

Annex 1-1

Interim Measures for the Listing and Trading of Depository Receipts under the Stock Connect Scheme between Shenzhen Stock Exchange and Overseas Stock Exchanges

Chapter I General Provisions

Article 1 The *Measures* are formulated in accordance with the *Securities Law of the People's Republic of China* (the “**Securities Law**”), the *Opinions on Launching the Pilot Program of Domestic Offering of Stocks or Depository Receipts by Innovative Enterprises*, the *Administrative Measures of Offering and Trading of Depository Receipts (Trial)* (the “**Administrative Measures of Depository Receipts**”), the *Administrative Measures of Information Disclosure of Listed Companies* (the “**Administrative Measures of Information Disclosure**”), the *Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchanges* (the “**Supervision and Administration Provisions**”), and other applicable laws, administrative regulations, departmental rules, and normative documents (collectively “**domestic laws**”), and the market rules of the Shenzhen Stock Exchange to regulate the listing, trading, cross-border conversion, and information disclosure of or in relation to depository receipts under the Stock Connect Scheme between Shenzhen Stock Exchange (the “**SZSE**”) and overseas stock exchanges (“**depository receipts under the Stock Connect Scheme**”), maintain an orderly market, and protect the lawful rights and interests of investors.

Article 2 The term “depository receipts under the Stock Connect Scheme” as used in the *Measures* refers to the depository receipts issued and listed on the main board of SZSE by qualified issuer of the underlying overseas securities (“**CDRs**”) as well as the depository receipts issued and listed on overseas stock exchanges by qualified SZSE-listed domestic companies (“**GDRs**”).

The issuer of underlying overseas securities (“**Overseas Issuer**”) as specified in the preceding paragraph shall be a listed company on overseas stock exchanges recognized by the China Securities Regulatory Commission (the “**CSRC**”).

The *Measures* are applicable to the listing, trading, cross-border conversion, information disclosure, and other activities of or in relation to CDRs. Trading activities not covered herein shall be governed by the *Trading Rules of Shenzhen Stock Exchange* (the “**Trading Rules**”) and other market rules of the SZSE.

The *Measures* are applicable to the cross-border conversion, listing of the underlying shares, information disclosure, and other activities in relation to the GDRs in the SZSE market. Matters not covered herein shall be governed by the applicable market rules including the *Rules Governing the Listing of Shares on Shenzhen Stock Exchange* (the “**Shares Listing Rules**”), the *Trading Rules* and

other market rules of the SZSE.

The term “cross-border conversion” as used in the *Measures* refers to the conversion of underlying shares into depository receipts (“**creation**”) and the conversion of depository receipts into underlying shares (“**redemption**”).

Article 3 The following market entities who intend to participate in businesses involving the depository receipts under the Stock Connect Scheme shall abide by the domestic laws and the market rules of the SZSE, and accept the market self-regulatory measures of the SZSE:

- (1) overseas issuers underlying CDRs and their directors, supervisors, senior executives, CDR holders, domestic offices for securities affairs, domestic representatives for information disclosure, *de facto* controllers, and acquirers;
- (2) depositories of the depository receipts under the Stock Connect Scheme, CDR sponsors and their sponsor representatives, securities service providers and their relevant personnel;
- (3) CDR market makers, domestic securities companies engaged in the cross-border conversion of CDRs (“**Chinese cross-border conversion institutions**”), the overseas securities institutions engaged in the cross-border conversion of GDRs (“**overseas cross-border conversion institutions**”) and the SZSE members appointed and authorized by overseas cross-border conversion institutions; and
- (4) other market entities as specified by the SZSE.

The directors, supervisors, and senior executives in the *Measures* refer to the directors, supervisors, senior executives, or other personnel performing similar duties in the overseas issuer. If the overseas issuer does not have supervisors, supervisory board, or other personnel or organizational arrangement performing similar duties, the provisions in the *Measures* and other provisions of the SZSE on supervisors and supervisory board shall not apply.

Article 4 Where the ownership structure, corporate governance, operating rules, and other aspects of an overseas issuer are governed by the laws and rules of its place of incorporation, the overseas issuer shall make an adequate disclosure of the differences between applicable laws and rules and domestic laws and rules, as well as all measures it has taken to implement all provisions on the investor protection as required by law.

CDR sponsors, depositories, and relevant securities service providers shall faithfully and diligently perform all of their duties and obligations in accordance with domestic laws, the market rules of the SZSE, and other relevant rules and agreements, and shall not harm the lawful rights and interests of CDR holders.

Article 5 Any CDR to be listed and traded on the SZSE will be registered with, placed under

the custody of, and settled at the China Securities Depository and Clearing Corporation Limited (the “CSDC”).

Chapter II Listing of CDRs

Article 6 Any overseas issuer who applies for the listing of CDRs on the SZSE for the first time shall:

- (1) meet the requirements of the *Securities Law* and the *Administrative Measures of Depository Receipts* on the public offering of CDRs and receive the administrative permission for public offering from the CSRC;
- (2) have an average market capitalization of not less than RMB 20 billion, per the closing price of the underlying shares, over the 120 trading days prior to the offering application date, calculated at the middle price of RMB exchange rate announced by the People’s Bank of China on the day prior to the offering application date;
- (3) have been listed on the overseas stock exchange for at least 3 years and meet the other conditions about duration of listing agreed upon by the CSRC and overseas securities regulator according to the market stratification of the exchange of the overseas underlying shares (the “overseas exchange”);
- (4) seek the listing of not less than 50 million units of CDRs representing not less than RMB 500 million of corresponding underlying shares at market value (calculated at the latest closing price of the underlying shares and the middle price of RMB exchange rate announced by the People’s Bank of China on the day prior to the offering application date);
- (5) meet any other requirements as required by the SZSE.

The SZSE may adjust the CDR listing requirements as appropriate for the market.

Article 7 The application of an overseas issuer for listing of CDRs on the SZSE will be reviewed by the SZSE. The overseas issuer shall submit relevant application documents for review (“review application documents”) in accordance with Article 5 of the *Supervision and Administration Provisions* and the requirements of the SZSE.

Any overseas issuer applying for an adjustment to the application of disclosure requirements or ongoing supervisory rules of the SZSE will submit the specific rules involved in such adjustment, reasons for adjustment, alternative plan, and the legal opinion on the matter issued by a law firm.

The content of the review application documents shall be truthful, accurate, complete, concise, clear and easy to understand.

Article 8 Within five working days after receiving the review application documents, the SZSE will check the documents and make a decision on whether to accept them, inform the

overseas issuer and its sponsor, and publicize it on the website of the SZSE, unless otherwise specified by the SZSE. On the day the SZSE accepts the review application documents, the overseas issuer shall pre-disclose the prospectus, offering sponsorship letter, listing sponsorship letter, audit report and legal opinion on the website of SZSE.

If the overseas issuer publishes the review application documents and other disclosure documents on its website or other media, such documents should be identical in content to its disclosure on the website of SZSE and no earlier than the time of disclosure on the website of SZSE.

Article 9 The SZSE will conduct review in accordance with the *Measures* and other relevant market rules and, within the specified time limit, form its review opinion and notify the overseas issuer and its sponsor. The specific procedures and requirements for the review shall be prescribed separately by the SZSE.

Article 10 After completing the review, the SZSE will submit its review opinion and the application documents of the overseas issuer to the CSRC. The overseas issuer shall publish the prospectus, offering sponsorship letter, listing sponsorship letter, audit report and legal opinion on the websites of the CSRC and the SZSE simultaneously.

Article 11 Where an overseas issuer applies for the listing of CDRs representing existing shares, the overseas issuer shall disclose the initial creation announcement.

The overseas issuer shall disclose, in the initial creation announcement, the Chinese cross-border conversion institutions that will be engaged in the cross-border conversion for the CDR, and the specific arrangements for initial creation, among other information.

Article 12 After the publication of the prospectus or the initial creation announcement, the overseas issuer may arrange roadshows, to be held on-site or through telephone or the internet, to investors who meet suitability management requirements (“**qualified investors**”).

If the overseas issuer intends to list CDRs with newly issued shares as the underlying securities, it shall conduct CDR issuance and underwriting activities in accordance with the *Measures for the Administration of Securities Issuance and Underwriting*, the *Supervision and Administration Provisions*, the *Implementation Rules of Online Offering for the Initial Public Offering of Shares in the Shenzhen Market*, the *Implementation Rules of Offline Offering for the Initial Public Offering of Shares in the Shenzhen Market*, and other relevant regulations.

The Chinese cross-border conversion institutions may create the CDRs through cross-border conversion in accordance with the provisions of the *Measures* and other market rules of the SZSE as well as the arrangements outlined in the prospectus, depository agreement, and initial creation

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announcement (if applicable), and may provide for the transfer of CDRs through block trade or otherwise in their agreement with qualified investors. For the issuance and listing of CDRs with newly issued shares as the underlying securities, the cross-border conversion shall commence after the listing of the CDRs in accordance with the agreement in the depository agreement. For the listing of CDRs with existing shares as the underlying securities, the initial creation may commence prior to the listing of the CDRs in accordance with the arrangement in the initial creation announcement.

The acceptance by Chinese cross-border conversion institutions of cross-border conversion requests from non-specific qualified investors and the subsequent issuance of the corresponding CDRs to such investors by the depository shall be governed by rules separately prescribed by the SZSE.

Article 13 For the listing of CDRs with existing shares as the underlying securities, when engaging in the initial creation, the overseas issuer and Chinese cross-border conversion institutions shall comply with relevant laws and regulations and treat investors fairly. The sponsor shall establish the initial creation plan and organize its implementation, and exercise effective supervision over the compliance and fairness of such business activities.

During the initial creation period, the depository shall help complete the creation of the CDRs in accordance with relevant terms and agreements and shall not process CDR redemption requests.

Article 14 After the completion of underwriting or the end of the initial creation period, if the amount and corresponding market value of the CDRs meet the conditions under Item (4), Paragraph 1, Article 6 of the *Measures*, the overseas issuer shall apply in a timely manner to the SZSE for the listing of the CDRs.

Article 15 Any overseas issuer applying for the initial listing of CDRs on the SZSE will submit the following documents:

- (1) the listing application;
- (2) the administrative permission document of the CSRC for the public offering;
- (3) the document issued by the overseas custodian certifying that the underlying shares have been placed under custody;
- (4) the document certifying that the CDRs have been placed under the custody of the CSDC;
- (5) (if applicable) any required additional financial materials and statements regarding relevant material events for the period after the review and before the listing application;
- (6) relevant materials on the domestic office for securities affairs and the domestic representative(s) for information disclosure;
- (7) the listing sponsorship letter;
- (8) the listing announcement; and

(9) other documents required by the SZSE.

The decision on whether to approve the listing of CDRs will be made by the SZSE within 2 trading days after receipt of the full set of listing application documents. No further review by the Listing Committee is required except in cases where major changes have occurred in relevant matters during the period of review by the SZSE. The SZSE reserves the right to postpone the decision-making process under exceptional circumstances.

Article 16 Any overseas issuer intending to list additional CDRs arising from new issues or rights issues etc. shall submit, among other documents, the listing application, the administrative permission document of the CSRC for the public offering, and the document certifying that the CDRs to be newly listed have been placed under the custody of the CSDC.

Article 17 To list CDRs on the SZSE for trading, the overseas issuer shall sign and execute a listing agreement with the SZSE to specify the rights and obligations of both parties and other relevant matters.

An overseas issuer shall, within 2 trading days before the listing of CDRs, disclose relevant documents including the listing announcement, the articles of association, listing sponsorship letter and legal opinions in accordance with the rules of the SZSE.

Article 18 A listing announcement shall meet the content and format requirements of the SZSE and include the matters below:

- (1) an overview of the current offering and listing, covering the amount cap specified in the administrative permission document of the CSRC, result of the offering or initial creation of the CDR, and other relevant matters;
- (2) key trading information of the underlying overseas shares on the overseas stock exchange market in the 10 trading days before the disclosure of the listing announcement, including the daily highest price, lowest price, closing price, and trading volume, among others;
- (3) information concerning the listing and trading of the CDRs in question, including the place and date of listing, listing volume, the formula to calculate the closing price for the day before first day of listing, cross-border conversion arrangements, the registration and clearing institution, Chinese cross-border conversion institutions, and market makers;
- (4) (if applicable) the names of the top 10 CDR holders and their holding and relative holding ratio of the CDRs;
- (5) (if applicable) any major changes to the matters disclosed in the prospectus prior to listing, and any major update on the key accounting information and financial indicators of the overseas issuer; and
- (6) other matters that, in the opinion of the overseas issuer and the SZSE, should be disclosed.

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Article 19 The review application documents and listing application documents submitted by an overseas issuer to the SZSE will be signed by the directors, supervisors and senior executives of the overseas issuer.

The overseas issuer shall warrant that the application documents and the ongoing disclosure documents submitted to the SZSE are true, accurate, and complete, free of misrepresentations, misleading statements, and major omissions.

Article 20 Unless otherwise specified by the SZSE, application documents and ongoing information disclosure documents submitted by the overseas issuer shall be in simplified Chinese.

Both the overseas issuer and relevant information disclosure obligors shall disclose the listing and ongoing disclosure documents on the SZSE website in accordance with the rules of the CSRC and the SZSE.

Article 21 An overseas issuer shall establish a securities affairs office in Chinese mainland and engage domestic representative(s) for information disclosure, who will be responsible for the information disclosure and regulatory communications in connection with the listing of the CDRs. The domestic representative(s) for information disclosure shall have the qualifications equivalent to those of the secretary of the board of directors of a domestic listed company, be familiar with the domestic disclosure rules and requirements, and have good command of the Chinese language.

The overseas issuer shall establish effective communication channels with domestic investors, regulators and the SZSE, protect the lawful rights and interests of domestic investors as provided by laws, and maintain smooth communication with domestic regulators and the SZSE.

Article 22 When applying for the initial listing of CDRs on the SZSE, the overseas issuer shall engage qualified sponsor and qualified securities service providers such as law firms and accounting firms to provide relevant services.

The sponsor shall sign a sponsorship agreement with the overseas issuer to specify the rights and obligations of both parties during the period of the overseas issuer's application for listing and the period of continuing supervision and guidance.

Sponsor and securities service providers may engage overseas institutions to assist in their work, but such arrangement shall not exempt them from assuming such responsibilities as provided by laws.

Chapter III Ongoing Information Disclosure for CDRs

Section 1 General Rules

Article 23 The overseas issuer and relevant information disclosure obligors shall disclose, in the SZSE market and in a timely manner, all major information that may materially affect the trading price of the underlying shares, CDRs, and their derivative products. In the case of any significant change in the information disclosed that may materially affect the trading price of the overseas issuer's underlying shares, CDRs, and their derivative products, the overseas issuer shall announce the relevant progress in a timely manner.

Both the overseas issuer and the relevant information disclosure obligors shall ensure that the disclosed information is true, accurate, complete, concise, clear and easy to understand, and free of misrepresentations, misleading statements, and major omissions.

Article 24 The overseas issuer and the relevant information disclosure obligors shall disclose important information to domestic and overseas investors in a fair manner, ensuring that domestic and overseas investors can equally access the same information, and shall not reveal in advance or leak any major undisclosed information.

The overseas issuer and related information disclosure obligors shall not provide any major undisclosed information of such issuer to any organization or individual during performance updates, analyst meetings, roadshows, investor surveys, or other occasions or forms of communication regarding the production and operation, financial condition of the issuer, or other matters.

If the overseas issuer and the relevant information disclosure obligors submits documents and transmits information involving undisclosed material information to the shareholders, *de facto* controller of the overseas issuer or other third parties, the overseas issuer shall fulfill the information disclosure obligation in a timely manner.

Article 25 Any information disclosed on the overseas stock exchange market by the overseas issuer and the relevant information disclosure obligors shall be simultaneously disclosed in the SZSE market.

The overseas issuer and the relevant information disclosure obligors shall in principle release announcements during the disclosure window in non-trading hours. When the overseas issuer and relevant information disclosure obligors make disclosures in the overseas stock exchange market at a time outside the disclosure window in non-trading hours specified by the SZSE, the same disclosures must be made within SZSE's next closest disclosure window in non-trading hours. An overseas issuer may release announcements during the following non-trading hour disclosure windows:

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(1) After-hours disclosure window from 3:30 p.m. of a trading day to 8:30 a.m. of the following day, except during the system maintenance hour; where the following day of a trading day is a non-trading day, the after-hours disclosure window for such trading day shall be from 3:30 p.m. to 11:30 p.m.

(2) Mid-day disclosure window from 11:30 a.m. to 12:30 p.m. of a trading day.

(3) Non-trading day disclosure window from 1:00 p.m. of a non-trading day or the last day of a continuous non-trading period, to 8:30 a.m. of the following day, except during the system maintenance hours.

In the case of a major event requiring immediate disclosure, it may release announcements during the trading-hour disclosure windows.

The overseas issuer and the relevant information disclosure obligors shall not resort to such means as news release or Q&A with reporters in lieu of information disclosure or to divulge unpublished material information.

If necessary, the overseas issuer and the relevant information disclosure obligors may publish material information through such means as press conference, media interview, company website or online we-media during non-trading sessions, provided that the company shall publish an relevant announcement thereon before the start of the next trading session.

Article 26 Information disclosed in the SZSE market by the overseas issuer and relevant information disclosure obligors shall be consistent with that disclosed in the overseas stock exchange market.

In the case of a substantial difference in the content of domestic and overseas disclosure, the overseas issuer and relevant information disclosure obligors shall provide specific explanations to the SZSE and disclose the modification or supplementary announcements as required by the SZSE.

Article 27 The overseas issuer shall keep up-to-date with the major reports or market rumors published by domestic and overseas public media; timely verify any information contained therein that may materially affect the trading price of its underlying shares, CDRs, and their derivative products; and, if necessary, disclose its verification or issue clarifications.

The SZSE may require the overseas issuer to verify and clarify any report or rumor that, in the opinion of the SZSE, may materially affect the trading price of the overseas issuer's underlying shares, CDRs, and their derivative products.

Article 28 If the information to be disclosed by the overseas issuer and the relevant information

disclosure obligors is a trade secret or commercially sensitive information, and the disclosure or performance of the relevant obligations in accordance with the *Measures* may lead to unfair competition, harm the interests of the company and investors or mislead investors, the disclosure of such information may be granted a moratorium or exempted in accordance with the relevant provisions of the SZSE.

If the information to be disclosed is determined to be a state secret in accordance with the laws of China and its disclosure or performance of relevant obligations in accordance with the *Measures* may result in its violation of the laws of China or endanger the national security of China, it may be exempted from disclosure in accordance with the relevant provisions of the SZSE.

Overseas issuers and relevant information disclosure obligors should be prudent in the determination of matters suspended or exempted from disclosure, and shall not arbitrarily expand the scope of matters suspended or exempted from disclosure. If the information suspended from disclosure has been leaked, it should be disclosed in a timely manner.

Article 29 An overseas issuer or a relevant information disclosure obligor may apply to the SZSE for an adjustment to the application of the disclosure requirements or ongoing supervisory rules of the SZSE if such requirements or rules make it difficult for such issuer or obligor to comply with the rules of where it is incorporated or listed as well as with the standards generally accepted in the overseas stock exchange market in practice, provided that the issuer or obligor shall state the reasons, offer an alternative plan, and engage a law firm to issue a legal opinion on the matter. If the SZSE believes that such adjustment is not warranted by law, such issuer or obligor shall continue to be bound by the relevant rules of the SZSE.

Article 30 The overseas issuer and relevant information disclosure obligors shall adopt a direct information disclosure channel in accordance with the market rules of the SZSE. The SZSE will conduct formality examination regarding the format of the disclosure of the overseas issuer and relevant information disclosure obligors.

Article 31 The SZSE may, in view of the circumstances or the application of an overseas issuer, suspend or resume the trading of the CDRs and corresponding derivative products to ensure the timeliness and fairness of information disclosure.

The suspension and resumption of trading of CDRs and their derivative products shall comply with the *Measures* and the relevant provisions of the SZSE. An overseas issuer shall apply for suspension and resumption of trading in accordance with provisions of SZSE in circumstances prescribed below; where anyone fails to apply for suspension and resumption of trading as required, the SZSE may decide to suspend and resume trading of CDRs and their derivative products:

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- (1) failure to disclose periodic reports within the prescribed period, or where more than half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the periodic reports and where more than half of the directors are unable to do so before the expiration of the statutory period;
- (2) financial accounting reports that have been ordered to be corrected by the CSRC due to material accounting errors or false entries, but have not been corrected within the prescribed period;
- (3) significant deficiencies in information disclosure which are required to be corrected by the SZSE but are not corrected within the required period;
- (4) where a general offer is made as a result of the acquirer's fulfillment of its obligations to make a tender offer, or where the acquirer makes a general offer for the purpose of terminating the listing status of the overseas issuer; or
- (5) other circumstances specified by the SZSE.

An overseas issuer planning to issue CDRs for the purchase of assets, change of control, tender offer and other material matters may apply to the SZSE for suspension of trading in accordance with the relevant provisions of the CSRC and the SZSE. Overseas issuers should apply for suspension of trading in a prudent manner, specify the reasons for suspension, reasonably determine the duration of suspension, shorten the duration of suspension as far as possible and apply for resumption of trading in a timely manner.

An overseas issuer shall promptly inform the SZSE and make relevant disclosures, if it is suspended from trading, whether by application or as ordered, or if its listing has been suspended or terminated on the overseas stock exchange market. The SZSE will address the situation according to the circumstances.

Section 2 Periodic Reports and *Ad Hoc* Reports

Article 32 An overseas issuer shall prepare and disclose its periodic reports and *ad hoc* reports in accordance with the *Securities Law*, the *Administrative Measures of Information Disclosure*, the *Administrative Measures of Depository Receipts*, and the *Supervision and Administration Provisions* as well as the *Measures*.

Article 33 The annual reports and semiannual reports of an overseas issuer shall, at a minimum, contain the disclosed contents specified in the *Securities Law*, the *Administrative Measures of Information Disclosure*, the *Administrative Measures of Depository Receipts*, and the *Supervision and Administration Provisions*.

Any overseas issuer that disclose quarterly reports, either voluntarily or as required by the overseas stock exchange market, shall simultaneously disclosed such reports in the SZSE market.

Any overseas issuer who has disclosed annual reports, semiannual reports, or quarterly reports in the format required by the overseas stock exchange market may continue to prepare periodic reports in such format, provided that the disclosure of the contents specified under Paragraph 1 of this Article and the completeness of such disclosure are not compromised.

Article 34 Overseas issuers may prepare periodic reports in RMB or foreign currencies. If foreign currencies are used, information on the CNY central parity rate at the China Foreign Exchange Trade System on the reporting date should be disclosed.

Article 35 Any material transaction conducted by an overseas issuer, other than a transaction in the ordinary course of business, shall be timely disclosed if it reaches any of the following thresholds:

- (1) total value of the assets involved in the transaction (whichever higher of the book value and the appraised value) represents 10 percent or more of the audited total assets of the overseas issuer in the most recent accounting year;
- (2) transaction value (including liabilities, fees and expenses assumed under the transaction) represents 10 percent or more of the audited net asset of the overseas issuer in the most recent accounting year; or
- (3) a target of the transaction (e.g., equity) whose operating revenue corresponding in the most recent accounting year is over RMB 50 million and represents 10 percent or more of the audited operating revenue of the overseas issuer in the most recent accounting year.

The overseas issuer shall also timely disclose any transaction that does not reach the preceding thresholds but nevertheless may materially affect the trading price of its underlying shares, CDRs, and their derivative products.

Transactions occurring between an overseas issuer and its controlled subsidiaries within the scope of consolidated statements or between the said controlled subsidiaries are exempt from disclosure in accordance with the preceding paragraph, unless otherwise provided by the CSRC and the SZSE.

Article 36 An overseas issuer shall timely disclose any transaction with related parties that reaches any of the following thresholds:

- (1) any transaction valued at RMB 10 million or above with a related natural person;
- (2) any transaction valued at RMB 50 million or above with a related legal person and representing 0.1 percent or more of the audited total assets of the overseas issuer in the most recent accounting year; or
- (3) any transaction that, in the opinion of the overseas issuer or the SZSE, may cause the overseas issuer to tilt toward the interest of any related party.

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The recognition of related parties and related-party relationship shall be made in reference to the disclosure requirements in the initial application for domestic public offering of CDRs by the overseas issuer.

Article 37 In the event of a transaction with related parties under Article 36 of the *Measures*, the pricing of which meets one of the following conditions indicating fairness, it may be disclosed in aggregate in the annual and interim reports:

- (1) priced reasonably according to government pricing or within government guidelines;
- (2) priced according to open market prices; or
- (3) priced according to the public tender, public auction and other methods of pricing.

If the relevant transaction with related parties does not meet the conditions indicating fairness as stipulated in the preceding paragraph, or probably has an important impact on the overseas issuer's assets, liabilities, equity and operating results, the overseas issuer shall disclose it in a timely manner.

Article 38 The overseas issuer shall, reasonably estimate the amount of continuing related party transactions of each category for the current year, and when the estimated amount reaches any of the thresholds set forth in Article 36 of the *Measures*, fulfill information disclosure obligations. If the actual amount of continuing related party transactions exceeds the estimated amount by an excess that reaches any of the thresholds set forth in Article 36 of the *Measures*, the overseas issuer shall make timely disclosure.

The overseas issuer shall disclose the actual implementation of the continuing related party transactions on an aggregate basis by category in its annual and semiannual reports.

Article 39 An overseas issuer shall timely disclose any of the following material events that, may significantly affect the trading price of its underlying shares, CDRs, and their derivative products, and shall state the cause, current status, and potential legal consequences of the event:

- (1) any major litigation or arbitration involving an amount representing 10 percent or more of the absolute value of the audited total assets of the overseas issuer in the most recent accounting year;
- (2) major financial assistance;
- (3) matters related to repurchase of underlying shares and depository receipts;
- (4) changes in the underlying shares or depository receipts held by the directors, supervisors and senior executives; and
- (5) other material events prescribed by the *Securities Law* and the CSRC.

The SZSE may require the overseas issuer to timely disclose any matter that, in the opinion of the SZSE, may significantly affect the trading price of the underlying shares, CDRs, and their derivative products.

Article 40 An overseas issuer may disclose performance forecasts, performance updates, and earnings forecasts. Any such information disclosed by the overseas issuer on the overseas stock exchange market shall be simultaneously disclosed in the SZSE market.

Any overseas issuer that discloses performance forecasts, performance updates, or earnings forecasts shall do so with prudence and objectivity, and shall not leverage such information to manipulate the trading price of its underlying shares, CDRs, and their derivative products.

Section 3 Miscellaneous

Article 41 Unless otherwise specified by laws, administrative regulations, or the CSRC, an overseas issuer carrying out material transactions, related-party transactions, or other major matters specified in this Chapter may do so in accordance with the relevant rules of the place of incorporation and the overseas market and the decision-making powers and procedures set out in its articles of association.

Any overseas issuer that submits relevant matters for deliberation at the shareholders' general meeting in accordance with the provisions of the preceding paragraph shall disclose the matters in a timely manner. The meeting materials and other documents of the shareholders' general meeting prepared by the overseas issuer according to the relevant provisions of the overseas stock exchange market shall be disclosed together with the notice of the shareholders' general meeting.

Article 42 The board of directors, board of supervisors, and independent directors of an overseas issuer shall actively perform their duties and express their opinions in accordance with the rules of where the overseas issuer is incorporated and of the overseas listing place as well as the standards generally accepted in the overseas stock exchange market in practice. If the SZSE believes that any relevant matter has a material impact on the overseas issuer or investors, it may require the board of directors, board of supervisors, and independent directors of the overseas issuer to express their opinions on the matter.

Any overseas issuer or its director, supervisor, or senior executive that signs a written confirmation or makes a statement or undertaking in accordance with the relevant domestic rules may, in compliance with the *Securities Law*, make appropriate adjustment to the wording of such confirmation, statement, or undertaking in view of the rules of where the overseas issuer is incorporated and of the overseas stock exchange market as well as the standards generally accepted in overseas markets in practice.

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Article 43 An overseas issuer and depository shall, in accordance with the terms of the depository agreement, timely release announcement concerning the exercise of rights of CDR holders and specify the detailed arrangements including when and how to exercise such rights and the results of such exercise to ensure CDR holders may effectively exercise their rights.

Where the overseas issuer and depository intend to collect voting intents of the CDR holders through the website provided by the SZSE or its subsidiaries or affiliates, they shall do so in compliance with the rules of the SZSE and the terms of relevant agreements, and release an announcement to the market as required by the depository agreement.

Article 44 The overseas issuer shall, in its annual reports and semiannual reports, disclose the implementation of and changes to the depository and custodian arrangements during the reporting period, as well as the names of the top 10 CDR holders and their holding and relative holding ratio of the CDRs at the end of the reporting period. The overseas issuer shall also disclose any of the following circumstances in a timely manner:

- (1) change of the depository or the custodian;
- (2) the underlying assets under custody have been pledged, misappropriated, frozen by the judicial authorities, or subjected to other changes in ownership;
- (3) any major change to the depository agreement or the custodian agreement;
- (4) change in the conversion ratio between CDRs and the underlying shares; or
- (5) other circumstances required by the CSRC and the SZSE to be disclosed.

Any overseas issuer intending to change the conversion ratio between CDRs and the underlying shares shall obtain the prior approval of the SZSE.

In the event of the circumstances under Item (1) or (2) of the first paragraph of this Article or any major change to the custodian agreement, the depository shall promptly notify the overseas issuer. The overseas issuer shall then disclose the matter in a timely manner.

Article 45 The shareholders, *de facto* controllers, directors, supervisors, senior executives of the overseas issuer, and investors holding depository receipts issued domestically or overseas by the overseas issuer shall, in accordance with the *Supervision and Administration Provisions* and market rules of the SZSE, make timely disclosure of change in equity, acquisition and change in the holding of depository receipts, and other pertinent information.

Interest of an investor in the shares or depository receipts issued domestically or overseas by an overseas issuer, whether held directly or indirectly by the investor and the persons acting in concert therewith, shall be calculated on a consolidated basis.

The rules of the SZSE regarding the disclosure of change in equity interest in the overseas issuer shall not apply to a depository or custodian when it has reached disclosure threshold due to any change in its holding of the underlying overseas shares arising from depository and custodian arrangements.

Article 46 Where the CDR of an overseas issuer held by an investor and the persons acting in concert therewith, whether through securities trading, transfer by agreement, or other similar arrangements at the SZSE, has reached, will reach, or has exceeded 5 percent of the total CDRs issued by the overseas issuer, such investor and person shall release an indicative announcement within 2 days as of the occurrence of the fact.

After reaching the above threshold, the investor and the persons acting in concert therewith shall release an indicative announcement in the time frame specified in the preceding paragraph each time that their holding of the CDR of such overseas issuer, whether through securities trading, transfer by agreement, or other similar arrangements at the SZSE, has reached, will reach, or has exceeded an additional 5 percent of the total CDRs issued by the overseas issuer.

The investor and the persons acting in concert therewith shall be exempt from the above announcement obligations if they have involuntarily reached the threshold due to an increase or decrease to the total CDRs issued by the overseas issuer; however, they shall perform such obligations if they have actively increased or decreased their holdings thereafter.

Chapter IV Trading of CDRs

Section 1 Investor Suitability Management

Article 47 Subscription for and trading (hereinafter collectively referred to as “trading”) of CDRs is subject to investor suitability management rules.

Members of the SZSE will establish the relevant systems for managing the suitability of CDR investors and conduct investor suitability management.

Any investor who intends to trade CDRs shall meet the suitability management requirements prescribed by the SZSE. Individual investors shall additionally pass the comprehensive suitability assessment organized by SZSE members for CDR investors.

Article 48 Any individual investor who intends to trade CDRs shall satisfy the following requirements:

(1) the daily average value of assets in her/his securities account and fund account over the 20

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trading days before applying for trading CDRs is not less than RMB 500 thousand (excluding the funds and securities acquired from securities financing and securities lending transactions);

(2) 24-month record of securities trading;

(3) there is no serious adverse entry in her/his integrity record; and

(4) she/he is not under any circumstance where she/he would be prohibited or restricted from trading securities by the provisions of domestic laws, market rules of the SZSE, or otherwise.

An institutional investor who intends to trade CDRs shall do so in accordance with domestic laws and market rules of the SZSE.

Article 49 A member of the SZSE will examine whether an investor satisfies the investor suitability requirements for CDR trading and, with respect to an individual investor, conduct a comprehensive evaluation on her/his assets, knowledge, risk tolerance, integrity, and other pertinent aspects.

The member shall focus its evaluation on whether the individual investor has understood the market rules and procedures for trading CDRs and is fully aware of the risks associated with investing in CDRs.

The member shall keep track and stay informed of the trades of individual investors and conduct a follow-up assessment on their risk tolerance at least once every 2 years.

Article 50 A member of the SZSE will obtain a full understanding of the profile of investors who intend to trade CDRs and issue an explicit opinion on their suitability for such transactions. No member shall permit any investor who does not meet the suitability management requirements to trade CDRs.

Article 51 A member of the SZSE will, through appropriate means, adequately disclose to investors the risks associated with CDR trading, remind them to be vigilant about investment risks, and guide them to trade CDRs in a rational and compliant manner.

With respect to any general investor who trades CDRs for the first time, the member shall require the general investor to sign a CDR risk disclosure statement in paper form or electronically. No member shall accept any purchase instructions from a general investor who has not signed the risk disclosure statement.

Article 52 An investor shall acquire an adequate knowledge and understanding of the risks in CDR trading, of the domestic laws, and of the market rules of the SZSE, and, taking into consideration of its risk identification and tolerance capacity, prudentially decide whether to trade CDRs.

An investor, by its holding of CDRs, shall automatically become a party to the depository agreement and be deemed to have agreed to be bound by the terms thereof.

Section 2 Special Trading-Related Rules

Article 53 CDRs to be listed and traded on the SZSE are denominated in RMB, with the pricing unit being “price per CDR unit” and the tick size being RMB 0.01 Yuan.

If an investor intends to trade CDRs through auction trading, the order shall be in 100 units of CDRs or an integral multiple thereof, not exceeding 1 million units of CDRs for a single order. Odd lot of less than 100 units of CDRs shall be traded in a single order.

The SZSE may adjust the pricing unit, tick size, maximum order size, and other parameters as appropriate for the market, and will announce the adjustment to the market.

Article 54 Unless otherwise prescribed by the SZSE, an investor shall not sell any CDRs on the same day they are bought.

Article 55 The SZSE enforces price limit for CDR trading. The price limit ratio is 10 percent, unless otherwise specified by the *Measures*.

The limit price shall be calculated as: limit price = previous closing price \times (1 \pm price limit ratio), rounded to the nearest tick size multiple.

The price limit ratio for the first trading day after 7 or more calendar days of daylong market closure at SZSE will be 20 percent;

In the case of initial listing of CDRs on the SZSE by an overseas issuer with newly issued shares as underlying securities, the provisions of the SZSE’s *Trading Rules* on the price limit for initial public offering of stocks shall apply.

The SZSE may adjust the price limit ratio for CDRs as appropriate for the market.

Article 56 In the case of initial listing of CDRs on the SZSE by an overseas issuer with newly issued shares as underlying securities, the previous closing price of the CDRs shown in the real-time market data for the first day of listing shall be its offering price, unless otherwise prescribed by the SZSE.

In the case of initial listing of CDRs on the SZSE by an overseas issuer with existing shares as

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underlying securities, the previous closing price of the CDRs shown in the real-time market data for the first day of listing shall be the RMB-denominated price converted from the last closing price of the underlying shares on the overseas market (based on the conversion ratio between the CDRs and the underlying shares and the middle price of RMB exchange rate announced by the People's Bank of China on the day prior to the first day of listing), unless otherwise prescribed by the SZSE.

The overseas issuer shall, in accordance with the provisions of the preceding paragraph, calculate and furnish the previous closing price of the CDRs for the first day of listing.

Article 57 Unless otherwise prescribed by the SZSE, in such events as interest distribution, conversion of capital and surplus reserves into share capital, and rights issue by an overseas issuer, the SZSE will, according to the application of the overseas issuer, make ex-rights adjustment to the CDRs listed on the SZSE by reference to the provisions of the *Trading Rules* on the ex-rights treatment of shares.

If the overseas issuer distributes cash dividends, the SZSE will not make ex-dividend adjustment to the CDRs listed on the SZSE, unless otherwise prescribed by the SZSE.

Article 58 Investors, market makers, and Chinese cross-border conversion institutions who participate in the trading of CDRs shall do so in accordance with domestic laws, the *Trading Rules*, the *Measures*, and other market rules of the SZSE, and shall not engage in any abnormal trading activities or disrupt the normal course of trading.

Members of the SZSE will, in accordance with the requirements of the *Trading Rules*, *Membership Management Rules of Shenzhen Stock Exchange* (the “**Membership Management Rules**”), and other market rules of the SZSE, duly perform their responsibilities of administering the trading activities of their clients, and timely identify, manage, and report any abnormal trading activities of their clients during the trading of CDRs.

Article 59 The SZSE will monitor the trading of CDRs on a real-time basis to promptly detect and address any abnormal trading activities that are in violation of the *Trading Rules*, the *Measures*, or other relevant market rules.

If the trading of any CDR shows any fluctuation recognized by the SZSE as abnormal, or is suspected of violating applicable laws, regulations, or rules, the SZSE may impose special trading suspension on such CDRs and announce such suspension; the parties involved shall submit a written report as required by the SZSE.

The time and methods of special trading suspension and trading resumption shall be decided by the SZSE.

Article 60 The SZSE will publish to the market the real-time market data and trading statistics on CDR trading in accordance with the provisions of the *Trading Rules* on trading information of shares and based on its supervisory needs, without regard to the provisions of the *Trading Rules* on the public trading information.

The SZSE will disclose to the market such information as the quantity of outstanding CDRs as of the preceding trading day and the quantity of such CDRs being created through cross-border conversion on the current day.

Article 61 If the trading volume of a single order for CDR is not less than 300 thousand units, or the trading value of such order is no less than RMB 2 million, the order may be executed as a block trade.

The transfer of CDRs by agreement shall be handled with reference to the market rules of the SZSE concerning the transfer of shares by agreement.

Article 62 CDR trading adopts a hybrid trading mechanism combining auction trading and market making trading. Eligible members may apply to the SZSE to provide market making services for CDRs.

Article 63 A market maker for CDRs shall have such obligations as providing two-way quotes for such CDRs and be entitled to the corresponding rights in accordance with the market rules of the SZSE and the market maker agreement.

A market maker for CDRs shall strictly abide by domestic laws, relevant rules of the SZSE, and terms of the market maker agreement; establish a sound information segregation system to prevent conflict of interest between its market making business and other businesses; and not engage in insider trading, market manipulation, or other illegal or rule-breaking activities or seek illegitimate gains through its market making business.

Matters such as the rights, obligations, market making requirements, and supervision and administration of market makers for CDRs shall be governed by rules separately prescribed by the SZSE.

Section 3 Cross-Border Conversion of CDRs

Article 64 A CDR listed and traded on the SZSE may be converted into the underlying overseas shares and vice versa through cross-border conversion by a Chinese cross-border conversion institution in accordance with the rules of the CSRC and the SZSE as well as the provisions of the

prospectus, listing announcement, and depository agreement disclosed by the overseas issuer of the CDR.

Article 65 In the creation of CDRs, a Chinese cross-border conversion institution purchases or otherwise lawfully acquires the underlying shares in the overseas market and delivers such shares to the depository, who then issues the corresponding CDRs according to relevant rules and the terms of the depository agreement. In the redemption of CDRs, the depository cancels the CDRs according to relevant rules and the terms of the depository agreement, and then delivers the corresponding underlying shares to the Chinese cross-border conversion institution.

A qualified investor who intends to participate in the cross-border conversion of CDRs shall engage a Chinese cross-border conversion institution to do so on its behalf, the particulars of which shall be separately provided for by the SZSE.

Article 66 Any member of the SZSE who meets the following requirements may make a filing with the SZSE as a Chinese cross-border conversion institution:

- (1) it is qualified to engage in brokerage and proprietary trading of securities;
- (2) it has experience in international securities business;
- (3) it reaches the classification criteria of securities companies required by the SZSE;
- (4) it was not subject to administrative penalties in the past year over brokerage or proprietary business;
- (5) it meets other requirements prescribed by the SZSE.

Particulars concerning the filing of Chinese cross-border conversion institutions shall be separately provided for by the SZSE.

Article 67 Any Chinese cross-border conversion institution that applies to engage in cross-border conversion of a specific CDR or voluntarily terminate its cross-border conversion for such CDR shall make a filing with the SZSE in accordance with the requirements of the SZSE.

Unless otherwise prescribed by the SZSE, any Chinese cross-border conversion institution that intends to apply to engage in the cross-border conversion of a specific CDR shall have already been announced by the SZSE as a market maker for such CDR.

Article 68 Unless otherwise prescribed by the SZSE, a Chinese cross-border conversion institution shall open a securities account and a fund account dedicated to the cross-border conversion and market making of CDRs, and use its proprietary fund to engage in the cross-border conversion business.

The Chinese cross-border conversion institution shall ensure that the accounts and assets for the cross-border conversion and market making businesses are effectively segregated, managed and accounted for separately from its accounts and assets for other businesses.

Article 69 A Chinese cross-border conversion institution shall authorize and delegate institution(s) with trading qualification in overseas market to trade the underlying overseas shares and conduct related investment activities on its behalf, and report its cross-border conversions and overseas investments to the SZSE.

The Chinese cross-border conversion institution shall conduct lawful and compliant cross-border transactions in strict accordance with state rules on cross-border capital management and the scope of investment and the maximum balance of outstanding assets prescribed by the CSRC, and shall not engage in insider trading, market manipulation or other illegal or rule-breaking activities or seek illegitimate gains through its cross-border conversion business.

Article 70 A CDR depository, when participating in corporate actions such as dividend payout in accordance with the depository agreement, shall comply with the state rules on cross-border capital management and, following its completion of the domestic affairs relating to such corporate actions, timely report to the SZSE details on the cross-border capital flows.

Article 71 The domestic custodian appointed by a Chinese cross-border conversion institution shall report to the SZSE, at the end of each trading day, the cross-border capital flows in connection with the Chinese cross-border conversion institution's cross-border conversion business on that day, and, periodically report the names and balance of outstanding assets of the investments made by the Chinese cross-border conversion institution in the overseas market and other relevant information.

Article 72 Any Chinese cross-border conversion institution who submits a CDR creation application to the depository shall timely deliver the underlying shares lawfully acquired in the overseas market to the depository according to relevant agreements, and timely provide relevant information to the SZSE as required for cross-check by the SZSE.

The Chinese cross-border conversion institution shall ensure that the information reported to the SZSE is true, accurate, complete, and consistent with that in the creation application sent to the depository.

Article 73 A depository for CDRs shall compare the creation application sent by the Chinese cross-border conversion institution with the notice of the overseas custodian confirming receipts of the underlying shares, and, after confirming that the application is accurate, timely submit to the SZSE the current day's issuance information on the CDRs.

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The depository shall submit the issuance information in such format and manner and at such time as specified by the SZSE, and ensure such information is true, accurate, and complete.

Unless otherwise prescribed by the SZSE, the depository shall issue the corresponding quantity of the CDRs only after the delivery of the underlying shares in full by the Chinese cross-border conversion institution; issuance of any CDRs without receiving the underlying shares in full is prohibited.

Article 74 The SZSE will compare the current day's CDR issuance information submitted by a depository with the CDR creation application submitted by the Chinese cross-border conversion institution. If the information is consistent, the SZSE will, according to the current day's CDR issuance information submitted by the depository, increase the balance of such CDR available for sale by the Chinese cross-border conversion institution on the current day.

The SZSE may refuse to process the current day's issuance information if the depository and the Chinese cross-border conversion institution fail to timely submit relevant information to the SZSE or if they have submitted inconsistent information; the resulting consequences shall be solely borne by the parties concerned.

Article 75 A depository for CDRs shall, according to relevant requirements, timely inform the SZSE of the outstanding quantity of such CDR on that day as well as the information on the custody of the underlying shares on that day as provided by the custodian.

A Chinese cross-border conversion institution shall verify the current day's CDRs available for sale before market opens on that day. If the quantity available for sale is not consistent with the number of underlying shares delivered to the custodian, the Chinese cross-border conversion institution shall immediately report the situation to the depository and the SZSE, and shall not sell the excess CDR.

Article 76 A depository for CDRs shall suspend the creation or redemption of the CDR in any of the following circumstances:

- (1) if the overseas issuer makes interest distribution, holds a shareholder's general meeting, or takes other corporate actions, then unless otherwise agreed in the depository agreement, the depository shall suspend the creation and redemption of the CDR between the date of record in the overseas stock exchange and that in the SZSE market as determined by the overseas issuer (including the date of record and the immediately preceding trading day);
- (2) if the outstanding quantity of a specific CDR has reached 100 percent of the amount cap thereof approved by the CSRC, the depository shall suspend the creation of such CDR;
- (3) if the SZSE market is closed by announcement, the depository shall suspend the creation and

redemption of the CDR;

(4) any other circumstances where the creation or redemption of the CDR shall be suspended as stipulated in the depository agreement or as deemed necessary by the SZSE.

The overseas issuer and the depository shall, in accordance with the depository agreement, announce to the market the cause and time of suspension and resumption of the creation and redemption of the CDR, save for the circumstance under Item (3) of this Article.

The overseas issuer and the depository shall appropriately arrange the dates of record with respect to interest distribution, holding of a shareholder's general meeting, and other corporate actions to avoid prolonged suspension of cross-border conversion.

Article 77 Where a depository for CDRs, upon receiving the redemption application of the Chinese cross-border conversion institution, intends to cancel the corresponding CDRs in its account, it shall do so in accordance with the rules of the CSDC.

Article 78 Any error in CDR creation or redemption data arising from such causes as *force majeure*, unforeseen incident, technical failure, or human error may be corrected upon verification by relevant entities including the SZSE, the CSDC, and the depository, custodian, and Chinese cross-border conversion institution concerned.

Article 79 If the quantity of the CDR issued by a depository exceeds the quantity of the CDR corresponding to the underlying shares under the custody of its custodian, the depository and the relevant Chinese cross-border conversion institution shall cancel the excess CDR in a timely manner.

If the quantity of the CDR held by the relevant Chinese cross-border conversion institution is less than the quantity to be canceled, the Chinese cross-border conversion institution shall timely purchase a sufficient quantity of the CDR and implement cancellation; if the Chinese cross-border conversion institution fails to purchase the necessary quantity within the prescribed time limit, it shall replenish the underlying shares in a timely manner.

If the depository and the Chinese cross-border conversion institution concerned fail to timely cancel the over-issued CDR or replenish the underlying shares as set forth in the first and second paragraph of this Article, the SZSE may request the CSDC to cancel the excess from the Chinese cross-border conversion institution concerned or take other measures based on the custody data on the underlying shares provided by the custodian, and report the situation to the CSRC.

Article 80 Losses and legal consequences arising from anomaly in the cross-border conversion of CDRs and from any measures taken in response shall be borne by the parties involved according

to the law. The legitimate rights and interests of investors of CDRs shall not be harmed.

Chapter V Delisting of CDRs

Section 1 Voluntary termination of listing

Article 81 An overseas issuer of CDRs may apply to the SZSE for voluntary termination of listing upon the occurrence of any of the following circumstances:

- (1) the shareholders' general meeting of the overseas issuer decides to voluntarily withdraw the trading of its CDRs from the SZSE;
- (2) other circumstances as recognized by the CSRC and the SZSE.

If an overseas issuer applies for termination of listing of its underlying shares, it should also apply to the SZSE for voluntary termination of listing of the CDRs simultaneously.

Article 82 The overseas issuer shall, in the process of planning to apply for the voluntary termination of listing of its CDRs, timely disclose a reminder announcement to explain the progress of the planning and the arrangements for the voluntary termination of listing.

The reminder announcement of the overseas issuer's application for the voluntary termination of listing of CDRs shall be disclosed no later than the day when the notice of the general meeting of shareholders at which the matter is considered.

Article 83 Where the shareholders' general meeting of an overseas issuer deliberates and adopts the resolution on voluntarily withdrawing the trading of its CDRs from the SZSE, the overseas issuer shall disclose the contents of the resolution in a timely manner.

Article 84 Where an overseas issuer submits an application to the SZSE for voluntary termination of the listing of its CDRs, it shall offer a clear plan for the arrangements and protective measures for CDR investors, and offer to repurchase CDRs or provide a cash option by a third party. The plan shall be deliberated and approved by the general meeting of shareholders as stipulated in the Item (1), Paragraph 1, Article 81 of the *Measures*.

CDR investors shall be entitled to reject the plan of the overseas issuer and appoint the depository to hold or sell the corresponding underlying shares on their behalf in accordance with the depository agreement.

Article 85 If an overseas issuer applies for voluntary termination of listing of its CDRs, it shall apply to the SZSE for the suspension and resumption of trading of its CDRs in a timely manner. The

overseas issuer shall make relevant announcements in a timely manner after filing an application.

Article 86 Any overseas issuer that applies to the SZSE for voluntary termination of listing shall submit the following documents at least:

- (1) application for voluntary termination of listing;
- (2) resolutions adopted by the shareholders' general meeting and opinions issued by independent directors;
- (3) plan for voluntary termination of listing;
- (4) opinions issued by financial advisors on voluntary termination of listing of CDRs;
- (5) legal advices issued by lawyers on voluntary termination of listing of CDRs;
- (6) other documents required by the SZSE.

The plan for voluntary termination of listing shall specify the reasons for the delisting, the arrangements and protective measures for investors of CDRs, the basis for pricing of repurchase or cash option, and the arrangements for investors transferring CDRs after the delisting. Financial advisers and lawyers should issue professional opinions on whether the arrangements for CDR investors are in the best interests of CDR investors. The overseas issuer shall also engage a lawyer to issue professional opinions on whether the plan of CDR delisting complies with laws and regulations of the overseas listing venue.

Article 87 The SZSE will, within 15 trading days after the date when it receives the application documents for the voluntary termination of listing of CDRs submitted by the overseas issuer, make a decision on whether to accept the application and notify the overseas issuer. The SZSE may refuse to process the application documents for the voluntary termination of listing of CDRs, if the issuer fails to submit the application documents in accordance with the provisions of this section. The overseas issuer shall disclose relevant content of the decision in a timely manner after receiving the decision, and publish a risk warning announcement on whether the listing of its depository receipts may be terminated.

Article 88 The SZSE will, within 30 trading days after the date when it accepts the application for the voluntary termination of listing of CDRs by the overseas issuer, make a decision on whether to approve the termination of listing of CDRs. If, during the aforesaid 30 trading days, the SZSE requires the overseas issuer to provide supplementary materials, the period for the overseas issuer to provide supplementary materials shall not be included in the above-mentioned time limit for making relevant decision.

Article 89 The Listing Committee of the SZSE will review the voluntary termination of listing of CDRs by the overseas issuer, focusing on protecting the rights and interests of CDR investors, and making independent professional judgments and review opinions based on examining the compliance of the overseas issuer's decision-making procedures.

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The SZSE will make a decision on whether to terminate the listing of the overseas issuer's CDRs based on the review opinions of the Listing Committee.

If the overseas issuer is not satisfied with the decision of the SZSE that disapproves the voluntary termination of listing, it may apply in written form to the SZSE for a review within 15 trading days from the date of receipt of the relevant decision of the SZSE or the date of announcement of the relevant decision by the SZSE (whichever comes first). The relevant provisions of the SZSE will apply to the review procedure and related matters.

Article 90 The SZSE will, within 2 trading days after it makes a decision on terminating the listing of the overseas issuer's CDRs, notify the overseas issuer of this decision and make relevant announcement.

The overseas issuer shall, after receiving the decision of the SZSE on the termination of listing of CDRs, disclose an announcement on the listing termination of its CDRs in a timely manner.

Article 91 Within 5 trading days following the date when the SZSE publishes an announcement about terminating the listing of CDRs, such CDRs shall be delisted from the SZSE.

Article 92 The SZSE will report the particulars of the voluntary termination of listing of CDRs to the CSRC within 15 trading days following the date when the SZSE makes a decision whether or not to approve the voluntary termination of listing of CDRs and within 15 trading days following the date when the CDRs are delisted.

Section 2 Compulsory Termination of Listing

Article 93 The SZSE will make a decision to terminate CDRs of the overseas issuer from listing upon the occurrence of any of the following circumstances:

- (1) the underlying shares of the overseas issuer are delisted by the overseas regulatory authorities or overseas stock exchanges;
- (2) the overseas issuer is ordered by the SZSE to correct the material defects in its information disclosure within a specified time limit, but fails to do so, and within two months after the expiration of such time limit, the issuer still fails to do so;
- (3) the overseas issuer receives an administrative penalty decision of the CSRC in accordance with Article 181 of the *Securities Law* or is found guilty in an effective judgment by the people's court in accordance with Article 160 of the *Criminal Law*, for any misrepresentations, misleading statements or material omissions contained in its CDR application or disclosure documents;
- (4) the overseas issuer is found by the SZSE to have otherwise severely disrupted the orderly securities market based on the fact, nature, severity, social impact and other factors of its violation

of laws.

Article 94 Major deficiencies in the information disclosure specified in Item (2) of Article 93 of the *Measures* include the following situations:

- (1) the SZSE has lost the effective information source of the overseas issuer;
- (2) the overseas issuer refuses to disclose material information that should be disclosed;
- (3) the overseas issuer seriously disrupts the order of information disclosure and causes adverse effects;
- (4) other circumstances in which the SZSE believes that the overseas issuer has major deficiencies in information disclosure.

Whether an overseas issuer has any major deficiencies in information disclosure, and whether the aforementioned major deficiencies are corrected, shall be determined by the Listing Committee of the SZSE. The period of evaluation by the Listing Committee shall not be included in the company's correction period.

Article 95 If the underlying shares of the overseas issuer are suspended from listing according to relevant regulations of overseas stock exchanges, or the underlying shares resume listing after listing suspension, the SZSE will suspend or resume trading of its CDRs accordingly.

If the overseas issuer's underlying shares are suspended from listing in accordance with relevant regulations of overseas stock exchanges, the overseas issuer shall make an announcement in a timely manner and apply for trading suspension of its CDRs. Trading of the overseas issuer's CDRs shall be suspended from the disclosure date of the announcement of listing suspension of the underlying shares. If the disclosure date is a non-trading day, trading of CDRs will be suspended from the next trading day. If the overseas issuer fails to apply for a trading suspension and disclose relevant information in accordance with relevant regulations, the SZSE may implement a trading suspension of the CDRs upon learning of relevant information and make an announcement to the market.

In accordance with relevant regulations of overseas stock exchanges, if the overseas issuer's underlying shares are resumed for listing after listing suspension, the overseas issuer shall make an announcement in a timely manner and apply for trading resumption of its CDRs.

The SZSE will, within 15 trading days after the date when it receives the application for trading suspension or resumption of the overseas issuer's CDRs, make a decision on whether to suspend or resume the trading of the CDRs, and notify the overseas issuer in a timely manner and make relevant announcements.

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The overseas issuer shall promptly disclose the announcement of trading suspension or resumption of its CDRs after receiving the SZSE's decision on such matter. Within 5 trading days after the overseas issuer discloses the announcement of trading resumption of its CDRs, the trading of its CDRs shall be resumed.

Article 96 In the event that the overseas issuer may reach the threshold under Article 93 of the *Measures*, it shall make timely disclosure when it becomes aware of the relevant situation, and issue a risk warning that the listing of its CDRs may be terminated.

In the event that the overseas issuer reaches the threshold under Article 93 of the *Measures*, the overseas issuer shall promptly publish a risk warning announcement that its CDRs may be terminated from listing, and the CDRs shall be suspended from trading on the announcement date. If the disclosure date is a non-trading day, trading will be suspended from the next trading day.

If the overseas issuer fails to apply for a trading suspension and disclose relevant information in accordance with the preceding paragraph, the SZSE may implement a trading suspension of its CDRs and make an announcement to the market after learning of relevant information.

Article 97 The SZSE will, within 5 trading days from the date when it implements a trading suspension of CDRs as prescribed under Article 96 in the *Measures*, issue an advance notice to the overseas issuer to terminate the listing of the CDRs. And the overseas issuer shall make relevant disclosure in a timely manner after receiving the SZSE's advance notice.

Article 98 The overseas issuer may submit a hearing request to the SZSE in written form within 5 trading days from the date of receipt or the announcement of the notice of termination of listing (whichever comes first), and specify the specific matters and reasons. The relevant provisions of the SZSE will apply to the hearing procedures and related matters.

If an overseas issuer has objections to the termination of listing, it may submit relevant written statements and defenses to the SZSE and provide relevant documents within 10 trading days from the date of receipt or announcement of the notice of termination of listing.

If the overseas issuer fails to file a hearing request, written statement or defense within the time limit specified in this Article, it shall be deemed to have waived the corresponding rights.

Article 99 Where the SZSE implements a trading suspension of CDRs in accordance with Article 96 of the *Measures*, it will, within 30 trading days after trading suspension, make a decision on whether to terminate the listing of the CDRs based on the review opinions of the Listing Committee.

If the overseas issuer applies to the SZSE for a hearing, the period from the time the SZSE receives the company's hearing application to the end of the hearing procedure will not be counted into the aforementioned time limit.

Article 100 The SZSE will, within 2 trading days after the date of its decision to terminate the listing of CDRs, notify the overseas issuer and make relevant announcements.

The overseas issuer shall promptly disclose the announcement of termination of the listing of its CDRs after receiving the SZSE's decision on such matter.

If an overseas issuer is dissatisfied with the SZSE's decision on compulsory termination of listing, it may apply for review to the SZSE in written form after receiving the relevant decision or announcement of the SZSE within 15 trading days (whichever comes first). The relevant provisions of the SZSE will apply to review procedures and related matters.

Article 101 If the listing of CDRs is compulsorily terminated by the SZSE, the overseas issuer shall propose a clear plan for the arrangements and protective measures for CDR investors and make an announcement in a timely manner. Financial advisers and lawyers shall issue professional opinions on whether the arrangements for CDR investors are fair and in the best interests of CDR investors.

CDR investors shall be entitled to reject the plan of the overseas issuer and appoint the depository to hold or sell the corresponding underlying shares on their behalf in accordance with the depository agreement.

Article 102 Within 5 trading days after the overseas issuer makes the announcement of terminating the listing of its CDRs, the trading of CDRs can be resumed. After the resumption of trading, the overseas issuer's CDRs will continue to be traded on the SZSE for 15 trading days. Within 5 trading days after the above-mentioned 15 trading days, the CDRs will delist from the SZSE.

Article 103 The SZSE will, within 15 trading days following the date when the SZSE makes a decision on terminating the listing of CDRs and within 15 trading days following the date when the CDRs are delisted, report the particulars of the compulsory termination of listing of CDRs to the CSRC.

Chapter VI Matters Related to GDRs

Section 1 Domestic Listing of Underlying Shares

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Article 104 In order to issues depository receipts overseas with newly issued shares as the underlying securities, a SZSE-listed company shall comply with the *Securities Law*, the provisions of the CSRC and the SZSE on securities issuance by listed companies.

Article 105 Where a SZSE-listed company intends to issue and list a GDR on the overseas stock exchange market and apply for the listing of the corresponding newly issued underlying shares, it shall submit to the SZSE the following materials within two trading days prior to the listing date of such GDR:

- (1) application form for the listing of such newly issued shares;
- (2) certificate of share registration application acceptance issued by the CSRC for the newly issued shares;
- (3) a statement of the offering and listing of the GDR;
- (4) an indicative announcement on the listing of newly issued shares;
- (5) and any other documents required by the SZSE.

If the GDR is subject to redemption restriction arrangements, the SZSE-listed companies shall disclose it in the indicative announcement on the listing of newly issued shares.

If the GDR is converted into underlying shares through cross-border conversion in accordance with the *Measures* and the depository agreement following the listing of the newly issued underlying shares, the converted underlying shares may be traded in the SZSE market.

Article 106 Any SZSE-listed company that is offering a GDR through the overseas stock exchanges shall make a timely disclosure in the SZSE market if:

- (1) the quantity of underlying shares corresponding to the outstanding GDRs is less than 50 percent of the amount permitted by the CSRC;
- (2) the listing of the GDRs on the overseas stock exchange is suspended or terminated;
- (3) it is 5 trading days before the expiration of the redemption restriction for the GDR; or
- (4) there is any other circumstance that may significantly affect the trading price of the underlying shares.

With respect to the circumstance under Item (3) of the preceding paragraph, the SZSE-listed company shall release at least 3 indicative announcements before the expiration of the redemption restriction for the GDR.

The GDR issuers shall disclose the outstanding quantity of GDRs in periodic reports.

Article 107 Except for any GDR depository who holds underlying shares for fulfillment of

depository obligations, where an investor and persons acting in concert therewith hold an interest in the domestic listed company through GDR, domestic underlying shares, or otherwise, such interest shall be calculated on a consolidated basis for the investor, who shall fulfill relevant disclosure obligations on such consolidated basis in accordance with the *Measures for the Administration of the Takeover of Listed Companies*, the *Shares Listing Rules*, and other applicable rules

Article 108 Any overseas investor who holds an interest in a domestic listed company through GDRs, domestic underlying shares or other methods shall comply with the shareholding ratio limit prescribed by the *Supervision and Administration Provisions*.

Any single overseas investor whose interest in a domestic listed company, whether through GDRs, domestic underlying shares, or otherwise, has exceeded the shareholding ratio limit shall liquidate the excess within 5 trading days.

In the event that the combined interest of all overseas investors in a domestic listed company, whether through GDRs, domestic underlying shares, or otherwise, has exceeded the applicable limit, the SZSE is entitled to issue liquidation notices to such relevant entities in reverse order of when such interest was acquired.

The liquidation of the interest of an overseas investor in a domestic listed company in excess of the applicable limit shall be carried out by reference to the relevant provisions of the *Implementing Rules of the Shenzhen Stock Exchange for Trading of Securities by Qualified Foreign Institutional Investors and Renminbi Qualified Foreign Institutional Investors* and the *Measures of the Shenzhen Stock Exchange for Implementation of the Shenzhen-Hong Kong Stock Connect*.

Section 2 Cross-Border Conversion of GDRs

Article 109 Any overseas securities institution intending to engage in the cross-border conversion of GDRs in the SZSE market shall meet the following requirements and register with the SZSE:

- (1) it is qualified to trade on the overseas stock exchange where the GDR is to be listed;
- (2) itself or the entity it controls, by which it is controlled, or with which it is under common control is a Qualified Foreign Institutional Investor (“**QFII**”) or RMB Qualified Foreign Institutional Investor (“**RQFII**”), unless otherwise prescribed by the SZSE;
- (3) it is financially robust and has a good credit standing and a significant asset size;
- (4) it has in place a sound governance structure and well-developed internal control rules, runs a compliant operation, and has not received any major sanctions from regulatory authorities in the most recent 3 years; and
- (5) it meets the other requirements prescribed by the SZSE.

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Particulars concerning the administration of registration of overseas cross-border conversion institutions shall be separately provided for by the SZSE.

Article 110 An eligible overseas securities institution shall authorize and delegate an SZSE member to submit the registration materials to the SZSE on its behalf, and engage in cross-border conversion and securities investment activities in the market of domestic stock exchange (hereinafter collectively referred to as “domestic market”) in accordance with the law.

The SZSE member shall prudently examine the qualification, scale, experience, and other pertinent aspects of the overseas securities institution and ensure its registration documents are true, accurate, and complete.

The SZSE member shall sign and execute a service agreement with the overseas cross-border conversion institution to exercise effective supervision and restraints over the cross-border conversion and securities investment activities of the overseas cross-border conversion institution in the domestic market. The member shall promptly report to the SZSE on any change in the registration information of the overseas cross-border conversion institution.

Article 111 After registering with the SZSE, the overseas cross-border conversion institution shall open the securities account(s) and the fund account(s) dedicated to the cross-border conversion in accordance with law, and ensure that the accounts and assets for the cross-border conversion business are effectively segregated, managed and accounted for separately from its other lawfully opened accounts and assets in the domestic market.

Article 112 An overseas cross-border conversion institution shall make lawful and compliant cross-border transactions in strict accordance with the state rules on cross-border funds regulation and the scope of investment and the maximum balance of outstanding assets prescribed by the CSRC, and shall not engage in insider trading, market manipulation or other illegal or rule-breaking activities or seek illegitimate gains through its cross-border conversion business.

If the investment of the overseas cross-border conversion institution in the domestic market exceeds the scope of investment or the maximum balance of outstanding assets prescribed by the CSRC, or if the overseas cross-border conversion institution engages in any other abnormal trading activity, the SZSE member(s) shall refuse the instructions of the overseas cross-border conversion institution and promptly report the situation to the SZSE.

Article 113 A depository for GDRs shall register with the SZSE through an SZSE member before the listing of the GDRs. The list of registration materials shall be separately prescribed by the SZSE.

No depository shall engage in cross-border conversion of GDRs in the SZSE market without completing the foregoing registration.

Article 114 A depository shall open a dedicated securities account for the depository business in accordance with the law, and authorize and delegate an SZSE member to sell the underlying shares or perform other actions on its behalf according to the depository agreement. The depository shall not use the domestic securities account to engage in securities transactions unrelated to the depository business or underlying shares.

The SZSE member shall exercise effective supervision and restraints over the securities trading activities of the depository in the domestic market. If the depository is found to have exceeded the approved scope of securities trades or have not suspended the creation of GDRs as required by applicable rules, the SZSE member shall refuse its instructions and timely report the situation to the SZSE.

A GDR depository shall comply with the state rules on cross-border funds regulation when participating in corporate actions such as dividend distribution in accordance with the depository agreement.

Article 115 The SZSE may, based on its supervisory needs, require a domestic custodian to report the cross-border flow of funds with respect to a GDR depository or overseas cross-border conversion institution, as well as the names and balance of outstanding assets held by the GDR depository or overseas cross-border conversion institution in the domestic market, and other relevant information.

Article 116 A GDR depository shall suspend the creation or redemption of the GDRs under any of the following circumstances:

- (1) if the redemption of the GDRs is not allowed within a specified period according to the requirements of the CSRC and the terms of the prospectus, the depository shall not process the redemption of such GDRs during such period;
- (2) if the outstanding quantity of underlying shares corresponding to a single GDR has reached 100 percent of the amount cap thereof permitted by the CSRC, the depository shall suspend the creation of the GDR; or
- (3) any other circumstances where the creation or redemption of the GDRs shall be suspended as stipulated in the depository agreement or as deemed necessary by the SZSE.

Article 117 Where a GDR depository and an overseas cross-border conversion institution, for the purpose of cross-border conversion, transfer the underlying shares in each party's dedicated securities account to the dedicated securities account of the other party, they shall do so in

accordance with the rules of the CSDC.

Chapter VII Self-Discipline Regulation

Article 118 The SZSE may implement daily supervision over the entities specified in Article 3 of the *Measures*, and may adopt the following daily measures individually or in combination:

- (1) requesting explanations and clarifications on relevant issues;
- (2) requesting to provide relevant documents or materials;
- (3) requesting sponsors or securities service institutions to conduct verification and express opinions;
- (4) issuing various notices and letters, etc.;
- (5) meeting with relevant personnel;
- (6) reading and checking working papers, securities business activity records and related materials;
- (7) requesting public corrections, clarifications or explanations;
- (8) requiring an investor briefing meeting to be held within a time limit;
- (9) requiring the board of directors of the overseas issuer to recover losses;
- (10) carrying out on-site inspections;
- (11) reporting relevant information to the CSRC;
- (12) informing relevant authorities of relevant information;
- (13) explaining the relevant situation to the market; or
- (14) other measures.

Article 119 Whenever the overseas issuer and its directors, supervisors, senior executives, domestic representatives of information disclosure, relevant information disclosure obligors, sponsors and sponsor representatives, securities service institutions and related personnel violate the *Measures* or other relevant business rules of the SZSE, the SZSE may adopt self-regulatory measures or disciplinary sanctions individually or in combination, depending on the severity of the circumstances.

The SZSE may adopt the following self-regulatory measures in accordance with the *Measures* and other provisions of the SZSE:

- (1) verbal warnings;
- (2) written warnings;
- (3) supervision talks;
- (4) requesting for correction within a prescribed time limit;
- (5) requesting a public apology;
- (6) requiring sponsors or securities service agencies to conduct verification and express opinions;
- (7) suggesting replacing relevant staff;

- (8) issuing a supervisory recommendation letter to the relevant competent authority;
- (9) other regulatory measures.

The SZSE may implement the following disciplinary sanctions in accordance with the *Measures* and other provisions of the SZSE:

- (1) notification of criticism;
- (2) public censure;
- (3) publicly determining that certain person is not suitable to serve as the domestic representative of the overseas issuer's information disclosure within a certain period of time;
- (4) temporarily not accepting the application documents for issuance and listing;
- (5) temporarily not accepting relevant business documents issued by sponsors, securities service agencies or their practitioners;
- (6) charging punitive liquidated damages;
- (7) other disciplinary sanctions.

When the SZSE implements the disciplinary sanction in item (5) of the preceding paragraph, it shall notify the employer (if applicable) of the subject of supervision about the decision.

Article 120 The SZSE will take self-regulatory measures and disciplinary sanctions in accordance with the *Trading Rules*, the *Measures*, and other applicable relevant market rules of the SZSE against investors who have engaged in abnormal trading activities in connection with CDR trading; and will report any suspected illegal or rule-breaking activities such as insider trading and market manipulation to the CSRC for investigation in accordance with the law.

If the abnormal trading activity of an investor seriously affects the orderly or fair trading of securities, the SZSE may take such measures against the investor as restricting trading, and will report the violation to the CSRC.

Unless otherwise prescribed by the SZSE, the recognition and resolution of any abnormal trading activity of an investor during the trading of CDRs shall be conducted in accordance with the applicable provisions of the *Trading Rules*, and other applicable regulations regarding the abnormal trading activities of investors in share trading in relevant market rules of the SZSE abnormal.

Article 121 The SZSE will take such self-regulatory measures or disciplinary sanctions as prescribed in the *Membership Management Rules* as appropriate for the circumstance against a Chinese cross-border conversion institution, if:

- (1) its cross-border transaction has violated relevant state rules on cross-border funds regulation or has exceeded the scope of investment and the maximum balance of outstanding assets

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prescribed by the CSRC;

- (2) it fails to submit timely and accurate information on its cross-border conversion business and investments in the overseas stock exchange market as required by the SZSE;
- (3) it fails to submit the information on the CDR creation application in a timely manner or the information submitted contains errors or omissions;
- (4) it applies for the issuance of CDRs without delivering the underlying shares in full;
- (5) it has engaged in illegal or rule-breaking activities or sought other illegitimate gains during its cross-border conversion business; or
- (6) it has otherwise violated the *Measures*.

The SZSE may additionally terminate the registration of any Chinese cross-border conversion institution that has committed a serious violation.

Article 122 The SZSE will take such self-regulatory measures or disciplinary sanctions prescribed in the *Membership Management Rules* as appropriate for the circumstance against a market maker for CDRs, if:

- (1) it has engaged in any abnormal trading activity when making a market for CDRs;
- (2) it takes advantage of the market making business to engage in illegal or rule-breaking activities or seek other illegitimate gains;
- (3) it seriously violates its market maker agreement;
- (4) it uses its dedicated account for cross-border conversion and market making for other purposes; or
- (5) it has otherwise violated the *Measures*.

The SZSE may terminate the business of any market maker in SZSE market if the market maker has committed a serious violation.

Article 123 If any of the following situations occurs to a depository for CDRs, the SZSE may, depending on the circumstances, take such self-regulatory measures against the depository as verbal warnings, written warnings, supervisory talks, requesting for corrections within a prescribed time limit, requiring a public correction, clarification or explanation, or recommending the issuer to change the depository; if the circumstance is serious, the SZSE may additionally impose such disciplinary sanctions as notification of criticism or public censure, as well as reporting the violation to its competent authority:

- (1) it fails to provide the SZSE with such information as the outstanding quantity of CDRs and information on the custody of the underlying shares from the custodian in a timely manner and as required;
- (2) it fails to submit CDR issuance information to the SZSE in a timely manner or the

information submitted contains errors or omissions;

- (3) it issues CDRs without holding sufficient underlying shares;
- (4) it fails to suspend the creation or redemption of CDRs as required;
- (5) it fails to make timely report to the SZSE on the cross-border flow of funds; or
- (6) it has otherwise violated the *Measures*.

Article 124 The SZSE will take such self-regulatory measures or disciplinary sanctions prescribed in the *Trading Rules, etc.* as appropriate for the circumstance against an overseas cross-border conversion institution, if

- (1) its cross-border transaction has violated relevant state rules on cross-border funds regulation or has exceeded the scope of investment and the maximum balance of outstanding assets prescribed by the CSRC;
- (2) it engages in any abnormal trading activity as prescribed in the market rules of the SZSE; or
- (3) it has otherwise violated the *Measures*.

In the case of any of the above violations, the SZSE may require the overseas cross-border conversion institution to make corrections within a prescribed time limit; if the violation is serious, the SZSE may additionally terminate its registration as an overseas cross-border conversion institution.

Article 125 If any of the following situations occurs to a depository for GDRs, the SZSE may, depending on the severity of the circumstances, take such self-regulatory measures or disciplinary sanctions as prescribed in the *Trading Rules, etc.* against the depository, incl. verbal warnings, written warnings, requesting for corrections within a prescribed time limit, or recommending the issuer to change the depository, etc.:

- (1) it fails to suspend the creation or redemption of GDRs as required;
- (2) it uses its domestic securities account to engage in any securities transactions unrelated to its depository business and the underlying shares; or
- (3) it has otherwise violated the *Measures*.

The SZSE may terminate the depository's registration as a depository for GDRs in the case of serious violation.

Article 126 The SZSE will take such self-regulatory measures or disciplinary sanctions prescribed in the *Membership Management Rules, etc.* as appropriate for the circumstance against a member, if

- (1) it fails to fulfill its investor suitability management duties as required by the *Measures*;

- (2) it fails to perform its management duties with regard to client trading activities as required by the *Measures*;
- (3) it accepts the engagement of an overseas cross-border conversion institution but fails to prudently examine the qualification, scale, experience, and other pertinent aspects of the overseas cross-border conversion institution as required; or to ensure the truthfulness, accuracy, and completeness of the registration information submitted by the latter; or to timely file any change in account information or other information of the overseas cross-border conversion institution;
- (4) it accepts the engagement of an overseas cross-border conversion institution but fails to effectively supervise the cross-border conversion and securities investment activities of the cross-border conversion institution in the domestic market as required;
- (5) it accepts the engagement of a depository for GDRs but fails to effectively supervise the securities transactional activities of the depository in the domestic market as required; or
- (6) it has otherwise violated the *Measures*.

Article 127 If the domestic custodian engaged by a Chinese cross-border conversion institution fails to timely and accurately report to the SZSE such information as the Chinese cross-border conversion institution's cross-border flow of funds and investments in the overseas market as required, or if the domestic custodian engaged by a GDR depository or overseas cross-border conversion institution fails to timely and accurately report to the SZSE on such information as the GDR depository or overseas cross-border conversion institution's cross-border flow of funds and investments in the domestic market as required, the SZSE may, depending on the circumstances, take such self-regulatory measures against the custodian as verbal warnings, written warnings, supervision talks, or recommending the change of the domestic custodian, and report the violation to its competent authority.

Chapter VIII Ancillary Provisions

Article 128 All fees and charges in connection with the listing and trading of CDRs on the SZSE will be charged in reference to the rates applicable to the A-shares listed on the SZSE.

Article 129 The *Measures* and any amendments thereto shall come into effect following adoption by the Board of Governors of the SZSE and approval of the CSRC.

Article 130 The SZSE reserves the right to interpret the *Measures*.

Article 131 The *Measures* shall be implemented as of the date of promulgation.