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

Appendix 1

Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange

(2024 Revision)

(Effective as from July 2009; revised for the first time in April 2012, the second time in October 2014, the third time in April 2018, the fourth time in November 2018, the fifth time in June 2020, the sixth time in December 2020, the seventh time in February 2023, the eighth time in August 2023, and the ninth time in April 2024)

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Chapter I General Provisions

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*), the *Measures for the On-going Supervision of Companies Listed on the ChiNext Market (for Trial Implementation)*, and other laws, administrative regulations, ministry-level rules, normative documents as well as the *Articles of Association of Shenzhen Stock Exchange*, for the purposes of regulating the listing of corporate stocks, depositary receipts, corporate bonds convertible into shares (hereinafter, convertible bonds) and other derivatives (hereinafter collectively, shares and derivatives thereon), as well as the information disclosure by issuers, listed companies, and other parties with disclosure obligations, enhancing corporate governance, maintaining an orderly securities market, protecting the lawful rights and interests of investors, boosting investor returns, improving the quality of listed companies, and promoting a healthier capital market.

1.2 These Rules shall apply to the listing and on-going supervision of shares and derivatives thereon listed on the ChiNext Market of Shenzhen Stock Exchange (hereinafter, the Exchange). Any matters uncovered herein shall be governed by other relevant rules of the Exchange.

1.3 An application by an issuer for listing shares and derivatives thereon on the ChiNext Market shall be subject to the Exchange's approval. Prior to listing, the issuer shall enter into a listing agreement with the Exchange to specify the rights and obligations of both parties and other related matters.

1.4 An issuer or listed company and its issuer, directors, supervisors, senior officers, shareholders or depositary receipt holders, de facto controllers, acquirers and parties to major asset restructuring and other natural persons, institutions and their relevant personnel, bankruptcy administrator and its members, sponsors and sponsor representatives, and securities service providers and their relevant personnel, shall comply with laws, administrative regulations, ministry-level rules, normative documents, these Rules, and relevant implementation rules, guidelines, notices, measures, handbooks, and other rules of the Exchange (hereinafter, other relevant rules of the Exchange), and shall act in good faith and with diligence and care.

1.5 The Exchange exercises self-regulation over the parties specified in Subsection 1.4 in accordance with the laws, administrative regulations, ministry-level rules, normative documents, these Rules, other relevant rules of the Exchange, listing agreements, and relevant parties' declarations and undertakings.

Chapter II Listing and Trading of Shares and Derivatives Thereon

Section 1 Listing of IPO Stocks

2.1.1 An issuer that applies for listing its stock on the ChiNext Market shall meet the following requirements:

(1) it meets the offering requirements for the ChiNext Market prescribed by the China Securities Regulatory Commission (hereinafter, CSRC);

(2) it has a total post-offering capital stock of no less than RMB 30 million;

(3) it publicly offers 25 percent or more of its total shares; or 10 percent or more of its total shares if its total capital stock exceeds RMB 400 million;

(4) it satisfies the criteria for market capitalization and financial indicators under these Rules; and

(5) it meets other listing requirements as may be imposed by the Exchange.

For a red chip enterprise that offers stock, Subparagraph (2) of the preceding Paragraph shall be adjusted as follows: it has a total post-offering capital stock of no less than 30 million shares; Subparagraph (3) of the preceding Paragraph shall be adjusted as follows: it publicly offers 25 percent or more of its total shares; or 10 percent or more of its total shares if its total capital stock exceeds RMB 400 million shares. For a red chip enterprise that offers depositary receipt, Subparagraph (2) of the preceding Paragraph shall be adjusted as follows: it has a total post-offering depositary receipt of no less than 30 million units; Subparagraph (3) of the preceding Paragraph shall be adjusted as follows: it publicly offers depositary receipt units representing 25 percent or more of the shares of the underlying stock, or if its post-offering depositary receipt exceeds 400 million units, 10 percent or more of the shares.

The Exchange may, upon the approval of the CSRC, modify the above listing requirements and criteria to reflect market conditions.

2.1.2 A domestic issuer which does not have in place a differentiated voting rights (DVR) arrangement shall meet at least one of the following criteria on market capitalization and financial indicators:

(1) it has made a positive net profit in each of the most recent 2 years totaling no less than RMB 100 million and the net profit in the most recent year is no less than RMB 60 million;

(2) it has an estimated market capitalization of no less than RMB 1.5 billion, and achieved a positive net profit and no less than RMB 400 million in operating revenue in the most recent year; or

(3) it has an estimated market capitalization of no less than RMB 5 billion and achieved an operating revenue of no less than RMB 300 million in the most recent year.

2.1.3 A red chip enterprise which complies with the relevant provisions of the *Notice of the General Office of State Council on Forwarding the Opinions of the CSRC on Launching the Pilot Program of Offering Stocks or Depositary Receipts in China by Innovative Enterprises* (Guo Ban Fa [2018] No. 21) may apply to offer stock or depositary receipt and list it on the ChiNext Market.

To apply to be listed on the ChiNext Market, an overseas unlisted red chip enterprise with fast growing operating revenue, independently developed and internationally leading technologies, and relative competitive edge over its peers, shall meet the following requirements for market capitalization and financial indicators:

(1) it has an estimated market capitalization of no less than RMB 10 billion; or

(2) it has an estimated market capitalization of no less than RMB 5 billion and achieved an operating revenue of no less than RMB 500 million in the most recent year.

The “fast-growing operating revenue” in the preceding Paragraph means:

(1) a compound growth rate on operating revenue of 10 percent or more in each of the last 3 years, if the issuer had an operating revenue of no less than RMB 500 million in the most recent year;

(2) a compound growth rate on operating revenue of 20 percent or more in each of the last 3 years, if the issuer had an operating revenue of less than RMB 500 million in the most recent year; or

(3) a compound growth rate on operating revenue higher than the average rate of comparable companies in each of the last 3 years, if the industry as a whole is in a downward cycle due to cyclical fluctuations or other factors.

The above “fast-growing operating revenue” test shall not apply to red chip enterprises that are in the R&D stage or that are important to the national innovation-driven development strategy.

2.1.4 An issuer which has in place a DVR arrangement shall at least meet one of the following criteria for market capitalization and financial indicators:

(1) it has an estimated market capitalization of no less than RMB 10 billion; or

(2) it has an estimated market capitalization of no less than RMB 5 billion and made an operating revenue of no less than RMB 500 million in the most recent year.

The eligibility for holding shares with special voting rights and the DVR arrangement provisions of the issuer’s articles of association shall be consistent with the provisions of Section 4, Chapter IV of these Rules.

2.1.5 For the purpose of this Section, the net profit refers to the lower of the net profit before or after non-recurring gain or loss; the net profit and operating revenue all mean the audited amount thereof; the estimated market capitalization refers to the total nominal value of an issuer's stock calculated by multiplying the number of total post-offering shares by the offering price.

2.1.6 An issuer who has completed the domestic IPO of its stock after CSRC approves the registration of its stock shall submit the following documents to the Exchange when applying for listing of its stock on the Exchange:

(1) a listing application;

(2) the CSRC's decision approving the registration of its stock;

(3) a document evidencing the registration of all its IPO shares with China Securities Depository and Clearing Corporation Limited Shenzhen Branch (hereinafter, the CSDC) upon completing the IPO;

(4) a capital verification report produced by a Certified Public Accountant (hereinafter, CPA) firm that meets the requirements of the *Securities Law* upon completing the IPO;

(5) proof, declarations and undertakings issued by the issuer and its controlling shareholders, de facto controllers, directors, supervisors and senior officers in accordance with these Rules and other relevant rules of the Exchange;

(6) financial materials and statements on relevant material matters additionally provided as required after the IPO and before the listing (if applicable); and

(7) other documents as required by the Exchange.

2.1.7 An issuer and its directors, supervisors and senior officers shall ensure that the listing application documents are true, accurate and complete and free from misrepresentations, misleading statements and material omissions.

2.1.8 The Exchange will, within 5 trading days of receiving the full set of listing application documents, decide on whether to grant an approval.

If any material matter occurs to an issuer which has a material effect on whether it will meet the listing and disclosure requirements, the Exchange may submit such matter to the Listing Review Committee (hereinafter, Listing Committee) for deliberation. The time for such deliberation will not be included in the time limit prescribed in the foregoing Paragraph.

2.1.9 Upon approval by the Exchange of an issuer's application for listing its IPO stock, the issuer shall, within 5 trading days before the listing, disclose the following documents on the website of the Exchange and in the media that meet the requirements of the CSRC (collectively, eligible media):

(1) the listing announcement;

(2) the articles of association of the issuer; and

(3) other documents as required by the Exchange.

2.1.10 After disclosing a preliminary prospectus or a prospectus, an issuer shall pay continuous attention to reports or rumors about it in the media (including newspapers, websites, stock forums, and we-media) and verify them with relevant parties in a timely manner. If any reports or rumors may significantly affect the prices of or the investment decisions on its shares and derivatives thereon, the issuer shall issue a risk alert announcement on the first day of listing to clarify relevant issues and warn against its main risks.

Section 2 Offering and Listing of Shares and Derivatives Thereon by Listed Companies

2.2.1 Where a listed company legally offers its shares or convertible bonds to non-specified investors, it shall, according to the relevant rules of the CSRC and the Exchange, promptly disclose an announcement on the offering of the shares or convertible bonds, and apply to the Exchange for the offering.

2.2.2 A listed company that has completed the offering and registration of its shares or convertible bonds shall, according to the relevant rules of the Exchange, disclose the listing announcement and other relevant documents, and apply to the Exchange for the listing thereof.

2.2.3 A listed company that applies for the listing of its shares or convertible bonds on the Exchange shall still meet the corresponding offering requirements.

2.2.4 Upon the Exchange's approval of its application for listing new shares or convertible bonds, a listed company shall, within 5 trading days before the listing, disclose the following documents in the eligible media:

(1) a listing announcement;

(2) a report on changes in shareholdings (in the case of new shares); and

(3) other documents as required by the Exchange.

Section 3 Management of Changes in Stocks

2.3.1 The lock-up and reduction of and other changes in shares of the stock of a listed company held by its shareholders, directors, supervisors and senior officers shall be governed by the *Company Law*, the *Securities Law*, the CSRC's relevant regulations, these Rules, other relevant rules of the Exchange, and the listed company's articles of association.

A shareholder of a listed company may transfer its/his pre-IPO shares to specified institutional investors through request for quotes or placement. The methods, procedures, prices, percentages, and subsequent matters for the transfer will be prescribed by the Exchange separately and subject to the approval of the CSRC.

2.3.2 The pre-IPO shares held by the shareholders of a listed company may be, prior to the listing of its stock, placed under the custody of the sponsor that provides sponsorship services for its IPO and listing. The sponsor shall, according to the business rules of the Exchange, supervise and manage the shareholders' instructions for reduction of their pre-IPO shares.

2.3.3 The pre-IPO shares held by the shareholders of a listed company shall not be transferred within 12 months upon the listing of its stock.

2.3.4 A controlling shareholder or de facto controller of a listed company and its/his parties acting in concert shall comply with the following provisions when reducing their pre-IPO shares in the company:

(1) within 36 months of listing of the stock of the listed company, they shall not transfer or authorize other persons to manage any pre-IPO shares directly or indirectly held by them, nor shall they propose the repurchase thereof by the listed company; and

(2) other provisions of laws and regulations, the CSRC's regulations, these Rules, and the Exchange's business rules regarding the transfer of shares by controlling shareholders and de facto controllers.

Where an issuer applies to the Exchange for IPO and listing of its stock, the controlling shareholders or de facto controllers of the issuer and their parties acting in concert shall undertake to comply with the provisions of the preceding Paragraph.

The parties to the transfer may be exempt from Paragraph 1 of this Subsection upon expiry of 12 months from the listing date of the issuer's stock if they are in a control relation or under the common control of the same de facto controller.

2.3.5 If a listed company does not make a profit when being listed, its controlling shareholders, de facto controllers sand their respective parties acting in concert shall not reduce their holdings of pre-IPO shares within 3 full financial years from the listing date of its stock until it makes a profit; and may, subject to other relevant shareholding reduction provisions of the Exchange, each year reduce their holdings of pre-IPO shares equivalent to no more than 2 percent of its total shares in 4th and 5th financial years from the listing date.

If a listed company does not make a profit when being listed, its directors, supervisors and senior officers shall not reduce their holdings of pre-IPO shares within 3 full financial years from the listing date of its stock until it makes a profit; and shall continue to be bound by this Paragraph even if they leave office within such period.

After the company makes a profit in a year, the shareholders specified in the preceding two Paragraphs may, subject to other provisions of this Section, reduce their holdings of pre-IPO shares from the day immediately following the disclosure of its annual report for that year.

2.3.6 A listed company that applies for listing its lock-up shares shall follow relevant rules of the Exchange and, within 3 trading days prior to the listing, publish an indicative announcement.

2.3.7 Where a controlling shareholder or de facto controller of a listed company intends to reduce its/his holdings of pre-IPO shares upon the expiration of the lock-up period, the company shall make and disclose an arrangement for the control of the company for the next 12 months to ensure the company’s continuous and stable operation.

2.3.8 The directors, supervisors and senior officers of a listed company shall, in accordance with the relevant rules of the Exchange, report to the Exchange and apply for lock-up of the shares that they hold in the company.

In case of any changes in the shareholdings of directors, supervisors, or senior officers in the company (excluding those arising from distribution of stock dividend and conversion of capital reserve into capital stock), they shall report to the company in a timely manner and the company shall make an announcement on the website of the Exchange.

2.3.9 If a listed company is likely to trigger a circumstance requiring compulsory delisting for material violations under Chapter X of these Rules, the controlling shareholders, de facto controllers, directors, supervisors, senior officers of the listed company and their parties acting in concert shall not reduce their shareholdings in the company during the period from the date on which an advance notice of administrative penalty or judicial decision is issued to the occurrence of any of the following circumstances:

(1) the company's stock is terminated from listing and delisted; or

(2) the company receives the corresponding administrative penalty decision or the effective judicial decision of a people's court, showing that the company does not trigger any circumstance requiring compulsory delisting for material violations.

If the company has no controlling shareholder or de facto controller according to its disclosure, its largest shareholder and the de facto controller of its largest shareholder shall comply with the provisions of the preceding Paragraph.

2.3.10 Where any change in the shares in a listed company in which an investor and its/his parties acting in concert have an interest constitutes an acquisition or equity change under the *Securities Law* or the *Measures on the Administration of Acquisition of Listed Companies*, they shall fulfill reporting and announcement obligations as required and shall promptly notify the listed company to release an indicative announcement.

Upon knowledge of such acquisition or equity change, the listed company shall release an announcement in a timely manner.

2.3.11 If, due to any change in the capital stock of a listed company, a change in the shares in which an investor and its/his parties acting in concert have an interest constitutes an equity change under the *Securities Law* or the *Measures on the Administration of Acquisition of Listed Companies*, the company shall, within 2 trading days of registration of the change in the capital stock, make an announcement disclosing the resulting change in investors' interest.

2.3.12A controlled subsidiary of a listed company shall not hold the shares issued by the company. If, for special reasons, the controlled subsidiary holds the shares, it shall divest its shareholding in the company within 1 year, and before the divestment, shall not exercise the voting rights of the shares.

2.3.13A contractual fund, trust plan or asset management plan holding 5 percent or more of shares of a listed company shall, in its document of changes in equity, disclose the party controlling the voting rights of the shares, as well as whether the party has a related-party relationship with the controlling shareholders, de facto controllers, directors, supervisors, or senior officers of the company.

A contractual fund, trust plan or asset management plan who becomes the controlling shareholder, the largest shareholder or the de facto controller of a listed company shall, in addition to the obligation specified in the preceding Paragraph, make a pass-through disclosure tracing back to its ultimate investors in its document of changes in equity.

2.3.14 If a listed company has no controlling shareholders and de facto controllers, its largest shareholder and ultimate controller shall comply with, *mutatis mutandis*, the provisions regarding controlling shareholders and de facto controllers of this Section.

If a special asset management plan established by the senior officers of an issuer reduces its strategic placement shares in the issuer’s stock through call auction, it shall perform disclosure obligations with reference to the provisions of the Exchange regarding shareholding reduction by senior officers.

Chapter III Listing Sponsorship and Continuous Supervision and Guidance

Section 1 General Rules

3.1.1 Where an issuer applies to the Exchange for the listing of its IPO shares or depositary receipts or of its post-IPO new shares, depositary receipts or convertible bonds, it shall engage a sponsor, unless the sponsorship is not required under applicable rules.

A sponsor shall be a securities company that is qualified to offer sponsor services and has full membership of the Exchange.

3.1.2 A sponsor shall enter into a sponsorship agreement with the issuer, specifying their rights and obligations during the listing application period and the continuous supervision and guidance period of the stock, depositary receipts, or convertible bonds of the issuer.

The continuous supervision and guidance period refers to, in the case of IPO shares, the remaining of the IPO year and the subsequent 3 full financial years; in the case of post-IPO new shares or convertible bonds, the remaining of the issuance year and the subsequent 2 full financial years; in the case of relisting, the remaining of the relisting year and the subsequent two full financial years. This period commences from the listing date of relevant stock or convertible bonds.

If the company has major defects in or violates rules on information disclosure, compliant operation, corporate governance or internal controls, or exposes to high risks of major changes in the de facto controllers, board of directors or senior management, the sponsor shall urge the company to resolve relevant issues or eliminate relevant risks. If, upon the expiration of the continuous supervision and guidance period, the company fails to resolve such issues or eliminate such risks, the Exchange may require the sponsor to continue performance of its continuous supervision and guidance duties.

3.1.3 When entering into a sponsorship agreement, a sponsor shall designate 2 sponsor representatives to be responsible for the sponsorship tasks and serve as the designated point of contact between the sponsor and the Exchange.

3.1.4 A sponsor that sponsors the listing of stocks, depositary receipts, or convertible bonds shall submit to the Exchange the letter of listing sponsorship, supporting documents showing that the sponsor has been approved by the CSRC for conducting securities underwriting and sponsorship, and other documents related to listing sponsorship.

3.1.5 A sponsor shall establish and duly implement a sound management rules for continuous supervision and guidance. During the continuous supervision and guidance period, the sponsor and sponsor representatives of a listed company shall, in view of the company’s specific situations, develop an implementation plan for performing their duties of continuous supervision and guidance.

3.1.6 A sponsor and an issuer shall not terminate their sponsorship agreement during the period from the publication of securities offering documents to the end of the continuous supervision and guidance period without a justifiable reason. Where the issuer engages another sponsor for its further offering of shares, it shall terminate the sponsorship agreement. If the sponsor is disqualified from sponsorship services by the CSRC, the issuer shall terminate the sponsorship agreement and engage another sponsor.

Where the sponsor and the issuer terminate their sponsorship agreement, the issuer shall, within 5 trading days of the termination, disclose the matter and explain the reason.

Where the issuer engages another sponsor, it shall make an announcement in a timely manner. The new sponsor shall submit to the Exchange the relevant documents under Subsection 3.1.4 in a timely manner.

3.1.7 Where a sponsor changes its sponsor representative, it shall notify the issuer in a timely manner. The issuer shall disclose such change in a timely manner upon receipt of the sponsor's notification.

Section 2 Performance of Continuous Supervision and Guidance Duties

3.2.1 A sponsor shall supervise and guide the listed company in developing and effectively implementing sound systems for corporate governance, internal financial control, and information disclosure, fulfilling disclosure obligations and other relevant obligations according to the provisions of these Rules, reviewing disclosure documents and other relevant documents, and ensuring the documents prepared and issued are true, accurate, and complete and free from misrepresentations, misleading statements or material omissions.

The sponsor and sponsor representatives shall supervise and guide the controlling shareholders, de facto controllers, directors, supervisors and senior officers of the listed company in complying with these Rules and other relevant rules of the Exchange and fulfilling their undertakings.

3.2.2 After a listed company submits disclosure documents or other documents to the Exchange or fulfills its information disclosure obligations, the sponsor of the listed company shall review relevant documents. If any issue is identified in the disclosure documents during the review, the sponsor shall promptly urge the listed company to correct or supplement the documents.

3.2.3 If there is a material unusual movement in the prices of the stock of a listed company as prescribed in these Rules, the sponsor and sponsor representatives shall urge the listed company to fulfill disclosure obligations in a timely manner in accordance with these Rules.

3.2.4 Where any information disclosed in an ad hoc report of a listed company involves such material matters as fundraising, related party transaction, trustee investment, provision of guarantees, or provision of external financial assistance, the sponsor shall issue an opinion in accordance with the relevant provisions of the CSRC and the Exchange.

3.2.5 Upon the occurrence of any of the following events in the day-to-day operation of a listed company, its sponsor shall issue and disclose an opinion on whether the event has any impact on the day-to-day operation of the company and whether there exists any other undisclosed material risk:

(1) its main business is stagnant, or there occurs a material risk event that might cause such stagnation;

(2) its major assets are sealed up, seized, or frozen;

(3) it fails to settle any major debt that is due;

(4) its controlling shareholders, de facto controllers, directors, supervisors or senior officers are subject to the compulsory measures of a judicial authority for suspected crimes; or

(5) there occur other events on which the Exchange or the sponsor deems necessary to issue an opinion.

3.2.6 Upon the occurrence of any of the following events to a listed company that expose its core competitiveness to a major risk, its sponsor shall issue and disclose an opinion on whether the event has any impact on the core competitiveness and day-to-day operation of the company and whether there exists any other undisclosed major risk:

(1) there is a resignation by or major change in the company's core technical team, key technical personnel, or other staff members who have a significant impact on the company's core competitiveness;

(2) any of the company's currently-used major assets or core technologies, including core trademarks, patents, proprietary technologies and concessions and franchises, expires for license, gets involved in any major disputes, is restricted from use, or incurs any other major adverse changes;

(3) the company's major products, core technologies, key equipment or business models are at risk of being replaced or eliminated;

(4) any of the company's major R&D projects fails, is terminated, or is not approved by the competent authority, or the company waives its right to continue investing in or control its major core technology projects; or

(5) there occur other events on which the Exchange or the sponsor deems necessary to issue an opinion.

3.2.7 Upon the occurrence of any of the following events to a listed company, its sponsor and sponsor representatives shall conduct a special on-site inspection within 15 days from the date when they know or should have known the event:

(1) the company is suspected of committing a material financial fraud;

(2) the company's controlling shareholders, de facto controllers, directors, supervisors or senior officers are suspected to have encroached upon the its interests;

(3) the company might have provided a major guarantee in violation of regulations;

(4) the company's capital movements or cash flows have major abnormalities; or

(5) there occur any other events of which the Exchange or the

sponsor deems necessary to conduct an on-site inspection.

In the case of an on-site inspection, the sponsor shall inform the listed company of the results of such inspection and any matter requiring the attention of the company, and disclose an on-site inspection report within 10 trading days after the inspection ends.

3.2.8 During the continuous supervision and guidance period, the sponsor shall, within 15 trading days of the listed company's disclosure of its annual reports or semi-annual reports, disclose a follow-up report in an eligible media in accordance with the relevant provisions of the CSRC and the Exchange.

The sponsor shall conduct necessary on-site inspections of the listed company to ensure that the opinions issued by it contain no misrepresentation, misleading statement, or material omission.

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

A listed company shall duly cooperate with the sponsor's and sponsor representatives' performance of continuous supervision and guidance duties in accordance with the relevant provisions of the CSRC and the Exchange. Where the listed company fails to do so, the sponsor and its sponsor representatives shall urge the company to rectify the situation and shall promptly report to the Exchange.

3.2.10 Where a sponsor, in the performance of its sponsorship duties, has sufficient reason to believe that the listed company might have violated these Rules, it shall urge the listed company to explain the situation and rectify the same within a specified time limit, and shall report the same to the Exchange.

Where the sponsor intends to make a public statement on the listed company's violations of laws and regulations according to relevant rules, it shall file a written report with the Exchange in advance, and upon the Exchange's review, publish the statement in an eligible media. The Exchange conducts *prima facie* review of the statement and is not liable for the substance thereof.

3.2.11 Where a sponsor has sufficient reason to believe that a professional opinion issued by a securities service provider and the signatories thereof might violate laws or regulations, such as containing misrepresentation, misleading statement, or material omission, or be otherwise improper, it shall issue an opinion in a timely manner and report to the Exchange.

3.2.12 After completing the continuous supervision and guidance, a sponsor shall issue a sponsorship final report within 10 trading days of the date when the listed company discloses its annual report.

3.2.13 Upon the expiration of the continuous supervision and guidance period, if the funds raised by a listed company have not been used up, the sponsor shall continue performance of continuous supervision and guidance duties relating to the funds and complete other unfinished sponsorship tasks (if any).

Chapter IV Corporate Governance

Section 1 Shareholders' General Meeting, Board of Directors and Board of Supervisors

4.1.1 A listed company shall have in place and implement robust and effective internal controls; establish a sound independent directors system; develop a sound and effective system for separation of powers and checks and balances; ensure the lawful operation and rational decision-making of its shareholders' general meeting, board of directors, board of supervisors, and other organs; and guarantee the legality and compliance of its operation and management, the security and safety of its capital and assets, and the truthfulness, accuracy, and completeness of its information disclosure.

4.1.2 A listed company shall hold a shareholders' general meeting in accordance with laws and regulations and its articles of association. When shareholders put forward a written proposal for holding a shareholders' general meeting, the board of directors of the company shall, within the specified period and without undue delay, give written feedback on whether it agrees to hold the shareholders' general meeting.

Where shareholders convene a shareholders' general meeting on their own, they shall, prior to the dispatch of the notice of the shareholders' general meeting, notify the board of directors in writing and file the relevant documents with the Exchange. During the period from the dispatch of the notice to the end of the meeting, the convening shareholders shall hold at least 10 percent of the total shares of the listed company.

Where shareholders legally convene a shareholders' general meeting on their own, the board of directors and board secretary of the company shall provide cooperation and necessary support and shall fulfill information disclosure obligations in a timely manner.

4.1.3 During a shareholders' general meeting of a listed company, the company shall equally treat all shareholders, and shall not, by unlawful transfer of benefits, exchange of benefits or otherwise, sway the voting by the shareholders, manipulate the voting results, or harm the lawful rights and interests of other shareholders. When the shareholders' general meeting considers material matters affecting the interests of minority investors, the votes of minority investors shall be counted separately and disclosed.

4.1.4 A listed company shall, by means of announcement, notify its shareholders of the holding of an annual shareholders' general meeting 20 days in advance and of an extraordinary shareholders' general meeting 15 days in advance. The notice shall specify the time, place and form of the meeting and such other matters as the convener and the equity record date, and fully and completely disclose the details of all the proposals. In addition, the company shall also disclose in the eligible media other materials necessary for shareholders to make reasonable judgements on the matters to be discussed.

A shareholders' general meeting of a listed company shall be held in a venue by means of in-person meeting. The time and place of the in-person meeting should be convenient for shareholders to participate. After the notice of the meeting is issued, there shall be no change in the place of the in-person meeting without justified causes. If there is a need for change, the convener shall issue a notice of the change and explain the specific reasons at least 2 trading days before the in-person meeting date.

A listed company shall provide an online voting platform to facilitate shareholders' participation in the shareholders' general meeting. Shareholders who attend the meeting by such means shall be deemed present.

4.1.5 After the notice of a shareholders' general meeting of a listed company is issued, the meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice shall not be cancelled. In the event of postponement or cancellation, the company shall issue a notice to that effect 2 trading days before the original meeting date, stating the specific reasons therefor. In the case of postponement, the new meeting date shall also be disclosed in the notice.

4.1.6 A shareholders' general meeting shall engage a law firm to issue a legal opinion on the legality and validity of such matters as the convening and holding procedures of the meeting, the eligibility of the attendees and the convener, and the voting procedures.

The resolutions of the shareholders' general meeting and the legal opinion shall be disclosed in the eligible media on the day the meeting ends.

4.1.7 A listed company shall hold a meeting of the board of directors in accordance with the laws and regulations and its articles of association. Where the resolutions of the board of directors involve matters requiring consideration by the shareholders' general meeting or material matters specified by these Rules, the company shall separately disclose the announcement of the resolutions and the announcement of the relevant material matter.

4.1.8 A listed company shall hold a meeting of the board of supervisors in accordance with laws and regulations and its articles of association and after the end of the meeting, disclose the resolutions thereof in a timely manner.

4.1.9 A listed company shall establish an audit committee within the board of directors, and may set up strategy, nomination, remuneration and assessment, and other special committees, which shall perform duties according to the articles of association of the company and the authorization of the board of directors.

Each special committee is composed entirely of directors. Independent directors shall comprise the majority of each of the audit, nomination, and remuneration and assessment committees and an independent director shall serve as the convener of each such committee. The audit committee shall comprise directors not concurrently serving as the senior officers of any listed company, and the convener shall be an accounting professional.

The audit committee is responsible for reviewing the listed company's financial information and the disclosure thereof, and for supervising and evaluating the internal and external audit activities and internal controls. The following matters may be submitted to the board of directors for deliberation only with the consent of a majority of the audit committee:

(1) disclosure of the financial information and the internal control evaluation reports in the financial reports and periodic reports;

(2) engagement or dismissal of accounting firms that perform the auditing of the company;

(3) appointment or dismissal of the person in charge of finance of the company;

(4) changes in accounting policies or accounting estimates, or correction of material accounting errors, for reasons other than changes in accounting standards; and

(5) other matters specified by laws and regulations, relevant rules of the Exchange, or the articles of association of the company.

The nomination committee and the remuneration and assessment committee shall perform duties and advise the board of directors on relevant matters in accordance with laws and regulations, the rules of the CSRC, the relevant rules of the Exchange, the articles of association of the company, and the rules of the board of directors. If the board of directors does not accept or fully accept the advice of the nomination committee or the remuneration and assessment committee, the committee shall record the relevant opinions and the specific reasons for the non-acceptance in the resolution of the board of directors and disclose the same.

4.1.10 If the meeting of the shareholders' general meeting, the board of directors, or the board of supervisors of a listed company cannot be normally held, or if the validity of the resolutions of the meeting is disputed, the company shall promptly disclose the relevant matters, the claims of the disputing parties, its current status, other information beneficial to investors' understanding of its realities, as well as its lawyer's special legal opinion.

If any of the circumstances in the preceding Paragraph arises, the board of directors of the company shall maintain a normal production and operation order of the company, protect the interests of the company and all shareholders, and fairly treat all shareholders.

Section 2 Directors, Supervisors, and Senior Officers

4.2.1 The directors, supervisors and senior officers of a listed company shall, prior to the listing of the company's IPO stock, sign a *Declaration and Undertaking of Directors (Supervisors or Senior Officers)* and file the same with the Exchange and the board of directors of the company. Newly appointed directors, supervisors and senior officers of the company shall do so within 1 month after their appointment.

The signature of the *Declaration and Undertaking of Directors (Supervisors or Senior Officers)* shall be witnessed by a lawyer, who will explain the document. Upon full understanding of the document, the above persons shall sign and seal the document and guarantee that the matters they declare therein are true, accurate and complete and free from misrepresentations, misleading statements or material omissions.

In the event of material changes in the matters declared by them (except changes in shareholdings in the company), the above persons shall update and report the changes to the Exchange and the board of directors of the company within 5 trading days.

4.2.2 A director of a listed company shall comply with laws and regulations and the articles of association of the company, perform the following duties of loyalty and diligence, and safeguard the interests of the listed company:

(1) He shall protect the safety and integrity of the company's

assets, and shall not misappropriate the company's funds or encroach upon the company's property or by virtue of his office, seek benefits for the de facto controllers, shareholders or employees of the company, himself, or other third parties to the detriment to the company;

(2) He shall not seek for himself or his close family members (as defined in Subparagraph (4) of Subsection 7.2.5) a business opportunity that belongs to the company without the approval of the shareholders' general meeting, or engage in any like business of the company by himself or through others;

(3) He shall invest sufficient time and energy in taking part in the affairs of the company; track the progress of the events that may have a significant impact on the company's production and operation; promptly report the problems identified in the company's operations to the board of directors; and not evade his responsibilities on the grounds that he is not directly engaged in the operations and management or is not aware of the matters concerned;

(4) He shall, in principle, personally attend the meetings of board of directors, prudently judge the risks and benefits that may arise from the matters under consideration, and in case of absence for any reason, carefully appoint a proxy;

(5) He shall promote the compliant operation of the company, urge the company to fulfill disclosure obligations in a truthful, accurate, complete, fair and timely manner, and promptly rectify and report violations of laws and regulations of the company;

(6) He shall promptly report to the board of directors and urge the company to fulfill information disclosure obligations once he knows any shareholder or de facto controller and its/his related party encroach upon the company's assets, abuse their control power, or otherwise harm the interests of the company or other shareholders;

(7) He shall strictly fulfill its undertakings; and

(8) He shall perform other duties of loyalty and diligence as

prescribed by the laws and regulations, the CSRC, these Rules, other rules of the Exchange, and the articles of association of the company.

Supervisors and senior officers of the company shall perform their duties with reference to the provisions of the above requirements.

4.2.3 A listed company shall, no later than releasing the announcement of a shareholders’ general meeting for electing independent directors, submit to the Exchange the relevant materials on all candidate independent directors (including, among others, the declarations and undertakings of the nominators and the declarations, undertakings, and resumes of the candidates), and ensure that the materials so submitted are true, accurate, and complete. A nominator shall undertake in his declarations and undertakings that there is no conflict of interest between him and the nominees or any circumstance that may affect a nominee’s independent performance of his duties.

If the board of directors of the company disputes relevant information about a candidate independent director, its written opinions thereon shall also be submitted to Exchange.

When holding a shareholders’ general meeting convened for electing independent directors, the board of directors of the company shall state whether the Exchange objects to any candidate independent director and, if yes, shall not nominate him at the shareholders’ general meeting for election.

4.2.4 Independent directors shall fully fulfill their roles in the board of directors in regard to participating in the decision-making process, providing oversight and checks-and-balances, and offering professional advice, and shall perform the following duties in accordance with laws and regulations, the rules of the CSRC, and the articles of association of the company:

(1) to participate in the decision-making of the board of directors and provide explicit opinions on the matters under consideration;

(2) in accordance with the Measures for the Administration of Independent Directors of Listed Companies, to conduct

supervision of any potential material conflicts of interest between the listed company and its controlling shareholders, de facto controllers, directors, and senior officers, to cause the decisions of the board of directors to align with the overall interests of the company, and to protect the lawful rights and interests of minority shareholders;

(3) to provide professional and objective advice on the operations and development of the listed company to help raise the decision-making standard of the board of directors; and

(4) to perform other duties prescribed by laws and regulations, the rules of CSRC rules, the relevant rules of the Exchange, and the articles of association of the company.

An independent director shall perform his duties independently and impartially, free from the influence of the listed company and its major shareholders and de facto controllers as well as other entities and individuals.

4.2.5 An independent director exercises the following special powers:

(1) to independently engage intermediaries to audit, advise on, or verify specific matters of the listed company;

(2) to propose to the board of directors for convening an extraordinary shareholders' general meeting;

(3) to propose for convening a meeting of the board of directors;

(4) to openly and lawfully make proxy solicitations from shareholders;

(5) to issue independent opinions on matters that may harm the interests of the listed company or minority shareholders; and

(6) to exercise other powers prescribed by laws and regulations, the CSRC, or the articles of association of the company.

An independent director that exercises the powers set forth in Subparagraphs (1) to (3) of the preceding Paragraph shall do so after obtaining the approval of a majority of all the independent directors.

The listed company shall promptly disclose the exercise by an independent director of the powers set forth in the first Paragraph of this Subsection. Where the aforesaid powers cannot be exercised as normal, the company shall disclose the specific circumstances and reasons.

4.2.6 The following matters shall be submitted to the board of directors for deliberation after being approved by a majority of all the independent directors of the listed company:

(1) related party transactions that should be disclosed;

(2) plans of the listed company or the parties concerned to change or be exempted from any undertaking;

(3) decisions made and actions taken by the board of directors of an acquired listed company in relation to the acquisition; and

(4) other matters prescribed by laws and regulations, relevant rules of the Exchange, and the articles of association of the company.

4.2.7 A listed company shall establish meetings of independent directors and convene, on a periodic or ad hoc basis, meetings attended exclusively by independent directors to deliberate the matters set forth in Subparagraphs (1) to (3) of Paragraph 1, Subsection 4.2.5 and in Subsection 4.2.6 of these Rules.

A meeting of independent directors may deliberate other matters of the listed company as necessary.

A meeting of independent directors shall be convened and presided over by an independent director selected by a majority of the independent directors. If the convenor refuses or is unable to perform his duties, two or more independent directors may convene and select a representative to preside over the meeting.

A listed company shall provide convenience and support for the convening of meetings of independent directors.

4.2.8 The directors of a listed company shall be elected and replaced by the shareholders' general meeting, and they may be removed by the shareholders' general meeting before expiry of their terms of office. The term of office of each director shall not exceed 3 years and may be renewed upon re-election upon expiry.

4.2.9 A listed company shall appoint a secretary to its board of directors (hereinafter, the board secretary) to serve as the designated point of contact between the company and the Exchange.

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

4.2.10 A listed company shall in principle appoint a board secretary within 3 months after the listing of its IPO stock or within 3 months after the former secretary leaves office. When the position of the board secretary of a listed company becomes vacant, the board of directors shall designate 1 director or senior officer to perform the duties of the board secretary. If the vacancy remains unfilled for over 3 months, the board chairman shall perform the duties in place of the board secretary.

4.2.11 A listed company shall engage a securities affairs representative to assist the board secretary in performing his duties. If the board secretary is unable to perform his duties, the securities affairs representative shall exercise the rights and perform the duties in the place of the board secretary, in which case the board secretary will not be exempt from responsibility for disclosure of the company's information.

Section 3 Controlling Shareholders and De Facto Controllers

4.3.1 The controlling shareholders or de facto controllers of a listed company shall, prior to the listing of the company's IPO stock or within 1 month after change of control of the company, sign a *Declaration and Undertaking of Controlling Shareholders and De Facto Controllers* and file the same with the Exchange and the board of directors of the company.

The signature of the *Declaration and Undertaking of Controlling Shareholders and De Facto Controllers* shall be witnessed by a lawyer, who will explain the document. Upon full understanding of the document, a controlling shareholders or de facto controller shall sign and seal the document and guarantee that the matters he/it declares therein are true, accurate and complete and free from misrepresentations, misleading statements or material omissions.

In the event of material changes in the matters declared by them (except changes in shareholdings in the company), the controlling shareholders and de facto controllers shall update and report the changes to the Exchange and the board of directors of the company within 5 trading days.

4.3.2 The controlling shareholders and de facto controllers of a listed company shall act in good faith, exercise shareholder rights in accordance with law, refrain from abusing their control power to harm the interests of the company or other shareholders, and fulfill the following obligations:

(1) complying with national laws, administrative regulations, ministry-level rules, normative documents, these Rules, other relevant rules of the Exchange, and the articles of association of the company, and submit to the supervision of the Exchange;

(2) not misappropriating the company’s funds or requiring the company to provide guarantees in any way in violation of laws and regulations;

(3) not harming the lawful rights and interests of the company or other shareholders through unfair related party transactions, profit distributions, asset restructuring, external investment or otherwise;

(4) not seeking benefits using the non-published material information of the company, or divulging the non-published material information in any way, or engaging in insider trading, short-swing trading, market manipulation, and other violations of the laws and regulations;

(5) ensuring the integrity of the company’s assets, independence of its personnel, finance, organs and business, and not affecting the company’s independence in any way;

(6) strictly fulfilling their public declarations and undertakings, and not changing or releasing themselves from the declarations and undertakings without authorization;

(7) strictly fulfilling disclosure obligations in accordance with relevant regulations, ensuring the information disclosed is true, accurate and complete and free from misrepresentations, misleading statements or material omissions, voluntarily cooperate with the company in information disclosure, promptly inform the company of material matters that have occurred or may occur, and faithfully responding to the Exchange’s inquiry; and

(8) fulfilling other obligations that should be fulfilled as deemed by the Exchange.

4.3.3 The controlling shareholders of a listed company shall prudently pledge their shares in the company and reasonably use the funds obtained from the pledge, so as to maintain stability of the control, production and operation of the company.

4.3.4 A listed company shall determine the ownership of its control in an objective and prudent manner by considering its equity structure, the nomination, appointment, and removal of its directors, and other aspects of its internal governance.

If the company is jointly controlled through an acting-in-concert agreement, the agreement shall set forth the joint control arrangement and the mechanism for control termination.

Section 4 DVR Arrangement

4.4.1 If an issuer has in place a DVR arrangement prior to its IPO and listing, such DVR arrangement shall be approved by two-thirds or more of voting rights of the shareholders attending the shareholders’ general meeting.

If the issuer does not have in place a DVR arrangement prior to its IPO and listing, it may not adopt such arrangement thereafter in any way.

4.4.2 Except for differences in voting rights as set out in a listed company’s articles of association, shareholders holding ordinary shares shall have the exact same rights as those holding special voting shares.

4.4.3 A shareholder holding special voting shares of a listed company shall be a person who has made material contribution to the development of the company and has served as a director before its listing and continues to serve as a director after its listing, or a shareholding party actually controlled by such person.

The shares of the listed company in which special voting shareholders has interest shall, in aggregate, account for 10 percent or more of all issued voting shares of the company.

4.4.4 The articles of association of a listed company shall specify the number of voting rights for each special voting share.

The number of voting rights for each special voting share shall be the same and shall not exceed 10 times that of voting rights for each ordinary share.

4.4.5 Upon the listing of its stock on the Exchange, a listed company shall not issue special voting shares in and outside Chinese mainland, nor increase the percentage of special voting rights, unless in connection with a proportional rights issue, conversion of capital reserve into capital stock, or distribution of stock dividends.

If reasons such as repurchase of shares may result in a higher percentage of special voting rights, the listed company shall ensure that such percentage is not higher than the existing level by taking such measures as converting a corresponding number of special voting shares into ordinary shares.

For the purposes of these Rules, the percentage of special voting rights refers to the ratio of the number of voting rights for all special voting shares of a listed company to that of its total issued voting shares.

4.4.6 A listed company shall ensure that the percentage of ordinary voting rights is not less than 10 percent; a shareholder, alone or with others, holding 10 percent or more of the company’s issued voting shares shall have the right to propose the holding of its extraordinary shareholders’ general meeting; a shareholder, alone or with others, holding 3 percent or more of the company's issued voting shares shall have the right to put forward proposals at its shareholders' general meeting.

For the purposes of these Rules, the percentage of ordinary voting rights refers to the ratio of the number of voting rights for all ordinary shares of a listed company to that of its total issued voting shares.

4.4.7 Special voting shares shall not be traded in the secondary market, but may be transferred in accordance with applicable rules of the Exchange.

4.4.8 Special voting shares of a listed company shall be converted into ordinary shares at a ratio of 1:1 if:

(1) its shareholder holding the special voting shares no longer meets the eligibility and minimum shareholding requirements specified under Subsection 4.4.3, or becomes incapable of performing corresponding duties, leaves office, or dies;

(2) its shareholder actually holding the special voting shares loses actual control over the shareholding party under his control;

(3) its shareholder holding the special voting shares transfers such shares to any other person, or delegates the exercise of the voting rights of such shares to any other person, except for the transfer or delegation to the party actually controlled by such shareholder; or

(4) there is a change in the control of the company.

Upon the occurrence of the event under Subparagraph (4) of the preceding Paragraph, all issued special voting shares of the listed company shall be converted into ordinary shares.

4.4.9 The number of voting rights for each special voting share shall be identical to that of voting rights for each ordinary share when the shareholders of a listed company exercise their voting rights over:

(1) the revision of the company's articles of association;

(2) the change of number of voting rights for special voting

shares;

(3) the appointment or dismissal of independent directors;

(4) the appointment or dismissal of supervisors;

(5) the engagement or dismissal of a CPA firm which issues audit opinions on the periodic reports of the company; and

(6) the merger, division, dissolution, and change of legal form of the company.

The articles of association of the listed company shall provide that when the shareholders' general meeting makes resolutions on matters under Subparagraphs (1), (2) and (6) of the preceding Paragraph, the resolutions shall be approved by two thirds or more of the voting rights of the attending shareholders.

4.4.10 If a listed company has in place a DVR arrangement, it shall, in its periodic report, disclose the implementation of such arrangement, changes in shares, and restoration and exercise of voting right during the reporting period, in particular the information on risk exposure and corporate governance, and the implementation of measures for protection of the lawful rights and interests of investors under such arrangement.

4.4.11A shareholder concerned shall immediately notify the listed company and the company shall make prompt disclosure upon occurrence of any of the following:

(1) special voting shares are converted to ordinary shares;

(2) pledge, freeze, judicial auction sale, custody, trust, or legal restriction on voting is created over the special voting shares held by the shareholder; or

(3) there are other major changes or adjustment.

The relevant announcement shall disclose the specific circumstances, time of occurrence, the number of special voting shares converted to ordinary shares, and the number of remaining special voting shares, among others.

4.4.12 If a listed company has in place a DVR arrangement, its board of supervisors shall, in its annual report, issue specific opinions on:

(1) whether its shareholders holding special voting shares continuously satisfy the requirements of Subsection 4.4.3;

(2) whether any of the events under Subsection 4.4.8 occurs to the special voting shares and whether they are timely converted into ordinary shares upon occurrence of any such event;

(3) whether the percentage of special voting rights continuously complies with the provisions of these Rules;

(4) whether the shareholders holding special voting shares abuse their special voting rights or otherwise damage the lawful rights and interests of investors; and

(5) the compliance of the company and the shareholders holding special voting shares with other provisions of this Section.

4.4.13 In the continuous supervision and guidance period, the sponsor shall express opinions on the matters specified in Subsection 4.4.12 in the annual follow-up report.

In the continuous supervision and guidance period, the sponsor shall perform continuous supervision and guidance obligations on matters concerning the special voting rights of a listed company. When discovering that a shareholder has abused special voting rights or otherwise damaged the lawful rights and interests of investors, the sponsor shall promptly urge the shareholder to correct the situation and report it to the Exchange.

4.4.14 A listed company shall, in its notice of a shareholders' general meeting, state the holders of special voting shares, the quantity of such shares and the number of voting rights attached thereto, and whether the proposals to be considered involve the matters enumerated in Subsection 4.4.9.

4.4.15 Shareholders holding special voting shares of a listed company shall exercise their rights in accordance with applicable laws, regulations, and the company's articles of association, and shall not abuse their special voting rights or by virtue of such rights, harm the lawful rights and interests of investors.

If the lawful rights and interests of investors are damaged due to the occurrence of any event described in the preceding Paragraph, the Exchange may require the company or the shareholders holding special voting shares to make corrections.

4.4.16A listed company or its shareholders holding special voting shares shall, in accordance with applicable rules of the Exchange and the CSDC, complete the procedures for registration of special voting shares and ordinary shares converted from them.

Chapter V General Rules for Disclosure

Section 1 General Principles for Disclosure

5.1.1 A listed company and relevant persons with disclosure obligations shall disclose all information or matters that may significantly affect the trading prices of the company’s shares and derivatives thereon or investors’ investment decisions (hereinafter, material information, material events, or material matters) in a timely and fair manner in accordance with the laws, administrative regulations, ministry-level rules, normative documents, these Rules and other relevant rules of the Exchange and shall ensure that the information disclosed is true, accurate, complete, concise and clear, plain and easy-to-understand and free from misrepresentations, misleading statements or material omissions.

5.1.2 The directors, supervisors and senior officers of a listed company shall ensure that the information disclosed by the company is true, accurate, complete, timely, and fair. If they cannot ensure the truthfulness, accuracy, and completeness of such information, they shall make a statement and provide the reasons therefore in a corresponding announcement.

5.1.3 In these Rules, “true and its variants” mean that a listed company and relevant persons with disclosure obligations shall disclose information based on objective facts or the judgement and opinions derived from facts to ensure the information reflects realities and contains no misrepresentation or misstatement.

5.1.4 In these Rules, “accurate and its variants” mean that a listed company and relevant persons with disclosure obligations shall use clear and proper language and concise and plain wording when disclosing information and ensure the information is easy-to-understand and free of promotional, advertising, flattering, or exaggerating phrases and misleading statement.

A listed company shall disclose forward-looking information and other information relating to its future operations and financial position in a reasonable, prudent, and objective manner, and fully disclose risk factors associated with relevant information and remind investors of possible risks and uncertainties using clear cautionary phrases.

5.1.5 In these Rules, “complete and its variants” mean that a listed company and relevant persons with disclosure obligations shall ensure the information disclosed is complete in content and documentation, adopts the required form, and is free of material omissions.

5.1.6 In these Rules, “timely/prompt and its variants” mean that a listed company and relevant persons with disclosure obligations shall disclose material information within the period specified in these Rules.

5.1.7 In these Rules, “fair and its variants” mean that a listed company and relevant persons with disclosure obligations shall disclose material information simultaneously to all investors to ensure their equal access to the information, and refrain from treating the investors differently or disclosing, divulging, or leaking non-public material information to any specific parties in advance.

Section 2 General Requirements for Disclosure

5.2.1 The information disclosable by a listed company include periodic and ad hoc reports.

The listed company and relevant persons with disclosure obligations shall promptly submit the announcements and relevant record-keeping materials to the Exchange through the online service section of the website of the Exchange or by other means recognized by the Exchange. The submissions shall meet the requirements of the Exchange.

The announcements and materials submitted by the listed company and relevant persons with disclosure obligations shall be prepared in Chinese. Where the Chinese version is accompanied by a foreign language version, the persons with disclosure obligations shall ensure the consistency between the two versions. In case of any discrepancy, the Chinese version prevails.

5.2.2 A listed company shall disclose its announcements to the public through the eligible media. The announcements (excluding those of the board of supervisors) shall be affixed with the seal of the board of directors and filed with the Exchange.

If the company fails to make the disclosure within the specified period, or the contents of the documents disclosed in the eligible media are inconsistent with those filed with the Exchange, the company shall immediately report the situation to the Exchange and make disclosure thereof.

5.2.3 A listed company discloses information in either one-stop (i.e., *ex post* review) or non-one-stop (i.e., *ex ante* review) manner.

In principle, information shall be disclosed in a one-stop manner. The Exchange may adjust the scope of companies eligible for one-stop disclosure based on the disclosure quality and level of compliant operations of these companies.

The scope of announcements of one-stop disclosure is determined by the Exchange and may be adjusted by the Exchange in view of business needs.

5.2.4 The information disclosed by a listed company shall be consistent. Financial information shall be well-articulated and non-financial information shall be mutually corroborated without contradiction. In case of any material discrepancy between the disclosable information and that disclosed, the company shall fully disclose the reasons therefor and provide reasonable explanations.

5.2.5 An announcement of a listed company shall highlight the key points, be logically clear, and avoid using a large number of terminologies, highly obscure expressions or foreign languages and abbreviations thereof and including ambiguous, empty, boilerplate, redundant or repetitive information.

5.2.6 In addition to the information whose disclosure is required by the law, a listed company and relevant persons with disclosure obligations may voluntarily disclose information that can inform investors' value judgements and investment decisions.

In the case of voluntary disclosure, the company and relevant persons with disclosure obligations shall observe the principle of fair disclosure, ensure the completeness, continuity and consistency of the disclosure, avoid selective disclosure and contradiction with the legally disclosed information, and refrain from misleading investors. If any material change in the disclosed information might affect investment decisions, the company shall disclose a progress announcement in a timely manner until the matter concerned is completed.

Where the company and relevant persons with disclosure obligations disclose information as per the preceding Paragraph, they shall make disclosure as per the same requirements when any similar matter occurs.

5.2.7 In the case of a material matter, a listed company shall promptly perform disclosure obligations at the earliest of the followings:

(1) the board of directors or board of supervisors reaches a resolution on the material matter;

(2) a letter of intent or an agreement on the material matter is signed (whether or not a condition or time limit is imposed);

(3) the company (including any of its directors, supervisors or senior officers) knows or should have known the occurrence of the material matter; or

(4) the matter is in planning stage and is difficult to keep confidential or is leaked or causes unusual movement in the prices of the company's shares and derivatives thereon.

5.2.8 Where a listed company plans a material matter for a long period of time, it shall disclose by stages the progress of the material matter, promptly warn against associated risks, and shall not withhold the disclosure solely on the excuse of uncertainty in the outcome of the matter.

If any material change in a disclosed matter might significantly affect the prices of the company's shares and derivatives thereon or investors' investment decisions, the company shall disclose a progress announcement in a timely manner.

5.2.9 Where the information to be disclosed by a listed company and relevant persons with disclosure obligations is recognized as state secrets or trade secrets, and the disclosure thereof or fulfillment of obligations related thereto under these Rules might lead to violations of domestic and foreign laws and regulations, result in unfair competition, harm the interests of the company and investors, or mislead the investors, then the disclosure of such information may be exempted in accordance with the relevant rules of the Exchange.

Where the information to be disclosed by the company is uncertain or recognized as a temporary trade secret, and the timely disclosure thereof might harm the interests of the company or mislead investors and the relevant insiders of such information have undertaken in writing to keep such information confidential, then the company may suspend the disclosure in accordance with the relevant rules of the Exchange.

The company and the relevant persons with disclosure obligations shall prudently determine whether to suspend or exempt a matter from disclosure and shall not arbitrarily expand the scope of suspension or exemption.

Where the information suspended from disclosure is difficult to keep confidential, or has been leaked, or spawns a market rumor, causing significant movements in the prices of the company's shares and derivatives thereon, the company shall immediately disclose the planning and progress of the matter concerned.

5.2.10 A listed company and relevant persons with disclosure obligations shall not employ such other means as press conferences or Q&A with reporters to substitute for disclosure of information or to divulge non-public material information.

If necessary, the company and the relevant persons with disclosure obligations may publish disclosable information through such means as press conference, media interview, corporate website or online we-media during non-trading sessions, provided that the company shall disclose an announcement thereon before the start of the next trading session.

5.2.11 A listed company and relevant persons with disclosure obligations shall not provide any non-public material information to a certain party when communicating with the party by such means as performance briefings, analyst meetings, roadshows, or investigation by investors.

The company shall, according to these Rules, disclose any non-public material information included in any documents submitted to its shareholders, de facto controllers or any other third parties.

5.2.12 Where the application of the relevant disclosure requirements of the Exchange to a listed company and relevant persons with disclosure obligation might make it impossible for them to present the company’s actual operating status or meet the requirements of the industry regulator or the relevant regulations of the company’s place of incorporation, the company and relevant persons with disclosure obligation may apply to the Exchange for adjustment to the application thereof, provided that they shall state the reasons therefor and provide an alternative plan.

Where the Exchange deems the application thereof shall not be adjusted, the company and relevant persons with disclosure obligation shall implement the relevant rules of the Exchange.

5.2.13 Any material matter within the meaning of these Rules that occurs to any controlled subsidiary of a listed company shall be deemed as a material matter occurring to the listed company itself and shall be governed by these Rules.

Any material matter within the meaning of these Rules that occurs to any participating company of the listed company shall, in principle, be governed by these Rules with relevant figures calculated based on the listed company’s ratio of shareholding in the participating company. Where any material matter that occurs to the participating company does not meet the standards specified in these Rules but might significantly affect the prices of the listed company's shares and derivatives thereon or investors' investment decision, the listed company shall perform disclosure obligations by reference to these Rules.

5.2.14 A listed company may apply to the Exchange for suspending or resuming trading of its shares and derivatives thereon in accordance with these Rules and other relevant rules of the Exchange.

The Exchange may decide to suspend or resume trading of the company's shares and derivatives thereon in accordance with these Rules and other relevant rules of the Exchange.

The company shall maintain the continuity of securities trading and exercise caution when applying for trading suspension. It shall not substitute trading suspension for the confidentiality obligations of the company and parties concerned when planning material matters, nor shall it abuse trading suspension or resumption to harm the lawful rights and interests of investors.

In case of extreme abnormal trading on the securities market, the Exchange may, based on the CSRC's decision or the actual conditions of the market, suspend processing the trading suspension applications from listed companies to maintain the trading continuity and liquidity on the market and safeguard the legitimate trading rights of investors.

5.2.15 The Exchange may, as appropriate, decide to suspend or resume trading of the shares and derivatives thereon of a listed company if:

(1) the company materially violates laws and regulations, these Rules and other relevant rules of the Exchange and refuses to make rectifications as required within the specified time;

(2) there are material omissions or misleading statements in the information disclosed by the company, and the company refuses to make corrections, explanations or supplementary disclosure as required;

(3) the company is under investigation by the competent authority for suspected severe violations of laws and regulations, these Rules or other relevant rules of the Exchange in its operations and information disclosure;

(4) the company cannot ensure effective contact with the Exchange or refuses to fulfill its disclosure obligations; or

(5) there exist other circumstances where the Exchange deems that trading suspension or resumption is warranted.

5.2.16 Where the acquirer of a listed company fulfills tender offer obligations, trading in the shares and derivatives thereon of the company will be suspended from the expiration of the tender offer period to the announcement of tender offer results.

After the acquisition, if the equity structure of the company still meets listing requirements, then trading in the company’s shares and derivatives thereon shall be resumed on the date when tender offer results are announced, or if the date falls on a non-trading day, on the following trading day.

After the acquisition, if the equity structure of the company does not meet listing requirements and the acquirer has made the tender offer for the purpose of terminating the listing status of the company, then trading suspension of the company’s shares and derivatives thereon shall remain on the date when tender offer results are announced, and be governed by the provisions in Section 8 of Chapter X. If the acquirer has not made the tender offer for purposes of terminating the listing status of the company, then trading suspension of the company’s shares and derivatives thereon shall remain on the date when tender offer results are announced, and be governed, *mutatis mutandis*, by procedures in Subparagraph (7) of Subsection 10.4.1.

Section 3 Disclosure Management System and Supervision

5.3.1 A listed company shall establish and strictly implement a system for management of disclosure affairs, and disclose such system upon approval by the board of directors.

5.3.2 A listed company shall develop an internal system for publication of information by its directors, supervisors, senior officers, and other relevant personnel, specifying the procedures and means of publication, matters not publishable without the approval of the board of directors, among others.

5.3.3 A listed company shall have in place a sound insider registration and management system, enhance confidentiality of non-public material information during their circulation within the company, and minimize the scope of insiders to prevent leakage of non-public material information.

Before any material information is disclosed, insiders shall not buy or sell the company's stock, divulge such information or recommend others to buy or sell the company's stock.

5.3.4 The shareholders, de facto controllers, acquirers and other relevant persons with disclosure obligations of a listed company shall fulfill disclosure obligations in accordance with relevant rules, promptly inform the company of any actual or threatened material matters, and actively cooperate with the company's information disclosure.

5.3.5 A listed company and relevant persons with disclosure obligations shall track media coverage about the company and trades in the company's shares and derivatives thereon, and promptly confirm the veracity with the parties concerned.

5.3.6 The Exchange conducts *prima facie* review of the information disclosed by a listed company and relevant persons with disclosure obligations in accordance with applicable laws, administrative regulations, ministry-level rules, normative documents, these Rules and other relevant rules of the Exchange, and is not liable for the truthfulness of the information.

The Exchange may make an inquiry to the listed company if it finds the company's disclosure documents questionable after review. The listed company and relevant persons with disclosure obligations shall truthfully respond to the Exchange's inquiry within the specified period, and make timely, truthful, accurate and complete announcement of relevant matters in accordance with these Rules and the requirements of the Exchange. They shall not refuse to fulfill the obligations of making a report, announcement, and reply to the

Exchange's inquiry on the excuse of uncertainty or confidentiality of the matters. If they fail to respond to the Exchange's inquiry or disclose the relevant announcement within the specified period or if the Exchange deems necessary, the Exchange may explain the matters concerned to the market in the form of exchange announcement.

5.3.7 Sponsors and their sponsor representatives, securities service providers, and their relevant persons shall promptly prepare working papers and keep a full set of records and materials for the securities activities of issuers, listed companies and relevant persons with disclosure obligations.

5.3.8 The Exchange may access and check working papers and records and materials of securities activities as dictated by regulatory needs, and the parties concerned shall provide cooperation.

Chapter VI Periodic Reports

Section 1 General Rules

6.1.1 Periodic reports of a listed company include annual reports, semi-annual reports, and quarterly reports.

A listed company shall prepare and disclose periodic reports in accordance with relevant rules of the CSRC and the Exchange.

6.1.2 A listed company shall disclose the annual report within 4 months as of the end of each financial year, the semi-annual report within 2 months as of the end of the first half of each financial year, and the quarterly report within 1 month after the end of the first 3 months and the end of the first 9 months of each financial year, respectively.

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

Any listed company expecting to be unable to disclose its periodic reports within the specified time limit shall, in a timely manner, report to the Exchange and make an announcement on the reasons therefor, its solution plan, and the deadline for a delayed disclosure.

6.1.3 A listed company shall set disclosure dates for its periodic reports upon consultation with the Exchange. The Exchange will work out an overall disclosure timetable for listed companies' periodic reports based on the principle of a balanced pace of disclosure.

A listed company shall disclose periodic reports as per the disclosure timetable. Any listed company that intends to change a disclosure date for certain reason shall file a written application with the Exchange at least 5 trading days in advance, stating the reasons therefor and proposing a new disclosure date. The Exchange will, in accordance with the circumstances, decide whether or not to adjust the disclosure date. In principle, the Exchange only accepts one application from one company to this effect.

6.1.4 The board of directors of a listed company shall ensure timely disclosure of the company's periodic reports. If the board of directors has not considered, does not approve, or is unable to reach a resolution on a periodic report for certain reason, the company shall publicly disclose the reasons therefor, the risks involved, and the specific explanation of the board of directors.

The company shall not disclose a periodic report not deliberated and approved by the board of directors.

6.1.5 The directors, supervisors, and senior officers of a listed company shall give their written opinions on the company's periodic reports in accordance with laws. The board of supervisors shall review the periodic reports prepared by the board of directors and issue a written opinion, stating whether the preparation and deliberation procedures of the board of directors for the periodic reports conform with the laws and regulations and the requirements of the CSRC and the Exchange, and whether the contents of the reports reflect the realities of the company in a truthful, accurate, and complete manner.

Any director, supervisor, or senior officer who cannot guarantee the truthfulness, accuracy, or completeness of or disagrees with any contents in a periodic report shall express their views and reasons in their written opinions, which shall be disclosed by the company. If the company refuses to disclose, the director, supervisor, or senior officer may directly apply for disclosure.

6.1.6 No director, supervisor, or senior officer of a listed company may affect timely disclosure of the company’s periodic reports by refusing to give their written opinions on these reports for any reason.

6.1.7 Any CPA firm engaged by a listed company for auditing financial reports, verifying net assets, and providing other services shall comply with the *Securities Law*.

The engagement or dismissal of a CPA firm by the company must be decided by the shareholders’ general meeting; the board of directors shall not engage any CPA firm before the shareholders’ general meeting so decides.

Dismissal or non-renewal of engagement of a CPA firm by the company shall be notified to the CPA firm in advance. When the shareholders’ general meeting is voting on the dismissal of the CPA firm, the CPA firm may present its opinion. If the CPA firm resigns, it shall state to the shareholders’ general meeting whether there is any misconduct on the part of the company.

6.1.8 The financial report in the annual report of a listed company must be audited.

The financial report in the semi-annual report may be exempt from auditing but the company shall engage a CPA firm to audit such financial report if any of the following applies:

(1) the company plans to distribute profits (except for cash dividend only), convert reserve into capital stock, or use the reserve to offset its losses based on the semi-annual report; or

(2) other circumstances where auditing is required by the CSRC or the Exchange.

The financial information in the quarterly report is exempt from auditing, unless otherwise specified by the CSRC or the Exchange.

6.1.9 If the financial report of a listed company is issued a modified opinion by its CPA firm, the listed company shall submit the following documents to the Exchange at the time when it submits its periodic report in accordance with *The Rules No. 14 on the Preparation of Information Disclosure Documents by Companies That Offer Securities to the Public: Modified Opinions and Handling of the Matters Involved* (hereinafter, *The Rules No. 14*):

(1) special statement made by the board of directors in accordance with *The Rules No. 14* on the matters to which the audit opinion relates, the resolution adopted by the board of directors after considering such special statement, and the materials on which the resolution is based;

(2) opinions and relevant resolution of the board of supervisors on relevant explanations of the board of directors;

(3) special statement made by the CPA firm and the certified public accountant responsible for the audit in accordance with *The Rules No. 14*; and

(4) other documents as required by the CSRC and the Exchange.

6.1.10 If the financial report of a listed company is issued a modified opinion referred to in Subsection 6.1.9, which relates to matters in significant breach of the accounting standards for business enterprises and the relevant information disclosure rules, the company shall take corrective actions and timely disclose the corrected financial accounting information, and the audit report or special assurance report issued by the CPA firm.

If the company fails to disclose information related to the matter in question and take corrective measures to eliminate its effects in a timely manner, the Exchange may take regulatory measures or disciplinary action against the company or report the case to the CSRC for investigation and processing.

6.1.11 If the financial report of a listed company for the most recent financial year is issued an adverse opinion or a disclaimer of opinion by its CPA firm, the company shall, thereafter, state in the first semi-annual report and quarterly report for Q3 whether or not the circumstance warranting the issuance has been eliminated.

6.1.12 If a listed company is ordered to correct any errors or falsehoods in its publicly released financial reports, or the company's board of directors decides to correct such errors or falsehoods, the company shall make timely disclosure when it receives such order or its board of directors makes such decision and shall make corrections and disclosure in accordance with *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.

6.1.13 If a listed company fails to disclose quarterly reports within the specified period, trading in the company's shares and derivatives thereon will be suspended on the trading day following the expiration of the specified period.

If the company also fails to disclose annual report or semi-annual report in addition to the quarterly reports, trading in the company's shares and derivatives thereon shall be suspended and resumed in accordance with Chapter X of these Rules.

6.1.14A listed company's profit distribution shall be based on the distributable profit shown in its parent's latest audited financial statements. To avoid over-distribution, the company shall reasonably consider the current period's profit and determine the specific profit distribution ratio based on the lower of the distributable profit in its consolidated financial statement and that in its parent's financial statements. The company shall determine the frequency of dividend distribution based on the amount of undistributed profits, the current period's performance, and other relevant factors, and increase the frequency of cash distributions when conditions permit, in order to stabilize investors' expectations of dividend distributions.

Section 2 Performance Forecasts and Performance Snapshots

6.2.1 A listed company shall disclose its performance forecasts, performance snapshots, and their restatements in a reasonable, prudent, objective, and accurate manner in strict accordance with the relevant rules of the Exchange. The company shall not use exaggerating, ambiguous, or misleading statement or, by virtue of the information, unduly influence the trading prices of its shares and derivatives thereon.

6.2.2 A listed company that forecasts the occurrence of any of the following circumstances in its annual performance and financial position shall release a performance forecast within 1 month upon the end of the financial year:

(1) its net profit would be negative;

(2) its net profit would turn from negative to positive;

(3) its net profit would be positive and rise or fall by 50 percent or more on a year-on-year basis; or

(4) the lowest of its total profit, net profit, or net profit after deducting non-recurring gain or loss would be negative and its post-deduction operating revenue per Subsection 10.3.2 would be lower than RMB 100 million;

(5) its ending net assets would be negative; or

(6) it falls under other circumstances as recognized by the Exchange.

6.2.3 If a delisting risk warning is issued on the stock of a listed company due to any of the circumstances under Paragraph 1 of Subsection 10.3.1, the company shall, within 1 month from the end of the financial year, release an annual performance forecast, covering its annual operating revenue, post-deduction operating revenue per Subsection 10.3.2, total profit, net profit, net profit after deducting non-recurring gain or loss, and ending net assets.

6.2.4 The Exchange encourages a listed company to disclose its performance snapshots prior to the release of its periodic reports.

The listed company shall disclose its performance snapshots in a timely manner if before disclosing relevant periodic report, it has submitted to competent authorities undisclosed periodic financial data that are expected to lose confidentiality.

The listed company shall disclose its performance snapshots in a timely manner if before disclosing relevant periodic report, its performance data have been leaked or any performance rumors have led to abnormal fluctuations in its shares and derivatives thereon.

6.2.5 If the board of directors of a listed company expects a significant difference between the actual performance or financial position and the disclosed performance forecast or snapshot, the company shall promptly disclose a restatement of the performance forecast or snapshot.

Chapter VII Disclosable Transactions and Related Party Transactions

Section 1 Material Transactions

7.1.1 For the purpose of this Chapter, "transaction" includes the followings:

(1) acquiring or selling assets;

(2) making external investment (including trustee investment and investment in subsidiaries but excluding establishment of and capital increase to wholly-owned subsidiaries);

(3) providing financial assistance (including entrusted loans);

(4) providing guarantee (i.e., a listed company provides guarantee for others, including guarantee for controlled 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) restructuring debts or claims;

(9) transferring R&D projects;

(10) entering into a licensing agreement;

(11) waiving rights (including the right of first refusal and the

pre-emptive subscription right); and

(12) other transactions as recognized by the Exchange.

The following activities of a listed company are not within the meaning of the matters under the preceding Paragraph:

(1) purchasing raw materials, fuels and power related to its day-to-day operations (excluding purchasing or selling such assets during asset swap);

(2) selling products, merchandise, or other assets related to its day-to-day operations (excluding purchasing or selling such assets during asset swap); and

(3) engaging in a transaction that falls within the meaning of the preceding Paragraph but is part of the company's principal business activities.

7.1.2 A listed company shall make timely disclosure when its transaction (excluding provision of guarantee or financial assistance) reaches any of the following standards:

(1) total amount of assets involved in the transaction (if such assets have both book value and valuation, whichever is higher) accounts for 10 percent or more of the company's latest audited total assets;

(2) operating revenue related to the subject matter of the transaction (for instance, equity interest) for the most recent financial year accounts for 10 percent or more of the company's audited operating revenue for the same period and exceeds RMB 10 million in absolute terms;

(3) net profit related to the subject matter of the transaction (for instance, equity interest) for the most recent financial year accounts for 10 percent or more of the company's audited net profit for the same period and exceeds RMB 1 million in absolute terms;

(4) transaction amount (including the debt and expenses incurred) accounts for 10 percent or more of the company's latest

audited net assets and exceeds RMB 10 million in absolute terms; and

(5) profit derived from the transaction accounts for 10 percent or more of the company's audited net profit for the most recent financial year and exceeds RMB 1 million in absolute terms.

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

7.1.3 When a transaction (excluding provision of guarantee or financial assistance) of a listed company reaches any of the following standards, the company shall submit the transaction to the shareholders' general meeting for consideration:

(1) total amount of assets involved in the transaction (if such assets have both book value and valuation, whichever is higher) accounts for 50 percent or more of the company's latest audited total assets;

(2) operating revenue related to the subject matter of the transaction (for instance, equity interest) for the most recent financial year accounts for 50 percent or more of the company's audited operating revenue for the same period and exceeds RMB 50 million in absolute terms;

(3) net profit related to the subject matter of the transaction (for instance, equity interest) for the most recent financial year accounts for 50 percent or more of the company's audited net profit for the same period and exceeds RMB 5 million in absolute terms;

(4) transaction amount (including the debt and expenses incurred) accounts for 50 percent or more of the company's latest audited net assets and exceeds RMB 50 million in absolute terms; and

(5) profit derived from the transaction accounts for 50 percent or more of the company's audited net profit for the most recent financial year and exceeds RMB 5 million in absolute terms.

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

7.1.4 Except for provision of guarantee, trustee investment, and matters otherwise provided by these Rules and other rules of the Exchange, all the transactions carried out by a listed company that are of the same category as and have subject matters related to those specified in Subsection 7.1.1 shall be aggregated for a period of 12 consecutive months for the purpose of application of Subsections 7.1.2 and 7.1.3.

Any transaction for which the listed company has fulfilled relevant obligations according to Subsection 7.1.2 or 7.1.3 shall be excluded from the aggregated calculation.

7.1.5 Where a listed company concurrently concludes two transactions under Paragraph 1 of Subsection 7.1.1 other than those under Subparagraphs (2) to (4) thereof in opposite direction with the same counterparty, it shall take as basis for calculation one of the two transactions whose indicators are higher for the purpose of application of Subsections 7.1.2 and 7.1.3.

7.1.6 Where a listed company engages in trustee investments on a rolling basis for a period of 12 consecutive months, it shall take as transaction amount the highest balance during such period for the purpose of application of Subsections 7.1.2 and 7.1.3.

7.1.7 Where a listed company establishes a limited liability company, a company limited by shares or other organization during its external investment, it shall take as basis for calculation the agreed total capital contribution for the purpose of application of Subsections 7.1.2 and 7.1.3.

7.1.8 Where the subject matter of a transaction carried out by a listed company is equity interest and the purchase or sale of the equity interest will result in changes in the scope of the company’s consolidated statements, the company shall take as basis for calculation the part of the company’s total assets and operating revenue corresponding to the equity interest for the purpose of application of Subsections 7.1.2 and 7.1.3.

If the above equity interest transaction does not result in a change in the company's scope of consolidated statements, the company shall calculate relevant financial indicator based on the changes of its equity interest for the purpose of application of Subsections 7.1.2 and 7.1.3.

7.1.9 Where a listed company waives, directly or indirectly, its right of first refusal or pre-emptive subscription right with respect to the equity interest of its controlled subsidiary, resulting in changes in the scope of its consolidated statements, the company shall take as basis for calculation the relevant financial indicators of the controlled subsidiary for the purpose of application of Subsections 7.1.2 and 7.1.3.

Where a listed company waives, in whole or in part, its right of first refusal or pre-emptive subscription right with respect to the equity interest of its controlled or participating subsidiary, resulting in no change in the scope of its consolidated statements but a decrease in its shareholding ratio in such subsidiary, it shall take as basis for calculation the higher of relevant financial indicator calculated based on the changes of its equity interest and the actual amount transferred to or contributed by it for the purpose of application of Subsections 7.1.2 and 7.1.3.

Where a listed company waives all or part of its right of first refusal or pre-emptive subscription right with respect to its subordinate unincorporated entities or cooperative projects, the preceding two Paragraphs shall be applied *mutatis mutandis*.

7.1.10 Where the subject matter of a transaction carried out by a listed company is equity interest and meets the standards under Subsection 7.1.3, the company shall disclose the audit reports of the subject matter for the most recent financial year and the latest financial period, with the audit deadline not earlier than 6 months prior to the date of the shareholders' general meeting at which the transaction is to be considered. Where the subject matter is non-cash assets other than equity interest, the company shall provide an appraisal report, with the appraisal base date not earlier than 1 year prior to the date of the shareholders' general meeting at which the transaction is to be considered.

The audit report and appraisal report as prescribed in the preceding

Paragraph shall be issued by a securities service provider that meets the requirements of the Securities Law.

Although a transaction fails to meet the standards in Subsection 7.1.3, the company shall still disclose an audit report or appraisal report in accordance with the preceding Paragraphs 1 and 2 of this Subsection if doing so is deemed necessary by the Exchange.

7.1.11 Where a listed company purchases or sells assets, the company shall take as basis for calculation the higher of the total asset amount and the transaction amount. If the aggregate amount within 12 consecutive months by transaction type reaches 30 percent of its latest audited total assets, the company shall, in addition to making disclosure and conducting an audit or appraisal with reference to Subsection 7.1.10, submit the matter to the shareholders' general meeting for consideration, which requires approval by two thirds or more of the voting rights of the attending shareholders.

Any transaction for which the listed company has fulfilled relevant obligations pursuant to the preceding Paragraph shall be excluded from the aggregated calculation.

7.1.12 Any transaction that is unilaterally beneficial to a listed company, including accepting cash donations or being released from debt, may be exempt from the procedure for consideration by the shareholders' general meeting under Subsection 7.1.3.

Where the transaction executed by a listed company only meets the standards under Subparagraph (3) or (5) of Paragraph 1, Subsection 7.1.3 and the absolute value of the earnings per share of the company for the most recent financial year is less than RMB 0.05, such transaction may be exempt from the procedure for consideration by the shareholders' general meeting under Subsection 7.1.3.

7.1.13 Financial assistance by a listed company shall be resolved and approved by two-thirds or more of the directors attending the meeting of the board of directors, and shall be timely disclosed.

The financial assistance, after being approved by the board of directors, shall also be submitted to the shareholders' general meeting for consideration if:

(1) the assisted party records a latest audited gearing ratio of more than 70 percent;

(2) the amount of a single financial assistance or the aggregate amount of financial assistance provided over 12 consecutive months exceeds 10 percent of the company's latest audited net assets; or

(3) other circumstances as specified by the Exchange or in the company's articles of association.

Where a listed company engages in such principal businesses as borrowing, lending, and other financing activities, or provides financial assistance to its consolidated controlled subsidiary in which its shareholding exceeds 50 percent or more, it may be exempt from the preceding two Paragraphs.

7.1.14 Provision of guarantee by a listed company shall be promptly disclosed upon being approved by the board of directors.

A guarantee matter shall, after being approved by the board of directors, also be submitted to the shareholders' general meeting for consideration if it falls under any of the following circumstances:

(1) the amount of a single guarantee exceeds 10 percent of the company's latest audited net assets;

(2) a guarantee is granted after the aggregate amount of guarantees already granted by the company and its controlled subsidiaries exceeds 50 percent of the company's latest audited net assets;

(3) a guarantee is granted to a party with a gearing ratio exceeding 70 percent;

(4) the amount of guarantees granted by the company over 12 consecutive months exceeds 50 percent of the company's latest audited net assets and exceeds RMB 50 million in absolute terms;

(5) the amount of guarantees granted by the company over 12 consecutive months exceeds 30 percent of the company’s latest audited total assets;

(6) a guarantee is granted to the company’s shareholders, de facto controllers, or their related parties; or

(7) a guarantee that otherwise meets requirements as specified by the Exchange or in the company’s articles of associations.

A guarantee matter that is submitted to the meeting of the board of directors for consideration shall require approval of two-thirds or more of the attending directors. A guarantee matter under the preceding Subparagraph (5) that is submitted to the shareholders’ general meeting for consideration shall require two-thirds or more of the votes of the attending shareholders.

When the shareholders’ general meeting of a listed company deliberates a proposal for guarantee provided to any of the company’s shareholders, de facto controllers or their related parties, the proposal shall be approved by half or more of the votes of the attending shareholders other than the shareholder or the shareholder controlled by the de facto controller, who shall abstain from voting.

7.1.15 Where a listed company provides a guarantee to its wholly-owned subsidiary, or provides a guarantee to its controlled subsidiary for which other shareholders of the subsidiary grant guarantee in proportion to their equity interest in the subsidiary, such guarantee may be exempt from the procedure for consideration by the shareholders’ general meeting if it falls under any of the circumstances specified in Subparagraphs (1) to (4) of Paragraph 2 of Subsection 7.1.14, unless otherwise provided in the articles of association of the company.

7.1.16 With respect to a disclosed guarantee, a listed company shall promptly make disclosure if:

(1) the guaranteed party defaults on the debt due for 15 trading days; or

(2) the guaranteed party enters bankruptcy or liquidation procedures, or otherwise becomes insolvent.

7.1.17 Unless otherwise required by the CSRC or provided in this Chapter, transactions between a listed company and its controlled subsidiaries in the consolidated statements, or between such subsidiaries, may be exempt from the disclosure requirements and relevant procedures in this Section.

Section 2 Related Party Transactions

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

(1) transactions enumerated in the Paragraph 1 of Subsection 7.1.1;

(2) purchasing raw materials, fuels, and power;

(3) selling products and merchandise;

(4) providing or accepting labor services;

(5) selling by consignment or selling on commission;

(6) co-investing by two related parties; and

(7) other matters agreed upon that would lead to transfer of resources or obligations.

7.2.2 Related parties of a listed company include related legal persons and related natural persons.

7.2.3 A legal person or other organization will be a related legal person of a listed company if:

(1) the legal person or other organization directly or indirectly controls the listed company;

(2) the legal person or other organization, other than the listed company and its controlled subsidiaries, is controlled directly or indirectly by the legal person defined in the preceding Subparagraph;

(3) the legal person or other organization, other than the listed company and its controlled subsidiaries, is controlled directly or indirectly by a related natural person of any of the listed companies stated in Subsection 7.2.5 or appoints the related natural person as its director (except for independent director) or senior officer;

(4) the legal person or its parties acting in concert hold 5 percent or more of the shares of the listed company; or

(5) the legal person or other organization is otherwise in a special relation with the listed company that would make the listed company tilt towards its interests, as determined by the CSRC, the Exchange or the listed company based on the principle of substance over form.

7.2.4 A listed company does not establish a related party relationship with a legal person stated in Subparagraph (2) of Subsection 7.2.3 solely because if falls into the circumstance under that Subparagraph due to it being under common control of a state assets administration authority with the legal person, unless the board chairman, general manager or half or more of directors of the legal person fall into any of the circumstance under Subparagraph (2) of Subsection 7.2.5.

7.2.5 A natural person will be a related natural person of a listed company if:

(1) he holds 5 percent or more of the shares of the listed company directly or indirectly;

(2) he is a director, supervisor, or senior officer of the listed company;

(3) he is a director, supervisor, or senior officer of the legal person or other organization that controls the company directly or indirectly;

(4) he is a close family member of a person referred to in Subparagraphs (1) to (3) of this Subsection, including spouse, parents, siblings and their spouses, children over the age 18 and their spouses, spouse’s parents and siblings, and

children's parents-in-law; or

(5) he is otherwise in a special relation with the listed company that would make the listed company tilt towards his interests, as determined by the CSRC, the Exchange or the listed company based on the principle of substance over form.

7.2.6 A legal person or natural person will be deemed a related party of a listed company if:

(1) it/he falls into any of the circumstances under Subsection 7.2.3 or 7.2.5 due to its/his agreement or arrangement made with the listed company or a related party thereof, or upon effectiveness of the agreement or arrangement, or in the next 12 months; or

(2) it/he has fallen into any of the circumstances under Subsection 7.2.3 or 7.2.5 in the past 12 months.

7.2.7 A listed company shall make timely disclosure if a transaction (excluding provision of guarantee or financial assistance) between the company and its related party reaches any of the following standards:

(1) the amount of the transaction, if between the company and a related natural person, reaches RMB 300,000 or more; or

(2) the amount of the transaction, if between the company and a related legal person, exceeds RMB 3 million and accounts for 0.5 or more percent of the absolute value of the company's latest audited net assets.

7.2.8 If the amount of a transaction (excluding provision of guarantee) between a listed company and its related party exceeds RMB 30 million and accounts for 5 or more percent of the absolute value of the company's latest audited net assets, the company shall submit the transaction to the shareholders' general meeting for consideration and disclose an audit report or appraisal report thereon in accordance with Subsection 7.1.10.

A related party transaction related to the day-to-day operations may be exempt from audit or appraisal.

Although a related party transaction of a listed company does not reach the standards prescribed in Paragraph 1 of this Subsection, the company shall still disclose an audit or appraisal report according to Paragraph 1 if doing so is deemed necessary by the Exchange.

7.2.9 When the board of directors of a listed company considers a related party transaction, the related director shall withdraw from voting and shall not exercise any voting rights as a proxy of other directors. Such board meeting may be held if a majority of the non-related directors are present and the resolution of such board meeting requires the approval of a majority of the non-related directors. If fewer than 3 non-related directors are present at the board meeting, the company shall submit the transaction to the shareholders' general meeting for consideration.

The related director as mentioned in the preceding Paragraph refers to a director:

(1) who is the counterparty to the transaction;

(2) who holds a position in the counterparty to the transaction, or in any legal person or other organization that either directly or indirectly controls or is under the direct or indirect control of such counterparty;

(3) who has direct or indirect controlling power over the counterparty to the transaction;

(4) who is a close family member (as defined in Subparagraph (4) of Subsection 7.2.5) of the counterparty to the transaction, or of the direct or indirect controller of such counterparty;

(5) who is a close family member (as defined in Subparagraph (4) of Subsection 7.2.5) of a director, supervisor, or senior officer serving the counterparty to the transaction or serving the direct or indirect controller of such counterparty; or

(6) whose independent business judgment may be affected as determined by the CSRC, the Exchange, or the company.

7.2.10 When the shareholders' general meeting considers a related party transaction, related shareholders shall withdraw from voting and shall not exercise any voting rights as a proxy of other shareholders.

The related shareholder as mentioned in the preceding Paragraph refers to a shareholder:

(1) who is the counterparty to the transaction;

(2) who has direct or indirect controlling power over the counterparty to the transaction;

(3) who is under the direct or indirect control of the counterparty to the transaction;

(4) who is under the direct or indirect control of the same legal person or natural person as is the counterparty to the transaction;

(5) who is a close family member (as defined in Subparagraph (4) of Subsection 7.2.5) of the counterparty to the transaction, or of the direct or indirect controller of such counterparty;

(6) who holds a position in the counterparty to the transaction, or in any legal person or other organization that controls or is controlled by such counterparty directly or indirectly (in the case of natural person shareholder);

(7) whose voting right is restricted or affected due to any uncompleted agreement on transfer of equity interest or other agreements between it and the counterparty to the transaction or the related party thereof; or

(8) who is a legal person or natural person that would make the listed company tilt towards its/his interests as determined by the CSRC or the Exchange.

7.2.11 The following related party transactions shall be aggregated for a period of 12 consecutive months for the purpose of application of Subsections 7.2.7 and 7.2.8:

(1) all the transactions conducted with the same related party; or

(2) all the transactions conducted with different related parties but related to the same subject matter.

The aforesaid related party includes a party that controls, is controlled by, or is under common control with the related party.

Any transaction for which the listed company has fulfilled relevant obligations according to Subsection 7.2.7 or 7.2.8 shall be excluded from the aggregated calculation.

7.2.12A listed company shall not provide funds or other financial assistance to its such related parties as directors, supervisors, senior officers, controlling shareholders, and de facto controllers and their controlled subsidiaries. It shall exercise caution when providing financial assistance or trustee investment to its related parties.

Where a listed company provides trustee investment to its related parties, the amount incurred shall be used as calculation basis for disclosure and be aggregated by transaction type for a period of 12 consecutive months for the purpose of application of Subsection 7.2.7 or 7.2.8.

Any transaction for which the listed company has fulfilled relevant obligations according to Subsection 7.2.7 or 7.2.8 shall be excluded from the aggregated calculation.

7.2.13A guarantee granted by a listed company to its related party shall be disclosed in a timely manner upon approval by its board of directors and be submitted to the shareholders' general meeting for consideration.

Where a listed company provides guarantee to its controlling shareholder or de facto controller and the related party thereof, such controlling shareholder or de facto controller and the related party thereof shall provide counter-guarantee.

7.2.14 Any related party transaction of a listed company that reaches the disclosure threshold shall be submitted to the board of directors for consideration and promptly disclosed after it is approved by a majority of all independent directors.

7.2.15 When engaging in day-to-day related party transactions with its related parties, a listed company shall make disclosure and perform consideration procedures as follows:

(1) the listed company may reasonably estimate the annual amount of day-to-day related party transactions by type, perform consideration procedures and make disclosure for the transactions; if the actual annual amount exceeds the estimation, the listed company shall perform consideration procedures and disclosure obligations for the excess part;

(2) the listed company shall disclose day-to-day related party transactions on an aggregate basis by type in its annual and semi-annual reports; and

(3) the listed company shall perform consideration procedures and disclosure obligations every 3 years if its agreement on day-to-day related party transactions with its related party is valid for more than 3 years.

7.2.16 An agreement on day-to-day related party transactions shall contain at least such key terms as transaction price, principles and basis for pricing, total trading volume or the ways to determine the volume, and payment terms.

7.2.17 Any of the following transactions between a listed company and its related party may be exempt from the consideration by the shareholders' general meeting under Subsection 7.2.8:

(1) it is a public bidding or auction applicable to non-specified parties (excluding invited bidding or other transaction applicable to specified parties);

(2) it is a transaction that is unilaterally beneficial to the listed company, including accepting cash donations, being released from debt, or obtaining guarantee or assistance;

(3) it is a transaction whose price is set by the state;

(4) it a transaction under which the related party provides funds to the listed company at an interest rate not higher than the loan prime rate for the same period set by the People's Bank of China; or

(5) it a transaction under which the listed company provides products and services to its directors, supervisors, or senior officers on the same conditions as for non-related parties.

7.2.18 Any of the following related party transactions between a listed company and its related party may be exempt from relevant obligations imposed for related party transactions:

(1) one party subscribes in cash for shares, corporate bonds, enterprise bonds, convertible bonds, or other derivatives publicly offered by the other party;

(2) one party, as a member of the underwriting syndicate, underwrites the shares, corporate bonds, enterprise bonds, convertible bonds, or other derivatives publicly offered by the other party;

(3) one party receives dividends, bonus, or remuneration in accordance with the resolutions of the shareholders' general meeting of the other party; or

(4) other transactions as recognized by the Exchange.

7.2.19 The directors, supervisors, senior officers, de facto controllers of a listed company, or shareholders holding 5 percent or more of the shares in the listed company or their parties acting in concert shall inform the listed company of information on their respective related parties in a timely manner.

7.2.20 If this Section is silent on how a listed company calculates the relevant amounts of a related party transaction for disclosure or consideration purposes, the provisions of Section 1 of this Chapter shall apply.

Chapter VIII Other Material Matters

Section 1 Abnormal Fluctuation in Stock Trading and Clarification of Rumors

8.1.1 Where the trading of the stock of a listed company is considered abnormal by the CSRC or the Exchange pursuant to relevant regulations or business rules, the company shall publish an announcement of abnormal fluctuation in stock trading on the next trading day.

Abnormal fluctuation in trading of the company’s stock shall be recalculated from the date of announcement.

8.1.2 Where there are significant abnormal fluctuations, as prescribed under the business rules of the Exchange, in the trading of the stock of a listed company, the company shall disclose a verification announcement on the next trading day; if the announcement is impossible to be disclosed, the company shall apply for suspension of trading of its stock from the next trading day for verification. If an undisclosed material matter is identified during the verification, the company shall hold an investor briefing. The trading of the company’s stock shall be resumed from the date of disclosure of an announcement of verification results or an announcement of investor briefing (if any) or, if that date is not a trading day, from the next trading day.

Where the trading of the stock of a listed company experiences a significant abnormal fluctuation, and the company fails to identify any disclosable material matters that remained undisclosed, and fails to give a reasonable explanation for the abnormal fluctuation after verification, the Exchange may publish an announcement to the market to warn against the risk of trading in the stock and, if appropriate, impose a special trading suspension.

8.1.3 Where significant abnormal fluctuations occur to the stock of a listed company, the company or relevant persons with disclosure obligations shall verify:

(1) whether there are undisclosed matters that cause significant abnormal fluctuations in its stock trading;

(2) whether the price of its stock has significantly deviated from the reasonable estimate of stock price of its listed peers;

(3) whether there are material risk matters; and

(4) whether there are other matters that may result in significant

abnormal fluctuations in its stock trading.

In the verification announcement, the company shall fully warn the market against trading risks arising from significant abnormal fluctuations in its stock price.

The sponsor and its sponsor representatives shall urge the listed company to timely make the verification in accordance with the provisions of this Section, and fulfill its corresponding disclosure obligation.

8.1.4 Based on the level of abnormal fluctuations and if necessary, the Exchange may:

(1) require the listed company to publish an announcement on abnormal fluctuations in its stock trading;

(2) require the listed company to suspend the trading of its stock for verification and disclose an announcement on such verification;

(3) warn the market against the risk of investing in stocks which experience abnormal fluctuations; and

(4) take other measures as the Exchange deems necessary.

8.1.5 Where any media rumor would have or has already had a material impact on the prices of the shares and derivatives thereon of a listed company or on investors' investment decisions, the company shall, in a timely manner, verify relevant information and release a disclosure or clarification thereon.

Where the Exchange believes that the relevant rumor would have a material impact on the trading prices of shares and derivatives thereon of the company or on investors' investment decisions, the Exchange may require the company to verify and clarify the rumor. The company shall verify the rumor within the period required by the Exchange and release a disclosure or clarification thereon in a timely manner.

Section 2 Industry Information and Risk Matters

8.2.1 A listed company shall disclose in its annual reports and semi-annual reports the industry information that has material impact on the trading prices of its shares and derivatives thereon or on investors' investment decisions, including without limitation:

(1) basic characteristics, development status and technological trend of its industry during the reporting period, as well as its position in the industry;

(2) important policies released by the competent authorities of the industry during the reporting period and the impact of such policies on the company; and

(3) analysis of its main strengths and weakness in the industry in light of the key indicators, market developments and market share changes of its main businesses, and a description of the impact of relevant changes on its future operating performance and profitability.

8.2.2 If the annual net profit or operating revenue of a listed company falls more than 50 percent from the previous year or its net profit is negative, the company shall disclose the following information in the annual report and specify the measures to be taken to improve its profitability:

(1) the specific reasons for the sharp decline in performance or loss;

(2) whether any material adverse change occurs to the principal business, core competitiveness or major financial indicators, and whether such change aligns with the industry trends;

(3) the prosperity of the industry and whether the industry faces excess capacity, continuous recession, or technology substitution;

(4) whether there is material risk in the company's ability to continue as a going concern; and

(5) other information that has material impact on the company.

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

8.2.3 A listed company shall, based on the principle of relevance and materiality, disclose in its annual report the following risk factors that may have material adverse impact on the company:

(1) risks in core competitiveness, including the decrease in market share and user base as a result of technological changes, product upgrade, or fierce competition, more-than-expected R&D inputs or less-than-expected R&D progress, possible substitution or obsolescence of core technologies, key equipment, and operation model, and significant changes in core technological personnel;

(2) operating risks, including reliance on single client, rising prices of raw materials, and falling prices of products or services;

(3) debt and liquidity risks, including increasing asset-liability ratio, falling liquidity ratio, rising financing expenses, default on liabilities, creditor's early recovery of loans or stricter loan terms;

(4) industry risks, including cyclical recession, excess capacity, shrinking market size or stagnant growth, and material adverse changes in the supply and demand in the upstream and downstream sectors of the industry;

(5) macro-environment risks, including material adverse changes in relevant laws and tax, foreign exchange, trade or other policies; and

(6) other material risks recognized by the Exchange or the company.

8.2.4 A listed company that does not make a profit at the time of listing shall conspicuously prompt the risk of non-profitability in its annual reports before profitability, and disclose the material risks the company faces in core competitiveness and operating activities.

The company shall, in view of the characteristics of the industry, fully disclose the reasons for non-profitability and the impact on its cash flows, business development, talent recruitment, team stability, R&D input, strategic input, and production and operation sustainability.

8.2.5 Upon the occurrence of any of the following risk matters, a listed company shall immediately disclose the details and impact of the matter:

(1) the company incurs a major deficit or a heavy loss;

(2) the company incurs a major debt, or defaults on any major debt that becomes due, or is not repaid for any major claim that becomes due;

(3) the company is likely to be liable for any material default or for large-value indemnity in accordance with law;

(4) the company makes a significant provision for asset impairment;

(5) the company decides to dissolve itself or is legally revoked of its business license, ordered to close down, or compulsorily dissolved by a competent authority;

(6) the company expects to record negative net assets;

(7) the company's major debtor becomes insolvent or enters bankruptcy proceedings, but the company fails to make a full provision for bad debt for its claims;

(8) major business assets are sealed up, detained, frozen, mortgaged, or pledged, or more than 30 percent of the total assets get scrapped;

(9) the company is investigated by competent authorities or imposed a major administrative penalty and/or criminal penalty for suspected violation of laws and regulations; its controlling shareholders and/or de facto controllers are investigated by competent authorities, or imposed compulsory measures or major administrative penalty and/or criminal penalty for suspected violation of laws and regulations;

(10) any of the company's directors, supervisors, and senior officers is unable to perform his duties, or is investigated by competent authorities, or imposed compulsory measures or major administrative penalty and/or criminal penalty for

suspected violation of laws and regulations;

(11) the company's core technological team, key technical personnel, or other persons that materially affect the company's core competitiveness resign or are significantly changed;

(12) any of the company's currently-used major assets or core technologies, including core trademarks, patents, proprietary technologies, and concessions and franchises, expires for license, gets involved in any major disputes, is restricted from use, or incurs any other major adverse changes;

(13) the company's major products, core technologies, key equipment, or business model are at risk of being replaced or eliminated;

(14) any of the company's major R&D projects fails, is terminated, or is not approved by the competent authority, or the company waives its right to continue investing in or control its major core technology projects;

(15) any major environment, production, or product safety accident occurs to the company;

(16) the company receives the government's notice of decision requiring rectification, production suspension, relocation, or shutdown within the prescribed period;

(17) the company improperly utilizes science and technology or violates scientific ethics; or

(18) there occur other material risk events, major accidents, or adverse events as recognized by the Exchange or the company itself.

If any of the above matters involve a specific monetary amount, Subsection 7.1.2 shall apply *mutatis mutandis*.

8.2.6 Where a listed company is investigated by a competent administrative authority or prosecuted by a people's procuratorate for suspected violation of laws and regulations, which is likely to trigger compulsory delisting for material violations under Chapter X, the company shall make timely disclosure upon knowledge of the investigation or prosecution, and thereafter disclose an update of progress once a month and issue a risk alert that its stock is likely to be subject to compulsory delisting for material violations.

Section 3 Material Matters Related to Convertible Bonds

8.3.1 A listed company that has issued convertible bonds shall make timely disclosure if any of the following circumstances applies:

(1) the company needs to adjust stock conversion price as a result of a change in equity arising from its new share issue, bonus share issue, division or otherwise, or resets the stock conversion price pursuant to the downward revision provisions in the bond prospectus;

(2) shares converted from convertible bonds aggregate 10 percent of the total pre-conversion issued shares of the company;

(3) the company's credit status changes to a material extent and would affect its payment of principal and interest of bonds upon maturity;

(4) the guarantor for the convertible bonds encounters any major asset changes or major litigations, or is involved in merger or division;

(5) the convertible bonds that are not yet converted amount to less than RMB 30 million;

(6) a credit rating agency qualified under the *Securities Law* has rated the convertible bonds or the company and issued the rating result;

(7) the company's major assets are mortgaged, pledged, sold, transferred or scrapped;

(8) the company fails to repay any due debts;

(9) the company takes out new loans or provides external

guarantees, which exceed 20 percent of its net assets at the end of the previous year;

(10) the company waives a claim or property, which exceeds 10 percent of its net assets at the end of the previous year;

(11) the company incurs a major loss, which exceeds 10 percent of its net assets at the end of the previous year;

(12) there occur other material events that may have a significant impact on the trading prices of the convertible bonds; or

(13) there occur other circumstances as prescribed by the CSRC and the Exchange.

8.3.2 Where the convertible bonds held by an investor reach 20 percent of the total issue of a listed company, the investor shall, within 2 trading days of the event, notify the company for announcement.

An investor holding 20 percent or more of the convertible bonds of a listed company shall, for each 10 percent increase or decrease in its holdings, perform notification and announcement obligations as per the preceding paragraph.

8.3.3 A listed company shall release an interest payment announcement within 3 to 5 trading days prior to the interest payment date stated in the convertible bonds. It shall release a principal and interest payment announcement within 3 to 5 trading days prior to the maturity of the convertible bonds.

8.3.4 A listed company shall release a stock conversion announcement within 3 trading days prior to the conversion.

8.3.5 A listed company shall, on the trading day immediately following the day the call conditions are met, release an announcement disclosing whether it will exercise the call option. If the call option is to be exercised, the company shall release a call announcement at least 3 times within 5 trading days after the call conditions are met, and announce the results and implications thereof after the end of the call period.

8.3.6 A listed company shall release a put announcement on the trading day immediately following the day the put conditions are met and release a put announcement at least 3 times within 5 trading days after the put conditions are met, and announce the results and implications thereof after the end of the put period.

8.3.7 Where the shareholders' general meeting approves change to the investment projects of the raised proceeds, a listed company shall grant the bond holders a one-time put option within 20 trading days after the resolution on that change is adopted at the shareholders' general meeting, and shall release a put announcement at least 3 times, i.e., at least once within the 5 trading days after the announcement of the resolution and prior to the exercise of the put option, at least once during the put period, with the last-time announcement to be made whenever necessary.

8.3.8 A listed company shall, after the end of each quarter, promptly disclose changes in its equity structure resulting from the conversion of the convertible bonds.

8.3.9 If a listed company falls into a circumstance where the trading in its convertible bonds must be suspended according to relevant rules, it shall, upon knowledge of the circumstance, release an announcement stating the proposed suspension in a timely manner.

Section 4 Stock Incentive

8.4.1 A listed company that intends to provide long term stock-based incentives to its directors, senior officers and other employees in the form of restricted shares, stock options, or any other means recognized by the Exchange shall perform corresponding deliberation procedures and disclosure obligations according to relevant provisions of this Section.

8.4.2 Participants in the stock incentive scheme of a listed company ("SIS participants") may include its directors, senior officers, key technical personnel or key business personnel, and other employees who have a direct impact on its operating results and future development and, in its opinion, should be incentivized, except for its independent directors and supervisors.

Its shareholder who holds, individually or jointly, 5 percent or more of its shares or its de facto controller and his spouse, parents and children, and its foreign employees, if they serve as its director, senior officer, key technical personnel or key business personnel, may become its SIS participants. The company shall fully explain the necessity and reasonableness of inclusion of the foregoing persons as its SIS participants.

A person is not qualified to be an SIS participant if:

(1) he has been identified as an unsuitable person by a stock exchange in the last 12 months;

(2) he has been identified as an unsuitable person by the CSRC or any of its local offices in the last 12 months;

(3) he has received an administrative penalty or a market ban from the CSRC or any of its local office for a major violation of laws and regulations in the last 12 months;

(4) he is prohibited from serving as a director or senior officer of a listed company as prescribed by the Company Law;

(5) he is prohibited from participating in the stock incentive plan of a listed company as prescribed by laws and regulations; or

(6) he is under other circumstances as recognized by the CSRC.

8.4.3 Restricted shares granted by a listed company to its SIS participants include:

(1) its shares obtained by the SIS participants under conditions prescribed in the stock incentive scheme, with part of the shares’ rights such as transfer being restricted; and

(2) its shares which are obtained and registered in installments by the SIS participants meeting the granting conditions under the stock incentive scheme, after they meet the corresponding vesting requirements.

8.4.4 If the price of restricted shares granted by a listed company to its SIS participants is lower than 50 percent of the average trading price of its stock during the 1 trading day, 20 trading days, 60 trading days or 120 trading days prior to the publication of the draft stock incentive scheme, it shall state the pricing basis and method for such restricted shares.

Upon the occurrence of any of the circumstances stated in the preceding Paragraph, the company shall engage an independent financial advisor to issue an opinion on the feasibility of the stock incentive scheme, the reasonableness of the relevant pricing basis and method, and whether the stock incentive scheme is beneficial to its sustainable development or detrimental to the interests of its shareholders.

8.4.5 A listed company may simultaneously implement several stock incentive schemes, provided that the aggregate of the underlying shares covered by all of its valid stock incentive schemes shall not exceed 20 percent of its total capital stock.

8.4.6 A listed company that intends to grant to its SIS participants restricted shares specified in Subparagraph (2) of Subsection 8.4.3 shall set conditions for installment vesting for the SIS participants, and register the restricted shares upon the SIS participants' satisfaction of the conditions for installment vesting. If the conditions for an installment vesting are not satisfied, it shall not register the restricted shares.

The company shall, in the stock incentive scheme, explicitly disclose the quantity of interests granted in installments, vesting conditions, time of granting or registration of shares and relevant lock-up arrangement.

If the vesting conditions include an employment period of more than 12 months, the company may set no lock-up period after the interests actually granted are registered.

Section 5 Major Asset Restructuring

8.5.1 A listed company and the relevant parties shall comply with the *Measures for the Administration of the Major Asset Restructurings of Listed Companies*, other relevant regulations of the CSRC, these Rules, and other relevant rules of the Exchange when carrying out a major asset restructuring.

8.5.2 The asset acquisition through share issue, merger, division, and other M&A and restructuring involving share issue of a listed company shall be carried out only after being reviewed by the Exchange and registered with the CSRC.

8.5.3 The major asset restructuring and asset acquisition through share issue (collectively, “major asset restructuring”) conducted by a listed company shall comply with national industry policies and relevant laws and regulations, help improve its ability to continue as a going concern, and not harm its and its investors’ lawful rights and interests.

8.5.4 A listed company shall ensure it can exercise effective control over the subject asset it purchases, guarantee the compliant operation of the asset, and urge the parties to major asset restructuring to fulfill their respective undertakings.

8.5.5 A listed company shall engage a securities service provider to issue an opinion on its major asset restructuring.

An independent financial advisor shall issue an explicit opinion on the ability of the listed company to control the subject asset, and shall urge the listed company to effectively control and integrate the subject asset during the continuous supervision and guidance period.

Section 6 Others

8.6.1 A listed company and relevant persons with disclosure obligations shall strictly comply with their undertakings. The company shall separately publish the undertakings of the company and relevant persons with disclosure obligations in a timely manner.

The company shall specifically disclose the performance progress of the aforesaid undertakings in its periodic reports. If the company or any relevant person with disclosure obligations fails to fulfill the undertakings, the company shall timely disclose the reasons therefor and the measures intended to be adopted by the board of directors.

8.6.2 A listed company shall actively reward its shareholders by developing and implementing shareholder reward policies such as distribution of cash dividends and repurchase of shares based on its own conditions and development stage.

The company shall promptly disclose the details of its plan for profit distribution or conversion of capital reserve into capital stock after such plan is deliberated and adopted by the board of directors.

If the company implements a plan for profit distribution or conversion of capital reserve into capital stock, it shall disclose an announcement on the implementation of the plan within 3 to 5 trading days prior to the corresponding date of record.

The company shall complete the profit distribution and conversion of capital reserve into capital stock within 2 months upon approval of the plan by its shareholders’ general meeting.

8.6.3 A listed company shall promptly disclose major lawsuits or arbitrations which:

(1) involve an amount accounting for 10 percent or more of the absolute value of the company’s latest audited net assets and exceeding RMB 10 million in absolute terms;

(2) cause any resolution of the shareholders’ general meeting or the board of directors to be canceled upon request or declared invalid;

(3) might have a major impact on the company’s production and operation, stability of its control, the trading price of its shares and derivatives thereon, or investors’ investment decisions; or

(4) are otherwise under a circumstance deemed necessary by the Exchange.

Such major lawsuits or arbitrations shall be aggregated for a period of consecutive 12 months for the purpose of application of the preceding Paragraph. The preceding Paragraph applies only if the results of the aggregated calculation meet the standards therein. Any major lawsuit or arbitration for which the listed company has fulfilled relevant obligations according to the above provisions shall be excluded from the aggregated calculation.

The listed company shall make timely disclosure of any material progress of the major litigations or arbitrations as well as their impact on the company, including but not limited to the results of the first and second instance judgments, the results of arbitration awards, and enforcement of the judgments and awards.

8.6.4 A listed company shall make timely disclosure if any of the following circumstances applies:

(1) it changes its name, short name of its security, articles of association, registered capital, registered address, business address, telephone number, etc. In the case of amendment to its articles of association, it shall also disclose its new articles of association in eligible media;

(2) it changes its business guidelines, scope of business, or principal businesses to a material extent;

(3) it changes its accounting policies or accounting estimates;

(4) its board of directors approves the issuance of new shares or other domestic or overseas offering plans;

(5) its application for issuance of new shares or other domestic or overseas offering or its major asset restructuring has been given corresponding opinions after review;

(6) the shareholding or control right of a de facto controller or any shareholder holding 5 percent or more shares encounters or will potentially encounter significant changes;

(7) major changes occur to the situation in which the de facto controllers of the company or other enterprises under their control are engaged in the same or similar businesses to those of the company;

(8) any of the chairman of the board of directors, general manager, directors (including independent directors), or one-third or more of the supervisors file for resignation or changes;

(9) its business operations, external conditions, or production environment encounters material changes (including material changes in prices and market size of principal products, procurement of raw materials, sales methods, or important

suppliers or clients);

(10) it concludes an important contract that would have a material impact on its assets, liabilities, equity, or performance results;

(11) changes in laws, administrative regulations, ministry-level rules, normative documents, policies, market environment, terms of trade, and other macro-environment might have material impact on the company’s operation;

(12) it engages or dismisses a CPA firm that provides auditing services to the company;

(13) a court ruling prohibits the controlling shareholders from transferring the shares it holds;

(14) 5 percent or more shares held by any shareholder are mortgaged, frozen, auctioned off by judicial authority, put in custody, or held in trust, or the voting rights attached to such shares are legally restricted;

(15) it receives additional income such as large-value government subsidy;

(16) there occur other matters that may have a significant impact on its assets, liabilities, equity, or performance results; or

(17) there occur other circumstances as recognized by the CSRC and the Exchange.

8.6.5 A listed company shall make timely disclosure if the contract price of a single purchase, sale, project contracting or labor service agreement signed by it during its ordinary course of business reaches 50 percent or more of the company’s audited principal business revenue or total assets for the most recent financial year and exceeds RMB 100 million in absolute terms.

The company shall make timely disclosure of the progress of a major contract, including but not limited to any material change to or material uncertainty in the validity and performance of, early rescission, or termination, of the contract.

8.6.6 A listed company shall make timely disclosure if it researches and develops new technologies, products, businesses, or services or upgrades existing technologies on its own or in collaboration with a third party and the relevant matters have significant impact on the company's profitability or future development.

8.6.7 A listed company shall make timely disclosure of the progress in the following matters if an application for its bankruptcy reorganization, settlement, or bankruptcy liquidation is filed by itself or by its creditors:

(1) a court's ruling on acceptance of the application for reorganization, settlement, or bankruptcy liquidation;

(2) any significant progress in the reorganization, settlement or bankruptcy liquidation proceedings or the court's hearing and ruling thereon;

(3) a court ruling approving its bankruptcy reorganization plan, settlement agreement, or liquidation; and

(4) the implementation of the bankruptcy reorganization plan and the settlement agreement.

In addition to the timely disclosure of the above information, the listed company in bankruptcy proceedings shall timely disclose its periodic reports and ad hoc reports.

8.6.8 Where a listed company in bankruptcy proceedings adopts an administrator management model, 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 their information disclosure obligations in a truthful, accurate, complete, and timely manner, and guarantee that all the creditors and shareholders have equal access to the information.

The periodic reports disclosed by the company shall be signed by the administrator's members with their written confirmation opinions and the ad hoc reports disclosed shall be published by the administrator and affixed with the seal of the administrator.

8.6.9 Where a listed company in bankruptcy proceedings adopts an administrator supervision model, the company's board of directors, board of supervisors, and senior officers shall continue to fulfill their information disclosure obligations in accordance with these Rules and relevant rules of the Exchange.

The administrator shall notify the board of directors in a timely manner of all the matters related to information disclosure and shall urge the directors, supervisors, and senior officers to perform information disclosure obligations with due diligence.

Chapter IX Risk Warning

9.1 Where the abnormality in the financial position or other aspects of a listed company exposes the company to the risk of its stock being terminated from listing or prevents investors from making a judgment on its prospects which may consequently impair their interest, the Exchange will issue a risk warning to its stock.

9.2 For the purpose of these Rules, a risk warning may be issued to warn against the risk of listing termination (hereinafter, delisting risk warning) or other risks (hereinafter, non-delisting risk warning).

If a delisting risk warning is issued to the stock of a listed company, "*ST" will be prefixed to the short name of the stock; if a non-delisting risk warning is issued to the stock, "ST" will be prefixed to the short name of the stock to distinguish it from other stocks; if both delisting and non-delisting risk warning are issued to the stock, "*ST" will be prefixed to the short name of the stock.

Stocks subject to delisting risk warning or non-delisting risk warning are traded on a risk warning board.

The specific matters relating to delisting risk warning shall be governed by Chapter X of these Rules.

9.3 Upon concurrence of 2 or more circumstances to a listed company which require issuance of non-delisting risk warnings to its stock, the non-delisting risk warnings may be lifted only if all the conditions for lifting such risk warnings are satisfied.

9.4 The Exchange issues a non-delisting risk warning to the stock of a listed company if any of the following circumstances applies:

(1) the company's production and operations are seriously affected and are not expected to return to normal within 3 months;

(2) the company's principal bank account is frozen;

(3) the company's board of directors or shareholders' general meeting cannot hold a meeting as normal and adopt a resolution;

(4) the audit report on the company's internal controls for financial reports for the most recent year issues a disclaimer of opinion or an adverse opinion, or the company fails to disclose the audit report on its internal controls for financial reports as required;

(5) the company provides funds to its controlling shareholders (or, if there is no controlling shareholder, the largest shareholder) or the affiliates thereof or provides external guarantees to any of them in violation of the prescribed process and the circumstances are serious;

(6) the lower of the net profit before or after non-recurring gain or loss in the most recent 3 financial years is negative, and the audit report for the most recent financial year indicates uncertainty in its ability to continue as a going concern;

(7) based on the facts stated in an advance notice of administrative penalty of the CSRC, the annual report disclosed by the company contains one or more misrepresented financial indicators, but the company does not yet fall into any of the circumstances under the first Paragraph of Subsection 10.5.2. These indicators are the operating revenue, total profit, net profit, and the assets or liabilities accounts in balance sheets;

(8) for a company with a positive net profit as well as a positive ending undistributed profit on both the consolidated statement and the parent company statement in the most

recent financial year, its cumulative cash dividends for the most recent 3 financial years are less than 30 percent of the average annual net profit of the most recent 3 financial years and RMB 30 million, except in the case where over the most recent 3 financial years the cumulative R&D input accounts for more than 15 percent of the cumulative operating revenue or exceeds RMB 300 million; or

(9) there is any other circumstance that makes it difficult for investors to judge the prospects of the company and may impair their interest.

9.5 For the purpose of Subparagraph (5) of Subsection 9.4, "provides funds to its controlling shareholders or the affiliates thereof or provides external guarantees to any of them in violation of the prescribed process and the circumstances are serious" means that a listed company is in any of the following circumstances, for which no feasible solution is proposed or the proposed solution is not expected to resolve the issue within 1 month:

(1) The balance of the funds provided by the company to its controlling shareholder or the affiliates thereof is RMB 10 million or more or accounts for 5 percent or more of the absolute value of the company's latest audited net assets; or

(2) The balance of the external guarantees (excluding those provided to the company's consolidated subsidiaries) provided by the company in violation of the prescribed procedures is RMB 10 million or more or accounts for 5 percent or more of the absolute value of the company's latest audited net assets.

9.6 In the event that a listed company's production and operations are seriously affected, or upon occurrence of any of the circumstances specified in Subparagraph (5) of Subsection 9.4, the listed company shall make timely disclosure of the situation, stating whether it is able to resolve the issue within the corresponding time limit. At the same time, the company shall disclose a risk alert announcement that the trading of the company's stock may be issued a non-delisting risk warning. The company shall disclose the progress of the situation and risk alert announcement at least once each month until the relevant circumstance is eliminated or the company’s stock is issued a non-delisting risk warning by the Exchange.

9.7 If a listed company repurchases and then deregisters shares through an offer or call auction with cash as consideration, such shares shall be included in the amount of cash dividends mentioned in this Section. The “most recent 3 financial years” referred to in Subparagraph (8) of Subsection 9.4 start from the first complete financial year after the listing of the company.

If the company falls under the circumstance under Subparagraph (8) of Subsection 9.4, it shall, on the date when its board of directors approves the annual profit distribution plan, disclose a risk alert announcement that the trading of its stock may be issued a non-delisting risk warning and, on the date when the corresponding shareholders’ general meeting approves the annual profit distribution plan, disclose an announcement that the trading of its stock is issued a non-delisting risk warning. If the company fails to hold a shareholders’ general meeting within 6 months following the end of the financial year to approve a valid profit distribution plan, which causes the company to fall into the circumstance under Subparagraph (8) of Subsection 9.4, the Exchange will issue a non-delisting risk warning to the trading of its stock. If the company still falls under the circumstance under Subparagraph (8) of Subsection 9.4 after the full distribution of its undistributed profit of the most recent financial year, the Exchange will not issue a non-delisting risk warning to the trading of its stock.

9.8 Upon occurrence of any of the circumstances specified in Subsection 9.4, a listed company shall promptly disclose the situation, and disclose an announcement as required by the Exchange that the trading of the company’s stock will be issued a non-delisting risk warning, stating the start date of the risk warning, the main reasons therefor, and the associated risks. Trading in the company’s shares and derivatives thereon will be suspended for 1 day following the date of the announcement, and the company’s stock will be issued a non-delisting risk warning by the Exchange starting from the day of trading resumption.

Where the company triggers any of the circumstances specified in Subsection 9.4 but fails to disclose an announcement according to the preceding Paragraph, the Exchange may issue a non-delisting risk warning to the company’s stock and announce it to the market.

9.9 Throughout the period that the stock of a listed company under a non-delisting risk warning due to any of the circumstances mentioned in Subparagraphs (1) to (5) of Subsection 9.4, the company shall publish a progress announcement at least once each month, stating the impact of the circumstance on the company, the measures taken or to be taken by the company to eliminate the circumstance, and the progress of the related work, until the circumstance is eliminated. If the company fails to take any measure or make any progress in related work, it shall disclose the situation and explain the specific reasons.

Throughout the period that the stock of a listed company is under a non-delisting risk warning due to the circumstance specified in Subparagraph (7) of Subsection 9.4, the company shall publish a correction progress announcement at least once every month, until the announcement on correcting the relevant matters in the financial report specified in the administrative penalty decision as well as the opinions of its CPA firm from the verification process and other relevant documents are disclosed.

9.10 If a listed company believes that any of the circumstances specified in Subsection 9.4 occurring to it is eliminated, it shall promptly make an announcement thereon and state therein whether it will apply to the Exchange for lifting the non-delisting risk warning. If the company intends to do so, it shall submit an application to the Exchange within 5 trading days of the date of the announcement.

If the company has corrected the provision of funds to its controlling shareholders or the affiliates thereof and applies to the Exchange for lifting the non-delisting risk warning from its stock, it shall disclose the opinions of its CPA firm from the verification process and other relevant documents.

If a company has corrected the provision of external guarantees in violation of the prescribed process and applies to the Exchange for lifting the non-delisting risk warning from its stock, the company shall disclose the relevant legal opinions of its law firm.

If the company has corrected the defects in its internal controls and has in place well-functioning internal controls, and applies to the

Exchange for lifting the non-delisting risk warning, it shall disclose its CPA firm's unqualified audit report on its internal controls for the most recent financial year. If in accordance with relevant rules the company is unable to disclose the audit report on internal controls due to bankruptcy reorganization, listing through restructuring, or major asset restructuring, the company's stock will continue to be subject to the non-delisting risk warning until the disclosure of the following financial year's audit report on internal controls, at which point the relevant provisions of this Section will apply.

If a company's audited financial report for the most recent financial year reveals that the lower of its net profit before or after non-recurring gain or loss is positive or the uncertainty in its ability to continue as a going concern has been eliminated, and the company applies to the Exchange for lifting the non-delisting risk warning, the company shall disclose the audit report issued by its CPA firm for the most recent year and other relevant documents.

If a company believes that the circumstance mentioned in Subparagraph (8) of Subsection 9.4 has been eliminated, and the net profit reported by the audited financial report for the most recent financial year is positive and the profit distribution plan approved by the shareholders' general meeting shows that the cash dividends made with respect to that year are no lower than 30 percent of the year's net profit, it shall disclose the audit report issued by its CPA firm for the most recent year and other relevant documents when applying to the Exchange for lifting the non-delisting risk warning.

9.11 Where a non-delisting risk warning is issued to the stock of a listed company due to the circumstance mentioned in Subparagraph (7) of Subsection 9.4, the company may apply to the Exchange for lifting the non-delisting risk warning if:

(1) the company has retrospectively restated its financial report for the corresponding year with respect to the matters specified in the administrative penalty decision; and

(2) 12 months have passed since the administrative penalty decision was issued by the CSRC.

Where a lawsuit for securities misrepresentation has been filed when the company applies to the Exchange for lifting the non-delisting risk warning, the company shall make full provision for the estimated liabilities related to the investors' claims and disclose the relevant progress and risk warnings in a timely manner.

If the administrative penalty decision or case closure notice received by the company from the CSRC during the period its stock is subject to the non-delisting risk warning shows that the company does not fall into the circumstance mentioned in Subparagraph (7) of Subsection 9.4, the company shall disclose the relevant matter in a timely manner. The company's stock will be suspended from trading for 1 trading day upon the announcement and the non-delisting risk warning will be lifted by the Exchange on the date of trading resumption.

9.12 If, during the period when a non-delisting risk warning is issued to the stock of a listed company due to any of the circumstances under Subparagraphs (4) and (6) of Subsection 9.4, the company engages in a major asset restructuring that meets all the following conditions, it may apply to the Exchange for lifting the non-delisting risk warning:

(1) the company has completed sale of all its operating assets and liabilities as well as acquisition of other assets in accordance with the CSRC's regulations on major asset restructuring;

(2) the assets acquired are an entire operating entity which has been in operation for 2 consecutive years or more under the same management before being acquired by the company;

(3) according to the special statement of its CPA firm, the subject entity of the pro forma financial report does not fall into any circumstance under Subsection 9.4; and

(4) other conditions required by the Exchange.

9.13 Where a listed company applies to the Exchange for lifting the non-delisting risk warning from its stock, it shall disclose an announcement thereon on the trading day immediately following the submission of application.

The Exchange shall, within 15 trading days after receiving from the company all the application materials, decide whether to lift such risk warning. If, during the 15 trading days, the Exchange requires the company to provide additional materials, the company shall do so within the time limit specified by the Exchange. The period for providing the additional materials is excluded from the period for the Exchange to make relevant decision.

The Exchange may, on its own or through a relevant organization, investigate and verify relevant matters of the company. The period for investigation and verification is excluded from the period for the Exchange to make relevant decision.

9.14 If the Exchange decides to lift the non-delisting risk warning from the stock of a listed company, the company shall publish an announcement thereon on the trading day immediately following the date of such decision. Trading in the company's shares and derivatives thereon will be suspended for 1 trading day after the announcement. From the day of trading resumption, the Exchange will lift the non-delisting risk warning from the company's stock.

9.15 If the Exchange decides not to lift the non-delisting risk warning from the stock of a listed company, the company shall publish an announcement thereon on the trading day immediately following receipt of the Exchange's written notice.

Chapter X Delisting

Section 1 General Rules

10.1.1 If a listed company triggers any circumstance requiring delisting risk warning or listing termination specified in this Chapter, the Exchange will deliberate and decide on whether to issue a delisting risk warning or terminate the listing of the company' stock according to the corresponding procedure.

10.1.2 If a listed company triggers any circumstance requiring delisting risk warning or listing termination specified in this Chapter, it shall provide materials according to the relevant rules and requirements of the Exchange to perform its obligations to disclose information, apply for trading suspension and resumption or otherwise. Where the company fails to report or provide announcements and related documents as required, the Exchange may publish an announcement to the market and according to relevant rules, subject its stock to trading suspension or resumption, delisting risk warning, listing termination or otherwise.

10.1.3A listed company whose stock faces the risk of being issued a risk warning or terminated from listing shall disclose a risk alert announcement in accordance with applicable provisions of this Chapter. The Exchange may, as appropriate, require the company to adjust the timing and frequency of such announcements.

10.1.4 Where the stock of a listed company will be issued a delisting risk warning, it shall publish an announcement thereon, stating the start date of the delisting risk warning, the main reasons therefor, and the associated risks. The stock will be suspended from trading for 1 day upon the announcement and be issued a delisting risk warning by the Exchange upon trading resumption.

10.1.5 Upon occurrence of 2 or more circumstances to a listed company which require the issuance of a delisting risk warning to or termination of listing of its stock, the Exchange will, in the order of such occurrences, issue a risk warning to its stock or terminate its stock from listing.

Upon concurrence of 2 or more circumstances to a listed company which require issuance of delisting risk warnings to its stock, if the company has satisfied the conditions for lifting one of the delisting risk warnings, it may apply for lifting that delisting risk warning within the specified period, and upon the Exchange’s review and approval of the application, will not be subject to the listing termination procedure in connection with that delisting risk warning.

Upon concurrence of 2 or more circumstances to a listed company which require issuance of delisting risk warnings to its stock, the delisting risk warnings may be lifted only if all the conditions for lifting such risk warnings are satisfied.

If a listed company has the delisting risk warning on its stock lifted but is under any circumstance which requires issuance of a non-delisting risk warning, the Exchange will issue a corresponding risk warning to its stock.

10.1.6A listed company shall submit the following documents to the Exchange when applying for lifting the delisting risk warning on its stock:

(1) an application for lifting the delisting risk warning;

(2) a resolution of its board of directors approving the application;

(3) a description of its satisfaction of the lifting conditions and corresponding supporting materials; and

(4) other materials required by the Exchange.

10.1.7 Where a listed company applies for lifting the delisting risk warning on its stock and the Exchange requires the company to submit additional materials, then the company shall submit the materials within the period specified by the Exchange. The period to provide the materials shall be excluded from the time limit for the Exchange to make a decision.

The Exchange may, by itself or through a relevant organization, investigate and verify the relevant circumstances of the company. The period for investigation and verification shall be excluded from the time limit for the Exchange to make a decision.

10.1.8 If the Exchange decides to terminate the stock of a listed company from listing, it will, within 2 trading days, notify the company thereof, release an announcement thereon, and file the decision with the CSRC.

The company shall, after receiving the Exchange's decision of terminating its stock from listing, promptly disclose an announcement to that effect.

10.1.9 If the stock of a listed company is terminated from listing, the company's convertible bonds and other derivatives shall also be terminated from listing by reference to provisions on listing termination of stocks.

Section 2 Compulsory Delisting for Trading Reasons

10.2.1 The Exchange will make a decision to terminate the stock of a listed company from listing upon the occurrence of any of the following circumstances:

(1) the cumulative trading volume of its stock via the Exchange's trading system is lower than 2 million shares for 120 consecutive trading days;

(2) the closing price of its stock is lower than RMB 1 for 20 consecutive trading days;

(3) the closing market value of its stock is lower than RMB 300 million for 20 consecutive trading days;

(4) the number of its shareholders is lower than 400 for 20 consecutive trading days; or

(5) other circumstances as recognized by the Exchange.

The "trading days" stated in the preceding Paragraph exclude a day when its stock is suspended from trading for a whole day and the 20 trading days upon IPO and listing of its stock.

For a red chip enterprise that offers depositary receipt, Subparagraph (1) of Paragraph 1 is adjusted as follows: the cumulative trading volume of its depositary receipt via the Exchange's trading system is lower than 2 million units for 120 consecutive trading days; Subparagraph (2) of Paragraph 1 is adjusted as follows: the closing price of the depositary receipt multiplied by the ratio of the depositary receipt to the underlying stock is lower than RMB 1 for 20 consecutive trading days; Subparagraph (3) of Paragraph 1 is adjusted as follows: the market value of the depositary receipt is lower than RMB 300 million for 20 consecutive trading days; Subparagraph (4) of Paragraph 1 does not apply.

In the event of a major abnormal fluctuation in the securities market, the Exchange may adjust the indicators in this Section in view of the actual situations.

10.2.2 If the cumulative trading volume of a listed company's stock via the Exchange' trading system is lower than 1.5 million shares for 90 consecutive trading days, the company shall, on the following trading day, disclose a risk alert announcement that its stock is likely to be terminated from listing, and subsequently disclose the announcement once each trading day, until the cumulative trading volume reaches 2 million or more for 120 consecutive days from the start date of the above 90-trading day period or until the occurrence of a circumstance for termination of listing, whichever is earlier.

10.2.3A listed company shall disclose on the following trading day a risk alert announcement that its stock may be terminated from listing if any of the following circumstances occurs for the first time:

(1) the closing price of its stock is lower than RMB 1;

(2) the closing market value of its stock is lower than RMB 300 million; or

(3) the number of its shareholders is lower than 400.

If any of the following circumstances occurs to a listed company for 10 consecutive trading days, the company shall, on the following trading day, disclose a risk alert announcement that its stock is likely to be terminated from listing, and subsequently disclose the announcement once each trading day until the circumstance is eliminated or until the occurrence of a circumstance for termination of listing, whichever is earlier:

(1) the closing price of its stock is lower than RMB 1;

(2) the closing market value of its stock is lower than RMB 300 million; or

(3) the number of its shareholders is lower than 400.

10.2.4 Where any of the circumstances under Subsection 10.2.1 occurs to a listed company, the company shall disclose the circumstance on the following trading day. The company’s shares and derivatives thereon will be suspended from trading from the date of the disclosure.

The Exchange will, within 5 trading days upon the suspension, issue an advance notice of its intention to terminate the company’s stock from listing to the company. The company shall make timely disclosure upon receipt of such notice.

10.2.5 Upon receipt of an advance notice of listing termination, a listed company may apply for a hearing according to Section 6 of this Chapter to raise statements and defenses.

If the company fails to apply for a hearing within the specified time limit, the Listing Committee will, within 15 trading days after the expiration of the period for raising statements and defenses, deliberate whether to terminate the company's stock from listing, and issue its deliberation opinion based on independent and professional judgment. If the company applies for a hearing within the specified time limit, the Listing Committee will issue its deliberation opinion within 15 trading days after the end of the hearing procedure.

The Exchange may, based on the deliberation opinion of the Listing Committee, make a decision on whether to terminate the company's stock from listing.

Section 3 Compulsory Delisting for Financial Reasons

10.3.1 The Exchange will issue a delisting risk warning to the stock of a listed company if any of the following circumstances occurs to the company:

(1) the lowest of its audited total profit, net profit, or net profit after deducting non-recurring gain or loss in the most recent financial year is negative and its post-deduction operating revenue is less than RMB 100 million;

(2) its audited ending net assets in the most recent financial year are negative;

(3) a disclaimer of opinion or adverse opinion is issued on its financial report for the most recent financial year;

(4) after retrospective restatement, the lowest of its total profit, net profit, or net profit after deducting non-recurring gain or loss in the most recent financial year is negative and its post-deduction operating revenue is less than RMB 100 million; or after retrospective restatement, its ending net assets in the most recent financial year are negative;

(5) according to an administrative penalty decision of the CSRC, there is misrepresentation, misleading statement, or material omission in the financial report for the most recent financial year disclosed by the company and the company's relevant financial indicators for that year have thus actually fallen into the circumstance under Subparagraph (1) or (2) of this Paragraph; and

(6) other circumstances as recognized by the Exchange.

For the purpose of this Chapter, "most recent financial year" refers to the latest year in which an audited financial report is disclosed.

10.3.2 For the purpose of this Chapter, "post-deduction operating revenue" refers to revenue that excludes non-principal business revenue and no-commercial substance revenue. "Non-principal business revenue" means revenue that is not directly related to a listed company's normal course of business or, despite its relation to the normal course of business, would affect statement users' normal judgment of the company's ability to operate as a going concern due to its special, non-recurring, or temporary nature. "No-commercial substance revenue" means revenue from the various types of non-commercially reasonable transactions and events which have not brought a meaningful change to future cash flows.

If the lowest of a company's audited total profit, net profit, or net profit after deducting non-recurring gain or loss in the most recent financial year is negative, the company shall disclose the deductions from the operating revenue and the amount of post-deduction operating revenue in its annual report or the correction announcement. The CPA firm responsible for the audit shall issue a special verification opinion on the deductions' compliance with the preceding Paragraph and the amount of post-deduction operating revenue.

If the company fails to make the relevant revenue deductions pursuant to this Subsection, the Exchange may require the company to do so, failing which, the Exchange may make such deductions and issue a delisting risk warning or terminate its stock from listing in accordance with applicable rules.

10.3.3 If a listed company is expected to be involved in any of the circumstances under Subparagraphs (1) to (3), Paragraph 1 of Subsection 10.3.1, it shall, within 1 month after the end of corresponding financial year, disclose a risk alert announcement that a delisting risk warning is likely to be issued to its stock, and disclose this announcement at least 2 more times before disclosure of its annual report.

If the circumstance under Subparagraph (4), Paragraph 1 of Subsection 10.3.1 is likely to occur to the company or a relevant advance notice of administrative penalty indicates that the circumstance under Subparagraph (5), Paragraph 1 of Subsection 10.3.1 is likely to occur to the company, the company shall, upon knowledge of relevant risks, immediately disclose a risk alert announcement that a delisting risk warning is likely to be issued to its stock.

10.3.4 Upon occurrence of any of circumstances under Subparagraphs (1) to (4), Paragraph 1 of Subsection 10.3.1 to a listed company, the company shall, at the time of disclosing its annual report or the correction announcement for its financial report, also disclose an announcement that a delisting risk warning will be issued to its stock. The shares and derivatives thereon will be suspended from trading for 1 trading day upon the announcement and be issued a delisting risk warning by the Exchange upon trading resumption.

If the company corrects previous revenue-related deductions in accordance with Subsection 10.3.2 or the Exchange requires the company to make the relevant revenue deductions in accordance with Subsection 10.3.2, and following such deduction the company meets one of the conditions for delisting risk warning under Subsection 10.3.1, then the company shall disclose the corrections immediately or disclose the relevant contents on the trading day following the day it receives the notice from the Exchange, and shall additionally disclose a risk warning announcement that a delisting risk warning will be issued to its stock. The stock will be suspended from trading for 1 trading day upon the announcement and be issued a delisting risk warning by the Exchange upon trading resumption.

Upon occurrence of the circumstance under Subparagraph (5), Paragraph 1 of Subsection 10.3.1 to a listed company, the company shall, upon receipt of the administrative penalty decision, immediately disclose the situation and an announcement that a delisting risk warning will be issued to its stock. The shares and derivatives thereon will be suspended from trading for 1 day upon the announcement and be issued a delisting risk warning by the Exchange upon trading resumption.

10.3.5 If a delisting risk warning is issued to the stock of a listed company due to any of the circumstances under Subparagraphs (1) to (3), Paragraph 1 of Subsection 10.3.1, the company shall, within 1 month after the end of the financial year in which the delisting risk warning is issued, disclose a risk alert announcement that its stock is likely to be terminated from listing, which is to be repeated every 10 trading days until the disclosure of its annual report for the year.

If a delisting risk warning is issued to the company's stock due to any of the circumstances under Subparagraphs (1) to (3), Paragraph 1 of Subsection 10.3.1, the company shall, at the 20th trading day and the 10th trading day prior to the scheduled disclosure date of the annual report, disclose its progress on the preparation of the annual report and the latest audit.

If a delisting risk warning is issued to the company's stock due to any of the circumstances under Subparagraphs (4) to (6), Paragraph 1 of Subsection 10.3.1, the company shall, prior to the disclosure of the annual report for the year following the year in which it falls under the circumstance for the delisting risk warning, make disclosures in accordance with, *mutatis mutandis*, the preceding two Paragraphs of this Subsection.

10.3.6 If, during the period when a delisting risk warning is issued to the stock of a listed company due to any of the circumstances under Subsection 10.3.1, the company engages in major asset restructuring and meets all of the following conditions, it may apply to the Exchange for lifting the delisting risk warning:

(1) the company has completed the sale of all its operating assets and liabilities as well as acquisition of other assets in accordance with the CSRC's regulations on major asset restructuring;

(2) the assets acquired are an entire operating entity which has been in operation for 2 consecutive years or more under the same management before being acquired by the company;

(3) according to the special statement of its CPA firm, the financial data in the company's pro forma financial report does not fall into any circumstance under Subsection 10.3.11; and

(4) other conditions required by the Exchange.

10.3.7 If, after a delisting risk warning is issued to the company's stock due to the circumstance under Subparagraph (1), Paragraph 1 of Subsection 10.3.1, the company's annual report for the year following the year in which it falls under the circumstance for the delisting risk warning indicates that the company does not meet any of the criteria under Subparagraphs (1) to (7), Paragraph 1 of Subsection 10.3.11, the company may apply to the Exchange for lifting the delisting risk warning. The company shall, upon disclosure of its annual report, also state whether it will apply to the Exchange for lifting the delisting risk warning. If the company intends to file such an application, it shall submit the application to the Exchange within 5 trading days upon the disclosure.

10.3.8 The company shall disclose an announcement on the trading day following the day it submits the application for lifting the delisting risk warning.

After the company submits a full set of application documents for lifting delisting risk warning, the Exchange will, within 15 trading days, make a decision on whether to lift the delisting risk warning.

10.3.9 Where the Exchange decides to lift the delisting risk warning from the stock of a listed company, the company shall promptly disclose an announcement that its stock will be issued a delisting risk warning. The shares and derivatives thereon will be suspended from trading for 1 day upon the announcement and be lifted the delisting risk warning by the Exchange upon trading resumption.

10.3.10 Where the Exchange decides not to lift the delisting risk warning from the stock of a listed company, the company shall disclose an announcement thereon on the trading day following receipt of the Exchange's relevant written notice.

10.3.11 If, after a delisting risk warning is issued to the company's stock due to any of the circumstances under Paragraph 1 of Subsection 10.3.1, the company meets any of the following criteria in the year following the year in which it falls under the circumstance for the delisting risk warning, the Exchange will terminate the company's stock from listing:

(1) the lowest of its audited total profit, net profit, or net profit after deducting non-recurring gain or loss is negative and its post-deduction operating revenue is less than RMB 100 million;

(2) its audited ending net assets are negative;

(3) an audit report issues a qualified opinion, a disclaimer of opinion, or an adverse opinion on the company's financial report;

(4) after retrospective restatement, the lowest of its total profit, net profit, or net profit after deducting non-recurring gain or loss is negative and its post-deduction operating revenue is less than RMB 100 million; or after retrospective restatement, its ending net assets are negative;

(5) an audit report issues a disclaimer of opinion or an adverse opinion on the company's internal controls for financial reports;

(6) the company fails to disclose the audit report on internal controls as required, unless such disclosure cannot be made under relevant rules due to the completion of bankruptcy reorganization, listing through restructuring, or major asset restructuring;

(7) the company fails to disclose its annual report of which half or more of the company's directors guarantee the truthfulness, accuracy, and completeness within the statutory time limit;

(8) the company fails to apply to the Exchange for lifting the delisting risk warning within the specified time limit despite meeting the requirements under Subsection 10.3.7;

(9) the company's application for lifting the delisting risk warning is not approved by the Exchange; or

(10) the company falls under other circumstances as recognized by the Exchange.

10.3.12 Upon occurrence of any of the circumstances under Subparagraphs (1) to (6) of Subsection 10.3.11 to a listed company, the company shall, at the time of disclosing its annual report or the correction announcement for its financial report, also disclose a risk alert announcement that its stock is likely to be terminated from listing. The shares and derivatives thereon will be suspended from trading upon the announcement.

Upon occurrence of any of the circumstances under Subparagraphs (7) to (10) of Subsection 10.3.11 to a listed company, the company shall, on the trading day following such occurrence, disclose a risk alert announcement that its stock is likely to be terminated from listing. The shares and derivatives thereon will be suspended from trading upon the announcement.

10.3.13 The Exchange will, within 5 trading days after it suspends trading in the shares and derivatives thereon of a listed company according to Subsection 10.3.12, send an advance notice of its intention to terminate the company's stock from listing to the company. The company shall make timely disclosure upon receipt of such notice.

10.3.14 Upon receipt of an advance notice of listing termination, a listed company may apply for a hearing according to Section 6 of this Chapter to raise statements and defenses.

If the company fails to apply for a hearing within the specified time limit, the Listing Committee will, within 15 trading days after the expiration of the period for raising the statement and defense, deliberate on whether to terminate the company's stock from listing, and issue its deliberation opinion based on independent and professional judgment. If the company applies for a hearing within the specified time limit, the Listing Committee will issue its deliberation opinion within 15 trading days after the end of the hearing procedure.

The Exchange may, based on the deliberation opinion of the Listing Committee, make a decision on whether to terminate the company's stock from listing.

10.3.15 If the stock of a listed company is terminated from listing after the company triggers any of the circumstances under Subsection 10.3.11 but the relevant administrative penalty decision is legally revoked, confirmed as invalid, or due to a material change in the findings of the nature or facts of the violation concerned, legally altered, the procedures set out in Subsections 10.5.11 to 10.5.15 shall apply *mutatis mutandis*.

Section 4 Compulsory Delisting for Compliance Reasons

10.4.1 The Exchange will issue a delisting risk warning to the stock of a listed company upon the occurrence of any of the following circumstances:

(1) the company fails to disclose its annual report or semi-annual report within the statutory time limit and within 2 months after the trading suspension of its stock;

(2) half or more of the company’s directors are unable to guarantee the truthfulness, accuracy, and completeness of its annual report or semi-annual report and still fail to do so within 2 months after the trading suspension of its stock;

(3) the company is ordered by the CSRC to correct any material accounting errors or misrepresentations in its financial report, but fails to complete rectification within the specified time limit and within 2 months after the trading suspension of its stock;

(4) the company is ordered by the Exchange to correct any material defects in its information disclosure, compliant operation, or other aspects within a specified time limit, but fails to complete rectification within the specified time limit and within 2 months after the trading suspension of its stock;

(5) the balance of the company’s funds misappropriated by its controlling shareholders (or, if there is no controlling shareholder, by the largest shareholder) or the related parties thereof for non-operating purposes reaches RMB 200 million or more or reaches or exceeds 30 percent of the absolute value of its latest audited net assets, and the company is ordered by the CSRC to make corrections but fails to complete

rectification within the specified period and within 2 months after the trading suspension of its stock;

(6) for 2 consecutive financial years an audit report issues a disclaimer of opinion or adverse opinion on the company's internal controls for financial reports or the company fails to disclose such an audit report as required;

(7) the company's total capital stock or equity structure is unqualified for listing for 20 consecutive trading days due to a change in its total capital stock or equity structure and fails to become qualified for listing within a specified time limit;

(8) the company may be legally subject to compulsory dissolution;

(9) a court has legally accepted the company's petition for reorganization, settlement, or bankruptcy liquidation; or

(10) other circumstances as recognized by the Exchange.

10.4.2 The circumstance under Subparagraph (4) of Subsection 10.4.1 refers to any of the following circumstances:

(1) the company's contact channels for information disclosure have been lost;

(2) the company refuses to disclose its disclosable material information;

(3) the company materially disrupts the normal course of information disclosure activities, which produces notably adverse effects; or

(4) the control of the company is bitterly contested, which prevents investors from obtaining valid information about the company; or

(5) other circumstances in which the Exchange deems that the company has material defects in information disclosure or compliant operation.

10.4.3 Whether a listed company has a material defect in information disclosure or compliant operation and whether rectification has been completed for the material defect is subject to the deliberation of the Listing Committee at the request of the Exchange and determined based on the deliberation opinion of the Listing Committee.

10.4.4 Upon occurrence of any of the following circumstances to a listed company, the company shall promptly disclose a risk alert announcement that a delisting risk warning is likely to be issued to its stock:

(1) the company fails to disclose its annual report or semi-annual report within the statutory time limit;

(2) half or more of the company's directors are unable to guarantee the truthfulness, accuracy, and completeness of the annual report or semi-annual report;

(3) the company is ordered by the CSRC to correct any material accounting errors or misrepresentations in its financial report;

(4) the company is ordered by the Exchange to correct any material defects in its information disclosure, compliant operation, or other aspects;

(5) in the first financial year an audit report issues a disclaimer of opinion or an adverse opinion on the company's internal controls for financial reports or the company fails to disclose the audit report on internal controls for financial reports as required;

(6) the balance of the company's funds misappropriated by its controlling shareholders (or, if there is no controlling shareholder, by the largest shareholder) or the related parties thereof for non-operating purposes reaches RMB 200 million or more or reaches or exceeds 30 percent of the absolute value of its latest audited net assets, and the company is ordered by the CSRC to make corrections; or

(7) the company's total capital stock or equity structure is unqualified for listing for 10 consecutive trading days.

If the company discloses a risk alert announcement according to the preceding Subparagraphs (1) to (4), Subparagraph (6), or Subparagraph (7), it shall disclose the relevant progress and the risk alert announcement at least once every 10 trading days until the relevant circumstance is eliminated or the Exchange issues a delisting risk warning on the company's stock.

Upon disclosing a risk alert announcement in accordance with Subparagraph (5) of the first Paragraph of this Subsection, the company shall disclose the relevant progress and the risk alert announcement at least once a month until the relevant circumstance is eliminated or the Exchange issues a delisting risk warning on the company's stock.

10.4.5 Where a listed company fails to disclose relevant annual report or semi-annual report within the statutory period, as specified in Subparagraph (1) of Subsection 10.4.1, the shares and derivatives thereon of the company will be suspended from trading from the day following the expiration of the period.

If the company discloses a periodic report, of which half or more of the company's directors guarantee the truthfulness, accuracy, and completeness, within 2 months following the trading suspension of the company's stock, the shares and derivatives thereon will resume trading upon an announcement thereon.

If the company fails to disclose a periodic report, of which half or more of the company's directors guarantee the truthfulness, accuracy, and completeness, within 2 months following the trading suspension of the company's stock, the company shall, on the trading day following expiry of the 2 months after the trading suspension of its stock, disclose an announcement that its stock will be issued a delisting risk warning. The shares and derivatives thereon will remain suspended from trading for 1 day upon the announcement and be issued a delisting risk warning by the Exchange upon trading resumption.

10.4.6 Where half or more of a listed company's directors cannot guarantee the truthfulness, accuracy, and completeness of its relevant annual report or semi-annual report, as specified in Subparagraph (2) of Subsection 10.4.1, the shares and derivatives thereon of the company will be suspended from trading on the day following the expiration of the statutory disclosure period for the periodic report concerned.

If half or more of the company's directors guarantee the truthfulness, accuracy, and completeness of its relevant periodic report within 2 months of the trading suspension of the company's stock, the company shall make a timely announcement and the shares and derivatives thereon will resume trading after the disclosure of the announcement.

If half or more of the company's directors cannot guarantee the truthfulness, accuracy, and completeness of its relevant periodic report within 2 months of the trading suspension of the company's stock, the company shall, on the trading day following expiry of the 2 months after the trading suspension of its stock, disclose an announcement that its stock will be issued a delisting risk warning. The shares and derivatives thereon will remain suspended from trading for 1 day upon the announcement and be issued a delisting risk warning by the Exchange upon trading resumption.

10.4.7 If a listed company fails to complete rectification within the specified time limit, as specified in Subparagraphs (3) to (5) of Subsection 10.4.1, the shares and derivatives thereon of the company will be suspended from trading from the day following the expiration of the specified time limit.

If the company completes rectification within the correction time limit or within 2 months after the trading suspension of its stock in compliance with the relevant rules and requirements, it shall disclose the opinion of its CPA firm from the verification process in a timely manner. Trading of the company's shares and derivatives thereon, if suspended previously, will resume upon the release of the announcement.

If the company fails to complete rectification within 2 months after the trading suspension of its stock according to relevant regulations and requirements, it shall, on the trading day following the expiration of the 2 months, release an announcement that its stock will be issued a delisting risk warning. The shares and derivatives thereon of the company will remain suspended from trading for 1 day upon the announcement and be issued a delisting risk warning by the Exchange upon trading resumption.

10.4.8 If a listed company's total capital stock or equity structure is unqualified for listing for 20 consecutive trading days as per Subparagraph (7) of Subsection 10.4.1, the company's shares and derivatives thereon will be suspended from trading on the day following the occurrence of this circumstance and the company shall release a risk alert announcement on the same day that its stock is likely to be issued a delisting risk warning. The company shall additionally disclose a solution to the issue and the associated risks within 1 month after the trading suspension of its stock.

When disclosing the resolution within 1 month after the trading suspension, the company shall also disclose an announcement that its stock will be issued a delisting risk warning, and its shares and derivatives thereon will remain suspended from trading for 1 day upon the announcement. If the company fails to disclose the resolution within 1 month after the trading suspension, the company shall, on the trading day following expiry of the 1-month period, disclose an announcement that its stock will be issued a delisting risk warning. The shares and derivatives thereon will remain suspended from trading for 1 day upon the announcement and be issued a delisting risk warning by the Exchange upon trading resumption.

If the company's total capital stock or equity structure meets the listing requirements again during the trading suspension, the company shall make a timely announcement and its shares and derivatives thereon will resume trading upon the disclosure of announcement.

10.4.9 Upon occurrence of any of the circumstances under Subparagraphs (6) or (8) to (10) of Subsection 10.4.1 to a listed company, the company shall disclose an announcement thereon on the day following the occurrence of such circumstance. The shares and derivatives thereon of the company will continue to be suspended from trading for 1 day upon the announcement and be issued a delisting risk warning by the Exchange upon trading resumption.

10.4.10 During the period when a delisting risk warning is issued to the stock of a listed company due to any of the circumstances under Subparagraphs (1) to (5) or Subparagraphs (7) to (10) of Subsection 10.4.1, the company shall disclose a risk alert announcement that its stock is likely to be terminated from listing at least once every 5 trading days, until the circumstance is eliminated or the listing of its stock is terminated in accordance with Subsection 10.4.18.

During the period when a delisting risk warning is issued to the stock of the company due to the circumstance under Subparagraph (6) of Subsection 10.4.1, the company shall disclose a risk alert announcement that its stock is likely to be terminated from listing once a month. The company shall additionally disclose a risk alert announcement that its stock is likely to be terminated from listing within 1 month after the end of the financial year in which its stock is issued a delisting risk warning and, from the first such disclosure in that month to before the disclosure of the audit report for internal controls for that year, disclose the risk alert announcement every 10 trading days.

10.4.11 After a delisting risk warning is issued to the stock of a listed company due to the circumstance under Subparagraph (9) of Subsection 10.4.1, the company shall, by stages, promptly disclose the progress of reorganization matters such as the reorganization plan or settlement agreement approved in the ruling of the court or the reorganization or settlement proceedings terminated therein, and give adequate warning against associated risks.

Trading suspension and resumption in relation to the bankruptcy reorganization of a listed company shall be governed by the relevant rules of the Exchange.

10.4.12 If a delisting risk warning is issued to the stock of a listed company due to any of the circumstances under Subparagraphs (1) to (8) of Subsection 10.4.1, the company may apply to the Exchange for lifting the delisting risk warning upon satisfaction of any of the following conditions:

(1) the company discloses its relevant annual report or semi-annual report, of which the majority of the company’s directors guarantee the truthfulness, accuracy, and completeness, within 2 months following issuance of the delisting risk warning due to the circumstance under Subparagraph (1) of Subsection 10.4.1;

(2) the majority of its directors guarantee that the relevant periodic report is true, accurate, and complete within 2

months following issuance of the delisting risk warning due to the circumstance under Subparagraph (2) of Subsection 10.4.1;

(3) the company discloses its corrected financial report according to relevant rules and requirements within 2 months following issuance of the delisting risk warning due to the circumstance under Subparagraph (3) of Subsection 10.4.1;

(4) the company completes the rectification as required and is free from material defects in information disclosure and compliant operation within 2 months following issuance of the delisting risk warning due to the circumstance under Subparagraph (4) of Subsection 10.4.1;

(5) the company completes the rectification within 2 months after its stock is issued a delisting risk warning due to the circumstance under Subparagraph (5) of Subsection 10.4.1 and its controlling shareholders (or, if there is no controlling shareholder, its largest shareholder) or the related parties thereof are not implicated in any other forms of misappropriating funds for non-operating purposes;

(6) an unqualified opinion is given by the audit report on the company’s internal controls for financial reports for the first financial year immediately after the company’s stock is issued a delisting risk warning due to the circumstance under Subparagraph (6) of Subsection 10.4.1;

(7) the company’s total capital stock or equity structure meets listing requirements once again within 6 months following issuance of the delisting risk warning due to the circumstance under Subparagraph (7) of Subsection 10.4.1; or

(8) the circumstance in which the company may be legally subject to compulsory dissolution has been eliminated following issuance of the delisting risk warning due to the circumstance under Subparagraph (8) of Subsection 10.4.1.

10.4.13 If the company applies to the Exchange for lifting the delisting risk warning on its stock after meeting the circumstance under Subparagraph (3) or (5) of Subsection 10.4.12, it shall disclose the opinions of its CPA firm from the verification process as required by the Exchange.

If the company applies to the Exchange for lifting the delisting risk warning on its stock after meeting the circumstance under Subparagraph (4) of Subsection 10.4.12, it shall, as required by the Exchange, also disclose a special verification opinion from an intermediary stating that there is no material defect in its information disclosure and compliant operation. The Exchange may submit the circumstance to the Listing Committee for deliberation and make a decision based on the deliberation opinion of the Listing Committee.

If the company applies to the Exchange for lifting the delisting risk warning on its stock after meeting the circumstance under Subparagraph (6) of Subsection 10.4.12, it shall, as required by the Exchange, also disclose the audit report on its internal controls for financial reports for the most recent financial year, issued by a CPA firm with an unqualified opinion. Where in accordance with relevant rules the company is unable to disclose the audit report due to bankruptcy reorganization, listing through restructuring, or major asset restructuring, the company's stock will continue to be subject to the delisting risk warning until the disclosure of the following financial year's audit report on internal controls for financial reports, at which point the relevant provisions of this Section will apply.

10.4.14 A listed company may, after a delisting risk warning is issued to its stock due to the circumstance under Subparagraph (9) of Subsection 10.4.1, apply to the Exchange for lifting such delisting risk warning if:

(1) the company has completed the reorganization plan;

(2) the company has performed the settlement agreement;

(3) a court has, after accepting the bankruptcy petition of a petitioner and before declaring the company bankrupt, delivered a ruling on dismissal of the bankruptcy petition in accordance the *Enterprise Bankruptcy Law of the People's Republic of China* (the "*Enterprise Bankruptcy Law*"), and the petitioner fails to file an appeal within the statutory period; or

(4) a court has, after accepting the bankruptcy petition and before

declaring the company bankrupt, delivered a ruling on termination of the bankruptcy proceedings in accordance with the *Enterprise Bankruptcy Law* as the company has repaid all debts due or a third party has provided guarantee to the company covering the debts or repaid all debts due for the company.

When applying to the Exchange for lifting the delisting risk warning from its stock due to the circumstance under Subparagraph (1) or (2) of the preceding Paragraph, the company shall submit the supervision report issued by the administrator designated by the court, the legal opinion issued by the law firm on the implementation of its reorganization plan or settlement agreement, and other explanatory documents as required by the Exchange.

10.4.15 If a listed company meets the conditions under Subsection 10.4.12 or 10.4.14, it shall make timely disclosure upon occurrence of the relevant circumstance and state whether it will apply to the Exchange for lifting the delisting risk warning. If the company intends for the application, it shall, within 5 trading days of the date of disclosure, submit the application to the Exchange.

If the company applies to the Exchange for lifting the delisting risk warning, it shall disclose an announcement on the trading day following the day it submits the application.

After the company submits a full set of application documents for lifting delisting risk warning, the Exchange will, within 15 trading days, make a decision on whether to lift the delisting risk warning.

10.4.16 If the Exchange decides to lift a delisting risk warning from the stock of a listed company, the company shall promptly disclose an announcement thereon. The shares and derivatives thereon will be suspended from trading for 1 day upon the announcement and be lifted the delisting risk warning by the Exchange upon trading resumption.

10.4.17 If the Exchange decides not to lift a delisting risk warning from the stock of a listed company, the company shall disclose an announcement on the day immediately following its receipt of the Exchange’s relevant written notice.

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

10.4.18 The Exchange will make a decision to terminate the listing of the stock of a listed company if:

(1) the company still fails to disclose its relevant annual report or semi-annual report of which more than half of the company's directors guarantee the truthfulness, accuracy, and completeness within 2 months following issuance of the delisting risk warning on its stock due to the circumstance under Subparagraph (1) of Subsection 10.4.1;

(2) half or more of the company's directors are still unable to guarantee the truthfulness, accuracy, and completeness of its annual report or semi-annual report within 2 months following issuance of the delisting risk warning due to the circumstance under Subparagraph (2) of Subsection 10.4.1;

(3) the company still fails to disclose its corrected financial report within 2 months following issuance of the delisting risk warning due to the circumstance under Subparagraph (3) of Subsection 10.4.1;

(4) the company still fails to complete rectification as required within 2 months following issuance of the delisting risk warning due to the circumstance under Subparagraph (4) of Subsection 10.4.1;

(5) the company still fails to complete rectification within 2 months following issuance of the delisting risk warning due to the circumstance under Subparagraph (5) of Subsection 10.4.1, or its controlling shareholders (or, if there is no controlling shareholder, its largest shareholder) or the related parties thereof are implicated in any other forms of misappropriating funds for non-operating purposes;

(6) in the first financial year following the issuance of the delisting risk warning on the company's stock due to the circumstance under Subparagraph (6) of Subsection 10.4.1, a disclaimer of opinion or an adverse opinion is given by the audit report on the company's internal controls for financial reports or the company fails to disclose such an audit report as required;

(7) the company still fails to resolve the issues in its total capital

stock or equity structure within 6 months following issuance of the delisting risk warning on its stock due to the circumstance under Subparagraph (7) of Subsection 10.4.1;

(8) the company satisfies the conditions for compulsory dissolution such as having its business license legally revoked, being ordered to close down, or being deregistered, or it receives a court’s ruling declaring its bankruptcy, after a delisting risk warning is issued to its stock due to any of the circumstances under Subparagraphs (8) and (9) of Subsection 10.4.1;

(9) the company fails to apply to the Exchange for lifting the delisting risk warning within the specified time limit despite meeting the conditions under Subsections 10.4.12 and 10.4.14;

(10) the company’s application for lifting the delisting risk warning is not approved by the Exchange; or

(11) the company falls under other circumstances as recognized by the Exchange.

10.4.19 Upon occurrence of any of the circumstances under Subsection 10.4.18 to a listed company, the company shall, on the following trading day, issue a risk alert announcement that its stock is likely to be terminated from listing. The shares and derivatives thereon will be suspended from trading by the Exchange upon the announcement.

10.4.20 The Exchange will, within 5 trading days after it suspends trading in the shares and derivatives thereon of a listed company according to Subsection 10.4.19, send an advance notice of its intention to terminate the company’s stock from listing to the company. The company shall make prompt disclosure upon receipt of such notice.

10.4.21 Upon receipt of an advance notice of listing termination, a listed company may apply for a hearing according to Section 6 of this Chapter to raise statements and defenses.

If the company fails to apply for a hearing within the specified time limit, the Listing Committee will, within 15 trading days after the expiration of the period for raising statements and defenses, deliberate whether to terminate the company's stock from listing, and issue its deliberation opinion based on independent and professional judgment. If the company applies for a hearing within the specified time limit, the Listing Committee will issue its deliberation opinion within 15 trading days after the end of the hearing procedure.

The Exchange may, based on the deliberation opinion of the Listing Committee, make a decision on whether to terminate the company's stock from listing.

Section 5 Compulsory Delisting for Material Violations

10.5.1 For the purpose of these Rules, the stock of a listed company is subject to compulsory delisting for material violations if:

(1) its stock is required to be terminated from listing due to its fraudulent offering, material information disclosure violation, or other material violations that severely disrupt the orderly securities market; or

(2) its stock is required to be terminated from listing due to its serious violations involving national security, public security, ecological security, production safety and public health, and other areas which severely harm the national interests or public interests or affect its listing status.

10.5.2 The Exchange will make a decision to terminate the stock of a listed company from listing and trading if the company commits any of the material violations under Subparagraph (1) of Subsection 10.5.1 where:

(1) the company receives an administrative penalty decision of the CSRC in accordance with Article 181 of the *Securities Law* or is found guilty in an effective judgment by a people's court in accordance with Article 160 of the *Criminal Law*, for any misrepresentations, misleading statements or material omissions contained in its IPO application or disclosure documents;

(2) the company receives an administrative penalty decision of the CSRC in accordance with Article 181 of the *Securities Law* or is found guilty in an effective judgment by a people's court in accordance with Article 160 of the *Criminal Law*, for any misrepresentations, misleading statements or material omissions contained in its application or disclosure documents for asset acquisition through share issue which constitutes a listing through restructuring;

(3) based on the facts stated in an administrative penalty decision of the CSRC, the company's financial indicators in any consecutive financial years from 2015 to 2020 or 2020 to 2023 have met the criteria for termination of listing in the corresponding year, or its financial indicators in 2023 and 2024 have met the criteria for termination of listing in the corresponding year, or its financial indicators in any consecutive years from 2024 onward have met the criteria for termination of listing under Section 3 of this Chapter, due to any misrepresentations, misleading statements, or material omissions in its disclosed annual report;

(4) based on the facts stated in an administrative penalty decision of the CSRC, in the company's disclosures, the misrepresented value of operating revenue, total profit, or net profit for any year reaches RMB 200 million or more and exceeds 30 percent of the absolute value of the disclosed corresponding item for that year; or in the company's balance sheets, the misrepresented amount of assets and liabilities in aggregate for any year reaches RMB 200 million or more and exceeds 30 percent of the absolute value of the disclosed ending net assets for that year. For the purpose of calculating the aggregate amount of the misrepresented asset and liability accounts in the balance sheets, overstatements and understatements are calculated on a combined basis (this Subparagraph is applicable to acts of misrepresentation from 2024 onward);

(5) based on the facts stated in an administrative penalty decision of the CSRC, in the company's disclosures, the misrepresented value of operating revenue, total profit, or net profit for 2 consecutive years in aggregate reaches RMB 300 million or more and exceeds 20 percent of the aggregate disclosed

amount of the corresponding account for those 2 years; or in the company's balance sheets, the misrepresented amount of assets and liabilities for 2 consecutive years in aggregate reaches RMB 300 million or more and exceeds 20 percent of the aggregate disclosed ending net assets for those 2 years. For the purpose of calculating the aforesaid aggregate amounts, any negative financial figure is first taken the absolute value before being added. For the purpose of calculating the aggregate amount of the misrepresented asset and liability accounts in the balance sheets, overstatements and understatements are calculated on a combined basis (this Subparagraph is applicable to acts of misrepresentation from 2024 onward);

(6) based on the facts stated in an administrative penalty decision of the CSRC, the company has misrepresented any of the financial indicators in its annual reports for 3 consecutive years. These indicators are the operating revenue, total profit, net profit, and the assets or liabilities accounts in balance sheets (this Subparagraph is applicable to acts of misrepresentation from 2020 onward);

(7) based on the facts stated in an administrative penalty decision of the CSRC, in its disclosures, the company has misrepresented its operating revenue for 2 consecutive years involving an aggregated misrepresentation of RMB 500 million or more and exceeding 50 percent of the aggregate disclosed operating revenues of those 2 years; or the company has misrepresented its net profit for 2 consecutive years involving an aggregate misrepresentation of RMB 500 million or more and exceeding 50 percent of the aggregate disclosed net profit of those 2 years; or the company has misrepresented its total profit for 2 consecutive years involving an aggregated misrepresentation of RMB 500 million or more and exceeding 50 percent of the aggregate disclosed total profit for those 2 years; or the company has misrepresented its balance sheets for 2 consecutive years involving an aggregate misrepresentation of RMB 500 million or more and exceeding 50 percent of the aggregate disclosed ending net assets for those 2 years. For the purpose of calculating the aforesaid aggregate amounts, any negative financial figure is first taken the absolute value before being added. For the purpose of

calculating the aggregate amount of the misrepresented asset and liability accounts in the balance sheets, overstatements and understatements are calculated on a combined basis (this Subparagraph is applicable to acts of misrepresentation from 2020 to 2024); or

(8) the company is found by the Exchange to have otherwise severely disrupted the orderly securities market based on the fact, nature, severity, social impact, and other factors of its violation.

The circumstances described in the foregoing Subparagraphs (1) and (2) of the preceding Paragraph are collectively referred to as compulsory delisting for fraudulent offering; those described in the foregoing Subparagraphs (3) to (8) of the preceding Paragraph are collectively referred to as compulsory delisting for material information disclosure violations.

10.5.3 “Financial indicators in any consecutive financial years from 2015 to 2020 have met the criteria for termination of listing in the corresponding year,” within the meaning of Subparagraph (3), Paragraph 1 of Subsection 10.5.2, refers to any of the following circumstances:

(1) its net profit has been negative for 3 consecutive financial years; and in the fourth financial year, the lower of its net profit before or after non-recurring gain or loss is negative, or its ending net assets are negative, or it receives an audit report containing a qualified opinion, a disclaimer of opinion or an adverse opinion from a CPA firm;

(2) its ending net assets in the first financial year is negative; and in the second financial year, the lower of its net profit before or after non-recurring gain or loss is negative, or its ending net assets are negative, or it receives an audit report containing a qualified opinion, a disclaimer of opinion or an adverse opinion from a CPA firm;

(3) for two consecutive financial years it receives an audit report on its financial report containing a disclaimer of opinion or an adverse opinion from a CPA firm; and in the third financial year, the lower of its net profit before or after non-recurring gain or

loss is negative, or its ending net assets are negative, or it receives an audit report containing a qualified opinion, a disclaimer of opinion or an adverse opinion from a CPA firm; or

(4) any other circumstance related to financial indicators requiring termination of listing in the corresponding year as specified in the *Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange*.

10.5.4 "Financial indicators in any consecutive financial years from 2020 to 2023 have met the criteria for termination of listing in the corresponding year," within the meaning of Subparagraph (3), Paragraph 1 of Subsection 10.5.2, refers to any of the following circumstances:

(1) in the first financial year, the lower of its net profit before or after non-recurring gain or loss is negative and its post-deduction operating revenue is lower than RMB 100 million; and in the second financial year, the lower of its net profit before or after non-recurring gain or loss is negative and its post-deduction operating revenue is lower than RMB 100 million, or its ending net assets are negative, or it receives an audit report containing a qualified opinion, a disclaimer of opinion or an adverse opinion from a CPA firm;

(2) its ending net assets for the first financial year are negative; and in the second financial year, the lower of its net profit before or after non-recurring gain or loss is negative and its post-deduction operating revenue is lower than RMB 100 million, or its ending net assets are negative, or it receives an audit report containing a qualified opinion, a disclaimer of opinion or an adverse opinion from a CPA firm;

(3) in the first financial year, it receives an audit report on its financial report containing a disclaimer of opinion or an adverse opinion from a CPA firm; and in the second financial year, the lower of its net profit before or after non-recurring gain or loss is negative and its post-deduction operating revenue is lower than RMB 100 million, or its ending net assets are negative, or it receives an audit report containing a qualified opinion, a disclaimer of opinion or an adverse opinion from a CPA firm; or

(4) any other circumstance related to financial indicators requiring termination of listing in the corresponding year as specified in the *Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange*.

10.5.5 "Financial indicators in 2023 and 2024 have met the criteria for termination of listing in the corresponding year," within the meaning of Subparagraph (3), Paragraph 1 of Subsection 10.5.2, refers to any of the following circumstances:

(1) in 2023, the lower of its net profit before or after non-recurring gain or loss is negative and its post-deduction operating revenue is lower than RMB 100 million; and in 2024, it has fallen into any of the circumstances requiring termination of listing as set forth in Subsection 10.3.11;

(2) its ending net assets for 2023 are negative; and in 2024, it has fallen into any of the circumstances requiring termination of listing as set forth in Subsection 10.3.11;

(3) in 2023, it receives an audit report on its financial report containing a disclaimer of opinion or an adverse opinion from a CPA firm; and in 2024, it has fallen into any of the circumstances requiring termination of listing as set forth in Subsection 10.3.11; or

(4) any other circumstance related to financial indicators requiring termination of listing in the corresponding year as specified in the *Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange*.

10.5.6 The Exchange will make a decision to terminate the stock of a listed company from listing and trading if the company commits any of the material violations under Subparagraph (2) of Subsection 10.5.1 where:

(1) the company or any of its main subsidiaries is legally revoked of its business license, ordered to close down, or deregistered;

(2) the company or any of its main subsidiaries is legally revoked of its production and operation license for principal business, or otherwise becomes legally disqualified from continuing

production and operation; or

(3) the Exchange believes that the company's stock shall be terminated from listing, based on the severity of the harm to national interests and public interest caused by the company's material violations and considering the type of legal liability assumed by the company, the impact of such violations on the production and operation and listing status of the company, and other factors.

10.5.7 If, based on the facts determined in an advance notice of administrative penalty or in a judgment of a people's court, a listed company is likely to be involved in a circumstance described in Subsection 10.5.2 or Subsection 10.5.6, the company shall, immediately after it knows the service of such advance notice of administrative penalty by the competent administrative authority or the making of a guilty judgment by the people's court, disclose relevant matters and a risk warning announcement that its stock is subject to delisting. Trading in the company's shares and derivatives thereon will be suspended for 1 day after the announcement. The Exchange will, from the date of trading resumption, issue a delisting risk warning to the company's stock.

During the period when a delisting risk warning is issued to the company's stock due to any of the circumstances under the preceding Paragraph, the company shall disclose the progress of relevant matters every 5 trading days, and issue a special risk alert that its stock is likely to be subject to compulsory delisting for material violations.

10.5.8 If, based on the facts determined in an administrative penalty decision or in an effective judgment of a people's court, a listed company is likely to be involved in a circumstance described in Subsection 10.5.2 or Subsection 10.5.6, the company shall, immediately after receiving such administrative penalty decision or after relevant judgment of the people's court takes effect, disclose the relevant matters and a risk alert announcement that its stock is likely to be terminated from delisting. Trading in the company's shares and derivatives thereon will be suspended after the announcement.

If the company is not involved in any of the circumstances described in Subsection 10.5.2 or Subsection 10.5.6, trading in the company's shares and derivatives thereon will be suspended for 1 day after the aforesaid disclosure of announcement. The Exchange will, from the date of trading resumption, lift the delisting risk warning from the company's stock.

10.5.9 If the company is involved in any of the circumstances requiring compulsory delisting for material violations, the Exchange will, within 15 trading days after the suspension of trading of the company's stock, send an advance notice of listing termination to the company. The company shall make a prompt disclosure upon receipt of such notice.

The Exchange may, before sending an advance notice of listing termination, require the company to provide supplementary materials, and the company shall provide such materials within the required time limit. If the company fails to do so as required, the Exchange will, upon expiration of the required time limit, send an advance notice of listing termination to the company in accordance with the preceding Paragraph.

The Exchange may investigate and verify relevant situation of the company by itself or through a relevant organization. The period for investigation and verification is excluded from the 15 trading days as mentioned in Paragraph 1 of this Subsection.

10.5.10 Upon receipt of an advance notice of listing termination, a listed company may apply for a hearing according to Section 6 of this Chapter to raise statements and defenses.

If the company fails to apply for a hearing within the specified time limit, the Listing Committee will, within 15 trading days after the expiration of the period for raising statements and defenses, deliberate whether to terminate the company's stock from listing, and issue its deliberation opinion based on independent and professional judgment. If the company applies for a hearing within the specified time limit, the Listing Committee will issue its deliberation opinion within 15 trading days after the end of the hearing procedure.

The Exchange may, based on the deliberation opinion of the Listing Committee, make a decision on whether to terminate the company's stock from listing within 5 trading days.

10.5.11 A listed company whose stock has been terminated from listing due to circumstances requiring compulsory delisting for material violations may apply to the Exchange for revoking the decision of terminating the company's stock from listing if either of the following occurs:

(1) relevant administrative penalty decision has been legally revoked or confirmed invalid, or has been modified due to major changes in the determined nature and facts of the illegal act; or

(2) the guilty judgment of the people's court has been legally revoked and no new judgment of guilt has been made.

When the company applies to the Exchange for revoking the decision of terminating its stock from listing, it shall submit the following documents to the Exchange within 30 trading days after receiving relevant documents or legal instruments:

(1) the company's application for revoking the decision of terminating its stock from listing;

(2) resolution of the company's board on applying to revoke the decision of terminating its stock from listing;

(3) documents proving the lawful revocation, confirmed invalidity or modification of relevant administrative penalty decision, or relevant judgment document of the people's court;

(4) legal opinion; and

(5) other relevant materials required by the Exchange.

10.5.12 The Exchange shall, within 15 trading days after receiving the revocation application submitted by a listed company in accordance with Subsection 10.5.11, hold a meeting of the Listing Committee to deliberate on whether to revoke the decision of terminating the company's stock from listing and issue a deliberation opinion thereon. If, during the 15 trading days, the Exchange requires the company to provide additional materials, the company shall do so as required. The period for providing the additional materials is excluded from the 15 trading days. The Exchange may investigate and verify relevant situation of the company by itself or through a relevant organization. The period for investigation and verification is excluded from the 15 trading days.

The Exchange will make a decision on whether to revoke the decision of terminating the company's stock from listing based on the deliberation opinion of the Listing Committee.

In addition, if the company's stock is also under a circumstance requiring issuance of non-delisting risk warning or listing termination, the Exchange will issue a corresponding risk warning or terminate the stock from listing.

10.5.13 If the Exchange agrees to revoke the listing termination of a company's stock, it shall inform the company of the same and release a relevant announcement within 2 trading days of the corresponding revocation decision and at the same time, report to the CSRC for the record.

10.5.14 Within 20 trading days after receipt of the Exchange's revocation decision, the company may file a written application with the Exchange to resume normal trading of its stock, and submit to the Exchange the following documents:

(1) the company's application for resuming normal trading of its stock;

(2) resolution of the company's board on applying to resume normal trading of its stock;

(3) resolution of the shareholders' general meeting on applying to resume normal trading of its stock;

(4) the opinion issued by the sponsor;

(5) legal opinion;

(6) audited financial reports of the company for the most recent financial year and the latest financial period;

(7) list of the company’s top 10 shareholders, and the business license or relevant identity documents of the shareholders holding 5 percent or more of the company’s shares;

(8) documents certifying that all of the company’s shares are being held in custody in the clearing company;

(9) description of the shareholding status of all directors, supervisor and other senior officers in the company; and

(10) other materials required by the Exchange.

If the company’s shares have been switched to NEEQ or any other securities trading venue, or if justified under the circumstances, the company may supplement the corresponding application documents after having completed the procedures or related matters for the reconfirmation of ownership, registration, and custody of its shares within the time limit required by the Exchange.

The Exchange will make a decision on whether to accept the application and inform the company of such decision within 5 trading days after receiving all the application materials from the company. The company shall release an announcement thereon in a timely manner.

10.5.15 The Exchange shall, within 2 trading days after making the decision to resume normal trading of the company’s stock, inform the company of its decision and at the same time, report to the CSRC for the record.

The company shall make a timely announcement after receiving the aforesaid decision, and go through relevant procedures for resuming normal stock trading as required by the Exchange.

Prior to resuming the normal trading of its stock, the company shall re-sign a listing agreement with the Exchange to clarify the rights and obligation of both parties and other related matters.

The controlling shareholders, de facto controllers, directors, supervisors and other senior officers of the company shall sign and submit the corresponding declarations and undertakings. The transfer or lock-up arrangements of their respective shares in the company upon resumption of normal trading shall be implemented in line with laws, administrative regulations, ministry-level rules, normative documents, and relevant rules of the Exchange.

Section 6 Hearing and Review

10.6.1 A listed company may, within 5 trading days upon the earlier (the same hereinafter) of its receipt of or the Exchange's service by publication of the advance notice of listing termination, submit a written request for hearing to the Exchange, stating the matters needing hearing and reasons therefor. The hearing procedure and the related matters shall apply relevant rules of the Exchange.

If the company challenges the listing termination, it may, within 10 trading days upon receipt of or the Exchange's service by publication of the advance notice of listing termination, submit to the Exchange relevant written statements and defenses and provide relevant documents.

If the company fails to submit a request for hearing and written statements and defenses within the period specified in this Subsection, it shall be deemed to have waived its corresponding rights.

If the company submits a request for hearing within the period specified in this Subsection, the Listing Committee will organize a hearing according to relevant rules.

10.6.2 During the period when the Listing Committee organizes a hearing and deliberates the relevant matters, it may require the listed company and relevant intermediaries to provide additional materials. The period for providing additional materials is excluded from the period for hearing and deliberation. If the company and relevant intermediaries fail to provide additional materials within the period specified by the Exchange, the Listing Committee will continue its hearing or deliberation.

The Exchange may investigate and verify relevant situation of the company by itself or through a relevant organization, and submit the results thereof to the Listing Committee for deliberation. The period for investigation and verification is excluded from the deliberation period.

Please note:
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10.6.3 A listed company may, within 15 trading days upon the earlier of its receipt of or the Exchange's service by publication of the decision on listing termination, submit to the Exchange a written application for review. The review procedures and relevant matters shall be governed by relevant rules of the Exchange.

The listed company shall, on the trading day following the submission of the review application to the Exchange, disclose information thereon.

10.6.4 The Exchange will, within 5 trading days upon receipt of an applicant's review application documents, make a decision on whether to accept the application and notify the applicant.

Upon receipt of the Exchange's decision on whether to accept its review application, the applicant shall disclose the details of the decision and the associated risks in a timely manner.

10.6.5 The Exchange sets up an Appeal Review Committee to deliberate an applicant's review application and issue its deliberation opinion based on independent and professional judgment.

10.6.6 The Exchange will, within 30 trading days upon acceptance of a review application, make its decision to uphold or revoke the decision on listing termination based on the deliberation opinion of the Appeal Review Committee.

If, during the aforesaid period, the Exchange requires the applicant to provide additional materials, the applicant shall do so within the time limit specified by the Exchange. The period for providing additional materials is excluded from the period for the Exchange to make relevant decision.

The Exchange may investigate and verify relevant situation of the company by itself or through a relevant organization, and submit the results thereof to the Appeal Review Committee for deliberation. The period for investigation and verification is excluded from the deliberation period.

Upon receipt of the Exchange's review decision, the applicant shall promptly disclose the details of the decision.

10.6.7 Where the Exchange makes a decision to revoke its decision on listing termination based on the deliberation opinion of the Appeal Review Committee, the procedures in Subsections 10.5.14 and 10.5.15 shall apply *mutatis mutandis*.

Section 7 Delisting Arrangement Period

10.7.1 If the Exchange makes a decision to terminate the stock of a listed company from listing according to the provisions of Sections 3 to 5 of this Chapter, the stock will resume trading and enter delisting arrangement period on the trading day following the 5th trading day after the announcement date of the decision. During the delisting arrangement period, the stock code of the listed company shall remain unchanged, and the short name of its stock shall be changed to “XX delisting”.

The stock that is subject to a delisting arrangement will be traded on the risk warning board.

Where the Exchange makes a decision to terminate the listing of a listed company’s stock according to Section 2 of this Chapter, the stock shall not enter the delisting arrangement period.

10.7.2 The delisting arrangement period shall continue for 15 trading days. The stock of a listed company shall, in principle, not be suspended from trading during this period. If the company applies to the Exchange for suspending its stock from trading for a full trading day during the delisting arrangement period for special reasons, the trading suspension period is excluded from the delisting arrangement period, provided that the total trading suspension period shall not exceed 5 trading days.

If the company fails to apply for trading resumption before expiration of the total trading suspension period, the Exchange will resume trading of its stock on the trading day following the expiration.

10.7.3 Where the stock of a listed company enters the delisting arrangement period, the company and relevant persons with disclosure obligations shall still fulfill information disclosure obligations and other related obligations in accordance with laws and regulations, these Rules and relevant rules of the Exchange.

Please note:
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10.7.4 The lock-up periods for any lock-up shares held by the shareholders of a listed company will continue to run during the delisting arrangement period. Such shares may not be transferred until their lock-up periods expire.

10.7.5 A listed company shall, after receiving the Exchange's decision to terminate the listing of its stock, promptly disclose an announcement to that effect and disclose relevant matters regarding trading of its stock during the delisting arrangement period. Such announcement shall contain the following information:

(1) the type, short name, and code of the stock to be terminated from listing as well as the contents of the decision on listing termination;

(2) the code, short name, and price limits of the company's stock during the delisting arrangement period;

(3) the start date of, and the trading days and expected last trading day for the company's stock during the delisting arrangement period;

(4) statement that the company will not plan or implement any major asset restructuring or other major matters during the delisting arrangement period;

(5) the registration, transfer, management, and other matters of the company's stock after the listing termination;

(6) contact person, address, phone number, and other communication methods of the company after the listing termination; and

(7) other information required by the Exchange.

10.7.6 A listed company shall, on the first day of delisting arrangement period, disclose a risk alert announcement on the Exchange's decision to terminate listing of its stock, stating such matters as the start date and end date of the delisting arrangement period.

The company shall, every 5 trading days during the delisting arrangement period and on each trading day during the last 5 trading days thereof, publish a risk alert announcement that its stock will be delisted.

10.7.7 When disclosing an announcement during the delisting arrangement period, a listed company shall specify in the announcement the delisting time of the company's stock with a special reminder on the risk of its stock being terminated from listing.

10.7.8 During the delisting arrangement period, the board of directors of a listed company shall pay attention to the trading, media coverage, and market rumors of its stock, and make timely clarifications or explanations where necessary.

10.7.9 The stock of a listed company shall, on the trading day following the expiration of the delisting arrangement period, be delisted and terminated from listing.

The stock of a listed company shall be delisted within 15 trading days after the Exchange has made a decision to terminate the listing of its stock according to the provisions of Section 2 of this Chapter, in which case the stock of the company shall be terminated from listing.

The company shall, on the day of delisting, disclose a delisting announcement, explaining the specific matters regarding the switch of its stock to NEEQ or any other securities trading venues, including the date of switch, reconfirmation of ownership, registration and custody, and the trading system.

10.7.10 A listed company shall, after the Exchange makes a decision to terminate the listing of its stock, immediately arrange the switch of its stock to NEEQ or other securities trading venues for trading to ensure its stock is transferable within 45 trading days after the delisting date of its stock.

10.7.11 A listed company shall, before the delisting of its stock, sign an agreement with a securities company that meets the requirements of the *Securities Law* (hereinafter, a chief agency broker) to engage the latter to provide share transfer services for the company after the delisting, and authorize the latter to attend to delisting registration, reconfirmation of title, re-registration, clearing of its stock, with the securities depository and clearing system.

If the company fails to engage a chief agency broker, the Exchange may help coordinate one and notify the company and the broker. The company shall disclose an announcement thereon within 2 trading days of the designation (unless the company has lost its legal personality).

10.7.12 A listed company shall not plan or implement any major asset restructuring or other material matters during the delisting arrangement period.

10.7.13 If the stock of a listed company is likely to be subject to compulsory delisting and the company has announced its plan for major asset restructuring, the board of directors shall carefully evaluate and decide whether to proceed with the major asset restructuring. If the board decides to proceed with the major asset restructuring without entering the delisting arrangement period, it shall promptly convene a shareholder's general meeting to consider the proposal of proceeding with its major asset restructuring and not entering the delisting arrangement period; if the board decides to enter the delisting arrangement period and terminate its major asset restructuring, it shall promptly perform the deliberation procedures and disclosure obligations.

Where the board decides to proceed with the major asset restructuring, it shall specify in the notice of the shareholders' general meeting that, if the shareholders' general meeting approves the proposal, the stock will not be arranged for trading in the delisting arrangement period and be delisted within 15 trading days after the date of the Exchange's announcement of its decision on listing termination; if the meeting disapproves the proposal, the stock will resume trading and enter the delisting arrangement period on the trading day following the 5th trading day after the Exchange's announcement of its decision on listing termination.

Where the company convenes a shareholders' general meeting to deliberate relevant proposals pursuant to the provisions of the preceding Paragraph, such proposals shall be passed by two-thirds or more of the votes held by the shareholders attending the meeting. The company shall separately count and disclose the votes of shareholders other than those individually or collectively holding 5 percent or more of the shares in the listed company and those who are directors, supervisors, or senior officers of the company.

10.7.14 Where a company being subject to or having completed bankruptcy reorganization triggers any circumstance requiring compulsory delisting, its stock may be exempted from trading in the delisting arrangement period if a people's court or other authority holds that trading of the stock in the period would conflict with the bankruptcy reorganization proceedings or the performance of the reorganization plan approved by the people's court.

10.7.15 A company that does not enter the delisting arrangement period for trading shall undertake to switch its stock to the NEEQ or other securities trading venues if its stock has been terminated from listing.

10.7.16 Where a listed company's stock enters the delisting arrangement period, it shall submit the following materials to the Exchange within 2 trading days of receipt of the Exchange's decision to terminate the listing of its stock:

(1) application of the company's board of directors for changing the short name of the stock;

(2) letter of commitment of the company's board of directors on not planning any major asset restructuring and other matters during the delisting arrangement period;

(3) risk alert announcement on stock trading during the delisting arrangement period; and

(4) other materials required by the Exchange.

Section 8 Voluntary Termination of Listing

10.8.1 A listed company may apply to the Exchange for voluntary termination of listing and trading upon the occurrence of any of the following circumstances:

(1) the shareholders' general meeting of the company decides to voluntarily withdraw its stock from the Exchange and not to trade on any other stock exchange either;

(2) the shareholders' general meeting of the company decides to voluntarily withdraw its stock from the Exchange and apply to

some other stock exchange for trading or transferring its stock;

(3) the shareholders’ general meeting of the company decides that the company is dissolved;

(4) the company is no longer an independent entity and is canceled as a result of its merger or consolidation with another company;

(5) for the purpose of terminating the listing of its stock, the company issues an offer to all shareholders to buy back all or part of their shares resulting in changes in the total capital stock or the equity structure of the company that render the company unsuitable for listing;

(6) for the purpose of terminating the listing of the company’s stock, the company’s investors issue an offer to all other shareholders to buy back all or part of their shares resulting in changes in the total capital stock and the equity structure of the company that render the company unsuitable for listing;

(7) for the purpose of terminating the listing of the company’s stock, the acquirers other than the company’s investors issues an offer to all shareholders to buy back all or part of their shares resulting in changes in the total capital stock and the equity structure of the company that render the company unsuitable for listing; or

(8) other circumstances as recognized by the CSRC or the Exchange.

10.8.2 The matters needing decision of the shareholders’ general meeting described in Subparagraphs (1) and (2) of Subsection 10.8.1 shall require two-thirds or more of the valid votes held by all shareholders present at the meeting, and two-thirds or more of the valid votes held by attending shareholders who are not:

(1) the directors, supervisors, or senior officers of the company; or

(2) shareholders individually or collectively holding 5 percent or more of the shares in the listed company.

10.8.3 Where a listed company convenes a shareholders’ general meeting due to circumstances mentioned in Subparagraphs (1) to (5) of Subsection 10.8.1, it shall promptly submit the following documents to the Exchange and publish an announcement thereon:

(1) board resolution on the application for voluntary termination of listing;

(2) notice of convening a shareholders’ general meeting;

(3) plan for voluntary termination of listing;

(4) financial advisor’s report (if applicable);

(5) legal opinion (if applicable); and

(6) other documents required by laws, administrative regulations, ministry-level rules, normative documents, the Exchange, and the company’s articles of association.

The “plan for voluntary termination of listing” as mentioned in the aforesaid Subparagraph (3) of the preceding Paragraph shall contain such information as the reasons for and the manner of delisting, the post-delisting operation and development plan, merger and reorganization plan, relisting plan, agency share transfer arrangement, cash option and other protections for dissenting shareholders, and board’s analysis on the impact of voluntary listing termination on the long-term development of the company and the interests of all shareholders.

The “financial advisor’s report” and “legal opinion” as mentioned in Subparagraphs (4) and (5) of the first Paragraph mean professional opinions issued by the financial advisor and law firm in providing professional services on the voluntary termination of listing. Upon the occurrence of any of the circumstances under Subsection 10.8.1 other than Subparagraph (3) thereof, the listed company shall provide a financial advisor’s report. Upon the occurrence of any of the circumstances under Subparagraph (4) and Subparagraphs (6) to (8) of Subsection 10.8.1, the listed company shall also provide a legal opinion.

After the shareholders’ general meeting deliberates the voluntary termination of listing, the listed company shall publish an announcement about the meeting decisions in a timely manner, disclosing the particulars of proposal deliberation and adoption.

10.8.4 Where a listed company applies for voluntary termination of listing in accordance with Subparagraphs (1) and (2) of Subsection 10.8.1, it shall apply to the Exchange for suspending the trading of its shares and derivatives thereon on the trading following the date of record determined by the shareholders’ general meeting, and promptly disclose particulars of the resolution on voluntary termination of listing passed by the shareholder’s general meeting upon deliberation. The company may submit a written application for voluntary termination of listing to the Exchange within 15 trading days after the shareholders’ general meeting adopts the listing termination decision.

Where a company applies for termination of listing in accordance with Subparagraphs (3) to (7) of Subsection 10.8.1in such circumstances as voluntary dissolution, corporate merger, share repurchase, and tender offer, it shall abide by provisions regarding dissolution, restructuring, repurchase, and acquisition of listed companies of or specified by the *Company Law*, the *Securities Law*, the CSRC, the Exchange, and the company’s articles of association; perform the corresponding deliberation procedures and disclosure obligations; arrange the trading suspension or resumption of the company’s shares and derivatives thereon; and submit a written application for voluntary termination of listing to the Exchange in a timely manner.

Upon submission of an application, the company shall make timely disclosure of relevant announcement.

10.8.5 If the resolution on voluntary termination of listing of a listed company is not adopted upon deliberation by its shareholders’ general meeting, the company shall promptly apply to the Exchange for resuming the trading of its shares and derivatives thereon on the announcement date of the resolution.

10.8.6 The shares and derivatives thereon of a listed company falling under any of the circumstances mentioned in Subparagraphs (6) and (7) of Subsection 10.8.1 shall remain suspended for trading after the company discloses an announcement on the acquisition results or on relevant changes in equity.

10.8.7 Where a listed company applies to the Exchange for terminating the listing of its stock in accordance with the provisions of Subsection 10.8.1, it shall submit the following documents to the Exchange:

(1) application for termination of listing;

(2) resolution of the shareholders' general meeting (if applicable);

(3) relevant plan for termination of listing;

(4) financial advisor's report;

(5) legal opinion; and

(6) other documents required by the Exchange.

10.8.8 The Exchange will, within 5 trading days after receiving the application for voluntary termination of listing submitted by a listed company, make a decision on whether or not to accept such application and notify the company of this decision.

The company shall, upon receiving the Exchange's decision on whether or not to accept its application, make timely disclosure of particulars of the decision along with a risk reminder that its stock is likely to be terminated from listing.

10.8.9 The Exchange's Listing Committee will deliberate the voluntary termination of listing the company's stock and issue its deliberation opinion based on independent and professional judgment after reviewing the compliance of the company's decision-making procedures, especially from the perspective of protecting the interests of investors and minority investors in particular.

Where the company applies for terminating the listing of its stock in accordance with Subparagraphs (1) and (2) of Subsection 10.8.1, the Exchange will, within 15 trading days upon acceptance of the company's application, make a decision on whether or not to approve the application based on the opinion of the Listing Committee.

Where the company applies for terminating the listing of its stock in accordance with Subparagraphs (3) to (7) of Subsection 10.8.1 in such circumstances as voluntary dissolution, corporate merger, share repurchase, and tender offer, the Exchange will makes a decision on whether or not to approve the application based on the opinion of the Listing Committee within 15 trading days after the company discloses an announcement on dissolution resolution, completion of merger, or repurchase or acquisition results, unless otherwise specified.

10.8.10 Where, during the period from the Exchange's acceptance of a listed company's application for terminating the listing of its stock to the Exchange's issuance of a decision, the Exchange requires the company to provide additional materials, the company shall do so within the time limit specified by the Exchange. The period for the company to provide additional materials shall not exceed 30 trading days in total and shall be excluded from the time limit for the Exchange to make relevant decision.

Where the company fails to provide the additional materials within the specified time limit, the Exchange will make its decision on whether or not to approve the application upon the expiration of the specified time limit.

10.8.11 The Exchange will, within 2 trading days of its decision to approve the termination of listing of a listed company's stock, notify the company thereof, release an announcement thereon, and file the decision with the CSRC.

10.8.12 A company whose stock has been terminated from listing due to any of the circumstances specified in Subsection 10.8.1 but whose legal personality will survive, shall make specific arrangements for matters such as transfer or trading of the delisted stock and measures for protecting dissenting shareholders in order to protect the lawful rights and interests of investors and minority investors in particular.

10.8.13 A listed company shall, after receiving the Exchange's decision on terminating its stock from listing, disclose an announcement to that effect in a timely manner. In this situation, the stock of the company shall not enter the delisting arrangement period.

Such announcement shall contain the following information:

(1) the type, short name, and code of the stock 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 post-termination arrangements and the implementation of measures for protection of dissenting shareholders;

(4) registration, transfer, and management of the company's stock after the listing termination (if applicable);

(5) contact person, address, phone number, and other communication methods of the company after the listing termination; and

(6) other information required by the CSRC and the Exchange.

10.8.14 If a listed company voluntarily terminates its stock from listing, the Exchange will delist the stock within 5 trading days after the company announces the decision on listing termination, in which case the stock is terminated from listing.

Section 9 Relisting

10.9.1 A delisted company may apply to the Exchange for relisting its stock if it meets the conditions specified by the Exchange.

10.9.2 The Exchange will not accept the relisting application from a delisted company whose stock is delisted for fraudulent offering under Subparagraph (1) or (2), Paragraph 1 of Subsection 10.5.2.

The Exchange will not accept the relisting application from a delisted company within 5 full financial years from the day its stock is admitted to NEEQ or other securities trading venues for trading due to delisting for any of the material violations under Subparagraphs (3) to (8), Paragraph 1 of Subsection 10.5.2 and Subsection 10.5.6. To file a relisting application, the company shall meet all of the following conditions:

(1) it has fully corrected its material violations and meets the

following requirements:

1. the company has disclosed a supplementary or correction announcement on the matters involved in the material disclosure violations;

2. the company has completed pursuit of liabilities for material violations;

3. the company has additionally performed relevant decision-making procedures for the matters involved in the material violations;

4. the responsible personnel of the company such as controlling shareholders and de facto controllers have compensated the company for any losses caused by the material violations; and

5. the risk factors relevant to the company possibly produced by the material violations have been removed.

(2) it has timely replaced the following responsible personnel involved in the material violations:

1. the personnel who have been found guilty by a people's court;

2. the personnel who have received any administrative penalty from the competent administrative authority;

3. the personnel who have been legally transferred by the competent administrative authority to a public security authority for a formal investigation; and

4. other responsible personnel who have been found by the CSRC and the Exchange to be related to the material violations.

(3) it has made a proper arrangement for assumption of relevant civil compensation and meets the following requirements:

1. if a people's court has delivered a judgment on relevant

compensation matters, the judgment has been enforced;

2. if no judgment on relevant compensation matters has been delivered by a people's court but a settlement agreement has been reached, the settlement agreement has been fulfilled; and

3. if neither a judgment on relevant compensation matters has been delivered by a people's court, nor a settlement agreement has been reached, the company and relevant responsible personnel have set aside an estimated maximum claim amount as a compensation fund and transferred the amount in full into a dedicated account, and the controlling shareholders and the de facto controllers of the company have undertaken to make up for any deficiency if such compensation fund is insufficient to cover the compensation.

(4) there is no circumstance requiring the termination of listing of the company' stock as prescribed in these Rules; and

(5) the sponsors and law firms engaged by the company for its relisting have verified the matters involved in the preceding four conditions and issued their special verification opinions that they clearly confirm the company has met the four conditions.

10.9.3 If a listed company fails to cooperate with the Exchange in delisting-related work or to perform its obligations in accordance with these Rules after its stock is compulsorily terminated from listing, the Exchange will not accept its relisting application within 36 months from the date when the stock is admitted to NEEQ or any other securities trading venues for trading.

10.9.4 A listed company that voluntarily delists its stock may apply to the Exchange for relisting at any time.

10.9.5 A delisted company that applies to the Exchange for relisting its stock shall prepare application documents according to relevant provisions of the CSRC and the Exchange, legally engage a sponsor to recommend the relisting, and submit the application to the

Exchange.

10.9.6 The specific conditions and other relevant matters for relisting will be separately specified by the Exchange.

Chapter XI Red Chip Enterprises and Coordination of Domestic and Overseas Matters

Section 1 Special Rules for Red Chip Enterprises

11.1.1 Where a red chip enterprise applies for issuance of its stock or depositary receipt and listing thereof on the ChiNext Market, the rules of the CSRC and the Exchange regarding the review and registration procedures for offering and listing of stocks or depositary receipts shall apply.

11.1.2 Where a red chip enterprise applies for listing of its domestic IPO stock or depositary receipt, it shall obtain the Exchange’s review opinion approving the offering and listing of such stock or depositary receipt and the CSRC’s decision approving the registration of such stock or depositary receipt, in accordance with the *Rules Governing the Review of Offering and Listing of Stocks on Shenzhen Stock Exchange*.

Where a red chip enterprise intends to domestically issue and list depositary receipt, it shall also submit documents that demonstrate the depositary receipt being issued have been put under the custody of the CSDC, the executed depositary agreement, the text of the custodian agreement, the custody certificates issued by the custodian for the underlying securities of the depositary receipt, and other documents.

Where a red chip enterprise is not required to submit the domestic offering and listing of its stock or depositary receipt to its shareholders’ general meeting for deliberation in accordance with the company law and other laws and regulation of its place of incorporation and its articles of association or constitutional document (hereinafter, articles of association), it may be permitted not to submit the resolution thereon of the shareholders’ general meeting when it applies for listing, provided that it shall submit the resolution thereon of its board of directors.

11.1.3 Where the ownership structure, corporate governance, operating rules, and other aspects of a red chip enterprise governed by the company law and other laws and regulations of its overseas place of incorporation, it shall ensure that the level of protection provided for the rights and interests of its investors, such as return on assets, participation in major decision making, and distribution of residual properties, is generally not lower than that required under domestic laws and regulations, and that the holders of domestic depositary receipt are entitled to rights and interests equivalent to those of the holders of overseas underlying securities.

11.1.4 The listing application documents and ongoing disclosure documents submitted by a red chip enterprise shall be prepared in Chinese.

The red chip enterprise and relevant persons with disclosure obligations shall, in accordance with the rules of the CSRC and the Exchange, disclose the listing and ongoing disclosure documents in the media that meet the prescribed conditions.

11.1.5A red chip enterprise shall establish a domestic office for securities affairs and engage a domestic representative for information disclosure who will be responsible for the information disclosure and regulatory communications in connection with the listing of its stock or depositary receipt. The domestic representative for information disclosure shall have the qualifications equivalent to those of the secretary of the board of directors of a domestic listed company, be familiar with the domestic disclosure rules and requirements, and have good command of the Chinese language.

The red chip enterprise shall establish effective communication channels with domestic investors, regulators and the Exchange, protect the lawful rights and interests of domestic investors as required, and maintain smooth communication with domestic regulators and the Exchange.

11.1.6 Where a red chip enterprise has in place a variable interest entity (hereinafter, VIE) structure or similar special arrangement, it shall make a full and detailed disclosure of information thereon, especially information on risks and corporate governance, and its various measures for the lawful implementation of provisions on the protection of investors’ lawful rights and interests.

The red chip enterprise shall, in its annual report, disclose the implementation of and changes to the VIE structure or similar special arrangement during the reporting period, as well as the implementation of measures for the protection of the lawful rights and interests of domestic investors under such arrangements.

Where any matter prescribed in the preceding Paragraph is subject to any material change or adjustment that may have a significant impact on the trading price of its stock or depositary receipt, the red chip enterprise and relevant persons with disclosure obligations shall make timely disclosure thereof.

11.1.7 When a red chip enterprise intends to engage in matters that are required under these Rules to be submitted to its shareholders’ general meeting for deliberation, such as material transactions and related party transactions, it may do so in accordance with the powers and procedures prescribed under the company law and other laws and regulations of its overseas place of incorporation disclosed by it and its articles of association, unless otherwise provided for by laws and regulations.

Where the red chip enterprise submits relevant matters to the shareholders’ general meeting for deliberation in accordance with the provisions of the preceding Paragraph, it shall make timely disclosure thereof.

11.1.8 Where the company law and other laws and regulations, or the standards generally accepted in practice of the place of incorporation of a red chip enterprise contain different provisions or arrangements on the duties of its board of directors and independent directors, making the board of directors or independent directors unable to perform their duties or express their opinions in accordance with the rules of the Exchange, the red chip enterprise shall provide a detailed explanation thereon and the reasons therefor, and engage a law firm to issue a legal opinion thereon.

11.1.9 Where a red chip enterprise lists its depositary receipts on the Exchange, it shall, in its annual report and semi-annual report, disclose the implementation of and changes to the depositary and custodian arrangements during the reporting periods, and a list of the top 10 holders of domestic depositary receipts and their holdings at the end of reporting period. Upon the occurrence of any of the following circumstances, it shall make timely disclosure thereof:

(1) there is a change in the depositary or custodian;

(2) the underlying assets of the depositary receipts are pledged, misappropriated, judicially frozen or subject to other changes in ownership;

(3) material modifications are made to the depositary agreement and custodian agreement;

(4) there is a change in the conversion ratio between the depositary receipts and the underlying securities; or

(5) other circumstances as required by the CSRC and the Exchange to be disclosed.

After the depositary receipts are listed, the red chip enterprise shall not change the conversion ratio between the depositary receipts and the underlying securities without the consent of the Exchange.

In the event of the circumstance specified in Subparagraphs (1) and (2) of Paragraph 1 of this Subsection or a material revision to the custodian agreement, the depositary shall timely inform the red chip enterprise thereof and the red chip enterprise shall then make timely disclosure thereof.

11.1.10 A red chip enterprise and its depositary shall make reasonable arrangements for the time and method of exercise of rights by depositary receipt holders to ensure that they have sufficient time and conveniences for exercise of their rights, and shall, in accordance with the depositary agreement, timely disclose the time, method, specific requirements and results of exercise of the rights by the depositary receipt holders.

Where the red chip enterprise or depositary intends to solicit the voting intents of the depositary receipt holders through the Shareholders' General Meeting Network Voting System of the Exchange, it shall do so in accordance with the *Implementation Rules* *of Shenzhen Stock Exchange for Online Voting at Shareholders' General Meetings of Listed Companies*, and release an announcement thereon to the market in accordance with the depositary agreement.

11.1.11 A red chip enterprise and relevant persons with disclosure obligations may apply to the Exchange for an adjustment to the application of the disclosure requirements or ongoing supervision provisions of these Rules if such requirements or provisions make it difficult for the red chip enterprise to comply with the rules or the standards generally accepted in practice in the market of its place of incorporation or overseas listing, provided that they shall state the reasons therefor and the alternative solution thereto, and engage a law firm to issue a legal opinion thereon. If the Exchange believes that such adjustment is not warranted by law, they shall continue to be bound by the relevant provisions of these Rules.

Section 2 Coordination of Domestic and Overseas Matters

11.2.1A listed company and relevant persons with disclosure obligations shall ensure that any information whose disclosure is required by overseas exchanges will simultaneously be disclosed domestically in the eligible media in accordance with these Rules and other relevant rules of the Exchange.

Where the company and relevant persons with disclosure obligations disclose any information on an overseas market at a time that is not the disclosure hours prescribed by the Exchange, the domestic disclosure shall be made in the next disclosure period.

11.2.2 The reports and announcements submitted to overseas stock exchanges by a listed company shall be consistent with those filed with the Exchange in respect of the same matters. In case of any material discrepancy, the company shall provide an explanation to the Exchange and publish a restatement and supplementary announcement as required by the Exchange.

11.2.3 Where the shares and derivatives thereon of a listed company are suspended from trading or listing or terminated from listing on any overseas stock exchange, the company shall report the matter to the Exchange in a timely manner and make a disclosure. The Exchange will deal with the matter as appropriate.

To ensure timely and fair information disclosure, the Exchange may decide to suspend or resume the trading of the company's domestic stock or depositary receipt at the company's request or based on actual conditions.

11.2.4 Any matters not covered in this Section shall be governed by the laws, administrative regulations, ministry-level rules, normative documents, other relevant rules of the Exchange, and the MoUs on regulatory cooperation signed by the Exchange with other stock exchanges.

Chapter XII Day-to-day Supervision and Handling of Breaches of These Rules

12.1 The Exchange exercises day-to-day supervision over the supervised parties specified in Subsection 1.4. The specific supervisory measures include:

(1) requiring them to make explanations and clarifications;

(2) requiring them to provide relevant documents or materials for inspection purpose;

(3) requiring them to engage sponsors and relevant securities service providers to make verification and issue opinions;

(4) interviewing with relevant persons;

(5) accessing or consulting their working papers, records of securities business activities, and relevant materials;

(6) issuing recommendations on compliant operation;

(7) reporting relevant matters to the CSRC;

(8) notifying relevant authorities of relevant matters; and

(9) other measures.

12.2 The Exchange may conduct on-site inspection of listed companies and the relevant parties in accordance with these Rules and other relevant rules of the Exchange and in light of supervisory needs. The said parties shall actively cooperate with the inspection.

For the purpose of the preceding Paragraph, “on-site inspection” refers to the process whereby the Exchange supervises and inspects the information disclosure, corporate governance, and other aspects of compliant operation of a listed company and the relevant parties by consulting or copying documents and materials, checking physical objects, arranging for a conversation or inquiry or otherwise at their production, operating, management or other relevant sites.

12.3 Where a supervised party under Subsection 1.4 breaches these Rules, other relevant rules of the Exchange, or his/its undertakings, the Exchange may take one or a combination of the following self-regulatory measures against him/it:

(1) giving an oral warning;

(2) giving a written warning;

(3) requiring attendance of an interview;

(4) requiring him/it to make rectifications within a specified time limit;

(5) requiring him/it to make a public correction, clarification, or explanation;

(6) requiring him/it to make a public apology;

(7) requiring him/it to hold an investor briefing within a prescribed period;

(8) requiring the board of directors to recover losses;

(9) suspending the trading of the shares and derivatives thereon of a listed company that fails to make correction as required;

(10) recommending him/it to replace relevant employees;

(11) suspending his/its application of one-stop information

disclosure;

(12) imposing restrictions on trading;

(13) issuing a letter of recommendation on supervision to the relevant competent authority; and

(14) other self-regulatory measures.

12.4 Where an issuer, listed company, any relevant person with disclosure obligations, and any of his/its relevant personnel breaches these Rules, other relevant rules of the Exchange, or his/its undertakings, the Exchange may, depending on the severity of the breach, take one or a combination of the following actions against him/it:

(1) circulating a notice of criticism;

(2) giving a public censure; and

(3) temporarily refusing to accept offering and listing application documents.

12.5 Where any controlling shareholder or de facto controller of a listed company breaches these Rules, other relevant rules of the Exchange, or his/its undertakings, the Exchange may, depending on the severity of the breach, take one or more of the following actions against him/it:

(1) circulating a notice of criticism;

(2) giving a public censure;

(3) publicly identifying him as unsuitable to serve as a director, supervisor, or senior officer of a listed company; and

(4) temporarily refusing to accept offering and listing application documents.

12.6 Where a director, supervisor, or senior officer of a listed company breaches these Rules, other relevant rules of the Exchange, or his undertakings, the Exchange may, depending on the severity of the breach, take one or a combination of the following actions against him:

(1) circulating a notice of criticism;

(2) giving a public censure; and

(3) publicly identifying him as unsuitable to serve as a director, supervisor, senior officer, or board secretary of a listed company.

12.7 Where a sponsor and its sponsor representative or a securities service organization and its relevant persons issue a document that contains misrepresentation, misleading statement, or material omission, or otherwise breach these Rules, other relevant rules of the Exchange, or their undertakings, the Exchange may, depending on the severity of the breach, take one or a combination of the following actions against them:

(1) circulating a notice of criticism;

(2) giving a public censure; and

(3) temporarily refusing to accept relevant documents issued by them.

12.8 Where the administrator of a listed company or a member of the administrator breaches these Rules or other relevant rules of the Exchange, the Exchange may, depending on the severity of the breach, take one or a combination of the following actions against it/him:

(1) circulating a notice of criticism;

(2) giving a public censure; and

(3) recommending the court to replace the administrator or the member of the administrator.

12.9 Where an issuer, a listed company, any relevant person with disclosure obligations or any other responsible person breaches these Rules, agreements concluded with the Exchange, or its/his undertakings made to the Exchange, the Exchange may, depending on the severity of the breach, take the disciplinary action of charging punitive liquidated damages against him/it.

The specific matters relating to charging of punitive liquidated damages will be separately prescribed by the Exchange.

12.10 The Exchange sets up a Disciplinary Action Committee to review the relevant self-regulatory measures and disciplinary actions and give its deliberation opinion based on independent and professional judgment.

The Exchange determines whether or not to impose the self-regulatory measures and disciplinary actions based on such deliberation opinions.

12.11 Before the Exchange decides whether or not to impose disciplinary actions, the parties concerned may apply for hearing according to the scope of hearing and procedure under the relevant business rules of the Exchange.

Any party concerned dissatisfied with the Exchange's relevant disciplinary action decision may apply for a review according to the scope of hearing and procedure under the relevant business rules of the Exchange.

12.12 Where a supervised party subject to self-regulatory measures or disciplinary actions imposed by the Exchange is required by the Exchange to conduct a self-inspection and rectification, the supervised party shall timely submit and disclose, as required, a report on the self-inspection and -rectification.

Chapter XIII Interpretations

13.1 For the purpose of these Rules, the following terms and expressions have the following meanings:

(1) Disclosure: the process whereby a listed company or relevant persons with disclosure obligations release information in the eligible media in accordance with laws, administrative

regulations, ministry-level rules, normative documents, these Rules, and other relevant rules of the Exchange.

(2) Timely/Prompt and its variants: within 2 trading days from the commencement date or after the time point for disclosure as prescribed in these Rules is reached.

(3) Relevant person with disclosure obligations: an issuer or listed company and its directors, supervisors, senior officers, shareholders or depositary receipt holders, de facto controllers, acquirers, parties to major asset restructuring and other natural persons, institutions and their relevant persons, and administrator and its members.

(4) Independent director: a director who holds no position in a listed company other than being a director, has no direct or indirect conflict of interest with the listed company or its major shareholders and de facto controllers, and has no other relationship that may affect his independent and objective judgments.

(5) Senior officer: the general manager, vice general manager, board secretary, or person in charge of finance of a company or any other person as stipulated in the articles of association of the company.

(6) Controlling shareholder: a shareholder who holds 50 percent or more of the shares of the total capital stock of a company, or a shareholder who, despite having a shareholding of less than 50 percent, can nevertheless materially impact the resolutions of the shareholders' general meeting through the voting power granted by his/its shares.

(7) De facto controller: a person who can exercise actual control over the actions of a company through investment relations, agreements or other arrangements.

(8) Control: the power to decide a company's financial and operation policies and thereby benefit from the operation activities of the company. A person is deemed to have control over a listed company if:

1. he/it is the controlling shareholder of the listed company holding 50 percent or more of the shares therein;

2. he/it can actually control more than 30 percent of the voting power of the shares of the listed company;

3. he/it can decide the appointment of half or more of the listed company’s board directors by virtue of the voting power in the shares of the company under his/its actual control;

4. he/it can have material impact on the resolutions of the listed company’s general shareholders’ meeting by virtue of the voting power in the shares of the company under his/its actual control; or

5. it is in other circumstances as recognized by the CSRC or the Exchange.

(9) Controlled subsidiary of a listed company: a company half or more of whose shares are held by a listed company, or half or more of the members on whose board of directors can be decided by the listed company, or over which the listed company has de facto control by agreement or other arrangement.

(10) Undertaking: a commitment made and the relevant solution proposed by a listed company and relevant persons with disclosure obligations as to the key matters in the stock prospectus, rights issue prospectus, bond prospectus, periodic reports, ad hoc reports, rectification reports, letters of undertaking, or other related documents.

(11) Net assets: the ending net assets attributable to the common stock shareholders of a listed company, excluding the amount of minority interest.

(12) Net profit: the net profit attributable to the common stock shareholders of a listed company, excluding the amount of minority interest.

(13) Total profit: the total profit presented in a listed company’s

income statement, or if consolidated financial statements are prepared, the total profit in the consolidated income statement.

(14) Operating revenue: the operating revenue presented in a listed company's income statement, or if consolidated financial statements are prepared, the total operating revenue in the consolidated income statement.

(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: any CPA firm, asset appraiser, law firm, financial advisor, credit rating agency, or investment advisor that prepares and issues audit report, asset appraisal report, legal opinion, financial advisor's report, credit rating report, among others, for securities offering, listing, trading or otherwise.

(18) "Not make a profit when being listed" refers to the lower of the audited net profit before or after non-recurring gain or loss is negative in the financial year immediately before the listing of a company.

(19) "Make a profit" refers to a company that does not make a profit when being listed initially makes a profit in a given full financial year after its listing.

(20) Red chip enterprise: an enterprise that is established outside mainland China and carries out its principal business activities within mainland China.

(21) "Variable interest entity (VIE) structure" refers to an investment structure whereby a red chip enterprise exercises de facto control over a domestic operating entity through agreements.

(22) DVR arrangement: a mechanism whereby an issuer makes an offering of shares with special voting rights in accordance with

Article 131 of the *Company Law*, in addition to ordinary shares as generally provided for thereunder. Except that each special voting share has more voting rights than each ordinary share, the shareholders of special voting shares shall have the same rights as those of ordinary shares.

(23) Bankruptcy proceedings: the reorganization, settlement or bankruptcy liquidation proceedings regulated by the *Enterprise Bankruptcy Law*.

(24) Administrator management model: the operation model whereby the administrator is responsible for managing the properties and operations of a listed company, as ruled by the court.

(25) Administrator supervision model: the operation model whereby a listed company manages its own properties and operations under the supervision of the administrator, as ruled by the court.

(26) The equity structure fails to meet the listing requirements: the shares held by the public fall below 25 percent of the total capital stock of a company, or below 10 percent if the company’s total capital stock exceeds RMB 400 million, for 20 consecutive trading days.

The aforesaid “public” includes all the shareholders of a listed company, except the following:

1. any shareholder holding 10 percent or more of the shares of the listed company and his/its parties acting in concert; and

2. directors, supervisors, and senior officers of a listed company and their close family members (as defined in Subparagraph (4) of Subsection 7.2.5), as well as legal persons or other organizations directly or indirectly controlled by these directors, supervisors, and senior officers.

(27) Retrospective restatement: an adjustment made by a listed company to its previously disclosed annual financial reports

after the company voluntarily corrects or is ordered by the CSRC to correct any material accounting error or misrepresentation in its financial report.

(28) Modified opinion: a non-unqualified opinion or an unqualified opinion with explanatory notes issued by a CPA firm on financial statements. The non-unqualified opinion refers to a qualified opinion, an adverse opinion, or a disclaimer of opinion issued by a CPA on financial statements. The unqualified opinion with explanatory notes refers to an unqualified opinion issued on financial statements which includes emphasis of matter paragraph or materiality uncertainty related to going concern paragraph, or the other information paragraph of which includes a statement that describes the uncorrected material misstatement of the other information.

(29) Party acting in concert: a party acting in concert as provided in the *Measures on the Administration of Acquisition of Listed Companies*.

13.2 The terms and expressions not defined in these Rules shall have the meanings ascribed to them in applicable laws, administrative regulations, ministry-level rules, normative documents, as well as relevant business rules, detailed rules, guidelines, and notifications of the Exchange.

13.3 In these Rules, the terms “or more,” “within,” and “or below” include the given figure; the terms “exceed,” “less than,” and “lower than” do not include the given figure.

13.4 In these Rules, “Yuan” refers to Chinese Yuan or RMB except as indicated specifically.

Chapter XIV Supplementary Provisions

14.1 These Rules and any amendment hereto shall be adopted by the Board of Governors of the Exchange and submitted to the CSRC for approval.

14.2 The power to interpret these Rules shall rest with the Exchange.

14.3 The listing, trading and other fees for the depositary receipt of a red chip enterprise shall be charged by reference to the fee rates applicable to A shares on the ChiNext Market.

14.4 These Rules take effect as of the date of release. The *Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange* (December 2020 Revision) (Shen Zheng Shang [2020] No. 1292) released by the Exchange on December 31, 2020, and the R*ules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange* (August 2023 Revision) (Shen Zheng Shang [2023] No. 702) released on August 4, 2023, expire on that same date. The setup of the board of directors of each listed company, the setup of the special committees thereof, and the rules of procedure for the meetings of independent directors, if not already in alignment with the provisions of these Rules, shall be brought into such alignment by September 4, 2024.