

The Rules of the Shanghai Stock Exchange Governing the Listing of Corporate Bonds

(Revised in 2018)

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Chapter I General Provisions

1.1 These *Corporate Bond Listing Rules of Shanghai Stock Exchange* (these “*Rules*”), formulated in accordance with the *Securities Law of China*, *Measures for the Administration of Issuance and Trading of Corporate Bonds* of China Securities Regulatory Commission (“CSRC”), and other applicable laws, administrative regulations, ministry-level rules, normative documents and the *Constitution of the Shanghai Stock Exchange*, are designed to strengthen the administration of corporate bond listings, promote the sound development of the corporate bond market, and protect the legitimate rights and interests of investors.

1.2 These *Rules* are applicable to the listing and trading of publicly offered corporate bonds on the Shanghai Stock Exchange (the “SSE”). To the extent of any inconsistency between these *Rules* and any applicable laws, administrative regulations, ministry-level rules, normative documents or the business rules of the SSE, the latter shall prevail.

For the purposes of these *Rules*, “corporate bonds” (“bonds”) refer to negotiable securities that are issued by companies in accordance with statutory procedures and the principal and interest of which are to be repaid within an agreed period.

The listing and trading of enterprise bonds, other types of bonds approved by the authorized agency of the State Council, and bonds issued by companies registered outside China shall be made by reference to these *Rules*.

These *Rules* are not applicable to the listing and trading of convertible corporate bonds issued by companies listed on the SSE.

1.3 The SSE administers the listing and trading of bonds by bond classification, adopts differentiated trading mechanisms, and enforces investor suitability rules.

The SSE may, during the listing and trading of bonds, dynamically adjust the bond classification standards, trading mechanisms, and investor suitability arrangements to reflect changes to market conditions or the creditworthiness of bonds.

1.4 An issuer and its controlling shareholder or *de facto* controller shall maintain honesty and integrity, and the directors, supervisors, and senior officers of the issuer or persons with equivalent duties shall fulfill their fiduciary duties and safeguard bondholders’ statutory rights and rights stipulated in the prospectus. A credit enhancement agency shall perform its credit enhancement obligations as required and agreed.

1.5 Underwriters, trustees or agencies with equivalent functions (“trustees”), credit rating

agencies, accounting firms, law firms, asset appraisal agencies, and other specialized agencies that facilitate the issuance and listing of bonds (“professional agencies”) and their relevant personnel shall diligently fulfill their fiduciary duties, strictly comply with relevant code of practice and regulatory rules, and perform their obligations as required and agreed.

1.6 Persons with disclosure obligation, such as issuers, trustees, and credit rating agencies, shall, timely and impartially perform their disclosure obligation in accordance with laws, administrative regulations, ministry-level rules, normative documents, these *Rules*, and other rules of the SSE and ensure that information disclosed or documents submitted by them is true, accurate, and complete and contains no false record, misleading statement, and material omission and that any electronic copy, faxed copy, or photocopy thereof submitted by them is identical to the original thereof.

1.7 An issuer and its directors, supervisors, senior officers or persons with equivalent duties, controlling shareholder, *de facto* controller, credit enhancement agency, professional agency, investors and their relevant personnel (“regulated parties”) shall comply with laws, administrative regulations, ministry-level rules, normative documents, these *Rules*, other rules of the SSE, and covenants or undertakings under its securities listing agreement, prospectus and other documents.

1.8 The SSE will regulate regulated parties in accordance with the applicable securities listing agreement, relevant covenants and undertakings, these *Rules*, and other rules of the SSE.

1.9 The listing of bonds on the SSE shall not be construed as a judgment or guarantee of the SSE with respect to the operational risk, repayment risk, and litigation risk of the issuer or the risks or returns from investing in the bonds. Investors shall solely assume the risk of investing in bonds.

1.10 The registration and settlement of bonds shall be performed by a registration and clearing institution in accordance with its business rules.

Chapter II Listing of Bonds

Section 1 Requirements

2.1.1 An issuer intending to apply for listing of its bonds shall:

- (1) meet the listing requirements prescribed by the *Securities Law*;
- (2) following the approval of competent authorities, have completed the issuance of the bonds in accordance with the law;
- (3) ensure that bondholders abide by the investor suitability rules of the SSE; and
- (4) meet other requirements prescribed by the SSE.

The SSE may adjust the listing requirements for bonds to reflect market conditions.

2.1.2 To apply to list its bonds on the SSE, an issuer shall, prior to the issuance of the bonds, specify the trading mechanism and investor suitability arrangement in accordance with applicable laws, administrative regulations, ministry-level rules, normative documents, these *Rules*, and other rules of the SSE.

Section 2 Pre-listing review

2.2.1 If intending to publicly issue its to qualified investors only and apply to list the bonds on the SSE, an issuer shall, prior to such issuance, submit to the SSE an application for pre-listing review of the bonds.

2.2.2 When applying for pre-listing review of its bonds, an issuer shall submit application documents in accordance with the *Standards No.24 for Content and Format of Disclosures by Companies Publicly Offering Securities --- Application Documents for Public Offering of Bonds* and applicable requirements of the SSE.

2.2.3 The SSE will review whether an issuer's bonds meet the listing requirements and issue a pre-listing review opinion in accordance with applicable laws, administrative regulations, ministry-level rules, normative documents, these *Rules*, and other rules of the SSE.

2.2.4 The application documents submitted by an issuer for pre-listing review shall be true, accurate and complete.

The issuer's underwriter shall, in strict compliance with the requirements of the applicable code of practice and regulatory rules, conduct a comprehensive verification of the issuance and listing of the bonds, issue a verification opinion, and make arrangements for and undertakings on its responsibilities.

Any professional agency and its relevant personnel who issue documents with respect to the pre-listing review application shall abide by the applicable code of ethics and ethics, perform their duties as required and agreed, and ensure the truthfulness, accuracy, and completeness of the documents issued by them.

2.2.5 After the SSE issues a pre-listing review opinion, an issuer shall, within a specified time limit, obtain from relevant authorities the approval documents for the issuance of the bonds.

2.2.6 An issuer and its underwriter shall timely report to the SSE any material event that occurs to the issuer between the acceptance by the SSE of the pre-listing review application and the issuer's completion of the bond issuance, and the underwriter shall, as required, verify the event and issue a verification opinion. Where such material event may cause the bonds not to meet the listing requirements, the applicable rules of the SSE shall apply.

Section 3 Application

2.3.1 An issuer shall, after the issuance of its bonds, timely submit to the SSE an application for listing of the bonds. The issuer's underwriter shall assist the issuer in applying for listing the bonds and ensure the listing of the bonds complies with the applicable rules of the SSE.

2.3.2 When applying to list its bonds on the SSE, an issuer shall submit the following application materials to the SSE:

- (1) an application for bond listing;
- (2) approval documents from competent authorities regarding the issuance of the bonds;
- (3) a resolution from the issuer's governing body on approving the listing of the bonds;
- (4) the issuer's article of association;
- (5) a duplicate copy of the issuer's business license;
- (6) the prospectus, financial report and auditor's report, rating report, legal opinion, bondholders' meeting rules, trustee agreement, guarantee document (if any), announcement on the results of issuance, and other offering documents for the bonds;
- (7) a listing announcement;
- (8) documents demonstrating the actual amount raised from the bond issuance; and
- (9) other documents required by the SSE.

If the issuer is a listed company, the issuer shall be exempt from submitting documents under Items (4) and (5)

2.3.3 When applying for listing of its bonds, an issuer shall be exempt from submitting materials that have remained unchanged following the submission thereof under Article 2.2.2. If the bonds are issued by tranches, the issuer is permitted to submit only application materials containing updated information after the first tranche.

Section 4 Application Review

2.4.1 The SSE shall review a listing application and approve or deny it within 5 trading days of its receipt. Following an approval, the issuer shall enter into a securities listing agreement with the SSE prior to the listing to set out the rights and obligations of the two parties, self-regulation, and other relevant matters.

2.4.2 An issuer and its underwriter shall timely report to the SSE any material event that occurs to the issuer between the issuer's completion of the bond issuance and the listing and

trading of its bonds, and the underwriter shall, as required, verify the event and issue an verification opinion. Where such material event may cause the bonds not to meet the listing requirements, the SSE will deny the issuer's application in accordance with applicable rules.

2.4.3 Before the listing and trading of its bonds, the issuer shall, as required, publish its prospectus, listing announcement, and other relevant documents on the official website of the SSE and make the listing announcement, approval documents, and related listing application materials available for public access at designated locations.

2.4.4 An issuer dissatisfied with the SSE's decision to deny its application may apply for a review of such decision in accordance with applicable rules of the SSE.

Chapter III Information Disclosure and Continuing Obligations

Section 1 General Rules

3.1.1 An issuer and its relevant personnel who perform disclosure duties shall make a warranty that the issuer will make timely and impartial disclosure of information and that information disclosed or documents submitted by the issuer will be true, accurate, and complete and contain no false record, misleading statement, and material omission and, if not, shall be jointly and severally liable therefor. Any of such personnel who cannot make such warranty or wishes to dispute such warranty shall individually state his/her opinion and the reasons therefor in relevant disclosure documents.

3.1.2 An issuer shall develop the corresponding disclosure management frameworks, appoint an information disclosure officer and contact to be specifically responsible for disclosure matters and, as required and agreed, perform its disclosure obligation.

The information disclosure officer shall be a director or senior officer of the issuer. The issuer shall disclose information on its information disclosure officer and contact in the prospectus and timely disclose any change therein during the listing of its bonds.

3.1.3 If information to be disclosed by an issuer involves credit rating, audit, legal, or asset appraisal, and other matters, the issuer shall have a credit rating agency, accounting firm, law firm, asset appraisal agency, or any other agency to issue a written opinion thereon.

3.1.4 Persons with disclosure obligation and other persons with insider information shall ensure that the number of people with knowledge of such information is kept to a minimum before such information is formally disclosed, and, before an announcement on such information, shall not divulge the contents of the announcement or engage in insider trading, market manipulation, or other misconduct.

3.1.5 The SSE will review the disclosure documents of persons with disclosure obligation in accordance with applicable laws, administrative regulations, ministry-level rules, other normative documents, these *Rules*, and other rules of the SSE, but shall assume no responsibility or liability for the truthfulness of the information contained therein.

The SSE will review periodic reports following their publication and *ad hoc* reports before or after their publication depending on the circumstances.

If a periodic report or *ad hoc* report contains any error, omission, or misleading statement, the SSE may require the person with disclosure obligation to explain and release an announcement, and the person shall do so as required.

3.1.6 Persons with disclosure obligation shall make disclosure on the official website of the SSE or through other approaches recognized by the SSE no later than when the relevant information is publicly disclosed at any other trading venue, through any media, or on any other occasion. Such persons shall not use other arrangements, such as news releases or press conferences, as a substitute to perform their disclosure obligations.

3.1.7 If any information, due to its uncertainty, being a temporary trade secret, or falling under any other circumstances recognized by the SSE, might harm the interests of the person with disclosure obligation or mislead investors if it were disclosed in a timely manner, such person may apply to the SSE for deferring the disclosure, provided that it shall state the reason and duration for such deferral and that:

(1) the information to be disclosed has not been leaked;

(2) relevant insiders have undertaken in writing to maintain the confidentiality of such information; and

(3) there is no unusual price movement in the trading of the bonds concerned.

Subject to the approval of the SSE, the person with disclosure obligation may defer the disclosure of relevant information generally for no more than 2 months.

The person with disclosure obligation shall make timely disclosure when the SSE disapproves the application for deferral of disclosure or the reason for the deferral or the deferral period has expired.

If a company listed on the SSE intends to defer the disclose of relevant information, it shall do so in accordance with the applicable rules of the SSE.

3.1.8 If a person with disclosure obligation has sufficient reason to believe that the disclosure of relevant information will harm the interests of the issuer and the non-disclosure thereof will not cause any significant change to the market price of the bonds, or that there exists information whose disclosure is prohibited by the laws and regulations of China, such person shall report its concern to the SSE and provide reasons for the non-disclosure. The person shall be exempt from disclosing such information upon the approval of the SSE.

3.1.9 Persons with disclosure obligation may voluntarily disclose information that would help investors make investment decisions. Voluntary disclosure shall meet relevant information disclosure requirements and comply with applicable regulatory rules.

3.1.10 Persons with disclosure obligation shall truthfully report or respond to the SSE within the specified time limit when questioned about relevant matters, and shall not refuse to report or respond by citing uncertainty, confidentiality, or other reasons.

If a person with disclosure obligation fails to respond to the SSE's questions within the specified time limit, or fails to make a report or disclosure in accordance with these *Rules* and the requirements of the SSE, or falls under any other circumstances where the SSE deems it necessary to do so, the SSE may notify the market of the situation through announcement or other means.

3.1.11 An issuer's controlling shareholder, de facto controller, credit enhancement agencies, professional agencies and their relevant personnel shall timely and truthfully provide relevant information, actively cooperate with the issuer and any other person with disclosure obligation in performing their disclosure obligation, timely notify the issuer and any other person with disclosure obligation of any material event that has occurred or is likely to occur, and strictly fulfill any undertakings made by them.

Section 2 Periodic Reports

3.2.1 Periodic reports that an issuer shall disclose during the listing of its bonds include annual reports and interim reports.

3.2.2 An issuer shall submit to the SSE and disclose the preceding-year annual report within 4 months following the end of each financial year and the current-year interim report within 2 months following the end of the first half of each financial year.

3.2.3 The content and format of a periodic report shall comply with the *Standards No.38 for Content and Format of Disclosures by Companies Publicly Offering Securities - Content and Format of Corporate Bond Annual Reports*, the *Standards No.39 for Content and Format of Disclosures by Companies Publicly Offering Securities - Content and Format of Corporate Bond Semi-Annual Reports*, and the applicable rules of the SSE.

Section 3 Ad Hoc Reports

3.3.1 If, during the listing of an issuer's bonds, any material event which may affect the repayment capacity of the issuer or the price of the bonds occurs, or there is a major market rumor surrounding the issuer or its bonds, the issuer shall timely submit to the SSE and disclose an *ad hoc* report in accordance with relevant laws, administrative regulations, ministry-level rules, normative documents, these *Rules*, and other rules of the SSE, stating the cause, status, and possible consequences of the event.

The material event referred to in the preceding paragraph includes, but is not limited to:

(1) there is a major change in the issuer's operating philosophy, business scope, or external environment for its production or business, etc.;

(2) the issuer's major assets are seized, distrained or frozen;

- (3) the issuer sells or transfers its major assets or conducts major asset restructuring;
- (4) the issuer waives debts, properties or others, resulting in a heavy loss equaling to more than 10 percent of its net assets as of the end of the preceding year;
- (5) the issuer's cumulative new loans or external guarantees for the current year exceed 20 percent of its net assets as of the end of the preceding year;
- (6) the issuer defaults on any debt as it becomes due;
- (7) the issuer is involved in a major lawsuit or arbitration or receives a heavy administrative sanction, an administrative regulatory measure or any disciplinary sanction by a self-regulatory organization;
- (8) the issuer reduces its capital, is combined, divided or dissolved, petitions for bankruptcy petition or legally enters bankruptcy procedures;
- (9) the issuer or its director, supervisor, senior officer is suspected of committing a criminal offense or major violation of law or dishonest act, or is unable to perform duties, or there is a significant change therein;
- (10) the issuer's controlling shareholder or *de facto* controller is investigated for suspected involvement in a criminal offense, or there is significant change therein;
- (11) there is a major change to the issuer which may cause its bonds not to meet the listing requirements;
- (12) there is a change in the credit rating of the issuer or its bonds;
- (13) there is a significant change in the guarantor, collateral, or other forms of repayment guarantees;
- (14) any other event which has a material effect on investment decision-making of investors; and
- (15) any other event as required by laws, administrative regulations, ministry-level rules, normative documents, CSRC, or the SSE.

The issuer shall timely disclose any updates of a material event and the potential impact of the event on its repayment capacity and, in case of any major administrative sanction, administrative regulatory measure or disciplinary sanction, the correction of its violation of laws or regulations.

3.3.2 An issuer shall disclose the repayment of the principal or interest of its bonds and other related matters prior to the record date.

3.3.3 An issuer who attaches an interest rate adjustment provision to its bonds shall timely

disclose all rate adjustment-related matters prior to the date of adjustment.

3.3.4 An issuer who attaches a call provision to its bonds shall timely publish an announcement after the callable conditions are met to explicitly state whether it will exercise its right to call the bonds. If intending to exercise the right, the issuer shall publish an indicative announcement on the call before the call period expires.

Following the call, the issuer shall timely disclose the details of the call and its impact.

3.3.5 An issuer who attaches a put provision to its bonds shall timely publish an announcement after the puttable conditions are met, and shall publish an indicative announcement on the put before the put period expires.

Following the put, the issuer shall timely disclose the details of the put and its impact.

Section 4 Disclosure by Professional Agencies

3.4.1 During the duration of its bonds, an issuer shall engage a credit rating agency to conduct follow-up credit rating on the bonds on a periodic or non-periodic basis. A follow-up rating report shall be timely submitted to the issuer and shall be timely disclosed to the market by the issuer or the credit rating agency. The rating report shall generally be disclosed on the website of the SSE during non-trading hours.

When the credit rating agency carries out a follow-up rating investigation, the issuer and its directors, supervisors, senior officers, controlling shareholder, *de facto* controller, credit enhancement agency, professional agency and their relevant personnel shall cooperate with the credit rating agency by actively providing materials, information, and relevant data required for such investigation.

3.4.2 An issuer and its credit rating agency shall, within 6 months after the end of each financial year, disclose the follow-up credit rating report on its bonds for the preceding year. The issuer may defer the disclosure of such report for any justifiable reason and upon the approval of the SSE.

If the credit rating agency fails to disclose the report within the above time limit, it shall timely explain to the SSE and disclose the reasons therefor and the risk profile of the issuer and its bonds and, within 1 month after the specified deadline for the disclosure of such report, disclose the report.

3.4.3 A credit rating agency shall give adequate attention to the major factors which may affect the credit rating of the subject and timely conduct and disclose the results of non-periodic follow-up rating.

3.4.4 A trustee shall, no later than June 30 of each year, disclose its annual trustee report for the preceding year.

The annual trustee report shall at least include, among others, the performance of the trustee's

duties, operating results and financial status of the issuer, verification of the use of the proceeds from the issuance of the issuer's bond, analysis of the repayment willingness and capacity of the issuer and the effectiveness of credit enhancement measures, payment of principal and interest of the bonds, holding of bondholders' meetings, material events which may affect the repayment capacity of the issuer, and responsive measures taken by the trustee.

3.4.5 If an issuer fails to timely disclose, as required, any material event specified in Article 3.3.1 hereof, the issuer's trustee shall cause the issuer to timely disclose relevant information and shall timely issue and disclose an ad hoc trustee report to state details of the material event, its potential impact on the repayments of the bonds and any responsive measures taken or to be taken by the trustee.

Chapter IV Bondholders Protection

Section 1 General Rules

4.1.1 An issuer may, in accordance with the applicable rules and requirements of the CSRC, securities industry self-regulatory organizations or the SSE, adopt a mechanism for internal and external credit enhancement or repayment safeguards to improve its repayment capacity, prevent and control the bonds' risks, and protect the legitimate rights and interests of bondholders.

If the issuer adopts a mechanism for internal and external credit enhancement or repayment safeguards, it shall, in its prospectus, disclose in detail such matters as the application conditions, initiation procedures, and implementation arrangements for, liabilities for breach of, and ongoing disclosure of information on such mechanism or safeguards, and during the duration of its bonds, actively implement such mechanism or safeguards and timely disclose any change therein or the implementation thereof.

4.1.2 An issuer shall, as required and agreed, use the proceeds from the issuance of its bonds. The proceeds shall not be lent to any party other than financial enterprises.

4.1.3 An issuer shall pay the principal and interest of its bonds and fulfill its put, interest rate adjustment, installment payment, and other undertakings and obligations on time.

4.1.4 An issuer and its credit enhancement agency, trustee and other professional agencies shall, in accordance with applicable rules of the SSE, perform their duties of managing its bonds' credit risk and timely report to the SSE important information on the management of such credit risk to protect the legitimate rights and interests of bondholders.

4.1.5 If an issuer is unable to pay the principal and interest of its bonds on time, its credit enhancement agency and other agencies with repayment obligations shall fulfill the payment obligation to bondholders as required and agreed.

Section 2 Trustee

4.2.1 An issuer shall engage a trustee for bondholders in accordance with applicable rules

and enter into a bond trustee agreement with the trustee. The trustee shall act with diligence and care to, as required and agreed, impartially fulfill its trustee duties, assist bondholders in safeguarding their statutory or agreed rights, and protect their interests.

4.2.2 During the duration of an issuer's bonds, the issuer's trustee shall the following trustee duties as required and agreed to protect bondholders' interests:

(1) continuously monitoring and investigating the operation, financial position, and credit standing of the issuer and its credit enhancement agency, the effectiveness of their credit enhancement measures, implementation of the issuer's repayment safeguards, and matters that may affect the material rights and interests of bondholders;

(2) supervising the issuer's use of the proceeds from the issuance of the bonds;

(3) continuously causing the issuer to fulfilling its obligations of paying principle and interest, disclosing information, and performing relevant undertakings;

(4) in case of any event that may affect the material rights and interests of bondholders or any other agreed matters, timely convening a bondholders' meeting as required and agreed and causing the issuer or relevant parties to implement the resolutions of the meeting;

(5) when the issuer is expected to be or is insolvent, as required or agreed or as authorized by bondholders, requiring and causing the issuer to timely take effective repayment safeguards and diligently handling affairs related to the resolution and disposal of the bonds' default risks;

(6) publishing its trustee reports to the market on a periodic or non-periodic basis;

(7) diligently handling negotiations or litigations between bondholders and the issuer;

(8) any other duties as stipulated or agreed under laws, administrative regulations, ministry-level rules, normative documents, these *Rules*, other rules of the SSE, the prospectus, and the trustee agreement.

4.2.3 An issuer's trustee shall establish a mechanism for tracking the repayment capacity of the issuer, supervise the issuer's performance of obligations stipulated in the prospectus, monitor, screen, and give warning against, on an ongoing and dynamic basis, and timely report the credit risk of the issuer's bond, take or cause the issuer and other relevant agencies or personnel to take effective measures to prevent and resolve the credit risk and dispose of any default event for the protection of investors' legitimate rights and interests.

The SSE may require the trustee to conduct special or comprehensive risk screening, and the trustee shall complete the screening as required and, within a specified time limit, report the results of such screening to the SSE.

4.2.4 When performing its trustee's duties, a trustee shall have the right to represent bondholders to access the bondholder register and related registration information, the deposit

of proceeds from issuance into the dedicated account, and the transfer of such proceeds from the account.

4.2.5 An issuer and its directors, supervisors, senior officers, controlling shareholder, *de facto* controller, underwriter, credit enhancement agency, and other professional agencies shall cooperate with its trustee in the performance of the trustee duties, actively provide the materials, information, and relevant data required by the trustee, and protect the legitimate rights and interests of bondholders.

4.2.6 If an issuer's bonds default or are under the risk of default or if bondholders sustain losses due to any false record, misleading statement, or material omission in the issuer's disclosure document, its trustee shall timely seek advice from the bondholders through such means as holding a bondholders' meeting and diligently and timely take effective responsive measures, including but not limited to, negotiating with the issuer, the credit enhancement agency, the underwriter, and other relevant parties; requiring the issuer to provide additional guarantee; applying to statutory agencies for property conservation as authorized by all or part of bondholders; initiating a civil action; applying for arbitration; or participating in the legal proceedings for restructuring or bankruptcy.

4.2.7 Any matters on trustees not provided for hereunder shall be governed by the applicable rules of the CSRC, the Securities Association of China or the SSE.

Section 3 Bondholders' Meeting

4.3.1 An issuer and its trustee shall develop bondholders' meeting rules that are conducive to the protection of bondholders' interests. The rules shall specify the rights that bondholders can exercise through the bondholders' meeting as well as the rules governing the convocation, notification, decision-making, and other key aspects of the bondholders' meeting.

The bondholders' meeting rules shall be fair, reasonable and lawful.

The issuer or any other relevant party shall disclose in the prospectus the bondholders' meeting rules and the undertakings and arrangements for implementing the resolution of the bondholders' meeting.

4.3.2 An issuer's trustee shall timely convene a bondholders' meeting if during the duration of the issuer's bonds:

- (1) the issuer intends to change key terms of the prospectus;
- (2) the issuer intends to modify the bondholders' meeting rules;
- (3) the issuer intends to change the trustee or modify major clauses of the trustee agreement;
- (4) the issuer is unable or expected to be unable to pay the principal and interest of the bonds on schedule, and it requires a decision or authorization to adopt measures responsive thereto;

(5) there is a material adverse change in the issuer's repayment capacity due to reasons such as its capital reduction, combination, division, dissolution, or placement under trusteeship, petition for bankruptcy or legal initiation of bankruptcy proceedings, and it requires a decision or authorization to adopt measures responsive thereto;

(6) the issuer puts forward a proposal for major debt restructuring and other matters that may result in a material adverse change in the issuer's repayment capacity, and it requires a decision or authorization to adopt measures responsive thereto;

(7) the repayment capacity of the issuer is exposed to significant uncertainty due to the inability of its management to perform their duties, and it requires a decision or authorization to adopt measures responsive thereto;

(8) there is a significant change in the credit enhancement agency, credit enhancement measures, or other repayment guarantee measures, which change has a material adverse impact on the bondholders' interests, and it requires a decision or authorization to adopt measures responsive thereto;

(9) the issuer or any bondholders who individually or collectively hold more than 10 percent of the total quantity of the bonds propose to convene the meeting under any other circumstances; or

(10) any other circumstance, as agreed in the prospectus, where a bondholders' meeting shall be convened occurs; or

(11) any other event that has a material impact on the rights and interests of bondholders occurs.

If any circumstance stipulated in the preceding paragraph has no adverse impact on the rights and interests of the bondholders, the trustee may, in accordance with applicable rules or the bondholders' meeting rules, simplify the procedures for convening a bondholders' meeting or adopting resolutions at such meeting, provided that it shall timely disclose an announcement on such resolutions.

4.3.3 If an issuer or bondholders who individually or collectively hold more than 10 percent of the total quantity of the issuer's bonds propose to convene a bondholders' meeting, the issuer's trustee shall, within 5 trading days of receipt of a written proposal for convening such meeting, respond to the proposer(s) in writing on whether the meeting will be held and state the detailed arrangement for convening the meeting or the reasons for not convening the meeting.

If agreeing to convene the meeting, the trustee shall convene the meeting within 15 trading days after the date of the written response, unless the proposer agrees to defer the meeting. If the trustee does not agree to convene the meeting or fails to convene the meeting when it should have done so, the issuer or bondholders who individually or collectively hold more than 10 percent of the total quantity of the bonds shall be entitled to convene the meeting at its or their own discretion, and the trustee shall provide necessary assistance for the convening of

the meeting.

4.3.4 Proposals submitted to a bondholders' meeting for deliberation shall comply with laws, administrative regulations, ministry-level rules, normative documents, the business rules of the SSE and the bondholders' meeting rules, contribute to the protection of the bondholders' rights and interests, and contain specific and feasible matters for resolution.

If the trustee intends to convene a bondholders' meeting, the issuer or bondholders who individually or collectively hold more than 10 percent of the total quantity of the bonds may submit proposals, and the trustee shall submit the proposals to the bondholders' meeting for deliberation.

The trustee shall fully communicate with the issuer, proposers and other relevant parties on all proposals to be submitted for deliberation to modify or improve or assist the proposers in modifying or improving such proposals.

4.3.5 A trustee or any proposer who convenes a bondholders' meeting at its or his own discretion (the "convener") shall, no later than 10 trading days prior to the meeting date, publish an announcement on the meeting, unless the convener deems it necessary to convene the meeting in an emergency which is conducive to the protection of the bondholders' rights and interests, or unless otherwise stipulated in the bondholders' meeting rules.

The announcement shall contain, but not be limited to:

- (1) information on the issuance of the bonds;
- (2) the names and contact information of the convener and the person responsible for meeting matters;
- (3) the time and place of the meeting;
- (4) the format of the meeting. The bondholders' meeting may be held on-site, off-site, or both. If the meeting uses an online voting system, the convener shall disclose the online voting procedures, the vote counting principles, the voting method, the vote counting method, and other relevant information;
- (5) the proposals to be deliberated at the meeting;
- (6) the proceedings for the meeting, which shall include the method for convening the bondholders' meeting, the voting method, the time of voting, and other relevant matters;
- (7) the record date, which shall be the trading day immediately before the day of the bondholders' meeting; bondholders recorded on the record date shall be entitled to attend and vote at the meeting; and
- (8) authorization matters. Any person who is authorized by a bondholder to attend the meeting on the bondholder's behalf shall provide the letter of authorization and his/her identification,

and shall attend the meeting and perform his/her fiduciary duty within the scope of the authorization.

Proposals to be deliberated at the meeting shall be announced no later than the record date. Any proposal not announced as required shall not be submitted to the meeting for deliberation.

4.3.6 A trustee may act as a proxy solicitor to request bondholders to name itself as their proxy to attend and vote at a bondholders' meeting on their behalf.

The proxy solicitor shall objectively inform bondholders of the topics of and matters to be voted at the bondholders' meeting, and shall not attempt to withhold information, mislead bondholders, or solicit proxies in exchange for a consideration. Any proxy solicitor who intends to attend and vote at the bondholders' meeting on behalf of a bondholder shall obtain a proxy statement from such bondholder.

4.3.7 When a trustee convenes a bondholders' meeting, bondholders shall cooperate with the trustee, actively participate in the meeting, carefully deliberate proposals at the meeting, prudently exercise their voting rights, accept resolutions adopted at the meeting, and promote the implementation of the resolutions to legally and reasonably protect their legitimate rights and interests.

4.3.8 An issuer, the successor of its bond repayment obligations and other related parties and its credit enhancement agency shall, as required by the convener, attend a bondholders' meeting as non-voting participants, respond to enquiries from bondholders and other relevant parties, and give explicit opinions on the implementation arrangements for the proposals to be deliberated.

The credit rating agency, who may attend a bondholders' meeting as non-voting participant at the invitation of the convener, shall keep up-to-date with the proceedings of the bondholders' meeting and timely disclose relevant follow-up ratings.

4.3.9 A bondholders' meeting shall be held in the presence of an attorney. The witnessing attorney shall issue a legal opinion on the convocation, holding, and voting procedures of the meeting, the eligibility of attendees, the validity of votes, legality of resolutions and other relevant matters. The legal opinion shall be disclosed with meeting resolutions.

4.3.10 Unless otherwise stipulated in the bondholders' meeting rules, a bondholder shall be entitled to one vote for each outstanding bond it or he holds.

Any bondholder who is the issuer, its affiliate or a successor of its bond repayment obligations shall be recused from the vote.

4.3.11 Unless otherwise stipulated in the bondholders' meeting rules, any resolution made at a bondholders' meeting on matters put to a vote shall become effective only after being approved by more than one-half of the total outstanding quantity of the bonds entitled to vote.

4.3.12 Resolutions passed at a bondholders' meeting shall be equally binding on all bondholders. The results of any act performed by the trustee in accordance with the resolutions of a bondholders' meeting shall be borne by all bondholders.

The bondholders referred to in the preceding paragraph also include all bondholders who were present or not present at the meeting; who voted against, abstained on, or had no voting right with respect to the proposals at the meeting; as well as those who became assignees of the bonds following the adoption of the resolutions.

4.3.13 Written minutes shall be kept for each bondholders' meeting, and be signed by the representative of the convener who attends the meeting and the witnessing attorney.

4.3.14 A convener shall, no later than the first trading day after the voting deadline for a bondholders' meeting, disclose an announcement on the resolutions of the meeting which shall contain, among other items:

- (1) the voting rights held by bondholders in attendance;
- (2) the validity of the meeting; and
- (3) the topic and voting results of each proposal.

4.3.15 A trustee shall actively implement and cause the issuer or other relevant parties to implement the resolution of a bondholders' meeting and, as required and agreed, timely disclose the progress of the implementation thereof and any subsequent arrangements.

If any resolution of the meeting is required to be implemented by the issuer or any other relevant party, the issuer or such other relevant party shall perform its obligations in accordance with applicable rules or as stipulated under the prospectus and timely disclose the performance thereof.

If the issuer or such other relevant party fails to implement the resolution of the meeting as required or agreed, the trustee shall timely take effective responsive measures to protect the statutory or agreed rights of the bondholders.

Chapter V Suspension and Resumption of Trading; Suspension, Resumption and Termination of Listing

5.1 To ensure the timeliness and fairness of information disclosures, the SSE may, in accordance with the requirements of the CSRC, these *Rules* or other rules of the SSE, or upon the application of the issuer, or based on the current circumstances, suspend or resume the trading of an issuer's bonds.

Where an issuer is involved in any event which requires the suspension or resumption of trading of its bonds under these *Rules*, it shall apply to the SSE for such suspension or resumption. The issuer may apply even if a suspension or resumption is not specifically

provided for under these *Rules* but is deemed necessary by the issuer on reasonable grounds, in which case the SSE shall approve or deny the application based on the circumstances.

If the issuer's application for such suspension or resumption fails to comply with applicable rules or is submitted without justifiable reasons, the SSE may deny the application. If the issuer fails to submit such application as required, the SSE may directly suspend or resume the trading of its bonds.

5.2 If an issuer fails to timely perform its disclosure obligation in accordance with these *Rules* and other applicable rules of the SSE or make disclosure as required, the SSE may suspend the trading of its bonds until the issuer makes disclosure as required.

If material information required to be disclosed by the issuer is subject to uncertainty and likely to be divulged, or if such information has been divulged before being disclosed as required, the issuer shall immediately apply to the SSE for the suspension of trading of its bonds. The issuer may apply for resumption of trading after it discloses the information as required. If the issuer fails to timely apply for such resumption to the SSE, the SSE may, if appropriate, suspend the trading of its bonds until an announcement on such information is disclosed.

5.3 An issuer, its credit rating agency, and other relevant entities shall maintain the confidentiality of the rating information before disclosure. Where the issuer deems necessary, it may apply for the suspension and resumption of trading of its bonds.

5.4 If information not yet disclosed by an issuer becomes available in public media and may substantially influence or has substantially influenced the repayment capacity of the issuer or the price of its bonds, the issuer shall apply to the SSE for suspension of trading. The SSE may enforce such suspension if the issuer fails to do so.

The SSE will resume the trading of the issuer's bonds after the issuer discloses the relevant information.

5.5 In the event of unusual price movement in the trading of an issuer's bonds, the SSE may, upon application by the issuer or if appropriate, suspend the trading of the bonds until relevant circumstances are eliminated or the issuer discloses a relevant announcement.

5.6 If an issuer is involved in such circumstances as those where it fails to pay the principal and interest of its bonds on time or perform its accelerated repayment obligation as agreed, and does not disclose information thereon as required, the SSE may suspend the trading of the bonds until such circumstances are eliminated, unless otherwise stipulated by the SSE.

5.7 If the SSE no longer has access to the valid source of information on an issuer due to reasons attributable to the issuer, the SSE may suspend the trading of the issuer's bonds until after the above circumstance is eliminated.

5.8 The suspension or resumption of trading of bonds shall be timely disclosed to the

market. The interest payments, repayment at maturity, repurchase or calling of the bonds during the trading suspension shall be subject to the terms of the prospects and other relevant documents.

5.9 An issuer whose bonds have been suspended from trading shall, at least on a monthly basis during the trading suspension, disclose the reason for the non-resumption of the trading, the progress of related events, and their impact on the repayment capacity of the issuer. If the issuer fails to do so as required or the credit risk status and level of the issuer is unclear, its trustee shall timely conduct verification of the issuer in accordance with applicable rules and, within 2 months after the trading suspension, issue and disclose an ad hoc trustee report, stating the process of verification, relevant information on the issuer and the progress of related events and the credit risk status and level of the issuer obtained during the verification, and bring relevant risks to the attention of investors. The trading of the bonds will be resumed after the issuer or the trustee discloses relevant information as required.

5.10 If an issuer is involved in any of the circumstances prescribed by the *Securities Law* and the business rules of the SSE that requires the suspension of listing, the SSE will, within 7 trading days, decide on whether the listing is to be suspended.

After the circumstances which result in the suspension of listing are eliminated, the issuer may apply to the SSE for resumption of listing and the SSE shall, within 15 trading days after receipt of the application, decide on whether the listing is to be resumed.

5.11 If an issuer is involved in any of the circumstances prescribed by the *Securities Law* and the business rules of the SSE that requires the termination of listing, the SSE may terminate the listing of its bonds.

5.12 Any issuer dissatisfied with the SSE's decision to suspend or terminate the listing of its bonds may apply for a review of such decision in accordance with applicable rules of the SSE.

Chapter VI Self-Regulation

6.1 During its self-regulation, the SSE may, if necessary, conduct on-site or off-site inspection of regulated parties, question them and their relevant personnel about relevant matters, require them to conduct self-inspection or verification of relevant matters, cause them to perform relevant duties or obligations, or take other supervisory measures, as the SSE deems fit, against them.

The SSE may conduct on-site inspection at the production, operation, management, and other premises of the regulated parties and their controlled subsidiaries and branches and other relevant entities by such means as accessing, copying and obtaining documents and materials, collecting data and information, checking physical objects, and questioning relevant personnel. The conditions and procedures for on-site or off-site inspection will be prescribed separately by the SSE.

The regulated parties shall actively cooperate with the SSE in performing on-site inspection

or taking other supervisory measures; timely prepare and keep intact relevant working papers for future inspection; provide relevant materials as required; truthfully answer relevant questions; ensure the truthfulness, accuracy, completeness, and timeliness of all documents and materials provided by them; and refrain from refusing to provide, obstructing the provision of, or concealing such documents and materials.

6.2 The SSE may, in accordance with its applicable business rules or listing agreement, impose regulatory measures or disciplinary sanctions against any regulated party who violates these *Rules*, the securities listing agreement with the SSE, the terms or undertakings of the prospectus, or any other rules of the SSE, and its directly responsible supervisor and other directly responsible persons.

6.3 The SSE may take one or more of the following supervisory measures against any regulated party who violates these *Rules*, the securities listing agreement with the SSE, the terms or undertakings of the prospectus, or other applicable rules of the SSE:

- (1) giving a verbal warning;
- (2) giving a written warning;
- (3) arranging a supervisory meeting;
- (4) requiring corrections be made within a specified time limit;
- (5) requiring a public apology;
- (6) suggesting replacement of relevant personnel;
- (7) suspending the acceptance of relevant documents issued by it;
- (8) suspending the acceptance or handling of relevant business applications;
- (9) issuing a letter of recommendation for regulatory action to the relevant competent authority;
- (10) requiring the issuer to recover its loss; or
- (11) other supervisory measures prescribed by the SSE.

6.4 The SSE may impose the following disciplinary sanctions on any regulated party who commits a serious violation of these *Rules*, the securities listing agreement with the SSE, the terms or undertakings of the prospectus, or other applicable rules of the SSE:

- (1) circulating a notice of criticism;
- (2) giving a public censure;

- (3) assessing punitive liquidated damages; or
- (4) any other disciplinary sanctions prescribed by the SSE.

6.5 Supervisory measures and disciplinary sanctions may be imposed separately or in combination.

6.6 The SSE may include the following events into the credibility record of a regulated party if such regulated party:

- (1) fails to perform such obligations as repaying the principal and interest or repaying them on behalf of the issuer as required or agreed;
- (2) fails to fulfill its key undertakings;
- (3) is subject to a disciplinary sanction of the SSE; or
- (4) is involved in any other event prescribed by the SSE.

The SSE may, in accordance with laws, administrative regulations, ministry-level rules, normative documents, and applicable business rules of the SSE, exercise prudence in accepting applications submitted or relevant documents issued by any regulated party who have any of the above events included into its credibility record.

The SSE may publish disciplinary sanctions and supervisory measures taken against a regulated party and other matters entered into its credibility record.

6.7 Supervisory measures and disciplinary sanctions shall be implemented in accordance with the procedures prescribed by the SSE.

6.8 Any person dissatisfied with the SSE's decision to impose a disciplinary sanction and meeting the conditions prescribed by the SSE for a review may apply for a review in accordance with applicable rules of the SSE. The implementation of such disciplinary sanction shall not be suspended during the review period.

Chapter VII Supplementary Provisions

7.1 If the SSE sets special rules with respect to the listing requirements for specified bond products, their information disclosure, protection of rights and interests of bondholders, such special rules shall apply.

If the SSE has separate rules with respect to bonds the principal and interest of which fail to be paid as agreed and the information disclosure, investor suitability rules, and trading or transfer of and other self-regulation related arrangements for such bonds, such rules shall apply.

7.2 The trading or transfer of bonds shall be governed by the applicable rules of the SSE.

7.3 For the purposes of these *Rules*, the terms “no less than” and “more than” include the given figure and the term “exceed” does not include the given figure.

7.4 The SSE shall reserve the right to interpret these *Rules*.

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