



Order of the China Securities Regulatory Commission

No. 222

The Administrative Measures for the Issuance and Trading of Corporate Bonds have been deliberated and approved by the 6th Committee Meeting of the China Securities Regulatory Commission in 2023 on October 12, 2023, and are hereby promulgated and will come into force on the date of promulgation.

The chairman is easy to fill up

October 20, 2023

Administrative Measures for the Issuance and Trading of Corporate Bonds

Chapter 1 General Provisions

Article 1 These Measures are formulated in accordance with the Securities Law, the Company Law and other relevant laws and regulations in order to regulate the issuance, trading or transfer of corporate bonds (including corporate bonds) and protect the legitimate rights and interests of investors and the public interest.

Article 2 These Measures apply to the public issuance of corporate bonds and trading on the stock exchange or the national small and medium-sized enterprise share transfer system, or the non-public issuance of corporate bonds and the transfer of them on the stock exchange, the national small and medium-sized enterprise share transfer system, and the counter of securities companies. Where laws and regulations and the China Securities Regulatory Commission (hereinafter referred to as the China Securities Regulatory Commission) provide otherwise, those provisions shall prevail. The term "corporate bonds" as used in these Measures refers to securities issued by the company in

accordance with legal procedures and agreed to repay principal and interest within a certain period of time.

Article 3 Corporate bonds may be issued publicly or privately.

Article 4 Issuers and other information disclosure obligors shall perform their disclosure obligations in a timely and fair manner, and the information disclosed or submitted must be true, accurate, complete, concise and clear, easy to understand, and must not contain false records, misleading statements or material omissions.

Article 5 The issuer and its controlling shareholders, actual controllers, directors, supervisors and senior management shall be honest and trustworthy, diligent and responsible, and safeguard the statutory rights enjoyed by bondholders and the rights stipulated in the bond prospectus.

The issuer and its controlling shareholders, actual controllers, directors, supervisors, and senior management shall not neglect to perform their debt repayment obligations or evade debts through property transfers, related party transactions, etc., and intentionally harm the rights and interests of bondholders.

Article 6 Underwriting institutions and trustees providing services for corporate bond issuance, as well as professional institutions and personnel such as credit rating agencies, accounting firms, asset appraisal agencies, and law firms, shall be diligent and responsible, strictly abide by practice norms and regulatory rules, and perform their obligations in accordance with regulations and agreements.

The issuer, its controlling shareholder and actual controller shall fully cooperate with the relevant work of the underwriting institution, trustee manager and securities service institution, provide information in a timely manner, and ensure that the content is true, accurate and complete.

Article 7 Issuers, underwriting institutions and their relevant staff shall not violate fair competition, transfer benefits, directly or indirectly seek improper benefits, or otherwise undermine market order in the process of issuance, pricing and placing.

Article 8 The registration of corporate bond issuance by the China Securities Regulatory Commission, the review opinion issued by the stock exchange on the issuance of corporate bonds, or the filing of corporate bond issuance by the Securities Association of China in accordance with these Measures do not indicate that it has made a judgment or guarantee on the issuer's operating risk, debt repayment risk, litigation risk, or investment risk or income of corporate bonds. The investment risk of corporate bonds shall be borne by the investor.

Article 9 The China Securities Regulatory Commission shall supervise and manage the issuance of corporate bonds and their trading or transfer activities in accordance with the law. Securities self-regulatory organizations shall self-discipline the issuance, listing and trading or listing and transfer, registration and settlement, underwriting, due diligence, credit rating, fiduciary management and credit enhancement of corporate bonds in accordance with relevant regulations.

Securities self-regulatory organizations shall formulate relevant business rules, clarifying specific provisions such as corporate bond issuance, underwriting, filing, listing and trading, listing and transfer, information disclosure, registration and settlement, investor suitability management, holders' meetings, and trustee management, and report to the China Securities Regulatory Commission for approval or filing.

Chapter II General Provisions on Issuance and Transaction Transfer

Article 10 When issuing corporate bonds, the issuer shall make resolutions on the following matters in accordance with the Company Law or the relevant provisions of the articles of association:

- (1) The amount of bonds issued;
- (2) The method of issuance;
- (3) The term of the bond;
- (4) The use of the raised funds;
- (5) Other matters that need to be clarified in accordance with laws, regulations and the articles of association of the company.

If arrangements are made for the issuance of corporate bonds, the credit enhancement mechanism and debt repayment guarantee measures shall also be specified in the resolution.

Article 11 The issuance of corporate bonds may be accompanied by terms such as stock options and convertible into relevant shares. Shareholders of listed companies and unlisted public companies whose shares are publicly transferred may issue corporate bonds with clauses that can be exchanged for shares of listed companies or unlisted public companies. Commercial banks and other financial institutions may issue corporate bonds to supplement capital in accordance with relevant regulations. The issuance of corporate bonds with warrants and convertible into shares by listed companies shall comply with the relevant provisions on the issuance and management of securities by

listed companies. The issuance of corporate bonds with warrants and convertible into shares by unlisted public companies with public transfer of shares shall be separately stipulated by the CSRC.

Article 12 Corporate bond investors can be divided into ordinary investors and professional investors according to factors such as property status, financial asset status, investment knowledge and experience, and professional ability. The standards for professional investors are implemented in accordance with the relevant regulations of the China Securities Regulatory Commission.

Securities self-regulatory organizations can set stricter investor suitability requirements on the basis of relevant regulations of the China Securities Regulatory Commission.

The directors, supervisors, senior management and shareholders holding more than 5% of the shares of the issuer may be regarded as professional investors participating in the subscription, trading and transfer of the issuer's relevant corporate bonds.

Article 13 The funds raised by the public issuance of corporate bonds must be used in accordance with the use of funds listed in the prospectus of corporate bonds. The change in the use of funds must be resolved by the bondholders' meeting. For non-public issuance of corporate bonds, the funds raised shall be used for the agreed purpose; The procedures agreed in the prospectus shall be fulfilled to change the use of funds.

Encourage the funds raised from the public issuance of corporate bonds to invest in project construction in line with national macroeconomic regulation and industrial policies.

The funds raised from the public issuance of corporate bonds shall not be used to make up for losses and unproductive expenditures. The issuer shall designate a special account for the receipt, storage and transfer of funds raised by corporate bonds.

Chapter III Public Offering and Transactions

Section 1 Registration Regulations

Article 14 The public issuance of corporate bonds shall meet the following conditions:

- (1) Have a sound and well-functioning organizational structure;
- (2) The average distributable profit in the last three years is sufficient to pay one year's interest on the corporate bonds;

(3) Have a reasonable asset-liability structure and normal cash flow;

(4) Other conditions stipulated by the State Council.

The stock exchange is responsible for accepting and reviewing the public issuance of corporate bonds, and reporting them to the China Securities Regulatory Commission for registration.

Article 15 Under any of the following circumstances, corporate bonds shall not be issued again:

(1) The fact that there is a default or delay in payment of principal and interest on publicly issued corporate bonds or other debts is still in a continuing state;

(2) Violating the provisions of the Securities Law and changing the use of funds raised from the public issuance of corporate bonds.

Article 16 Professional investors and ordinary investors may participate in the subscription of publicly issued corporate bonds whose credit status meets the following standards:

(1) The fact that the issuer has not defaulted on debts or delayed payment of principal and interest in the past three years;

(2) The issuer's average distributable profit in the past three years is not less than 1.5 times the one-year interest of the bonds;

(3) The issuer's net assets at the end of the most recent period are not less than 25 billion yuan;

(4) The issuer has issued no less than 3 public bonds in the past 36 months, with an issuance scale of not less than 10 billion yuan;

(5) Other conditions stipulated by the CSRC in accordance with the needs of investor protection.

Public issuance of corporate bonds that do not meet the standards specified in the preceding paragraph is limited to the participation of professional investors.

Section 2 Registration Procedures

Article 17 When an issuer issues corporate bonds to the public, it shall prepare registration application documents in accordance with the relevant provisions of the CSRC, and the issuer shall report it to the stock exchange. After receiving the registration application documents, the stock exchange will make a decision on whether to accept the application within five working days.

Article 18 From the date of acceptance of the registration application documents, the issuer and its controlling shareholders,

actual controllers, directors, supervisors, senior management, as well as the lead underwriters, securities service institutions and relevant responsible personnel related to the public offering and listing of the bonds shall bear corresponding legal liabilities.

Article 19 After the registration application documents are accepted, they shall not be changed without the consent of the China Securities Regulatory Commission or the stock exchange.

In the event of a major event, the issuer, lead underwriter, and securities service institution shall report to the stock exchange in a timely manner and update the registration application documents and information disclosure materials as required.

Article 20 The stock exchange is responsible for reviewing the issuer's public issuance of corporate bonds and listing applications.

The stock exchange mainly conducts review work by asking the issuer for review inquiries and answering questions from the issuer to determine whether the issuer meets the issuance conditions, listing conditions and information disclosure requirements.

Article 21 The stock exchange shall submit review opinions in accordance with the prescribed conditions and procedures. If the issuer is deemed to meet the issuance conditions and information disclosure requirements, it shall submit the review opinions, registration application documents and relevant review materials to the China Securities Regulatory Commission to perform the issuance registration procedures. If the issuer is found to be unable to meet the issuance conditions or information disclosure requirements, a decision to terminate the issuance and listing review shall be made.

Article 22 The stock exchange shall establish and improve the review mechanism, strengthen quality control, improve the transparency of the review work, disclose matters related to the review work, and accept public supervision.

If the stock exchange finds that the application documents are suspected of false records, misleading statements or material omissions during the review, it may conduct on-site inspections of the issuer and carry out extended inspections on the practice quality of the relevant lead underwriters and securities service institutions.

Article 23 After receiving the review opinions, issuer registration application documents and relevant review materials submitted by the stock exchange, the CSRC shall perform the issuance registration procedures. If the CSRC believes that there are matters that need to be further explained or implemented, it may inquire or request the stock exchange to inquire further.

If the CSRC believes that the stock exchange's review opinion is insufficient, it may return it to the stock exchange for supplementary review.

Article 24 The stock exchange shall issue an audit opinion within two months from the date of acceptance of the registration application documents, and the China Securities Regulatory Commission shall make a decision to approve or not register within three months from the date of acceptance of the registration application documents by the stock exchange. The time for the issuer to supplement and modify the registration application documents according to the requirements of the China Securities Regulatory Commission and the stock exchange shall not be counted.

Article 25 The public issuance of corporate bonds may apply for registration and issue them in installments. The CSRC's decision to agree to registration shall be valid for two years from the date of issuance, and the issuer shall issue corporate bonds within the validity period of the registration decision and independently choose the timing of issuance.

The prospectus for the public issuance of corporate bonds is valid for six months from the date of last signing. The issuer shall promptly update the bond prospectus and other corporate bond issuance documents, and report them to the stock exchange for the record before each issuance.

Article 26 After the CSRC makes a registration decision, the lead underwriter and securities service institution shall continue to perform due diligence duties. In the event of a major event, the issuer, lead underwriter, and securities service institution shall promptly report to the stock exchange.

The stock exchange shall handle the above matters in a timely manner, and if it is found that the issuer has major matters affecting the issuance conditions and listing conditions, it shall issue a clear opinion and report to the CSRC in a timely manner.

Article 27 If the CSRC finds any major matters that may affect the issuance after the CSRC makes a registration decision and before the listing of the issuer's corporate bonds, the CSRC may request the issuer to suspend or suspend the issuance or listing. If the issuer does not meet the issuance conditions due to relevant major events, the registration may be revoked.

If corporate bonds have not been issued after the CSRC deregisters, the issuer shall stop issuing them. If corporate bonds have been issued but have not yet been listed, the issuer shall return the bondholders

according to the issue price and add the bank's deposit interest for the same period.

Article 28 The CSRC shall disclose regulatory information related to administrative licensing matters for the issuance and registration of corporate bonds in accordance with regulations.

Article 29 In any of the following circumstances, the issuer, lead underwriter, or securities service institution shall promptly report in writing to the stock exchange or the China Securities Regulatory Commission, and the stock exchange or the China Securities Regulatory Commission shall suspend the corresponding issuance and listing review procedures or issuance registration procedures:

(1) The issuer has been investigated by the administrative organs for suspected violations of laws and regulations, or has been investigated by the judicial organs, and the case has not yet been closed, which has a significant impact on the administrative license for the public issuance of corporate bonds;

(2) The issuer's lead underwriter, as well as law firms, accounting firms, credit rating agencies and other securities service institutions, have been subject to regulatory measures such as restricting business activities, ordering business suspension for rectification, designating other institutions to be trusteeship, or taking over by the CSRC in accordance with the law, or have been subject to disciplinary sanctions imposed by the stock exchange for not accepting relevant documents issued by the issuer within a certain period of time, which have not yet been lifted;

(3) The issuer's lead underwriter, as well as the signatories of law firms, accounting firms, credit rating agencies and other securities service institutions, have been subject to regulatory measures such as restricting the participation of securities service business or prohibiting them from entering the securities market by the CSRC in accordance with the law, or have been subject to disciplinary sanctions imposed by the stock exchange for not accepting relevant documents issued by them within a certain period of time, which have not yet been lifted;

(4) The issuer or lead underwriter voluntarily requests the suspension of the issuance and listing review procedure or the issuance registration procedure for justified reasons and approved by the stock exchange or the China Securities Regulatory Commission;

(5) Other circumstances stipulated by the China Securities Regulatory Commission or the stock exchange.

If the CSRC or the stock exchange decides to suspend the review based on the application of the issuer or lead underwriter, the issuer or lead underwriter may apply to the CSRC or the stock exchange for resumption of review after the relevant circumstances disappear. If the CSRC or the stock exchange suspends the review in accordance with relevant regulations, the CSRC and the stock exchange will resume the review in accordance with the regulations after the relevant situation disappears.

Article 30 Under any of the following circumstances, the stock exchange or the China Securities Regulatory Commission shall terminate the corresponding issuance and listing review procedures or issuance registration procedures, and explain the reasons to the issuer:

(1) The issuer voluntarily requests to withdraw the application or the lead underwriter applies to withdraw the verification opinion issued;

(2) The issuer fails to explain, supplement or modify the registration application documents within the required time limit;

(3) There are false records, misleading statements or material omissions in the registration application documents;

(4) The issuer obstructs or refuses the CSRC or the stock exchange to conduct inspections and verifications of the issuer in accordance with the law;

(5) The issuer and its related parties seriously interfere with the review or registration of the issuance and listing by improper means;

(6) Termination of the issuer's legal personality;

(7) There are major deficiencies in the content of the issuer's registration application documents, which seriously affect investors' understanding and issuance and listing review or issuance registration;

(8) The issuer's suspension of the issuance and listing review procedures has exceeded the time limit specified by the stock exchange, or the suspension of the issuance and registration procedures has not been resumed for more than six months;

(9) The stock exchange believes that the issuer does not meet the issuance conditions or information disclosure requirements;

(10) Other circumstances stipulated by the China Securities Regulatory Commission or the stock exchange.

Section 3 Transactions

Article 31 Publicly issued corporate bonds shall be traded on the securities exchange.

Publicly issued corporate bonds and traded on the securities exchange shall comply with the listing and listing conditions stipulated by the securities trading venue.

Article 32 Securities trading venues shall implement classified management of the listing and trading of publicly issued corporate bonds, implement differentiated trading mechanisms, establish corresponding investor suitability management systems, and improve risk control mechanisms. Securities trading venues shall adjust the trading mechanism and investor suitability arrangements in a timely manner according to changes in the credit status of bonds.

Article 33 When a public offering of corporate bonds applies for listing and trading, the trading mechanism and investor suitability arrangements shall be clarified in accordance with the relevant rules of the securities trading venue before issuance. The investor suitability requirements for the issuance and trading links should be consistent.

Chapter IV Non-public Offering and Transfer

Article 34 Non-publicly issued corporate bonds shall be issued to professional investors, and shall not use advertising, public solicitation or disguised disclosure, and shall not be issued to more than 200 people each time.

Article 35 The underwriting institution shall, in accordance with the investor suitability system stipulated by the China Securities Regulatory Commission and the securities self-regulatory organization, understand and assess investors' ability to identify and bear risks for non-public corporate bonds, confirm that investors participating in the subscription of non-public corporate bonds are professional investors, and fully disclose the risks.

Article 36 For non-public issuance of corporate bonds, the underwriting institution or the issuer selling on its own in accordance with Article 39 of these Measures shall report to the Securities Association of China within five working days after the completion of each issuance.

The Securities Association of China shall report the materials in a timely manner when they are complete. The filing does not represent the compliance review of the Securities Association of China, does not

constitute market access, and does not exempt relevant entities from liability for violations.

Article 37 Non-public issuance of corporate bonds may be applied for transfer at the counter of securities trading venues or securities companies.

Where corporate bonds are issued non-publicly and transferred on the securities exchange, they shall comply with the business rules formulated by the securities exchange and obtain the consent of the securities exchange.

Non-public issuance of corporate bonds and transfer over the counter of securities companies shall comply with the relevant regulations of the China Securities Regulatory Commission.

Article 38 Non-public corporate bonds are limited to the transfer of professional investors. After the transfer, the total number of investors holding bonds issued in the same issuance shall not exceed 200.

Chapter 5 Issuance and Underwriting Management

Article 39 The issuance of corporate bonds shall be underwritten by securities companies with securities underwriting business qualifications in accordance with the law.

Securities companies that have obtained securities underwriting business qualifications and China Securities Finance Co., Ltd. can sell non-public corporate bonds on their own.

Article 40 Underwriting institutions shall, in accordance with these Measures and relevant regulations on risk management and internal control of the China Securities Regulatory Commission and the Securities Association of China, formulate strict risk management and internal control systems, clarify operating procedures, ensure staffing, strengthen pricing and placement process management, and effectively control business risks.

The underwriting institution shall establish and improve an internal accountability mechanism, and if the relevant business personnel are taken self-regulatory measures, self-discipline sanctions, administrative supervision measures, market prohibition measures, administrative penalties, criminal penalties, etc. for violating the relevant provisions of corporate bonds, the underwriting institution shall conduct internal accountability.

Underwriting institutions shall formulate a reasonable remuneration assessment system, and shall not carry out corporate bond underwriting business in the form of business contracting or other forms of excessive incentives.

The underwriting institution shall comprehensively evaluate the project execution costs and risk responsibilities, reasonably determine the quotation, and shall not solicit business in an unfair competition manner such as significantly lower than the industry pricing level.

Article 41 The lead underwriter shall abide by business rules and industry norms, be honest and trustworthy, be diligent and responsible, maintain reasonable suspicion, and carefully verify the authenticity, accuracy and completeness of the corporate bond issuance documents in accordance with the principles of reasonableness, necessity and importance, and have reasonable prudence to believe that the information disclosed in the issuance documents does not contain false records, misleading statements or material omissions.

If the lead underwriter has reasonable doubts about the important content of the professional opinions issued by the securities service institution in the corporate bond issuance documents, it shall perform prudential verification and necessary investigation and review work to eliminate reasonable doubt. Securities service institutions shall cooperate with the relevant verification work of the lead underwriter.

Article 42 Underwriting institutions underwriting corporate bonds shall adopt underwriting or agency sales in accordance with the relevant provisions of the Securities Law.

Article 43 The issuer and the lead underwriter shall sign an underwriting agreement, in which the rights and obligations of both parties are defined and a clear underwriting base is agreed. Where underwriting is adopted, the underwriting responsibility shall be clarified. The underwriting institution forming the underwriting syndicate shall sign an underwriting syndicate agreement, and the lead underwriter shall be responsible for organizing the underwriting work. If the issuance of corporate bonds is jointly underwritten by two or more underwriting institutions, all underwriting institutions acting as lead underwriters shall jointly assume the lead underwriting responsibilities and perform relevant obligations. If the underwriting syndicate is composed of three or more underwriting institutions, a deputy lead underwriter may be appointed to assist the lead underwriter in organizing underwriting activities. Members of the underwriting syndicate shall carry out underwriting activities in accordance with

the underwriting syndicate agreement and the underwriting agreement, and shall not conduct false underwriting.

Article 44 The price or interest rate of the public issuance of corporate bonds shall be determined by market-oriented methods such as inquiry or public bidding. The issuer and the lead underwriter shall negotiate and determine the pricing and placement plan for the public offering and make an announcement, clarifying the principles for determining the price or interest rate, the issuance pricing process and the placement rules.

Article 45 The issuer and its controlling shareholders, actual controllers, directors, supervisors, senior management and underwriting institutions shall not manipulate the issuance pricing or operate in the dark; It is not allowed to seek improper benefits or transfer benefits to other relevant stakeholders by means of holding or trust; financial assistance shall not be provided to investors participating in the subscription, either directly or through its stakeholders; There shall be no other violations of fair competition or undermining market order.

Issuers shall not directly or indirectly subscribe for corporate bonds issued by them during the issuance process. If the issuer's directors, supervisors, senior management, shareholders holding more than 5% of the shares, and other related parties subscribe or trade or transfer the corporate bonds issued by the issuer, the relevant information shall be disclosed.

Article 46 When a corporate bond is issued publicly, the issuer and the lead underwriter shall hire a law firm to witness the issuance process, the placement behavior, the qualifications of investors participating in the subscription, the allocation of funds, and other matters, and issue a special legal opinion. Within 10 working days after the listing of publicly issued corporate bonds, the lead underwriter shall submit the special legal opinion, underwriting summary report and other documents to the securities trading venue.

Article 47 Issuers and underwriting institutions shall not exaggerate publicity, or induce or mislead investors by false advertising or other improper means during the promotion process, and shall not disclose other information about the issuer other than the bond prospectus. The underwriting institution shall retain relevant information in the underwriting process such as promotion, pricing, and placement, and file it for future reference in accordance with relevant laws and regulations, including promotion and publicity materials, on-site recordings of roadshows, etc., to truthfully and comprehensively

reflect the inquiry, pricing and placement process. Relevant reference, pricing, placement, etc. shall be prepared and properly kept in accordance with the provisions of the Securities Association of China.

Article 48 The Securities Association of China shall formulate risk control management regulations for the underwriting business of non-public corporate bonds, and limit and dynamically adjust the scope of underwriting business according to market risk conditions.

Article 49 Audit reports, legal opinions, rating reports and asset appraisal reports cited in the bond prospectus and other information disclosure documents shall be issued by securities service institutions that comply with the provisions of the Securities Law.

Securities service institutions shall strictly abide by laws and regulations, regulatory rules, practice codes, professional ethics codes, business rules formulated by securities trading venues, and other relevant regulations, establish and maintain effective quality control systems, independent management and investor protection mechanisms, prudently perform their duties, make professional judgments and determinations, and be responsible for the authenticity, accuracy and completeness of the content related to their professional duties in the prospectus or other information disclosure documents and the documents issued.

Securities service institutions and their relevant practitioners shall perform special duties of care on business matters related to their professions, ordinary duties of care on other business matters, and bear corresponding legal responsibilities.

Securities service institutions and their practitioners engaged in securities service business shall cooperate with the supervision and management of the CSRC to provide, submit or disclose relevant materials and information within the prescribed time limit, and ensure that the materials and information they provide, submit or disclose are true, accurate and complete, and there shall be no false records, misleading statements or material omissions.

Securities service institutions shall properly keep customer entrustment documents, verification and verification materials, working papers, and information and materials related to quality control, internal management, and business operations.

Chapter VI Information Disclosure

Article 50 Issuers and other information disclosure obligors shall perform their information disclosure obligations in accordance with the

relevant provisions of the China Securities Regulatory Commission and securities self-regulatory organizations.

Article 51 Issuers of corporate bonds listed and traded shall promptly disclose the bond prospectus in accordance with the provisions of the China Securities Regulatory Commission and the stock exchange, and disclose the interim report and the annual report audited by an accounting firm in compliance with the provisions of the Securities Law during the life of the bond. The timing and content of information disclosure of issuers of non-public corporate bonds shall be performed in accordance with the provisions of the prospectus and the provisions of the securities trading venue.

If the issuer and its controlling shareholders, actual controllers, directors, supervisors, senior management, etc. make public commitments, they shall be disclosed in the prospectus and other documents.

Article 52 The use of funds raised by corporate bonds shall be disclosed in the bond prospectus. The issuer shall disclose the use of funds raised from the public issuance of corporate bonds and the progress of the fundraising project (if involved) in the periodic report. If corporate bonds are issued privately, the disclosure of the use of raised funds shall be stipulated in the bond prospectus.

Article 53 The directors and senior management of the issuer shall sign written confirmation opinions on the issuance documents and periodic reports of corporate bonds.

The board of supervisors of the issuer shall review the corporate bond issuance documents and periodic reports prepared by the board of directors and provide written review opinions. Supervisors shall sign written confirmation opinions.

The directors, supervisors and senior management of the issuer shall ensure that the issuer discloses information in a timely and fair manner, and that the information disclosed is true, accurate and complete.

If directors, supervisors and senior management cannot guarantee the authenticity, accuracy, completeness or objection of the content of the corporate bond issuance documents and periodic reports, they shall express their opinions and state the reasons in the written confirmation opinion, and the issuer shall disclose them. If the issuer does not disclose, directors, supervisors and senior management may directly apply for disclosure.

Article 54 When investors are not yet aware of the occurrence of a major event that may have a significant impact on the trading price of

listed and traded corporate bonds, the issuer shall immediately submit an interim report on the major event to the CSRC and the securities trading venue, and make an announcement explaining the cause, current status and possible legal consequences of the event.

The major events referred to in the preceding paragraph include:

(1) Major changes in the company's equity structure or production and operation status;

(2) The credit rating of corporate bonds has changed;

(3) Mortgage, pledge, sale, transfer, and scrapping of the company's major assets;

(4) The company fails to pay off its debts when due;

(5) The company's new borrowings or external guarantees exceed 20% of the net assets at the end of the previous year;

(6) The company's abandonment of creditor's rights or assets exceeds 10% of the net assets at the end of the previous year;

(7) The company incurs significant losses exceeding 10% of its net assets at the end of the previous year;

(8) The company distributes dividends, makes decisions on capital reduction, merger, division, dissolution and bankruptcy, or enters bankruptcy proceedings and is ordered to close down in accordance with the law;

(9) Major litigation and arbitration involving the company;

(10) The company's suspected crime has been filed and investigated in accordance with the law, and the company's controlling shareholder, actual controller, directors, supervisors, and senior management personnel have been taken compulsory measures in accordance with the law on suspicion of committing a crime;

(11) Major changes in the situation of the fundraising project may affect the investment and use plan of the raised funds, or lead to greater uncertainty in the realization of the expected operating income of the project;

(12) Other matters stipulated by the CSRC.

If the controlling shareholder or actual controller of the issuer has a significant impact on the occurrence and progress of a major event, it shall promptly inform the issuer in writing of the relevant information it is aware of and cooperate with the issuer in fulfilling its information disclosure obligations.

Article 55 Where a credit rating agency conducts a credit rating for a public issuance of corporate bonds, it shall comply with the following provisions or agreements:

(1) Inform the issuer of the rating information, and publish the first rating report and regular and irregular follow-up rating reports to the market in a timely manner;

(2) If the term of the corporate bond is more than one year, the regular tracking rating report shall be published to the market at least once a year during the validity of the bond.

(3) All major factors that may affect the credit rating of the rating target shall be fully concerned, and the credit rating adjustment and other rating-related information changes shall be announced to the market in a timely manner, and reported to the securities trading venue.

Article 56 Issuers and other information disclosure obligors that issue corporate bonds to the public shall publish the disclosed information on the Internet website of their securities trading venues and media that meet the requirements of the CSRC, and at the same time place it at the company's domicile or securities trading venue for public inspection.

Chapter VII Protection of Bondholders' Rights and Interests

Article 57 When a corporate bond is issued publicly, the issuer shall hire a bond trustee manager for the bondholders and enter into a bond trustee management agreement. If a corporate bond is issued privately, the issuer shall stipulate the bond trustee management matters in the prospectus. During the life of the bond, the bond trustee shall protect the interests of the bondholders in accordance with the regulations or agreements.

The issuer shall agree in the bond prospectus that investors shall be deemed to agree to the bond trustee management agreement, bondholders' meeting rules and other relevant agreements on the rights and obligations of issuers and bondholders in the bond prospectus.

Article 58 The trustee of the bond shall be the underwriting institution of the current issuance or other institutions recognized by the CSRC. The bond trustee shall be a member of the Securities Association of China. The institution providing guarantee for the issuance shall not act as the trustee of the bond issuance. The bond trustee shall be diligent and responsible, perform the trustee management duties fairly, and shall not harm the interests of the bondholders. The issuer shall fully disclose the conflicts of interest that may exist in the performance of the trustee's duties and the relevant risk prevention and resolution mechanisms in the bond

prospectus and the information disclosure documents during the bond period, and at the same time specify them in the bond trustee management agreement.

Article 59 The trustee manager of a public issuance of corporate bonds shall perform the following duties in accordance with regulations or agreements:

(1) Continuously pay attention to the creditworthiness, collateral status, credit enhancement measures and implementation of debt repayment safeguard measures of the issuer and guarantor, and convene a meeting of bondholders when there are matters that may affect the major rights and interests of bondholders;

(2) Supervise the use of funds raised by the issuer during the life of the bonds;

(3) Conduct a comprehensive investigation and continuous attention to the solvency of the issuer and the effectiveness of credit enhancement measures, and announce a fiduciary management report to the market at least once a year;

(4) Continuously supervise the issuer to fulfill its information disclosure obligations during the life of the bond;

(5) When it is expected that the issuer will not be able to repay its debts, the issuer shall be required to provide additional guarantees and may apply to the statutory authorities to take property preservation measures in accordance with the law;

(6) Diligently handle negotiations or litigation matters between bondholders and issuers during the duration of the bonds;

(7) If the issuer sets up a guarantee for the bond, the bond trustee shall obtain the certificate of security rights or other relevant documents before the issuance of the bond or within the time specified in the bond prospectus, and keep it properly during the validity period of the credit enhancement measures;

(8) If the issuer fails to pay the principal and interest of the bonds on time or has other defaults as stipulated in the prospectus, it may accept the entrustment of all or part of the bondholders to initiate or participate in civil litigation or bankruptcy proceedings on behalf of the bondholders in its own name, or apply for the disposal of the mortgage on behalf of the bondholders.

Article 60 In the case of non-public issuance of corporate bonds, the bond trustee shall perform its duties in accordance with the bond trustee management agreement.

Article 61 In order to perform its fiduciary management duties, the trustee manager has the right to inquire on behalf of the bondholders

about the register of bondholders and related registration information, as well as the storage and transfer of funds raised in the special account. The securities registration and clearing institution shall cooperate.

Article 62 When issuing corporate bonds, the rules of the bondholders' meeting shall be stipulated in the bond prospectus.

The rules of the bondholders' meeting shall be fair and reasonable. The rules of the bondholders' meeting shall clarify the scope of the bondholders' exercise of rights through the bondholders' meeting, the convening and notification of the bondholders' meeting, the conditions for the effectiveness of the decision and the decision-making procedures, the scope of the effectiveness of the decision, and other important matters. The resolutions formed by the bondholders' meeting in accordance with the provisions of these Measures and the procedural requirements of the meeting rules shall be binding on all bondholders, unless otherwise stipulated in the bondholders' meeting rules.

Article 63 In the following circumstances, the bond trustee shall convene a meeting of bondholders in accordance with regulations or agreements:

- (1) The agreement on the proposed change of the bond prospectus;
- (2) Proposed amendments to the rules of the bondholders' meeting;
- (3) The main content of the bond trustee manager or trustee management agreement to be changed;
- (4) The issuer fails to pay principal and interest on time;
- (5) The issuer's capital reduction, merger, etc. may lead to significant adverse changes in solvency, and it is necessary to decide or authorize corresponding measures;
- (6) The issuer is divided, placed in trusteeship, dissolved, applies for bankruptcy, or enters bankruptcy proceedings in accordance with the law;
- (7) Major changes in guarantors, collateral or other debt repayment safeguards;
- (8) The issuer or bondholders holding more than 10% of the total amount of the bonds individually or collectively propose to hold the meeting;
- (9) The issuer's management cannot perform its duties normally, resulting in serious uncertainty about the issuer's ability to solve its debts;
- (10) The issuer proposes a debt restructuring plan;

(11) Other matters that have a significant impact on the rights and interests of bondholders.

When the bond trustee should convene but does not convene a bondholders' meeting, bondholders who hold more than 10% of the total amount of bonds in the current period, individually or collectively, have the right to convene a bondholders' meeting on their own.

Article 64 The issuer may adopt internal and external credit enhancement mechanisms and debt repayment safeguard measures to improve solvency and control the risk of corporate bonds. Internal and external credit enhancement mechanisms and debt repayment safeguard measures include but are not limited to the following methods:

- (1) Third-party guarantees;
- (2) Commercial insurance;
- (3) Asset mortgage and pledge guarantee;
- (4) Restricting the scale of the issuer's debt and external guarantees;
- (5) Restricting the scale of the issuer's outbound investment;
- (6) Restricting the issuer from selling or pledging major assets to third parties;
- (7) Set up bond resale clauses.

Corporate bond credit enhancement institutions can become members of the Securities Association of China.

Article 65 The issuer shall stipulate in the bond prospectus the circumstances constituting a bond default, the liability for default and the way to bear it, and the litigation, arbitration or other dispute resolution mechanism after the default of the corporate bond.

Chapter VIII: Supervision and Management and Legal Responsibility

Article 66 The CSRC shall establish a supervision mechanism for the supervision of corporate bond business on securities trading venues, continue to pay attention to the issuance review, issuance and underwriting process of securities trading venues, and the supervision of other corporate bond business, and carry out regular or irregular inspections. If the CSRC finds problems in the process of inspection and spot checks, the securities trading venue shall rectify them.

Securities trading venues shall establish a regular reporting system to promptly summarize the review of corporate bond issuance, the issuance and underwriting process, and other supervision of corporate bond business, and report to the CSRC.

Article 67 If the review of the issuance and listing of corporate bonds on a securities exchange violates the provisions of these Measures and any of the following circumstances occur, the CSRC shall order corrections; If the circumstances are serious, the relevant responsibilities of the directly responsible personnel shall be investigated:

(1) Failing to carry out the review of corporate bond issuance and listing in accordance with the review standards;

(2) Failing to carry out the review of corporate bond issuance and listing in accordance with procedures;

(3) Failing to cooperate with the CSRC's inspection and spot checks on the issuance and listing review work, the issuance and underwriting process and other corporate bond business supervision, or failing to carry out rectification in accordance with the rectification requirements of the CSRC.

Article 68 The CSRC and its dispatched agencies may conduct inspections of issuers and relevant lead underwriters, trustees, securities service institutions, etc. in accordance with law, and the inspection targets and their staff shall cooperate to ensure that the relevant documents and materials provided are true, accurate, complete and timely, and shall not be refused, obstructed or concealed.

Article 69 Where laws, regulations, and these Measures are violated, the CSRC may take relevant regulatory measures against relevant institutions and personnel, such as ordering corrections, supervising interviews, issuing warning letters, ordering public explanations, and ordering periodic reports. If administrative punishment is to be imposed in accordance with the law, the punishment shall be carried out in accordance with the Securities Law, the Administrative Punishment Law and other laws and regulations and the relevant provisions of the China Securities Regulatory Commission; if they are suspected of committing a crime, they shall be transferred to the judicial organs in accordance with the law and investigated for criminal responsibility.

Article 70 In the non-public issuance of corporate bonds, if there are false records, misleading statements or material omissions in the information disclosed by the issuer and other information disclosure obligors, the CSRC may take relevant regulatory measures as provided for in Article 69 of these Measures against the issuer, other information disclosure obligors, their directly responsible managers and other directly responsible personnel; if the circumstances are

serious, they shall be punished in accordance with Article 197 of the Securities Law.

Article 71 If the issuer violates Article 13 of these Measures in the non-public issuance of corporate bonds, the CSRC may take relevant regulatory measures against the issuer and its directly responsible managers and other directly responsible personnel. if the circumstances are serious, a warning or a fine shall be imposed.

Article 72 Unless otherwise provided by the CSRC, if the underwriting or self-sale of non-public corporate bonds is not filed in accordance with the regulations, the CSRC may take relevant regulatory measures as provided for in Article 69 of these Measures against the underwriting institution, its directly responsible managers and other directly responsible personnel; if the circumstances are serious, a warning or a fine shall be imposed.

Article 73 If an underwriting institution commits any of the following acts in the process of underwriting corporate bonds, the CSRC shall impose penalties in accordance with Article 184 of the Securities Law.

(1) Failing to be diligent and responsible, violating the provisions of Article 41 of these Measures;

(2) Soliciting underwriting business by means of unfair competition;

(3) Engaging in acts prohibited by Article 45 of these Measures;

(4) Engaging in acts prohibited by Article 47 of these Measures;

(5) Failure to disclose relevant documents in accordance with the requirements of these Measures and relevant provisions;

(6) Failure to place corporate bonds in accordance with the principles and methods of prior disclosure, or other acts that are not implemented in accordance with the disclosure documents;

(7) Failing to retain relevant information in the underwriting process such as promotion, pricing, and placement in accordance with the requirements of these Measures and relevant provisions;

(8) Other violations of underwriting business regulations.

Article 74 Where an issuer, its controlling shareholder, actual controller, bond trustee, etc. violates the provisions of these Measures and harms the rights and interests of bondholders, the CSRC may take relevant regulatory measures as provided for in Article 69 of these Measures against the issuer, the issuer's controlling shareholder and actual controller, the trustee manager, their directly responsible

managers and other directly responsible personnel. if the circumstances are serious, a warning or a fine shall be imposed.

Article 75 Where an issuer and its controlling shareholders, actual controllers, directors, supervisors, and senior management violate the provisions of Article 5, paragraph 2 of these Measures and seriously harm the rights and interests of bondholders, the CSRC may restrict its market financing and other activities in accordance with law, and include its relevant information in the integrity file database of the securities and futures market.

Chapter 9 Supplementary Provisions

Article 76 Where corporate bonds are issued and traded or transferred on a securities trading venue, the China Securities Depository and Clearing Corporation shall handle the registration and settlement business in a centralized manner in accordance with the law. If corporate bonds are issued privately and transferred over the counter of securities companies, they may be handled by China Securities Depository and Clearing Co., Ltd. or other institutions engaged in securities registration and settlement business in accordance with the law.

Article 77 The issuance of corporate bonds shall comply with the relevant provisions on the management of local government debts, and no new government debt shall be added.

Article 78 These Measures shall apply to the issuance, trading or transfer of subordinated bonds of securities companies and other financial institutions. These Measures shall apply to the issuance, trading or transfer of bonds by overseas registered companies in securities trading venues supervised by the CSRC.

Article 79 The securities self-regulatory organizations referred to in these Measures include stock exchanges, the National Small and Medium-sized Enterprises Share Transfer System, the China Securities Depository and Clearing Corporation, the Securities Association of China, and other self-regulatory organizations recognized by the China Securities Regulatory Commission.

The securities trading venues referred to in these Measures include stock exchanges and the national small and medium-sized enterprise share transfer system.

Article 80 These Measures shall come into force on the date of promulgation. The Administrative Measures for the Issuance and Trading

of Corporate Bonds (CSRC Order No. 180) issued on February 26, 2021 shall be repealed at the same time.