a listed company formally appoints a board secretary and a securities affairs representative, the company shall publish an announcement and submit the following materials to the Exchange in a timely manner:

- (1) Letters of appointment for the board secretary and the securities affairs representative or relevant resolutions of the board meeting;
- (2) Contact details of the board secretary and the securities affairs representative, including office phone numbers, home phone numbers, mobile phone numbers, facsimile numbers, correspondence addresses and e-mails, etc.; and
- (3) Contact details of the chairman of the board of directors of the company, including his office telephone number, mobile phone number, facsimile number, correspondence address and e-mail, etc.

In case of any changes in the aforesaid contact details, the company shall submit the updated information to the Exchange in a timely manner.

3.2.10 A listed company shall not dismiss the board secretary without sufficient reasons.

If the board secretary is dismissed or resigns from his position, the company shall, in a timely manner, report to the Exchange stating the reasons and make an announcement.

The board secretary shall be entitled to submit to the Exchange a personal statement on the company's improper dismissal or other matters related to his resignation.

3.2.11 Upon the occurrence of any of the following circumstances, a listed company shall dismiss the board secretary within one month from the date when such circumstance comes into existence:

- (1) Any of the circumstances enumerated in Rule 3.2.4 hereof;
- (2) The board secretary is unable to perform his duties for more than three months in a row;

- (3) The board secretary commits a major mistake or material omissions in the performance of his duties, thus causing heavy losses to the company or its shareholders; or
- (4) The board secretary violates State laws, administrative regulations, rules of competent authorities, regulatory documents, these Rules, other relevant regulations of the Exchange, or the articles of association of the company, thus causing heavy losses to the company or its shareholders.

3.2.12 When appointing a board secretary, a listed company shall enter into a confidentiality agreement with the board secretary, requiring him to make an undertaking to fulfill the confidentiality obligation on an ongoing basis during his term of office and after he leaves office until the relevant information has been made public. This provision, however, is not applicable to the information relating to the company's violations of laws and regulations.

Before leaving office, the board secretary shall be subject to the inspection of the board of directors and the board of supervisors, and, under the supervision of the board of supervisors, hand over relevant documentations and the work being undertaken or to be undertaken.

3.2.13 During the vacancy of the office of the board secretary of a listed company, the board of directors shall designate a director or senior executive to perform the duties of the board secretary, file such designation with the Exchange for the record, and determine the board secretary as soon as possible. Before the company designates a person to perform the duties of the board secretary, the chairman of the board of directors shall perform the duties of the board secretary.

If the vacancy remains unfilled for more than three months, the chairman of the board of directors shall perform the duties of the board secretary until a new board secretary is formally appointed by the company.

3.2.14 A listed company shall ensure that, when required by the Exchange, the board secretary shall participate in the follow-up board secretaries training programs organized by the Exchange during his term of office.

3.2.15 When fulfilling information disclosure obligations, a listed company shall designate the board secretary, securities affairs representative, or the person who performs duties in place of the board secretary as prescribed in Rule 3.2.13 hereof, to communicate with the Exchange for information disclosure and equity management affairs.

Chapter IV Sponsors

4.1 The Exchange adopts a listing sponsorship system for the listing of shares and convertible bonds. Where an issuer applies to the Exchange for the listing of its IPO shares, or new shares or convertible bonds offered following its initial listing, or when a listed company applies to the

Exchange for resuming the listing of its suspended shares, it must have a sponsor for that purpose, unless no sponsor is required under relevant regulations of the CSRC.

A sponsor must be a securities house that is registered with the CSRC and included in the CSRC's list of sponsors and has full membership of the Exchange.

4.2 A sponsor shall enter into a sponsorship agreement with the issuer, specifying the rights and obligations of both parties during the period of listing application, the period of listing resumption application, the period of relisting application and the continuing supervision period respectively. The sponsorship agreement shall specify the point in time for the sponsor to review the disclosure documents of the issuer.

In the case of IPO, the continuing supervision period refers to the remaining of the year of initial listing and the subsequent three full financial years. In the case of further offering of shares or issue of convertible bonds, the continuing supervision period refers to the remaining of the year of listing of such shares or convertible bonds and the subsequent two full financial years. In the case of listing resumption, the continuing supervision period refers to the remaining of the year of listing resumption and the subsequent one full financial year. The continuing supervision period commences from the date of listing of shares or convertible bonds.

For companies with major defects or illegal acts in information disclosure, standard operation, corporate governance or internal controls, or with high supervisory risks such as experiencing major changes in *de facto* controller, board of directors or senior management, the Exchange may judge the circumstances and request the sponsor to extend the continuing supervision period after the statutory period until relevant issues or risks are eliminated.

4.3 When entering into the sponsorship agreement, a sponsor shall designate two sponsor representatives to be specifically responsible for sponsorship work and act as the sponsor's designated point of contact with the Exchange.

A sponsor representative must be an individual registered with the CSRC and included in the CSRC's list of sponsor representatives.

4.4 A sponsor for the listing of shares or convertible bonds (listing resumption excluded) shall submit to the Exchange the sponsor's letter for listing, sponsorship agreement, documentary proof that the sponsor and sponsor representatives have been registered with the CSRC and included in the list of sponsors and the list of sponsor representatives respectively, power of attorney, and other documents related to listing sponsorship.

The documents and the contents thereof to be submitted by a sponsor for listing resumption of shares shall meet the relevant requirements of Section 2 of Chapter XIII hereof.

4.5 The sponsor's letter for listing shall contain the following information:

- (1) Overview of the company that offers shares or convertible bonds;
- (2) Issuance particulars of the shares or convertible bonds to be listed;
- (3) Statement on whether the sponsor is in any situation that would affect its fair performance of its sponsorship duties;
- (4) The matters for which the sponsor shall make an undertaking under relevant regulations;
- (5) Arrangement for continuing supervision and guidance;
- (6) Contact details of the sponsor and sponsor representatives, including their correspondence addresses and telephone numbers, etc.;
- (7) Other matters that must be stated as determined by the sponsor; and
- (8) Other information as required by the Exchange.

The sponsor's letter for listing shall be signed by the legal representative of the sponsor (or his duly authorized representative) and the relevant sponsor representatives, with the date specified and the seal of the sponsor affixed thereto.

4.6 A sponsor shall supervise and guide the issuer in setting up sound and effective systems for corporate governance, internal financial control and information disclosure, as well as fulfilling the issuer's disclosure obligations and other relevant obligations pursuant to the provisions of these Rules, review the disclosure documents and other relevant documents, and guarantee that the documents submitted to the Exchange in relation to its sponsorship work are true, accurate and complete and free from false statements, misrepresentations and material omissions.

The sponsor and sponsor representatives shall supervise and guide the directors, supervisors, senior executives, controlling shareholder and *de facto* controller of the issuer in complying with the relevant provisions of these Rules and other relevant regulations of the Exchange and fulfilling their undertakings to the Exchange.

4.7 A sponsor shall complete its review of the relevant documents after the issuer files disclosure documents or other documents with the Exchange, or after the issuer fulfills information disclosure obligations. It shall timely urge the issuer to correct any problems identified in its review or to provide additional information, and in the meanwhile report to the Exchange.

4.8 Where the information disclosed in the announcements of a listed company involves major matters such as fund-raising, related party transactions, trustee investment or providing guarantees for others, the sponsor shall issue an independent opinion and disclose such matters simultaneously with the relevant announcement of the company.

4.9 During continuing supervision period, the sponsor shall disclose the tracking report on the designated websites within 15 trading days from the disclosure of annual reports and the

semi-annual reports of the listed company, and shall analyze the matters involved in Article 35 of the *Measures for the Administration of Sponsorship of Securities Issuance and Listing* and express independent opinions accordingly.

The sponsor shall conduct necessary on-site inspections of the listed company to ensure that there is no false record, misrepresentations or major omission in the independent opinions expressed according to the preceding paragraph.

4.10 The opinions issued by a sponsor in performing its sponsorship duties shall be notified to the issuer in a timely manner and recorded in the sponsorship file.

The issuer shall cooperate with the sponsor and sponsor representatives in their work.

4.11 Where, in the performance of its sponsorship duties, a sponsor has sufficient reason to believe that the issuer may have violated these Rules, it shall urge the issuer to make a clarification and, within a specified time limit, make a rectification, and shall report to the Exchange.

Before a sponsor issues a public statement on the issuer's violations of laws and regulations pursuant to relevant regulations, it shall file a written report with the Exchange. After being reviewed by the Exchange, such statement shall be published in the designated websites. The Exchange conducts formality review of the statement and is not liable for the truthfulness thereof.

4.12 Where a sponsor has sufficient reason to believe that a professional opinion issued by an intermediary and the signatories thereof pursuant to these Rules may contain false statements, misrepresentations or material omissions, or involve other irregularities, it shall, in a timely manner, issue an opinion and report to the Exchange.

4.13 When a sponsor terminates the sponsorship agreement with the issuer, it shall, within five trading days of termination thereof, file a report with the Exchange explaining the relevant reason while the issuer shall make a public announcement.

When the issuer appoints another sponsor, it shall, in a timely manner, report to the Exchange and make an announcement. The newly appointed sponsor shall submit to the Exchange in a timely manner the relevant documents enumerated in Rule 4.4 hereof.

4.14 Where a sponsor changes its sponsor representative, it shall notify the issuer and, within five trading days, file a report with the Exchange explaining the relevant reason and provide relevant information on the new sponsor representative. The issuer shall disclose such changes in a timely manner upon receipt of the sponsor's notification.

4.15 A sponsor shall submit a sponsorship final report to the Exchange within ten trading days after

completing continuing supervision and guidance.

4.16 A sponsor, relevant sponsor representatives and other sponsorship participants shall not take advantage of the undisclosed information they have obtained in performing their duties to conduct insider trading for the purpose of seeking interests for themselves or for other parties.

Chapter V Listing of Shares and Convertible Bonds

Section 1 Listing of IPO Shares

5.1.1 An issuer that applies to the Exchange for listing its IPO shares shall meet the following requirements:

- (1) Its shares have been offered to the public;
- (2) Its total share capital is no less than RMB 30 million;
- (3) The public offered shares account for no less than twenty-five percent of its total amount of shares. For an issuer whose total share capital exceeds RMB 400 million, the aforesaid minimum percentage shall be ten percent;
- (4) The number of the shareholders of the company shall not be less than 200;
- (5) In the most recent three years, it has not committed any severe violation of law and there has been no falsehood in its financial reports; and
- (6) Other requirements as may be imposed by the Exchange.

5.1.2 An issuer that applies to the Exchange for listing its IPO shares shall prepare a listing announcement in accordance with relevant regulations.

5.1.3 An issuer that applies to the Exchange for listing its IPO shares shall submit the following documents:

- (1) Listing report (listing application);
- (2) The resolutions of the board of directors and the general meeting of shareholders with respect to its listing application;
- (3) Photocopy of the company's business license;
- (4) The articles of association of the company;
- (5) The financial reports of the company for the most recent three years audited in accordance with law by a Certified Public Accountant (hereinafter, CPA) firm with the qualifications for securities and futures business;
- (6) Sponsorship agreement and the letter of listing sponsorship produced by a sponsor;
- (7) Legal opinion issued by a law firm;
- (8) Capital verification report produced by a CPA firm with the qualifications for securities and futures business;
- (9) Document evidencing the registration of all its shares with China Securities Depository and Clearing Corporation Limited Shenzhen Branch (hereinafter, the clearing company);

- (10) Report on the shareholdings of directors, supervisors and senior executives and the *Declaration and Undertaking letter with regard to Directors (Supervisors, Senior Executives or the Controlling Shareholders and De Facto Controller)*;
- (11) Relevant information about the person who is proposed to be appointed or has been appointed as the board secretary by the issuer;
- (12) The undertaking letter as prescribed in Rule 5.1.6 hereof ;
- (13) Document evidencing the lock-up of the shares issued and held before the public offering in the clearing company;
- (14) The financial information newly added during the period since the public offering up to the listing pursuant to relevant regulations, and a statement on relevant material events, if applicable;
- (15) The latest prospectus;
- (16) Listing announcement; and
- (17) Other documents as required by the Exchange.

5.1.4 An issuer and its directors, supervisors and senior executives shall guarantee that the listing application documents submitted to the Exchange are true, accurate and complete and free from false statements, misrepresentations and material omissions.

5.1.5 The shares issued by an issuer before the public offering shall not be transferred within one year since the listing of its shares.

5.1.6 When an issuer applies to the Exchange for listing its IPO shares, its controlling shareholder and *de facto* controller shall make an undertaking that, within thirty-six months of listing of the issuer's shares, they shall not transfer the issuer's shares issued before the IPO and held by them either directly or indirectly, or entrust others for the management of such shares, and such shares shall not be repurchased by the issuer.

The issuer shall publish the aforesaid undertaking in its listing announcement.

If any of the following apply one year after the listing of the issuer's shares, the controlling shareholder and *de facto* controller may be exempt from the aforesaid undertaking upon their application to and with the approval of the Exchange:

- (1) The transferor and transferee have actual controlling relationship or are under common control of the same controller; or
- (2) Other circumstances as recognized by the Exchange.

5.1.7 The Exchange will, within seven trading days of receiving the full set of listing application documents, make a decision whether or not to grant an approval. Under special situations, the Exchange may at its discretion withhold making a decision.

5.1.8 The Exchange has a Listing Committee which reviews the listing application, makes

independent and professional judgment and issues its opinion. The Exchange makes its decision on the listing application based on the opinion of the Listing Committee.

The requirements enumerated in subparagraphs (1) to (5) of Rule 5.1.1 hereof are essential for listing on the Exchange. The Exchange does not guarantee that it will certainly approve an issuer's listing application when the issuer meets such requirements.

5.1.9 After the Exchange approves an issuer's application for listing its IPO shares, the issuer shall disclose the following documents in the designated websites within five trading days prior to the listing:

- (1) Listing announcement;
- (2) The articles of association of the company;
- (3) The resolution of the general meeting of shareholders with respect to its listing application;
- (4) Legal opinion; and
- (5) Sponsor's letter for listing.

The aforesaid documents shall be placed at the company's domicile for public inspection.

During the course of listing application, the issuer shall not make any disclosure on the listing without permission of the Exchange.

5.1.10 After the publication of the prospectus, the issuer should pay continuous attention to relevant reports or rumors regarding the company on public media (such as newspapers, websites and stock forums) and understand the real situations from relevant parties in a timely manner. On noticing false records, misrepresentations or non-disclosure of discloseable material matters that are likely to exert significant impact on the trading prices of the company's stocks or derivatives, the issuer shall publish a risk warning announcement on the first day of listing, clarifying the relevant issues and disclosing the main risks of the company.

Section 2 Offering and Listing of New Shares and Convertible Bonds by Listed Companies

5.2.1 A listed company that applies to the Exchange for offering new shares or convertible bonds shall submit the following documents:

- (1) Approval document of the CSRC;
- (2) The full set of offering application documents that have been reviewed by the CSRC;
- (3) Proposed schedule for the offering;
- (4) Specific implementation proposal for the offering as well as offering announcement;
- (5) Relevant letter of intent on the offering, or prospectus; and
- (6) Other documents as required by the Exchange.

5.2.2 A listed company shall prepare and timely publish the announcements relating to the new shares or convertible bonds pursuant to the relevant regulations of the CSRC.

5.2.3 After completing the offering, the listed company shall be entitled to apply to the Exchange for listing the new shares or convertible bonds.

5.2.4 A listed company that applies to the Exchange for listing its convertible bonds shall meet the following requirements:

- (1) The maturity of the convertible bonds is more than one year;
- (2) The actual amount of the convertible bonds issued is not less than RMB 50 million; and
- (3) The company still meets the statutory requirements for offering corporate bonds when it applies for listing the convertible bonds.

5.2.5 A listed company that applies for listing new shares or convertible bonds shall prepare a listing announcement pursuant to relevant regulations. In the case of new share listing, it shall also prepare a report on disclosure of interests.

5.2.6 A listed company that applies to the Exchange for listing new shares shall submit the following documents:

- (1) Listing report (listing application);
- (2) Sponsorship agreement or financial advisory agreement;
- (3) Sponsor's letter for listing or financial advisory report issued by the sponsor;
- (4) Capital verification report produced by a CPA firm with the qualifications for securities and futures business following the completion of the offering;
- (5) Written confirmation by the clearing company of registration and custody of the new shares;
- (6) Report on shareholding changes of directors, supervisors and senior executives (if applicable);
- (7) Disclosure of interests report and the listing announcement; and
- (8) Other documents as required by the Exchange.

The sponsorship agreement and sponsor's letter for listing may be spared in cases where sponsor is not required under relevant regulations.

5.2.7 A listed company that applies to the Exchange for listing convertible bonds shall submit the following documents:

- (1) Listing report (listing application);
- (2) The resolution of the board of directors with respect to the application for the listing of convertible bonds;
- (3) Sponsorship agreement and the sponsor's letter for listing issued by the sponsor;
- (4) Legal opinion;
- (5) Capital verification report produced by a CPA firm with the qualifications for securities and futures business upon the completion of the offering;
- (6) Written confirmation by the clearing company of registration and custody of the convertible bonds;

- (7) Convertible bond offering document (prospectus);
- (8) A statement on the amount of convertible bonds actually offered; and
- (9) Other documents as required by the Exchange.

5.2.8 After the Exchange approves the issuer's application for listing new shares or convertible bonds, the listed company shall disclose the following documents on the designated media within five trading days prior to the listing thereof:

- (1) Listing announcement;
- (2) Disclosure of interests report (applicable to the listing of new shares); and
- (3) Other documents as required by the Exchange.

Section 3 Listing of Restricted Shares

5.3.1 A listed company that applies for listing the shares placed to securities investment funds, legal persons and strategic investors shall submit the following documents:

- (1) Application for circulation;
- (2) Announcement of the results of the placement;
- (3) The custody certificate of the placement shares;
- (4) Description of placement to securities investment funds, legal persons and strategic investors;
- (5) Preliminary announcement on circulation of shares ; and
- (6) Other documents as required by the Exchange.

5.3.2 Upon the approval by the Exchange, a listed company shall publish a preliminary announcement on circulation of shares within three trading days prior to the trading of the placement shares. The preliminary announcement on circulation of shares shall contain the following information:

- (1) Listing time of the placement shares;
- (2) Amount of placement shares to be circulated;
- (3) Issue price for the placement shares; and
- (4) Information on each share change of the company.

5.3.3 A listed company that applies for listing the shares issued before the initial public offering shall submit the following documents:

- (1) Application for circulation;
- (2) Information on shareholdings and custody of relevant shareholders;
- (3) Lock-up undertaking letter made by relevant shareholders and the information on compliance with such undertaking letter;
- (4) Preliminary announcement on circulation of shares; and
- (5) Other documents as required by the Exchange.

5.3.4 Upon the approval by the Exchange, the listed company shall publish a preliminary

announcement on circulation of shares within three trading days prior to the listing of shares issued before the initial public offering. The preliminary announcement on circulation of shares shall contain the following information:

- (1) Listing time and the amount of restricted shares to be traded;
- (2) Lock-up undertaking letter made by relevant shareholders and the information on compliance with such undertaking letter;
- (3) Other contents as required by the Exchange.

5.3.5 Where a listed company applies to the Exchange for the listing of other classes of restricted shares, the relevant provisions of this chapter shall be applied.

Chapter VI Periodic Reports

6.1 The periodic reports that shall be released by a listed company include annual reports, semi-annual reports and quarterly reports.

A listed company shall, within the time limit specified in laws, administrative regulations, rules of competent authorities, regulatory documents and these Rules, prepare and release periodic reports pursuant to the relevant regulations of the CSRC and the Exchange.

6.2 A listed company shall release its annual report within four months as from the end of each financial year, its semi-annual report within two months as from the end of the first half of each financial year, and its quarterly reports within one month as from the end of the first three months and the end of the first nine months of each financial year, respectively.

Any listed company expecting to be unable to release annual report within two months as from the end of each financial year shall disclose the preliminary results pursuant to 11.3.7 of these Rules.

The first-quarter report shall be released no earlier than the annual report of the previous year.

Any listed company expecting to be unable to release its periodic reports within the specified time limit shall, in a timely manner, report to the Exchange and release the relevant reasons, its solution and the deadline for a delayed disclosure.

6.3 A listed company shall arrange the disclosure time with the Exchange for its periodic reports. The Exchange will work out an overall disclosure timetable for all the listed companies based on the principle of balanced pace of disclosure.

A listed company shall disclose periodic reports on the date set by the Exchange. Any listed company that intends to change the disclosure date shall, five trading days in advance, file a written application with the Exchange stating the relevant reason and proposing a new date for disclosure. The Exchange will decide in accordance with the circumstances whether or not to adjust the disclosure date. In principle, the Exchange only accepts one application of date adjustment from each company.

6.4 The board of directors of a listed company shall ensure timely disclosure of its periodic reports. Where the board of directors is unable to reach a resolution on the periodic report for some reason, it shall disclose relevant matters in the form of a board announcement, stating the specific reason and the risks involved.

No company is allowed to release any periodic report without the approval from the board of directors.

6.5 The board of directors of a listed company shall, pursuant to the relevant regulations of the CSRC and the Exchange on periodic reports, organize relevant personnel for the preparation and release of the periodic report.

The chief executive officer, principal financial officer, board secretary and other senior executive of the company shall, in a timely manner, prepare the periodic report and submit to the board of directors for consideration. The directors and senior executives of the company shall, in accordance with law, sign their opinions of confirmation. The board of supervisors of the company shall, in accordance with law, review the periodic report prepared by the board of directors and give its written opinion.

6.6 The directors, supervisors and senior executives of a listed company shall not, on whatever excuse, refuse to sign their opinions on the periodic report, thus affecting the timely disclosure thereof.

The board of directors of the company shall not, on whatever excuse, affect the timely disclosure of the periodic report.

6.7 The CPA firm that is appointed by a listed company to perform financial audit, net asset verification or other relevant services shall qualify for practice in securities and futures business.

Appointment and dismissal of a CPA firm shall be resolved by the general meeting of shareholders. The board of directors must not appoint a CPA firm before the general meeting reaches a relevant resolution.

A listed company shall notify the CPA firm prior to the dismissal or non-renewal of the appointment. Where a resolution at a general meeting is passed to dismiss the CPA firm, the CPA firm is allowed to make representations. The CPA firm that intends to resign shall make representations to the general meeting about any misconduct of the listed company.

6.8 The CPA who is responsible for auditing periodic report of listed company shall comply with the *Professional Ethics of CPA in China* and the *Quality Control Standards for CPA Firms*. Any conflict of interests shall not affect auditors' integrity, independency, and professional competency. The accountant shall not delay the auditing process and shall not affect timely disclosure of the periodic report.

6.9 The financial report contained in the annual report of a listed company must be audited by a CPA firm with the qualifications for securities and futures business.

The financial report contained in the semi-annual report may be exempt from audit. However, the financial report shall be audited in any of the following circumstance:

- (1) The company plans to distribute profits (excluding cash dividend), transfer capital reserve into share capital or use the reserve to offset its losses in the next half of the current year; or
- (2) Other circumstances where an audit is required by the CSRC or the Exchange.

Unless otherwise prescribed by the CSRC or the Exchange, the financial information contained in the quarterly report is exempt from audit.

6.10 Where the listed company used its proceeds during the reporting financial year, it shall hire a CPA firm to conduct special audit of the use of proceeds. The special audit shall include the examination of the invested projects, the invested amount, the actual date of the investment, and the progress of the invested projects, and issue a special auditor's report (separate from regular auditor's report). The special auditor's report shall be disclosed at the disclosure date of the annual report.

6.11 After the board of directors approves the periodic report, a listed company shall submit the periodic report together with the following documents to the Exchange in a timely manner:

- (1) Full text and summary of the annual report (full text and summary of the semi-annual report or full text and main part of the quarterly report);
- (2) The original of the auditor's report (if applicable);
- (3) Resolutions of the board of directors and the board of supervisors as well as the draft announcements;
- (4) Electronic document containing the periodic report and financial data prepared pursuant to the requirement of the Exchange;
- (5) The Audit Committee's opinions on internal control of the company after review and evaluation; and
- (6) Other documents as required by the Exchange.

6.12 In case that the performance results of a listed company are leaked prior to the release of the periodic report, or any rumor regarding its results has led to unusual movement in the prices of the company's shares and its derivatives, the listed company shall, in a timely manner, release the preliminary results pursuant to 11.3.7 of these Rules.

6.13 A listed company shall hold an annual report briefing within ten trading days after release of its annual report, providing investors with true and accurate information as to its development strategies, production and operations, new product and new technology development, financial condition, performance results, investment projects, etc.

The annual report briefing shall be disclosed in advance. The disclosure shall include time, venue and primary content of the briefing. The relevant information about the briefing shall be made public on company's website, as well as EasyIR.

6.14 Where the financial report of a listed company receives a modified opinion from a CPA, the listed company shall, in accordance with the *Rules on Preparation of Disclosure Documents* by

Companies Offering Securities to the Public No. 14: Modified Opinions and Handling of the Matters Involved (hereinafter, "Preparation Rules No. 14") issued by the CSRC, submit the following documents to the Exchange when it files its periodic report:

- (1) Specific explanation made by the board of directors in accordance with the Preparation Rules No. 14 on the matters addressed in the audit opinion, the resolutions adopted by the board meeting at which such specific explanation has been considered, and the materials on which the resolutions are based;
- (2) Opinions of independent directors on the matters addressed in the audit opinion;
- (3) Opinions and relevant resolution of the board of supervisors on the specific explanation of the board of directors;
- (4) Special statement issued in accordance with the Preparation Rules No. 14 by the CPA firm and the CPA responsible for the audit; and
- (5) Other documents as required by the CSRC and the Exchange.

6.15 Where the matters addressed in the modified audit opinions as referred to in Rule 6.14 hereof involve clear violations of accounting standards and relevant information disclosure regulations, the listed company shall correct relevant matters and disclose in a timely manner the restated financial accounting information and audit report or specific assurance report formulated by accountant, etc.

Where a listed company fails to make timely disclosure, or fails to take measures to eliminate relevant matters and their effect, the Exchange is entitled to take regulatory measures or disciplinary actions, or report to the CSRC for investigation.

6.16 Where the annual report of a listed company is given an adverse or disclaimer opinion from CPA, the company shall disclose whether the matters has been corrected in its semi-annual report and third-quarter report.

6.17 A listed company shall take seriously the Exchange's post-vetting opinion on its periodic report, respond to the Exchange's inquiries in a timely manner, and make explanations and clarification as required by the Exchange on the relevant matters in its periodic report. If a listed company needs to disclose a restatement or supplementary announcement and revise its periodic report accordingly, it shall make an announcement after completing relevant procedures and release the full text of the revised periodic report on the designated website.

6.18 The annual and semi-annual reports prepared pursuant to the provisions of this Chapter by listed companies that offer convertible bonds shall also include the following information:

- (1) Information on each adjustment of share conversion prices, and the latest adjusted share conversion price;
- (2) Information on all the shares converted from convertible bonds since the offering of convertible bonds;
- (3) List of the top ten convertible bond holders and their holdings;
- (4) Information on any material changes in the profitability, asset status, and credit status of the

warrantor;

- (5) Information on the liabilities and credit changes of the company and the cash provisions of the company for repaying its debt in the coming years; and
- (6) Other information as required by the CSRC and the Exchange.

Chapter VII General Provisions on Announcements

7.1 Announcements refer to the announcements, other than the periodic reports, released by a listed company in accordance with laws, administrative regulations, rules of competent authorities, regulatory documents, these Rules and other relevant provisions of the Exchange.

Where the contents of the announcement also relate to the material events set forth in Chapter VIII, IX, X or XI of these Rules, disclosure and deliberation thereof shall comply with the relevant provisions of the aforesaid Chapters as well.

Announcements (excluding the announcements of the board of supervisors) shall be released by the board of directors of the company with the seal of the board of directors affixed thereto.

7.2 A listed company shall file with the Exchange and disclose its announcements in a timely manner. The relevant reference documents of the announcements (for instance, intermediaries' reports, etc.) shall be disclosed simultaneously on the website designated by the Exchange.

7.3 A listed company shall fulfill its obligation of initial disclosure in a timely manner whenever any of the following circumstances relating to the material events addressed in the announcements, whichever first, arise:

- (1) When its board of directors or board of supervisors reaches a resolution;
- (2) Whenever a letter of intent or an agreement is entered into (whether or not an additional condition or time limit is imposed); or
- (3) When the company (including any director, supervisor or senior executive) becomes aware of or should have been aware of the occurrence of any material event.

7.4 Where any material event that may have a significant impact on the prices of the listed company's shares and derivatives is still under planning and has not come to the point as referred to in Rule 7.3 hereof, the listed company shall disclose relevant planning details and existing facts in a timely manner if any of the following circumstances arise:

- (1) It is difficult to keep the event confidential;
- (2) The event is leaked or a rumor regarding the event is circulating on the market; or
- (3) There is some unusual movement in the prices of the company's shares and derivatives.

7.5 A listed company may disclose its announcements between 11:30 a.m. and 1:00 p.m. or after

3:30 p.m. The announcement shall be disclosed on the designated website.

Under the following emergency circumstances, listed company shall apply for temporary trading halt and release an announcement on designated website before 9:00 a.m. or during the trading hours:

- (1) Any information circulating in the public media may, or already caused significant effect on the prices of the company's shares and derivatives;
- (2) There is unusual movement in the prices of the company's shares and its derivatives, which requires the company to make further explanations;
- (3) A material event (include events which are still in the planning stage) occurred to the listed company and disclosing parties, and it is difficult to keep the relevant information confidential, or such information was already leaked; and
- (4) Other information as required by the CSRC and the Exchange.

7.6 A listed company that discloses its initial announcements pursuant to the provisions of Rule 7.3 hereof shall make an announcement in accordance with the disclosure requirements prescribed in these Rules and the applicable guidelines on disclosure format formulated by the Exchange. If any event has yet to occur when the announcement is prepared, the company shall announce the current developments of the event in strict accordance with relevant requirements and, after the event occurs, make complete disclosure in accordance with the disclosure requirements of these Rules and the applicable guidelines on disclosure format.

7.7 After a listed company discloses its initial announcement pursuant to the provisions of Rule 7.3 or 7.4 hereof, it shall disclose the progress of the relevant material event on an on-going basis pursuant to the following provisions:

- (1) Where the board of directors, the board of supervisors or the general meeting of shareholders reaches a resolution on the material event disclosed, the company shall disclose the resolution in a timely manner;
- (2) Where the company enters into a letter of intent or an agreement with relevant parties on the material event disclosed, it shall disclose the main contents of the letter of intent or the agreement in a timely manner;
In case of any material changes in the contents or performance, rescission or termination of the aforesaid letter of intent or agreement, the company shall disclose particulars of and the reasons for such changes, rescission or termination in a timely manner;
- (3) Where the material event disclosed is approved or disapproved by relevant competent authority, the company shall disclose such approval or disapproval in a timely manner;
- (4) Where a late payment occurs in relation to the material event disclosed, the company shall disclose the reason for the late payment and its payment arrangement in a timely manner;
- (5) Where the major subject matter involved in the material event disclosed is yet to be delivered or transferred, the company shall disclose particulars of delivery or transfer in a timely manner;
Where there is a delay of three months after the agreed time limit of delivery or transfer, it shall, in a timely manner, disclose the reason for the default on timely delivery or transfer, the progress of delivery or transfer and the estimated time of completing delivery or transfer. It shall also

announce the progress once every thirty days thereafter until the completion thereof;

- (6) Where the material event disclosed makes other progress or change that would have a significant impact on the prices of the company's shares and its derivatives, the company shall disclose such progress or change in a timely manner.

7.8 Where the announcement filed by a listed company pursuant to the provisions of Rule 7.3 or 7.4 hereof fails to meet the requirements of these Rules, the company shall publish a preannouncement explaining the relevant reason and undertake to make an announcement in compliance with applicable requirements within two trading days.

7.9 Any material event as set forth in Chapters IX, X and XI of these Rules that occurs to any subsidiary or wholly owned subsidiary of a listed company shall be deemed as a material event occurring to the listed company itself and shall be governed by the provisions of the aforesaid Chapters accordingly.

Any material event as set forth in Chapters IX, X and XI of these Rules that occurs to any participated companies of a listed company shall be governed by the provisions of the aforesaid Chapters in proportion to the participation ratio.

Where any material event that occurs to a participated company of a listed company does not reach the foregoing standards but would have a significant impact on the prices of the listed company's shares and derivatives, the listed company shall fulfill its obligations of information disclosure by reference to the provisions of the aforesaid Chapters.

7.10 Where the project to be funded by the proceeds raised by a listed company involves major transactions or related party transactions mentioned in Chapters IX and X of these Rules, the company shall fulfill the obligation of information disclosure in accordance with the provisions of the aforesaid Chapters in respect of the part not clarified in the proceeds use plan, and when necessary, submit the matter to the shareholders' meeting of the company for consideration.

Chapter VIII Resolutions of Board of Directors, Board of Supervisors and General Meeting of Shareholders

Section 1 Resolutions of Board of Directors and Board of Supervisors

8.1.1 After a listed company holds a board meeting, it shall file the resolutions of the board of directors (including resolutions that all the proposals are voted down) in a timely manner with the Exchange. Such resolutions shall be signed by the directors present at the meeting.

At the request of the Exchange, the company shall submit the minutes of the meeting to the Exchange.

8.1.2 Where the resolutions of the board of directors relate to any matter that is subject to voting at the general meeting of shareholders or relate to any material event set forth in Chapter VI, IX, X or XI of these Rules, the listed company shall make timely disclosure. Where the resolutions of the board of directors relate to other matters that are deemed disclosable by the Exchange, the listed company shall make timely disclosure as well.

8.1.3 Where the resolutions of the board of directors relate to any material events set forth in Chapter VI, IX, X or XI of these Rules and are disclosable under relevant regulations of the CSRC or the Exchange's guidelines on disclosure format, the listed company shall disclose an announcement on the resolutions and an announcement on the relevant material events respectively.

8.1.4 The announcement of the resolutions of the board of directors shall contain the following information:

- (1) Time and method of the issuance of the meeting notice;
- (2) Time, venue and form of the meeting, and an explanation on compliance with laws, administrative regulations, rules of competent authorities, regulatory documents and the articles of association of the company;
- (3) Numbers and names of the directors appointing proxies, those absent and the reasons for absence and the names of directors appointed as proxies;
- (4) Numbers of votes for and against each proposal and the number of abstentions, and the reasons for directors' objections and abstentions;
- (5) Where a resolution relates to a related party transaction, the name of any director who must withdraw from voting as well as the reason for the withdrawal and withdrawal particulars;
- (6) Where a prior approval or an independent opinion is required from independent directors or a sponsor, particulars of the prior approval or the opinion issued; and
- (7) Details of the matters considered and the resolutions adopted at the meeting.

8.1.5 After a listed company holds a board of supervisors meeting, it shall file the resolutions of the board of supervisors with the Exchange in a timely manner. After the resolutions are filed with the Exchange, the company shall make an announcement on the resolutions.

The resolutions of the board of supervisors shall be signed by the supervisors present at the meeting. The supervisors shall guarantee that the announcement of its resolutions is true, accurate and complete and free from false statements, misrepresentations and material omissions.

8.1.6 The announcement of the resolutions of the board of supervisors shall contain the following information:

- (1) Time, venue and form of the meeting, and an explanation on compliance with laws, administrative regulations, rules of competent authorities, regulatory documents and the articles of association of the company;

- (2) Numbers and names of the supervisors appointing proxies, those absent and the reasons for absence and the names of supervisors appointed as proxies;
- (3) Numbers of votes for and against each proposal and the number of abstentions, and the reasons for supervisors' objections and abstentions; and
- (4) Details of the matters considered and the resolutions adopted at the meeting.

Section 2 Resolutions of General Meeting of Shareholders

8.2.1 A listed company shall, twenty days prior to annual general meeting of shareholders or fifteen days prior to the extraordinary general meeting of shareholders, notify the shareholders by announcement and provide the shareholders with an online voting platform. The notice shall specify the time, venue and form of the meeting as well as the convener, record date, etc., and disclose the details of all the proposals fully and completely. The company shall also disclose on the website designated by the Exchange other materials essential for shareholders to make reasonable judgments on the matters to be discussed.

8.2.2 On the date the general meeting of shareholders ends, a listed company shall file with the Exchange the draft announcement of the resolutions of the meeting, the resolutions of the meeting, and the legal opinion. After the resolutions are filed with the Exchange, the company shall make an announcement on the resolutions.

At the request of the Exchange, the listed company shall submit the minutes of the general meeting of shareholders to the Exchange.

8.2.3 Once the notice of the general meeting of shareholders is given by a listed company, it shall not, without a justifiable reason, postpone or cancel the general meeting of shareholders, or cancel the proposals specified in such notice. In case of postponement or cancellation, the listed company shall give a notice explaining the specific reason at least two trading days prior to the date originally specified. In the case of postponement, the listed company shall specify the new date of the meeting in the notice.

8.2.4 Where, prior to the general meeting of shareholders, a provisional proposal is put forward by a shareholder, the listed company shall give a supplementary notice within the specified time limit and disclose therein the name and shareholding percentage of such shareholder as well as the contents of the new proposal.

8.2.5 Where shareholders convene a general meeting of shareholders on their own, they shall, prior to the general meeting of shareholders, notify the board of directors in writing and file the relevant documents with the Exchange.

Before the listed company announces the resolutions of the general meeting of shareholders, the

convening shareholders shall at least hold, in aggregate, ten percent of the total amount of shares of the listed company. Before giving notice of the general meeting of shareholders, the convening shareholders shall apply for locking up their shares for the aforesaid period.

Where, during the general meeting of shareholders, an unexpected event occurs and makes it impossible to continue with the meeting, the listed company shall immediately report to the Exchange, explain the reason and disclose relevant information as well as the specific legal opinion issued by the lawyer.

8.2.6 The resolution announcement of the general meeting of shareholders shall contain the following information:

- (1) The time, venue and form of the meeting, the convener and chair of the meeting, and an explanation on compliance with laws, administrative regulations, rules of competent authorities, regulatory documents and the articles of association of the company;
- (2) Number of shareholders (proxies) present at the meeting, the shares held (represented) by them and the percentages of such shares to the total voting shares;
- (3) Voting method for each proposal;
- (4) Voting results on each proposal; where a shareholder's proposal is passed as a resolution, the name and shareholding percentage of such shareholder as well as the contents of the said proposal shall be specified. Where a related party transaction is involved, particulars on the related shareholder's withdrawal from voting shall be stated;
- (5) Conclusive legal opinion; and
- (6) Other information as required by the CSRC and the Exchange.

A listed company that discloses resolution announcement of the general meeting of shareholders shall simultaneously disclose the full text of the legal opinion.

8.2.7 A listed company shall not disclose or leak unpublished material information at the general meeting of shareholders.

Chapter IX Disclosable Transactions

9.1 In this Chapter, the term "transaction" includes the following:

- (1) Acquisition or disposal of assets;
- (2) External investment (including trustee investment, investment in subsidiaries, etc.);
- (3) Providing financial assistance (including entrusted loan);
- (4) Granting guarantee (including providing guarantee for subsidiaries);
- (5) Leasing in or out assets;
- (6) Entering into management-related contracts (including entrusting others or being entrusted for business operation);
- (7) Donating assets or accepting asset donation;

- (8) Debts or creditor's right restructuring;
- (9) Transfer of research and development projects;
- (10) Entering into a licensing agreement; and
- (11) Waiving rights (including waiving the right of first refusal and the preemptive right, etc.);
- (12) Other transactions as recognized by the Exchange.

The aforesaid "acquisition or disposal of assets" does not include assets related to daily operations, such as acquisitions of raw materials, fuels and power, and sales of products and commodities, but includes any asset swaps involving such types of assets.

9.2 A listed company shall make timely disclosure when the transaction reaches any of the following thresholds:

- (1) The total assets of the transaction target account for more than ten percent of the listed company's total assets (latest audited). If the transaction target has both book value and assessed value, the higher one shall be used for calculation purpose;
 - (2) The operating income attributable to the transaction target (for instance, equity interest) for the most recent financial year accounts for more than ten percent of the listed company's audited operating income for the same period, and the absolute amount exceeds RMB 5 million;
 - (3) The net profit attributable to the transaction target (for instance, equity interest) for the most recent financial year accounts for more than ten percent of the listed company's audited net profit for the same period, and the absolute amount exceeds RMB 1 million;
 - (4) The consideration (including any debt or expense incurred) accounts for more than ten percent of the listed company's net assets (latest audited), and the absolute amount exceeds RMB 5 million;
- or
- (5) The profit derived from the transaction accounts for more than ten percent of the listed company's audited net profit for the most recent financial year, and the absolute amount exceeds RMB 1 million.

In case that a certain figure involved in the aforesaid calculation is a negative value, the absolute value thereof shall be used for calculation purpose.

9.3 A transaction (except acceptance of cash donation) that reaches any of the following thresholds shall be subject to both timely disclosure and shareholders' approval at the general meeting:

- (1) The total assets of the transaction target account for more than fifty percent of the listed company's total assets (latest audited). If the transaction target has both book value and assessed value, the higher one shall be used for calculation purpose;
- (2) The operating income attributable to the transaction target (for instance, equity interest) for the most recent financial year accounts for more than fifty percent of the listed company's audited operating income for the same period, and the absolute amount exceeds RMB 30 million;
- (3) The net profit attributable to the transaction target (for instance, equity interest) for the most recent financial year accounts for more than fifty percent of the listed company's audited net profit for the same period, and the absolute amount exceeds RMB 3 million;

(4) The consideration (including any debt or expense incurred) accounts for more than fifty percent of the listed company's net assets (latest audited), and the absolute amount exceeds RMB 30 million;

(5) The profit derived from the transaction accounts for more than fifty percent of the listed company's audited net profit for the most recent financial year, and the absolute amount exceeds RMB 3 million.

In case that a certain figure involved in the aforesaid calculation is a negative value, the absolute value thereof shall be used for calculation purpose.

9.4 Where a listed company simultaneously enters into two opposite-direction transactions enumerated in subparagraphs (2) to (4) of Rule 9.1 hereof with the same counterparty, the higher of the thresholds involved in the two transactions shall be used for calculation purpose.

9.5 Where the acquisition or disposal of equity interest of an entity results in changes in the scope of consolidated financial statements of a listed company, the total assets and operating income of such entity shall be deemed respectively as the total assets of the transaction target and the operating income attributable to the transaction target as prescribed in Rules 9.2 and 9.3 hereof.

9.6 Where the transaction only reaches the threshold prescribed in subparagraph (3) or (5) of Rule 9.3 hereof and the absolute value of the earnings per share of the listed company for the most recent financial year is less than RMB 0.05, the listed company may apply to the Exchange for waiver from the requirement of shareholders' approval at the general meeting as prescribed in Rule 9.3.

9.7 With regard to a transaction that reaches any of the thresholds prescribed in Rule 9.3 hereof, where the transaction target involves equity interest, the listed company shall appoint a CPA firm with qualification for securities and futures business to audit the financial report of the transaction target for the most recent financial year and a stub period, with the relevant stub period ended six months or less before the shareholders' meeting date; where the transaction target involves assets other than equity interest, the listed company shall appoint an asset appraisal firm with qualification for securities and futures business to carry out an appraisal, with the appraisal base date one year or less before the shareholders' meeting date.

Where the Exchange considers it necessary, a listed company shall also, pursuant to the provisions of the preceding paragraph, appoint a relevant CPA firm or asset appraisal firm to carry out an audit or appraisal, even if a transaction does not reach the thresholds prescribed in Rule 9.3.

9.8 For "acquisition or disposal of assets" as prescribed in Rule 9.1 hereof, all such transactions completed within twelve consecutive months shall be aggregated by category. Where the aggregated total assets or aggregated considerations, whichever is higher, reaches thirty percent of the listed company's total assets (latest audited), such transactions shall be subject to shareholders' approval at a general meeting by more than two-thirds of the voting rights held by the shareholders attending the meeting, in addition to disclosure, audit or appraisal requirements by Rule 9.7 hereof,.

Any transaction for which the listed company has fulfilled relevant obligations pursuant to the preceding paragraph shall no longer be aggregated again.

9.9 Where a listed company makes external investment to establish a limited liability company or a company limited by shares, the total capital contribution as stipulated in the relevant agreement shall be used when determining the applicability of Rules 9.2 and 9.3 hereof.

9.10 With regard to “providing financial assistance” and “trustee investment” as prescribed in Rule 9.1 hereof, all such transactions completed within twelve consecutive months shall be aggregated by category and, the aggregated actual amount incurred shall apply the thresholds and the corresponding requirements prescribed in rule 9.2 or 9.3 hereof.

Any transaction for which the listed company has fulfilled relevant obligations pursuant to Rule 9.2 or 9.3 shall no longer be aggregated again.

9.11 With regard to “granting guarantee” as prescribed in Rule 9.1 hereof, the listed company shall make timely disclosure after the transaction has been approved by the board of directors.

In addition to the approval by the board of directors, the guarantee shall also be subject to the shareholders’ approval at a general meeting when:

- (1) The amount of one guarantee exceeds ten percent of the listed company’s net assets (latest audited);
- (2) Any new guarantee granted after the total amount of external guarantees provided by the listed company and its subsidiaries exceeds fifty percent of the listed company’s net assets (latest audited);
- (3) Any guarantee granted to a party with a gearing ratio over seventy percent;
- (4) The amount of guarantees aggregated over twelve consecutive months exceeds thirty percent of the listed company’s total assets (latest audited);
- (5) The amount of guarantees aggregated over twelve consecutive months exceeds fifty percent of the listed company’s net assets (latest audited), and the absolute amount exceeds RMB 30 million;
- (6) Any guarantee granted to shareholders, *de facto* controller or their related parties; and
- (7) Other guarantees prescribed by the Exchange or the articles of association of the listed company.

Guarantees shall be approved by more than two-thirds of the directors attending the board meeting. Guarantees prescribed in (4) of the preceding paragraph shall be approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting.

Guarantees prescribed in (6) of the preceding paragraph shall be approved by more than half of the voting rights held by the shareholders attending the general meeting and, the guaranteed shareholder or the shareholder under the control of the guaranteed *de facto* controller shall abstain from voting.

9.12 Transactions of the same type with related targets and completed by a listed company within

twelve consecutive months shall be aggregated when applying the provisions of Rule 9.2 or 9.3 hereof.

Any transaction for which the listed company has fulfilled relevant obligations pursuant to Rule 9.2 or 9.3 shall no longer be aggregated again.

9.13 With regard to a guarantee disclosed already, the listed company shall make further disclosure in a timely manner when the following circumstances arise:

- (1) The debt obligation of the guaranteed party is overdue for fifteen trading days; or
- (2) The guaranteed party goes into bankruptcy, liquidation or its ability to repay debt is severely affected.

9.14 A listed company shall submit the following documents to the Exchange when disclosing a transaction:

- (1) Announcements;
- (2) Any agreements or letters of intent related to the transaction;
- (3) Board resolutions, independent directors' opinions and board resolutions announcements (if applicable);
- (4) Government approval documents related to the transaction (if applicable);
- (5) Professional reports by intermediaries (if applicable); and
- (6) Other documents as required by the Exchange.

9.15 The transaction announcement must contain the following information insofar as applicable:

- (1) General description of the transaction, an explanation on whether the parties to the transaction are related and, for transactions on an aggregate basis, general information on each transaction and on the aggregation;
- (2) Basic information on the counterparty to the transaction;
- (3) Particulars of the transaction target, including its name, book value, valuation, business activities, whether its assets are subject to any mortgage, pledge, or any judicial measures such as being sealed up or frozen, whether the assets involve the right of a third party, and whether there is any material dispute, legal proceedings or arbitration;

Where the transaction target is an equity interest, the listed company shall also disclose the basic information on the relevant company as well as its financial data for the most recent financial year and the stub period, including its audited total assets, total liabilities, net assets, operating income, net profit, etc.;

Where the transaction target involves the listed company's core technology, it shall also explain the extent of impact of the sale or purchase on overall business operation in the future and potential risks.

In case of a disposal of a subsidiary's equity interest that results in changes in the scope of consolidated financial statements, the listed company shall disclose whether it has granted any guarantees to such subsidiary or appointed such subsidiary for trustee investment, and disclose particulars on any misappropriation of funds by such subsidiary. If any, the listed company shall

disclose the amount involved in the aforesaid matters, the influence on the listed company as well as its remedial measures;

(4) Main contents of the transaction agreement, including consideration, method of payment (such as cash, equity interest or asset swap), due date of payment or installment arrangements, conditions precedent, effective date, and expiration date, as well as specific particulars on additional clauses or reservations, if any;

Where a transaction is subject to the shareholders' approval at a general meeting or relevant competent authority, the due process and the progress thereof shall also be disclosed;

(5) The pricing basis and the funding source, and statement by the board of directors that the terms of the transaction are fair and reasonable and in the interests of all shareholders;

(6) The delivery status of the transaction target, the time of delivery and transfer of ownership;

(7) The reasons for transactions, the expected benefits from the transaction (including potential benefits), and the impact of the transaction on the company's current and future financial status and operating results (the CPA firm responsible for the company's audit may be consulted if necessary).

(8) Analysis on the counterparty's contract performance ability, including any guarantees or other suretyships relating to the transaction;

(9) Any information on personnel placement, land lease and debt restructuring related to the transaction;

(10) Particulars of any related party transactions that may arise from the transaction;

(11) Particulars on any horizontal competition that may arise from the transaction as well as the remedial measures;

(12) Any intermediaries appointed and their opinions; and

(13) Other information on the substance of the transaction required by the Exchange.

9.16 In addition to compliance with the provisions of Rule 9.15 hereof, the listed company shall disclose the total amount of guarantees granted to external parties as of the disclosure date by the listed company and its subsidiaries, the total amount of guarantees granted by the listed company to its subsidiaries, as well as the respective percentages of the aforesaid two amounts to the listed company's net assets (latest audited).

9.17 Unless otherwise prescribed by the CSRC or the Exchange, transactions between a listed company and its consolidated subsidiaries, or transactions between such consolidated subsidiaries, are exempt from the disclosure and approval procedure requirements prescribed in this Chapter.

9.18 Where a listed company incurred transactions enumerated in Rule 9.1 hereof for the implementation of fund-raising project, and failed to disclose the counterparty, the transaction target, the main content of the transaction agreement, the basis of pricing, the delivery status, etc. as required by Rule 9.15 hereof, it shall fully disclose the transaction details in accordance with the requirements of Rule 9.15.

Where the above transactions constitute related party transactions, the listed company shall also disclose the transaction details in accordance with the provisions of Chapter X hereof. When

necessary, the Exchange may request the listed company to submit the transactions to the shareholders' meeting for consideration.

Chapter X Related Party Transactions

Section 1 Related Party Transactions and Related Parties

10.1.1 A related party transaction of a listed company refers to the transfer of resources or obligations between the listed company or its subsidiary and a related party of the listed company, including:

- (1) Transactions prescribed in Rule 9.1 hereof;
- (2) Purchase of raw materials, fuels and power;
- (3) Sales of products and commodities;
- (4) Provision or acceptance of labor services;
- (5) Consignment sales or commission sales;
- (6) Co-investment between two related parties; and
- (7) Other agreements that would result in transfer of resources or obligations.

10.1.2 Related parties of a listed company include related legal persons and related individuals.

10.1.3 A legal person or other organization is considered a related legal person of a listed company if it:

- (1) Directly or indirectly controls the listed company;
- (2) Directly or indirectly controlled by those defined in subparagraph (1) of Rule 10.1.3, other than the listed company itself and its subsidiaries;
- (3) Is directly or indirectly controlled by a related individual as prescribed in Rule 10.1.5 hereof, or in which a related individual serves as a director or senior executive, other than the listed company itself and its subsidiaries;
- (4) Holds more than five percent equity interest in the listed company, or the party acting in concert with it; and
- (5) Has a special relationship with the listed company and with which the listed company would compromise its interests, as deemed by the CSRC, the Exchange or the listed company based on the substance over form principle.

10.1.4 A legal person under the common control of the same state asset administration authority with the listed company is not a related party under subparagraph (2) of Rule 10.1.3 hereof, unless its chairman, chief executive officer or over half of its directors fall into the category prescribed in subparagraph (2) of Rule 10.1.5.

10.1.5 An individual is considered a related individual of a listed company if he or she:

- (1) Directly or indirectly holds more than five percent equity interest in the listed company;

- (2) Is a director, supervisor or senior executive of the listed company;
- (3) Is a director, supervisor or senior executive of the legal person who has direct or indirect control over the listed company;
- (4) Is a close family members of the individuals under subparagraphs (1) to (3) of Rule 10.1.5, including spouse, parents and parents-in-law, siblings and siblings' spouses, children aged 18 or above and such children's spouses, spouses' siblings, and children's parents-in-law; and
- (5) Has a special relationship with the listed company and with whom the listed company would compromise its interests, as deemed by the CSRC, the Exchange or the listed company based on the substance over form principle.

10.1.6 A legal person or individual shall be deemed as a related party of a listed company of it or him or hers:

- (1) Falls into the categories described in Rule 10.1.3 or Rule 10.1.5 hereof in the next twelve months or after the agreement or arrangement between it or him or her and the listed company takes effect; or
- (2) Has been in any of the categories described in Rule 10.1.3 or Rule 10.1.5 in the past twelve months.

10.1.7 The directors, supervisors, senior executives, five percent shareholders, the parties acting in concert with such shareholders, and the *de facto* controller of a listed company shall provide the listed company with the information on their related parties to in a timely manner.

The company shall, in a timely manner, update the list of related parties and file the information on the aforesaid related parties with the Exchange for record.

Section 2 Approval Procedure for and Disclosure of Related Party Transactions

10.2.1 The director related to a related party transaction shall abstain from voting on the relevant board meeting, nor shall he or she act as a proxy for other directors. Such board meeting can be held if over half of the non-related directors are present. The resolution of such board meeting requires the approval of over half of the non-related directors. If less than three non-related directors are present at the board meeting, such transaction shall be subject to the shareholders' approval at a general meeting.

The related director as referred to in the preceding paragraph includes the following directors or directors that meet any of the following conditions:

- (1) The counterparty to the transaction;
- (2) Holding a position in the counterparty, or in the counterparty's direct or indirect controller, or in any entity under the direct or indirect control of the counterparty;
- (3) Directly or indirectly controlling the counterparty;
- (4) Close family member (as defined in subparagraph (4) of rule 10.1.5 hereof) of the counterparty, or the counterparty's direct or indirect controller;

- (5) Close family member (as defined in subparagraph (4) of Rule 10.1.5 hereof) of a director, supervisor or senior executive of the counterparty or close family member of a director, supervisor or senior executive of the counterparty's direct or indirect controller; or
- (6) Other persons whose independent business judgment may be otherwise affected as deemed by the CSRC, the Exchange or the listed company.

10.2.2 The shareholders that meet any of the following conditions shall abstain from voting at the general meeting on the resolutions of related party transactions:

- (1) The counterparty to the transaction;
- (2) Directly or indirectly controlling the counterparty;
- (3) Under the direct or indirect control of the counterparty;
- (4) Under direct or indirect common control with the counterparty;
- (5) Close family members (as defined in subparagraph (4) of Rule 10.1.5 hereof) of the counterparty, or the counterparty's direct or indirect controller.
- (6) Holds a position in the counterparty, or in the counterparty's direct or indirect controller, or in any entity under the counterparty's direct or indirect control (applicable to individual shareholders);
- (7) Any shareholder whose voting right is restricted or affected due to any uncompleted share transfer or other agreements with the counterparty or its related party thereof; or
- (8) Other shareholders that would make the listed company compromise its interests as determined by the CSRC or the Exchange.

10.2.3 Any related party transaction between a listed company and its related individual whose consideration is more than RMB 300,000 shall be subject to the approval of the board of directors and be disclosed in a timely manner.

A listed company shall not make any loan to its directors, supervisors or senior executives either directly or through its subsidiaries.

10.2.4 Any related party transaction between a listed company and its related legal person whose consideration is more than RMB 1 million and accounts for more than 0.5 percent of the absolute value of the listed company's net assets (latest audited) shall be subject to the approval of the board of directors and be disclosed in a timely manner..

10.2.5 A listed company's related party transactions with its directors, supervisors, senior executives or their spouses shall be subject to the shareholders' approval at a general meeting after disclosure thereof.

10.2.6 Where the consideration of related party transaction (except the listed company receiving cash donation or providing guarantee) is more than RMB 10 million and accounts for more than five percent of the absolute value of the listed company's net assets (latest audited), in addition to timely disclosure, such transaction shall be subject to the shareholder's approval at a general meeting and, the listed company shall, as per Rule 9.7 hereof, appoint an intermediary with qualification for securities and futures business to carry out an audit or appraisal on the transaction target.

The target of a related party transaction relating to the daily operations as prescribed in Rule 10.2.12 hereof may be exempt from audit or appraisal.

10.2.7 Any guarantee providing to a listed company's related party shall be subject to the shareholders' approval at a general meeting after approval by its board of directors, irrespective of the amount thereof.

10.2.8 A listed company shall submit the following documents to the Exchange when disclosing a related party transaction:

- (1) Announcements;
- (2) All the documents listed in subparagraphs (2) to (5) of Rule 9.14 hereof;
- (3) Independent directors' prior written approval;
- (4) Opinions of independent directors and the sponsor; and
- (5) Other documents as required by the Exchange.

10.2.9 The announcement of a related party transaction shall contain the following information:

- (1) Brief description of the transaction and particulars on the transaction target;
- (2) Independent directors' prior written approval and opinions, sponsors' independent opinions;
- (3) The voting results of the board meeting (if applicable);
- (4) Particulars on the relationship between the parties to the transaction and the basic information on related parties;
- (5) Pricing policies and pricing basis for the transaction, including the consideration, the book value, the assessed value of the transaction target, the fair market price, and their relationships between each other, as well as other pricing matters that need to be explained due to the particularity of the transaction target;

Where there is any difference between the transaction price and the book value, assessed value or market price, the listed company shall explain the reasons. If the transaction is obviously unfair, the beneficiary of the interest derived from the related party transaction shall be disclosed;

- (6) Main contents of the transaction agreement, including transaction price, method of settlement, nature and percentage of the interest the related party holds in the transaction, as well as the conditions precedent, effective date and expiration date, etc.;
- (7) Purpose and effect of the transaction on the listed company, including the necessity and true intention, effect on the company's financial condition and business performance for the current financial year and beyond (the CPA firm responsible for the company's audit may be consulted if necessary), the source of the payment or the use of funds;
- (8) Aggregate amount of all types of related party transactions with such related party for the period from the beginning of the current year up to the disclosure date;
- (9) Other information as required under Rule 9.15 hereof; and
- (10) Other information on the substance of the transaction as required by the CSRC and the Exchange.

10.2.10 For related party transactions involving “providing financial assistance”, “granting guarantee” or “trustee investment” as prescribed in Rule 9.1 hereof, the actual amount incurred shall be aggregated by category within twelve consecutive months and Rules 10.2.3, 10.2.4 and 10.2.6 hereof shall apply to the aggregated amount accordingly.

Any the transaction for which the listed company has fulfilled relevant obligations pursuant to Rules 10.2.3, 10.2.4 or 10.2.6 hereof, such transactions shall no longer be aggregated again.

10.2.11 The following related party transactions conducted by a listed company within twelve consecutive months shall be governed by Rules 10.2.3, 10.2.4 and 10.2.6 on an aggregate basis.

- (1) Transactions with the same related party;
- (2) Transactions with different related parties but related to the same transaction target.

The aforesaid same related party includes other related parties under direct or indirect common control with such related party, and other related parties that control or are controlled by such related party.

Any transaction for which the listed company has fulfilled relevant obligations pursuant to Rules 10.2.3, 10.2.4 or 10.2.6 hereof, such transactions shall no longer be aggregated again.

10.2.12 For related party transactions that relate to listed company’s daily operations as prescribed in subparagraphs (2) to (5) of rule 10.1.1 hereof (hereinafter, continuing related party transaction), the company shall comply with the review process of the following requirements:

- (1) For continuing related party transaction incurred for the first time, the listed company shall enter into a written agreement with the related party and make timely disclosure. The transaction shall be subject to the approval by the board of directors or the general meeting of shareholders under Rule 10.2.3, 10.2.4 or 10.2.6 hereof respectively based on the transaction amount. In the absence of any specific transaction amount, the transaction shall be subject to the shareholders’ approval at a general meeting.
- (2) For continuing related party transactions already approved by the board of directors or the general meeting of shareholders and is being carried out, when there are no material changes in the principal terms and conditions of the relevant agreement, the company shall disclose the actual performance of the agreement in its periodic report and specify whether the stipulations of the agreement are complied with; when there are any material changes in the principal terms and conditions or the agreement needs to be renewed at the expiration, the revised or renewed agreement shall be subject to approval by the board of directors or the general meeting of shareholders under Rule 10.2.3, 10.2.4 or 10.2.6 hereof respectively based on the transaction amount. In the absence of any specific transaction amount, such revised or renewed agreement shall be subject to the shareholders’ approval at a general meeting.
- (3) For numerous continuing related party transactions and frequent transaction agreements which make it impractical to hold board meeting or the general meeting of shareholders each time pursuant to the provisions subparagraph (1) of Rule 10.2.11 hereof, the listed company may, before the

release of its annual report for the previous year, make a reasonable estimate on the aggregate amount expected for the current year and, based on the estimated aggregate amount, fulfill relevant obligations under Rule 10.2.3, 10.2.4 or 10.2.6 hereof respectively. The company shall disclose in its annual and semi-annual reports all the continuing related party transactions that fall within the estimated aggregate amount. Where the actual amount of continuing related party transactions exceeds the estimation, the company shall again submit it to the board of directors or the general meeting pursuant to Rule 10.2.3, 10.2.4 or 10.2.6 hereof respectively based on the excess amount.

10.2.13 The agreement on continuing related party transactions shall contain at least the principal terms and conditions such as the transaction price, basis of pricing, gross transaction amount or its determination method, and payment terms, etc.

Where the agreement does not specify the transaction price and only refers to market price, the listed company shall disclose actual transaction price, market price and its determination method, as well as the reasons for the difference between the two prices under Rule 10.2.12 hereof.

10.2.14 A listed company that enters into an agreement on continuing related party transactions with its related party over a term of three years shall comply with this Chapter and fulfill, every three years, the obligations regarding the disclosure requirement and approval procedures.

10.2.15 Where a listed company enters into a related party transaction with its related party by way of public tenders or auctions, it may apply to the Exchange for waiver from the relevant obligations under Rule 10.2.6 hereof.

The company shall disclose the related party transactions of the preceding paragraph in accordance of Rule 10.2.9. When necessary, the Exchange may require the company to engage relevant CPA firm or asset appraisal agencies for audit or evaluation.

10.2.16 The following related party transactions between a listed company and its related party may be waived from the relevant obligations under this Chapter:

- (1) One party subscribes in cash for the shares, corporate bonds or enterprise bonds, convertible bonds or other derivatives publicly offered by the other party;
- (2) One party underwrites the shares, corporate bonds or enterprise bonds, convertible bonds or other derivatives publicly offered by the other party;
- (3) One party receives dividends, bonus or remuneration from the other party in accordance with general meeting of shareholders resolutions; and
- (4) Other transactions as recognized by the Exchange.

Chapter XI Other Material Events

Section 1 Material Litigations and Arbitrations

11.1.1 A listed company shall timely disclose any material litigation or arbitration involving an amount of money exceeding RMB 5 million and accounting for more than ten percent of the absolute value of the company's net assets (latest audited).

Where an litigation or arbitration involves an amount below the quantitative threshold in the preceding paragraph or involves no specific amount, the listed company shall make disclosures if, in the opinion of the board of directors, due to the particularity of the litigation or arbitration, such litigation or arbitration would have a significant effect on the prices of its shares or derivatives, or when deemed necessary by the Exchange. A listed company shall also make timely disclosure when the litigation or arbitration relates to an application for cancelling or declaring null and void any resolution of the general meeting of shareholders or the board of directors.

11.1.2 All the material litigations and arbitrations of a listed company shall be aggregated for twelve consecutive months for the application of Rule 11.1.1 hereof.

Any litigation or arbitration for which the listed company has fulfilled relevant obligations pursuant to Rule 11.1.1, shall no longer be aggregated again.

11.1.3 A listed company shall submit the following documents to the Exchange when disclosing material litigations and arbitrations:

- (1) Announcement;
- (2) Indictment or arbitration application, and notice of acceptance (response to action);
- (3) The judgment; and
- (4) Other materials as required by the Exchange.

11.1.4 The announcement of a listed company on material litigations and arbitrations shall contain the following information:

- (1) Particulars of case acceptance and case briefing;
- (2) Case influence on the listed company's profit for the current financial year and the years after;
- (3) Whether the listed company and its subsidiaries have other undisclosed litigations and arbitrations; and
- (4) Other information as required by the Exchange.

11.1.5 A listed company shall timely disclose the significant progress of material litigations and arbitrations as well as their effect, including but not limited to the judgments of the first instance and the second instance, arbitration awards, and particulars on the execution of judgments and awards.

Section 2 Management of Proceeds

11.2.1 A listed company shall establish and perfect a regime for the management of proceeds, and ensure its effective implementation. The regime shall explicitly stipulate the management of proceeds, such as deposit of proceeds in the special account, use of proceeds, change of use, supervision, and accountability system, etc.

11.2.2 A listed company shall deposit its proceeds in a special account determined by the board of directors for management, and sign a three-party regulatory agreement with sponsor and the commercial bank where the proceeds is deposited, then timely file the agreement with the Exchange for record and disclose the main content. A listed company which has more than one special account shall explain the reason and propose measures to ensure the efficient use and security of proceeds.

11.2.3 A listed company shall use the proceeds in accordance with the investment plan promised in the issuance application documents. When the circumstance that seriously affects the investment plan's normal operation occurs, the listed company shall report to the Exchange and make an announcement in a timely manner.

11.2.4 A listed company that intends to change the use of proceeds raised shall timely disclose the relevant resolution of its board of directors and submit the matter to the shareholders' meeting for consideration.

11.2.5 A listed company that changes the use of proceeds shall submit the following documents to the Exchange:

- (1) Announcement;
- (2) The resolution of the board of directors and the announcement of the resolution;
- (3) Independent directors' opinion on the proposed change of use of proceeds;
- (4) The board of supervisors' opinion on the proposed change of use of proceeds;
- (5) The sponsor's opinion on the proposed change of use of proceeds;
- (6) Description of the proposed new project or use of proceeds;
- (7) Letter of intent or agreement on the proposed new project (if applicable);
- (8) Approval document from the competent authority on the proposed new project (if applicable);
- (9) Feasibility report on the proposed new project (if applicable);
- (10) Report by relevant intermediaries (if applicable);
- (11) The termination agreement on the previous project (if applicable); and
- (12) Other documents as required by the exchange.

11.2.6 A listed company shall disclose the following information on change of use of proceeds:

- (1) Basic information on the previous project and the specific reasons for change;
- (2) Basic information on the proposed new project, its market prospects and risk disclosure;

- (3) Statement that the proposed new project has been approved or is pending approval by the relevant competent authority (if applicable);
- (4) Statement that the proposed new project is still subject to the shareholders' approval at a general meeting;
- (5) Independent directors', the board of supervisors' and the sponsor's opinions on the proposed change of use of proceeds ; and
- (6) Other information as required by the Exchange.

Where the new project involves asset acquisitions or external investment, the company shall also make disclosures in compliance with these Rules.

Section 3 Earnings Preannouncement, Preliminary Results and Earnings Forecast

11.3.1 A listed company shall disclose an earnings preannouncement in a timely manner when it anticipates any of the following situations in its annual results, interim results or first three quarters' results:

- (1) Net loss;
- (2) More than fifty percent increase or decrease in the net profit compared with the same period of the previous year;
- (3) Changes in the nature of profit or loss compared with the same period of the previous year or the results in the latest periodic report; or
- (4) Net assets at the end of the period are negative.

11.3.2 Upon approval by the Exchange, a listed company may be waived from earnings preannouncement requirement specified in subparagraph (2) of Rule 11.3.1 in the following circumstances:

- (1) The value of its earnings per share for the previous year is positive but below or equivalent to RMB 0.05;
- (2) The value of its earnings per share for the first half of the previous year is positive but below or equivalent to RMB 0.03;
- (3) The value of its earnings per share for the first three quarters of the previous year is positive but below or equivalent to RMB 0.04.

11.3.3 A listed company which suffered losses for two consecutive years, or more than two consecutive years due to retrospective adjustments, shall disclose earnings or loss preannouncements for the first three quarters and the full year in the subsequent first semi-annual report and third-quarter report respectively.

11.3.4 A listed company shall release the earnings preannouncement in a reasonable, prudent, objective and accurate manner. Where, after a listed company releases an earnings preannouncement, it anticipates a significant difference between the performance results and the released earnings preannouncement, it shall release a restatement of the earnings preannouncement in a timely manner

pursuant to the relevant regulations of the Exchange.

11.3.5 A listed company shall submit the following documents to the Exchange when releasing an earnings preannouncement or a restatement of the earnings preannouncement:

- (1) Earnings preannouncement or restatement;
- (2) Relevant explanation of the board of directors;
- (3) The CPA's opinion on whether the listed company's basis and process for such earnings preannouncement or restatement are proper and prudent (if applicable); and
- (4) Other documents as required by the Exchange.

11.3.6 The restatement on earnings preannouncement released by a listed company shall contain the following information:

- (1) The expected earnings for the current period;
- (2) The difference between the expected earnings and the previously disclosed earnings preannouncement and the reason therefor;
- (3) The apology by the board of directors and the persons held liable by the board of directors; and
- (4) Statement on possible suspension, resumption or termination of listing with regard to the shares of the company (if applicable).

Where the restatement of the earnings preannouncement has been pre-audited by a CPA firm, the company shall also disclose whether and where it disagrees with the CPA firm regarding the earnings preannouncement.

11.3.7 A listed company may release the preliminary results prior to the disclosure of its periodic reports. The preliminary results shall include such data and indicators as the revenue, operating profit, total profit, net profit, total assets, net assets, earnings per share, net assets per share and return on equity for the current period as well as the comparative figures for the corresponding period of the previous year. A listed company shall submit the following documents to the Exchange when releasing preliminary results:

- (1) Announcement;
- (2) Comparative balance sheet and income statement signed and sealed by the incumbent legal representative, the principal officer in charge of accounting, chief accountant (if any) and the principal officer of the accounting division (head of accounting) of the company; and
- (3) Other documents as required by the Exchange.

11.3.8 A listed company shall ensure that there is no material discrepancy between the financial data and indicators in the preliminary results and the actual figures in the corresponding periodic report. In case that the discrepancy reaches more than twenty percent, the company shall, at the time when it discloses periodic report, apologize by way of an announcement and disclose details of the discrepancy, the reason therefor and the persons liable.

11.3.9 Where a listed company anticipates a material difference between its results for the current period and its previously disclosed earnings forecast, it shall, in a timely manner, release a restatement of the earnings forecast and submit the following documents to the Exchange:

- (1) Restatement;
- (2) Explanation by the board of directors;
- (3) Letter of the board of directors confirming whether the basis and process for the restatement are proper and prudent;
- (4) Special statement by the CPA firm on the difference between the actual figure and the earnings forecast; and
- (5) Other documents as required by the Exchange.

11.3.10 The restatement released by a listed company on its earnings forecast shall contain the following information:

- (1) Expected results for the current period;
- (2) The difference between its expected results for the current period and its previously disclosed earnings forecast and the reason therefor; and
- (3) Statement on possible suspension, resumption or termination of listing with regard to the shares of the company (if applicable).

Section 4 Profit Distribution and Transfer of Capital Reserve into Share Capital

11.4.1 A listed company shall disclose its proposal for profit distribution or transfer of capital reserve into share capital (hereinafter, the Proposal) in a timely manner upon approval by its board of directors.

11.4.2 The listed company shall submit the following documents to the Exchange prior to the Proposal implementation:

- (1) Announcement of the implementation of the Proposal;
- (2) Relevant resolutions of the general meeting of shareholders;
- (3) The clearing company's document confirming the time for implementing the Proposal; and
- (4) Other documents as required by the Exchange.

11.4.3 A listed company shall disclose the Proposal implementation announcement three to five trading days prior to the record date.

11.4.4 The Proposal implementation announcement shall contain the following information:

- (1) Ordinal number and date of the general meeting of shareholders approving the Proposal;
- (2) Percentages of distribution of cash dividends, bonus shares and transfer of capital reserve into share capital (for every ten shares), base amount of the share capital (actual share capital before implementing the Proposal), and tax issues;
- (3) Record date, ex-right date, listing date of the new shares;

- (4) Method of the Proposal implementation;
- (5) Table of changes in share capital structure (shown in the captions of total share capital before change, number of bonus shares distributed this time, number of shares transferred from capital reserve this time, total share capital after change, percentages to total share capital, etc.);
- (6) The exercise (share conversion) price and exercise (conversion) percentage of derivatives that need to be adjusted following the distribution of cash dividends and bonus shares and transfer of capital reserve into share capital, and the minimum share sale price promised by substantial shareholders (if applicable);
- (7) Diluted earnings per share for the previous year or the current half year calculated based on the new share capital after the distribution of bonus shares and cash dividends and the transfer of capital reserve into share capital; and
- (8) Relevant inquiry contact.

11.4.5 A listed company shall complete profit distribution and transfer of capital reserve into share capital within two months after its shareholders' approval at a general meeting.

Section 5 Unusual Share Price Movement and Clarification

11.5.1 Where the share price movement of a listed company is considered unusual by the CSRC or the Exchange pursuant to relevant regulations and rules, the listed company shall publish an announcement of unusual share price movement on the next trading day. Under special situations, the Exchange may arrange the listed company to make an announcement on a non-trading day.

Unusual share price movement shall be re-calculated from the date of announcement. If the date of announcement falls on a non-trading day, re-calculation shall commence from the next trading day.

11.5.2 A listed company shall submit the following documents to the Exchange when publishing the announcement of unusual share price movement:

- (1) Announcement;
- (2) Analysis and explanation by the board of directors;
- (3) Inquiry letters to its controlling shareholder and *de facto* controller (if any); and
- (4) Other documents that would help shed light on the essence of the matter.

11.5.3 The announcement on unusual share price movement released by a listed company shall contain the following information:

- (1) Description of the unusual share price movement;
- (2) Description of its concerns with and verification on important issues;
- (3) Statement on whether it has any discloseable material information undisclosed;
- (4) Statement on whether there is any breach of fair disclosure rules; and
- (5) Other information as required by the Exchange.

11.5.4 Where any message circulating in the public media (hereinafter, rumor) has had or would have a significant effect on the share price of a listed company or derivatives thereon, the listed company shall provide the evidence of the rumor to the Exchange and release a clarification announcement in a timely manner.

11.5.5 The clarification announcement shall contain the following information:

- (1) Details and origin of the rumor;
- (2) Truth of the matters involved in the rumor; and
- (3) Other information that would help shed light on the essence of the matter.

Section 6 Repurchase of Shares

11.6.1 This Section shall govern the repurchase of shares by listed companies for the purpose of reducing the registered capital. Repurchase of shares due to implementation of the share incentive scheme shall be governed by other relevant regulations of the CSRC and the Exchange.

11.6.2 A listed company shall, in a timely manner after its board of directors approves repurchase-related matters, disclose the resolution of the board of directors and the share repurchase plan and give notice convening a general meeting of shareholders.

The share repurchase plan shall contain at least the following information:

- (1) Purpose of the share repurchase;
- (2) Method of the share repurchase;
- (3) The price or price range and the pricing principle for the share repurchase;
- (4) The class and amount of the shares to be repurchased and the percentage of such shares in the total share capital;
- (5) The total amount and source of the funds to be used for the repurchase;
- (6) The time period for the share repurchase;
- (7) The anticipated change in the equity structure of the company following the repurchase; and
- (8) Analysis by the management on the influence of the proposed share repurchase on the business operation, finance and future development of the company.

11.6.3 A listed company shall appoint an independent financial advisor to conduct due diligence investigation on the share repurchase and produce an independent financial advisor's report. The relevant announcement shall be made five days prior to the general meeting of shareholders.

11.6.4 The listed company shall, three days prior to the general meeting of shareholders, publish the names of the top ten shareholders, numbers of shares held by them, and their shareholding percentages, as recorded on the register of shareholders on the trading day immediately preceding the board of directors' announcement of the share repurchase resolution and on the record date for

the general meeting of shareholders.

11.6.5 The resolution on share repurchase adopted by the general meeting of shareholders of the listed company requires the approval of more than two-thirds of the voting rights held by the shareholders attending the meeting.

After the general meeting of shareholders adopts the resolution on share repurchase, the company shall notify its creditors within ten days and make an announcement in newspapers within thirty days.

11.6.6 A listed company that conducts the share repurchase by means of centralized auction shall, on the next day after the general meeting of shareholders makes the resolution on share repurchase, disclose the resolution, file the relevant materials with the CSRC and the Exchange and release the repurchase report.

In the case of share repurchase by means of tender offer, the listed company shall, within two trading days upon receiving a no comment letter from the CSRC, make an announcement and, before implementing the repurchase plan, announce the repurchase report and legal opinions. Such repurchase report shall include the following information:

- (1) Contents of the share repurchase plan described in Rule 11.6.2 hereof;
- (2) A statement as to whether the directors, supervisors or senior executives of the listed company had purchased or sold the shares of the listed company during the six months prior to the announcement of the repurchase resolution of the general meeting of shareholders and whether they have, individually or jointly with others, engaged in insider trading or market manipulation;
- (3) The conclusive opinion issued by the independent financial advisor on the proposed share repurchase;
- (4) The conclusive opinion issued by the law firm on the proposed share repurchase; and
- (5) Other matters that must be stated.

In the case of share repurchase by means of tender offer, the repurchase report shall also include the method and procedure for preliminary acceptance of the offer by the shareholders and for withdrawal of preliminary acceptance of the offer by the shareholders, as well as the name and contact details of the securities firm appointed by shareholders to handle tender offer-related matters such as preliminary acceptance, withdrawal of preliminary acceptance, settlement, transfer of ownership and registration of ownership.

11.6.7 A listed company that conducts the share repurchase by means of centralized auction shall perform reporting and disclosure obligations under the following circumstances:

- (1) A listed company shall make an announcement on the day immediately following the day on which its initial repurchase of shares actually occurs;

(2) A listed company shall make an announcement within three days upon occurrence of each one percent increase in the percentage of repurchased shares in the total share capital of the listed company;

(3) During the repurchase period, the listed company shall, within the first three trading days of each month, announce the progress of the repurchase as of the end of the previous month, including the amount and percentage of shares repurchased, highest and lowest prices, total payment, etc;

(4) During the repurchase period, a listed company shall disclose the progress of repurchase in periodic reports, including the amount and percentage of shares repurchased, highest and lowest prices, total payment, etc;

(5) Upon the expiration of the repurchase period or the completion of the repurchase plan, the listed company shall stop the repurchase, release particulars of share repurchase and the share change report, including the amount and percentage of shares repurchased, highest and lowest prices, total payment, etc.

During the repurchase period, the listed company is prohibited from issuing shares to raise funds.

11.6.8 If a listed company still fails to implement the repurchase plan three months before the expiration of the repurchase period, the board of directors of the company shall announce the relevant reasons.

11.6.9 Upon the expiration of the repurchase period or the completion of the repurchase plan, the listed company shall stop the repurchase, cancel the special repurchase account and, within two trading days, release the share change report.

If the actual amount and percentage of shares repurchased, and total payment are different from those in the repurchase plan approved by the general meeting of shareholders, the listed company shall explain the difference in the announcement.

Section 7 Material Matters Related to Convertible Bonds

11.7.1 Upon the occurrence of any of the following circumstances, a listed company that has offered convertible bonds shall report to the Exchange and make relevant disclosure in a timely manner:

- (1) Any new share offer, bonus share distribution, corporate division or any other cause leads to share changes which warrant an adjustment to the company's share conversion price, or, pursuant to the downside reset provision in the bond offering prospectus, the company's share conversion price is adjusted downward;
- (2) Shares converted from convertible bonds add up to ten percent of the total outstanding shares of the company before the conversion;
- (3) The company's credit status makes material changes, potentially affecting its repayment of principal of bonds and the interest thereon upon maturity;
- (4) The warrantor to the convertible bonds is involved in major asset changes, material litigations, mergers or divisions;

- (5) The amount of convertible bonds not being converted is less than RMB 30 million;
- (6) A qualified credit rating agency has rated the credit of the convertible bonds or the company and assigned a rating to the convertible bonds or the company;
- (7) Other material events that would have a significant effect on the price of the convertible bonds;
or
- (8) Other circumstances prescribed by the CSRC and the Exchange.

11.7.2 Whenever the convertible bonds held by an investor come to twenty percent of the total convertible bonds of a listed company, the investor shall, within two trading days upon occurrence of such fact, report to the Exchange and notify the listed company to make an announcement.

Any investor holding twenty percent or more of the outstanding convertible bonds of a listed company shall fulfill reporting and disclosure obligations for each additional ten percent increase or decrease in its holding within two trading days of occurrence thereof pursuant to the provisions of the preceding paragraph.

11.7.3 A listed company shall, within three to five trading days prior to the specified date for payment of interest on the convertible bonds, make an announcement of interest payment and, within three to five trading days prior to the maturity of the convertible bonds, make an announcement of principal repayment and interest payment.

11.7.4 A listed company shall make an announcement of share conversion within three trading days prior to commencement of share conversion.

11.7.5 A listed company wishing to exercise the call option shall make a call announcement at least thrice within five trading days after the call conditions are met for the first time each year. Such announcement shall include the call procedure, call price, method of payment, time of payment, etc.

After the end of the call period, the company shall announce the call results and their influence.

11.7.6 During the year when the put option can be exercised, a listed company shall make a put announcement at least thrice within five trading days after the put conditions are met for the first time each year. Such announcement shall include the put procedure, put price, method of payment, time of payment, etc.

After the end of the put period, the company shall announce the put results and their influence.

11.7.7 Where a listed company changes the project to be funded by the proceeds with the approval of the general meeting of shareholders, the listed company shall grant the bond holders a one-time put option within twenty trading days following the approval of the general meeting of shareholders. The relevant put announcement shall be published at least thrice, i.e., at least once within the five

trading days after the announcement of the resolution of the general meeting of shareholders and prior to implementation of the put option, at least once during the put period, with the last-time announcement to be made whenever necessary.

11.7.8 A listed company shall, twenty trading days prior to the end of the share conversion period, release a cautionary announcement at least thrice, informing investors that trading in the convertible bonds will be suspended in the ten trading days prior to the end of the share conversion period.

Upon the occurrence of other circumstances where trading in a listed company's convertible bonds must be suspended pursuant to relevant regulations, the listed company shall announce the suspension in a timely manner after it becomes aware of such circumstances.

11.7.9 After the end of each quarter, a listed company shall timely disclose share changes as a result of conversion of convertible bonds into shares.

Section 8 Acquisition and Equity Changes

11.8.1 An investor and the parties acting in concert with it whose beneficial interest in a listed company reaches more than five percent of the total outstanding shares of the company shall timely notify the listed company and make an announcement.

With regard to the shareholder of a listed company whose beneficial interest in the company reaches more than five percent of the total outstanding shares of the company, or the *de facto* controller of the listed company, if its equity changes involve the acquisition or equity changes as prescribed in the *Securities Law* and the *Measures on the Administration of Acquisition of Listed Companies*, the shareholder, *de facto* controller and other relevant disclosing parties shall fulfill reporting and announcement obligations in accordance with the provisions of the *Securities Law* and the *Measures on the Administration of Acquisition of Listed Companies* and shall, in a timely manner, notify the listed company to release a cautionary announcement.

The listed company shall release an announcement in a timely manner after it becomes aware of such acquisition or equity changes.

11.8.2 Where, when the controlling shareholder of a listed company transfers the shares it holds in the company to the acquirer by agreement, the controlling shareholder and its associates have not yet settled all their debts to the company, or the guarantee granted by the listed company to the controlling shareholder and its associates has not yet been released, or the controlling shareholder and its associates are in other situations that would impair the interests of the company, the board of directors of the company shall truthfully disclose relevant matters and put forward solutions.

11.8.3 Where the shareholder of a listed company whose beneficial interest in the company reaches

more than five percent of the total outstanding shares of the company, or the *de facto* controller of the listed company trades in the shares of the listed company through the stock exchange system, the shareholder, *de facto* controller and other disclosing parties shall authorize the listed company to announce each additional one percent increase or decrease in the beneficial interest within two trading days of occurrence thereof. The content of the announcement shall include the amount of shares changes, the average price, its shareholding before and after the change, etc.

11.8.4 A listed company that is the target of an acquisition by tender offer shall disclose the *Report of the Board of Directors of the Target Company* and the independent financial adviser's professional opinions within twenty days after the acquirer announces the *Report on Acquisition by Tender Offer*.

Where the acquirer makes material amendments to the terms of the tender offer, the board of directors of the target listed company shall disclose its supplementary opinions and the independent financial adviser's supplementary opinions within three trading days.

11.8.5 Where any director, supervisor, senior executive or employee of a listed company, or, any legal person or other organization under the control of or authorized by such director, supervisor, senior executive or employee, intends to acquire or gain controlling power over the listed company, the listed company shall disclose the resolution of the board of directors adopted by the uninterested directors, the resolution of the general meeting of shareholders adopted by uninterested shareholders, as well as the independent directors' opinions and the independent financial adviser's opinions.

11.8.6 Where, as a result of the decrease of share capital by a listed company, the beneficial interest owned by any investor and the party acting in concert with it in the listed company reaches five percent of the total outstanding shares of the company, or their equity changes reach five percent of the total outstanding shares of the company, the company shall, within two trading days on completing the registration procedure for the share capital change, make an announcement on shareholders' equity changes.

11.8.7 A listed company that is authorized by shareholders to disclose particulars of transfer of ownership due to equity changes shall make an announcement in a timely manner after learning of the completion of the transfer procedures.

11.8.8 If, before any person that is involved in the acquisition and relevant equity change activities of a listed company and subject to disclosure obligations makes disclosure in accordance with law, the relevant information has been circulated in the media or there is abnormal movement in the prices of the company's shares and derivatives, the board of directors of the listed company shall immediately question the relevant parties and make an announcement.

11.8.9 Where a shareholder or the *de facto* controller of a listed company fails to fulfill reporting and announcement obligations, the board of directors of the company shall report to the Exchange and

make an announcement from the date when it becomes aware of the situation, and urge the shareholder or *de facto* controller to fulfill reporting and announcement obligations.

11.8.10 Where a shareholder or the *de facto* controller of a listed company that fails to fulfill reporting and announcement obligations refuses to fulfill cooperation obligations, or the *de facto* controller is prohibited from acquiring the listed company, the board of directors of the listed company shall decline any proposals or temporary proposals put forward by the shareholder under the control of the *de facto* controller and report to the Exchange and relevant regulatory authority in a timely manner.

11.8.11 Where a listed company is involved in the acquisition or equity change activities of other listed companies, it shall fulfill reporting and announcement obligations in accordance with the provisions of the *Securities Law* and the *Measures on the Administration of Acquisition of Listed Companies*.

Section 9 Share Incentive

11.9.1 A listed company that implements the share incentive scheme shall complete necessary deliberation procedures and fulfill reporting and announcement obligations in strict accordance with the regulations of the CSRC and the Exchange relating to share incentive schemes.

11.9.2 A listed company shall, in a timely manner after its board of directors approves the share incentive scheme, submit the materials required by the Exchange and publish an announcement on the share incentive scheme.

Directors participating in the proposed share incentive scheme shall withdraw from voting at the board meeting approving the share incentive scheme.

11.9.3 While a listed company publishes the announcement of the share incentive scheme, it shall simultaneously disclose in details on the website designated by the Exchange the names of participants in the share incentive scheme, the amounts of restricted shares or share options to be granted to each of them, and the percentages of such restricted shares or share options in the total shares or share options proposed in the share incentive scheme.

In case of any changes in the participants or the amount of interest to be granted, the company shall update relevant information on the website designated by the Exchange within two trading days after the board of directors approves the relevant resolution.

11.9.4 After a listed company discloses its share incentive scheme, it shall, in a timely manner, file the same with the CSRC for the record pursuant to relevant regulations, with a copy thereof submitted to the CSRC local agency in the place where the listed company is domiciled.

If the CSRC raises no objection to the share incentive scheme of the listed company, the company shall, in a timely manner, make an announcement and give notice convening a general meeting of shareholders.

11.9.5 After the general meeting of shareholders considers the share incentive scheme, a listed company shall, in timely manner, file relevant materials with the Exchange and publish an announcement.

11.9.6 After the granting conditions of the share incentive scheme are in place, a listed company shall convene a board meeting in a timely manner to consider the relevant granting conditions and, in accordance with these Rules and the regulations of the Exchange pertaining to the share incentive scheme, disclose the conclusion of the board of directors as to whether the granting conditions are in place, as well as relevant granting arrangement.

11.9.7 A listed company shall complete the procedures for registration of restricted shares or share options in a timely manner pursuant to relevant regulations.

After the company completes registration procedures, it shall disclose in a timely manner the information regarding its completion of granting restricted shares or share options.

In case of any changes in the relevant parameters for restricted shares or share options as a result of distribution of entitlements or due to other reasons, the listed company shall make adjustment to the relevant data in accordance with the adjustment formula described in the entitlement distribution plan or share incentive scheme and disclose particulars of its adjustment in a timely manner.

11.9.8 After the conditions for release of restricted shares or for exercise of share options as prescribed in the share incentive scheme are met, the listed company shall convene a board meeting in a timely manner to consider relevant implementation plan and, in accordance with these Rules and the regulations of the Exchange pertaining to the share incentive scheme, disclose the conclusion of the board of directors as to whether the conditions for release of restricted shares or for exercise of share options are in place, as well as the relevant implementation arrangement.

11.9.9 A listed company shall, in a timely manner, complete registration procedures relating to the release of the restricted shares or exercise of share options pursuant to relevant regulations and publish an announcement on the release of the restricted shares or exercise of share options.

Section 10 Bankruptcy

11.10.1 Once the board of directors of a listed company makes a decision to apply to the court for reorganization, settlement or bankruptcy liquidation or becomes aware that any creditor has applied

to the court for reorganization or bankruptcy liquidation of the company, the listed company shall report to the Exchange and disclose the following matters in a timely manner:

- (1) Specific reasons for the company to make the application decision and the time for formal filing of the application (applicable to an application filed by the listed company);
- (2) Basic information on the applicant, purposes for the application, and relevant facts and reasons (applicable to an application filed by a creditor);
- (3) Explanation on the influence of the application for reorganization, settlement or bankruptcy liquidation on the listed company, as well as risk disclosure; and
- (4) Other matters that need to be stated.

11.10.2 A listed company shall, in a timely manner, report to the Exchange and disclose the progress of the court's acceptance of the application for reorganization, settlement or bankruptcy liquidation, including the following:

- (1) The applicant requests to withdraw its application before the court accepts its application for reorganization, settlement or bankruptcy liquidation;
- (2) The court makes a ruling to accept or dismiss the application for reorganization, settlement or bankruptcy liquidation; and
- (3) Other matters that must be disclosed as required by the Exchange.

11.10.3 Where the court accepts an application for reorganization, settlement or bankruptcy liquidation, the listed company shall report to the Exchange and disclose the following information in a timely manner:

- (1) The name of the applicant (applicable to an application filed by a creditor);
- (2) The time and main contents of the ruling made by the court for acceptance of the application for reorganization, settlement or bankruptcy liquidation;
- (3) Basic information on the administrator appointed by the court (including the name of the administrator, the person in charge, members, duties, place for transaction of business and contact details);
- (4) Information on the person responsible for information disclosure after the company enters bankruptcy proceedings (including the name of the person in charge, members and contact details); and
- (5) Other matters that must be disclosed as required by the Exchange.

The company shall also fully disclose in the announcement the risk that its shares and derivatives are likely to be terminated from listing.

Trading halt and trading resumption in respect of the shares of the company and derivatives thereon shall be implemented pursuant to the relevant provisions of Chapter XII of these Rules.

11.10.4 During the period after the court accepts the application for bankruptcy liquidation and before the court declares the listed company bankrupt, the listed company shall disclose the following information insofar as applicable in a timely manner:

- (1) The fact that, the time when and the reason why the company, or a capital contributor representing more than one tenth of the registered capital of the company, applies to the court for reorganization;
- (2) The fact that, the time when and the reason why the company applies to the court for settlement;
- (3) The fact that and the time when the court makes a ruling approving or disapproving the application for reorganization or settlement, and main contents of the ruling;
- (4) The plan for the creditors' meeting and details of the meeting being held;
- (5) The fact that and the time when the court makes a ruling rejecting the bankruptcy application on the grounds that the company does not fall within the bankruptcy cases provided in the *Enterprise Bankruptcy Law of the People's Republic of China* (hereinafter, the *Enterprise Bankruptcy Law*), main contents of the ruling, and a statement whether the applicant files an appeal; and
- (6) Other matters that must be disclosed as required by the Exchange.

11.10.5 During the reorganization period, the listed company shall disclose the following information insofar as applicable in a timely manner:

- (1) Information on the reporting of claims (at least once at the end of each month during the statutory claim reporting period);
- (2) Preparation of the draft reorganization plan (including the time of submitting the draft reorganization plan to the court and to the creditors' meeting, and the main contents of such plan, etc.);
- (3) Information as to the adoption of the draft reorganization plan and the court's approval of such plan;
- (4) Information as to the court's mandatory approval of the draft reorganization plan;
- (5) The administrative permission and approval with respect to the reorganization;
- (6) The reason why and the time when the court makes a ruling terminating the reorganization proceedings;
- (7) The reason why and the time when the court makes a ruling declaring the company bankrupt; and
- (8) Other matters that must be disclosed as required by the Exchange.

11.10.6 After the court rules on a settlement, the listed company shall disclose the following information insofar as applicable in a timely manner:

- (1) Information on the reporting of claims (at least once at the end of each month during the statutory claim reporting period);
- (2) The time when the company submits the draft settlement agreement to the court, and the main contents of such agreement;
- (3) Information as to the adoption of the draft settlement agreement and the court's approval of such agreement;
- (4) The administrative permission and approval with respect to the settlement;
- (5) The reason why and the time when the court makes a ruling terminating the settlement proceedings;

- (6) The reason why and the time when the court makes a ruling declaring the company bankrupt; and
- (7) Other matters that must be disclosed as required by the Exchange.

11.10.7 During the implementation period of the reorganization plan or the settlement agreement, the listed company shall disclose the following information insofar as applicable in a timely manner:

- (1) The significant progress of implementation of the reorganization plan or the settlement agreement;
- (2) The court's ruling to declare the company bankrupt at the request of the administrator, an interested person or a creditor on the grounds that the company is unable to implement or fails to implement the reorganization plan or the settlement agreement; and
- (3) Other matters that must be disclosed as required by the Exchange.

11.10.8 When the listed company discloses information on reorganization, settlement or bankruptcy liquidation as described above, it shall submit to the Exchange the following documents insofar as applicable:

- (1) Announcement ;
- (2) The administrator's explanatory statement;
- (3) The legal instrument issued by the court;
- (4) Draft reorganization plan or draft settlement agreement;
- (5) Approval documents issued by relevant authorities with respect to the draft reorganization plan or draft settlement agreement;
- (6) The agreement or letter of intent in relation to the draft reorganization plan or draft settlement agreement;
- (7) The resolution of the board of directors;
- (8) The resolution of the general meeting of shareholders;
- (9) The resolution of the creditors' meeting;
- (10) The resolution of the general meetings of the representatives of employees;
- (11) Special opinion issued by the law firm;
- (12) Documents issued by the CPA firm, asset appraisal agency and other intermediaries; and
- (13) Other documents as required by the Exchange.

11.10.9 A listed company under bankruptcy proceedings shall, in addition to timely disclosure of the aforesaid information, file with the Exchange and disclose its periodic reports and announcements in a timely manner in accordance with these Rules and other relevant regulations of the Exchange.

11.10.10 If a listed company under bankruptcy proceedings triggers the conditions for listing termination as prescribed in Chapter XIII hereof, the Exchange will make a decision on termination of listing of its shares in accordance with the relevant provisions of the chapter.

11.10.11 Where a listed company adopts the operation model of management by the administrator, the administrator and its members shall, in accordance with the *Securities Law* and the relevant

regulations of the Supreme People's Court, the CSRC and the Exchange, fulfill information disclosure obligations truthfully, accurately, completely and timely and ensure fair disclosure to all the creditors and shareholders.

The periodic reports disclosed by the company shall be signed by the administrator's members for confirmation and the announcements disclosed shall be released by the administrator and affixed with the seal of the administrator.

11.10.12 Where a listed company adopts the operation model of supervision by the administrator, the board of directors, board of supervisors and senior executives of the company shall continue to fulfill information disclosure obligations in accordance with these Rules and the relevant regulations of the Exchange.

The administrator shall notify the board of directors of all discloseable matters in a timely manner and urge the directors, supervisors and senior executives to fulfill their information disclosure obligations with due diligence.

11.10.13 Where the reorganization plan or settlement agreement of a listed company under reorganization or settlement proceedings involves increase or decrease of its registered capital, offering of corporate bonds, corporate merger or division, or acquisition of its shares, etc., the company shall complete necessary voting and approval procedures in accordance with relevant regulations and fulfill information disclosure obligations in accordance with these Rules and other relevant regulations of the Exchange.

Section 11 Others

11.11.1 A listed company and the relevant disclosing parties shall strictly comply with their undertakings. The company shall separately file the extracts of its undertaking and the undertakings of the relevant disclosing parties with the Exchange in a timely manner and publish the same separately on the website designated by the Exchange.

The company shall specifically disclose the fulfillment of the aforesaid undertakings in its periodic reports. In case that the company or any disclosing party is unable to fulfill its undertaking, the company shall, in a timely manner, disclose the specific reasons and the measures to be taken by the board of directors.

11.11.2 The directors, supervisors, senior executives, controlling shareholder and *de facto* controller of the listed company, the holders of pre-IPO shares of the listed company, and other shareholders holding restricted shares as specified in laws, administrative regulations, rules of competent authorities, regulatory documents or by the Exchange, and other shareholders voluntarily undertaking to be subject to trading restrictions, shall comply with the public undertakings they have

made in public offering and listing documents or other documents: If the listed company is under investigation by the CSRC for false statements, misrepresentations or material omissions in its IPO application, new issue application or relevant disclosure documents, their beneficial interest in the company shall be suspended from transfer.

11.11.3 Where a listed company is exposed to material risks under the following circumstances, the listed company shall, in a timely manner, report to the Exchange and disclose an announcement:

- (1) Incurrence of a major deficit or a heavy loss;
- (2) Incurrence of a major debt, failure to settle any major debts that are due, or failure to collect major claims that are due;
- (3) Likely to be liable for material default or for large-amount indemnity in accordance with law ;
- (4) Provision for large-amount asset impairment;
- (5) Making a decision to dissolve itself or being called to close down by a competent authority in accordance with law;
- (6) Major debtors become insolvent or enter the bankruptcy proceedings and the company has failed to make adequate bad debt provision for the relevant creditor's rights;
- (7) Major assets are sealed up, detained, frozen, mortgaged or pledged;
- (8) Principal or all business activities come to a standstill;
- (9) Being investigated by the competent authority for suspected violations of laws and regulations or given major administrative or criminal penalties;
- (10) Its directors, supervisors or senior executives are unable to perform their duties as they are being investigated by or subject to the compulsory measures of the competent authority for suspected violations of laws and regulations, or unable to perform their duties for a period or an expected period of more than three months due to other reasons such as health or work arrangement; or
- (11) Other circumstances of great risk as recognized by the Exchange or the company itself.

Where the aforesaid matters involve specific monetary amount, the provisions of Rule 9.2 hereof shall be applied *mutatis mutandis*.

11.11.4 Upon the occurrence of the circumstance specified in subparagraph (9) of Rule 11.11.3 hereof which may lead to forced delisting as a result of severe violation of law, the listed company shall make disclosures in a timely manner after it becomes aware that the relevant administrative authority has started an investigation or the people's procuratorate has initiated public prosecution against the company, and shall release a risk warning announcement each month thereafter stating the progress of the case and the risk that its shares are likely to be forced to delist as a result of severe violation of law.

If the Exchange or the board of directors of the company deems necessary, they may increase the frequency of the risk warning announcement and, in accordance with the circumstances, make relevant arrangement for suspension and resumption of trading in the shares of the company and

derivatives thereon.

11.11.5 Upon the occurrence of any of the following circumstances, a listed company shall release risk warning at least once in the first five trading days of each month, including the impact on the company, the measures that have been taken and will take to eliminate the risks and the progress of relevant work, until relevant risks have been eliminated. If the listed company fails to take measures or if there is no corresponding progress in the relevant preparation, it shall disclose and explain specific reasons:

- (1) All or major business of the company is at a standstill and is not likely to return to normal within three months;
- (2) The principal bank account of the company is frozen;
- (3) The company's board of directors is unable to convene meetings and reach a resolution;
- (4) The company provides funds to its controlling shareholder or the associates thereof, or provides external guarantees in violation of the prescribed procedures, and the circumstance is serious; or
- (5) Other circumstances as determined by the CSRC.

11.11.6 Upon the occurrence of any of the following circumstances, a listed company shall report to the Exchange and make disclosures in a timely manner:

- (1) Changes in the company name, stock name, articles of association, registered capital, registered address, business address, telephone number, etc. In the case of amendment to the articles of association, it shall also disclose the new articles of association on the website designated by the Exchange;
- (2) Material changes in operation policies and scope of business;
- (3) Changes in accounting policies and accounting estimates;
- (4) Its board of directors adopts a plan for further issues or other kinds of refinancing;
- (5) The CSRC gives its opinion on the company's application for further issues or other kinds of refinancing or on major asset restructuring matters;
- (6) Significant changes or intended significant changes in the shareholdings of five percent shareholders or *de facto* controller or in their control of the company.
- (7) Resignations or changes of the chairman of the board of directors, chief executive officer, any of its directors (including any independent director) or more than one third of its supervisors;
- (8) Material changes in its production and business operations, external conditions or production environment (including material changes in product prices, raw material urgency, sales methods, etc.);
- (9) Conclusion of a material contract that would have a material effect on the company's assets, liabilities, equity interest or performance results;
- (10) Newly promulgated laws, administrative regulations, rules of competent authorities, regulatory documents or policies would have a material effect on the company's operations;
- (11) Appointment or dismissal of a CPA firm that provides audit services for the company;
- (12) A court ruling prohibits the controlling shareholder from transferring the shares it holds in the company;
- (13) More than five percent shares held by any shareholder are pledged, frozen, auctioned off by

judicial departments, put in custody or held in trust, or the voting rights attached to such shares are restricted in accordance with law;

- (14) Obtainment of additional revenue such as large-amount governmental subsidies, or occurrence of other matters that would have a material effect on the company's assets, liabilities, equity interest or performance results; or
- (15) Other circumstances as recognized by the Exchange or the listed company itself.

11.11.7 When the amount of the contracts entered into by a listed company at one time for urgency, sales, project contracting or labor services relating to its daily production and operation exceeds fifty percent of its audited principal business income for the most recent financial year with the absolute amount exceeding RMB 1 billion, the listed company shall make a timely disclosure which shall at least include the following information:

- (1) Significant risk warnings for the contract, including but not limited to the conditions for the contract to be effective, the period of performance, significant uncertainties, etc.
- (2) Profiles of the parties to the contract, including but not limited to the basic information on the parties, the purchase and sales amount incurred between the company and the parties in the most recent three financial years, and the board of directors' analysis of the fulfilling capability of the parties, etc;
- (3) The main contents of the contract, including but not limited to the transaction price, settlement modes, date of signing, conditions for the contract to be effective, effective date , performance period, liability for breach of contract, etc.;
- (4) The impact of the contract performance on the company, including but not limited to the impact of contract performance on the company for the current financial year and subsequent financial years, the impact on the company's business independence, etc;
- (5) The deliberation procedure for the contract (if any); and
- (6) Other relevant explanations.

The company shall timely disclose the progress of major contracts, including but not limited to the contract's entry into force, major uncertainties arising from contract performance, early termination of contracts, termination of contracts or completion of performance, etc.

With regard to a listed company whose sales and supplies depend heavily on a single or a few major customers, if major changes in the terms of sales and supply contracts with the customer or the customers occur (including but not limited to interruption of transactions, significant changes in contract price and quantity, etc.), the company shall timely make an announcement about the impact on the company for the current year and in the future.

11.11.8 Upon the occurrence of any of the following circumstances that expose the company's core competence to a major risk, the listed company shall report to the Exchange and make a disclosure in a timely manner:

- (1) Significant adverse development is in the acquisition or use of important technologies or assets in use by the company, such as trademarks, patents, proprietary technology, and franchise rights;

- (2) The resignation or major changes of the company's core technical team or key technical personnel who have a significant influence on the company's core competence;
 - (3) The company is faced with the risk of its core technologies, key equipment or business models being replaced or eliminated;
 - (4) The company waives its continued investment or control over important core technology projects;
- or
- (5) Other significant-risk circumstances, which affect the core competence of the company, as determined by the Exchange or the company.

11.11.9 If a listed company makes a significant progress in its research and development of new technologies, new products, new services, or technical renovation, either independently or jointly with a third party, and such progress would have a significant influence on the company's profitability or future development, the company shall timely disclose the significant influence and potential risks.

11.11.10 Where a listed company is called to correct the errors or false statements in its previously released financial reports, or the company's board of directors decides to correct such errors or false statements, the company shall, at the time when it is called or its board of directors decides to do so, make timely disclosure and, pursuant to relevant provisions of the *Rules No. 19 on the Preparation of Information Disclosure Documents by Companies That Offer Securities to the Public: Restatement of Financial Information and Related Disclosure* and other relevant regulations issued by the CSRC, restate its financial information and make relevant disclosure.

11.11.11 After the CSRC approves a listed company's plan for capital reduction (excluding repurchase), merger or division that involves share changes, the listed company shall report to the Exchange and make an announcement in a timely manner.

11.11.12 Information disclosure or registration of share changes in relation to the implementation of the capital reduction, merger or division plan of a listed company shall be governed by the relevant regulations of the CSRC and the Exchange.

Chapter XII Trading Halt and Trading Resumption

12.1 Upon the occurrence of any of the circumstances prescribed in this Chapter which warrant a trading halt, a listed company shall apply to the Exchange for a trading halt and trading resumption in its shares and derivatives.

In the absence of any specific provisions in this Chapter, the company may, on any ground deemed reasonable by the Exchange, apply to the Exchange for a trading halt and trading resumption in its shares and derivatives. The Exchange will, in accordance with the circumstances, determine the trading halt and trading resumption of the shares of the company and derivatives thereon.

12.2 Where the disclosable material information of a listed company involves significant uncertainty and is expected to be difficult to keep confidential or has been leaked prior to the required disclosure, the listed company shall apply to the Exchange at the earliest possible time for a trading halt in its shares and derivatives until the required disclosure is made.

12.3 Where any undisclosed information of a listed company appears in the public media and would have or has had a significant effect on the prices of the shares of the company and derivatives thereon, the Exchange may at its discretion implement a trading halt in the company's shares and derivatives during trading hours until the date when the company makes relevant announcement.

In case that the date of announcement falls on a non-trading day, trading in the shares of the company and derivatives thereon shall be resumed at the market opening on the first trading day following the date of announcement.

12.4 Where a listed company fails to disclose its annual report or semi-annual report within the statutory period or fails to disclose its quarterly report within the time limit specified by these Rules, the Exchange will implement a one-day trading halt in the shares of the company and derivatives thereon on the trading day following the expiration of the relevant disclosure period.

Where a listed company fails to disclose both its quarterly report and annual or semi-annual report, trading in the shares of the company and derivatives thereon shall be halted and resumed pursuant to the relevant provisions of the first paragraph of this Rule 12.4 and Chapter XIII of these Rules.

12.5 Where a listed company is called by the CSRC to correct the material accounting errors or false statement in its previously released financial report but fails to do so within the specified time limit, the Exchange will implement a one-day trading halt in the shares of the company and derivatives thereon from the trading day following the expiration of the time limit.

Where a listed company retrospectively adjusts its previous annual financial reports due to the material accounting errors or false statement in its previously released financial report, which results in negative net assets at the end of the recent two years, trading in the company's shares and derivatives shall be halted from the date of disclosing the restated financial report and the audit report.

12.6 Where a listed company is suspected of severe violations of laws, administrative regulations, rules of competent authorities, regulatory documents and such relevant regulations as the rules, implementation rules, guidelines and notices issued by the Exchange in its business operations and information disclosure and if the circumstance is serious, during the period when the listed company is under investigation by relevant authority, the Exchange may, in accordance with the circumstances, determine the timing for trading halt and resumption in respect of the shares of the company and derivatives thereon.

12.7 Where a listed company fails to disclose its periodic report or announcement in accordance with these Rules or other relevant regulations of the Exchange, or the company refuses to make explanations, rectifications or supplementary disclosure as required, the Exchange may implement a trading halt in the shares of the company and derivatives thereon until the date when the company makes relevant announcement. In case that the date of announcement falls on a non-trading day, trading in the shares of the company and derivatives thereon shall be resumed on the first trading day following the date of announcement.

12.8 Where a listed company severely violates these Rules or other relevant regulations of the Exchange and refuses to make rectifications within the specified time limit, the Exchange will implement a trading halt in the shares of the company and derivatives thereon and, in accordance with the circumstances, determine the timing for trading resumption.

12.9 Where, due to any reason on the part of a listed company, the Exchange is unable to obtain valid information from the company, the Exchange may at its discretion implement a trading halt in the shares of the company and derivatives thereon until the aforesaid situation ceases to exist.

12.10 Where a listed company is unqualified for listing for twenty consecutive trading days as a result of changes in equity structure due to reasons other than tender offer, or due to changes in the number of shareholders, the Exchange will implement trading halt in the shares of the company and derivatives thereon on the trading day following the expiration of such twenty trading days. The company shall disclose a viable solution within one month since trading halt. The Exchange will review the solution and decide whether trading in the shares of the company and derivatives thereon may be resumed.

12.11 Where the acquirer of a listed company makes a general offer for fulfilling tender offer obligations or for the purpose of terminating the listing status of the target listed company, trading in the shares of the company and derivatives thereon shall be halted during the period from the expiration of the tender offer period until the announcement of tender offer results.

If the tender offer results show that the equity structure or the number of the shareholders of the target listed company meets listing requirements, trading in the shares of the company and derivatives thereon shall be resumed at the market opening on the date when tender offer results are announced.

If the tender offer results show that the equity structure or the number of shareholders does not meet the listing requirements and the acquirer has made the general offer for the purpose of terminating the listing status of the target listed company, trading halt in the shares of the company and derivatives thereon will remain until the Exchange terminates the listing of the shares of the company and derivatives thereon. If the tender offer results show that the equity structure or the number of shareholders does not meet the listing requirements, but the acquirer has not made the

general offer for the purpose of terminating the listing status of a listed company, the trading halt of the shares of the company and derivatives thereon shall remain on the date when tender offer results are announced. The company shall disclose a viable solution within time limit designated by the Exchange. The Exchange will review the solution and decide whether the trading in the shares of the company and derivatives thereon may be resumed.

12.12 Where a listed company receives the court's ruling on the acceptance of the application for reorganization, reconciliation, or bankruptcy liquidation, the company shall report to the Exchange immediately and make an announcement on the next trading day. The Exchange will implement a one-day trading halt in the shares of the company and derivatives thereon on the disclosure date. Trading in the shares of the company and derivatives thereon may be resumed after the one-day trading halt.

The Exchange will implement a trading halt in the shares of the company and derivatives thereon from the trading day immediately following the expiration of a 20-trading day period since resumption of trading.

The company may apply to the Exchange for trading resumption when the court makes a ruling of approval of the application for reorganization, reconciliation, or bankruptcy liquidation. The Exchange will adjust the timing of trading halt or resumption based on each circumstance.

12.13 During the period when the shares of a listed company and derivatives thereon are subjected to a trading halt, the listed company shall, at least once every five trading days, disclose the reasons for failure to regain trading status (save as otherwise prescribed by these Rules) as well as the progress of relevant events.

12.14 Upon the occurrence of any of the circumstances enumerated in Chapter XIII of these Rules or if the occurrence of a material event affects the listing status of the shares of the company and derivatives thereon, trading in the shares of the company and derivatives thereon shall be halted and resumed pursuant to the relevant provisions of Chapter XIII of these Rules.

12.15 Upon the occurrence of any of the following circumstances during trading hours, trading in convertible bonds will be stopped:

- (1) Whenever the total par value of the convertible bonds in circulation falls below RMB 30 million, trading in the convertible bonds shall be stopped three trading days after the company makes relevant announcement;
- (2) Trading in the convertible bonds shall be stopped within the ten trading days prior to the expiration of the share conversion period;
- (3) Trading in the convertible bonds shall be stopped during the call period;
- (4) Other circumstances under which trading must be stopped as determined by the CSRC or the Exchange.

Chapter XIII Suspension, Resumption and Termination of Listing and Re-listing

Section 1 Suspension of Listing

13.1.1 The Exchange may at its discretion suspend listing of the shares of a listed company upon the occurrence of any of the following circumstances:

- (1) Net profit was negative in the most recent three consecutive years (based on the audited net profit disclosed in the annual financial reports);
- (2) Due to material errors or false statements in previous financial reports, a retrospective adjustment of the financial report resulted in continuous losses in the most recent three years;
- (3) The financial report of the most recent year shows the audited net assets at the end of the year are negative;
- (4) Due to material errors or false statements in previous financial reports, a retrospective adjustment of the financial report resulted in negative audited net assets at the end of the most recent year;
- (5) An adverse opinion or a disclaimer of opinion was expressed on the financial reports of the most recent two years in the auditor's reports issued by the CPA firm;
- (6) Due to material errors or false statements in previous financial reports, the listed company was ordered by the CSRC to make corrections but it failed to disclose the restated financial report and auditor's report within the specified time limit and still failed to do so within the four months following the expiration of such specified time limit;
- (7) The annual report or semi-annual report has not been disclosed within two months from the expiration of the statutory disclosure period;
- (8) Circumstances of forced delisting due to fraudulent listing;
- (9) Circumstances of forced delisting as a result of severe violation of law on information disclosure;
- (10) Circumstances of forced delisting as a result of severe violation of law in the five major security areas;
- (11) The company's equity structure or the number of shareholders does not meet the listing requirements due to the circumstances described in Rule 12.10 or 12.11 hereof and the listed company has filed a solution plan and has carried it out within the time limit prescribed by the Exchange, but fails to meet listing requirements within six months after resumption of trading;
- (12) The listed company is no longer qualified for listing due to changes in share capital, and fails to meet listing requirements within the time limit prescribed by the Exchange; or
- (13) Other circumstances as prescribed by the Exchange.

13.1.2 A listed company with the potential risk of listing suspension shall, at the following points in time, publish the first risk warning announcement that its shares are likely to be suspended from listing and after that, publish the same every five trading days until the risk ceases to exist or the Exchange makes a decision on suspending listing of the company's shares:

- (1) When the company discloses its first semi-annual report after recording negative net profits for

two consecutive years;

- (2) When the listed company becomes aware that its net profit for each of the most recent three years would become negative as a result of necessary retrospective adjustments due to material errors or false statements in previous financial reports;
- (3) When the listed company becomes aware that its net assets at the end of year would be negative;
- (4) When the listed company becomes aware that its net assets at the end of the most recent year would become negative as a result of retrospective adjustments due to material errors or false statements in previous financial reports;
- (5) When the listed company discloses its first semi-annual report after the CPA firm issues an auditor's report on its financial report for the most recent year with an adverse opinion or a disclaimer of opinion;
- (6) The first trading day after expiration of the time limit prescribed by the CSRC if the listed company was ordered by the CSRC to correct the material errors or false statements in the previous financial reports but the company failed to do so within the prescribed time limit;
- (7) The first trading day following the expiration of the statutory disclosure period if the listed company failed to disclose its annual or semi-annual report within the statutory disclosure period;
- (8) The first trading day after the company became unqualified for listing for a period of ten consecutive trading days due to changes in equity structure or the number of shareholders;
- (9) When the listed company becomes aware that it is no longer qualified for listing due to changes in share capital;
- (10) When the company expects that any of the circumstances set out in Rule 13.1.1 hereof may occur;
- (11) Any other point of time as prescribed by the Exchange.

The Exchange may, in accordance with circumstances, adjust the frequency of publishing the risk warning announcement that the company's shares are likely to be suspended from listing.

13.1.3 The provisions of this Section shall not apply if a listed company applies for voluntary termination of listing pursuant to Rule 13.3.1 hereof, and as a result, any of the circumstance specified in subparagraphs (11) and (12) of Rule 13.1.1 occurs.

13.1.4 The risk warning announcement published by the listed company that its shares are likely to be suspended from listing shall contain the following information:

- (1) The situation in which the company's shares are likely to be suspended from listing;
- (2) A risk warning that its shares are likely to be suspended from listing, including but not limited to the time at which the listing would be suspended, and the factors that may influence the risk of listing suspension;
- (3) The opinion of the board of directors on the elimination of the risk of listing suspension, and specific measures that have been and will be taken;
- (4) The main ways in which the listed company would respond to investors' inquiries; and
- (5) Other information as required by the Exchange.

13.1.5 Upon the occurrence of the circumstance specified in Rule 13.1.1 hereof, the Listing Committee of the Exchange shall consider, and form an independent and professional opinion about listing suspension matters. Based on the Listing Committee's opinion, the Exchange will make a decision to, or not to suspend the listing of the listed company's shares. The time allowed for the listed company to provide supplementary materials is not counted in the time limit for the Exchange to make relevant decision.

13.1.6 Upon the occurrence of any of the circumstances enumerated in subparagraphs (1) to (5) of Rule 13.1.1 hereof, the Exchange will implement a trading halt in the listed company's shares and derivatives from the day the annual report is published, and within fifteen trading days after the beginning of trading halt, make a decision whether or not to suspend listing of the company's shares. At the same time as the company releases its annual report, it shall publish a risk warning announcement that its shares will be suspended from listing.

13.1.7 Upon the occurrence of the circumstance specified in subparagraph (6) of Rule 13.1.1 hereof, the Exchange will implement a trading halt in the listed company's shares and derivatives from the first trading day after the expiration of four-month period, and within fifteen trading days after the beginning of trading halt, make a decision whether or not to suspend listing of the company's shares.

13.1.8 Upon the occurrence of the circumstance specified in subparagraph (7) of Rule 13.1.1 hereof, the Exchange will implement a trading halt in the listed company's shares and derivatives from the first trading day after the expiration of the two-month period, and within fifteen trading days after the beginning of trading halt, make a decision whether or not to suspend listing of the company's shares..

13.1.9 Upon the possible occurrence of any of the circumstances specified in subparagraphs (8) to (10) of Rule 13.1.1 hereof, the listed company shall, on the day when it becomes aware that the relevant authorities serve on it the administrative penalty notice or when the people's court makes a guilty verdict, report the situation, apply to the Exchange for a trading halt in its shares and derivatives, make relevant announcement in a timely manner, and issue a special risk warning that its shares are likely to be forced to delist as a result of severe violation of law.

Where a listed company fails to apply for a trading halt pursuant to the preceding paragraph, the Exchange may implement a trading halt in the shares and derivatives of the company.

A listed company shall, on the day when it receives the decision made by relevant authorities or when the people's court' verdict becomes valid, make an announcement in a timely manner. If upon the occurrence of the forced-to-delist circumstance as a result of possible severe violation of law, the listed company shall continue to issue a risk warning that its shares are likely to be forced to delist as a result of severe violation of law. The trading halt in the listed company's shares and derivatives would be continued. If the circumstance has not come to the point that it will be forced to delist as a

result of severe violation of law, a listed company shall apply for trading resumption on its shares and derivatives.

13.1.10 Upon the occurrence of any of the circumstances specified in subparagraphs (8) to (10) of Rule 13.1.1 hereof, the listed company shall, in a timely manner after it receives the Exchange's decision on forced delisting as a result of severe violation of law, make relevant announcement, its shares and derivatives will remain subject to a trading halt for one day on the date of announcement. In case that the date of announcement falls on a non-trading day, trading halt will continue for one day on the following trading day.

Beginning from the day that trading is resumed, the listed company shall publish a risk warning announcement at least every five trading days that its shares will be suspended from listing, and give special notice in the announcements that its shares will be suspended from listing upon the expiration of the thirty-trading-day period.

The Exchange will implement a trading halt in the listed company's shares and derivatives on the next trading day following the expiration of the thirty-trading-day period after the resumption of trading, and shall make the decision to or not to suspend the listing within fifteen trading days after the beginning of the trading halt. All-day trading halt is not counted in the aforesaid thirty-trading-day period; however the period during which trading is halted shall not exceed five trading days in total, except an application is submitted for cancellation of a delisting decision as described below in this Rule 13.1.10.

During the period when the company's shares are suspended from listing, the board of directors of the company shall conduct a special assessment in its periodic report concerning the risk that the company's shares are also possible to be terminated from listing, propose a response plan and make relevant disclosure.

After the company receives the Exchange's decision of forced delisting as a result of severe violation of law, and before the Exchange makes the decision of listing suspension, the company shall, on the day when it becomes aware of the relevant situations listed below, apply to the Exchange for a trading halt on its shares and derivatives and publish an announcement:

- (1) Relevant authorities' decision of administrative sanctions is repealed in accordance with law, or is modified as a result of a material change in the identification of the nature of or the facts about the violations;
- (2) The guilty verdict of the people's court is repealed and there is no new guilty verdict yet.

Upon the occurrence of any of the circumstances specified in the preceding paragraph, the company may apply to the Exchange for cancellation of the decision of forced delisting as a result of severe violation of law, and shall submit the following documents to the Exchange within five trading days after the announcement is published: The company's application for cancellation of the decision of forced delisting as a result of severe violation of law;

- (1) The resolution of the board of directors of the company on the application for cancellation of the decision of forced delisting as a result of severe violation of law;
- (2) Relevant authority's notice of decision on repealing its administrative sanctions or the document modifying its previous decision on administrative sanctions in accordance with law, or relevant ruling or judgment from the people's court;
- (3) Legal opinions; and
- (4) Other documents as required by the Exchange.

The Listing Committee of the Exchange will review the application filed by the listed company for cancellation of the decision of forced delisting as a result of severe violation of law, and issue its opinion based on independent and professional judgment.

Based on the Listing Committee's opinion, the Exchange will, within fifteen trading days of receiving all the required application documents, make a decision whether or not to cancel the decision of forced delisting as a result of severe violation of law. Where, during the fifteen-trading-day period, the Exchange requires the company to provide supplementary materials, the company shall submit the relevant documents within the time limit prescribed by the Exchange. The period for the company to provide supplementary materials shall not be counted in the time limit for the Exchange to make relevant decision.

Where the listed company also involves other circumstances that warrant listing suspension or termination under these Rules, the relevant provisions hereof shall also apply.

13.1.11 Upon the occurrence of the circumstance specified in subparagraph (11) of Rule 13.1.1 hereof, the Exchange shall implement a trading halt in the listed company's shares and derivatives on the trading day following the expiration of the six-month period, and within fifteen trading days after the beginning of the trading halt, make a decision whether or not to suspend listing of the company's shares.

13.1.12 Upon the occurrence of the circumstance specified in subparagraph (12) of Rule 13.1.1 hereof, the Exchange shall implement a trading halt in the listed company's shares and derivatives on the trading day following the expiration of the specified time limit, and within fifteen trading days after the beginning of the trading halt, make a decision whether or not to suspend listing of the company's shares.

13.1.13 Within two trading days after the decision to suspend listing of a listed company's shares is made, the Exchange shall notify the listed company, make an announcement and file with the CSRC.

13.1.14 The listed company shall announce the suspension of listing of its shares in a timely manner upon receiving the Exchange's decision for that purpose. The announcement shall include the following information:

- (1) The class, short name and stock code of the shares to be suspended from listing, and the commencement date of listing suspension;
- (2) The main contents of the decision of listing suspension;
- (3) The opinions of the board of directors on trying for resumption of listing and the specific measures;
- (4) A risk warning that its shares are likely to be terminated from listing;
- (5) The main ways in which the listed company would respond to investors' inquiries during the period of listing suspension; and
- (6) Other information as required by the Exchange.

13.1.15 During the period of listing suspension, the listed company shall continue to fulfill its relevant obligations as a listed company and, at least once in the first five trading days of each month, disclose the measures it has taken for listing resumption as well as the progress of relevant work, and also disclose the risk that its shares are likely to be terminated from listing. In case that the company does not take major measures or its listing resumption plan makes little progress, it shall also make relevant disclosure explaining the specific reasons.

13.1.16 Upon the occurrence of any of the following circumstances, the Exchange is entitled to suspend the listing of the convertible bonds of a listed company:

- (1) The company commits severe violation of the law;
- (2) The listed company has undergone material changes which render the company unqualified for listing of convertible bonds;
- (3) The company fails to use the proceeds from its bond issuance for the approved purpose;
- (4) The company fails to fulfill its obligations in accordance with the bond offering document;
- (5) The company's net profit was negative in the most recent two consecutive years; or
- (6) The company's shares are suspended from listing due to any of the circumstances enumerated in Rule 13.1.1 hereof.

13.1.17 The suspension of listing of convertible bonds shall be governed by the relevant provisions on the suspension of listing of shares in this Section.

Section 2 Resumption of Listing

13.2.1 A listed company that applies for resumption of listing after its shares are suspended from listing shall meet the minimum requirements set below:

- (1) It has a sound corporate governance structure;
- (2) It has sustainable profitability;
- (3) It has a robust internal control system, and operates in accordance with law;
- (4) There is no significant change in its principal business during listing suspension;
- (5) Its financial reports are free from false statements, and it commits no severe violation of laws or regulations; and
- (6) It is not in any of the circumstances enumerated in Rule 13.1.1 or 13.4.1.

13.2.2 Where, after a listed company's shares are suspended from listing due to any of the circumstances enumerated in subparagraphs (1) to (5) of Rule 13.1.1 hereof, the listed company, within the statutory time limit, releases its first audited annual report after the commencement of the listing suspension and meets all the following requirements, the company may, within five trading days after its release of the first annual report, file a written application with the Exchange for resumption of listing:

- (1) The audited net profits and net profits after deducting non-recurring gains and losses for the most recent financial year are positive;
- (2) The audited net assets at the end of the most recent financial year are positive;
- (3) The financial report for the most recent financial year is not issued an auditor's report with an adverse opinion, disclaimer of opinion or an adverse opinion ;
- (4) Other requirements that must be met as determined by the Exchange.

13.2.3 Where, after a listed company's shares are suspended from listing due to the circumstance specified in subparagraph (6) of Rule 13.1.1 hereof, the listed company releases the restated audited financial report within two months after the commencement of the listing suspension, the company may, within five trading days after its release of the relevant financial report, file a written application with the Exchange for resumption of listing.

13.2.4 Where, after a listed company's shares are suspended from listing due to the circumstance specified in subparagraph (7) of Rule 13.1.1 hereof, the listed company releases the annual or semi-annual report within one month after the commencement of the listing suspension, the company may, within five trading days after its release of the relevant periodic report, file a written application with the Exchange for resumption of listing.

13.2.5 If any of the following circumstances apply after a listed company's shares are suspended from listing due to any of the circumstances enumerated in subparagraphs (8) to (10) of Rule 13.1.1 hereof, the company shall publish an announcement in a timely manner after it receives the relevant legal instruments:

- (1) Relevant authorities' decision of administrative sanctions is repealed in accordance with law, or is modified as a result of a material change in the identification of the nature of or the facts about the violations;
- (2) The guilty verdict of the people's court is repealed and there is no new guilty verdict yet.

Upon the occurrence of any of the circumstances specified in the preceding paragraph, the company may apply to the Exchange for the cancellation of the decision of forced delisting as a result of severe violation of law and the decision of listing suspension, and for resumption of listing, and shall submit the following documents to the Exchange within five trading days after the announcement is published:

- (1) The company's application for cancellation of the decision of forced delisting as a result of severe violation of law and of listing suspension and the application for resuming listing status;

- (2) The resolution of the board of directors of the company on the application for cancellation of the decision of forced delisting as a result of severe violation of law and of listing suspension and the resolution for resuming listing status;
- (3) Relevant authority's notice of decision on repealing its administrative sanctions or the documents modifying its previous decision on administrative sanctions in accordance with law, or relevant ruling or judgment from the people's court;
- (4) Legal opinions; and
- (5) Other documents as required by the Exchange.

The Listing Committee of the Exchange will review the application filed by the listed company for cancellation of the decision of forced delisting as a result of severe violation of law and the decision of listing suspension, and for resuming listing status, and issue its opinion based on independent and professional judgment.

Based on the Listing Committee's opinion, the Exchange will, within fifteen trading days of receiving all the required application documents, make a decision whether or not to cancel the decision of forced delisting as a result of severe violation of law and the decision of listing suspension, and whether or not to make a decision to resume listing of the company's shares. Where, during the fifteen-trading-day period, the Exchange requires the company to provide supplementary materials, the company shall submit the relevant documents within the time limit prescribed by the Exchange. The period for the company to provide supplementary materials shall not be counted in the time limit for the Exchange to make relevant decision.

Where the listed company also involves other circumstances that warrant listing suspension or termination under these Rules, the relevant provisions hereof shall also apply.

13.2.6 Where, after a listed company's shares are suspended from listing due to the circumstance specified in subparagraph (11) of Rule 13.1.1 hereof, the listed company's equity structure or shareholder number meets listing requirements again within six months after the commencement of the listing suspension, the company may, within five trading days upon the occurrence of such fact, file a written application with the Exchange for resumption of listing.

13.2.7 Where, after a listed company's shares are suspended from listing due to the circumstance specified in subparagraph (12) of Rule 13.1.1 hereof, such circumstance ceases to exist within the time limit specified by the Exchange, the company may, within five trading days upon the occurrence of such fact, file a written application with the Exchange for resumption of listing.

13.2.8 A listed company shall appoint a sponsor for its resumption of listing.

The sponsor shall verify the truthfulness, accuracy and completeness of the listed company's application documents for listing resumption, produce a sponsor's letter regarding whether the company meets the requirements for listing resumption, and guarantee that it shall bear joint and

several liability.

The provisions of the preceding two paragraphs of this Rule 13.2.8 shall not apply to the listed company that applies for listing resumption pursuant to Rule 13.2.5 hereof.

13.2.9 During the verification process, the sponsor shall at least pay adequate attention to and exercise due diligence in verifying the following matters, and produce a verification report:

- (1) The company's eligibility for resumption of listing: including whether the circumstances leading to the listing suspension have ceased to exist;
- (2) The company's corporate governance and operational compliance: including independence of personnel, assets and finance, details of related party transactions, and any horizontal competition with the controller;
- (3) Financial risk of the company: including compliance of revenue recognition and non-recurring gains and losses, and the details of the company's rectification and adjustment of the matters that have clearly violated accounting standards, accounting system and relevant information disclosure regulation;
- (4) Contingent risks of the company: including sales, mortgage, replacement and entrusted operations of asset, major external guarantees, major litigations and arbitrations (provisions on aggregate calculation in these Rules apply), and any uncertainty such contingencies may bring to the company's operations;

The sponsor shall require the company to rectify its various irregularities. If the company does not meet the conditions for listing resumption, the sponsor shall refuse to produce a sponsor's letter for listing resumption.

13.2.10 When a sponsor conducts due diligence verification on a listed company applying for resumption of listing in accordance with the provisions of Rule 13.2.2 or 13.2.3 hereof, in addition to compliance with the requirements of the preceding Rule 13.2.9 hereof, it shall pay attention to the following matters and make a statement in the verification report as to:

- (1) Whether the company's financial and accounting policies are sound, whether the company's internal control system is in place, sound and effective;
- (2) Whether, in the opinion of the CPA firm, there is any major defect in the company's internal control system, and whether the company has made rectification in accordance with the CPA firm's opinion (if applicable); and
- (3) Whether the company has restated its financial report pursuant to relevant regulations (if applicable).

13.2.11 When a sponsor conducts due diligence verification on the listed company that applies for resumption of trading pursuant to Rules 13.2.4, 13.2.6 or 13.2.7, it shall pay sufficient attention to whether the circumstance leading to the listing suspension has completely ceased to exist, and make a statement accordingly in the verification report.

13.2.12 The sponsor's letter issued by the sponsor shall include the following information:

- (1) The basic information on the listed company;
- (2) The main risks of the company and a statement on whether any previous risk has been eliminated;
- (3) Evaluation of the company's prospects;
- (4) The specific contents of the verification report;
- (5) A statement on whether the listed company completely satisfies the requirements for listing resumption, and the basis for such conclusion;
- (6) Non-reserved and clearly stated sponsorship opinions and the reasons therefor;
- (7) A statement that the company's principal business has not undergone any material change during the suspension of listing;
- (8) A statement on the sponsor's and sponsor representatives' qualifications, and the internal audit procedures of the sponsor;
- (9) Statement on whether the sponsor is under any circumstances that may affect the sponsor's fair performance of its sponsorship duties;
- (10) The Undertakings made by the sponsor in accordance with the relevant regulations;
- (11) Work arrangements during the period of continuing supervision period;
- (12) The contact addresses, telephone numbers and other means of communication of the sponsor and the relevant sponsor representative;
- (13) Other matters that the sponsor believes should be explained; and
- (14) Other information required by the Exchange.

The sponsor's letter supporting the listing resumption application shall be dated and signed by the legal representative (or authorized representative) of the sponsor and the relevant sponsor representative, and stamped by the sponsor.

13.2.13 A company that applies for listing resumption of its shares shall appoint a lawyer to fully check and verify the legal and regulatory compliance of its application, review relevant application documents with due prudence and issue a legal opinion. The lawyer and the law firm for which the lawyer serves shall bear corresponding legal liability for the truthfulness, accuracy and completeness of the application documents.

13.2.14 The legal opinion as referred to in the preceding Rule 13.2.13 hereof shall contain explicit and conclusive opinion on the following matters:

- (1) The subject qualification of the company;
- (2) Whether the company fully meets the substantive requirements for listing resumption;
- (3) The business and development objectives of the company;
- (4) Particulars on the company's corporate governance and operational compliance;
- (5) Related party transactions and horizontal competition;
- (6) The principal assets of the company;
- (7) Major creditor's rights and major liabilities;
- (8) Material asset changes and mergers and acquisitions;

- (9) Tax payment;
- (10) Material litigations and arbitrations;
- (11) Administrative sanctions on the company; and
- (12) Other issues that the lawyer needs to explain.

The lawyer's conclusive opinion on the aforesaid matters shall include legal and regulatory compliance, authenticity and validity, as well as any disputes or potential risks.

13.2.15 A listed company that applies for listing resumption shall submit the following documents to the Exchange:

- (1) Application for listing resumption;
- (2) Resolution of the board of directors on the company's compliance with listing resumption requirements and its approval of the relevant application;
- (3) Report from the board of directors on the main work the company has undertaken during the listing suspension period for resumption of listing;
- (4) Statement of the board of directors that the circumstance leading to listing suspension of the company's shares has completely ceased to exist and that the company is not under any other circumstances that would lead to listing suspension or termination as prescribed in these Rules;
- (5) Analysis report on the profits earned by the company and on the sustainability and stability of its business operations and profitability, made by the management from the perspectives of its principal business, business activities, financial condition, contingencies, subsequent events and other major matters;
- (6) Description by the board of directors on the corporate governance and operational compliance of the company;
- (7) Description of the company's related party transactions conducted during the most recent year, including relevant internal decision-making process, contracts and relevant records, implementation results and relevant supporting documents, etc.;
- (8) Description of tax payment of the company during the most recent year;
- (9) Annual report or semi-annual report and the original of the auditor's report;
- (10) Sponsor's letter and sponsorship agreement produced by the sponsor with respect to resumption of listing (if applicable);
- (11) Legal opinion;
- (12) Explanation from the board of directors on the CPA firm's opinion that is not an unqualified opinion (if applicable);
- (13) Statement of the CPA firm and the CPA on the modified opinion (if applicable);
- (14) Statement of the board of directors that the company's principal business has not undergone any material change during the suspension of listing; and
- (15) Other relevant materials as required by the Exchange.

The provisions of the preceding paragraph shall not apply to the listed company that applies for resumption of listing pursuant to Rule 13.2.5 hereof.

The company shall publish relative announcements on the next trading day after submitting the application for listing resumption to the Exchange.

13.2.16 Within five trading days after receiving the application documents for listing resumption from a listed company, the Exchange will decide on and notify the listed company of whether or not it will accept the application.

The Exchange will decline any application from a listed company that fails to submit the application documents pursuant to the requirements prescribed in Rule 13.2.15 hereof.

The company shall, in a timely manner after receiving the Exchange's decision on whether or not to accept its application, disclose particulars of the decision and release a risk warning announcement that its shares are likely to be terminated from listing.

13.2.17 The Listing Committee of the Exchange will review the application by a listed company for listing resumption, and issue its opinion based on independent and professional judgment. Based on the opinions of the Listing Committee, the Exchange will decide whether or not to approve the application for listing resumption.

13.2.18 Unless otherwise prescribed in these Rules, the Exchange will make a decision whether or not to approve a listed company's application for listing resumption within thirty trading days after accepting the application.

Where, during the thirty-trading-day period, the Exchange requires the company to provide supplementary materials, the company shall submit the relevant materials within the time limit prescribed by the Exchange. The period for the company to provide supplementary materials shall not exceed thirty trading days in total and such period shall not be counted in the time limit for the Exchange to make relevant decision.

Upon the expiration of the time limit for the company to provide supplementary materials, the Exchange will no longer accept any additional materials. Where the company fails to provide supplementary materials within the time limit prescribed by the Exchange, the Exchange will make the decision whether or not to grant approval on the company's application for listing resumption before the expiration of the time limit.

13.2.19 Upon accepting a listed company's application for listing resumption, the Exchange may investigate and verify the authenticity of the company's profits and other relevant information by itself or by appointing a relevant institution.

The period of investigation and verification shall not be counted in the time limit specified in 13.2.18 hereof for the Exchange to make relevant decision.

13.2.20 The Exchange will, within two trading days after it makes a decision to approve listing resumption of the shares of a listed company, notify the company of its decision and file a report with the CSRC.

13.2.21 If a listed company's application for listing resumption is approved by the Exchange, the company shall disclose the announcement of listing resumption of its shares in a timely manner upon receipt of the relevant decision. Such announcement shall contain the following information:

- (1) The class, short name and stock code of the shares to resume listing;
- (2) The main contents of the decision on the resumption of listing;
- (3) A specific explanation of the board of directors on measures to resume listing;
- (4) Analysis of relevant risk factors; and
- (5) Other contents required by the Exchange.

13.2.22 A listed company's shares will resume listing five trading days after its announcement of listing resumption.

13.2.23 Where, after the convertible bonds of a listed company are suspended from listing due to any of the circumstances enumerated in Rule 13.1.16 hereof, the listed company meets following requirements during the period of listing suspension, the company may file a written application with the Exchange for resumption of listing of its convertible bonds:

- (1) After the convertible corporate bonds are suspended from listing due to the circumstance specified in subparagraph (1) or (4) of Rule 13.1.16, the consequence has proved not serious after investigation;
- (2) Within six months after the convertible bonds are suspended from listing due to the circumstance specified in subparagraph (2) of Rule 13.1.16, such circumstance ceases to exist ;
- (3) Within two months after the convertible bonds are suspended from listing due to the circumstance specified in subparagraph (3) of Rule 3.1.16, such circumstance ceases to exist;
- (4) During the statutory disclosure period after the convertible bonds are suspended from listing due to the circumstance specified in subparagraph (5) of Rule 13.1.16, the company releases its first audited annual report after the commencement of suspension of listing, and its audited annual financial report shows that its net profits (based on the net profits before or after deducting non-recurring gains and losses, whichever is lower) are positive.

13.2.24 The matters regarding resumption of listing of convertible bonds shall be handled by reference in accordance with the relevant provisions on the resumption of listing of shares in this Section.

Section 3 Voluntary Termination of Listing

13.3.1 A listed company can apply to the Exchange for termination of the listing of its shares upon the occurrence of any of the following circumstances:

- (1) The general meeting of shareholders of the listed company adopts a resolution to voluntarily

withdraw the listing of the company's shares on the Exchange and the company decides that its shares will no longer be traded on a stock exchange;

- (2) The general meeting of shareholders of the listed company adopts a resolution to voluntarily withdraw the listing of the company's shares from the Exchange and apply to another stock exchange for trading or transfer of its shares;
- (3) The general meeting of shareholders of the listed company adopts a resolution to dissolve the company;
- (4) The listed company no longer has the independent corporate personality and is de-registered as a result of merger by absorption or by consolidation;
- (5) The listed company no longer meets listing requirements due to changes in its total share capital or shareholding distribution as a result of its offer to repurchase all or part of its shares from all its shareholders for the purpose of terminating the listing of its shares;
- (6) The listed company no longer meets listing requirements due to changes in its total share capital or equity structure as a result of any of its shareholders' offer to purchase all or part of the company's shares from all the other shareholders for the purpose of terminating the listing of the company's shares;
- (7) The listed company no longer meets listing requirements due to changes in its total share capital or equity structure as a result of an offer by the acquirer (other than any shareholder of the company) to purchase all or part of the company's shares from all the shareholders of the company for the purpose of terminating the listing of the company's shares; or
- (8) Other kinds of voluntary termination of listing as recognized by the CSRC or the Exchange.

13.3.2 The circumstance specified in subparagraph (1) or (2) of Rule 13.3.1 hereof requires the approval of more than two-thirds of the voting rights held by all the shareholders attending the general meeting of shareholders and the approval of more than two-thirds of the voting rights held by the shareholders, other than the following shareholders, attending the general meeting of shareholders:

- (1) Directors, supervisors and senior executives of the listed company; and
- (2) Shareholders holding five percent or more of the shares of a listed company individually or jointly.

13.3.3 A listed company that holds the general meeting of shareholders due to the circumstance specified in subparagraph (1) or (2) of Rule 13.3.1 hereof shall, in a timely manner, submit the following documents to the Exchange and make a relevant announcement:

- (1) The resolution of the board of directors on the company's application for voluntary termination of listing;
- (2) The notice of the general meeting of shareholders;
- (3) The plan for voluntary termination of listing;
- (4) The opinion of independent directors;
- (5) The report of the financial adviser; and
- (6) Other documents as required by the Exchange.

“The plan for voluntary termination of listing” as mentioned in (3) of the preceding paragraph shall include but not limited to the following: the reason for the proposed termination of listing, method of termination of listing, post-termination operation and development plan, share transfer arrangement, protection measures for dissent shareholders, as well as the relevant information such as the analysis by the board of directors on the influence of the proposed voluntary termination of listing on the long-term development of the company and on the interests of all the shareholders of the company.

Independent directors shall solicit opinions from shareholders other than the directors, supervisors, senior executives and shareholders holding five percent or more of the shares of a listed company individually or jointly on whether the proposed termination of listing is beneficial to the long-term development of the company and the interests of all shareholders, and issue their opinions based on the solicitation results.

The company shall apply to the Exchange for suspending trading in its shares and derivatives on the trading day following the record date for the general meeting of shareholders and shall, in a timely manner after the general meeting of shareholders adopts the resolution on voluntary termination of listing, announce the resolution. The company may, within fifteen trading days after the general meeting of shareholders adopts the resolution, file a written application with the Exchange for voluntary termination of listing.

Where the proposal for voluntary termination of listing is not adopted by the general meeting of shareholders, the company shall apply to the Exchange in a timely manner for resumption of trading in its shares and derivatives starting from on the date when it announces the resolution of the general meeting of shareholders.

13.3.4 A listed company that holds the general meeting of shareholders due to the circumstance specified in subparagraph (3) of Rule 13.3.1 hereof shall, in a timely manner, submit the following documents to the Exchange and make a relevant announcement:

- (1) The resolution of the board of directors;
- (2) The notice of the general meeting of shareholders;
- (3) The explanations of the board of directors on the reason for the dissolution, its dissolution arrangement and the protection measures for dissent shareholders; and
- (4) Other documents as required by laws, administrative regulations, rules of competent authorities, regulatory documents, the Exchange and the articles of association of the company.

The company shall disclose the deliberation results of the general meeting of shareholders in a timely manner. Once the general meeting of shareholders adopts such proposal, the company shall report to the Exchange immediately and apply for trading halt and resumption of trading in its shares and derivatives pursuant to the relevant regulations.

13.3.5 A listed company that holds the general meeting of shareholders due to the circumstance

specified in subparagraph (4) of Rule 13.3.1 hereof shall, in a timely manner, submit the following documents to the Exchange and make a relevant announcement:

- (1) The resolution of the board of directors;
- (2) The notice of the general meeting of shareholders;
- (3) The merger plan (including the protection measures for dissent shareholders);
- (4) The opinions of independent directors;
- (5) The report of the financial advisor;
- (6) Legal opinions; and
- (7) Other documents as required by laws, administrative regulations, rules of competent authorities, regulatory documents, the Exchange and the articles of association of the company.

The company shall disclose the deliberation results of the general meeting of shareholders in a timely manner. Once the general meeting of shareholders adopts such proposal, the company shall report to the Exchange immediately and apply for trading halt and resumption of trading in its shares and derivatives pursuant to the relevant regulations.

13.3.6 A listed company that holds the general meeting of shareholders due to the circumstance specified in subparagraph (5) of Rule 13.3.1 hereof shall, in a timely manner, submit the following documents to the Exchange and make a relevant announcement:

- (1) The resolution of the board of directors;
- (2) The notice of the general meeting of shareholders;
- (3) The repurchase report or plan (including the protection measures for dissent shareholders and post-termination arrangement);
- (4) The opinions of independent directors;
- (5) The report of the financial advisor;
- (6) Legal opinions; and
- (7) Other documents as required by laws, administrative regulations, rules of competent authorities, regulatory documents and the Exchange.

The company shall disclose the deliberation results of the general meeting of shareholders in a timely manner. Once the general meeting of shareholders adopts such proposal, the company shall report to the Exchange immediately and apply for trading halt and resumption of trading in its shares and derivatives pursuant to the relevant regulations.

13.3.7 Upon the occurrence of the circumstance specified in subparagraph (6) or (7) of Rule 13.3.1 hereof, the listed company's shares and derivatives shall be suspended from trading from the date on which the company announces repurchase results or other relevant equity changes.

13.3.8 A listed company that applies to the Exchange for termination of listing pursuant to the provisions of subparagraphs (3) to (7) of Rule 13.3.1 hereof due to voluntary dissolution, corporate merger, share repurchase and tender offer ,etc. shall also comply with the requirements of the *Company Law*, the *Securities Law*, the CSRC, the Exchange and the company's articles of

association on the dissolution, reorganization, repurchase and acquisition by listed companies. It shall complete corresponding deliberation procedures, fulfill relevant disclosure obligations, arrange for trading halt and resumption of trading in its shares and derivatives and, in a timely manner, apply to the Exchange for voluntary termination of listing.

13.3.9 A listed company that applies to the Exchange for termination of listing pursuant to the provisions of Rule 13.3.1 hereof shall submit the following documents to the Exchange:

- (1) The application for termination of listing;
- (2) The resolution of the general meeting of shareholders (if applicable);
- (3) The relevant listing termination plan;
- (4) The report of the financial advisor;
- (5) Legal opinions; and
- (6) Other documents as required by the Exchange.

13.3.10 The Exchange will, within five trading days of receiving the application documents for termination of listing from a listed company, make a decision whether or not to accept such application and then notify the company. The Exchange will decline any application for termination of listing from a listed company that fails to submit the application documents pursuant to the requirements of this Section.

The company shall, in a timely manner after receiving the Exchange's decision on whether or not to accept its application for termination of listing, disclose particulars of the decision and release a risk warning that its shares are likely to be terminated from listing.

13.3.11 The Listing Committee of the Exchange will review the application filed by a listed company for listing termination and issue its opinion based on independent and professional judgment.

Where the listed company applies to the Exchange for termination of listing pursuant to the provisions of subparagraph (1) or (2) of Rule 13.3.1 hereof, the Exchange will, within fifteen trading days of its acceptance of the application, makes its decision on the application for termination of listing based on the opinion of the Listing Committee.

Where a listed company applies to the Exchange for termination of listing pursuant to the provisions of subparagraphs (3) to (7) of Rule 13.3.1 hereof due to voluntary dissolution, corporate merger, share repurchase and tender offer, etc. unless otherwise specified, the Exchange will, within fifteen trading days after the listed company announces the repurchase results, acquisition results, completion of merger or dissolution resolution, makes its decision on the application for termination of listing based on the opinion of the Listing Committee.

13.3.12 Where, during the period from the Exchange's acceptance of the company's application to

its making of any decision, the Exchange requires the company to provide supplementary materials, the company shall submit the relevant materials within the time limit specified by the Exchange. The period for the company to provide supplementary materials shall not be more than thirty trading days in total and such period shall not be counted in the time limit for the Exchange to make relevant decision.

Where the company fails to provide the supplementary materials within the time limit specified by the Exchange, the Exchange will make its decision on whether or not to approve the application for termination of listing prior to the expiration of the specified time limit.

13.3.13 The Exchange will, within two trading days after it makes a decision to terminate listing of a company's shares, notify the company, make an announcement and file with the CSRC for the record.

13.3.14 The listed company whose shares are terminated from listing due to the circumstance specified in Rule 13.3.1 hereof and whose corporate personality remains shall make specific arrangement for post-termination transfer or trading of shares and for dissent shareholder protection measures in order to protect the legitimate interests of retail investors.

13.3.15 After a listed company receives the Exchange's decision on termination of listing of its shares, it shall announce the termination in a timely manner. Such announcement shall contain the following information:

- (1) The class, short name, and stock code of the shares to be terminated from listing as well as the date of termination ;
- (2) Main contents of the Exchange's decision on listing termination;
- (3) Whether the relevant post-termination arrangement, dissent shareholder protection measures, etc. are in place;
- (4) Matters related to the registration, transfer and administration of the company's shares after listing termination (if applicable);
- (5) Contact person, correspondence address, telephone number and other contact details of the company after listing termination; and
- (6) Other information as required by the CSRC and the Exchange.

Section 4 Forced Termination of Listing

13.4.1 The Exchange is entitled to terminate listing of the shares of a listed company upon the occurrence of any of the following circumstances:

- (1) After the company's shares are suspended from listing due to any of the circumstances enumerated in subparagraphs (1) to (5) of Rule 13.1.1 hereof, the company fails to release its first annual report within the statutory period;
- (2) After the company's shares are suspended from listing due to any of the circumstances enumerated in subparagraphs (1) to (5) of Rule 13.1 hereof, its audited net profits or the net

profits after deducting non-recurring gains and losses for the first year since the listing suspension are negative;

- (3) After the company's shares are suspended from listing due to any of the circumstances enumerated in subparagraphs (1) to (5) of Rule 13.1 hereof, its audited net assets at the end of the first year since the listing suspension are negative;
- (4) Due to material errors or false statements in its previously released financial report, the company adjusts its previous annual financial reports retroactively and as a result, its net assets at the end of the most recent two consecutive years become negative;
- (5) After the company's shares are suspended from listing due to any of the circumstances enumerated in subparagraphs (1) to (5) of Rule 13.1 hereof, the company's first financial report since the listing suspension is issued a qualified opinion, a disclaimer of opinion or an adverse opinion by a CPA;
- (6) After the company's shares are suspended from listing due to any of the circumstances enumerated in subparagraphs (1) to (5) of Rule 13.1 hereof, it fails to file an application to the Exchange for resumption of listing within five trading days after its releases of the first annual report;
- (7) After the company's shares are suspended from listing due to the circumstance specified in subparagraph (6) of Rule 13.1 hereof, the company still fails to release its restated financial report within two months;
- (8) After the company's shares are suspended from listing due to the circumstance specified in subparagraph (6) of Rule 13.1 hereof, the company releases the restated financial report within two months but fails to apply for listing resumption within the subsequent five trading days;
- (9) Within one month after the company's shares are suspended from listing due to the circumstance specified in subparagraph (7) of Rule 13.1 hereof, the company still fails to release the relevant annual or semi-annual report;
- (10) After the company's shares are suspended from listing due to the circumstance specified in subparagraph (7) of Rule 13.1 hereof, the company releases the relevant annual or semi-annual report within one months but fails to apply for listing resumption within the subsequent five trading days;
- (11) Within six months after the company's shares are suspended from listing due to any of the circumstances enumerated in subparagraphs (8) to (10) of Rule 13.1 hereof, the company fails to meet the requirements for listing resumption;
- (12) After the company's shares are suspended from listing due to any of the circumstances enumerated in subparagraphs (8) to (10) of Rule 13.1 hereof, it meets listing resumption requirements under these Rules but it fails to apply to the Exchange for listing resumption within the specified time limit;
- (13) The company's equity structure or shareholder number does not meet listing requirements due to the circumstance specified in Rule 12.10 or 12.11 hereof and it fails to file a plan for addressing the issue of equity structure or shareholder number within the time limit specified by the Exchange; or, within six months after the company's shares are suspended from listing due to the circumstance specified in subparagraph (11) of Rule 13.1.1 hereof, the company's equity structure or shareholder number still does not meet listing requirements, or its equity structure or

shareholder number meets listing requirements but it fails to apply for listing resumption within the specified time limit;

- (14) After the company's shares are suspended from listing due to the circumstance specified in subparagraph (12) of Rule 13.1.1 hereof, such circumstance still exists within the time limit specified by the Exchange, or such circumstance ceases to exist but the company fails to apply to the Exchange for listing resumption within the specified time limit;
- (15) The company's application for listing resumption is not accepted;
- (16) The company's application for listing resumption is not approved;
- (17) The company has been censured publicly thrice by the Exchange in the most recent 36 months;
- (18) The cumulative trading volume of a listed company generated through the Exchange's trading system over 120 consecutive trading days is less than 1 million shares (unless as a result of Exchange's introduction of special trading for IPO shares or due to the trading halt system) ;
- (19) The closing price of the company's shares on each trading day is below the par value per share for twenty consecutive trading days;
- (20) The company is forced to dissolve in accordance with law;
- (21) The company is declared bankruptcy by the court;
- (22) Other circumstances prescribed by the Exchange.

The provisions of this Section shall not apply to any of the aforesaid circumstances if such circumstances result from the voluntary termination of listing by a listed company pursuant to Rule 13.3.1 hereof.

13.4.2 A listed company with the potential risk of being terminated from listing shall, at the following points in time, publish the first risk warning announcement that its shares are likely to be terminated from listing and then, publish the same every five trading days until the risk ceases to exist or the Exchange makes a decision on terminating listing of the company's shares:

- (1) Under the circumstance specified in subparagraph (2), (3) or (5) of Rule 13.4.1 hereof, at the time when it releases the relevant periodic report;
- (2) Where the company adjusts its previous financial reports retrospectively due to the material errors or false statements existing therein, at the time when it becomes aware that its net assets at the end of the most recent two years become negative as a result of retroactive adjustment;
- (3) Where the company has been censured publicly twice by the Exchange in the most recent 36 months, at the time when it is censured publicly for the second time;
- (4) At the time when the company becomes aware of the occurrence of any of the circumstances enumerated under article 180 of the *Company Law* that lead to dissolution of the company;
- (5) At the time when the company receives the court's ruling on the acceptance of its application for reorganization, settlement or bankruptcy liquidation;
- (6) At the time of occurrence of the circumstance specified in subparagraph (15) or (16) of Rule 13.4.1 hereof;
- (7) At the time when any circumstance specified in Rule 13.4.1 is anticipated to appear; or
- (8) Other points in time as determined by the Exchange.

The Exchange may, in accordance with circumstances, adjust the frequency of the risk warning announcement that the company's shares are likely to be terminated from listing.

13.4.3 Where a listed company's cumulative trading volume of shares generated through the Exchange's trading system over 90 consecutive trading days is less than 0.75 million shares, the company shall publish a risk warning announcement on the next trading day that its shares are likely to be terminated from listing and then publish the same on each subsequent trading day until the date when the cumulative trading volume of its shares generated through the Exchange's trading system over 120 consecutive trading days commencing from the foregoing starting point is more than 1 million shares, or the date the Exchange makes a decision to terminate listing of the company's shares.

13.4.4 Where the closing price of a listed company's shares on each trading day is below the par value per share for ten consecutive trading days, the company shall, on the next trading day, publish a risk warning announcement that its shares are likely to be terminated from listing and then, publish the same on each subsequent trading day until such circumstance ceases to exist or until the Exchange makes a decision on terminating listing of the company's shares.

13.4.5 The risk warning announcement published by a listed company that its shares are likely to be terminated from listing shall contain the following information:

- (1) The specific circumstance under which the company's shares are likely to be terminated from listing;
- (2) The risk warning that the company's shares are likely to be terminated from listing, including but not limited to, possible termination time, influencing factors, etc;
- (3) The opinion of the board of directors on eliminating the risk of listing termination and the specific measures which have been taken and are to be taken;
- (4) The main means by which the company responds to investors' inquiries; and;
- (5) Other information as required by the Exchange.

13.4.6 Upon the occurrence of the circumstance specified in 15th paragraph of Article 13.4.1 hereof, the Exchange will make a decision to terminate listing of the company's shares at the same time as it rejects or disapproves the application for listing resumption. Upon the occurrence of another circumstances enumerated in Rule 13.4.1, the Exchange's Listing Committee will consider listing termination matters and issue its opinion based on independent and professional judgment. The Exchange will decide whether or not to terminate listing of the company's shares based on the opinion of the Listing Committee.

13.4.7 Before making a decision to terminate the listing of a company's share, the Exchange shall inform the company of its right to a hearing. Hearing procedures and relevant matters shall be governed by the relevant rules of the Exchange.

The period from the date of hearing application made by the company to the end of the hearing shall

not be counted in the time limit for the Exchange to make the relevant decision.

13.4.8 Upon the occurrence of the circumstance specified in subparagraph (1), (7) or (9) of Rule 13.4.1 hereof, the Exchange will, within fifteen trading days after the end of the statutory disclosure period or the expiration of the disclosure time limit specified by the Exchange, make a decision whether or not to terminate listing of the company's shares.

13.4.9 Upon the occurrence of any of the circumstances enumerated in subparagraphs (2) to (5) of Rule 13.4.1 hereof, the Exchange will, within fifteen trading days after the company discloses relevant periodic reports or retrospectively adjusted financial reports and auditor's reports, make a decision whether or not to terminate listing of the company's shares.

13.4.10 Upon the occurrence of the circumstance specified in subparagraph (6), (8) or (10) of Rule 13.4.1 hereof, the Exchange will, within fifteen trading days upon the expiration of the specified time limit, make a decision whether or not to terminate listing of the company's shares.

13.4.11 Upon the occurrence of the circumstance specified in subparagraph (11) of Rule 13.4.1 hereof, the Exchange will, within fifteen trading days upon the expiration of the six-month period since commencement of the suspension of listing, make a decision whether or not to terminate listing of the company's shares.

13.4.12 Upon the occurrence of the circumstance specified in subparagraph (12) of Rule 13.4.1 hereof, the Exchange will, within fifteen trading days upon the expiration of the specified time limit for the company to apply for listing resumption, make a decision whether or not to terminate listing of the company's shares.

13.4.13 Upon the occurrence of the circumstance specified in subparagraph (13) of Rule 13.4.1 hereof, the Exchange will, within fifteen trading days upon the expiration of the specified time limit for submitting a solution to the problem of equity structure or number of shareholders or upon the expiration of the six-month period since commencement of the suspension of listing, make a decision whether or not to terminate listing of the company's shares.

13.4.14 Upon the occurrence of the circumstance specified in subparagraph (14) of Rule 13.4.1 hereof, the Exchange will, within fifteen trading days upon the expiration of the specified time limit, make a decision whether or not to terminate listing of the company's shares.

13.4.15 Upon the occurrence of the circumstance specified in subparagraph (15) of Rule 13.4.1 hereof, the Exchange will, within fifteen trading days after the Exchange makes an inadmissibility decision, make a decision whether or not to terminate listing of the company's shares.

13.4.16 Upon the occurrence of any of the circumstances enumerated in subparagraphs (17) to (19)

of Rule 13.4.1 hereof, the listed company shall make relevant disclosure on the trading day following the occurrence of such fact. The company's shares and derivatives shall be suspended from trading since the date of announcement. The Exchange will, within fifteen trading days since the date of trading halt, make a decision whether or not to terminate listing of the company's shares.

13.4.17 Upon the occurrence of the circumstance specified in subparagraph (20) of Rule 13.4.1 hereof, the listed company shall report to the Exchange immediately at the time when it becomes aware that the conditions for its dissolution are met. On the next day, the company shall make an announcement. The company's shares and derivatives shall be suspended from trading from the date on which the Exchange becomes aware of such circumstance.

The Exchange will, within fifteen trading days after the company makes the announcement, make a decision whether or not to terminate listing of the company's shares.

13.4.18 Upon the occurrence of the circumstance specified in subparagraph (21) of Rule 13.4.1 hereof, the listed company shall report to the Exchange on the date on which it receives the court's ruling declaring the company bankrupt and shall make an announcement on the next day.

The Exchange will, within fifteen trading days after the company makes the announcement, make a decision whether or not to terminate listing of the company's shares.

13.4.19 Before the Exchange makes a decision whether or not to terminate listing of a listed company's shares, the Exchange may investigate and verify the authenticity of the company's profits and other relevant information by itself or by appointing a relevant institution and then submit the verification results to the Listing Committee for consideration. The period of investigation and verification shall not be counted in the time limit for the Exchange to make relevant decision.

In order to make a decision on whether to terminate the listing of the company's shares, the Exchange may require the company to provide supplementary materials, the company shall provide such materials within thirty trading days of receiving the Exchange's requirement. The period for the company to provide such materials shall not be counted in the time limit for the Exchange to make relevant decision.

After the expiration of the period for submitting supplementary materials, the Exchange will no longer accept any additional materials.

13.4.20 The Exchange will, within two trading days after it makes a decision to terminate listing of a listed company's shares, notify the listed company, and within two trading days, make relevant announcement and file with the CSRC for the record.

13.4.21 Before a listed company's shares are terminated from listing, it shall enter into an agreement with a securities company (hereinafter, OTC service provider) that has the relevant business

qualifications as recognized by the Exchange for the National Equities Exchange and Quotations (hereinafter, the NEEQ), appointing such institution to provide OTC services for the company on the NEEQ after the company's shares are terminated from listing and authorizing such institution to complete on the company's behalf the registration of share exit from the registration and clearing system of the stock market, the re-confirmation of shares, and the registration and clearing of shares on the NEEQ.

Where by the time when the Exchange makes the decision to terminate listing of a listed company's shares, the company still does not appoint an OTC service provider, the Exchange will, at the time when it makes such decision, designate an OTC service provider for the company on an *ad hoc* basis and inform the company and the designated OTC service provider of the designation. The company shall, within two trading days, make relevant announcement in respect of the aforesaid matter (unless the listed company goes bankrupt, dissolves or is called in accordance with law to close down).

13.4.22 A listed company shall publish an announcement in a timely manner that its shares will be terminated from listing upon receiving the Exchange's decision to terminate listing of its shares. Such announcement shall contain the following information:

- (1) The class, short name and stock code of the shares to be terminated from listing as well as the date of termination;
- (2) Main contents of the Exchange's decision on listing termination;
- (3) Relevant arrangements for delisting period;
- (4) Matters related to the registration, transfer and administration of its shares after listing termination;
- (5) Contact person, correspondence address, telephone number and other contact details of the company after listing termination; and
- (6) Other information as required by the CSRC and the Exchange.

13.4.23 Where the Exchange makes a decision to terminate listing of a listed company's shares as a result of the occurrence of any of the circumstances enumerated in Rule 13.4.1 hereof and the company fails to submit an application for review, makes an application for review, the shares of the listed company shall enter the delisting period from the trading day following the expiration of the fifteen-trading day period after the Exchange makes such decision.

Where, after the Exchange makes a decision to terminate listing of a listed company's shares as a result of the occurrence of any of the circumstances enumerated in Rule 13.4.1 hereof, the company submits an application for review but the Appeal Review Committee makes a decision to uphold the original decision of listing termination, the shares of the company will enter the delisting period from the trading day following the date on which the Appeal Review Committee makes such decision.

The delisting period is 30 trading days. Where trading in the shares of a listed company is halted for a

whole day during the delisting period, such whole day shall not be counted in the delisting period.

13.4.24 During the delisting period, the shares of a listed company will be traded on the delisting board and such share prices will not be included in the ChiNext Board quotations.

During the delisting period, the daily trading price limit on the shares of the company is 10%.

13.4.25 During the delisting period, the listed company shall publish a risk warning announcement every five trading days within the first 25 trading days that its shares will be terminated from listing and, within the last five trading days of the delisting period, publish the same on each trading day.

13.4.26 On the trading day following the expiration of the delisting period, the Exchange will remove the shares of the listed company from the market and such shares will be terminated from listing.

13.4.27 The listed company shall make relevant preparation in a timely manner after its shares are terminated from listing so as to ensure that its shares are admitted to quoting on the NEEQ for transfer within forty-five trading days upon the expiration of the delisting period.

13.4.28 The Exchange will terminate the listing of the convertible bonds of a listed company upon the occurrence of any of the following circumstances:

- (1) After the convertible bonds are suspended from listing due to the circumstance specified in subparagraph (1) or (4) of Rule 13.1.16 hereof, an investigation finds that the consequence of such circumstance is serious;
- (2) Within six months after the convertible bonds are suspended from listing due to the circumstance specified in subparagraph (2) of Rule 13.1.16 hereof, such circumstance still exists;
- (3) Within two months after the convertible bonds are suspended from listing due to the circumstance specified in subparagraph (3) of Rule 13.1.16 hereof, such circumstance still exists;
- (4) After the convertible bonds are suspended from listing due to the circumstance specified in (5) of Rule 13.1.16 hereof, the company fails to release, during the statutory disclosure period, its first annual report since commencement of the listing suspension, or the first annual report since commencement of the listing suspension released by the company during the statutory disclosure period shows that its net profits are negative, or the company fails to apply to the Exchange for listing resumption within five trading days after release of its first annual report since commencement of listing suspension; or
- (5) The company's shares are terminated from listing by the Exchange pursuant to the provisions of Rule 13.3.1 or 13.4.1 hereof.

13.4.29 If any of the following circumstances apply after a listed company's shares are suspended from listing due to the circumstance specified in subparagraph (11) of Rule 13.4.1 hereof, , the

company may apply to the Exchange for cancellation of the decision of forced delisting as a result of severe violation of law and the decision of termination of listing:

(1) Relevant authorities' decision of administrative sanctions is repealed in accordance with law, or is modified as a result of a material change in the identification of the nature of or the facts about the violations;

(2) The guilty verdict of the people's court is repealed and there is no new guilty verdict yet.

The company which applies to the Exchange for cancellation of the decision of termination of the listing of its shares shall submit the following documents to the Exchange within 30 trading days after receiving the relevant legal instruments:

(1) The company's application for cancellation of the decision of forced delisting as a result of severe violation of law and of termination of listing;

(2) The resolution of the board of directors of the company on the application for cancellation of the decision of forced delisting as a result of severe violation of law and of termination of listing;

(3) Relevant authority's decision on repealing its administrative sanctions or modifying its previous decision on administrative sanctions in accordance with law, or relevant ruling or judgment from the people's court;

(4) Legal opinion; and

(5) Other relevant documents as required by the Exchange.

The Listing Committee of the Exchange will review the application filed by the listed company for cancellation of the decision of forced delisting as a result of severe violation of law and the decision of termination of listing, and issue its opinion based on independent and professional judgment.

Based on the Listing Committee's opinion, the Exchange will, within fifteen trading days of receiving all the required application documents, make a decision whether or not to cancel the decision of forced delisting as a result of severe violation of law and the decision of termination of listing. Where, during the fifteen-trading day period, the Exchange requires the company to provide supplementary materials, the company shall submit the relevant documents within the time limit prescribed by the Exchange. The period for the company to provide supplementary materials shall not be counted in the time limit for the Exchange to make relevant decision.

13.4.30 Where the Exchange agrees to repeal the decision of termination of listing of a listed company's shares, the company may, within five trading days of receiving the relevant decision of the Exchange, file a written application with the Exchange for the resumption of normal trading in its shares. In such case, the company shall submit the following documents to the Exchange:

(1) The company's application for resumption of normal trading in its shares;

(2) The resolution of the board of directors of the company on the application for resumption of normal trading in its shares;

(3) The resolution of the general meeting of shareholders of the company on the application for resumption of normal trading in its shares;

(4) Sponsor's opinion;

(5) Legal opinions;

- (6) The company's audited financial report for the most recent year and the latest financial period;
- (7) The register of the top ten shareholders of the company and the business licenses or relevant identity documents of the five percent or above shareholders of the company;
- (8) Document evidencing the custody of all the company's shares with the clearing company;
- (9) Particulars of shareholdings in the company by directors, supervisors and senior executives of the company; and
- (10) Other materials as required by the Exchange.

The Exchange will, within five trading days after receiving the application documents from the company, make a decision whether or not to accept such application and then notify the company. The company shall release a relevant announcement in a timely manner.

Where the listed company also involves other circumstances that warrant suspension or termination of listing under these Rules, the relevant provisions hereof shall also apply.

13.4.31 The trading and lock-up arrangement for the shares held by directors, supervisors, senior executives, controlling shareholder and *de facto* controller of a listed company upon resumption of normal trading in the company's shares following the company's application to the Exchange under Rule 13.4.29 hereof shall be governed by laws, administrative regulations, rules of competent authorities, regulatory documents, and the relevant regulations of the Exchange.

13.4.32 The Exchange will, within two trading days after it makes a decision to resume normal trading in the shares of the listed company, notify the company of its decision and report to the CSRC.

The company shall make a timely announcement after it receives the aforesaid decision and, pursuant to the requirements of the Exchange, complete the relevant procedures for resumption of trading in its shares.

13.4.33 Termination of listing of convertible bonds shall be governed, *mutatis mutandis*, by the relevant provisions on share listing termination in this Section.

Chapter XIV Application for Review

14.1 Where an issuer or listed company (hereinafter collectively, "the applicant") is dissatisfied with the Exchange's decision regarding listing denial, listing suspension or listing termination, the applicant may, within fifteen trading days after receiving the Exchange's relevant decision or of the Exchanges announcement on relevant decision (whichever is earlier), file a written application with the Exchange for review.

The review procedures and relevant matters shall be governed by the relevant rules of the Exchange.

The applicant shall publish an announcement on the next trading day after it files the application with the Exchange for review.

14.2 The Exchange will, within five trading days of receiving the applicant's application for review, make a decision whether or not to accept such application and then notify the applicant.

Upon receiving the Exchange's decision on whether or not to accept its application, the applicant shall disclose particulars of the decision and relevant risks in a timely manner.

14.3 The Exchange has an Appeal Review Committee that will examine the applicant's application for review and issues its opinion based on independent and professional judgment.

14.4 Within thirty trading days after accepting an application for review, the Exchange will make its decision whether or not to uphold its original decision of listing denial, listing suspension, listing termination, or relisting denial based on the opinion of the Appeal Review Committee. Such decision is final and conclusive.

If, during the aforesaid thirty trading days, the Exchange requires the applicant to provide supplementary materials, the applicant shall provide the relevant materials accordingly within the time limit specified by the Exchange. The period for the company to provide such materials shall not be counted in the time limit for the Exchange to make relevant decision.

Chapter XV Domestic and Overseas Listings

15.1 A listed company that also has securities listed on overseas stock exchanges shall ensure that any information released to any of such other exchanges must be simultaneously released in the designated media in accordance with these Rules and other relevant regulations of the Exchange.

15.2 When fulfilling reporting and announcement obligations in respect of the same event, a listed company shall ensure that the reports and announcements submitted to the Exchange are consistent with those simultaneously submitted to overseas stock exchanges. In case of any material inconsistency, the company shall provide an explanation to the Exchange and publish a restatement or supplementary announcement in accordance with the requirements of the Exchange.

15.3 Any matters not covered in this Chapter shall be governed by laws, administrative regulations, rules of competent authorities, regulatory documents, and other relevant regulations of the Exchange as well as the MOUs signed by the Exchange with other stock exchanges regarding regulatory cooperation.

Chapter XVI Regulatory Measures and Disciplinary Actions Against Breaches

16.1 The Exchange regulates the institutions and persons enumerated in rule 1.5 hereof. The specific regulatory measures include:

- (1) Requiring explanations and clarifications;
- (2) Requiring intermediaries to conduct verification and issue opinions, or requiring the relevant company to employ intermediaries to conduct verification and issue opinions;
- (3) Written warnings (issuing various notices and letters);
- (4) Interviewing with relevant persons;
- (5) Revoking the qualification certificates;
- (6) Restricting trading;
- (7) Reporting to the CSRC on any breaches of laws and regulations;
- (8) Issuing the letter of regulatory suggestion to relevant competent authorities; and
- (9) Other regulatory measures.

The institutions and persons enumerated in Rule 1.5 hereof shall be cooperative in the Exchange's continuing regulation, respond to the Exchange's inquiries within the specified time limit and, as required by the Exchange, provide explanations or publish relevant restatement or supplementary announcement.

16.2 Where an issuer, a listed company, an disclosing party or any other relevant person breaches these Rules, other relevant regulations of the Exchange or its/his undertaking, the Exchange will, depending on the seriousness of the breach, take the following disciplinary actions:

- (1) Circulating a notice of criticism;
- (2) Public censure.

16.3 Where a director, supervisor or senior executive of a listed company breaches these Rules, other relevant regulations of the Exchange or his undertaking, the Exchange will, depending on the seriousness of the breach, take the following disciplinary actions:

- (1) Circulating a notice of criticism;
- (2) Public censure;
- (3) Declaring that he is unsuitable to serve as a director, supervisor or senior executive of a listed company.

The aforesaid disciplinary actions in (2) and (3) may be imposed concurrently.

16.4 Where the board secretary of a listed company breaches these Rules, other relevant regulations of the Exchange or his undertaking, the Exchange will, depending on the seriousness of the breach, take the following disciplinary actions:

- (1) Circulating a notice of criticism;
- (2) Public censure;

(3) Declaring that he is unsuitable to serve as the board secretary of a listed company.

The aforesaid disciplinary actions in (2) and (3) may be imposed concurrently.

16.5 Where a sponsor, a sponsor representative, a securities service provider or a relevant person of the securities service provider breaches these Rules or other relevant regulations of the Exchange, the Exchange will, depending on the seriousness of the breach, take the following disciplinary actions singly or concurrently:

- (1) Circulating a notice of criticism;
- (2) Public censure;
- (3) Refusing to accept the documents issued by them.

In severe cases, the Exchange will report to the CSRC in accordance with law for investigation and punishment.

16.6 Where the bankruptcy administrator or a member of the bankruptcy administrator breaches these Rules or other relevant regulations of the Exchange, the Exchange will, depending on the seriousness of the breach, take the following disciplinary actions:

- (1) Circulating a notice of criticism;
- (2) Public censure;
- (3) Advising the court to replace the administrator or the member of the administrator.

The aforesaid disciplinary actions in (2) and (3) may be imposed concurrently.

16.7 Where an issuer, a listed company, an disclosing party or any other person held responsible breaches these Rules, agreements with the Exchange or its/his undertaking, the Exchange will, depending on the seriousness of the breach, impose punitive damages.

The details of imposition of punitive damages shall be prescribed by the Exchange separately.

16.8 The Exchange has a Disciplinary Committee which reviews the disciplinary actions to be imposed on the institutions and persons enumerated in rule 1.5 hereof and issues its opinion based on independent and professional judgment.

The Exchange will decide whether or not to impose disciplinary actions based on the opinion of the Disciplinary Committee.

16.9 Before disciplinary actions are imposed, relevant persons may apply for a hearing according to the acceptance scope and procedure prescribed by the Exchange in relevant rules.

Any person dissatisfied with the disciplinary actions imposed by the Exchange may apply for review according to the acceptance scope and procedure prescribed by the Exchange in relevant

rules.

Chapter XVII Interpretation

17.1 Throughout these Rules, the following terms, except where the context otherwise requires, have the following meanings:

- (1) **Disclosure:** the listed company or relevant disclosing parties announce information in the designated media in accordance with laws, administrative regulations, rules of competent authorities, regulatory documents, these Rules and other relevant regulations of Shenzhen Stock Exchange.
- (2) **Material Event:** the event that is likely to have a significant effect on the prices of the shares of a listed company and the derivatives thereon.
- (3) **Timely Manner:** within two trading days from the commencement date or within two trading days after reaching the criteria for disclosure as described in these Rules.
- (4) **Senior Executive:** chief executive officer, deputy chief executive officer, board secretary and principal financial officer of a company as well as any other person defined as such in the articles of association of the company.
- (5) **Controlling Shareholder:** the shareholder that holds more than fifty percent of the total share capital of a company, or the shareholder that, though holding less than fifty percent of the total share capital of a company, by virtue of the voting rights represented by the shares it holds, is in a position to have a material influence on the resolutions of the general meeting of shareholders.
- (6) **De Facto Controller:** the natural person, legal person or other organization that has actual control over corporate actions through investment relationship, agreements or other arrangements.
- (7) **Control:** to be entitled to decide an enterprise's financial and operation policies and thereby obtain interest from the enterprise's business operations. Controlling a listed company means any of the followings:
 - a) A controlling shareholder that holds more than fifty percent of the shares of a listed company;
 - b) In a position to have actual control over thirty percent of the voting rights of a listed company;
 - c) Able to decide more than half of the composition of the company's board of directors through actual control of the voting rights of a listed company;
 - d) In a position to have a material influence on the resolutions of the general meeting of shareholders' by virtue of the voting rights actually controlled; or
 - e) Other circumstances as recognized by the CSRC or the Exchange.
- (8) **Subsidiary of a Listed Company:** a company, more than fifty percent of whose shares are held by a listed company, or more than half of the composition of whose board of directors can be determined by a listed company, or over which a listed company has *de facto* control by agreement or other arrangements.
- (9) **Unqualified for Listing as a result of Changes in Equity Structure:** the shares held by the

public shareholders fall below twenty-five percent of the total amount of shares of a company for twenty consecutive trading days, or below ten percent for twenty consecutive trading days if the total amount of a company's share capital exceeds RMB 400 million.

The aforesaid public shareholders includes all the shareholders of a listed company, except the following:

- a) Any shareholder holding more than ten percent of the shares of a listed company and the parties acting in concert with such shareholder; and
- b) Directors, supervisors, senior executives of a listed company, the close family members of such persons, and the legal persons or other organizations under the direct or indirect control of such persons.

- (10) **Unqualified for Listing as a result of Changes in the Number of Shareholders:** the number of shareholders is less than 200.
- (11) **Company's Undertaking:** pledge made to the public or the regulatory authority in respect of material matters by a listed company and its board of directors in the share prospectus, rights issue prospectus, fund prospectus, bond prospectus, periodic reports, announcements, rectification reports, or undertaking letters as well as relevant remedial measures proposed therein.
- (12) **Shareholder's Undertaking:** pledge made to a listed company, the public or the regulatory authority in respect of material matters by shareholders of a listed company in the share prospectus, rights issue prospectus, fund prospectus, bond prospectus, periodic reports, announcements, rectification reports, or undertaking letters as well as relevant remedial measures proposed therein.
- (13) **Net Assets:** the net assets at the end of the period attributable to the ordinary shareholders of the company, excluding minority interest income.
- (14) **Net Profits:** the net profits attributable to owners of the parent company, excluding minority interest income.
- (15) **Earnings per Share:** the basic earnings per share as calculated pursuant to the relevant regulations of the CSRC.
- (16) **Return on Equity:** return on equity as calculated pursuant to the relevant regulations of the CSRC.
- (17) **Securities Service Provider:** a CPA firm, asset appraisal agency, law firm, financial advisory institution, credit rating agency or investment consulting institution that prepares and issues auditor's reports, asset appraisal reports, legal opinions, financial advisory reports or credit rating reports with respect to the offering, listing and trading of securities and other securities activities.
- (18) **Bankruptcy Proceedings:** the reorganization, settlement or bankruptcy liquidation proceedings under the *Enterprise Bankruptcy Law*.
- (19) **Administrator Management Model:** the operation model ruled by the court whereby the administrator is responsible for managing the property and operations of the listed company.
- (20) **Administrator Supervision Model:** the operation model ruled by the court whereby the company itself manages its property and operations under the supervision of the administrator.
- (21) **Reorganization Period:** the period from the date the court makes a ruling on the reorganization

of a listed company up to the end of the reorganization.

- (22) **Circumstance of Forced Delisting as a result of Severe Violation of Law:** the circumstance specified in the Article 2 of the *Measures for the Implementation of Forced Delisting of Listed Companies as a result of Severe Violation of Law*.
- (23) **Circumstance of Forced Delisting as a result of Fraudulent Listing:** the circumstances specified in the Subparagraphs (1) and (2) of Article 4 of the *Measures for the Implementation of Forced Delisting of Listed Companies as a result of Severe Violation of Law*.
- (24) **Circumstance of Forced Delisting as a result of Severe Violation of Law on Information Disclosure:** the circumstances specified in the Subparagraphs (3) and (4) of Article 4 of the *Measures for the Implementation of Forced Delisting of Listed Companies as a result of Severe Violation of Law*.
- (25) **Circumstance of Forced Delisting as a result of Severe Violation of Law in the Five Major Security Areas:** the circumstance specified in the Article 5 of the *Measures for the Implementation of Forced Delisting of Listed Companies as a result of Severe Violation of Law*.
- (26) **A Modified Audit Opinion or a Modified Opinion:** a modified audit opinion or an unqualified opinion with an explanatory note issued by a CPA on the financial statements. The aforesaid modified audit opinion refers to a qualified opinion, an adverse opinion or a disclaimer of opinion issued by a CPA on financial statements. The aforesaid unqualified opinion with an explanatory note refers to an unqualified opinion with emphasis on matter paragraph or sustainable operation ability paragraph, or an unqualified opinion with other information paragraph containing a statement that other information did not correct the material misstatement.

17.2 The terms and expressions not defined in these Rules shall have the meanings ascribed to them in applicable laws, administrative regulations, rules of competent authorities, regulatory documents, as well as the rules, implementation rules, guidelines and notices of the Exchange.

17.3 The terms “more than” and “within” in these Rules include the given figure, whereas the terms “exceed”, “over”, “less than”, “lower than” and “below” do not include the given figure.

17.4 Unless otherwise specifically stated, the monetary unit used in these Rules is RMB.

Chapter XVIII Supplementary Rules

18.1 These Rules and any amendment hereto shall come into force after being adopted by the board of directors of the Exchange and approved by the CSRC.

18.2 The right to interpret these Rules shall rest with the Exchange.

18.3 These Rules shall be implemented as of the date of promulgation.

18.4 With the approval of the competent authority, the exchange may adopt differentiated listing fee standards for listed companies whose shares are suspended from listing.

Appendices

Appendix 1: Declaration and Undertaking with regard to Directors

Appendix 2: Declaration and Undertaking with regard to Supervisors

Appendix 3: Declaration and Undertaking with regard to Senior Executives

Appendix 4: Declaration and Undertaking with regard to Shareholders and *De facto* Controller

Appendix 1: Declaration and Undertaking with regard to Directors

Part I DECLARATION

1. Basic information:

(1) Full name of the listed company: _____

(2) Stock name: _____ stock code: _____

(3) Name: _____

(4) Alias, if any: _____

(5) Former name, if any: _____

(6) Date of birth: _____

(7) Residential address: _____

(8) Nationality: _____

(9) Countries or regions where you have permanent right of abode, if applicable:

(10) Professional qualification, if applicable: _____

(11) ID number: _____

(12) Passport number, if applicable: _____

(13) Names and ID numbers of relatives: _____

Spouse: _____

Parent: _____

Child: _____

Sibling: _____

(14) Work experience in the past five years: _____

2. Does your spouse, parent, child, child's spouse, sibling, or sibling's spouse act as a director, supervisor or senior executive of the listed company?

Yes No

If yes, please give full particulars.

3. Do you hold a position in any other company?

Yes No

If yes, please state the name of each such company, its registered capital, the scope of its business and the particulars of your position in such company.

4. Do any or more of the following situations apply to you:

(1) having no capacity for civil disposition or limited capacity for civil disposition?

Yes No

(2) having been sentenced to any criminal punishment for the crime of corruption, bribery, encroaching upon property, misappropriating property or disrupting the order of the market economy and less than five years have elapsed since the expiration of such sentence, or having been deprived of political rights for any crime and less than five years have elapsed since the expiration of such punishment?

Yes No

If yes, please give full particulars.

(3) having served as a director, factory chief or chief executive officer of a company or enterprise which entered into bankruptcy liquidation during the period when you were its director, factory chief or chief executive officer, you were personally liable for its bankruptcy, and less than three years have elapsed since the completion of the liquidation proceedings?

Yes No

If yes, please give full particulars.

(4) having been a legal representative of a company or enterprise which has had its business license revoked or been ordered to close down for violations of laws at any time during the period when you were its legal representative, you were personally liable for such revocation, and less than three years have elapsed since the revocation?

Yes No

If yes, please give full particulars.

(5) Do you have any large amount of personal debts due and unsettled?

Yes No

If yes, please give full particulars.

5. Have you ever received any administrative penalties for violations of the *Securities Law*, other securities-related laws or administrative regulations?

Yes No

If yes, please give full particulars.

6. Have you ever received any criminal or administrative penalties for violations of other laws or administrative regulations?

Yes No

If yes, please give full particulars.

7. Have you ever received any disciplinary actions from a stock exchange for violations of the rules or other relevant regulations of the stock exchange?

Yes No

If yes, please give full particulars.

8. Are you currently subject to any investigation of China Securities Regulatory Commission for suspected violations of securities-related laws or administrative regulations?

Yes No

If yes, please give full particulars.

9. Do you or does your spouse, parent or child hold the shares of the listed company or derivatives thereon?

Yes No

If yes, please give full particulars.

10. Do you have any past or present interest in the business of the listed company or its subsidiaries other than the interest described in the preceding question?

Yes No

If yes, please give full particulars.

11. Have you ever participated in any securities training programs organized or acknowledged by China Securities Regulatory Commission or Shenzhen Stock Exchange?

Yes No

If yes, please give full particulars.

12. As a director of the listed company, are you fully aware that you will be prosecuted for criminal liability if you are held directly responsible for the following:

(1) the company provides any false financial report to shareholders or the general public or conceals any material facts in the financial report, which has severely injured the interests of the shareholders or any other person or has given rise to other severe consequences?

(2) the listed company fails to disclose any material information that is subject to disclosure in accordance with law, which has severely injured the interests of the shareholders or any other person or has given rise to other severe consequences?

Yes No

13. Are you fully aware that, as a director of the listed company, you will be prosecuted for criminal liability if, in breach of your fiduciary duties to the listed company, you abuse your position to manipulate the listed company into conducting any of the following activities, thereby causing severe or tremendous losses to the interests of the listed company:

(1) providing capital, commodities, services or any other assets gratuitously to any other entity or individual?

(2) providing or accepting capital, commodities, services or any other assets under clearly unfair terms?

(3) providing capital, commodities, services or any other assets to any entity or individual that obviously has no ability of repayment?

(4) providing guarantee to any entity or individual that obviously has no ability of repayment, or providing guarantee to any other entity or individual without justifiable reasons?

(5) waiving any credit or assuming any debt without justifiable reasons?

(6) injuring the interests of the listed company otherwise?

Yes No

14. Other than the information which you have disclosed pursuant to the foregoing questions, are there any matters the non-disclosure of which may affect the truth, accuracy or completeness of your response to any of the foregoing questions?

Yes No

If yes, please give full particulars.

I, _____ (in Chinese regular script) solemnly declare that the foregoing answers are true, accurate and complete and that I guarantee there are no false statements, misrepresentations or omissions therein. I fully understand the possible consequences of making a false declaration. Shenzhen Stock Exchange may rely upon the foregoing answers in assessing my suitability to act as a director of the listed company.

Declarant: (signature)

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

Part II UNDERTAKING

I, _____ (in Chinese regular script), undertake with Shenzhen Stock Exchange that:

1. in the exercise of my duties as a director of the listed company I shall comply with State laws, administrative regulations, and rules of competent authorities, urge that the listed company and any authorized person of mine shall so comply, and fulfill my fiduciary duties and due diligence duties;

2. in the exercise of my duties as a director of the listed company I shall comply with the relevant provisions of the rules and regulatory documents issued by China Securities Regulatory Commission and urge that the listed company and any authorized person of mine shall so comply;

3. in the exercise of my duties as a director of the listed company I shall comply with the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other rules, implementation rules, guidelines and notices issued by Shenzhen Stock Exchange and urge that the listed company and any authorized person of mine shall so comply;

4. in the exercise of my duties as a director of the listed company I shall comply with the articles of association of the listed company and urge that the listed company and any authorized person of mine shall so comply;

5. I shall be subject to the supervision of Shenzhen Stock Exchange, including answering promptly and truthfully any questions addressed to me, promptly producing the documents that are required to be submitted under the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other rules, implementation rules, guidelines and notices, and the originals or copies of any other documents so requested, and attending any meeting at which I am requested to appear;

6. I hereby give my authority to Shenzhen Stock Exchange to submit my declaration and undertaking to China Securities Regulatory Commission;

7. I will participate in the required professional training programs organized by China Securities Regulatory Commission and Shenzhen Stock Exchange;

8. in case of my breach of the foregoing undertaking, I shall be willing to undertake all legal liabilities arising therefrom and accept disciplinary actions from Shenzhen Stock Exchange;

9. if, as a result of the performance of my duties as a director of the listed company or the fulfillment of this undertaking, any disputes arise between Shenzhen Stock Exchange and I and lead to legal proceedings, such legal proceedings shall be under the jurisdiction of the people's court of the place where Shenzhen Stock Exchange is domiciled.

Promisor: (signature)

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

Appendix 2: Declaration and Undertaking with regard to Supervisors

Part I DECLARATION

1. Basic information:

(1) Full name of the listed company: _____

(2) Stock name: _____ stock code: _____

(3) Name: _____

(4) Alias, if any: _____

(5) Former name, if any: _____

(6) Date of birth: _____

(7) Residential address: _____

(8) Nationality: _____

(9) Countries or regions where you have permanent right of abode, if applicable:

(10) Professional qualification, if applicable: _____

(11) ID number: _____

(12) Passport number, if applicable: _____

(13) Names and ID numbers of near relatives: _____

Spouse: _____

Parent: _____

Child: _____

Sibling: _____

(14) Work experience in the past five years: _____

2. Does your spouse, parent, child, child's spouse, sibling, or sibling's spouse act as a director, supervisor or senior executive of the listed company?

Yes No

If yes, please give full particulars.

3. Do you hold a position in any other company?

Yes No

If yes, please state the name of each such company, its registered capital, the scope of its business and the particulars of your position in such company.

4. Do any or more of the following situations apply to you:

(1) having no capacity for civil disposition or limited capacity for civil disposition?

Yes No

(2) having been sentenced to any criminal punishment for the crime of corruption, bribery, encroaching upon property, misappropriating property or disrupting the order of the market economy and less than five years have elapsed since the expiration of such sentence, or having been deprived of political rights for any crime and less than five years have elapsed since the expiration of such punishment?

Yes No

If yes, please give full particulars.

(3) having served as a director, factory chief or chief executive officer of a company or enterprise which entered into bankruptcy liquidation during the period when you were its director, factory chief or chief executive officer, you were personally liable for its bankruptcy, and less than three years have elapsed since the completion of the liquidation proceedings?

Yes No

If yes, please give full particulars.

(4) having been a legal representative of a company or enterprise which has had its business license revoked or been ordered to close down for violations of laws at any time during the period when you were its legal representative, you were personally liable for such revocation, and less than three years have elapsed since the revocation?

Yes No

If yes, please give full particulars.

(5) Do you have any large amount of personal debts due and unsettled?

Yes No

If yes, please give full particulars.

5. Have you ever received any administrative penalties for violations of the *Securities Law*, other securities-related laws or administrative regulations?

Yes No

If yes, please give full particulars.

6. Have you ever received any criminal or administrative penalties for violations of other laws or administrative regulations?

Yes No

If yes, please give full particulars.

7. Have you ever received any disciplinary actions from a stock exchange for violations of the rules or other relevant regulations of the stock exchange?

Yes No

If yes, please give full particulars.

8. Are you currently subject to any investigation of China Securities Regulatory Commission for suspected violations of securities-related laws or administrative regulations?

Yes No

If yes, please give full particulars.

9. Do you or does your spouse, parent or child hold the shares of the listed company or derivatives thereon?

Yes No

If yes, please give full particulars.

10. Do you have any past or present interest in the business of the listed company or its subsidiaries other than the interest described in the preceding question?

Yes No

If yes, please give full particulars.

11. Have you ever participated in any securities training programs organized or acknowledged by China Securities Regulatory Commission or Shenzhen Stock Exchange?

Yes No

If yes, please give full particulars.

12. As a supervisor of the listed company, are you fully aware that you will be prosecuted for criminal liability if you are held directly responsible for the following:

(1) the company provides any false financial report to shareholders or the general public or conceals any material facts in the financial report, which has severely injured the interests of the shareholders or any other person or has given rise to other severe consequences?

(2) the listed company fails to disclose any material information that is subject to disclosure in accordance with law, which has severely injured the interests of the shareholders or any other person or has given rise to other severe consequences?

Yes No

13. Are you fully aware that, as a supervisor of the listed company, you will be prosecuted for criminal liability if, in breach of your fiduciary duties to the listed company, you abuse your position to manipulate the listed company into conducting any of the following activities, thereby causing severe or tremendous losses to the interests of the listed company:

(1) providing capital, commodities, services or any other assets gratuitously to any other entity or individual?

(2) providing or accepting capital, commodities, services or any other assets under clearly unfair terms?

(3) providing capital, commodities, services or any other assets to any entity or individual that obviously has no ability of repayment?

(4) providing guarantee to any entity or individual that obviously has no ability of repayment, or providing guarantee to any other entity or individual without justifiable reasons?

(5) waiving any credit or assuming any debt without justifiable reasons?

(6) harming the interests of the listed company otherwise?

Yes No

14. Other than the information which you have disclosed pursuant to the foregoing questions, are there any matters the non-disclosure of which may affect the truth, accuracy or completeness of your response to any of the foregoing questions?

Yes No

If yes, please give full particulars.

I, _____ (in Chinese regular script) solemnly declare that the foregoing answers are true, accurate and complete and that I guarantee there are no false statements, misrepresentations or omissions therein. I fully understand the possible consequences of making a false declaration. Shenzhen Stock Exchange may rely upon the foregoing answers in assessing my suitability to act as a supervisor of the listed company.

Declarant: (signature)

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

Part II UNDERTAKING

I, _____ (in Chinese regular script), undertake with Shenzhen Stock Exchange that:

1. in the exercise of my duties as a supervisor of the listed company I shall comply with State laws, administrative regulations, and rules of competent authorities, urge that the listed company and its directors and senior executives shall so comply, and fulfill my fiduciary duties and due diligence duties;

2. in the exercise of my duties as a supervisor of the listed company I shall comply with the relevant provisions of the rules and regulatory documents issued by China Securities Regulatory Commission and urge that the listed company and its directors and senior executives shall so comply;

3. in the exercise of my duties as a supervisor of the listed company I shall comply with the

Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange and other rules, implementation rules, guidelines and notices issued by Shenzhen Stock Exchange and urge that the listed company and its directors and senior executives shall so comply;

4. in the exercise of my duties as a supervisor of the listed company I shall comply with the articles of association of the listed company and urge that the listed company and its directors and senior executives shall so comply;

5. in the exercise of my duties as a supervisor of the listed company I shall supervise the directors and senior executives of the listed company earnestly exercising their powers and duties and strictly observing the undertakings they have made in the *Declaration and Undertaking with regard to Directors (Senior Executives)*;

6. I shall be subject to the supervision of Shenzhen Stock Exchange, including answering promptly and truthfully any questions addressed to me, promptly producing and causing the directors and senior executives of the listed company to produce promptly the documents that are required to be submitted under the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other rules, implementation rules, guidelines and notices, and the originals or copies of any other documents so requested, and attending any meeting at which I am requested to appear;

7. I hereby give my authority to Shenzhen Stock Exchange to submit my declaration and undertaking to China Securities Regulatory Commission;

8. I will participate in the required professional training programs organized by China Securities Regulatory Commission and Shenzhen Stock Exchange;

9. in case of my breach of the foregoing undertaking, I shall be willing to undertake all legal liabilities arising therefrom and accept disciplinary actions from Shenzhen Stock Exchange;

10. if, as a result of the performance of my powers and duties as a supervisor of the listed company or the fulfillment of this undertaking, any disputes arise between Shenzhen Stock Exchange and I and lead to legal proceedings, such legal proceedings shall be under the jurisdiction of the people's court of the place where Shenzhen Stock Exchange is domiciled.

Promisor: (signature)

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

Appendix 3: Declaration and Undertaking with regard to Senior Executives

Part I DECLARATION

1. Basic information:

(1) Full name of the listed company: _____

(2) Stock name: _____ stock code: _____

(3) Name: _____

(4) Alias, if any: _____

(5) Former name, if any: _____

(6) Date of birth: _____

(7) Residential address: _____

(8) Nationality: _____

(9) Countries or regions where you have permanent right of abode, if applicable:

(10) Professional qualification, if applicable: _____

(11) ID number: _____

(12) Passport number, if applicable: _____

(13) Names and ID numbers of near relatives: _____

Spouse: _____

Parent: _____

Child: _____

Sibling: _____

(14) Work experience in the past five years: _____

2. Does your spouse, parent, child, child's spouse, sibling, or sibling's spouse act as a director, supervisor or senior executive of the listed company?

Yes No

If yes, please give full particulars.

3. Do you hold a position in any other company?

Yes No

If yes, please state the name of each such company, its registered capital, the scope of its business and the particulars of your position in such company.

4. Do any or more of the following situations apply to you:

(1) having no capacity for civil disposition or limited capacity for civil disposition?

Yes No

(2) having been sentenced to any criminal punishment for the crime of corruption, bribery, encroaching upon property, misappropriating property or disrupting the order of the market economy and less than five years have elapsed since the expiration of such sentence, or having been deprived of political rights for any crime and less than five years have elapsed since the expiration of such punishment?

Yes No

If yes, please give full particulars.

(3) having served as a director, factory chief or chief executive officer of a company or enterprise which entered into bankruptcy liquidation during the period when you were its director, factory chief or chief executive officer, you were personally liable for its bankruptcy, and less than three years have elapsed since the completion of the liquidation proceedings?

Yes No

If yes, please give full particulars.

(4) having been a legal representative of a company or enterprise which has had its business license revoked or been ordered to close down for violations of laws at any time during the period when you were its legal representative, you were personally liable for such revocation, and less than three years have elapsed since the revocation?

Yes No

If yes, please give full particulars.

(5) Do you have any large amount of personal debts due and unsettled?

Yes No

If yes, please give full particulars.

5. Have you ever received any administrative penalties for violations of the *Securities Law*, other securities-related laws or administrative regulations?

Yes No

If yes, please give full particulars.

6. Have you ever received any criminal or administrative penalties for violations of other laws or administrative regulations?

Yes No

If yes, please give full particulars.

7. Have you ever received any disciplinary actions from a stock exchange for violations of the rules or other relevant regulations of the stock exchange?

Yes No

If yes, please give full particulars.

8. Are you currently subject to any investigation of China Securities Regulatory Commission for suspected violations of securities-related laws or administrative regulations?

Yes No

If yes, please give full particulars.

9. Do you or does your spouse, parent or child hold the shares of the listed company or derivatives thereon?

Yes No

If yes, please give full particulars.

10. Do you have any past or present interest in the business of the listed company or its subsidiaries other than the interest described in the preceding question?

Yes No

If yes, please give full particulars.

11. Have you ever participated in any securities training programs organized or acknowledged by China Securities Regulatory Commission or Shenzhen Stock Exchange?

Yes No

If yes, please give full particulars.

12. As a senior executive of the listed company, are you fully aware that you will be prosecuted for criminal liability if you are held directly responsible for the following:

(1) the company provides any false financial report to shareholders or the general public or conceals any material facts in the financial report, which has severely injured the interests of the shareholders or any other person or has given rise to other severe consequences?

(2) the listed company fails to disclose any material information that is subject to disclosure in accordance with law, which has severely injured the interests of the shareholders or any other person or has given rise to other severe consequences?

Yes No

13. Are you fully aware that, as a senior executive of the listed company, you will be prosecuted for criminal liability if, in breach of your fiduciary duties to the listed company, you abuse your position to manipulate the listed company into conducting any of the following activities, thereby causing severe or tremendous losses to the interests of the listed company:

(1) providing capital, commodities, services or any other assets gratuitously to any other entity or individual?

(2) providing or accepting capital, commodities, services or any other assets under clearly unfair terms?

(3) providing capital, commodities, services or any other assets to any entity or individual that obviously has no ability of repayment?

(4) providing guarantee to any entity or individual that obviously has no ability of repayment, or providing guarantee to any other entity or individual without justifiable reasons?

(5) waiving any credit or assuming any debt without justifiable reasons?

(6) harming the interests of the listed company otherwise?

Yes No

14. Other than the information which you have disclosed pursuant to the foregoing questions, are there any matters the non-disclosure of which may affect the truth, accuracy or completeness of your response to any of the foregoing questions?

Yes No

If yes, please give full particulars.

I, _____ (in Chinese regular script) solemnly declare that the foregoing answers are true, accurate and complete and that I guarantee there are no false statements, misrepresentations or omissions therein. I fully understand the possible consequences of making a false declaration. Shenzhen Stock Exchange may rely upon the foregoing answers in assessing my suitability to act as a senior executive of the listed company.

Declarant: (signature)

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

Part II UNDERTAKING

I, _____ (in Chinese regular script), undertake with Shenzhen Stock Exchange that:

1. in the exercise of my duties as a senior executive of the listed company I shall comply with State laws, administrative regulations, and rules of competent authorities, urge that the listed company shall so comply, and fulfill my fiduciary duties and due diligence duties;

2. in the exercise of my duties as a senior executive of the listed company I shall comply with the relevant provisions of the rules and regulatory documents issued by China Securities Regulatory Commission and urge that the listed company shall so comply;

3. in the exercise of my duties as a senior executive of the listed company I shall comply with the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other rules, implementation rules, guidelines and notices issued by Shenzhen Stock Exchange and urge that the listed company shall so comply;

4. in the exercise of my duties as a senior executive of the listed company I shall comply with the articles of association of the listed company and urge that the listed company shall so comply;

5. in the exercise of my duties as a senior executive of the listed company I shall promptly report to the board of directors and the board secretary on any operational or financial development of the company that would have a significant impact on the prices of the shares of the company and derivatives thereon, as well as other material matters prescribed in the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other rules, implementation rules, guidelines and notices;

6. I shall be subject to the supervision of Shenzhen Stock Exchange, including answering promptly and truthfully any questions addressed to me, promptly producing the documents that are required to be submitted under the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other rules, implementation rules, guidelines and notices, and the originals or copies of any other documents so requested, and attending any meeting at which I am requested to appear;

7. I hereby give my authority to Shenzhen Stock Exchange to submit my declaration and undertaking to China Securities Regulatory Commission;

8. I will participate in the required professional training programs organized by China Securities Regulatory Commission and Shenzhen Stock Exchange;

9. in case of my breach of the foregoing undertaking, I shall be willing to undertake all legal liabilities arising therefrom and accept disciplinary actions from Shenzhen Stock Exchange;

10. if, as a result of the performance of my powers and duties as a senior executive of the listed company or the fulfillment of this undertaking, any disputes arise between Shenzhen Stock Exchange and I and lead to legal proceedings, such legal proceedings shall be under the jurisdiction of the people's court of the place where Shenzhen Stock Exchange is domiciled.

Promisor: (signature)

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

**Appendix 4: Declaration and Undertaking with regard to the Controlling Shareholders and *De Facto* Controller
(For Legal Persons and Other Organizations)**

Part I DECLARATION

1. Basic information:

- (1) Full name of the listed company: _____
(2) Stock name: _____ stock code: _____
(3) Name: _____
(4) Address: _____
(5) Main business scope: _____

2. Do you have any affiliated companies other than the listed company?

Yes No

If yes, please state the name of each such company, its registered capital and the scope of its business.

3. Do you have any large amount of debts due and unsettled?

Yes No

If yes, please give full particulars.

4. Have you misappropriated the funds of the listed company or required the listed company to grant guarantees in violation of regulations?

Yes No

If yes, please give full particulars.

5. Have you ever received any administrative penalties for violations of the *Securities Law*, other securities-related laws or administrative regulations?

Yes No

If yes, please give full particulars.

6. Have you ever received any criminal or administrative penalties for violations of other laws or administrative regulations?

Yes No

If yes, please give full particulars.

7. Have you ever received any disciplinary actions from a stock exchange for violations of the rules or other relevant regulations of the stock exchange?

Yes No

If yes, please give full particulars.

8. Are you currently subject to any investigation of China Securities Regulatory Commission for suspected violations of securities market laws or administrative regulations?

Yes No

If yes, please give full particulars.

9. Do you hold the shares of the listed company or derivatives thereon either directly or indirectly?

Yes No

If yes, please give full particulars.

10. Do you have any past or present interest other than equity interest in the business of the listed company or its subsidiaries?

Yes No

If yes, please give full particulars.

11. Are you fully aware that, as the controlling shareholder or *de factor* controller of the listed company, you will be prosecuted for criminal liability if you instigate any director, supervisor or senior executive of the listed company to abuse his position, in breach of his fiduciary duties to the listed company, to manipulate the listed company into conducting any of the following activities, thereby causing severe or tremendous losses to the interests of the listed company:

(1) providing capital, commodities, services or any other assets gratuitously to any other entity or individual?

(2) providing or accepting capital, commodities, services or any other assets under clearly unfair terms?

(3) providing capital, commodities, services or any other assets to any entity or individual that obviously has no ability of repayment?

(4) providing guarantee to any entity or individual that obviously has no ability of repayment, or providing guarantee to any other entity or individual without justifiable reasons?

(5) waiving any credit or assuming any debt without justifiable reasons?

(6) harming the interests of the listed company otherwise?

Yes No

12. Other than the information which you have disclosed pursuant to the foregoing questions, are there any matters the non-disclosure of which may affect the truth, accuracy or completeness of your response to any of the foregoing questions?

Yes No

If yes, please give full particulars.

We, _____ (in Chinese regular script) solemnly declare that the foregoing answers are true, accurate and complete and that we guarantee there are no false statements, misrepresentations or omissions therein. We fully understand the possible legal consequences of making a false declaration.

Declarant: (seal)

Signature of legal representative:

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

Part II UNDERTAKING

We, _____ (in Chinese regular script), as the controlling shareholder (or *de facto* controller) of _____ Company Limited (hereinafter, the listed company), undertake with Shenzhen Stock Exchange that:

1. we guarantee that we shall strictly comply with the *Company Law*, the *Securities Law* and other laws, administrative regulations, government department rules and regulatory documents, and urge that the listed company shall so comply;

2. we guarantee that we shall strictly comply with the relevant provisions of the rules and regulatory documents issued by China Securities Regulatory Commission and urge that the listed company shall so comply;

3. we guarantee that we shall strictly comply with the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other relevant regulations of Shenzhen Stock Exchange and urge that the listed company shall so comply;

4. we guarantee that we shall strictly comply with the articles of association of the listed company and urge that the listed company shall so comply;

5. we guarantee that we shall exercise our shareholder's rights in accordance with law and shall not abuse our shareholder's rights to the detriment of the interests of the listed company or of other shareholders, including but not limited to the following:

(1) we and our related parties shall not in any way misappropriate the funds of the listed company in violation of laws and regulations or require the listed company to grant guarantees in violation of laws and regulations;

(2) we and our related parties shall not in any way impair the legitimate interests of the listed company and other shareholders through non-fair related party transactions, profit distribution, asset restructuring, external investment, etc.;

(3) we and our related parties shall not take advantage of the unpublished material information of the listed company to seek any interests, shall not in any way leak the unpublished material information of the listed company, nor shall we and our related parties engage in insider trading,

short-swing trading, market manipulation and other illegal activities; and

(4) we and our related parties shall not in any way influence the independence of the listed company and shall guarantee the integrity of the assets of the listed company and the independence of the listed company in personnel, finance, organization and business;

6. we guarantee that we shall strictly comply with and shall not, without obtaining approval, change or repeal our declaration and undertaking;

7. we guarantee that we shall fulfill information disclosure obligations in strict accordance with laws, administrative regulations, government department rules, regulatory documents, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other relevant regulations of Shenzhen Stock Exchange, proactively cooperate with the listed company in the information disclosure, and timely notify the listed company of any material event that has occurred or is about to occur;

8. we shall be subject to the supervision of Shenzhen Stock Exchange, including answering promptly and truthfully any questions addressed to us, promptly producing the documents that are required to be submitted under the relevant rules of Shenzhen Stock Exchange and the originals or copies of any other documents so requested, and sending our legal representative to attend any meeting at which we are requested to appear;

9. in case of our breach of the foregoing undertaking and guarantee, we shall be willing to undertake all legal liabilities arising therefrom and accept disciplinary actions from Shenzhen Stock Exchange;

10. if, as a result of our fulfillment of this undertaking, any disputes arise between Shenzhen Stock Exchange and us and lead to legal proceedings, such legal proceedings shall be under the jurisdiction of the people's court of the place where Shenzhen Stock Exchange is domiciled.

Promisor: (seal)

Signature of legal representative:

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

**Appendix 4: Declaration and Undertaking with regard to the Controlling Shareholders and *De Facto* Controller
(For Individuals)**

Part I DECLARATION

1. Basic information:

(1) Full name of the listed company: _____

(2) Stock name: _____ stock code: _____

(3) Name: _____

(4) Alias, if any: _____

(5) Former name, if any: _____

(6) Date of birth: _____

(7) Residential address: _____

(8) Nationality: _____

(9) Countries or regions where you have permanent right of abode, if applicable:

(10) Professional qualification, if applicable: _____

(11) ID number: _____

(12) Passport number, if applicable: _____

(13) Names and ID numbers of near relatives: _____

Spouse: _____

Parent: _____

Child: _____

Sibling: _____

(14) Work experience in the past five years: _____

2. Does your spouse, parent, child, child's spouse, sibling, or sibling's spouse act as a director, supervisor or senior executive of the listed company?

Yes No

If yes, please give full particulars.

3. Do you hold a position in any other company?

Yes No

If yes, please state the name of each such company, its registered capital, the scope of its business and the particulars of your position in such company.

4. Do any or more of the following situations apply to you:

(1) having no capacity for civil disposition or limited capacity for civil disposition?

Yes No

(2) having been sentenced to any criminal punishment for the crime of corruption, bribery, encroaching upon property, misappropriating property or disrupting the order of the market economy and less than five years have elapsed since the expiration of such sentence, or having been deprived of political rights for any crime and less than five years have elapsed since the expiration of such punishment?

Yes No

If yes, please give full particulars.

(3) having served as a director, factory chief or chief executive officer of a company or enterprise which entered into bankruptcy liquidation during the period when you were its director, factory chief or chief executive officer, you were personally liable for its bankruptcy, and less than three years have elapsed since the completion of the liquidation proceedings?

Yes No

If yes, please give full particulars.

(4) having been a legal representative of a company or enterprise which has had its business license revoked or been ordered to close down for violations of laws at any time during the period when you were its legal representative, you were personally liable for such revocation, and less than three years have elapsed since the revocation?

Yes No

If yes, please give full particulars.

(5) Do you have any large amount of personal debts due and unsettled?

Yes No

If yes, please give full particulars.

(6) Have you misappropriated the funds of the listed company or required the listed company to grant guarantees in violation of regulations?

Yes No

If yes, please give full particulars.

5. Have you ever received any administrative penalties for violations of the *Securities Law*, other securities-related laws or administrative regulations?

Yes No

If yes, please give full particulars.

6. Have you ever received any criminal or administrative penalties for violations of other laws or administrative regulations?

Yes No

If yes, please give full particulars.

7. Have you ever received any disciplinary actions from a stock exchange for violations of the rules or other relevant regulations of the stock exchange?

Yes No

If yes, please give full particulars.

8. Are you currently subject to any investigation of China Securities Regulatory Commission for suspected violations of securities-related laws or administrative regulations?

Yes No

If yes, please give full particulars.

9. Do you or does your spouse, parent or child hold the shares of the listed company or derivatives thereon either directly or indirectly?

Yes No

If yes, please give full particulars.

10. Do you have any past or present interest in the business of the listed company or its subsidiaries other than the interest described in the preceding question?

Yes No

If yes, please give full particulars.

11. Have you ever participated in any securities training programs organized or acknowledged by China Securities Regulatory Commission or Shenzhen Stock Exchange?

Yes No

If yes, please give full particulars.

12. Are you fully aware that, as the controlling shareholder or *de factor* controller of the listed company, you will be prosecuted for criminal liability if you instigate any director, supervisor or senior executive of the listed company to abuse his position, in breach of his fiduciary duties to the listed company, to manipulate the listed company into conducting any of the following activities, thereby causing heavy or tremendous losses to the interests of the listed company:

(1) providing capital, commodities, services or any other assets gratuitously to any other entity or individual?

(2) providing or accepting capital, commodities, services or any other assets under clearly unfair terms?

(3) providing capital, commodities, services or any other assets to any entity or individual that obviously has no ability of repayment?

(4) providing guarantee to any entity or individual that obviously has no ability of repayment, or providing guarantee to any other entity or individual without justifiable reasons?

(5) waiving any credit or assuming any debt without justifiable reasons?

(6) injuring the interests of the listed company otherwise?

Yes No

13. Other than the information which you have disclosed pursuant to the foregoing questions, are there any matters the non-disclosure of which may affect the truth, accuracy or completeness of your response to any of the foregoing questions?

Yes No

If yes, please give full particulars.

I, _____ (in Chinese regular script) solemnly declare that the foregoing answers are true, accurate and complete and that I guarantee there are no false statements, misrepresentations or omissions therein. I fully understand the possible legal consequences of making a false declaration

Declarant: (signature)

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

Part II UNDERTAKING

I, _____ (in Chinese regular script), as the controlling shareholder (or *de facto* controller) of _____ Limited Company (hereinafter, the listed company), undertake with Shenzhen Stock Exchange that:

1. I guarantee that I shall strictly comply with the *Company Law*, the *Securities Law* and other laws, administrative regulations, government department rules and regulatory documents, and urge that the listed company shall so comply;

2. I guarantee that I shall strictly comply with the relevant provisions of the rules and regulatory documents issued by China Securities Regulatory Commission and urge that the listed company shall so comply;

3. I guarantee that I shall strictly comply with the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other relevant regulations of Shenzhen Stock Exchange and urge that the listed company shall so comply;

4. I guarantee that I shall strictly comply with the articles of association of the listed company and urge that the listed company shall so comply;

5. I guarantee that I shall exercise my shareholder's rights in accordance with law and shall not

abuse my shareholder's rights to the detriment of the interests of the listed company or of other shareholders, including but not limited to the following:

(1) I and my related parties shall not in any way misappropriate the funds of the listed company in violation of laws and regulations or require the listed company to grant guarantees in violation of laws and regulations;

(2) I and my related parties shall not in any way impair the legitimate interests of the listed company and other shareholders through non-fair related party transactions, profit distribution, asset restructuring, external investment, etc.;

(3) I and my related parties shall not take advantage of the unpublished material information of the listed company to seek any interests, shall not in any way leak the unpublished material information of the listed company, nor shall I and my related parties engage in insider trading, short-swing trading, market manipulation and other illegal activities; and

(4) I and my related parties shall not in any way influence the independence of the listed company and shall guarantee the integrity of the assets of the listed company and the independence of the listed company in personnel, finance, organization and business;

6. I guarantee that I shall strictly comply with and shall not, without obtaining approval, change or repeal my declaration and undertaking;

7. I guarantee that I shall fulfill information disclosure obligations in strict accordance with laws, administrative regulations, government department rules, regulatory documents, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and other relevant regulations of Shenzhen Stock Exchange, proactively cooperate with the listed company in the information disclosure, and timely notify the listed company of any material event that has occurred or is about to occur;

8. I shall be subject to the supervision of Shenzhen Stock Exchange, including answering promptly and truthfully any questions addressed to me, promptly producing the documents that are required to be submitted under the relevant rules of Shenzhen Stock Exchange and the originals or copies of any other documents so requested, and attending in person any meeting at which I am requested to appear;

9. in case of my breach of the foregoing undertaking and guarantee, I shall be willing to undertake all legal liabilities arising therefrom and accept disciplinary actions from Shenzhen Stock Exchange;

10. if, as a result of my fulfillment of this undertaking, any disputes arise between Shenzhen Stock Exchange and I and lead to legal proceedings, such legal proceedings shall be under the jurisdiction of the people's court of the place where Shenzhen Stock Exchange is domiciled.

Promisor: (signature)

Date:

Declared this _____ day of _____ (month), _____ (year).

Attesting solicitor:

Date:

Notes:

1. Every person required by the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* to lodge the *Declaration and Undertaking with regard to Directors (Supervisors, Senior Executives or the Controlling Shareholder and De Facto Controller)* with Shenzhen Stock Exchange shall complete Part 1 “DECLARATION” and Part 2 “UNDERTAKING”. The controlling shareholder or *de facto* controller that is a legal person or other organization shall complete the *Declaration and Undertaking with regard to the Controlling Shareholder and De Facto Controller (For Legal Persons or Other Organizations)*. The controlling shareholder or *de facto* controller who is an individual shall complete the *Declaration and Undertaking with regard to the Controlling Shareholder and De Facto Controller (For Individuals)*.

2. A director who serves concurrently as a senior executive shall lodge the *Declaration and Undertaking with regard to Directors* and the *Declaration and Undertaking with regard to Senior Executives* with Shenzhen Stock Exchange respectively.

3. Please truthfully answer all questions in the *Declaration and Undertaking*. The failure by any person to complete the part of DECLARATION truthfully, completely, accurately and timely, or failure to complete the part of UNDERTAKING or failure to observe any of the undertakings made under that part, constitutes a breach of the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and Shenzhen Stock Exchange is entitled to impose relevant disciplinary actions in accordance with the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*.

4. When lodging updated materials with Shenzhen Stock Exchange in accordance with the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* due to any changes in the matters declared, you should also lodge the electronic copy of the updated *Declaration and Undertaking*.

5. The listed company shall guarantee that the electronic copy of the *Declaration and Undertaking* lodged with Shenzhen Stock Exchange is consistent with the written copy signed (sealed) by relevant persons (or entities).

6. If insufficient space is provided for completion of any question, additional information may be entered on a separate sheet of paper and attached to this form.

7. If you have any doubt as to how to complete the form, you should consult Shenzhen Stock Exchange or your solicitor.