

## Annex 2-2:

### **Drafting Notes on the Guidelines for Preliminary Review of the Listing of China Depositary Receipts under the stock Connect Scheme between Shenzhen Stock Exchange and Overseas Stock Exchanges (Draft Proposal for Public Consultation)**

In order to regulate the preliminary review arrangement of the listing of China Depositary Receipts under the Stock Connect Scheme between Shenzhen Stock Exchange (“SZSE”) and overseas stock exchanges, protect the legal rights of investors, SZSE formulate *Guidelines for Preliminary Review of the Listing of China Depositary Receipts under the stock Connect Scheme between Shenzhen Stock Exchange and Overseas Stock Exchanges* (Draft Proposal for Public Consultation) (“**Preliminary Review Guidelines**”). The relevant situation is now explained as follows:

#### 1. Drafting background

Recently, the China Securities Regulatory Commission publicly solicited opinions on the “*Provisions on the Supervision and administration of Depositary Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchanges (Draft proposal for public consultation)*” (the “**Provisions**”). According to the *Provisions* and *Interim Measures for the Listing and Trading of Depositary Receipts under the Stock Connect Scheme between Shenzhen Stock Exchange and Overseas Stock Exchanges* (draft proposal for public consultation), SZSE conducts a pre-review on whether overseas issuers meet the listing requirements of China depositary receipts (“CDRs”) and other relevant issues. In order to achieve an orderly connection with the upper rules, SZSE drafted the *Preliminary Review Guidelines*. The main drafting ideas are as follows:

##### (1) Adhering to the principle of openness and transparency

The *Preliminary Review Guidelines* stipulate the important aspects of preliminary review and the overall time limit, and explicit that SZSE will disclose information such as the preliminary review application, process, progress and results of the listing preliminary review, accept social supervision, and ensure that the reviewing time is predictable and process, as well as the result can be expected.

##### (2) Learning from the experience of “Shanghai-London Stock Connect” and the practice of the ChiNext registration system review.

The *Preliminary Review Guidelines* are consistent with the framework of the “Shanghai-London Stock Connect”. For handling of special matters such as processing time limit, non-acceptance situations, suspension and termination, resumption of preliminary review, reporting and verification, etc., have been improved refer to the relevant regulations for the initial review of the ChiNext Market registration-based system.

#### 2. Main contents of *Preliminary Review Guidelines*

The *Preliminary Review Guidelines* consist of 5 chapters, including general provisions, preliminary review procedures, handling of special situations, self-regulation, and supplementary provisions, with a total of 36 articles. Major contents are laid out as follows:

##### (1) Application and acceptance

If an overseas issuer submits the application documents for the preliminary review of the listing of CDRs,

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SZSE will check the completeness and format of application documents within 5 working days on receiving the application documents. If the application documents are required to be corrected, the time limit shall not exceed 30 working days.

(2) Preliminary procedure

First, the listing preliminary review department of SZSE shall submit the first round of written feedback within 10 working days from the date of acceptance of the application documents. If SZSE has no feedback or the overseas issuer has submitted its response and amendment of application documents as required, it will be submitted to the Listing Committee of SZSE for deliberation. Second, the Listing Committee of SZSE will examine the preliminary review report and the application documents issued by the listing preliminary department, and put forward deliberation opinions. SZSE will form final listing preliminary opinions based on the deliberations of the Listing Committee.

(3) The time limit for listing preliminary review and response

SZSE will issue listing preliminary review opinions within 40 working days from the date of accepting the related application documents. The total time period for overseas issuers, their sponsors, and securities service institutions to respond to the feedback from SZSE shall not exceed 3 months. Suspension of preliminary review, request for instructions from the competent authority, implementation of the opinions from the Listing Committee, postpone deliberation, request for special inspection, etc. are not counted in the aforementioned time limit.

(4) The handling of special matters

The *Preliminary Review Guidelines* stipulate the specific circumstances for the suspension and termination of the preliminary review, and clarify the handling principles for special matters such as the resumption of the preliminary review, reporting and verification, and media reports.

(5) Self-regulation

If overseas issuers and their directors, supervisors, senior managers, sponsors, securities service institutions, and related personnel violate relevant regulations, SZSE may take self-regulatory measures or implement disciplinary sanctions in accordance with the regulations.

Hereby explain.