

Guidelines of the Shanghai Stock Exchange for Confirming Satisfaction of the Listing Requirements by Non-Publicly Offered Corporate Bonds

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Chapter I General Provisions

Article 1 These *Guidelines* are formulated in accordance with the *Measures for the Administration of Issuance and Trading of Corporate Bonds* issued by the China Securities Regulatory Commission (“CSRC”), the *Interim Management Rules of the Shanghai Stock Exchange for the Non-Publicly Offered Corporate Bond Business*, and other applicable rules in order to regulate business activities relating to the Shanghai Stock Exchange (the “SSE”)’s confirmation of satisfaction of listing requirements by non-publicly offered corporate bonds, maintain an orderly bond market, and protect the legitimate rights and interests of investors.

Article 2 For corporate bonds (including short-term corporate bonds maturing in less than 1 year) proposed to be offered non-publicly and to be listed and transferred on the SSE, their issuers and underwriters shall, prior to the offering, submit application documents for the listing and transfer of the bonds to the SSE who then will confirm whether the bonds meet the applicable listing requirements.

Article 3 The SSE will review application documents for listing and transfer of non-publicly offered corporate bonds in accordance with applicable laws, regulations, ministry-level rules, normative documents, these *Guidelines*, and other business rules of the SSE; and will, for corporate bonds 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 corporate bonds does not represent any judgement or guarantee of the SSE with respect to their issuer’s operational, debt repayment and litigation risks as well as investment risk from or return on the corporate bonds. etc. Any investment risk arising from the corporate bonds shall be borne solely 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 non-publicly offered corporate bonds satisfy the listing requirements; and publish the procedures, progress, results, and other information of the confirmation and accept public supervision.

Chapter II Listing and Transfer Application

Article 6 To be listed and transferred on the SSE, non-publicly offered corporate bonds shall comply with the *Securities Law*, the *Measures for the Administration of Issuance and Trading of Corporate Bonds*, the *Interim Management Rules of the Shanghai Stock Exchange for the Non-Publicly Offered Corporate Bond Business*, and other applicable laws, regulations, ministry-level rules, normative documents, and the business rules of the SSE.

In addition, the non-publicly offered corporate bonds shall not be involved in any circumstances as set out in the Securities Association of China's *Negative List for the Underwriting of Non-Publicly Offered Corporate Bonds* or any circumstance where which it fails to meet the listing requirements determined by the SSE.

Article 7 An issuer who intends to offer its corporate bonds on a non-public basis shall adopt a resolution on the offering program for the corporate bonds in accordance with applicable laws and regulations, its articles of association, and other rules and make truthful, accurate, and complete disclosure of information related thereto to investors.

Article 8 Underwriters and relevant intermediaries who provide services for non-public offering of corporate bonds shall be qualified to do so, strictly comply with the applicable code of practice and regulatory rules, perform their duties of due diligence and verification with diligence and care, issue verification opinions in accordance with applicable rules, and make undertakings and representations on related legal obligations and responsibilities.

Article 9 An issuer and its underwriter and relevant intermediary shall warrant and undertake that the application documents for listing and transfer of its non-publicly offered corporate bonds 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.

The issuer may take credit enhancement measures or make any other internal and external constraint arrangements for matters that may have a material impact on the legitimate rights and interests of investors and disclose the matters in its prospectus, and the underwriter and relevant intermediary shall fully verify the matters and issue an explicit opinion thereon and reasons therefor.

Article 10 An issuer and its underwriter shall offer its corporate bonds on a non-public basis to no more than 200 qualified investors as specified in the *Investor Suitability Rules of the Shanghai Stock Exchange for the Bond Market*.

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

Article 11 An issuer and its underwriter shall submit the following application documents for listing and transfer of its non-publicly offered corporate bonds via the electronic reporting system of the SSE:

- (1) an application for listing and transfer of the non-publicly offered corporate bonds;
- (2) the prospectus;
- (3) a resolution of the issuer's governing body on matters relating to the non-public offering of the corporate bonds, accompanied by its articles of association and a duplicate copy of its

business license;

(4) a verification opinion issued by the underwriter;

(5) a legal opinion issued by the issuer's lawyer;

(6) the issuer's financial reports and auditor's reports for the last 2 financial years and financial report or financial statements for the most recent reporting period (indicating whether it is or they are audited);

(7) the bond trustee agreement and bondholders' meeting rules;

(8) the credit rating report (if any);

(9) the guarantee contract, guarantee letter, and the guarantor's financial report for the most recent financial year (indicating whether it is audited), financial report or financial statements for the most recent reporting period, and other documents related to credit enhancement measures (if any);

(10) if the issuer's material assets are mortgaged or pledged, the mortgage or pledge confirmation letter and asset appraisal report, etc. (if any); and

(11) any other documents 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.

The verification opinion issued by the underwriter shall explicitly describe its reasons for sponsoring the listing of the corporate bonds, major verification tasks, internal verification, analysis of the corporate bonds' risks and repayment capacity, and state its compensation and default liabilities for the underwritten corporate bonds.

Chapter III Confirmation Procedures

Article 12 The SSE will, within 2 working days after receiving from an issuer and its underwriter the application documents for listing and transfer of its non-publicly offered corporate bonds, 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 issuer and underwriter to supplement such application documents if they are not complete; or refuse to accept the application documents if the bonds apparently fail to satisfy the listing requirements of the SSE.

Article 13 When confirming whether non-publicly offered corporate bonds 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.

Article 14 The SSE will, after accepting the application documents, appoint 2 staff members to review them. The staff members shall review the application documents, inspect the relevant credibility record, and propose opinions to the review meeting for group discussion.

Article 15 The review meeting is generally attended by the relevant personnel of the bond business department of the SSE and, if necessary, may arrange industry professionals to participate in its discussion, or require the employees of the issuer or relevant institutions to give explanations.

Article 16 The review meeting will mainly discuss major issues noted during the review, determine issues of which the issuer 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 17 Unless under special circumstances, the SSE will, within 10 working days from accepting the application documents, delivery the first written feedback to the issuer and underwriter via the SSE's online reporting system.

Article 18 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 issuer or its relevant intermediary with respect to the application for listing and transfer of its non-publicly offered corporate bonds.

Article 19 The issuer and underwriter shall, within 15 working 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 and bear the official seals of the issuer, the underwriter, etc. 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 20 If it is necessary to defer their response due to any special circumstance, the issuer and underwriter 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 15 working days.

Article 21 The issuer and underwriter may communicate with the relevant staff member of the SSE over their 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 22 If the issuer and underwriter's response to the written feedback and their modified application documents fail to meet the applicable requirements, or there are any

other important matters required to be further verified, the SSE may issue supplementary written feedback to them.

Article 23 Unless under special circumstances, the relevant staff members of the SSE shall, within 5 working days after the issuer and underwriter submit their response to the written feedback, submit such response and the modified application documents to the review meeting which will conduct a group discussion and prepare supplementary written feedback.

The SSE will issue supplementary written feedback for no more than 2 times.

Article 24 If no written feedback or supplementary feedback is required, or supplementary feedback has been issued for 2 times, 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 issuer'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 25 If an opinion of approval is given by the review meeting, the SSE will issue to the issuer 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 issuer 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 issuer a document for non-satisfaction of the listing requirements and provide the issuer with the reasons therefor.

Article 26 The issuer and underwriter shall bind, archive and keep the originals of the application documents for listing and transfer of its non-publicly offered corporate bonds and of other materials in accordance with the requirements of the SSE.

Chapter IV Special Matters

Article 27 During the review, the SSE may suspend the review and notify the issuer and underwriter thereof if:

- (1) the issuer voluntarily requests the suspension of the review for any justifiable reason;
- (2) the issuer 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 non-publicly offered corporate bonds satisfy the listing requirements;
- (3) the issuer or underwriter, credit enhancement agency (if any) or any other intermediary is

subject to any pending regulatory measures by the competent authority, including, but not limited to, restricting participation in bond issuance activities, ordering the suspension of business for rectification, or appointing any other institution as a trustee or receiver;

(4) the issuer and underwriter fail to provide a timely response and apply for deferral of such response as required, or fail to submit their written response within the deferred response period;

(5) the issuer'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 application for listing and transfer of the non-publicly offered corporate bonds and needs to further verify them; or

(7) the issuer or underwriter 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 issuer may submit to the SSE an application for resumption of the review. The SSE will, within 2 working days from receiving the application, determine whether to resume the review.

Article 28 Upon the occurrence of the circumstance set out in Item (6) of Article 27, the SSE may take such actions as conducting verification, requiring the issuer or its relevant intermediary 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 issuer or its relevant intermediary 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 issuer's non-publicly offered corporate bonds, the SSE will resume the review and notify the issuer and underwriter; 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 29 During the review, the SSE may terminate the review and notify the issuer and underwriter thereof if:

(1) the issuer voluntarily requests the withdrawal of its application;

(2) the issuer 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 issuer or underwriter is involved in any other circumstance where the SSE considers it necessary to terminate the review.

Article 30 After the SSE confirms the satisfaction of the listing requirements by an issuer's non-publicly offered corporate bonds and issues a document therefor until the SSE provides services for the listing and transfer of the bonds, in the event of any non-compliance with Article 6, 7, 8, 9 or 10 hereof, the circumstance set out in Article 27 or 29, or any matter that may impact the satisfaction of the listing requirements or the investment value of the bonds or investment decision-making of investors, etc., the issuer and its underwriter and relevant intermediary shall timely report it to the SSE which will, as appropriate, handle it pursuant to applicable rules.

Chapter V Self-regulation

Article 31 If an issuer or underwriter, relevant intermediary or any of its relevant personnel 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, the SSE will take self-regulatory actions against it or him in accordance with applicable business rules.

Article 32 The SSE may take supervisory measures against an issuer or its director, supervisor, senior officer or other relevant personnel who:

- (1) submits application documents which are not in compliance with applicable rules, have serious quality issues, or contain apparent errors, omissions or inconsistent statements;
- (2) discloses or reports information that contains false record, misleading statement or material omission;
- (3) fails to offer the issuer's bonds to qualified investors within the specified scope or fulfill its or his duties to verify qualified investors; or
- (4) 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 33 The SSE may take supervisory measures against an underwriter, relevant intermediary, 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 documents or opinions that 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 issuer's bonds to qualified investors within the specified scope or fulfill its or his duties to verify qualified investors; or

(6) otherwise violates applicable laws, regulations, the rules of the regulatory authority, the self-regulatory rules of the industry association, 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 34 If a party is involved in any circumstance specified in Article 32 or 33 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 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 35 The SSE's provision of services for listing and transfer of non-public offering of corporate bonds and conclusion of listing and transfer service agreements, etc. shall be subject to the applicable provisions of the *Interim Management Rules of the Shanghai Stock Exchange for the Non-Publicly Offered Corporate Bond Business*.

Article 36 For the purposes of these *Guidelines*, the terms "more than" and "less than" shall include the given figure and the term "over" shall exclude the given figure.

Article 37 The SSE shall reserve the right to interpret these *Guidelines*.

Article 38 These *Guidelines* shall be implemented as of the date of issuance.