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**Notice on Issuing the Guidelines for the Pre-Listing Review of Chinese
Depository Receipts under the Stock Connect Scheme between Shanghai Stock
Exchange and London Stock Exchange**

(No.88 [2018] of the Shanghai Stock Exchange)

To All Market Entities,

To regulate the pre-listing review of Chinese Depository Receipts under the stock connect scheme between Shanghai Stock Exchange (the “SSE”) and London Stock Exchange, the SSE has formulated the *Guidelines for the Pre-Listing Review of Chinese Depository Receipts under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange* (see Annex for details) in accordance with the *Administrative Measures of Offering and Trading of Depository Receipts (Trail)*, the *Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange (for trial implementation)*, the *Interim Measures for the Listing and Trading of Depository Receipts under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange* and other applicable provisions. This *Guidelines* is hereby issued and shall be implemented as of the date of issuance.

Annex:

Guidelines for the Pre-Listing Review of Chinese Depository Receipts under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange

Shanghai Stock Exchange

November 2, 2018

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Annex:

Guidelines for the Pre-Listing Review of Chinese Depository Receipts under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange

Chapter I General Provisions

Article 1 This *Guidelines* is formulated in accordance with the *Administrative Measures of Offering and Trading of Depository Receipts (Trail)*, the *Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange (for trial implementation)*, the *Interim Measures for the Listing and Trading of Depository Receipts under the Stock Connect Scheme between Shanghai Stock Exchange and London Stock Exchange (the “Interim Measures”)*, and other applicable rules to regulate the pre-listing review of Chinese depository receipts (“CDRs”) under the stock connect scheme between Shanghai Stock Exchange (the “SSE”) and London Stock Exchange.

Article 2 This *Guidelines* is applicable to the pre-listing review of CDRs listed on SSE.

Article 3 Any issuer of underlying overseas securities intending to list a CDR on SSE (each an “**overseas issuer**”) shall submit an application for pre-listing review to the SSE, who will submit the application materials for public offering to the China Securities Regulatory Commission (“CSRC”) on the overseas issuer’s behalf.

The SSE will review the compliance of the CDR with the listing, disclosure, and other requirements in accordance with this *Guidelines* and other applicable market rules, and issue an opinion thereon.

Article 4 A pre-listing review opinion on any CDR issued by the SSE does not represent its judgement or guarantee on such matters as the profitability and risk profile of the overseas issuer, the investment value of the CDR, or the returns for investors. Investors shall independently make a judgement on the investment value of the CDR, make an investment decision, and bear investment risks arising from changes in the operations and income of the overseas issuer and in the price of the CDR, among others.

Article 5 An overseas issuer shall undertake that there is no misrepresentations, misleading statements, or major omissions in the pre-listing review application documents for the CDR it submits, and be liable for their truthfulness, accuracy and completeness. The directors and senior executives of the overseas issuer shall faithfully and diligently perform their duties, and, as required by applicable laws and regulations, be liable for the truthfulness, accuracy, and completeness of the information disclosed by the overseas issuer.

Sponsors and their sponsor representatives, and securities service providers that issue documents for the listing of CDRs and their personnel shall strictly comply with applicable business rules and industry standards, act with honesty and due diligence, and ensure the truthfulness, accuracy, and completeness of documents they issue.

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Article 6 The SSE will conduct its pre-listing review work on an open, fair, and equitable basis, publicly disclose such information as pre-listing review applications, process, progress and results, and accept public supervision.

Article 7 The SSE applies the recusal rules to its pre-listing review work. If a reviewer has an actual or potential conflict of interest in an application that may affect the impartial performance of her/his duties, such reviewer shall recuse herself/himself from the review.

Article 8 If an overseas issuer has any question in understanding and implementing applicable market rules, it may conduct communication with the SSE's department responsible for pre-listing review work ("**pre-listing review department**") and its staff members before submitting its pre-listing review application. The overseas issuer, SSE, and related organizations and personnel shall keep confidential any non-public information obtained during pre-listing communications.

Chapter II Procedures of Review

Article 9 An overseas issuer shall submit to the SSE the application documents for the pre-listing review of the CDR as set forth in Article 7 of the *Interim Measures*.

Article 10 Pre-listing review application documents and information disclosed therein shall be true, accurate, complete, and timely. The application documents shall include all required materials, be made in a standard format, and be complete in content; the contents of the application documents shall be consistent, logically structured, concise and understandable so that investors can easily read and understand them.

Article 11 The SSE will, within 2 trading days after receipt of application documents from an overseas issuer, verify whether the documents are complete, and whether the documents are satisfactory in form. The SSE will accept the pre-listing review application of the overseas issuer if the application documents are complete; and if the application documents are incomplete and required to be supplemented and corrected, the SSE will inform the overseas issuer of such supplementation and correction by a single notice.

Article 12 The SSE may reject the pre-listing review application of an overseas issuer if:

- (1) the application documents have material defects in the content and format;
- (2) the overseas issuer's sponsor or its sponsor representatives or securities service provider does not satisfy the qualification requirements for business activities related to the offering of securities;
- (3) the overseas issuer fails to supplement and correct the application documents within the time limit required by the SSE; or
- (4) there are any other circumstances recognized by the SSE.

Article 13 After the SSE's acceptance of pre-listing review application documents from

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overseas issuers, the pre-listing review department shall assign 2 reviewers to conduct a preliminary review of them in the receiving time order. The reviewers shall form their preliminary comments on the application documents, and the pre-listing review department shall develop feedbacks upon discussions of such opinions at its meeting.

Within 10 trading days upon acceptance of the pre-listing review application documents of an overseas issuer, the SSE shall provide a written feedback to the overseas issuer. If the pre-listing review department believes that the CDR satisfies the listing requirements and no feedback is required, it shall directly submit the application documents to the Listing Committee for review.

Article 14 An overseas issuer and its sponsor shall, after receipt of a written feedback from the SSE, timely submit a written response document, signed by the authorized representative(s) of the overseas issuer and affixed with the official seal of the sponsor, to respond to each item in such feedback; and, if their response involves modification of the application documents, the overseas issuer and its sponsor shall also submit the modified application documents and a description of such modification. If their response and the modified application documents are not satisfactory, the SSE may issue a new written feedback.

Where the response to the feedback cannot be provided within the required period due to special circumstances, the overseas issuer shall submit to the SSE an application for extension of the response period prior to the expiry of the response period, which shall state the reason for such extension and the proposed response time.

Article 15 An overseas issuer and its sponsor may communicate their question over the written feedback of the SSE with the reviewers. In the case where a face-to-face communication is necessary, such communication shall be conducted at the premises of the SSE in the presence of 2 or more staff members of the SSE.

Article 16 If there is no feedback from the SSE on the application documents of an overseas issuer, or the overseas issuer has submitted its response and the modified application documents as required, the pre-listing review department shall request for review of the issuer's application by the Listing Committee within 5 trading days, and submit the relevant application documents and preliminary review opinions to the Listing Committee.

Article 17 The Listing Committee shall hold a meeting attended in person to vote by ballot on whether to approve a pre-listing review application. The specific review procedures shall be governed by the applicable provisions of the *Implementing Rules of Shanghai Stock Exchange on the Securities Listing Examination*.

Where any members of the Listing Committee consider it necessary to inquire an overseas issuer and its sponsor and relevant securities service provider on specific matters of its application documents, the reviewers shall notify the overseas issuer and relevant entities to attend the meeting of the Listing Committee, and inform them of the matters proposed to be inquired.

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Article 18 The SSE will, based on the opinion of the Listing Committee, issue a pre-listing review opinion on whether to approve the listing of the CDR to an overseas issuer.

The SSE will issue a pre-listing review opinion to the issuer within 30 trading days upon the acceptance of pre-listing review application documents, which may be appropriately extended by the SSE under special circumstances. The review period shall not include the time spent by the overseas issuer to supplement or modify the application documents and respond to the feedback of the SSE as required.

Article 19 The overseas issuer shall, following the issuance by the SSE of the pre-listing review opinion, promptly disclose its prospectus (filing draft) on the websites of CSRC and SSE.

Article 20 Any overseas issuer who is dissatisfied with the pre-listing review opinion of the SSE on disapproval of listing of the CDR may, within 5 trading days upon receipt of the written opinion from the SSE, apply to the SSE for reexamination of such opinion. The reexamination procedures shall be governed by the *Implementing Rules of Shanghai Stock Exchange on Reexamination*.

Chapter III Resolution of Special Circumstances

Article 21 Upon the occurrence to the overseas issuer of any material matters which may affect the investment value of or investment decisions on the CDR or other important matters requiring supplementary disclosure in the opinion of the overseas issuer during the pre-listing review for the CDR, the overseas issuer and its sponsor shall timely report the same to the SSE, submit a written statement and the opinion of its securities service provider on the relevant matters, and modify the application documents.

Article 22 Upon the occurrence of non-compliance with the SSE's requirements for the listing of the CDR, or any of the events specified in Item (1), (2), (4) or (5), Paragraph 1, Article 23 of this *Guidelines*, or any other event which may affect the investment value of or investors' investment decisions on the CDR during the period from SSE's issuance of the pre-listing review opinion to the listing of the CDR, the overseas issuer and its sponsor shall timely report to the SSE and verify the event, and express an explicit opinion on whether the event would affect its compliance with the listing requirements. The SSE is entitled to resubmit the application documents to the Listing Committee or cancel the pre-listing review opinion in discretion.

Upon the occurrence of the event specified in Item (2) of Article 25 of this *Guidelines*, the overseas issuer and its sponsor shall timely report the same to the SSE, and the SSE will perform relevant procedures in accordance with applicable rules.

Article 23 Upon the occurrence of any of the following events during the pre-listing review process, the SSE may suspend the pre-listing review, and notify the overseas issuer and its sponsor thereof in writing:

(1) the overseas issuer is under investigation by the relevant regulator for any suspected

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violation of applicable laws and regulations, which has a material impact on the listing of the CDR;

(2) the overseas issuer and its sponsor and relevant securities service provider are under the formal investigation of the competent authority or subject to regulatory measures of the CSRC still in force, such as restricting them from participating in business activities related to securities offering, ordering them to suspend business for rectification, and appointing other entities as their trustee or receiver;

(3) the overseas issuer and its sponsor fail to give a timely response and apply for extension of the response period as required, or is unable to submit the response document within the extended response period;

(4) application documents such as the overseas issuer's financial reports and relevant qualifications and licenses have expired, and it is impossible to resubmit the new application documents soon;

(5) the SSE has received any whistleblowing materials related to the application for the listing of the CDR that require further verification;

(6) the overseas issuer voluntarily requires the suspension of the review for any justified reason; or

(7) any other event where the SSE considers necessary.

If the overseas issuer requests the resumption of the review after any of the events described in Items (1), (2), (3), (4), and (6) of the preceding paragraph ceases to exist, the issuer shall submit a written application to the SSE; the SSE will resume the pre-listing review within 2 trading days upon its confirmation of such application.

The period from the date of the written notice of suspension of the pre-listing review to the date of the written notice of resumption of such review shall not be included in the review period.

Article 24 Upon the occurrence of the event specified in Item (5), Paragraph 1, Article 23 of this *Guidelines*, the SSE may take such actions as conducting an inspection, requiring the self-inspection of the overseas issuer and its sponsor and relevant securities service providers, authorizing an independent third party to conduct an inspection, or referring the case to a relevant authority for investigation. The overseas issuer and relevant entities shall actively cooperate with the SSE, and submit to the SSE any self-inspection or inspection report as required. The period from the date of the inspection decision to the completion of the inspection shall not be included in the review period.

If it is found upon the inspection that the reported matter has no impact on the overseas issuer's compliance with the requirements for the listing of the CDR, the SSE will resume the pre-listing review, and notify the overseas issuer and its sponsor thereof; if it is found upon the inspection that the reported matter has an impact on the issuer's compliance with the

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listing requirements or that the overseas issuer is involved in a violation of applicable laws and regulations or any other circumstance, the SSE will take actions pursuant to applicable rules.

Article 25 Upon the occurrence of any of the following events during the pre-listing review process, the SSE will terminate the pre-listing review, and notify the overseas issuer and its sponsor thereof:

- (1) the overseas issuer voluntarily requests the withdrawal of its application;
- (2) the overseas issuer is legally terminated due to dissolution, liquidation, or declared bankruptcy; or
- (3) any other event where the SSE considers necessary.

Chapter IV Market Self-Regulation

Article 26 If there is any misrepresentation, misleading statement or major omission in the relevant pre-listing review application documents submitted by an overseas issuer or in the issuer's response to the feedback of the SSE, the SSE will take regulatory measures or disciplinary sanctions against the overseas issuer and its relevant director, senior executives, authorized representative(s), or other responsible person, such as giving an oral or written warning, circulating a notice of criticism, and issuing a public reprimand, and may decide to terminate the pre-listing review.

Article 27 If a sponsor or its sponsor representatives, or a securities service provider or its relevant personnel fails to perform its or her/his duty of care and diligence, or issues an opinion or gives a response to the feedback of the SSE that contains any misrepresentation, misleading statement or major omission, the SSE will, according to the circumstances, take such regulatory measures or disciplinary sanctions against it or her/him as giving an oral or written warning, refusing to accept documents it or she/he issues, circulating a notice of criticism, or issuing a public reprimand.

Chapter V Ancillary Provisions

Article 28 Documents and materials related to the pre-listing review for CDRs shall be archived and kept by the SSE for 20 years.

Article 29 The SSE reserves the right to interpret this *Guidelines*.

Article 30 This *Guidelines* shall be implemented as of the date of issuance.

Disclaimer

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