

Rules for Information Disclosures by Companies Admitted to the National Equities and Exchange Quotations

Chapter 1 General Provisions

Article 1 The *Rules for Information Disclosures by Companies Admitted to the National Equities and Exchange Quotations* (the “*Rules*”) are formulated in accordance with the *Measures for Supervision and Administration of Unlisted Public Companies* (CSRC Decree No. 96) , *Guidelines No. 1 for Regulation of Unlisted Public Companies* (CSRC Announcement [2013] No.1) and *Rules of the National Equities and Exchange Quotations (for Trial Implementation)* (the “*NEEQ Rules*”) and other rules and regulations to regulate information disclosures by NEEQ-admitted companies and other parties with information disclosure obligations, strengthen management of information disclosure affairs and protect the lawful rights and interests of investors.

Article 2 The *Rules* apply to companies whose shares are admitted to trade on the National Equities and Exchange Quotations (“NEEQ”) and other parties with information disclosure obligations.

If there are any provisions from the National Equities and Exchange Quotations Co., Ltd. (“NEEQ Co., Ltd.”) on information disclosures of NEEQ-admitted companies operating in a specific industry or relating to such matters as the issuance of shares, acquisitions and reorganizations and share incentive plans of NEEQ-admitted companies and the termination of their shares’ admission to trading on NEEQ, such provisions shall preempt the *Rules*.

If there are any provisions from NEEQ Co., Ltd. on information disclosures related to preferred shares, corporate bonds and other securities products, such provisions shall preempt the *Rules*.

Article 3 NEEQ-admitted companies make information disclosures by publishing periodic and interim reports.

Article 4 NEEQ-admitted companies and other parties with information disclosure obligations shall, in a timely and fair manner, disclose information which may have a material impact on the transfer price of their shares and other security

products (“material information”) and ensure that the information disclosed is true, accurate and complete and contain no misrepresentation, misleading statement or material omission.

Article 5 Rules and regulations for management of information disclosure affairs established by NEEQ-admitted companies shall be filed with NEEQ Co., Ltd. and disclosed after being considered and approved by the companies’ board of directors.

A NEEQ-admitted company under the innovation layer shall have the secretary of the board of directors responsible for managing its information disclosure affairs. A NEEQ-admitted company under the basic layer shall, in the absence of the secretary of the board of directors, designate a person with relevant expertise as responsible for managing its information disclosure affairs.

Article 6 Unless otherwise provided for by NEEQ Co., Ltd., material information shall be disclosed by a NEEQ-admitted company only after being reviewed by its chief agency broker and may not be disclosed without being reviewed by the chief agency broker.

The NEEQ-admitted company shall not disclose information on any other media earlier than it discloses such information on a designated disclosure platform.

Article 7 The chief agency broker of a NEEQ-admitted company shall guide and urge the NEEQ-admitted company to properly perform its information disclosure obligations and shall review the information disclosure documents of the company before the company publishes them.

If the chief agency broker detects that there is any error, omission or misleading statement in any information proposed to be disclosed or any disclosable matter is not disclosed, the chief agency broker shall require the NEEQ-admitted company to make corrections thereof or supplementations thereto. If the NEEQ-admitted company refuses to do so, the chief agency broker shall, within two transfer days, publish a risk disclosure notice in connection with such matter and report the same to NEEQ Co., Ltd.

Article 8 If NEEQ Co., Ltd. detects a problem in any disclosed information, it may, by means such as public inquiry, require the entities concerned such as a

NEEQ-admitted company, any other party with information disclosure obligations, a chief agency broker or any other securities service provider to make explanations, clarifications, corrections or supplementations and such entities shall make a timely response thereto.

The chief agency broker shall review the response of the NEEQ-admitted company. If the NEEQ-admitted company is required to correct or supplement its information disclosure documents, it shall be done in accordance with applicable procedures.

Chapter 2 Periodic Reports

Article 9 Periodic reports to be disclosed by NEEQ-admitted companies under the innovation layer include annual, semi-annual and quarterly reports. Periodic reports to be disclosed by NEEQ-admitted companies under the basic layer include annual and semi-annual reports.

Article 10 NEEQ-admitted companies shall prepare and disclosure their periodic reports in accordance with the applicable requirements of NEEQ Co., Ltd. If NEEQ Co., Ltd. which imposes different requirements for the contents and formats of periodic reports of NEEQ-admitted companies under different market layers, a NEEQ-admitted company shall comply with the applicable requirements.

NEEQ-admitted companies under the innovation layer shall disclose information pursuant to the applicable requirements of the information disclosure rules for their industry and take into consideration the peculiarities of their industry.

Article 11 To meet the requirement for preparation and disclosure of periodic reports within a specified time limit, a NEEQ-admitted company shall prepare and disclose its annual reports within four months after the close of each financial year, its semi-annual reports within two months after the close of the first half of each financial year and, if applicable, its quarterly reports within one month after the close of the first three months and the ninth months of each financial year.

If quarterly reports are to be disclosed, the first quarterly report shall not be disclosed earlier than the annual report for the previous year.

Article 12 A NEEQ-admitted company shall schedule the time of disclosure of its

periodic report with NEEQ Co., Ltd. which will make an overall arrangement for the time of disclosure of periodic reports by all NEEQ-admitted companies on a balanced basis.

A NEEQ-admitted company shall disclose its periodic report within the time arranged by NEEQ Co., Ltd. and, if a change in the time of disclosure is required for any reason, shall inform its chief agency broker and apply for such change to NEEQ Co., Ltd. which will decide whether to approve or disapprove, as the case may be, such application.

Article 13 Financial reports contained in the annual reports of a NEEQ-admitted company must be audited by an accounting firm qualified to provide securities and futures-related services. The NEEQ-admitted company may not arbitrarily change its accounting firm and, if it is necessary for the company to do so, its board of directors shall, after deliberating the matter, submit the same to its shareholders' meeting for consideration.

Any audit for NEEQ-admitted companies under the innovation layer shall be subject to the applicable provisions of the Ministry of Finance's standards on key audit matters. The reporting certified public accountants of NEEQ-admitted companies under the innovation layer shall be governed mutatis mutandis by the rules of the China Securities Regulatory Commission ("CSRC") on the regular rotation of certified public accountants engaged in securities and futures audit services.

Article 14 If a NEEQ-admitted company under the innovation layer is scheduled to disclose its annual report during April of the year following the current financial year or is expected to be unable to keep confidential of its annual earnings, it shall disclose its preliminary earnings estimate by the end of February of the year following the current financial year. Financial data contained in the preliminary earnings estimate includes but is not limited to revenue, net profit, total assets, net assets, and return on net assets.

If a NEEQ-admitted company under the innovation layer estimates a material change in its net profit from the previous financial year before the disclosure of its annual report for the previous year or in its net profit for the current financial year during the second half of the current year, it shall timely give an earnings forecast. The estimated annual net profit and the reason for a material change therein shall be disclosed in the earnings forecast.

Material changes as referred to in the preceding paragraph include a year-on-year change of more than 50% and over RMB 5 million in the annual net profit and a turn from profit to loss or vice versa.

The company shall timely disclose a correction announcement if it finds that the deviation of financial data contained in its preliminary earnings estimate or earnings forecast from the actual data is above 10% and shall, in the correction announcement, give an apology to investors and state the reason for the deviation if such deviation is above 50%.

Article 15 The board of directors of a NEEQ-admitted company shall ensure that the periodic reports of the company are disclosed on schedule. If the board of directors fails to adopt a resolution on a periodic report due to any reason, the board of director shall publish an announcement to disclose the specific reason and any existing risks.

The NEEQ-admitted company shall not disclose any periodic report which has not been deliberated and approved by the board of directors and may not, by reason that any of its directors or senior officers disputes the contents of any periodic report which has been deliberated and approved by the board of directors, fail to disclose a periodic report as scheduled

The board of supervisors of the NEEQ-admitted company shall review periodic reports prepared by the board of directors and give opinions as to whether the board of directors has prepared and reviewed the periodic reports in accordance with procedures set forth in laws, administrative regulations, the rules of CSRC and the company's articles of association and whether the contents of the periodic reports are in a true, accurate and complete presentation of the actual conditions of the company.

Article 16 A NEEQ-admitted company shall timely provide its chief agency broker with the following documents before disclosing its periodic report:

- (1) The full text and summary (if any) of the periodic report;
- (2) An auditor's report (if applicable);
- (3) The resolutions of its board of directors and board of supervisors and a written copy of their announcements;

- (4) The written confirmations of its directors and senior officers and the written review opinions of the board of supervisors;
- (5) An electronic copy of the periodic report and financial data made in accordance with the requirements of NEEQ Co., Ltd.; and
- (6) any other documents required by the chief agency broker and NEEQ Co., Ltd.

Article 17 If any of the following events occurs to the annual report of a NEEQ-admitted company, its chief agency broker shall, no later than the date of disclosure of such annual report, report the event to NEEQ Co., Ltd.:

- (1) An auditor's report with an adverse opinion or disclaimer of opinion is issued with respect to the financial report;
- (2) the audited net assets at the end of the reporting period are negative;
or
- (3) the company is directly shifted from the innovation layer to the basic layer due to the correction or retrospective adjustment of data included in the annual report.

Article 18 If a certified public accountant issues a non-standard audit opinion with respect to the financial report of a NEEQ-admitted company, the company shall provide the following documents when delivering its periodic report to its chief agency broker:

- (1) a special explanatory note given by its board of directors on the matter covered by the audit opinion, the resolution of the board of directors on deliberation of such special explanation, and materials based on which the resolution is adopted;
- (2) the opinions and relevant resolutions of its board of supervisors on the explanatory note of the board of directors;
- (3) a special explanatory note issued by the accounting firm and certified public accountants responsible for the audit; and

- (4) any other documents required by the chief agency broker and NEEQ Co., Ltd.

Article 19 A special explanatory note issued in accordance with Article 18 hereof by a accounting firm and certified public accountants responsible for the audit of the financial report of a NEEQ-admitted company shall at least include:

- (1) the basis and reason for issuing a non-standard audit opinion;
- (2) the impact of any matters covered by the non-standard audit opinion on the financial position and operating results of the company;
- (3) whether the matters covered by the non-standard audit opinion violate the *Accounting Standards for Business Enterprises* and any provisions thereof governing information disclosures

Article 20 If any matters covered by a non-standard audit opinion as described in Article 19 hereof violate accounting standards and relevant rules governing information disclosures, the chief agency broker of the NEEQ-admitted company concerned shall urge the company to correct the matters involved.

Chapter 3 Interim Reports

Section 1 General

Article 21 An interim report refers to any announcement other than periodic reports published by a NEEQ-admitted company and any other party with information disclosure obligations upon receipt of the letter of consent for admission to NEEQ in accordance with laws and regulations and the applicable rules of NEEQ Co., Ltd.

In case of any material event which may have a significant impact on the transfer price of the shares or any other security products of a NEEQ-admitted company (“material event”), the NEEQ-admitted company and any other party with information disclosure obligations shall timely disclose an interim report.

Interim reports of the NEEQ-admitted company (other than announcements of its board of supervisors) shall be affixed with the official seal of its board of directors and be published by the board of directors.

Article 22 NEEQ-admitted companies shall prepare and disclose their interim reports in accordance with the applicable requirements of NEEQ Co., Ltd. If rules governing interim reports established by NEEQ Co., Ltd. contain different provisions on the criteria for material events, NEEQ-admitted companies shall comply with these provisions.

Article 23 A NEEQ-admitted company shall timely perform its initial disclosure obligation after the material event covered by its interim report first hits any time point:

- (1) at which its board of directors or board of supervisors make a resolution;
- (2) at which a letter of intent or an agreement (with or without any conditions or term) is executed; or
- (3) at which the company (including any director, supervisor or senior officer) knows or should have known the occurrence of such material event.

Article 24 If the material event which may have a significant impact on the transfer price of the shares of a NEEQ-admitted company is under planning and does not hit any of the time points set forth in Article 23 hereof, but is under any of the following circumstances, the company shall also perform its initial disclosure obligation:

- (1) It is impossible to keep confidential of such event;
- (2) Such event has been revealed or there are market rumors about such event; or
- (3) There have been unusual fluctuations in the trading of the shares of the company and its derivatives.

Article 25 If any event occurring to or relating to a NEEQ-admitted company fails to meet the disclosure criteria set forth herein or there is no specific provision herein on the disclosure of such event, but its board of directors deems that such event involves material information which may have a significant impact on the transfer price of its shares or other security products, the company shall timely disclose such event.

Article 26 A NEEQ-admitted company shall perform its initial disclosure obligation in compliance with the disclosure requirements hereof and any rules governing interim reports developed by NEEQ Co., Ltd.

The interim report disclosed by the NEEQ-admitted company shall state the cause, current status and possible legal consequence of the material event. If relevant facts have not occurred when the company prepares the announcement, the company shall objectively announce the existing facts and shall, after the occurrence of the relevant facts, disclose the progress of or any change in the matters involved pursuant to applicable requirements.

Article 27 The information of a subsidiary controlled by a NEEQ-admitted company which may have a significant impact on the transfer price of the NEEQ-admitted company's shares shall be deemed as material information of the company and shall be timely disclosed by the company.

Section 2 Resolutions of Board of Directors, Board of Supervisors and Shareholders' Meeting

Article 28 After a meeting of its board of directors, a NEEQ-admitted company shall timely file resolutions (including the ones which reject all proposals presented at the meeting) signed by all directors in attendance with its chief agency broker.

If any resolution of the board of directors involves disclosable material information as specified herein, the company shall, after the adoption of such resolution, timely disclose such material information in the form of an interim report.

Article 29 After a meeting of its board of supervisors, a NEEQ-admitted company shall timely file resolutions signed by all supervisors in attendance with its chief agency broker.

If any resolution of the board of supervisors involves disclosable material information as specified herein, the company shall, after the adoption of such resolution, timely disclose such material information in the form of an interim report.

Article 30 A NEEQ-admitted company shall, twenty days before holding its annual shareholders' meeting or fifteen days before holding its extraordinary

shareholders' meeting, send a notice of the shareholders' meeting to its shareholders in the form of an interim report.

At the shareholders' meeting, the NEEQ-admitted company shall not disclose or divulge any non-public material information.

Article 31 After its shareholders' meeting, a NEEQ-admitted company shall timely disclose the announcement on relevant resolutions adopted at the meeting. The announcement of the annual shareholders' meeting shall include a letter of attestation from an attorney.

If any resolution of the shareholders' meeting involves a material event as prescribed herein or the relevant proposal is not approved after being deliberated at the meeting, the NEEQ-admitted company shall, in the form of an interim report, disclose the reason why the subject matter of the proposal is not approved and related specific arrangements.

Article 32 A NEEQ-admitted company shall, based on the criteria as prescribed in its articles of association for submission of such matters as acquisition and sale of assets, investments (including but not limited to entrusted wealth management and investments in subsidiaries) or provision of loans or guarantees to its board of directors or shareholders' meeting for deliberation, present these matters to the board of directors or shareholders' meeting for deliberation and shall disclose the same in accordance with the applicable provisions hereof.

Article 33 If the chief agency broker of a NEEQ-admitted company and NEEQ Co., Ltd require the meeting minutes from its board of directors, board of supervisors or shareholders' meetings, the NEEQ-admitted company shall provide them as required.

Section 3 Related Party Transactions

Article 34 For a NEEQ-admitted company, a related party transaction refers to any transaction between the company and its related party involving the transfer of resources or obligations.

Article 35 For a NEEQ-admitted company, its related parties and related party relationships include circumstances set forth in the *Accounting Standards for Business Enterprises No. 36 – Disclosure of Related Parties* and those recognized by the company, its chief agency broker or NEEQ Co., Ltd. on a

substance-over-form basis.

Article 36 When deliberating a related party transaction, the board of directors or shareholders' meeting of a NEEQ-admitted company shall comply with recusal rules for voting rights prescribed in the company's articles of association. The NEEQ-admitted company shall disclose votes cast with respect to the related party transactions and in compliance with the recusal rules.

Article 37 For routine related party transactions occurring each year, a NEEQ-admitted company may, before disclosing the annual report for the previous year, present to the shareholders' meeting for deliberation and disclose a reasonable estimate of the total value of such related party transactions which will arise during the current year. The company shall, in its annual report and semi-annual report, classify the expected related party transactions, disclose their execution in the form of a table and explain their fairness.

If the value of the expected related party transactions in practice exceeds the expected total value of related party transactions for the current year, the company shall, in accordance with its articles of association, perform applicable deliberation procedures with respect to and disclose any matters covered by the excess amount.

Article 38 A NEEQ-admitted company shall, in accordance with its articles of association, perform applicable deliberation procedures with respect to and disclose any related party transactions other than routine related party transactions and if there is no applicable provision in its articles of association, shall present to the shareholders' meeting for deliberation and disclose these related party transactions.

Article 39 A NEEQ-admitted company may be exempt from deliberating and disclosing, as a related party transaction, any transaction executed between the company and its related party if the transaction:

- (1) involves one party's subscription in cash of shares, corporate or enterprise bonds, convertible corporate bonds or any other security products issued by the other party;
- (2) involves one party's underwriting, as a member of the underwriting group, of shares, corporate or enterprise bonds, convertible corporate

bonds or any other security products issued by the other party;

- (3) involves one party's receipt of dividends, bonuses or remunerations from the other party pursuant to the resolution of the shareholders' meeting;
- (4) is a related party transaction between the company and any of subsidiaries controlled by the company and included in the company's consolidated financial statements, or between any two of its subsidiaries.

Section 4 Other Material Events

Article 40 A NEEQ-admitted company shall, after its board of directors approves a profit distribution or capital surplus capitalization proposal, timely disclose the specific details of such proposal and shall, prior to the date of record for the implementation of such proposal, disclose an announcement on the implementation of such proposal.

Article 41 If any transfer of shares of a NEEQ-admitted company is considered by NEEQ Co., Ltd. as an abnormal fluctuation in the price of such shares, the company shall disclose an abnormal fluctuation announcement prior to the market open on the next transfer day. If unable to do so, the company shall apply to NEEQ Co., Ltd. for suspension of the transfer of its shares until the abnormal fluctuation announcement is disclosed.

Article 42 If information disseminated on public media ("rumor") may exert or has exerted a significant impact on the transfer price of a NEEQ-admitted company's shares, the company shall timely provide its chief agency broker with relevant materials useful to identify the rumor and shall decide whether to make a clarification announcement in relation to the rumor.

Article 43 Any NEEQ-admitted company which has in place a share incentive plan shall strictly comply with the applicable rules of NEEQ Co., Ltd. and perform its obligation to disclose such plan.

Article 44 Before restrictions on the transfer of its restricted shares are lifted, a NEEQ-admitted company shall disclose an announcement thereon or perform procedures applicable thereto in accordance with the applicable requirements of NEEQ Co., Ltd.

Article 45 If the shares of a NEEQ-admitted company in which an investor and any person acting in concert with the investor have an interest to reach the threshold set forth in the *Measures for Administration of Acquisitions of Unlisted Public Companies* (“*Measures*”), the company shall perform its obligation to disclose a change in its ownership or control in accordance with the *Measures*.

Article 46 After disclosing any commitments, a NEEQ-admitted company and relevant party with information disclosure obligations shall strictly observe such commitments.

If failing to fulfill the commitments, the company shall timely disclose the reason for such failure and any possible legal liability of the parties concerned; and if the relevant party with information disclosure obligations fails to fulfill the commitments, the company shall voluntarily make an inquiry about such failure with the party and timely disclose the reason for such failure and any actions which its board of directors intends to take.

Article 47 After NEEQ Co., Ltd. issues a risk warning to a NEEQ-admitted company or decides to terminate the admission of its shares to NEEQ, the company shall timely disclose the same.

Article 48 If any of the following events occurs, a NEEQ-admitted company shall timely disclose such event from the date of occurrence of such event or the date of adoption of a resolution by its board of directors in relation to such event:

- (1) there is a change in the controlling shareholder or de facto controller of the company and any person acting in concert therewith;
- (2) the funds of the company are employed by the controlling shareholder or de facto controller of the company or its/his related party;
- (3) a court rules that the controlling majority shareholder of the company is prohibited from transferring its/his shareholdings in the company;
- (4) Above 5% of the company’s shares held by any of its shareholders are pledged, frozen, sold at judicial auction, put under custody, placed under trust or legally subject to voting right restrictions;
- (5) The chairman of the board of directors or general manager of the

company is unable to perform his duties due to a change in the directors, supervisors or senior officers of the company;

- (6) The company makes a decision to reduce its capital, merger with another company, split itself up, dissolve or file a bankruptcy petition, or is under bankruptcy proceedings or ordered to close down;
- (7) The company makes a resolution regarding any proposal for or the execution of any agreement for acquisition and sale of major assets or major investments (including, without limitation, entrusted wealth management and investments in subsidiaries);
- (8) The board of directors of the company makes a resolution on the proposed listing of its shares on a stock exchange or the offering of its other security products;
- (9) The board of directors of the company makes a resolution on any share repurchase or share incentive plan;
- (10) The company changes its accounting policy, accounting estimates (except as caused by amendments to laws, administrative regulations or ministry-level rules) or accounting firm;
- (11) The board of directors of the company makes a resolution on the provision of loans (other than those provided to subsidiaries controlled by it) or guarantees (other than those provided to subsidiaries controlled by it);
- (12) The company is involved in a major litigation or arbitration in which the resolution of its shareholders' meeting or board of directors is revoked or declared null and void in accordance with the law;
- (13) The company or its controlling shareholder or de facto controller, directors, supervisors or senior officers is subject to joint sanctions for dishonesty;
- (14) The company acquires or loses important production qualifications, licenses or franchises, or there is a significant change in the external conditions for its production and business activities or industry policies;

- (15) The company is under the formal investigation of CSRC and its regional office or any other competent authority for any suspected violation of laws and regulations, is referred to the judicial authority or prosecuted for criminal liability, or is imposed an administrative sanction which has a material impact on the company's production and operation or subject to any regulatory action taken by CSRC and its regional office; any director, supervisor or senior officer of the company is under the formal investigation of or subject to any compulsory action taken by CSRC and its regional office or any other competent authority for any suspected violation of laws and regulations, is barred from the securities market or identified as a suitable candidate by CSRC and its regional office, or is imposed an administrative sanction which has a material impact on the company's production and operation;
- (16) The company is ordered to make corrections or makes corrections upon the decision of its board of directors due to the reason that the information previously disclosed by it includes any error, is not disclosed pursuant to applicable provisions, contains any misrepresentation;
- (17) Any other events prescribed under laws and administrative regulations or recognized by CSRC, NEEQ Co., Ltd. or its chief agency broker.

If the NEEQ-admitted company provides a guarantee in violation of applicable regulations or the company's funds or assets are employed by the controlling shareholder or de facto controller of the company or its/his related party, the company shall disclose the progress in the rectification of the matter concerned.

Chapter 4 Self-Regulation

Article 49 The directors, supervisors and senior officers of a NEEQ-admitted company shall be responsible for the authenticity, accuracy, completeness, timeliness and fairness of information disclosed by the company.

The officer of the company responsible for information disclosure affairs, the secretary of its board of directors or its officer in charge of information

disclosures shall be directly responsible for its information disclosure affairs. The chief financial officer of the company shall be directly responsible for its financial reports.

Article 50 The chief agency broker of a NEEQ-admitted company shall have the duty to supervise the company in relation to the proper performance of its information disclosure obligations in accordance with the *Rules*, the *Guidelines for Performance of Ongoing Supervisory Duties by Chief Agency Brokers in the National Equities and Exchange Quotations* (the “*Guidelines*”) and other rules.

Pursuant to the *Rules* and other rules, accounting firms, law firms, other security services providers and their practitioners shall be responsible for the authenticity, accuracy and completeness of documents issued by them.

Article 51 If a NEEQ-admitted company or any other party with information disclosure obligations commits any of the following information disclosure violations, NEEQ Co., Ltd. may take a self-regulatory measure against or impose a disciplinary sanction on the NEEQ-admitted company and the responsible party concerned in accordance with the *NEEQ Rules* and the *Measures for Implementation of Self-Regulatory Measures and Disciplinary Sanctions in the National Equities and Exchange Quotations (for Trial Implementation)* and other regulations:

- (1) A non-existent fact is recorded in any information disclosure document, which constitutes a misrepresentation;
- (2) A statement made in any information disclosure document causes investors to make misjudgment in their investing behaviors and has a material impact, which constitutes a misleading statement;
- (3) An information disclosure document fails to contain a complete record of disclosable matters or is not prepared in accordance with applicable rules for the contents and formats of information disclosure documents, which constitutes a material omission;
- (4) A periodic or interim report is not disclosed within the time limit specified herein without any justifiable reason;
- (5) It provides to others disclosable information which has not been disclosed on any information disclosure platform specified herein or

recognized by NEEQ Co., Ltd. or fails to publicly disclose disclosable information in a way as prescribed by NEEQ Co., Ltd.;

- (6) It corrects any errors in disclosure documents or modifies disclosed financial data, etc. which has a material impact;
- (7) It refuses to respond to or fails to timely respond to the request of NEEQ Co., Ltd. for explanation on, correction of, or supplementation to any information disclosure documents, or to the public inquiry of NEEQ Co., Ltd.;
- (8) It fails to develop and implement rules and regulations for management of information disclosure affairs as required, or refuses to perform the obligation to file information in accordance with the *Rules*; or
- (9) Any other violations recognized by NEEQ Co., Ltd.

If any of the foregoing violations is minor and causes no adverse impact or consequence, NEEQ Co., Ltd. may allow its business department to educate the company or the party by issuing a regulatory opinion letter or requiring the responsible persons concerned to receive professional training.

Article 52 If the chief agency broker of a NEEQ-admitted company fails to perform its ongoing supervisory duties as required and is held responsible for any information disclosure violation committed by the company and any other party with information disclosure obligations, NEEQ Co., Ltd. may take a self-regulatory measure against or impose a disciplinary sanction on the chief agency broker in accordance with the *Guidelines*.

If documents issued by accounting firms, law firms or any other security service providers and their practitioners violate the principles of authenticity, accuracy and completeness for information disclosures, NEEQ Co., Ltd. may take self-regulatory measures against or impose disciplinary sanctions on them.

Chapter 5 Supplementary Provisions

Article 53 At the time of its admission to NEEQ, a NEEQ-admitted company shall file with NEEQ Co., Ltd. the employment or professional history of and its shares

held by its directors, supervisors and senior officers.

If a new director, supervisor or senior officer is appointed or there is any change in the matters filed above, the company shall, within five transfer days of the date of approval of the relevant resolution or the date of occurrence of the relevant matter, file the updated information with NEEQ Co., Ltd.

Article 54 The directors, supervisors and senior officers of a NEEQ-admitted company shall abide by the *Director/Supervisor/Senior Officer's Declaration and Undertaking* (the “*Undertaking*”) signed by them when the company is admitted to NEEQ.

The *Undertaking* shall be signed and filed with NEEQ Co., Ltd. by newly appointed directors and supervisors within five transfer days after the shareholders' meeting or the employee representative congress approves their appointment and by newly appointed senior officers within five transfer days after the board of directors approves their appointment.

Article 55 A NEEQ-admitted company shall file with NEEQ Co., Ltd. and disclose the appointment, contact information and professional history of the secretary of its board of directors and its officer in charge of information disclosure affairs and shall do so in the event of a change in the secretary or officer. If there is no successor to the afore-said person leaving office, or the afore-said person fails to perform his or her duties for any reason, the board of directors shall timely designate and disclose a senior officer to be responsible for its information disclosure affairs and shall, as soon as possible, appoint a new secretary of the board of directors or a new officer in charge of information disclosure affairs.

Article 56 The following terms as used herein shall be assigned the following meanings:

- (1) Disclose or disclosure: means the publication of information on the official website of NEEQ Co., Ltd. by a NEEQ-admitted company or any other party with information disclosure obligations in accordance with laws, administrative regulations, ministry-level rules, the *Rules* and other applicable rules of NEEQ Co., Ltd.
- (2) Timely: means no later than two transfer days upon the initial calculation date or after a time point of disclosure as set forth herein is reached, unless otherwise provided for herein.

- (3) Party with information disclosure obligations: means any company whose shares or other securities products are admitted to NEEQ or its shareholders, acquirer or chief agency broker, etc.
- (4) Material event: means any matter which may have a significant impact on the transfer price of the shares or other security products of a NEEQ-admitted company.
- (5) Abnormal fluctuation: means that the transfer of shares experiences any of abnormal fluctuation circumstances identified in rules governing the real-time monitoring of abnormal share transfers on NEEQ; or the transfer of any other security product experiences a specified circumstance.
- (6) Senior officer: means the manager, deputy manager, secretary of the board of directors (if any) or chief financial officer of a company and other officers specified in the company's articles of association.
- (7) Controlling shareholder: means a shareholder whose shareholdings in a company are equivalent or above 50% of its total capital stock; or a shareholder whose shareholdings in a company is less than 50% of its total capital stock, but who, based on the shareholdings, has voting rights sufficient to exert a material impact on the resolutions of the shareholders' meeting.
- (8) De facto controller: means any natural person, legal person or other organization that can control or in fact controls the activities of a company through an investment relationship, an agreement or any other arrangement.
- (9) Control: means that the right to decide the financial and operating policies of a company and gain benefits from the operation activities of the company. A person shall be deemed to have control over a NEEQ-admitted company, unless there is conclusive evidence that the person cannot direct the relevant activities of the company, if the person:
 - A. is a controlling shareholder who holds above 50% of the shares of the company;

- B. can in fact control more than 30% of the voting shares of the company;
 - C. can decide on the election of a majority of the company's directors by actually controlling the voting shares of the company;
 - D. in fact control the voting shares of the company which are sufficient to have a material impact on the resolutions of its shareholders' meeting; or
 - E. experiences any circumstances recognized by CSRC or NEEQ Co., Ltd.
- (10) **Subsidiary controlled by a NEEQ-admitted company:** means a company above 50% of its shares are held by the NEEQ-admitted company or a majority of the members of whose board of directors can be decided by the NEEQ-admitted company, or over which the NEEQ-admitted company can have actual control through an agreement or any other arrangement.
- (11) **Commitment:** means a guarantee and any related solution for important matters provided to the public or the regulatory authorities by a NEEQ-admitted company and any other party with information disclosure obligations.
- (12) **Guarantee in violation of applicable regulations:** means that any guarantee provided by a NEEQ-admitted company or any subsidiary controlled by it without performing the deliberation procedures as required in its articles of association;
- (13) **Net assets:** mean the owners' equity presented in the balance sheet of a NEEQ-admitted company; if the NEEQ-admitted company prepares financial statements on a consolidated basis, the owners' equity attributable to the parent company presented in the consolidated balance sheet, excluding minority shareholders' equity.
- (14) **Routine related party transaction and contingent related party transaction:** routine related party transaction means any transaction between a NEEQ-admitted company and its related party involving

the purchase of raw materials, fuel and power, sale of products and goods, provision and receipt of labor services, sale on commission, investments (including joint investments, entrusted wealth management and entrusted loans) and financial assistance (accepted by the NEEQ-admitted company); the types of routine related party transactions applicable to the company are stipulated in its articles of association.

Related party transactions other than routine related party transactions are considered as contingent related party transactions.

- (15) Funds employed by a controlling shareholder, de facto controller or its/his related party: means that costs and other expenses such as payroll, benefits, insurance premiums and advertising fees paid by a NEEQ-admitted company for the controlling shareholder, the de facto controller and its/his affiliated enterprise; funds paid by the company for repayment of debts on behalf of the controlling shareholder, the de facto controller and its/his affiliated enterprise; funds lent, with or without charge, directly or indirectly by the company to the controlling shareholder, the de facto controller and its/his affiliated enterprise; debt claims arising as a result of assuming the liability for any guarantee from the controlling shareholder, the de facto controller and its/his affiliated enterprise; other funds provided to the controlling shareholder, the de facto controller and its/his affiliated enterprise for use without consideration in the form of goods or labor services or any funds employed in any other way as recognized by NEEQ Co., Ltd.
- (16) Non-standard audit opinion: means any opinion other than an unqualified opinion (i.e. qualified opinion, adverse opinion, disclaimer of opinion), as well as any unqualified opinion with an emphasis-of-matter paragraph, an other matter paragraph, a material going concern uncertainty paragraph or an other information paragraph including a note on the uncorrected material misstatement existing in other information, expressed by a certified public accountant.
- (17) Above: as used in the *Rules*, “above” includes the number per se and “more than” excludes the number per se.

Article 57 NEEQ Co., Ltd. reserves the right to interpret the Rules.

Article 58 The *Rules* shall come into effect on the date of promulgation.