

**Rules Governing the Review of Offering and Listing of Stocks on the
Science and Technology Innovation Board of Shanghai Stock
Exchange**

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Rules Governing the Review of Offering and Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange

Chapter I General Provisions

Article 1 These *Rules* are formulated pursuant to the *Securities Law of the People's Republic of China*, the *Company Law of People's Republic of China*, the *Opinions on Launching the Science and Technology Innovation Board and Implementing the Pilot Registration-Based IPO System on the Shanghai Stock Exchange*, the *Measures for the Administration of Registration of Initial Public Offerings on the Science and Technology Innovation Board (for Trial Implementation)* (the “*Registration Measures*”) and other applicable laws, administrative regulations, ministry-level rules, and normative documents to regulate the review of offering and listing of stocks under the pilot registration-based IPO system of the Science and Technology Innovation Board of Shanghai Stock Exchange (the “*Exchange*”) and protect the legitimate rights and interests of investors.

Article 2 These *Rules* are applicable to the review of issuers' applications for initial public offering of stocks and listing of them on the Science and Technology Innovation Board (the “*IPO and listing of stocks*”).

These *Rules* are also applicable to the review of applications for offering of stocks or depository receipts and listing of them on the Science and Technology Innovation Board from red-chip enterprises which comply with the *Notice of the General Office of the State Council on Forwarding the Opinions of the CSRC on Launching the Pilot Program of Offering Stocks or Depository Receipts in China by Innovative Enterprises* (Guo Ban Fa [2018] No. 21) and applicable rules of the China Securities Regulatory Commission (CSRC) and the Exchange.

Article 3 To apply for IPO and listing of its stocks, an issuer shall be aligned with the positioning of the Science and Technology Innovation Board, be at the frontiers of the world's science and technology, focus on the main battlefield of the economy, and serve the significant demands of the State. Priority will be given to the application of any enterprise which conforms to national strategies; has key and core technologies; is highly capable in scientific and technological innovation; mainly relies on core technologies for its production and operation; and boasts a stable business model, a high level of market recognition, and a good social image, and maintains a strong growth.

Article 4 To apply for IPO and listing of its stocks, an issuer shall submit its offering and listing application documents to the Exchange.

The Exchange will review the issuer’s offering and listing application documents (“offering and listing review”); if the application documents pass the review, the Exchange will submit its review opinion, the offering and listing application documents, and related review materials to the CSRC for registration; and if the application documents fail to pass the review, the Exchange will make a decision to terminate the offering and listing review.

Article 5 During the offering and listing review, the Exchange will, based on the positioning of the Science and Technology Innovation Board, mainly consider and assess:

- (1) whether the issuer meets the conditions for offering of stocks on the Science and Technology Innovation Board as prescribed by the CSRC;
- (2) whether the issuer meets the conditions for listing of stocks on the Science and Technology Innovation Board as prescribed by the Exchange; and
- (3) whether the information disclosure of the issuer satisfies the requirements of the CSRC and the Exchange.

Article 6 Through the review of offering and listing application documents, the Exchange will urge issuers to make truthful, accurate and complete disclosure of information and sponsors and securities service providers to duly perform their gatekeeping duties with respect to information disclosure; and urge issuers and their sponsors and securities service providers to improve the quality of information disclosure so as to enable investors to make a fully informed investing decision.

The Exchange will conduct the offering and listing review in a lawful and compliant, open and transparent, and convenient and efficient manner to increase the transparency of the review and cause the market to have clear expectations for the review.

Article 7 The Exchange will conduct the offering and listing review electronically by processing such matters as submission and acceptance of applications, making of inquiries, and provision of responses via the offering and listing review system of the Exchange.

Article 8 The Exchange will establish an offering and listing review department for the Science and Technology Innovation Board (“offering and listing review department”) to review issuers’ offering and listing application documents and issue review reports.

The Exchange will establish the Science and Technology Innovation Board Listing Committee (“listing committee”) to deliberate review reports issued by the offering and listing review department and offering and listing application documents and to provide deliberation opinions. The duties, composition, work procedures, and other matters of the listing committee will be separately prescribed by the Exchange.

The Exchange will, taking into account the deliberation opinion of the listing committee, issue a review opinion approving the offering and listing of stocks or make a decision to terminate the offering and listing review.

Article 9 The Exchange will exercise self-regulation of relevant activities of the following institutions and individuals during the offering and listing of stocks on the Science and Technology Innovation Board in accordance with laws, administrative regulations, ministry-level rules, normative documents, these *Rules*, and other applicable rules of the Exchange (collectively “applicable laws and rules”):

- (1) issuers and their directors, supervisors, and senior officers;
- (2) issuers’ controlling shareholder and *de facto* controller and their relevant personnel;
- (3) sponsors, sponsor representatives, and other relevant personnel of the sponsors; and
- (4) CPA firms, law firms, and other securities service providers, and their relevant personnel.

The institutions and individuals specified in the preceding Paragraph shall actively cooperate with the Exchange in the offering and listing review, accept the Exchange’s self-regulation, and bear legal liability for their failure to do so.

Article 10 The Exchange’s review opinion approving the offering and listing of an issuer’s stocks shall constitute neither the Exchange’s guarantee as to the truthfulness, accuracy, and completeness of the issuer’s offering and listing application documents and disclosed information, nor the Exchange’s substantive judgement or guarantee as to the investment value of such stocks or investors’ return on such stocks.

Chapter II Application and Acceptance

Article 11 An issuer who intends to apply for IPO and listing of its stocks shall engage a sponsor as required to provide sponsor services, and shall authorize the sponsor to submit the

following offering and listing application documents via the Exchange's offering and listing review system:

- (1) the prospectus, offering sponsorship letter, auditor's reports, and legal opinions, the issuer's articles of association, resolutions of its shareholders' general meeting, and other registration application documents as required by CSRC;
- (2) the listing sponsorship letter; and
- (3) other documents required by the Exchange.

The content and format of the offering and listing application documents shall comply with applicable rules of the CSRC and the Exchange.

Article 12 An issuer and its sponsor may, before submitting the offering and listing application documents, consult any material questions, unprecedented matters, and other issues related to the understanding and application of the business rules of the Exchange through the Exchange's offering and listing review system; if a face-to-face consultation is required, they may make an appointment through the offering and listing review system.

Article 13 The Exchange will, within 5 working days upon receiving the offering and listing application documents from an issuer, review the application documents, make a decision on whether to accept the application documents, notify the issuer and its sponsor of the decision, and publish the decision on the Exchange's website.

The issuer shall corrects the offering and listing application documents within a period of up to 30 working days if: such documents are not consistent with the list of documents specified by the CSRC and the Exchange; the title of any of the documents is not consistent with its content; the format of any of the documents fails to meet the requirements of the Exchange; the signature and seal on any of the documents are incomplete or illegible; any of the documents cannot be opened; or the documents are otherwise identified by the Exchange as incomplete.

If the issuer has corrected its offering and listing application documents, the offering and listing application documents shall be deemed as being received by the Exchange when the issuer ultimately submits the corrected documents.

The Exchange will, on a first come, first served basis, accept offering and listing application documents received from issuers.

Article 14 The Exchange will refuse to accept an issuer's offering and listing application documents if:

- (1) the prospectus, offering sponsorship letter, listing sponsorship letter, and other offering and listing application documents are incomplete and not corrected as required; or
- (2) its sponsor, securities service providers, and their relevant personnel do not have relevant qualifications; or have been and remain subject to such measures as restriction on their qualifications, restriction on their business activities, or rejection of relevant documents from them within a certain period of time due to violations of securities laws and regulations; or are under pending investigation for suspected violations of laws and regulations during the IPO and listing of stocks, offering of securities by any listed companies, M&A and reorganization transactions, or suspected violations of laws and regulations during other business activities which have a material impact on the market.

Article 15 The content of an issuer's offering and listing application documents shall be truthful, accurate, and complete.

Upon the acceptance of the offering and listing application documents, the issuer, its controlling shareholder, *de facto* controller, directors, supervisors, and senior officers, and the sponsor, securities service providers, and their relevant personnel related to the offering and listing of its stocks shall bear legal liability for the untruthfulness, inaccuracy or incompleteness thereof.

No modification to the offering and listing application documents shall be made without the consent of the Exchange.

Article 16 An issuer shall pre-disclose the prospectus, offering sponsorship letter, listing sponsorship letter, auditor's reports, legal opinions, and other documents on the Exchange's website on the day when the Exchange accepts its offering and listing application documents.

The issuer shall, after the Exchange's acceptance of the offering and listing application until the CSRC's decision approving the registration of its stocks, update and disclose the pre-disclosed prospectus, offering sponsorship letter, listing sponsorship letter, auditor's reports, legal opinions, and other documents.

The prospectus and other documents pre-disclosed pursuant to the preceding two Paragraphs are not the issuer's official documents for offering of its stocks, cannot contain information on the offering price, and shall not be used as the basis for the issuer to offer its stocks.

The issuer shall, in a prominent position in the pre-disclosed prospectus, state that: “Our offering application is required to undergo the relevant procedures of Shanghai Stock Exchange and the China Securities Regulatory Commission. This Prospectus has no legal effect as the basis for offering of our stocks and is provided for pre-disclosure purpose only. Investors should make an investing decision based on a prospectus to be officially announced by us.”

Article 17 Within 10 working days upon the Exchange’s acceptance of an issuer’s offering and listing application documents, its sponsor shall submit sponsorship working papers and a verified prospectus in electronic form to the Exchange for regulatory inspection.

Chapter III Review of Offering and Listing Conditions

Article 18 To apply for IPO and listing of its stocks, an issuer shall satisfy the offering conditions under the CSRC’s *Registration Measures*.

Article 19 An issuer shall, taking into account the positioning of the Science and Technology Innovation Board, prudently assess whether it falls into the scope of relevant industries, relies on its core technologies for production and operation, or maintains a strong growth, etc.; its sponsor shall make professional judgement on whether the issuer is aligned with the positioning of the Science and Technology Innovation Board.

During the offering and listing review, the Exchange will consider the objectivity of the issuer’s assessment and the reasonableness of the sponsor’s judgement and may, if necessary, consult the Exchange’s sci-tech innovation advisory committee on whether the issuer is aligned with the positioning of the Science and Technology Innovation Board.

Article 20 When reviewing whether an issuer satisfies the offering conditions, the Exchange will mainly consider:

- (1) whether the issuer meets offering conditions under the *Registration Measures* and prescribed by the CSRC; and
- (2) whether the offering sponsorship letter, legal opinions, and other documents issued by its sponsor, law firm, and other securities service providers have contained explicit opinions on the issuer’s satisfaction of each of the offering conditions and provided adequate reasons and basis therefor.

If the Exchange questions any matter specified in the preceding Paragraph, the issuer shall give an explanation as required by the Exchange, and the sponsor and securities service

providers shall verify the matter and, if appropriate, amend the offering and listing application documents.

Article 21 During the offering and listing review, the Exchange will timely ask the CSRC for instructions on the specific criteria for review of satisfaction of the offering conditions, and any other material questions or material unprecedented cases related to the understanding and application of the ministry-level rules and normative documents of the CSRC, and any other matters required to be decided by the CSRC.

Article 22 To apply for IPO and listing of its stocks, an issuer shall meet the listing conditions under the *Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange*.

Except as provided for under Articles 23 and 24 hereof, an issuer who applies for IPO and listing of its stocks shall meet at least one of the following listing criteria, and the issuer's prospectus and the sponsor's listing sponsorship letter shall explicitly indicate the specific listing criteria selected by the issuer:

- (1) it has an estimated market capitalization of no less than RMB 1 billion and has made a positive net profit during the last 2 years totaling to no less than RMB 50 million, or has an estimated market capitalization of no less than RMB 1 billion and has made a positive net profit and an operating revenue of no less than RMB 100 million during the last year;
- (2) it has an estimated market capitalization of no less than RMB 1.5 billion, and has made an operating revenue of no less than RMB 200 million during the last year and a total R& D investment during the last 3 years which represents no less than 15 percent of the total operating revenue within such years;
- (3) it has an estimated market capitalization of no less than RMB 2 billion, and has made an operating revenue of no less than RMB 300 million during the last year, and achieved total net cash flows from operating activities of no less than RMB 100 million during the last 3 years;
- (4) it has an estimated market capitalization of no less than RMB 3 billion and has made an operating revenue of no less than RMB 300 million during the last year; or
- (5) it has an estimated market capitalization of no less than RMB 4 billion, and its main businesses or products, required to be approved by relevant national government authorities, will have a big market and currently have achieved a milestone progress; in the case of a pharmaceutical enterprise, at least one of its core products has to be approved for phase II

clinical trial, and in the case of any other enterprise aligned with the positioning of the Science and Technology Innovation Board, it has to possess significant superiority in technology and meet the corresponding requirements.

For the purpose of the preceding Paragraph, the net profit refers to the lower of the net profit before or after non-recurring gain or loss; and the net profit, operating revenue, and net cash flows from operating activities all mean the audited amount thereof.

The Exchange may, based on market conditions and upon the approval of the CSRC, adjust the specific criteria set forth in the second Paragraph.

Article 23 A red chip enterprise which complies with the relevant provisions of the *Notice of the General Office of the 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 make an offering of its stocks or depositary receipts and list them on the Science and Technology Innovation Board.

To apply to offer its stocks or depositary receipts and list them on the Science and Technology Innovation Board, 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 at least one of the following criteria for market capitalization and financial indicators, and the issuer's prospectus and the sponsor's listing sponsorship letter shall explicitly indicate the specific listing criteria selected by the issuer:

- (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 has made an operating revenue of no less than RMB 500 million during the last year.

Article 24 If an issuer which has in place a differentiated voting rights (DVR) arrangement applies to make an offering of its stocks or depositary receipts and list them on the Science and Technology Innovation Board, its DVR arrangement shall comply with the requirement of the *Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange* and applicable rules; and the issuer shall meet at least one of the following criteria, and the issuer's prospectus and the sponsor's listing sponsorship letter shall explicitly indicate the specific listing criteria selected by the issuer:

- (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 has made an operating revenue of no less than RMB 500 million during the last year.

Article 25 When reviewing whether an issuer satisfies the listing conditions, the Exchange will mainly consider:

(1) whether the issuer meets the listing conditions under these *Rules* and other applicable rules of the Exchange; or

(2) whether the listing sponsorship letter, legal opinions, and other documents issued by its sponsor, law firm, and other securities service providers have contained explicit opinions on the listing criteria selected by the issuer and its compliance with listing conditions and provided adequate reasons and basis therefor.

If the Exchange questions any matter specified in the preceding Paragraph, the issuer shall give an explanation as required by the Exchange, and the sponsor and securities service providers shall verify the matter and, if appropriate, amend the offering and listing application documents.

Article 26 The handling of an issuer's employee stock ownership plan, option incentive scheme, unrecovered pre-overall transformation accumulated losses, and other matters shall be governed by rules separately prescribed by the Exchange.

Chapter IV Requirements for and Review of Information Disclosure

Section 1 Requirements for Information Disclosure

Article 27 To apply for IPO and listing of its stocks, an issuer and its controlling shareholder, *de facto* controller, directors, supervisors, and senior officers shall perform information disclosure obligations in accordance with the law, and its sponsor and securities service providers shall perform their gatekeeping duties by verifying the information disclosure of the issuer in accordance with the law.

Article 28 An issuer who is primarily responsible for information disclosure shall act in good faith and with honesty, legally make full disclosure of information necessary for investors to make value judgement and investment decisions, and ensure that the offering and listing application documents and information disclosure are truthful, accurate, and complete, and contain no misrepresentation, misleading statement, or material omission.

The issuer shall provide its sponsor and securities service providers with truthful, accurate,

and complete business operation, financial and accounting, and other data, and cooperate with relevant institutions in their due diligence and other related tasks.

Article 29 The controlling shareholder, *de facto* controller, directors, supervisors, senior officers, and other relevant persons of an issuer shall act in good faith and with honesty, ensure the truthfulness, accuracy, and completeness of the offering and listing application documents and information disclosure, legally make and perform relevant undertakings, and refrain from damaging the legitimate rights and interests of investors.

Relevant persons as mentioned in the preceding Paragraph shall fully cooperate with relevant institutions in their due diligence and other related tasks. The controlling shareholder, *de facto* controller of the issuer shall not instigate or assist the issuer to commit violations of laws and regulations such as making misrepresentation, misleading statement, or material omission.

Article 30 The sponsor of an issuer shall act in good faith and with honesty and exercise diligence and care to ensure the truthfulness, accuracy, and completeness of the issuer's prospectus and the offering sponsorship letter, listing sponsorship letter and other documents issued by it.

The sponsor shall, in strict accordance with legally developed business rules and industry self-regulatory rules and its own internal control system, fully examine and verify the offering and listing application documents, make professional judgement on whether the issuer is consistent with the positioning, offering conditions, listing conditions, and information disclosure requirements of the Science and Technology Innovation Board, and make a prudent decision to recommend the IPO and listing of the issuer's stocks.

Article 31 The securities service providers of an issuer, such as any CPA firm and law firm, shall act in good faith and with honesty and exercise diligence and care to ensure the truthfulness, accuracy, and completeness of the content of the issuer's prospectus related to their professional duties and any documents issued by them.

The securities service providers shall, in strict accordance with legally developed business rules and industry self-regulatory rules and their own internal control system, examine and verify any business matters related to their professional duties, perform their duty of special care, and prudently issue professional opinions.

Section 2 Review of Information Disclosure

Article 32 When reviewing offering and listing application documents, the Exchange will, through a wide range of means, including asking questions and requiring responses thereto,

urges issuers and their sponsors and securities service providers to improve information disclosure, make truthful, accurate, and complete disclosure of information, and increase the quality of information disclosure.

Article 33 During the review of information disclosure, the Exchange will mainly consider whether the information disclosure of an issuer meets the truthfulness, accuracy and completeness requirements and the requirements of the standards for content and format of prospectuses.

Article 34 During the review of information disclosure, the Exchange will mainly consider whether the offering and listing application documents of an issuer and information disclosed therein contain any information which will have a material impact on the investing decision-making of investors and whether the level of disclosure is necessary for investors to make an investing decision, including, but not limited to: whether a full and comprehensive disclosure of the business, technical, financial, corporate governance, investor protection, and other information of the issuer and information on the current offering is made; and whether a full disclosure of all factors which may have a material adverse impact on the issuer's operation and financial position is made.

Article 35 During the review of information disclosure, the Exchange will mainly consider whether the offering and listing application documents of an issuer and information disclosed therein are consistent, reasonable, and inherently logical, including, without limitation: whether the financial data is reasonably cross-referenced and consistent with the reality of the issuer; whether the non-financial and financial data corroborate each other; and whether the sponsor and securities service providers have an adequate basis for their verification and can provide a reasonable explanation for changes in financial data or differences therein with peer companies.

Article 36 During the review of information disclosure, the Exchange will mainly consider whether information disclosed in the offering and listing application documents of an issuer is clear and understandable or easy for ordinary investors to read and understand, including, without limitation: whether the language used is plain, concise, and logically clear and highlights the key points; and whether the information disclosure is specific to the issuer taking into its own characteristics.

Article 37 When reviewing information disclosed in the offering and listing application documents of an issuer, the Exchange may, if appropriate during the review inquiry, require the issuer and its sponsor and securities service providers to:

- (1) explain and state relevant issues and their reasons;
- (2) make additional verification of relevant matters;
- (3) provide new additional evidence or materials; or
- (4) amend or update the information disclosure.

Chapter V Review Procedures

Section 1 Review by the offering and listing review department

Article 38 The offering and listing review department of the Exchange will review the accepted offering and listing application documents on a first come, first served basis.

Article 39 The offering and listing review department of the Exchange will, within 20 working days upon accepting an issuer's application for IPO and listing of its stocks, issue the first review inquiry to the issuer through its sponsor.

Before issuing the first review inquiry, the issuer, its sponsor and securities service providers, and their relevant personnel may not have any contact with the reviewers, nor interfere with the review in any way.

Article 40 After the issuance of the first review inquiry, if an issuer and its sponsor have any question over the Exchange's review inquiry, they may communicate with the Exchange with respect to the question through the Exchange's offering and listing review system; if a face-to-face communication is required, they may make an appointment through such system.

Article 41 If any of the following circumstances occurs after the issuance of the first review inquiry to an issuer, the offering and listing review department of the Exchange may, within 10 working days upon receiving a response thereto from the issuer, continue to issue a review inquiry:

- (1) any new matter requiring inquiry is found;
- (2) the response of the issuer and its sponsor and securities service providers fails to provide a specific answer to the review inquiry of the Exchange's offering and listing review department, or the Exchange needs to continue to issue a review inquiry with respect to such response;

- (3) the information disclosure of the issuer still fails to meet the requirements of the CSRC and the Exchange; or
- (4) any other circumstances where the Exchange deems it necessary to continue to issue a review inquiry.

Article 42 An issuer and its sponsor and securities service providers shall make necessary additional investigation and verification pursuant to the review inquiry requirements of the Exchange's offering and listing review department, timely provide an item-by-item response to the review inquiry of the Exchange's offering and listing review department, supplement or amend the offering and listing documents if appropriate, and within 10 working days after the end of the listing committee's deliberation meeting, aggregate, supplement, and submit any sponsorship working papers relating to the response thereto and an updated verified prospectus.

The response to the review inquiry of the Exchange's offering and listing review department from the issuer and its sponsor and securities service providers constitutes a part of the offering and listing application documents, and they shall ensure the truthfulness, accuracy, and completeness of the response, and after the provision of the response, timely disclose the content of the inquiry and response on the Exchange's website.

Article 43 The offering and listing review department of the Exchange may, as appropriate, consult the Exchange's sci-tech innovation advisory committee with respect to any issues in the offering and listing application documents of an issuer relating to the issuer's business and technologies; and any advice provided by the sci-tech innovation advisory committee may be referenced by the Exchange in its review inquiry.

Article 44 If information to be disclosed in the offering and listing application documents of an issuer and its response to the review inquiry of the Exchange's offering and listing review department are state secrets or trade secrets and once disclosed, may cause the issuer to violate national laws and regulations governing secrecy or seriously damage the issuer's interests, the issuer and its sponsor may apply to the Exchange for exemption from such disclosure. If the Exchange believes that the exemption is unjustifiable, the issuer shall make such disclosure as required.

Article 45 During the offering and listing review, the Exchange may, if necessary, arrange an interview with and inquire an issuer's directors, supervisors, senior officers, controlling shareholder, and *de facto* controller, and its sponsor and securities service providers and their

relevant personnel and have access to the documents of the issuer, sponsor, and securities service providers relating to the offering and listing application.

Article 46 The Exchange will, in accordance with applicable rules, sample a certain percentage of issuers whose offering and listing applications have been accepted by the Exchange for onsite inspection of their information disclosure quality.

During the offering and listing review, if the Exchange has any material question over the offering and listing application documents of an issuer, and the issuer and its sponsor and securities service providers fail to provide a reasonable explanation in their response, the Exchange may conduct on-site inspection of them.

Article 47 If the offering and listing review department of the Exchange, after receiving a response to the review inquiry of the Exchange from an issuer and its sponsor and securities service providers, believes that no further review inquiry is required, it will issue a review report and submit such report to the listing committee for deliberation.

Article 48 If an issuer applies for IPO and listing of its stocks, the Exchange will, within 3 months upon acceptance of the offering and listing application documents from the issuer, issue a review opinion approving the offering and listing of its stocks or make a decision to terminate the offering and listing review, provided that the period of time for the issuer and its sponsor and securities service providers to respond to the review inquiry of the Exchange, which shall be no more than 3 months in total, is not included.

The period of time used for suspending the review, asking for instructions from the competent authorities, implementing the listing committee's opinions, conducting on-site inspections, and other circumstances set forth in these *Rules* shall not be included into the 3-month period specified in the preceding Paragraph.

Article 49 During the offering and listing review, if an issuer needs to update the pre-disclosed documents due to its response to the review inquiry of the Exchange or the occurrence of other circumstances, the issuer shall amend relevant information disclosure documents, and before the Exchange sends a notice of the listing committee's meeting, pre-disclose the prospectus, offering sponsorship letter, listing sponsorship letter, auditor's reports, legal opinions, and other documents as amended.

Section 2 Deliberation of the Listing Committee

Article 50 The listing committee will hold deliberation meetings to deliberate review reports issued by the offering and listing review department of the Exchange and offering and listing application documents.

Each deliberation meeting shall be attended by 5 members, including at least one accounting expert and one legal expert.

Article 51 If the listing committee requires the presence of an issuer and its sponsor for an on-site inquiry during the deliberation, the issuer's representative and sponsor representative shall appear before the listing committee and answer the members' questions.

Article 52 During the deliberation of the listing committee, the attending members will express their opinions on the content of the review report and the preliminary review opinion provided by the offering and listing review department, and after panel discussion, issue a deliberation opinion on approving or disapproving the offering and listing of an issuer's stocks.

Article 53 The Exchange will, in light of the deliberation opinion of the listing committee, issue a review opinion approving the offering and listing of an issuer's stocks, or make a decision to terminate the offering and listing review.

If the listing committee approves the offering and listing of an issuer's stocks, but requires the issuer to make supplementary disclosure of related information, the offering and listing review department of the Exchange will notify the issuer's sponsor to do so; the offering and listing review department will verify the performance of such supplementary disclosure by the issuer and its sponsor and securities service providers, and notify the attending members of such disclosure without submitting such disclosure again to the listing committee for deliberation. The Exchange will, after the issuer's supplementary disclosure of relevant matters, issue a review opinion approving the offering and listing of its stocks.

Section 3 Submission of Review Opinions to the CSRC

Article 54 If the offering and listing application documents of an issuer pass the review of the Exchange, the Exchange will submit to the CSRC a review opinion approving the offering and listing of its stocks, related review materials, and the issuer's offering and listing application documents.

If the CSRC requires the Exchange to make any further inquiry, the Exchange will ask the issuer, its sponsor and securities service providers follow-on questions.

If the CSRC decides to return the offering and listing application documents to the Exchange for supplementary review during the registration procedures, the offering and listing review department of the Exchange will review again any items thereof required to be further reviewed, and re-submit the application documents to the listing committee for deliberation. If the offering and listing application documents pass the review of the Exchange, the Exchange will submit a review opinion and related materials to the CSRC again; and if the offering and listing application documents fail to pass the review of the Exchange, the Exchange will make a decision to terminate the offering and listing review.

Article 55 An issuer shall, based on the review opinion of the Exchange or other circumstances requiring the updating of its pre-disclosed documents, amend relevant information disclosure documents; when the Exchange submits a review opinion approving the offering and listing of its stocks to the CSRC, the issuer shall concurrently publish on the websites of the CRSC and the Exchange the prospectus, offering sponsorship letter, listing sponsorship letter, auditor's reports, legal opinions, and other documents as amended.

Article 56 An issuer shall, after having obtained the CSRC's decision approving registration of its stocks and before initiating the public offering of its stocks, disclose its letter of intent on the website of the Exchange and any website designated by the CSRC.

Article 57 Within 5 working days after the offering price is determined, an issuer shall publish its prospectus on the website of the Exchange and any website designated by the CSRC, and also publish an indicative announcement on newspapers and periodicals designated by the CSRC to inform investors of the websites on which the prospectus is published and the methods to obtain the prospectus.

The prospectus shall be valid for 6 months from the last execution date prior to the public offering. The issuer shall complete the offering based on the valid prospectus.

Financial statements referenced in the prospectus shall be valid for 6 months after the as-of date of their latest reporting period. The issuer may apply for an appropriate extension of up to one month under special circumstances. The financial statements shall be prepared as of the end of a year, half year, or quarter.

Section 4 Post-Meeting Matters

Article 58 If a material event occurs to an issuer after the Exchange's acceptance of its offering and listing application documents and before the listing and trading of its stocks, the issuer and its sponsor shall timely report the event to the Exchange, and update the

application documents as required. The issuer's sponsor and securities service providers shall continue to perform their due diligence duties, and provide a special verification opinion to the Exchange.

Article 59 If a material event occurs to an issuer after the deliberation meeting of the listing committee and before the listing and trading of its stocks, which has a material impact on the issuer's compliance with the offering conditions, listing conditions, or information disclosure requirements, the offering and listing review department will, upon reviewing the issuer's offering and listing application documents again, decide whether to re-submit the application documents to the listing committee for deliberation.

If the offering and listing review department re-submits the application documents to the listing committee for deliberation, it shall report such re-submission to the CSRC and the applicable provisions of this Chapter shall apply.

Article 60 If a material event occurs to an issuer after the CSRC's decision approving the registration of its stocks and before the listing and trading of its stocks, which may result in the issuer's non-compliance with the offering conditions, listing conditions, or information disclosure requirements, the issuer shall suspend the offering of its stocks; if its stocks have been offered, it shall suspend the listing of its stocks. If the Exchange finds that the issuer is involved in the said circumstance, the Exchange shall have the right to require the issuer to suspend the listing of its stocks.

The issuer and its sponsor shall timely report the said circumstance to the Exchange and release an announcement to state the details of such material matter and the issuer's plan to suspend the offering or listing of its stocks.

If the Exchange, upon review, believes that the said material event has caused the issuer not to satisfy the offering conditions, listing conditions, or information disclosure requirements, the Exchange will issue an explicit opinion, and report the opinion to the CSRC.

Section 5 Reconsideration

Article 61 If the Exchange refuses to accept an issuer's offering and listing application or terminates the review, the issuer may, within 5 working days after receiving relevant documents from the Exchange, apply to the Exchange for a reconsideration, provided that the issuer may not apply for a reconsideration if the review is terminated due to the issuer's withdrawal of the offering and listing application or its sponsor's cancellation of sponsorship.

Article 62 If an issuer applies for a reconsideration pursuant to the preceding Article, the issuer shall submit to the Exchange:

- (1) a reconsideration application;
- (2) a written opinion issued by its sponsor with respect to the matters to be reconsidered;
- (3) a legal opinion issued by its law firm with respect to the matters to be reconsidered;
and
- (4) other documents specified by the Exchange.

Article 63 The Exchange shall, within 20 working days upon receipt of a reconsideration application from an issuer, hold a reconsideration meeting of the listing committee. During the reconsideration by the listing committee, the original decision shall remain in full effect and force.

If the reconsideration meeting of the listing committee considers that the reconsideration application is justifiable, the Exchange will accept or review again the offering and listing application of the issuer, in which case the review period shall count from the date of such acceptance or review unless otherwise prescribed by the Exchange; if the reconsideration meeting considers the reconsideration application is unjustifiable, the Exchange will affirm the original decision.

After the Exchange makes a decision to terminate the offering and listing review due to the failure of the issuer's offering and listing application documents to pass the Exchange's review, if the issuer dissatisfied with the decision applies for a reconsideration, members who have participated in the original deliberation meeting of the listing committee shall not be present at the reconsideration meeting.

Chapter VI Suspension and Termination of Review

Article 64 Upon the occurrence of any of the following circumstances, an issuer and its sponsors and securities service providers shall timely inform the Exchange thereof, and the Exchange will suspend the offering and listing review, and notify the issuer and its sponsors of such suspension:

- (1) the issuer and its controlling shareholder and *de facto* controller are under pending investigation by judicial authorities or other authorities for suspected criminal offenses involving corruption, bribery, embezzlement or appropriation of properties, or disruption of

the order of the socialist market economy; or suspected offering fraud, material violations of laws during information disclosure, or other material violations of laws governing national, public, ecological, production, and public health security, and other areas;

(2) the issuer's sponsors or signing sponsor representatives or its securities service providers or their relevant signatories are under pending investigation by the CSRC or judicial authorities for suspected violations of laws and regulations during the IPO and listing of stocks, offering of securities by any listed companies, M&A and reorganization transactions, or suspected violations of laws and regulations during other business activities which have a material impact on the market;

(3) the issuer's sponsors and securities service providers have been and remain subject to regulatory measures legally taken by the CSRC, such as restricting their business activities, ordering them to shut down for rectifications, or appointing a trustee or receiver for them;

(4) the issuer's signing sponsor representatives and the relevant signatories of its service provider representatives have been and remain subject to supervisory measures legally taken by the CSRC, such as banning them from the market or restricting their qualification for securities business;

(5) the issuer's sponsors or signing sponsor representatives or its securities service provider or their relevant signatories have been and remain subject to the Exchange's disciplinary action of rejecting documents from them within a certain period of time;

(6) financial data included in the offering and listing application documents has expired and is required to be supplemented; or

(7) the issuer and its sponsors voluntarily file a justifiable request for suspension of the review which is approved by the Exchange.

If the issuer and its sponsors and securities service providers fail to timely inform the Exchange of any circumstances identified in Items (1) through (6) of the foregoing Paragraph, the Exchange will, after verifying that it is necessary to suspend the review, directly do so.

Article 65 If an issuer is required to change its sponsor or securities service providers pursuant to applicable rules upon the suspension of the review due to any circumstances set forth in Items (2) through (5) of the first Paragraph of the preceding Article, the new sponsor or securities service providers shall, within 3 months upon the suspension of the review, complete their due diligence, issue related documents, re-examine documents issued by the former sponsor or securities service providers, and provide a re-examination opinion to

explain any differences between the two sets of documents. Where an issuer is not required to change its sponsor or securities service providers pursuant to applicable rules, its sponsor or securities service providers shall timely submit to the Exchange a re-examination report.

If the issuer changes its signing sponsor representatives or securities service provider signatories upon the suspension of the review due to any circumstances set forth in Items (2) through (5) of the first Paragraph of the preceding Article, the new sponsor representatives or securities service provider personnel shall, within one month upon the suspension of the review, re-examine documents signed by the former sponsor representatives or securities service provider personnel and issue a re-examination opinion to explain any differences between such documents and those signed by them.

If the review is suspended due to any circumstances set forth in Items (6) and (7) of the first Paragraph 1 of the preceding Article, the issuer shall, within 3 months upon the suspension of the review, submit additional valid documents or eliminate circumstances where the issuer voluntarily requests such suspension.

Article 66 An issuer and its sponsors and securities service providers shall, after eliminating any circumstances identified the first Paragraph of Article 64 hereof or completing relevant matters within the time limit specified in Article 65 hereof, timely inform the Exchange of such elimination or completion. Upon the verification and confirmation of such elimination or completion, the Exchange will resume the offering and listing review, and notify the issuer and its sponsors of such resumption.

If the review is resumed according to the foregoing Paragraph, the review period shall continue to be calculated from the review resumption date, provided that the review period shall be recalculated from the review resumption date if the financial reporting periods adjusted by the issuer cover one or more financial years.

Article 67 The Exchange will terminate the offering and listing review with respect to an issuer, and notify the issuer and its sponsors of such termination if:

- (1) the issuer's offering and listing application documents have material defects which seriously affect investors' understanding and the Exchange's review of such documents;
- (2) the issuer withdraws its offering and listing application or its sponsor cancels the sponsorship;
- (3) the issuer fails to respond to the Exchange's review inquiry within the prescribed time limit or to explain, supplement, or amend its offering and listing application documents;

- (4) the issuer's offering and listing application documents are found to contain any misrepresentation, misleading statement, or material omission;
- (5) the issuer obstructs or refuses to accept any inspections legally conducted by the Exchange;
- (6) the issuer and its affiliates improperly and significantly interfere with the Exchange's review;
- (7) the issuer is disqualified as a legal person;
- (8) the issuer fails to eliminate any circumstances requiring the suspension of the review as set forth in the first Paragraph of Article 64 within 3 months, or to complete relevant matters within the time limit specified in Article 65 hereof; or
- (9) the issuer's offering and listing application documents fail to pass the Exchange's review

Chapter VII Review-Related Matters

Article 68 After the Exchange's acceptance of an issuer's offering and listing application and before the listing and trading of its stocks, the issuer and its sponsors shall closely follow material public media coverages and market rumors regarding the issuer.

If there is any material inconsistency between relevant coverages and rumors and the information disclosed by the issuer, and the matters involved may have a material effect on the offering and listing of its stocks, the issuer and its sponsors shall provide an explanation to the Exchange, and perform their information disclosure obligations as required; and its sponsors and securities service providers shall conduct necessary verification of the matters, and report the verification results to the Exchange.

Article 69 After the Exchange's acceptance of an issuer's offering and listing application and before the listing and trading of its stocks, if the Exchange receives any complaint or whistle-blowing report with respect to the offering and listing of the issuer's stocks, the Exchange may inquire the issuer and its sponsors and securities service providers about the matters involved in such complaint or report; require the issuer and its sponsor to provide an explanation to the Exchange and to perform their information disclosure obligations as required; and require the sponsor and securities service providers to conduct necessary verification of the matters and to report the verification results to the Exchange.

Article 70 An issuer shall publish its information disclosure documents on the Exchange's website and, as required, publish related information disclosure documents on any website designated by the CSRC. The issuer shall ensure that documents published on the CSRC-designated website are identical to those on the Exchange's website.

The issuer may publish the information disclosure documents on other newspapers and periodicals and websites, provided that such documents are identical to and disclosed no earlier than those on the Exchange's website and on any newspapers and periodicals and websites designated by the CSRC.

The issuer shall not replace its information disclosure with press conferences, Q&As with reporters and other forms of events or divulge any unpublic information.

Article 71 The Exchange will publicly disclose the following information on offering and listing review to the market for supervision by the public:

- (1) the criteria, procedures, and other rules for the offering and listing review as well as Q&As on the supervision of the review;
- (2) a list of enterprises under review, basic information on those enterprises, and progress of the review;
- (3) the Exchange's review inquiries to and the responses thereto from issuers and their sponsor and securities service providers, unless state secrets or the issuers' trade secrets are involved;
- (4) the date of the listing committee's meeting, a list of attending members, a list of issuers under deliberation, deliberation results, and questions asked on the spot;
- (5) any supervisory measures or disciplinary actions that the Exchange has taken against issuers and their controlling shareholder, *de facto* controller, sponsor, and securities service providers, and their relevant personnel; and
- (6) other information as the Exchange considers necessary.

Chapter VIII Self-Regulation

Article 72 During the offering and listing review, the Exchange may, in accordance with these *Rules* and other applicable rules of the Exchange, take any of the following supervisory measures against any person involved in such review:

- (1) giving a written warning;
- (2) conducting an interview for supervision purpose;
- (3) requiring it to make rectifications within a specified time limit;
- (4) requiring it to make public correction, clarification or explanation;
- (5) requiring it to participate in training or examination within a specified time limit; or
- (6) other supervisory measures as prescribed by the Exchange.

Article 73 During the offering and listing review, the Exchange may, in accordance with these Rules and other applicable rules of the Exchange, take any of the following disciplinary actions against any person involved in such review:

- (1) circulating a notice of criticism;
- (2) giving a public censure;
- (3) in the case of an issuer, refusing to accept any offering and listing application documents from it within 6 months to 5 years;
- (4) in the case of a sponsor or securities service provider, refusing to accept any offering and listing application documents and information disclosure documents from it within 3 months to 3 years;
- (5) in the case of a sponsor representative, a sponsor's other relevant personnel or a securities service provider's relevant personnel, refusing to accept any offering and listing application documents and information disclosure documents signed him or her within 3 months to 3 years;
- (6) in the case of any of an issuer's directors, supervisors, and senior officers, publicly declaring him or her as unsuitable to serve as a director, supervisor, and senior officer of a listed company within more than 3 years; or
- (7) other disciplinary actions as prescribed by the Exchange.

Article 74 If any person set forth in Article 9 hereof is involved in any of the following circumstances, the Exchange may, depending on the severity of the circumstance, take

supervisory measures against the person, such as giving a written warning, conducting an interview for supervision purpose, or requiring it to make rectifications within a specified time limit; or take disciplinary actions against the person, such as circulating a notice of criticism, giving a public censure, or in the case of a sponsor or securities service provider or its relevant personnel, refusing to accept any offering and listing application documents and information disclosure documents from it or him within 3 months to one year, or in the case of an issuer, refusing to accept any offering and listing application documents from it within 6 months to one year:

- (1) it has prepared or issued any offering and listing application documents which are inconsistent with applicable requirements or it has modified the prospectus and other offering and listing application documents without permission;
- (2) the offering and listing application documents and information disclosure documents have material defects, which seriously affect investors' understanding and the Exchange's review of such documents;
- (3) the offering and listing application documents and information disclosure documents are not truthful, accurate, or complete, but do not contain any misrepresentation, misleading statement, or material omission;
- (4) the offering and listing application documents contain unjustifiable substantive inconsistencies;
- (5) it fails to provide a response to the Exchange's review inquiry within the prescribed time limit without any reason;
- (6) it fails to timely report to the Exchange or disclose relevant material matters;
- (7) other circumstances so identified by the Exchange.

Article 75 If an issuer is involved in any of the following circumstances, the Exchange will take the disciplinary action against the issuer of refusing to accept any offering and listing application documents from it within one to 5 years:

- (1) the offering and listing application documents and information disclosure documents that the issuer has submitted to the Exchange are found to contain any misrepresentation, misleading statement, or material omission;

- (2) the issuer refuses to accept, obstructs, and evades the Exchange's inspection, or misstates, conceals, or destroys relevant evidence materials;
- (3) the issuer and its affiliates improperly and significantly interfere with the Exchange's offering and listing review;
- (4) any material matters are not reported to the Exchange or disclosed; or
- (5) the signature and seal of the issuer or any of its directors, supervisors, senior officers, controlling shareholder, or *de facto* controller are forged or falsified.

Article 76 If the offering and listing application documents and information disclosure documents submitted by an issuer are found to contain any misrepresentation, misleading statement, or material omission due to any violation of these *Rules* by its controlling shareholder, *de facto* controller, directors, supervisors, and senior officers, the Exchange may, depending on the severity of the circumstance, take disciplinary actions against the persons involved, including, but not limited to: circulating a notice of criticism; giving a public censure; publicly declaring him or her as unsuitable to serve as a director, supervisor, or senior officer of any listed company within more than 3 years; or refusing to accept any offering and listing application documents from the controlling shareholder and *de facto* controller and other issuers under their control within one to 5 years upon the date of confirmation thereof.

Article 77 If an issuer's offering and listing application documents and information disclosure documents are found to contain any misrepresentation, misleading statement, or material omission due to its sponsor's failure to exercise diligence and care, the Exchange may, depending on the severity of the circumstance, take the disciplinary action against the sponsor, sponsor representative, and relevant responsible personnel of refusing to accept any offering and listing application documents and information disclosure documents submitted or signed by them within one to 3 years upon the date of confirmation thereof.

If any part of the issuer's offering and listing application documents and information disclosure documents related to its securities service provider are found to contain any misrepresentation, misleading statement, or material omission due to the securities service provider's failure to exercise diligence and care, the Exchange may, depending on the severity of the circumstance, take the disciplinary action against the securities service provider and its responsible personnel of refusing to accept offering and listing application documents and information disclosure documents submitted or signed by them within 3 months to 3 years upon the date of confirmation thereof.

If any sponsors or securities service providers and their relevant personnel are involved in any of the following circumstance, the Exchange may, depending on the severity of the circumstance, take the disciplinary action against them of refusing to accept any offering and listing application documents and information disclosure documents submitted or signed by them within 3 months to 3 years :

- (1) forging or falsifying the signature or seal on any offering and listing application documents;
- (2) failing to report or disclose any material matters;
- (3) improperly interfering with the Exchange's offering and listing review;
- (4) having in place internal control, due diligence, and other systems which are defective or failing to implement such systems;
- (5) seeking illegitimate gains through relevant business; or
- (6) failing to perform other statutory duties.

Article 78 If the Exchange refuses to accept any offering and listing applications from a sponsor for two times within one year, the sponsor may submit a new offering and listing application to the Exchange only after 3 months upon the receipt of the Exchange's relevant document for the second time.

If the Exchange makes a decision to terminate the offering and listing review due to the failure of an issuer's offering and listing application documents to pass the review of the Exchange or the CSRC makes a decision not to register the issuer's stocks, the issuer may submit a new offering and listing application to the Exchange on after 6 months upon the date of such decision.

Article 79 After an issuer discloses its earnings forecast, if the realized profit fails to reach 80 percent of the earnings forecast due to any reason other than force majeure, the Exchange may take the disciplinary action against the issuer and its board chairman, CEO, and or chief financial officer of circulating a notice of criticism, giving a public censure, or refusing to accept any offering and listing application documents from the issuer within one year; and take the disciplinary action against its signing sponsor representative of circulating a notice of criticism, giving a public censure, or refusing to accept any offering and listing application documents and information disclosure documents signed by him or her within 3 months to one year.

If the realized profit fails to reach 50 percent of the earnings forecast due to any reason other than force majeure, the Exchange may take the disciplinary action against the issuer and its board chairman, CEO, and chief financial officer of circulating a notice of criticism, giving a public censure, or refusing to accept any offering and listing application documents from the issuer within 3 years; and take the disciplinary action against its signing sponsor representative of giving a public censure, or refusing to accept any offering and listing application documents and information disclosure documents signed by him or her within one to 2 years.

If a CPA fails to exercise diligence and care in issuing a review report on the earnings estimate provided in the foregoing two Paragraphs, the Exchange may take the disciplinary actions against the CPA of circulating a notice of criticism, giving a public censure, or refusing to accept any offering and listing application documents and information disclosure documents signed by him or her within one year.

Article 80 Any supervised person dissatisfied with any disciplinary action taken by the Exchange under Items (2) through (6) of Article 73 may apply to the Exchange for review of such disciplinary action in accordance with the *Measures of Shanghai Stock Exchange for the Implementation of Reviews*.

Article 81 The Exchange will develop a credit publication system for institutions and individuals, including, but not limited to, issuers and their respective controlling shareholder, *de facto* controller, directors, supervisors, and senior officers as well as their respective sponsor and securities service providers and their relevant personnel, publicly disclose supervisory measures and disciplinary actions taken by the Exchange against them, enter them into their credit records, and report them to the CSRC.

The Exchange will periodically assess the quality of professional activities of sponsors and securities service providers related to the offering and listing of stocks on the Science and Technology Innovation Board to provide reference for the offering and listing review.

Article 82 During the offering and listing review, if the Exchange identifies any suspected violation of securities laws by any issuer and its controlling shareholder, and *de facto* controllers, sponsors, and securities service providers and their relevant personnel, the Exchange will report such violation to the CSRC for investigation in accordance with the law.

Chapter IX Supplementary Provisions

Article 83 For the purpose of these *Rules*, the following terms shall have the following meanings:

- (1) “Revenue” refers to the revenue presented in a company’s income statement, or if consolidated financial statements are prepared, the total revenue in the consolidated financial statements.
- (2) “Net Profit” refers to the net profit presented in a company’s income statement, or if consolidated income statements are prepared, the net profit attributable to the owners of the parent company in the consolidated income statement, excluding minority interest.
- (3) “Net Cash Flows from Operating Activities” refer to the net amount of cash flows generated from a company’s operating activities as presented in its cash flow statement, or if consolidated financial statements are prepared, the net amount of cash flows from the company’s operating activities presented in the consolidated cash flow statement.
- (4) “Estimated Market Capitalization” refers to the total post-public offering nominal value of an issuer's stocks, which is calculated by multiplying its total capital stock by the offering price.
- (5) “Red Chip Enterprise” refers to an overseas incorporated enterprise who mainly engages in business activity within mainland China.
- (6) “Differentiated Voting Rights (DVR) Arrangement” refers to a mechanism whereby an issuer offers stocks with special voting rights (“special voting shares”) in accordance with Article 131 of the *Company Law of the People’s Republic of China*, in addition to ordinary stocks 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.
- (7) “Verified Prospectus” refers to the version of the prospectus in which sponsorship working papers based on which important disclosure is made are marked.

Article 84 These *Rules* and any amendment hereto shall come into force after being deliberated and adopted by the Board of Directors of the Exchange and approved by the CSRC.

Article 85 The Exchange shall reserve the right to interpret these *Rules*.

Article 86 These *Rules* shall be implemented as the date of issuance.