

Rules Governing the Review of Offering and Listing of Listed Companies' Securities on the Shanghai Stock Exchange

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Chapter I General Provisions

Article 1 These *Rules* are formulated in accordance with the *Securities Law of the People's Republic of China* (“*Securities Law*”), the *Notice of the General Office of the State Council on Implementation of the Amended Securities Law*, the *Opinions on Launching the Science and Technology Innovation Board and Implementing the Pilot Registration-Based IPO System on the Shanghai Stock Exchange*, the *Notice of the General Office of the State Council on Forwarding the Opinions of the China Securities Regulatory Commission on Launching the Pilot Program of Domestic Offering of Stocks or Depositary Receipts by Innovative Enterprises*, the *Measures for the Administration of Registration of Securities Offering by Listed Companies* (“*Registration Measures*”), the *Measures for Administration of Pilot Program for Preferred Shares*, and other applicable laws, administrative regulations, ministry-level rules, and normative documents to regulate the review of offering and listing of listed companies’ securities on the Shanghai Stock Exchange (the “*Exchange*”) and protect the legitimate rights and interests of investors.

Article 2 These *Rules* are applicable to the review of listed companies’ applications for domestic offering and listing of stocks, convertible bonds, depositary receipts, preferred shares, or other securities recognized by the State Council.

Article 3 To apply for offering and listing of securities, a listed company shall submit its offering and listing application documents to the Exchange.

The Exchange will review the listed company’s securities offering and listing application documents (“offering and listing review”). If the Exchange believes that the listed company satisfies the offering conditions, listing conditions, and information disclosure requirements, it will submit its review opinion, the registration application documents, and related review materials to the China Securities Regulatory Commission (“CSRC”) for registration; and if the Exchange does not believe so, it will make a decision to terminate the offering and listing review.

Article 4 Through the review of offering and listing application documents, the Exchange will urge listed companies to make truthful, accurate and complete disclosure of information and sponsors and securities service providers to duly perform their gatekeeping duties with respect to information disclosure; and urge listed companies and their sponsors and securities service providers to improve the quality of information disclosure so as to enable investors to make a fully informed investing decision.

Article 5 The Exchange will conduct the offering and listing review in a lawful and compliant, open and transparent, and convenient and efficient manner to increase the transparency of the review and cause the market to have clear expectations for the review.

The Exchange will conduct the review of securities offering and listing by the listed companies electronically via its offering and listing review system.

Article 6 The Exchange will exercise self-regulation of relevant activities of the following institutions and individuals during the offering and listing of listed companies’

securities in accordance with laws, administrative regulations, ministry-level rules, normative documents, these *Rules*, and other applicable rules of the Exchange:

- (1) listed companies and their directors, supervisors, and senior officers;
- (2) listed companies' controlling shareholders and *de facto* controllers and their relevant personnel;
- (3) sponsors, sponsor representatives, and other relevant personnel of the sponsors;
- (4) CPA firms, law firms, and other securities service providers, and their relevant personnel; and
- (5) other persons with disclosure obligations.

The institutions and individuals specified in the preceding Paragraph shall cooperate with, rather than affect or interfere with, the Exchange in the offering and listing review; abide by rules on clean practice; accept the Exchange's self-regulation; and bear corresponding legal liability.

Article 7 The Exchange's review opinion confirming the satisfaction of the offering conditions, listing conditions, and information disclosure requirements, or the Exchange's decision to terminate the offering and listing review, shall constitute neither its substantive judgement or guarantee as to the investment value of the securities concerned or investors' return on the securities, nor its guarantee as to the truthfulness, accuracy, and completeness of the offering and listing application documents and disclosed information.

Chapter II Contents and Requirements of Review

Article 8 During the offering and listing review, the Exchange will mainly consider and assess:

- (1) whether the offering conditions prescribed by the CSRC are met;
- (2) whether the listing conditions prescribed by the Exchange are met; and
- (3) whether the information disclosure requirements of the CSRC and the Exchange are met.

Article 9 When reviewing whether a listed company satisfies the offering conditions and listing conditions, the Exchange will mainly consider:

- (1) whether the listed company satisfies the offering conditions under the *Securities Law*, the *Registration Measures*, and the *Measures for Administration of Pilot Program for Preferred Shares*;
- (2) whether the securities to be offered satisfy the listing conditions under applicable rules

of the Exchange; and

- (3) whether the offering sponsorship letter, listing sponsorship letter, legal opinions, and other documents issued by the sponsor, law firm, and other securities service providers have contained explicit opinions on whether the offering and listing application satisfies each of the offering conditions and listing conditions and provided adequate reasons and basis therefor.

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

Article 10 During the offering and listing review, the Exchange will timely ask the CSRC for instructions on any identified material sensitive matters, material unprecedented cases, major public sentiments, or clues of major illegal activities.

Article 11 During the review of information disclosure, the Exchange will mainly consider whether the prospectus and other information disclosure documents meet the truthfulness, accuracy, and completeness requirements, the content and format standards and the preparation and submission rules of the CSRC, and the information disclosure requirements of the Exchange.

During the review of information disclosure, the Exchange will mainly consider whether the offering and listing application documents and information disclosures meet the following requirements:

- (1) they fully and comprehensively disclose information that has a material impact on the decision-making of investors and to an extent necessary for investors to make investing decisions;
- (2) the information they disclosed is consistent, reasonable, and inherently logical; and
- (3) they are concise and plain enough for ordinary investors to read and understand.

Article 12 When reviewing offering and listing application documents, the Exchange will, through a wide range of means, including asking questions and requiring responses thereto, urge listed companies and their sponsors and securities service providers to improve information disclosure, make truthful, accurate, and complete disclosure in a more targeted, effective, and readable manner, and increase the quality of information disclosure.

Article 13 When reviewing offering and listing application documents, the Exchange may, if appropriate during the review inquiry, require the listed company and its sponsor and securities service providers to:

- (1) state or disclose relevant issues and their reasons;

- (2) make additional verification of relevant matters and give opinions thereon;
- (3) provide new evidence or materials; or
- (4) amend or update the information disclosure.

Article 14 To apply for offering and listing of its securities, a listed company shall prepare the prospectus and other information disclosure documents in accordance with the rules of the CSRC and the Exchange; the listed company and its controlling shareholder, *de facto* controller, directors, supervisors, senior officers, and other persons with disclosure obligations shall legally perform information disclosure obligations. The listed company's sponsor and securities service providers shall legally perform their gatekeeping duties by verifying the information disclosure of the listed company.

Article 15 A listed company shall act in good faith and with honesty, legally make full disclosure of information necessary for investors to make value judgement and investment decisions, and fully disclose any direct or indirect risks that have or will foreseeably have a material adverse effect on the listed company. The information disclosed must be truthful, accurate, complete, concise and plain, and easy-to-understand, without misrepresentation, misleading statement, or material omission.

The listed company shall, upon request, legally provide its sponsor and securities service providers with truthful, accurate, and complete financial and accounting materials and other data, and cooperate with relevant institutions in their due diligence and other related tasks.

Article 16 The controlling shareholder, *de facto* controller, directors, supervisors, senior officers, and other persons with disclosure obligations of a listed company shall act in good faith and with honesty, ensure the truthfulness, accuracy, and completeness of the offering and listing application documents and information disclosure, and legally and prudently make and perform relevant undertakings.

Relevant persons under the preceding Paragraph shall cooperate with relevant institutions in their due diligence and other related tasks. They shall not, by virtue of their control position or influence, require or assist the listed company to make misrepresentation, misleading statement or material omission or otherwise violate laws and regulations, or damage the legitimate rights and interests of the listed company and its investors.

Article 17 The sponsor of a listed company shall act in good faith and with honesty and exercise diligence and care to ensure the truthfulness, accuracy, and completeness of the prospectus, other information disclosure documents, and relevant documents issued by it.

The sponsor shall, in strict accordance with business rules legally developed by the Exchange, industry self-regulatory rules and its own internal control system, fully understand the operating status, risks and prospects of the listed company, strive for raising the quality of the listed company, prudently verify the offering and listing application documents of the listed company, make professional judgment on whether the listed company satisfies the offering conditions, listing conditions, and information disclosure requirements, and make a prudent

decision to recommend the offering and listing of the listed company's securities.

Article 18 The securities service providers of a listed company, such as CPA firms, law firms, asset appraisers, and credit rating agencies, shall strictly comply with laws and regulations, regulatory rules of the CSRC, industry-recognized codes of practice and ethics, business rules of the Exchange, and other applicable rules; establish and maintain effective quality control systems and investor protection mechanisms; prudently perform their duties; make professional judgments and determinations; and ensure the documents issued by them are true, accurate, and complete and their professional opinions cited by the prospectus and other information disclosure documents will not result in misrepresentations, misleading statements, or material omissions.

The securities service providers and their relevant personnel shall act in good faith and with honesty and exercise diligence and care, strictly perform their own internal control system, examine and verify professional duty-related matters, perform their duty of special care for the professional duty-related matters and duty of ordinary care for other matters, prudently issue professional opinions, and bear corresponding legal liability.

When engaging in securities service businesses, the securities service providers and their relevant personnel shall cooperate with the Exchange's self-regulation; provide, submit or disclose relevant information within the prescribed period; and ensure the information is true, accurate and complete and is free from misrepresentation, misleading statement, or material omission.

The securities service providers shall properly keep clients' authorization documents, examination and verification materials, working papers, and other information and materials related to quality control, internal management, and business operations.

Chapter III Review Procedures

Section I General Rules

Article 19 These *Rules* are applicable to the application and acceptance, review of the offering and listing review department of the Exchange (the "offering and listing review department"), the meetings of the listing review committee (the "listing committee"), submission of review opinions to the CSRC, post-meeting matters, re-review, suspension or termination of the review, and other review-related matters with respect to the offering and listing of securities by listed companies. Any of the above matters not covered by these *Rules* shall be governed *mutatis mutandis* by the *Rules Governing the Review of Offering and Listing of Stocks on the Shanghai Stock Exchange*.

Article 20 To apply for offering and listing of its securities, a listed company shall engage a sponsor as required to provide sponsor services and authorize the sponsor to submit the following offering and listing application documents via the Exchange's offering and listing review system:

- (1) the prospectus, offering sponsorship letter, audit reports, legal opinions, resolutions of

the shareholders' meeting, and other registration application documents;

- (2) listing sponsorship letter; and
- (3) other documents required by the CSRC or the Exchange.

Article 21 The contents of a listed company's offering and listing application documents shall be truthful, accurate, complete, concise and plain, and easy-to-understand.

Upon submission of the offering and listing application documents, the listed company, its controlling shareholder, *de facto* controller, directors, supervisors, senior officers, and other persons with disclosure obligations, as well as the sponsor, securities service providers, and their relevant personnel related to the offering and listing of its securities shall bear corresponding legal liability.

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

Article 22 A listed company shall, in the form of interim announcement, disclose the prospectus, offering sponsorship letter, listing sponsorship letter, audit reports, and legal opinions on the day when the Exchange accepts its securities offering and listing application documents and concurrently publish the same on the Exchange's website.

Article 23 For a listed company that applies for offering securities to specified investors, the offering and listing review department may perform review procedures dispensing with review inquiry and issue a review report, if:

- (1) the use of the proceeds to be raised is consistent with national industry policies;
- (2) the information disclosure assessments of the listed company were rated A for the latest 2 consecutive years; and
- (3) the listed company is not under any of the circumstances under Article 34.2 of these *Rules*.

The sponsor shall give a clear, affirmative review opinion as to the offering's satisfaction of the conditions under the preceding Paragraph.

Section II Review Procedures for Securities Offering and Listing

Article 24 The offering and listing review department will, as required, review offering and listing application documents and issue review reports.

If a listed company applies for offering securities to non-specified investors and listing thereof, the listing committee will, after the offering and listing review department provides a preliminary review opinion upon review, deliberate the opinion according to prescribed procedures and provide a deliberation opinion.

Article 25 The offering and listing review department will review the accepted offering and listing application documents on a first come, first served basis.

Article 26 The offering and listing review department will, within 15 working days upon accepting the application documents, issue the first review inquiry.

Before the first review inquiry is issued, the listed company, its sponsor, securities service providers, and their relevant personnel may not have any contact with the reviewers or interfere with the review in any form.

Article 27 After the first review inquiry is issued, the listed company, its sponsor, and securities service providers may consult and communicate with the offering and listing review department on any issues or matters regarding the offering and listing review.

If the offering and listing application falls into Article 23 of these *Rules* or applies the simplified procedure under Article 28 of the *Registration Measures*, the offering and listing review department may communicate review-related matters with the listed company, sponsor, and securities service providers.

Article 28 The offering and listing review department may proceed with further review inquiry after receiving the response to the first review inquiry, if:

- (1) any new matter requiring inquiry is found;
- (2) the response from the listed company and its sponsor and securities service providers fails to provide a specific answer to the first review inquiry, or the Exchange requires further review inquiry about the response;
- (3) the information disclosure of the listed company still fails to meet the requirements of the CSRC and the Exchange; or
- (4) other circumstances exist that, in the Exchange's opinion, require further review inquiry.

Article 29 A listed company and its sponsor and securities service providers shall make necessary additional investigation and verification according to the review inquiry requirements of the offering and listing review department; timely provide an item-by-item response to the review inquiry and if appropriate, supplement or amend the offering and listing application documents; and within 10 working days after the Exchange's issuance of review opinion, aggregate, supplement, and submit sponsorship working papers relating to the response to the review inquiry and an updated verified prospectus.

The response from the listed company and its sponsor and securities service providers to the review inquiry constitutes a part of the offering and listing application documents. The listed company and its sponsor and securities service providers shall ensure the response is truthful, accurate, complete, concise and plain, easy-to-understand, targeted, effective, and readable.

The listed company shall, in the form of interim announcement, timely disclose its response

to the review inquiry, and, within 2 working days of the disclosure, authorize the sponsor to submit relevant documents via the Exchange's offering and listing review system.

Article 30 For a listed company applies for offering securities to non-specified investors and listing thereof, if, after receiving the response to the Exchange's review inquiry from the listed company and its sponsor and securities service providers, the offering and listing review department deems that further review inquiry is unnecessary, the department will issue a review report and submit it to the listing committee.

The listing committee will hold a deliberation meeting to deliberate on the review report and the listed company's offering and listing application documents, and through panel discussion, issue a deliberation opinion on whether the offering conditions, listing conditions, and information disclosure requirements are satisfied.

If the listing committee cannot form a deliberation opinion as the listed company has any material matter relating to the offering conditions, listing conditions, or information disclosure requirements that requires further verification, the listing committee may, after panel discussion, suspend the deliberation on the listed company's offering and listing application. The suspension shall not exceed 2 months. The listing committee may suspend the deliberation only once for the same offering and listing application of the same listed company.

Article 31 Where a listed company applies for offering securities to non-specified investors and listing thereof, the Exchange will, taking into account the deliberation opinion of the listing committee, issue a review opinion confirming the satisfaction of the offering conditions, listing conditions, and information disclosure requirements, or make a decision to terminate the offering and listing review.

Where a listed company applies for offering securities to specified investors and listing thereof, the Exchange will, taking into account the review report of the offering and listing review department, issue a review opinion confirming the satisfaction of the offering conditions, listing conditions, and information disclosure requirements, or make a decision to terminate the offering and listing review.

The listed company shall, upon receipt of the Exchange's letter or decision stating the review opinion, promptly disclose the same to the public in the form of interim announcement.

The Exchange will submit its review opinion, relevant review materials, and the listed company's securities offering and listing application documents to the CSRC if it believes that the listed company satisfies the offering conditions, listing conditions, and information disclosure requirements.

Article 32 A listed company shall, based on the Exchange's review inquiry, review opinion, or other information disclosure requirements, amend relevant information disclosure documents and authorize its sponsor to submit the amended documents via the Exchange's offering and listing review system.

Article 33 Where a listed company applies for offering and listing of its securities, the Exchange will, within 2 months upon acceptance of the application documents, issue a review opinion confirming the satisfaction of the offering conditions, listing conditions, and information disclosure requirements or make a decision to terminate the offering and listing review, unless otherwise provided for in these *Rules*. The 2-month review period excludes the time used by the listed company and its sponsor and securities service providers for response to the Exchange's review inquiry.

The time used by the listed company and its sponsor and securities service providers for response to the review inquiry shall not exceed 2 months in total.

The time periods under this Article and Articles 26, 30, 36.1, and 37 hereof exclude the time used for suspending the review; consulting with the Exchange's STAR Market advisory committee; asking for instructions from the competent authorities; conducting on-site inspection or on-site supervision; implementing the listing committee's opinions; suspending the deliberation; handling post-meeting matters; conducting special verification; requiring the listed company to supplement or amend the applications documents; and other circumstances occurring during the offering and listing review.

Section III Simplified Procedure for Offering Stocks to Specified Investors

Article 34 If a listed company's application for offering stocks to specified investors meets the application requirements for simplified procedure under Article 28 of the *Registration Measures*, this Section applies.

The simplified procedure will not apply if:

- (1) a delisting risk warning or other risk warning is issued against the stock of the listed company;
- (2) the listed company and its controlling shareholder, *de facto* controller, current directors, supervisors, or senior officers have received administrative penalties from the CSRC within the latest 3 years, or administrative regulatory measures from the CSRC or disciplinary actions from stock exchanges within the latest 1 year;
- (3) The sponsor or sponsor representatives or securities service providers for the offering and listing application or their relevant signatories have received administrative penalties from the CSRC or disciplinary actions from stock exchanges within the latest 1 year for providing any services similar to those involved in the application. Services provided for matters subject to administrative licenses shall be deemed similar services, while those for matters not subject to administrative licenses shall not be deemed similar services.

The total proceeds from stock offering under simplified procedure include only funds raised through the simplified procedure and exclude those raised otherwise.

Article 35 A listed company and its sponsor shall, within 20 working days upon approval of its securities offering by its board of directors authorized by its annual shareholders' general meeting, submit to the Exchange the following offering and listing application documents:

- (1) prospectus, offering sponsorship letter, audit reports, legal opinions, resolutions of its shareholders' general meeting, resolutions of its board of directors authorized by its shareholders' general meeting, and other registration application documents;
- (2) listing sponsorship letter;
- (3) share subscription contracts with conditions precedent concluded with the investors; and
- (4) other documents required by the CSRC or the Exchange.

The simplified procedure will not apply if the listed company and its sponsor fail to submit the offering and listing application documents within the time limit prescribed in the preceding Paragraph.

The listed company and its controlling shareholder, *de facto* controller, directors, supervisors, and senior officers shall, in the prospectus for offering securities to the specified investors, make undertakings that the offering conditions, listing conditions, information disclosure requirements, and application requirements for simplified procedure are met.

The sponsor shall, in the offering sponsorship letter and the listing sponsorship letter for the offering and listing application, issue a clear verification opinion on whether the offering conditions, listing conditions, information disclosure requirements, and application requirements for simplified procedure are met.

Article 36 The Exchange will, within 2 working days upon receiving the application documents, check the documents and make a decision on whether to accept the application.

The Exchange will reject the application if the application documents are inconsistent with applicable requirements.

On the day when the Exchange accepts its application, the listed company shall, in the form of interim announcement, disclose the prospectus, offering sponsorship letter, listing sponsorship letter, audit reports, and legal opinions, and concurrently publish the same on the Exchange's website. The sponsor shall, within 3 working days upon acceptance, submit its working papers via the offering and listing review system.

Article 37 If a listed company's sponsor issues a clear, affirmative verification opinion on its application for securities offering and listing, the Exchange will, within 3 working days upon accepting the application, issue a review opinion that the offering conditions, listing conditions, and information disclosure requirements are met, and submit to the CSRC the review opinion and the listed company's offering and listing application documents.

If the offering and listing review department finds that the offering and listing application manifestly fails to meet the application requirements for simplified procedure, the Exchange will make a decision to terminate the offering and listing review.

Chapter IV Self-Regulation

Article 38 During the review of a listed company's securities offering and listing application, the Exchange may, in accordance with these *Rules* and other applicable rules of the Exchange, take one or more of the following day-to-day measures against any person involved in the review:

- (1) requesting explanation or clarification on relevant issues;
- (2) issuing a supervisory work letter;
- (3) interviewing with relevant personnel;
- (4) requesting provision of relevant documents or materials for inspection;
- (5) reporting relevant matters to the CSRC; and/or
- (6) other day-to-day measures as prescribed by the Exchange.

Article 39 During the review of a listed company's securities offering and listing application, the Exchange may, in accordance with these *Rules* and other applicable rules of the Exchange, take any of the following supervisory measures against any person involved in the review:

- (1) giving an oral warning;
- (2) giving a written warning;
- (3) conducting an interview for supervision purpose;
- (4) requiring rectification within a specified time limit; or
- (5) other supervisory measures as prescribed by the Exchange.

Article 40 During the review of a listed company's securities offering and listing application, the Exchange may, in accordance with these *Rules* and other applicable rules of the Exchange, take any of the following disciplinary actions against any person involved in the review:

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

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

Article 41 If any person under Article 6 hereof is involved in any of the following circumstances, the Exchange may, depending on the severity of the circumstance, take supervisory measures against the person, such as giving an oral warning, giving a written warning, conducting an interview for supervision purpose, or requiring rectifications within a specified time limit; or take disciplinary actions against the person, such as circulating a notice of criticism, giving a public censure, or in the case of a sponsor or securities service provider or its relevant personnel, refusing to accept any offering and listing application documents and information disclosure documents submitted or signed by it or him within 3 months to 1 year, or in the case of a listed company, refusing to accept any offering and listing application documents from it within 6 months to 1 year:

- (1) the person has prepared or issued any offering and listing application documents which are inconsistent with applicable requirements or the person has modified the prospectus and other offering and listing application documents without permission;
- (2) the offering and listing application documents or information disclosure documents have material defects or are ambiguous, illogical in contents, which seriously affect investors' understanding and the Exchange's review of the documents;
- (3) the offering and listing application documents or information disclosure documents are not truthful, accurate, or complete, but do not contain any misrepresentation, misleading statement, or material omission;
- (4) the offering and listing application documents contain unjustifiable substantive inconsistencies;
- (5) the person fails to provide a response to the Exchange's review inquiry within the prescribed time limit without any reason;

- (6) the person fails to timely report to the Exchange or disclose relevant material matters;
or
- (7) other circumstances so identified by the Exchange.

Article 42 If a listed company is found to conceal material facts or fabricate materially false contents in its offering and listing application documents or information disclosure documents, the Exchange may take the disciplinary action against the listed company of refusing to accept any offering and listing application documents from it within 5 years. And for the relevant responsible personnel, the Exchange may, depending on the severity of the circumstance, take such disciplinary actions as publicly declaring him or her unsuitable to serve as a director, supervisor, or senior officer of a listed company within more than 3 years.

Article 43 If a listed company is involved in any of the following circumstances, the Exchange will take against it the disciplinary action of refusing to accept any offering and listing application documents from it within 3 to 5 years:

- (1) the offering and listing application documents or information disclosure documents that the listed company has submitted to the Exchange are found to contain any misrepresentation, misleading statement, or material omission;
- (2) the listed company refuses to accept, obstructs, and evades the Exchange's inspection, or misstates, conceals, or destroys relevant evidence materials;
- (3) the listed company and its affiliates improperly and significantly interfere with the Exchange's offering and listing review;
- (4) the listed company fails to report or disclose any material matters; or
- (5) the signature and seal of the listed company or any of its directors, supervisors, senior officers, controlling shareholder, or *de facto* controller in the offering and listing application documents are forged or falsified.

Article 44 If any of a listed company's controlling shareholder, *de facto* controller, directors, supervisors, senior officers, and other persons with disclosure obligations is involved in any of the following circumstances, the Exchange may, depending on the severity of the circumstance, take disciplinary actions against the person, including but not limited to publicly declaring him or her as unsuitable to serve as a director, supervisor, or senior officer of a listed company within more than 3 years or refusing to accept any offering and listing application documents from the controlling shareholder, *de facto* controller and other companies under its/his control within 1 to 5 years:

- (1) the offering and listing application documents or information disclosure documents submitted by the listed company are found to contain misrepresentation, misleading statement, or material omission due to the person's violation of these *Rules*;
- (2) the person arranges or instigates the listed company to falsify financial data, manipulate

profit, or conceal material facts or fabricate materially false contents in the offering and listing application documents or information disclosure documents; or

- (3) the person arranges, instigates, or commits any of the violations under Items 2 to 5 of Article 43.

Article 45 If a listed company and its controlling shareholder, *de facto* controller, directors, supervisors, and senior officers fail to duly cooperate with the sponsor, sponsor representative, and securities service providers and their personnel in due diligence and other related tasks, the Exchange may take such supervisory measures against the relevant responsible person as giving an oral warning, giving a written warning, and conducting an interview for supervision purpose. If the circumstance is severe, the Exchange may also take such disciplinary actions against the relevant responsible person as refusing to accept any offering and listing application documents submitted by the person and other companies under its/his control within 1 to 5 years, and publicly declaring the person as unsuitable to serve as a director, supervisor, or senior officer of a listed company.

Article 46 If a listed company's offering and listing application documents or information disclosure documents are found to contain any misrepresentation, misleading statement, or material omission due to its sponsor's failure to exercise diligence and care, the Exchange may, depending on the severity of the circumstance, take the disciplinary action against the sponsor, sponsor representative, and relevant responsible personnel of refusing to accept any offering and listing application documents and information disclosure documents submitted or signed by them within 1 to 3 years.

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

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

- (1) forging or falsifying the signature or seal on any offering and listing application documents;
- (2) refusing to accept, obstructing, and evading the Exchange's on-site inspection or on-site supervision, or misstating, concealing, or destroying relevant evidence materials;
- (3) failing to report or disclose any material matters;

- (4) improperly interfering with the Exchange's offering and listing review;
- (5) having in place defective or unduly-enforced internal control, due diligence, and other systems;
- (6) seeking illegitimate gains through relevant business; or
- (7) failing to perform other statutory duties.

Article 47 When offering securities to specified investors, a listed company and its controlling shareholder, *de facto* controller, and majority shareholder shall not make to the investors any undertaking as to guaranteed returns directly or in disguise nor provide financial assistance or other compensation to the investors directly or through a stakeholder.

If the listed company and its controlling shareholder, *de facto* controller, or majority shareholder violate the preceding Paragraph, the Exchange will, depending on the severity of the circumstance, take such supervisory measures or disciplinary actions as giving an oral warning, giving a written warning, conducting an interview for supervision purpose, requiring rectification with a specified time limit, publicly declaring relevant personnel as unsuitable to serve as a director, supervisor, or senior officer of a listed company, and refusing to accept the offering and listing application documents from the listed company within 1 to 3 years.

If the sponsor, sponsor representative, securities service providers, or relevant responsible personnel fail to exercise diligence and care, the Exchange may take such disciplinary actions as refusing to accept the offering and listing application documents and information disclosure documents submitted or signed by it/him within 1 to 3 years.

Article 48 If a listed company other than a financial company incompliantly applies its raised proceeds towards financial investments such as purchasing trading financial assets or lending, or direct or indirect investments in companies whose main business is trading marketable securities, or offering preferred shares to specified investors other than prescribed qualified investors, the Exchange may take the disciplinary action against the listed company of refusing to accept the securities offering and listing application documents from it within 3 years.

Article 49 If the simplified procedure is applicable to a listed company's offering stocks to specified investors, the Exchange will strengthen *ex post* supervision over the offering and listing of the stocks.

If during the *ex post* supervision, the Exchange finds any person under Article 6 hereof violates relevant provisions of the *Registration Measures* and these *Rules* on application of simplified procedure to offering of stocks to specified investors, the Exchange will take a heavier measure against the person according to Articles 41 to 48 hereof, and in the case of a listed company or its sponsor, take the disciplinary action of refusing to accept any offering and listing applications under simplified procedure from it within 3 to 5 years.

Article 50 If the Exchange refuses to accept a listed company's securities offering and

listing application from a sponsor 2 times within 1 year, the sponsor may submit a new securities offering and listing application to the Exchange only after 3 months upon the receipt of the Exchange's relevant document for the second time.

If the Exchange makes a decision to terminate the offering and listing review due to a listed company's failure to satisfy the offering conditions, listing conditions, or information disclosure requirements or the CSRC makes a decision not to register the listed company's securities, the listed company may submit a new offering and listing application to the Exchange only after 6 months of the date of the decision.

Article 51 After a listed company discloses its earnings forecast, if the realized profit fails to reach 80 percent of the earnings forecast due to any reason other than force majeure, the Exchange may take the disciplinary action against the listed company and its board chairman, general manager, and chief financial officer of circulating a notice of criticism, giving a public censure, or refusing to accept any offering and listing application documents from the listed company within 1 year; and take the disciplinary action against its signing sponsor representative of circulating a notice of criticism, giving a public censure, or refusing to accept any offering and listing application documents and information disclosure documents signed by him or her within 3 months to 1 year.

If the realized profit fails to reach 50 percent of the earnings forecast due to any reason other than force majeure, the Exchange may take the disciplinary action against the listed company and its board chairman, general manager, and chief financial officer of giving a public censure, or refusing to accept any offering and listing application documents from the listed company within 3 years; and take the disciplinary action against its signing sponsor representative of giving a public censure, or refusing to accept any offering and listing application documents and information disclosure documents signed by him or her within 1 to 2 years.

If a CPA fails to exercise diligence and care in issuing an audit report on the earnings forecast as provided in the preceding two Paragraphs, the Exchange may take the disciplinary action against the CPA of circulating a notice of criticism, giving a public censure, or refusing to accept any offering and listing application documents and information disclosure documents signed by him or her within 1 year.

Article 52 Any supervised person dissatisfied with any disciplinary action taken by the Exchange under Items (2) to (6) of Article 40 may apply to the Exchange for review of the disciplinary action in accordance with the *Measures of Shanghai Stock Exchange for the Implementation of Reviews*.

Article 53 During the offering and listing review, if the Exchange identifies any suspected violation of securities law by any listed company and its controlling shareholder, *de facto* controller, directors, supervisors, senior officers, sponsor, securities service providers and their relevant personnel, and other persons with disclosure obligations, the Exchange will legally report the suspected violation to the CSRC for investigation.

Article 54 The Exchange will establish an integrity publicity system for institutions and individuals, including but not limited to listed companies and their controlling shareholders,

de facto controllers, directors, supervisors and senior officers, as well as sponsors, securities service providers and their relevant personnel, whereby supervisory measures or disciplinary actions taken by the Exchange against them will be made public, put into their integrity records and reported to the CSRC.

If any of the above supervised persons in the preceding Paragraph has been imposed such supervisory measures and disciplinary actions as temporary rejection of documents from the person and identification as unsuitable for the person's position by other stock exchanges and other national securities trading venues approved by the State Council, the Exchange will, according to its business rules, refuse to accept relevant documents submitted or signed by the person within the corresponding period or identify the person as unsuitable to serve as a director, supervisor, or senior officer of a listed company, and suspend the review of other accepted documents submitted or signed by the person or require the relevant listed company to dismiss the person.

The Exchange will regularly assess the quality of professional activities of sponsors and securities service providers during the offering and listing of listed companies' securities on the Exchange. The findings of the assessment will be used to inform the offering and listing review.

Chapter V Supplementary Provisions

Article 55 The *Implementing Rules of the Shanghai Stock Exchange for Reduction of Shareholdings by Shareholders, Directors, Supervisors, and Senior Officers of Listed Companies* do not apply to reduction of shares acquired from a listed company's stock offering to specified investors in accordance with the *Registration Measures* and these *Rules*, except for the provisions of Articles 9 and 10 thereof on prohibiting shareholding reduction.

Article 56 The provisions of these *Rules* on offering of stocks by listed companies apply to the offering of additional securities-backed depositary receipts by red chip enterprises. If there are no such provisions in these *Rules*, the relevant rules of the Exchange on depositary receipts shall apply.

Article 57 These *Rules* and any amendment hereto shall come into force after being deliberated and adopted by the Board of Governors of the Exchange and approved by the CSRC.

Article 58 The Exchange reserves the right to interpret these *Rules*.

Article 59 These *Rules* shall be implemented as of the date of issuance. The *Rules Governing the Review of Offering and Listing of Securities by Companies Listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange* (Shangzhengfa [2020] No. 50) and the *Q&As on the Review of Offering and Listing of Securities by Companies Listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange* (Shangzhengfa [2020] No. 52) released by the Exchange on July 3, 2020 shall expire on that same day.