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**Guidelines of Shenzhen Stock Exchange
on Information Disclosure by Listed Companies**

No. 2: Suspension and Resumption of Trading

These guidelines are formulated in accordance with the *Securities Law*, the *Measures for the Administration of Information Disclosure by Listed Companies*, the *Measures for the Administration of Stock Exchanges*, the *Guiding Opinions on Improving the System of Suspension and Resumption of Trading in the Stocks of Listed Companies* and other laws, administrative regulations, government department rules, regulatory documents as well as the *Rules Governing the Listing of Stocks on Shenzhen Stock Exchange* (hereinafter, Listing Rules), the *Rules Governing the Listing of Stocks on the ChiNext of Shenzhen Stock Exchange* (hereinafter ChiNext Listing Rules) and other rules for the purposes of regulating the suspension and resumption of trading in the stocks of listed companies and the derivatives thereon (including stocks, depository receipts, corporate bonds convertible into stocks, and other derivatives), improving market efficiency, protecting investors' rights to trading, to know and other legitimate rights and interests.

Article 1 Upon the occurrence of any of the circumstances prescribed in the Listing Rules, the ChiNext Listing Rules and these Guidelines which warrant a suspension of trading, a listed company shall apply to Shenzhen Stock Exchange (hereinafter, the Exchange) for suspension and resumption of trading in its stocks and the derivatives thereon and, in strict accordance with the requirements in the Listing Rules, the ChiNext Listing Rules and these Guidelines, fulfill corresponding information disclosure obligations in a timely manner.

In the absence of any specific provisions, the company may, on any ground deemed reasonable by the Exchange, apply to the Exchange for suspension and resumption of trading in its stocks and the derivatives thereon. The Exchange will, in accordance with the

circumstances, determine the trading suspension and resumption of the stocks of the company and derivatives thereon.

Article 2 In the course of planning of material matters, a listed company, its shareholders, *de facto* controller, directors, supervisors, senior management and other trading participants as well as securities companies and other securities service providers shall strictly fulfill confidentiality obligations. They shall establish and consistently enhance the confidentiality system, properly manage information and register insiders, and complete relevant deliberation procedures and fulfill information disclosure obligations in a timely manner to ensure that investors have timely, sufficient and fair access to the information.

The company shall maintain the continuity of securities trading, be cautious in applying for trading suspension, and shall not seek trading suspension in lieu of the information disclosure obligations of relevant parties.

Article 3 When planning material matters, a listed company shall disclose in stages the specific information on such matters without suspending trading in its stocks and the derivatives thereon and shall not apply for trading suspension willfully with the reason that results of relevant matters are yet to be finalized.

When the company is unable to disclose such matters in stages as prescribed in the preceding paragraph and deems that a trading suspension is necessary, it shall state reasons for the suspension, determine suspension time properly, shorten suspension period as much as possible, and apply for resumption of trading in a timely manner.

Article 4 Securities companies and other securities service providers that offer service for the material matters under planning by a listed company shall, with due diligence and in strict accordance with professional ethics and practice requirements, conduct due diligence investigation and audit and assessment in a timely manner, issue opinions objectively and impartially and help the company complete various planning work as quickly as possible.

The Exchange may, in accordance with the circumstances, require the company or any relevant party to employ a financial advisor or any other securities service provider to issue opinions on the reason stated by the company for trading suspension, the rationality of suspension time and the authenticity of the reason for terminating any material matter, and make public disclosure thereof.

Article 5 When applying for trading suspension, a listed company shall, during non-trading hours, submit to the Exchange its application for trading suspension, announcement of trading suspension, legal instruments related to the planning of relevant matters (if applicable) and other documents required by the Exchange, with the seal of the company affixed thereto. Such application and announcement shall include such information as its trading suspension and resumption arrangement, the specific reason for suspension, suspension period, and the rules based on which trading suspension is sought.

During the trading suspension period, the company shall disclose in stages the progress of the material matters under planning and avoid rough and general disclosure. It shall, at least once every 5 trading days, release an announcement on the progress.

Article 6 A listed company shall apply for resumption of trading in a timely manner upon completion of planning of any material matter, expiration of the suspension period or termination of planning of any material matter. The company shall disclose its main planning work conducted during the trading suspension period, progress of the matter, any impact on the company and subsequent arrangement, etc., and fully disclose the risk associated with the relevant matter and the uncertainty involved. In the case of termination of any material matter, the company shall also disclose the specific reasons therefor and its decision-making process.

Article 7 Where, during the period of trading suspension due to the planning of any material matter by a listed company, a case has been put on file for investigation of the company or any of its incumbent director or senior management by the judicial authorities for suspected crimes or by the CSRC for suspected malfeasances, if such event is related to the issuance of stocks, the company shall verify and disclose the impact of such event on the material matter under planning. In case that the material matter under planning cannot be continued, the company shall apply for trading resumption in a timely manner.

Article 8 A listed company shall comply with the following provisions if it applies for trading suspension due to planning of major asset structuring (hereinafter, restructuring):

(I) Where the company plans offering of stocks for the purchase of assets, it may apply for trading suspension and, in such case, the suspension period shall not exceed 10 trading days. The company shall, prior to the expiration of the suspension period, disclose the restructuring plan or report approved by the board of directors of the company and apply for trading resumption. If the company fails to disclose the restructuring plan or report within the said time limit, it shall terminate planning of the proposed restructuring and apply for trading resumption.

In the case that the company plans offering of stocks for the purchase of assets without suspension of trading, it shall keep confidentiality properly and shall not disclose any information related to the restructuring under planning before disclosing the restructuring plan or report. In case of leakage of relevant information, it shall apply for trading suspension in a timely manner.

A listed company that plans other kinds of restructuring shall disclose relevant information in stages and shall not apply for trading suspension.

(II) The company that applies for trading suspension due to restructuring shall submit the following documents to the Exchange:

1. The *Application Form for Trading Suspension due to Major Asset Restructuring of Listed Companies* signed by the chairman of the board of directors and sealed by the board of directors;
2. Announcement of trading suspension related to the planning of restructuring;
3. Document of intent or framework agreement on the proposed restructuring confirmed with seals by the counterparty to the restructuring or by the competent authority of the counterparty;
4. A statement by the counterparty that it does not fall under the circumstances prescribed in article 13 of the *Interim Regulations on Strengthening Supervision of Abnormal Trading in the Stocks related to Major Asset Restructuring of Listed Companies*.

(III) The company that applies for trading suspension due to restructuring shall ensure that such matter constitutes offering of stocks for purchase of assets and shall disclose the name of the target of the transaction, main counterparty, mode of trading, document of intent or framework agreement on the proposed restructuring, the name of the securities service provider involved in the restructuring (if any), etc.

Where the restructuring involves auction activities and therefore the disclosure of the name of the target of the transaction may make it unfavorable for the company to participate in the auction, the company may suspend disclosure thereof. The financial advisor (if any) shall check the matter, issue its opinions and make public disclosure. Where the reason for suspending disclosure ceases to exist, the company shall disclose the name of the target of the transaction as well as any progress in a timely manner.

Where the target of the transaction involves any overseas listed company and therefore the disclosure of the name of the target may affect trading in the target in overseas market, the company may suspend disclosure of the names of the target and the counterparty, but shall

disclose the type of industry of the target in its announcement of trading suspension. The financial advisor (if any) shall check the matter, issue its opinions and make public disclosure. The company shall disclose the target and the counterparty with the overseas listed company simultaneously.

(IV) Where the company applies for trading suspension due to planning of offering stocks for purchase of assets, it shall, prior to trading resumption, disclose the names of the top 10 shareholders of the company and top 10 shareholders of free-float stocks as well as the numbers and categories of stocks held by each of them on the trading day immediately preceding the trading suspension.

(V) During the period from the company's planning of restructuring to its disclosure of restructuring report, it shall prepare a memorandum on progress of transaction and disclose significant progress in a timely manner, which includes but is not limited to:

1. Negotiations on the trading scheme between relevant parties;
2. The company enters into a restructuring service agreement with the securities company and other securities service providers employed by the company;
3. The company enters into a framework agreement or agreement of intent on restructuring with the counterparty, or makes a major revision of or change to such framework agreement or agreement of intent;
4. The company obtains the prior approval opinions on the restructuring from the competent authority;
5. Significant progress is achieved in due diligence, audit, or assessment work;
6. If there exists the risk that the restructuring is likely to be terminated, or the risk that the restructuring is likely to fail due to disputes between the two parties over prices, fluctuations of stock prices, changes in taxation policies, or changes in policies of the industry which the target of the transaction belongs to, the company shall disclose relevant risk in a timely manner and disclose subsequent progress;
7. When the company that has disclosed the target of the transaction replaces, increases or reduces the target, it shall disclose information about the new target and the reason for the change; when the basic information about the target makes significant changes, the company shall disclose specific information about such change;
8. The company changes the securities company or other securities service providers.

(VI) A listed company may disclose in stages the information on the restructuring under planning (unless the restructuring involves offering of stocks for purchase of assets) without trading suspension. Its first disclosure shall include the mode of trading of the restructuring, the industry which the target of the transaction belongs to, whether a document of intent has been signed, and whether the transaction is unlikely to constitute a restructuring.

Following the first disclosure of the restructuring under planning (unless the restructuring involves offering of stocks for purchase of assets), the company shall disclose relevant progress once every 10 trading days by reference to the relevant provisions in paragraph (V) of this Article. If the company fails to disclose the progress within the specified time limit, the Exchange may, in accordance with the circumstances, examine the authenticity of the restructuring under planning.

(VII) Where the restructuring under planning by the company involves offering of stocks for purchase of assets, the company may, after its disclosure of restructuring plan or report, apply for trading suspension by reason that it needs to make significant adjustment to the relevant plan. Such suspension period shall not exceed 5 trading days. The company shall disclose the specific information about the significant adjustment, current progress and subsequent arrangement as well as any procedures to be completed in a timely manner, and shall apply for trading resumption.

(XIII) During the period when, after the company's disclosure of restructuring plan or report, the Exchange examines information disclosure and makes relevant enquiries and the company responds to the enquiries, the stocks of the company and the derivatives thereon shall not be suspended from trading in principle.

(IX) The issuance of private convertible bonds by a company for the purchase of assets shall be governed, *mutatis mutandis*, by the provisions hereof relating to the offering of stocks for purchase of assets.

Article 9 A listed company that plans a change in control or plans a tender offer shall, in principle, disclose in stages the progress of the planning. If there is indeed a need to apply for trading suspension, the suspension period shall not exceed 5 trading days.

The company that discloses for the first time the planning of change in control or a tender offer shall disclose the industry which the counterparty belongs to, the range of proportion of the equities involved, and whether prior approval from the competent authority is involved

Article 10 During the period of bankruptcy reorganization of a listed company, the stocks of the company and the derivatives thereon shall not be suspended from trading in principle. The company shall disclose in stages the progress of reorganization and fully disclose relevant risk. If there is indeed a need to apply for trading suspension, the company shall disclose the specific reason for the suspension, the progress of reorganization and the

expected time of trading resumption. In such case, the suspension period shall not exceed 5 trading days.

Article 11 A listed company that plans any significant matter other than the matters prescribed in these Guidelines that warrant a trading suspension shall disclose in stages the progress of the planning and shall not apply for trading suspension unless otherwise prescribed by China Securities Regulatory Commission (hereinafter, CSRC) or the Exchange.

Article 12 In the case that the accumulated suspension time of trading in the stocks of a listed company and the derivatives thereon is too long, or trading in the stocks of a listed company and the derivatives thereon is suspended frequently, the Exchange will publicize on its official website the particulars of trading suspension of the company, including the length of suspension, number of trading suspensions in the most recent one year, reasons for trading suspension, the company's disclosure of progress of trading suspension, etc.

Article 13 Where the risk matter of a listed company carries significant uncertainty and is therefore likely to seriously impact the market order and damage the legitimate rights and interests of investors, the company may apply for trading suspension when deemed necessary by the CSRC or the Exchange.

Article 14 Where a listed company is unable to complete planning of relevant matters before the expiration of the trading suspension period but relevant state department has other requirements on the time of suspension and resumption of trading, the company may apply to the Exchange for continued suspension of trading after it fully discloses the progress of the matters under planning, the reason for continued trading suspension and expected time of trading resumption. However, the continuous suspension of trading shall not exceed 25 trading days in principle. If there is other requirement on the time of suspension and resumption of trading in respect of any matter that involves major national strategic projects or national secrets in the military industry, such requirement shall prevail.

Where a listed company is unable to disclose relevant information in accordance with these Guidelines when applying for trading suspension, the Exchange will not accept the company's application for trading suspension, unless the relevant state department has other requirement on the disclosure of the relevant matter.

Article 15 Where a listed company applies for trading suspension due to the planning of material matters, the Exchange will process the application in accordance with these Guidelines and relevant rules of the Exchange and reject the application if the application

does not fall under the circumstances or does not meet the conditions or requirements prescribed in these Guidelines.

If, after trading is suspended, the Exchange discovers that the cause for trading suspension does not hold true, or the application for trading suspension does not meet or no longer meet the requirements prescribed in these Guidelines, the Exchange may require the company to apply for resumption of trading immediately. If the company fails to apply as required by the Exchange, the Exchange may force resumption of trading and require the company to disclose relevant information and provide explanations and clarifications.

If, in violation of the relevant provisions in these Guidelines, the company abuses trading suspension or fails to complete relevant decision-making process or fulfill information disclosure obligations, thus severely injuring the legitimate rights and interests of investors, the Exchange may make a public explanation in the form of stock exchange announcement and force resumption of trading in the stocks of the company and derivatives thereon.

If the Exchange forces resumption of trading in the stocks of the company and derivatives thereon, the company shall disclose relevant information in a timely manner and make a public explanation.

Article 16 Where a listed company fails to be cautious in applying for trading suspension, or the company, its controlling shareholder, *de facto* controller or any other relevant party abuses trading suspension or delays the time of resumption of trading, the Exchange may take measures including on-site inspections and, in accordance with the circumstances, take regulatory measures or disciplinary actions against the company or the relevant party.

Where the securities company or any other securities service provider fails to exercise due diligence in issuing its opinions in the course of a listed company's application for trading suspension or resumption, the Exchange may, in accordance with the circumstances, take regulatory measures or disciplinary actions.

Where the Exchange discovers that the company violates laws, administrative regulations or any provisions of the CSRC in the course of trading suspension or resumption, the Exchange will, in a timely manner, refer the case to the CSRC or the CSRC's dispatched office(s) for examination.

Article 17 Upon the occurrence of extremely abnormal trading situation in the securities

market, the Exchange may, in accordance with the decision of the CSRC or based on actual market conditions, suspend processing of applications filed by listed companies for trading suspension, maintain the continuity and liquidity of market trading, and protect the trading right of investors.

Article 18 In addition to the foregoing provisions, the Exchange may, in accordance with the requirement of the CSRC or based on market conditions or the trading situation of the stocks of a listed company and derivatives thereon, make a decision on the suspension and resumption of trading in the stocks of the company and derivatives thereon.

Article 19 The power to interpret these Guidelines shall rest with the Exchange.

Article 20 These Guidelines shall be implemented as of the date of promulgation. The *Memorandum on Information Disclosure for the Main Board No. 9: Suspension and Resumption of Trading of Listed Companies*, the *Memorandum on Information Disclosure for the SME Board No. 14: Suspension and Resumption of Trading of Listed Companies* and the *Memorandum on Information Disclosure for the ChiNext No. 22: Suspension and Resumption of Trading of Listed Companies* released by the Exchange on May 27, 2016 shall be repealed simultaneously.