

**Guidelines of the Shanghai Stock Exchange for the
Confirmation of Satisfaction of the Listing Requirements by
Asset-backed Securities**

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Guidelines of the Shanghai Stock Exchange for the Confirmation of Satisfaction of the Listing Requirements by Asset-backed Securities

Chapter I General Provisions

Article 1 These *Guidelines* are formulated in accordance with the *Administrative Provisions on the Asset Securitization Business of Securities Companies and Subsidiaries of Fund Management Companies (the “Administrative Provisions”)* and other applicable rules of the Shanghai Stock Exchange (the “SSE”) in order to regulate business activities relating to the SSE’s confirmation of satisfaction of listing requirements by asset-backed securities, maintain an orderly market, and protect the legitimate rights and interests of investors.

Article 2 If a securities company or any subsidiary of a fund management company that meets the requirements of the *Administrative Provisions* (collectively “administrator”) creates an asset-backed specific program (“specific program”) and intends to apply for listing and transfer of its asset-backed securities on the SSE, the administrator shall, prior to the offering of the asset-backed securities, submit application documents for confirming satisfaction of the listing requirements by such securities to the SSE who then will confirm whether such securities meet the applicable listing requirements.

Article 3 The SSE will, in accordance with applicable laws, regulations, ministry-level rules, normative documents, these *Guidelines*, and other business rules of the SSE, review application documents for confirming satisfaction of the listing requirements by asset-backed securities; and will, for those which satisfy the listing requirements, confirm their satisfaction of the listing requirements and issue documents related thereto.

Article 4 The SSE’s confirmation of satisfaction of the listing requirements by asset-backed securities does not represent any judgement or guarantee of the SSE with respect to investment risk from or return on the asset-back securities. etc. Any investment risk arising from the asset-backed securities shall be solely judged and borne by investors.

Article 5 The SSE will, on a fair, equitable and open basis and through double-check by two reviewers, collective decision-making, and written feedback, confirm whether asset-backed securities satisfy the listing requirements; and publish the procedures, progress, results, and other information of the confirmation and accept public supervision.

Article 6 When confirming whether asset-backed securities satisfy the listing requirements, the SSE will implement recusal rules. When reviewing application documents, the SSE’s staff member who has a conflict of interest or a potential conflict of interest which may affect the fair performance of his/her duties shall recuse himself/herself therefrom.

Chapter II Application for Confirming Satisfaction of the Listing Requirements

Article 7 To be listed and transferred on the SSE, asset-backed securities shall comply with the *Administrative Provisions* and other applicable laws, regulations, ministry-level rules, normative documents, and the business rules of the SSE.

In addition, the asset-backed securities shall not be involved in any circumstances as set out in the Asset Management Association of China's *Negative List for Underlying Securitised Assets* or any circumstance where which the securities fail to meet the listing requirements determined by the SSE.

Article 8 Administrators, custodians and other business participants shall be properly qualified; strictly comply with the applicable code of practice and regulatory rules; act with diligence and care to perform their duties such as those of due diligence, verification and risk prevention and disclosure; warrant that the application documents submitted by them to the SSE are free of misrepresentations, misleading statements, and material omissions; be legally responsible for the truthfulness, accuracy and completeness thereof; and ensure that the electronic copy, faxed copy, or photocopy, etc. thereof is consistent with the original copy thereof.

Article 9 A administrator shall offer its asset-backed securities to qualified investors as specified by the SSE and ensure that each tranche of its asset-backed securities is offered to no more than 200 such investors.

The administrator may, if required by its own conditions and the offering, impose higher investor suitability requirements and shall disclose such requirements in the prospectus.

Article 10 A administrator shall, via the electronic reporting system of the SSE, submit the following application documents for confirming satisfaction of the listing requirements by its asset-backed securities:

- (1) an application for listing and transfer of the asset-backed securities;
- (2) the prospectus;
- (3) a legal opinion;
- (4) the credit rating report (if any);
- (5) the text of key transaction contracts, including, but not limited to, the specific program's standard clauses, subscription agreement and risk disclosure statement, agreement for purchase and sale of assets, trustee agreement, custodian agreement (if any), and asset service agreement (if any);
- (6) the audited financial reports and a description of financing of the specific originator from the most recent 3 years (or from the date of its establishment if the originator has been established for less than 3 years);
- (7) an assessment report on the underlying assets and the cash flow forecast and analysis report (if any);
- (8) letters of undertaking for payment of shortfalls, guarantee agreements or guarantee letters, and other documents for credit enhancement measures (if any);

(9) a due diligence report;

(10) the resolution of a governing body, as specified by laws or regulations or the articles of association of the originator, etc., on approving matters related to the securitization of assets for financing purpose;

(11) a compliance review opinion from the administrator; and

(12) any other documents and materials as required by the SSE.

The prospectus and other application documents shall meet the applicable content and format requirements of the SSE and ensure the fullness, consistency, and understandability of their disclosure.

Chapter III Confirmation Procedures

Article 11 The SSE will, within 2 trading days after receiving from a administrator the application documents for confirming satisfaction of the listing requirements by its asset-backed securities, verify whether such application documents are complete and prepared in such form as required by the SSE. The SSE will accept the application documents if they are complete; notify, on a one-time basis, the manger to supplement such application documents if they are not complete; or refuse to accept the application documents if the securities apparently fail to satisfy the listing requirements of the SSE.

Article 12 The SSE will, after accepting the application documents, appoint 2 staff members to review them. The staff members shall review the application documents and propose opinions to the review meeting for group discussion.

Article 13 The review meeting is generally attended by the relevant personnel of the Fixed Income Center of the SSE and, if necessary, may arrange industry professionals to participate in its discussion.

The SSE may, if necessary, require the employees of the administrator and any other business participant to attend the review meeting and give relevant explanations.

Article 14 The review meeting will, in accordance with laws, administrative regulations, ministry-level rules, normative documents, and the business rules of the SSE, review matters related to the specific program, such as the underlying assets, cash flow forecast, transactional structure, risk management, and information disclosure. The review meeting will mainly discuss major issues noted during the review, determine issues of which the administrator is required to make supplementary disclosure and explanations or its intermediary is required to conduct further verification, and other matters required to be discussed, and prepare written feedback.

Article 15 Unless under special circumstances, the SSE will, within 10 trading days from accepting the application documents, delivery the first written feedback to the administrator via the SSE's online reporting system.

Article 16 During the period from the acceptance of the application documents to the delivery of the first written feedback, the relevant staff members of the SSE shall not accept any visit or any other forms of communication from the administrator or any other business participant with respect to the application for confirming satisfaction of the listing requirements by the asset-backed securities.

Article 17 The administrator shall, within 20 trading days from receiving the written feedback of the SSE, submit through the SSE's online reporting system a written response which shall respond to each item in the feedback. If the response involves modification of the application documents, the modified application documents and an explanation on such modification shall be submitted together with the response.

Article 18 If it is necessary to defer its response due to any special circumstance, the administrator shall, before the expiration of the response period for the written feedback, submit to the SSE an application for deferral of the response, stating the reasons therefor and the proposed response time. Such response may not be deferred for over 20 trading days. If failing to submit the response during the deferred response period, the administrator may apply for suspension of the review.

Article 19 The administrator may communicate with the relevant staff member of the SSE over its questions on the written feedback. A face to face communication, if needed, shall be conducted at the premises of the SSE with the presence of more than 2 staff members of the SSE.

Article 20 Unless under special circumstances, the relevant staff members of the SSE shall, within 5 trading days after the administrator submit its response to the written feedback, submit such response and the modified application documents to the review meeting which will conduct a group discussion.

Article 21 If the administrator's response to the written feedback and the modified application documents fail to meet the applicable requirements, or there are any other important matters required to be further verified, the review meeting may issue supplementary written feedback.

Article 22 If no written feedback or supplementary feedback is required, the review meeting shall issue an opinion of approval, conditional approval, or disapproval.

If any application document has serious quality issues or is involved in any other circumstance where the administrator's intermediary apparently fails to act with diligence and care, the SSE may issue no written feedback and have the review meeting directly deliver an opinion of disapproval.

Article 23 If an opinion of approval is given by the review meeting, the SSE will issue to the administrator a document for satisfaction of the listing requirements.

If an opinion of conditional approval is given by the review meeting, the SSE will, after relevant matters have been verified, issue to the administrator a document for satisfaction of

the listing requirements.

If an opinion of disapproval is given by the review meeting, the SSE will issue to the administrator a document for non-satisfaction of the listing requirements and provide the administrator with the reasons therefor.

Article 24 The administrator shall, in accordance with the requirements of the SSE, bind, archive and keep the originals of the application documents for confirming satisfaction of the listing requirements by its asset-backed securities and of other materials.

Chapter IV Special Matters

Article 25 During the review, the SSE may suspend the review and notify the administrator thereof if:

- (1) the administrator voluntarily requests the suspension of the review for any justifiable reason;
- (2) the administrator is under the pending investigation or inquiry of the competent authority for any suspected violation of laws or regulations, which investigation or inquiry may have an adverse effect on whether its asset-backed securities satisfy the listing requirements;
- (3) the administrator, originator, credit enhancement agency (if any) or any other business participant is subject to any pending regulatory measures by the competent authority, including, but not limited to, restricting participation in asset securitization activities, ordering the suspension of business for rectification, or appointing any other institution as a trustee or receiver;
- (4) the administrator fails to provide a timely response and apply for deferral of such response as required, or fails to submit its written response within the deferred response period;
- (5) the originator's financial reports, relevant qualification certificates and permits, and any other application documents have expired and cannot be re-submitted within a short period of time;
- (6) the SSE receives whistle-blowing materials on the administrator's application documents for confirming satisfaction of the listing requirements by its asset-backed securities and needs to further verify them; or
- (7) the administrator is involved in any other circumstance where the SSE considers it necessary to suspend the review.

After any of the circumstances set out in Items (1) to (5) above is eliminated, the administrator may submit to the SSE an application for resumption of the review. The SSE will, within 2 trading days from receiving the application, determine whether to resume the review.

Article 26 Upon the occurrence of the circumstance set out in Item (6) of Article 25, the SSE may take such actions as conducting verification, requiring the administrator and any other business participant to carry out self-inspection or appoint an independent third party to conduct verification, or referring the case to the relevant authority for investigation, and the administrator and such other business participant shall cooperate with the SSE and submit a self-inspection or verification report to the SSE as required.

If the matter reported in the whistle-blowing materials is not found upon verification to have an impact on the satisfaction of the listing requirements by the asset-backed securities, the SSE will resume the review and notify the administrator thereof; if it is verified that the matter so reported has an impact on the satisfaction of the listing requirements or violates applicable laws or regulations or is involved any other circumstances, the SSE will handle the matter in accordance with applicable rules.

Article 27 During the review, the SSE may terminate the review and notify the administrator thereof if:

- (1) the administrator voluntarily requests the withdrawal of its application;
- (2) the originator or administrator is legally terminated due to reasons such as dissolution, liquidation or declaration of bankruptcy;
- (3) the review is suspended for over 3 months; or
- (4) the administrator is involved in any other circumstance where the SSE considers it necessary to terminate the review.

Article 28 After the SSE confirms the satisfaction of the listing requirements by a administrator's asset-backed securities until the SSE issues a document therefor, if any material event, any event which may affect the investment value of the asset-backed securities or the investment decision-making of investors, or any other important event which is required, in the opinion of the SSE, to be additionally disclosed occurs to the underlying assets or other related aspects of the administrator's specific program, the administrator and any other business participant shall timely report the event to the SSE, submit a written description thereof and an intermediary's opinion thereon, and modify the application documents.

Article 29 After the SSE confirms the satisfaction of the listing requirements by a administrator's asset-backed securities and issues a document therefor until the SSE provides services for the listing and transfer of the securities, in the event of any non-compliance with Article 7, 8 or 9 hereof, the circumstance set out in Article 25 or 27, or any matter that may impact the satisfaction of the listing requirements or the investment value of the securities or the investment decision-making of investors, etc., the administrator and any other business participant shall timely report it to the SSE which will, as appropriate, handle it pursuant to applicable rules.

Chapter V Self-regulation

Article 30 If administrators, originators and other business participants or their relevant personnel violate applicable laws, regulations, the rules of the regulatory authority, the business rules of the SSE, the prospectus or any undertakings made by them, the SSE will take self-regulatory actions against them in accordance with applicable business rules.

Article 31 The SSE may take supervisory measures against a administrator, an originator, any other business participant or its relevant personnel who:

- (1) fails to act with diligence and care or conduct due diligence in accordance with applicable rules and requirements;
- (2) fails to make verification of, arrangement for or undertaking on relevant matters in accordance with applicable rules and requirements;
- (3) issues such documents or opinions, or discloses or reports such information as contain false record, misleading statement or material omission;
- (4) submits application documents which are not in compliance with applicable rules, have serious quality issues, or contain apparent errors, omissions or inconsistent statements;
- (5) fails to offer the administrator's asset-backed securities to qualified investors within the specified scope or perform its or his duties under the applicable investor suitability rules; or
- (6) otherwise violates applicable laws, regulations, the rules of the regulatory authority, the business rules of the SSE, the prospectus or any undertaking made by it or him.

If the case is serious, the SSE may impose disciplinary sanctions against it or him.

Article 32 If a party is involved in any circumstance specified in Article 31 hereof, the SSE may include such circumstance into the party's credibility record in accordance with applicable requirements. If the party's act constitutes a violation of laws or regulations, the SSE will refer the case to the China Securities Regulatory Commission (the "CSRC") or any other competent authority for legal investigation.

The SSE may prudently accept and review relevant application or documents from the party specified in the preceding paragraph.

Chapter VI Supervisory Provisions

Article 33 The SSE's provision of services for listing and transfer of asset-backed securities and conclusion of listing and transfer service agreements, etc. shall be subject to the applicable rules of the SSE.

Article 34 The satisfaction of the listing requirements by asset-backed securities of other financial institutions recognized by the CSRC or the SSE or other special purpose vehicles shall be confirmed by reference to these *Guidelines*.

Article 35 For the purposes of these *Guidelines*, the terms “within” and “more than” shall include the given figure and the term “over” shall exclude the given figure.

Article 36 The SSE shall reserve the right to interpret these *Guidelines*.

Article 37 These *Guidelines* shall be implemented as of the date of issuance. In case of any inconsistency between these *Guidelines* and any notice or guidance issued by the SSE prior to the implementation hereof, these *Guidelines* shall prevail.