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If you have sold or otherwise transferred all your shares in **China Merchants Securities Co., Ltd.**, you should at once hand this circular and the enclosed form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



招商证券股份有限公司
China Merchants Securities Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6099)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
PROPOSED AMENDMENTS TO THE RULES FOR THE MANAGEMENT OF
RELATED PARTY TRANSACTIONS OF THE COMPANY;
PROPOSED AMENDMENTS TO THE RULES FOR THE SELECTION AND
APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY;
PROPOSED APPOINTMENT OF DIRECTORS;
AND
NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 3 to 11 of this circular.

A notice convening the EGM of the Company to be held at China Merchants Securities Building, 111 Fuhua Yi Road, Futian Street, Futian District, Shenzhen, Guangdong Province, the PRC on Friday, April 29, 2022 at 2:30 p.m. is set out on pages N-1 to N-3 of this circular.

The proxy form for use at the EGM is enclosed with this circular for despatch to the Shareholders. Please complete and return the proxy form in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time stipulated for the holding of the EGM and deposit it together with the notarised power of attorney or other document of authorization with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares). Completion and return of the proxy form will not preclude you from attending and voting at the EGM in person.

April 1, 2022

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“A Share(s)”	PRC domestic listed share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Shanghai Stock Exchange and traded in RMB
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	China Merchants Securities Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6099) and on the Shanghai Stock Exchange (stock code: 600999), respectively
“CSRC”	the China Securities Regulatory Commission
“controlling shareholder(s)”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the 2022 first extraordinary general meeting to be held by the Company at China Merchants Securities Building, 111 Fuhua Yi Road, Futian Street, Futian District, Shenzhen, Guangdong Province, the PRC on Friday, April 29, 2022 at 2:30 p.m. or any adjournment thereof (as the case may be)
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	March 27, 2022, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purposes of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor”	supervisors of the Company
“%”	per cent.

LETTER FROM THE BOARD



招商证券股份有限公司
China Merchants Securities Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6099)

Executive Director:

Mr. HUO Da (*Chairman of the Board*)

Non-executive Directors:

Mr. LIU Weiwu

Ms. SU Min

Ms. PENG Lei

Mr. GAO Hong

Mr. HUANG Jian

Mr. WANG Daxiong

Mr. WANG Wen

Independent Non-executive Directors:

Mr. XIANG Hua

Mr. XIAO Houfa

Mr. XIONG Wei

Mr. HU Honggao

Mr. WONG Ti

Registered Office:

No.111, Fuhuay Road

Futian Street

Futian District

Shenzhen

Guangdong Province

PRC

Principal Place of Business

in Hong Kong:

48/F, One Exchange Square

8 Connaught Place

Central

Hong Kong

April 1, 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
PROPOSED AMENDMENTS TO THE RULES FOR THE MANAGEMENT OF
RELATED PARTY TRANSACTIONS OF THE COMPANY;
PROPOSED AMENDMENTS TO THE RULES FOR THE SELECTION AND
APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY;
PROPOSED APPOINTMENT OF DIRECTORS;
AND
NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you, as holders of H Shares, with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

LETTER FROM THE BOARD

At the EGM, special resolution will be proposed to consider and approve (i) the proposed amendments to the Articles of Association. Ordinary resolutions will be proposed to consider and approve: (ii) the proposed amendments to the Rules for the Management of Related Party Transactions of the Company; (iii) the proposed amendments to the Rules for the Selection and Appointment of Accountants' Firm of the Company; and (iv) the proposed appointment of Directors.

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated March 27, 2022 in relation to the proposed amendments to the Articles of Association.

In accordance with the "Constitution of the Communist Party of China" (《中國共產黨章程》), the "Opinions on Strengthening Party Leadership by Central Enterprises in Improving Corporate Governance" (《關於中央企業在完善公司治理中加強黨的領導的意見》), the "Reply on the Adjustment of the Notice Period for Convening General Meetings and Other Matters Applicable to the Overseas Listed Companies" (Guo Han [2019] No. 97) of the State Council (國務院《關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》(國函[2019]97號)), the "Guidance for the Articles of Association of Listed Company (Revised in 2022)" (《上市公司章程指引(2022年修訂)》), the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in 2022)" (《上海證券交易所股票上市規則(2022年修訂)》), the "Provisions on the Business Integrity of Securities and Futures Institutions and their Staff" (Order of the Securities Regulatory Commission [No. 145]) (《證券期貨經營機構及其工作人員廉潔從業規定》(證監會令[第145號])), the "Implementation Rules for the Business Integrity of Securities Operation Institutions and their Staff" (China Securities Association Fa [2020] No. 32) (《證券經營機構及其工作人員廉潔從業實施細則》(中證協發[2020]32號)), the "Indicators for Cultural Construction Practice Evaluation for Securities Companies" (《證券公司文化建設實踐評估指標》), the "Regulations on Investor Interests Protection Work of Securities Companies" (《證券公司投資者權益保護工作規範》), the "Guidelines for Reputational Risk Management of Securities Companies" (《證券公司聲譽風險管理指引》), the "Announcement on the Cancellation or Adjustment of Certain Administrative Approval Items of Securities Companies" (China Securities Regulatory Commission Announcement [2020] No. 18) (《關於取消或調整證券公司部分行政審批項目等事項的公告》(中國證監會公告[2020]18號)), the "Institutional Supervision Circular (Serial No. 70, 2020 Issue No. 16)" (《機構監管情況通報(2020年第16期總第70期)》), the "Administrative Measures for the Formulation of Articles of State-owned Enterprises" (《國有企業公司章程制定管理辦法》), the "Administrative Regulations on Private Investment Fund Subsidiaries of Securities Companies" (《證券公司私募投資基金子公司管理規範》) and the actual situation of the Company, the Board passed a resolution concerning the proposed amendments to the existing Articles of Association on March 27, 2022 (the **"Proposed Amendments"**). For details of the Proposed Amendments, please refer to Appendix I to this circular.

LETTER FROM THE BOARD

The Proposed Amendments are subject to the consideration and approval by the Shareholders at the EGM. The Board has resolved to propose at the EGM to authorise the Board in turn to authorise the management of the Company to (i) make adjustments and modifications to the draft Articles of Association considered and passed by the Shareholders at the EGM, including but not limited to adjustments and modifications to its sections or articles, in accordance with provisions of domestic and overseas laws and rules, or requirements of or advice from relevant domestic or overseas government departments or regulatory authorities, and based on actual condition of the Company; (ii) handle the filing procedures with relevant regulatory authorities in respect of the Articles of Association; and (iii) handle the procedures for the registration for change with the competent authority for industry and commerce arising from the amendments to the Articles of Association.

The Proposed Amendments are prepared in the Chinese language. In case of any discrepancy between the English version and the Chinese version of the Articles of Association, the Chinese version of the Articles of Association shall prevail.

The above resolution has been considered and approved by the Board on March 27, 2022 and is hereby proposed at the EGM for consideration and approval by way of a special resolution.

III. PROPOSED AMENDMENTS TO THE RULES FOR THE MANAGEMENT OF RELATED PARTY TRANSACTIONS OF THE COMPANY

In accordance with the requirements of the “Interim Measures for the Supervision and Administration of Financial Holding Companies” (《金融控股公司監督管理試行辦法》), the “Provisions on the Administration of Equities of Securities Companies” (《證券公司股權管理規定》), the “Rules Governing the Listing of Stocks on the Shanghai Stock Exchange” (《上海證券交易所股票上市規則》), the “Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 5 – Transactions and Related Transactions” (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》) and the actual situation of the Company, the Board passed a resolution concerning propose amendments to the current and effective Rules for the Management of Related Party Transactions of the Company on March 27, 2022. For details of the proposed amendments to the Rules for the Management of Related Party Transactions of the Company, please refer to Appendix II to this circular.

The proposed amendments to the Rules for the Management of Related Party Transactions of the Company are prepared in the Chinese language. In case of any discrepancy between the English version and the Chinese version of the Rules for the Management of Related Party Transactions of the Company, the Chinese version shall prevail.

The above resolution has been considered and approved by the Board on March 27, 2022 and is hereby proposed at the EGM for consideration and approval by way of an ordinary resolution.

LETTER FROM THE BOARD

IV. PROPOSED AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

In accordance with the requirements of the “Administrative Measures for the Selection and Appointment of Accountants’ Firm by State-owned Financial Enterprises” (《國有金融企業選聘會計師事務所管理辦法》), the “Institutional Supervision Circular (2020 Issue No. 16)” (《機構監管情況通報(2020年第16期)》) issued by the China Securities Regulatory Commission and the actual situation of the Company, the Board passed a resolution concerning propose amendments to the current and effective Rules for the Selection and Appointment of Accountants’ Firm of the Company on March 27, 2022. For details of the proposed amendments to the Selection and Appointment of Accountants’ Firm of the Company, please refer to Appendix III to this circular.

The proposed amendments to the Rules for the Selection and Appointment of Accountants’ Firm of the Company are prepared in the Chinese language. In case of any discrepancy between the English version and the Chinese version of the Rules for the Selection and Appointment of Accountants’ Firm of the Company, the Chinese version shall prevail.

The above resolution has been considered and approved by the Board on March 27, 2022 and is hereby proposed at the EGM for consideration and approval by way of an ordinary resolution.

V. PROPOSED APPOINTMENT OF DIRECTORS

Reference is made to the announcement of the Company dated January 21, 2022, in relation to, among others, the proposed appointment of Mr. WU Zongmin (“**Mr. WU**”) as executive Director and the proposed appointment of Mr. DENG Weidong (“**Mr. DENG**”) as non-executive Director.

The Board has resolved (i) to nominate Mr. WU as a candidate for executive Director of the seventh session of the Board; and (ii) to nominate Mr. DENG as a candidate for non-executive Director of the seventh session of the Board, at the meeting held on January 21, 2022. The proposed appointment of each of Mr. WU and Mr. DENG as Director is subject to the consideration and approval by the Shareholders at the EGM.

The term of office of Mr. WU as an executive Director of the Company will take effect from the date on which the resolution in relation to his appointment as an executive Director of the seventh session of the Board is approved at the EGM until the expiry of the seventh session of the Board. The term of office of Mr. DENG as a non-executive Director of the Company will take effect from the date on which the resolution in relation to his appointment as a non-executive Director of the seventh session of the Board is approved at the EGM until the expiry of the seventh session of the Board. Pursuant to the Articles of Association, each of Mr. WU and Mr. DENG is eligible for re-election upon the expiry of his term of office.

LETTER FROM THE BOARD

The biographical details of Mr. WU and Mr. DENG and other information relating to their appointment are as follows:

Mr. WU Zongmin, aged 56, has served as the president of the Company since January 2022. He served as a deputy director (Standing) of the Execution Committee of China Merchants Financial Services Business Unit from April 2021 to October 2021; served as an executive member (Standing) of the Execution Committee of China Merchants Financial Services Business Unit from June 2018 to April 2021; concurrently served as a director of China Merchants Insurance Holdings Company Limited* (招商局保險控股有限公司) and chairman of the board of CM Houlder Insurance Brokers Limited* (招商海達保險顧問有限公司) from February 2019 to November 2021; he also served as a director of China Merchants Renhe Life Insurance Company Limited* (招商局仁和人壽保險股份有限公司) from March 2019 to October 2021; served as a deputy general manager of China Merchants Finance Holdings Company Limited* (招商局金融集團有限公司) from November 2017 to February 2019; served as a general manager of China Merchants Renhe Property Insurance Company Limited* (招商局仁和財產保險股份有限公司) (preparatory) from February 2017 to December 2019. Mr. WU held various positions in China Pacific Insurance (Group) Co., Ltd. (listed on the Shanghai Stock Exchange (the “SSE”), stock code: 601601; listed on the Hong Kong Stock Exchange, stock code: 02601) and its subsidiaries, and his last positions were vice president of China Pacific Insurance (Group) Co., Ltd., director of China Pacific Property Insurance Co., Ltd., director of China Pacific Life Insurance Co., Ltd., director of Pacific Asset Management Co., Ltd. and director of CPIC Allianz Health Insurance Co., Ltd. (now known as Pacific Health Insurance Co., Ltd.).

Mr. WU received his bachelor’s degree in engineering from Shanghai Jiaotong University in July 1986, a master’s degree in engineering from Shanghai Jiaotong University in January 1989 and a master of business administration degree from China Europe International Business School in September 2007. Mr. WU holds the title of Senior Economist and is a member of the Associateship of the Chartered Insurance Institute (ACII).

Mr. DENG Weidong, aged 54, has served as the head of the Strategic Development Department/Technological Innovation Department of China Merchants Group Limited (“China Merchants Group”) since August 2021; a director of Chongqing Qianbao Cross-border Technology Co., Ltd.* (重慶錢寶跨境科技有限公司) since April 2014; a director of S F Holding Co., Ltd.* (順豐控股股份有限公司) (listed on the Shenzhen Stock Exchange (the “SZSE”), stock code: 002352) and China Merchants Energy Shipping Co., Ltd.* (招商局能源運輸股份有限公司) (listed on the SSE, stock code: 601872) since April 2019; the general manager and director of China Merchants Investment and Development Company Limited* (招商局投資發展有限公司) and director of China Merchants Taiping Bay Development and Investment Co., Ltd.* (招商局太平洋灣開發投資有限公司) since April 2020; the chairman of the board and general manager of Shenzhen Zhaoguang Investment Co., Ltd.* (深圳市招廣投資有限公司) since May 2020; a director of China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司) (listed on the SZSE, stock code: 000039; listed on the Hong Kong Stock Exchange, stock code: 02039) since October 2020; the general manager and director of China Economic and Trade Shipping Co., Ltd.* (中國經貿船務有限公司) since February 2021; a director of China Merchants Innovation Investment Management Co., Ltd.* (招商局創新投資管理有限責任公司) since August 2021; an executive director of China Merchants Port Holdings Company Limited (招商局港口控股有限公司) (listed on the Hong Kong Stock Exchange, stock code: 00144) and a director of China Merchants Shekou Industrial Zone Holdings Co., Ltd.* (招商局蛇口工業區控股股份有限公司) (listed on the SZSE, stock code: 001979) since October 2021; and a director of Sinotrans Limited (中國外運股份有限公司) (listed on the SSE, stock code: 601598; listed on the Hong Kong Stock Exchange, stock code: 00598) and China

* For identification purpose only

LETTER FROM THE BOARD

Merchants Testing Technology Holdings Co., Ltd.* (招商局檢測技術控股有限公司) since November 2021. He served as a director of China Merchants Property Operation & Service Co., Ltd.* (招商局積餘產業運營服務股份有限公司) (listed on the SZSE, stock code: 001914) from December 2019 to April 2021. From January 2015 to August 2021, he served as the head of the Capital Investment & Management Department of China Merchants Group. From March 2020 to August 2021, he served concurrently as the general manager of China Merchants Investment Development Co., Ltd.* (招商局投資發展有限公司). He worked at Hainan Yangpu Economic Development Zone Administration Bureau* (海南省洋浦經濟開發區管理局), and successively served as the general manager of the Development Department of China Nanshan Development (Group) Inc.* (中國南山開發(集團)股份有限公司), the deputy general manager of Chiwan Container Terminal Co., Ltd.* (赤灣集裝箱碼頭有限公司) and the general manager of Shenzhen Mawan Port Service Co., Ltd.* (深圳媽灣港務有限公司).

Mr. DENG graduated with a doctoral degree of Science in Physical Geography from the Department of Geodetic and Marine Sciences (大地海洋科學系自然地理專業) from Nanjing University in September 1994.

Based on the Company's diversity policy and nomination policy and the recommendations of the Nomination Committee of the Board, the Board, having comprehensively considered the educational background, knowledge, skills and experience of Mr. WU and Mr. DENG and the contributions they can make to the Board, recommends the appointment of Mr. WU as an executive Director of the Company and the appointment of Mr. DENG as non-executive Director of the Company.

Upon the approval by the Shareholders at the EGM, the Company will enter into service contracts with Mr. WU and Mr. DENG. During his term of office as an executive Director of the Company, Mr. WU will not receive any Director's emoluments from the Company. During his term of office as a non-executive Director of the Company, Mr. DENG will not receive any Director's emoluments from the Company.

Each of Mr. WU and Mr. DENG has confirmed that, save as disclosed above, as of the date of the Latest Practicable Date: (1) he does not hold any other positions in the Company or any of its subsidiaries, nor has he held any directorships in the last three years in any other public companies where the securities of which are listed on any securities market in Hong Kong or overseas; (2) he does not have any relationship with any other directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company or any of its subsidiaries; (3) he does not hold any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (4) he does not have any matters regarding the proposed appointment that shall be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, nor is there any other issue regarding the proposed appointment that shall be brought to the attention of the Shareholders. Mr. WU and Mr. DENG are not prohibited from serving as directors by regulatory authorities and stock exchanges where the Company's securities are listed.

The above resolution has been considered and approved by the Board on January 21, 2022, and is hereby proposed at the EGM for consideration and approval by way of an ordinary resolution.

* For identification purpose only

LETTER FROM THE BOARD

VI. EGM

The EGM is to be held at China Merchants Securities Building, 111 Fuhua Yi Road, Futian Street, Futian District, Shenzhen, Guangdong Province, the PRC on Friday, April 29, 2022 at 2:30 p.m.. The notice convening the EGM is set out on pages N-1 to N-3 of this circular.

The summary of the important dates for holders of H Share is as follows:

Last Registration Date	:	on or before 4:30 p.m. on April 22, 2022
Closure of Register of Members for H Shareholders	:	April 25, 2022 to April 29, 2022 (both days inclusive)
Submission of Proxy Form	:	not later than 24 hours before the time appointed for the EGM (i.e. 2:30 p.m. on April 28, 2022)

The register of members of the Company will be closed from Monday, April 25, 2022 to Friday, April 29, 2022 (both days inclusive), during which period no transfer of H Shares will be effected. All transfer documents accompanied by the relevant share certificates, shall be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, April 22, 2022. Purchasers of Shares who have submitted their transfer documents to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, and registered as Shareholders on the register of members of H Shares of the Company before 4:30 p.m. on Friday, April 22, 2022 are entitled to attend and vote in respect of the resolutions to be proposed at the EGM.

To be valid, for holders of H Share, the form of proxy and notarised power of attorney or other document of authorisation must be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the EGM. Completion and return of the proxy form will not preclude you from attending and voting at the EGM in person if you so wish.

LETTER FROM THE BOARD

VII. PROCEDURES FOR VOTING AT THE EGM

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a Shareholders' general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the EGM will demand a poll in relation to the proposed resolutions at the EGM in accordance with Article 128 of the Articles of Association.

VIII. RECOMMENDATION

The Board believes that all the resolutions mentioned above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of the relevant resolutions to be proposed at the EGM as set out in the notice of EGM attached to the circular.

Yours faithfully,
By order of the Board
China Merchants Securities Co., Ltd.
HUO Da
Chairman

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Article 5 Address: No. 111, Fuhuay Road, Futian District, Shenzhen Post Code: 518046 Tel: 0755-82943666 Fax: 0755-82943100	Article 5 Address: No. 111, Fuhuay Road, <u>Futian Street</u> , Futian District, Shenzhen Post Code: 518046 Tel: 0755-82943666 Fax: 0755-82943100	Amendment is made according to the revision of the industrial and commercial registered address with no substantial change.
Article 10 In accordance with the requirements of the Constitution of the Communist Party of China, an organization of the Communist Party of China shall be established. The Party committee shall perform the <u>core leadership and core political functions</u> to provide directions, manage overall situations and <u>ensure</u> implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.	Article 10 In accordance with the requirements of the Constitution of the Communist Party of China, an organization of the Communist Party of China shall be established. The Party committee shall perform the <u>leadership functions</u> to provide directions, manage overall situations and <u>facilitate</u> implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party Organization.	Amendments are made according to descriptions in the “Constitution of the Communist Party of China” and the “Opinions on Strengthening Party Leadership by Central Enterprises in Improving Corporate Governance”.
Article 16 The Company may establish wholly-owned subsidiaries to respectively carry on <u>direct investment business</u> , financial product investment and other alternative investment businesses, or securities asset management business and other businesses approved by the regulatory authority.	Article 16 The Company may establish wholly-owned subsidiaries to respectively carry on <u>private equity investment fund business</u> , financial product investment and other alternative investment businesses, or securities asset management business and other businesses approved by the regulatory authority.	The Securities Association of China issued the “Administrative Regulations on Private Investment Fund Subsidiaries of Securities Companies” on December 30, 2016, and the “Regulations on Direct Investment Business of Securities Companies” was repealed at the same time. Amendment is made to the business name in accordance with the requirements of the new regulations.

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO
THE ARTICLES OF ASSOCIATION

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Newly added article, and the subsequent serial numbers are adjusted accordingly	<u>Article 18 The goal of corporate culture construction of the Company is to focus on implementing the core cultural values of the securities industry of “compliance, integrity, professionalism and stability”, actively fulfill social responsibilities, safeguard the legitimate rights and interests of investors, adhere to the concept of sustainable development, and guide and promote the high-quality development of the Company.</u>	Addition of relevant expressions according to the requirements of the China Securities Regulatory Commission and the Securities Association of China in relation to the “Cultural Construction Practice Evaluation for Securities Companies”.
Article 42 When any director, supervisor, senior officer of the Company <u>or any shareholder of the Company holding more than 5% of the Company’s shares</u> disposes of his/her/its shares in the Company within six months of purchase, or purchases shares in the Company again within six months of disposal, the proceeds derived therefrom shall be retained for the benefit of the Company. However, the disposals by brokerage companies holding more than 5% of the shares in the Company due to the fact that their underwritten shares remain unsubscribed shall not be subject to the six-month period restriction.	Article 43 When <u>any shareholder, holding more than 5% of the Company’s shares</u> , of the Company or any director, supervisor, senior officer of the Company disposes of his/her/its shares <u>or other securities with an equity nature</u> in the Company within six months of purchase, or purchases shares in the Company again within six months of disposal, the proceeds derived therefrom shall be retained for the benefit of the Company. However, the disposals by brokerage companies holding more than 5% of the shares in the Company due to the fact that their underwritten shares remain unsubscribed shall not be subject to the six-month period restriction.	Article 30 of the “Guidance for the Articles of Listed Company (Revised in 2022)”: When <u>any shareholder, holding more than 5% of the company’s shares</u> , of the company or any director, supervisor, senior officer of the company disposes of his/her/its shares <u>or other securities with an equity nature</u> in the company within six months of purchase, or purchases shares in the company again within six months of disposal, the proceeds derived therefrom shall be retained for the benefit of the company. However, the disposals by brokerage companies holding more than 5% of the shares in the company due to the fact that their underwritten shares remain unsubscribed and other circumstances stipulated by the China Securities Regulatory Commission shall not be subject to the restriction.

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>If the Board of Directors fails to comply with the provisions of the <u>preceding paragraph</u>, the shareholders shall have the right to require the Board of Directors to comply with the provisions within thirty (30) days. If the Board of Directors fails to comply with the provisions within the prescribed period, the shareholders shall, for the benefit of the Company and in their own names, have the right to institute legal proceedings directly at a People's Court.</p> <p>If the Board of Directors fails to comply with the provisions of the <u>first paragraph</u>, the responsible directors shall bear joint and several liabilities according to the laws.</p> <p>.....</p>	<p><u>The shares or other securities with an equity nature held by any director, supervisor, senior management and natural person shareholder referred to in the preceding paragraph shall include the shares or other securities with an equity nature held by their spouses, parents and children, and those held through others' accounts.</u></p> <p>If the Board of Directors fails to comply with the provisions of the <u>first paragraph of this article</u>, the shareholders shall have the right to require the Board of Directors to comply with the provisions within thirty (30) days. If the Board of Directors fails to comply with the provisions within the prescribed period, the shareholders shall, for the benefit of the Company and in their own names, have the right to institute legal proceedings directly at a People's Court.</p> <p>If the Board of Directors fails to comply with the provisions of the <u>first paragraph of this article</u>, the responsible directors shall bear joint and several liabilities according to the laws.</p> <p>.....</p>	<p><u>The shares or other securities with an equity nature held by any director, supervisor, senior management and natural person shareholder referred to in the preceding paragraph shall include the shares or other securities with an equity nature held by their spouses, parents and children, and those held through others' accounts.</u></p> <p>If the board of directors fails to comply with the provisions of the <u>first paragraph of this article</u>, the shareholders shall have the right to require the board of directors to comply with the provisions within thirty (30) days. If the board of directors fails to comply with the provisions within the prescribed period, the shareholders shall, for the benefit of the company and in their own names, have the right to institute legal proceedings directly at a People's Court.</p> <p>If the board of directors fails to comply with the provisions of the <u>first paragraph of this article</u>, the responsible directors shall bear joint and several liabilities according to the laws.</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 53 <u>Within thirty (30) days prior to the convening of a shareholders' general meeting or within five days prior to the benchmark date for the determination of dividend distribution by the Company, no change shall be made in the register of shareholders arising from share transfer.</u></p> <p><u>Provisions otherwise provided by the securities regulatory authorities in the place where the shares of the Company are listed shall prevail.</u></p>	<p>Article 54 <u>Provisions provided by laws, regulations, normative documents, securities regulatory authorities and exchanges in the place where the shares of the Company are listed regarding the period of closure of register of members shall prevail.</u></p>	<p>Pursuant to the "Reply on the Adjustment of the Notice Period for Convening General Meetings and Other Matters Applicable to the Overseas Listed Companies" (Guo Han [2019] No. 97) of the State Council: it is agreed that the notice period, shareholder's right of proposal and the requirements for convening the general meeting of a joint stock limited company registered in China and listed overseas shall uniformly comply with the relevant provisions of the "Company Law of the People's Republic of China", and no longer comply with Article 20 to Article 22 of the "Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies", that is, the original requirement for the notice of the meeting to be issued forty-five days in advance was abolished, and the content of the article is no longer applicable.</p>

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 60 The holders of the Company's ordinary shares shall enjoy the following rights:</p> <p>.....</p> <p>(VII) To enjoy other rights conferred by laws, regulations, rules, normative documents, the Hong Kong Listing Rules and these Articles of Association.</p>	<p>Article 61 The holders of the Company's ordinary shares shall enjoy the following rights:</p> <p>.....</p> <p>(VII) <u>To request the Company to acquire shares held by shareholders who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the Company;</u></p> <p>(VIII) To enjoy other rights conferred by laws, regulations, rules, normative documents, the Hong Kong Listing Rules and these Articles of Association.</p>	<p>Article 33 of the "Guidance for the Articles of Listed Company (Revised in 2022)": Shareholders of the company shall enjoy the following rights:</p> <p>.....</p> <p>(VII) <u>To request the company to acquire shares held by shareholders who vote against any resolution proposed in any shareholders' general meeting on the merger or division of the company;</u></p> <p>(VIII) To enjoy other rights conferred by laws, regulations, rules, normative documents, the Hong Kong Listing Rules and these articles of association.</p>
<p>Article 65 The holders of the Company's ordinary shares shall assume the following obligations:</p> <p>.....</p> <p>(V) The substantial shareholders and controlling shareholders <u>(as defined in the Provisions for the Administration of Equity Ownership in Securities in Securities Companies)</u> shall replenish the capital of the Company when necessary;</p> <p>.....</p>	<p>Article 66 The holders of the Company's ordinary shares shall assume the following obligations:</p> <p>.....</p> <p>(V) The substantial shareholders <u>(as defined in the Provisions for the Administration of Equity Ownership in Securities in Securities Companies)</u> and <u>controlling shareholders</u> shall replenish the capital of the Company when necessary;</p> <p>.....</p>	<p>As "controlling shareholders" has been defined in the Articles of Association, the text is amended with no substantial change.</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Article 73 The shareholders' general meeting is the organ of authority in the Company, and shall exercise the following functions and powers in accordance with the law: 	Article 74 The shareholders' general meeting is the organ of authority in the Company, and shall exercise the following functions and powers in accordance with the law: 	Paragraph II of Rule 6.1.15 of the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in 2022)": Save for the requirements under the preceding paragraph, for any transaction involving "a purchase or a disposal of assets", regardless of whether the subject matter of the transaction is relevant or not, if the total assets involved or the transaction amount exceeds 30% of the company's latest audited total assets in a cumulative calculation within <u>12 consecutive months</u> , such transaction shall be disclosed and audited or assessed with reference to Rule 6.1.6, and submitted to the shareholders' general meeting for deliberation and be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.
(XIII) To consider the Company's purchase or disposal of major assets within <u>one year</u> with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins);	(XIII) To consider the Company's purchase or disposal of major assets within <u>12 consecutive months</u> with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins);	Article 41 of the "Guidance for the Articles of Listed Company (Revised in 2022)":
(XIV) To consider the Company's external investment within <u>one year</u> with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins); 	(XIV) To consider the Company's external investment within <u>12 consecutive months</u> with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins);
(XVII) To consider equity incentive plan; and	(XVII) To consider equity incentive plan <u>and employee stock ownership plan</u> ; and	(XV) To consider equity incentive plan <u>and employee stock ownership plan</u> ;
(XVIII) To consider any other matters which shall be resolved at the shareholders' general meeting as required by <u>laws, administrative regulations, departmental rules or these Articles of Association.</u> 	(XVIII) To consider any other matters which shall be resolved at the shareholders' general meeting as required by <u>laws, regulations, normative documents, securities regulatory authorities and exchanges in the place where the shares of the Company are listed.</u> 	Adjustment of the relevant expressions of catch-all clauses

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 74 The following external guarantee of the Company shall be deliberated and approved by the shareholders' general meeting:</p> <p>(I) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which <u>reaches or</u> exceeds 50% of the latest audited net assets of the Company;</p> <p>(II) Provision of any external guarantee by the Company, the total amount of which <u>reaches or</u> exceeds 30% of the latest audited total assets of the Company (net of clients' margins);</p> <p>(III) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%; <u>and</u></p> <p>(IV) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company.</p>	<p>Article 75 The following external guarantee of the Company shall be deliberated and approved by the shareholders' general meeting:</p> <p>(I) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds 50% of the latest audited net assets of the Company;</p> <p>(II) Provision of any external guarantee by the Company <u>and its controlling subsidiaries</u>, the total amount of which exceeds 30% of the latest audited total assets of the Company (net of clients' margins);</p> <p><u>(III) Provision of any guarantee by the Company, the accumulated amount of which within 12 consecutive months exceeds 30% of the latest audited total assets of the Company (net of clients' margins);</u></p>	<p>1. Rules 6.1.10 and 6.3.11 of the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in 2022)":</p> <p>Rule 6.1.10 In addition to the deliberation and approval of more than half of all directors, the transaction of "provision of guarantee" in a listed company shall also be considered and approved by more than two-thirds of the directors present at the Board meeting, and shall be disclosed in a timely manner.</p> <p>If the provision of guarantee falls under any of the following circumstances, it shall also be submitted to the shareholders' general meeting for consideration after the deliberation and approval of the board of directors:</p> <p>(I) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets of a listed company;</p>

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
The external guarantee to be approved by the shareholder's general meeting cannot be submitted to the shareholders' general meeting for approval until being considered and approved by the Board of Directors.	<p>(IV) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;</p> <p>(V) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company;</p> <p><u>(VI) Provision of guarantee to related parties of the Company (excluding shareholders and their related parties); and</u></p> <p><u>(VII) Any other provision of guarantee which shall be considered at the shareholders' general meeting as required by laws, regulations, normative documents, securities regulatory authorities and exchanges in the place where the shares of the Company are listed.</u></p>	<p>(II) Provision of any external guarantee by a listed company and its controlling subsidiaries, the amount of which exceeds 50% of the latest audited net assets of the listed company;</p> <p>(III) Provision of any external guarantee by a listed company and its controlling subsidiaries, the total amount of which exceeds 30% of the latest audited total assets of the listed company;</p> <p>(IV) Provision of any guarantee by a listed company, <u>the accumulated amount of which incurred in the preceding 12 consecutive months</u> exceeds 30% of the latest audited total assets of the listed company;</p> <p>(V) Provision of guarantee to anyone whose liability asset ratio exceeds 70%;</p> <p>(VI) Provision of guarantee to shareholders, de facto controllers and their related parties; and</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
	<p>The external guarantee to be approved by the shareholder's general meeting cannot be submitted to the shareholders' general meeting for approval until being considered and approved by the Board of Directors.</p> <p><u>For provision of guarantee to related parties by the Company (excluding shareholders and their related parties), in addition to the deliberation and approval by more than half of all non-related directors, it is also subject to deliberation and approval by more than two-thirds of the non-related directors present at the Board meeting, and shall be submitted to the shareholders' general meeting for deliberation.</u></p>	<p>(VII) Provision of other guarantee stipulated by the Exchange or the articles of association of the company.</p> <p>When the shareholders' general meeting of a listed company considers the provision of guarantee mentioned in paragraph (IV) above, it shall be approved by more than two-thirds of the voting rights held by shareholders present at the meeting.</p> <p>Rule 6.3.11 For <u>provision of guarantee to related parties</u> by a listed company, in addition to the deliberation and approval by more than half of all non-related directors, it is also subject to deliberation and approval by more than two-thirds of the non-related directors present at the board meeting, and <u>shall be submitted to the shareholders' general meeting for deliberation.</u></p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
	<p><u>Those who fail to provide a guarantee in accordance with the prescribed procedures or within their scope of authority shall be held accountable in accordance with the Company's relevant rules and bear corresponding legal liabilities.</u></p>	<p>2. The "Guidance for the Articles of Listed Company (Revised in 2022)":</p> <p>.....</p> <p><u>The company shall stipulate in the articles of association the scope of authority of the shareholders' general meeting and the board of directors to deliberate and approve external guarantees and the accountability system for violation of such scope of authority and deliberation procedures.</u></p> <p>3. Paragraph II of Article 123 of the "Securities Law of the People's Republic of China":</p> <p>Save for provision of margin financing and securities lending to its clients in accordance with the regulations, securities companies <u>must not provide financing or guarantee to their shareholders or the related parties of their shareholders.</u></p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 109 The convener shall ensure that the minutes of meetings are true, accurate and complete. The directors, supervisors, the secretary to the Board, the convener or representative thereof attending the meeting, and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting and other means of voting.</p>	<p>Article 110 The convener shall ensure that the minutes of meetings are true, accurate and complete. The directors, supervisors, the secretary to the Board, the convener or representative thereof attending the meeting, and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting and other means of voting <u>for a period of not less than ten (10) years</u>.</p>	<p>Article 74 of the “Guidance for the Articles of Association of Listed Company (Revised in 2022)”: The convener shall ensure that the minutes of meetings are true, accurate and complete. The directors, supervisors, the secretary to the Board, the convener or representative thereof attending the meeting, and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting and other means of voting <u>for a period of not less than ten (10) years</u>.</p>
<p>Article 111 The resolutions of the shareholders’ general meeting can be classified into ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions at a shareholders’ general meeting shall be passed by <u>more than half</u> of the voting rights held by shareholders (including proxies) attending the shareholders’ general meeting.</p> <p>Special resolutions at the shareholders’ general meeting shall be passed by more than two thirds of the voting rights held by shareholders (including proxies) attending the shareholders’ general meeting.</p>	<p>Article 112 The resolutions of the shareholders’ general meeting can be classified into ordinary resolutions and special resolutions.</p> <p>Ordinary resolutions at a shareholders’ general meeting shall be passed by <u>more than 50%</u> of the voting rights held by shareholders (including proxies) attending the shareholders’ general meeting.</p> <p>Special resolutions at the shareholders’ general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including proxies) attending the shareholders’ general meeting.</p>	<p>The “Guidance for the Articles of Listed Company (Revised in 2022)”:</p> <p>Article 76 The resolutions of the shareholders’ general meeting can be classified into ordinary resolutions and special resolutions. Ordinary resolutions at a shareholders’ general meeting shall be passed by <u>more than 50%</u> of the voting rights held by shareholders (including proxies) attending the shareholders’ general meeting. Special resolutions at the shareholders’ general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including proxies) attending the shareholders’ general meeting.</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Article 11 3 The following matters shall be resolved by a special resolution at a shareholders' general meeting: (VI) Any purchase or disposal of major assets made or guaranteed <u>within one year</u> with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins); 	Article 11 4 The following matters shall be resolved by a special resolution at a shareholders' general meeting: (VI) Any purchase or disposal of major assets made or guaranteed <u>within 12 consecutive months</u> with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (net of clients' margins); 	Rules 6.1.10 and 6.1.15 of the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in 2022)": 6.1.10 (IV) Provision of any guarantee by a listed company, the accumulated amount of which incurred in the <u>preceding 12 consecutive months</u> exceeds 30% of the latest audited total assets of the listed company; 6.1.15 Save for the requirements under the preceding paragraph, for any transaction involving "a purchase or a disposal of assets", regardless of whether the subject matter of the transaction is relevant or not, if the total assets involved or the transaction amount exceeds 30% of the company's latest audited total assets in a cumulative calculation <u>within 12 consecutive months</u> , such transaction shall be disclosed and audited or assessed with reference to Rule 6.1.6, and submitted to the shareholders' general meeting for deliberation and be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 114 Shareholders (including proxies) shall exercise their voting rights based on the number of voting shares they represent, with one vote for each share.</p> <p>.....</p>	<p>Article 115 Shareholders (including proxies) shall exercise their voting rights based on the number of voting shares they represent, with one vote for each share.</p> <p>.....</p> <p><u>If a shareholder's acquisition of voting shares of the Company is in violation of paragraphs I and II of Article 63 of the Securities Law, voting rights involving the shares exceeding the stipulated proportion shall not be exercised within 36 months upon such acquisition, and the relevant shares shall not be included in the total number of shares carrying voting rights present at the shareholders' general meeting.</u></p>	<p>Paragraphs IV and V of Article 79 of the "Guidance for the Articles of Listed Company (Revised in 2022)":</p> <p><u>If a shareholder's acquisition of voting shares of the Company is in violation of paragraphs I and II of Article 63 of the Securities Law, voting rights involving the shares exceeding the stipulated proportion shall not be exercised within 36 months upon such acquisition, and the relevant shares shall not be included in the total number of shares carrying voting rights present at the shareholders' general meeting.</u></p>
<p>The Board of Directors, independent directors and <u>shareholders who meet the relevant requirements</u> may solicit voting rights from shareholders.</p> <p>Information including the specific voting preference shall be fully disclosed to the shareholders from whom voting rights are being solicited. Solicitation of shareholders' voting rights by payment or de facto payment is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>	<p>The Board of Directors, independent directors and <u>shareholders holding more than 1% of voting shares or investor protection institutions established in accordance with the laws, administrative regulations or provisions of the China Securities Regulatory Commission</u> may solicit voting rights from shareholders.</p> <p>Information including the specific voting preference shall be fully disclosed to the shareholders from whom voting rights are being solicited. Solicitation of shareholders' voting rights by payment or de facto payment is prohibited. <u>Save for statutory conditions</u>, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>	<p>The board of directors, independent directors and <u>shareholders holding more than 1% of voting shares or investor protection institutions established in accordance with the laws, administrative regulations or provisions of the China Securities Regulatory Commission</u> may solicit voting rights from shareholders.</p> <p>Information including the specific voting preference shall be fully disclosed to the shareholders from whom voting rights are being solicited. Solicitation of shareholders' voting rights by payment or de facto payment is prohibited. <u>Save for statutory conditions</u>, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Article 117 Provided that the lawfulness and validity of a shareholders' general meetings is ensured, the Company shall facilitate the participation of shareholders at the shareholders' general meetings by various means and ways, with priority first giving to the provision of modern information technology means, such as an online voting platform.	Deleted	This article is deleted in the "Guidance for the Articles of Listed Company (Revised in 2022)", and it is clarified that listed companies must hold shareholders' general meetings by means of a combination of on-site and online meetings.
Article 136 Where a resolution on the election of directors or supervisors is passed at the shareholders' general meeting, the term of office of the newly-elected director or supervisor shall commence on the date when the relevant resolution is passed at the shareholders' general meeting.	Article 136 Where a resolution on the election of directors or supervisors is passed at the shareholders' general meeting, the term of office of the newly-elected director or supervisor shall commence on the date when the relevant resolution is passed at the shareholders' general meeting.	According to the "Announcement on the Cancellation or Adjustment of Certain Administrative Approval Items of Securities Companies" (China Securities Regulatory Commission Announcement [2020] No. 18) issued by the China Securities Regulatory Commission in March 2020, the qualification approval of directors, supervisors and senior management of securities companies was changed to post-record management.

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 154 The Company shall establish an independent director system. Independent directors are directors who do not hold any positions in the Company other than as independent director and do not maintain with the Company and its substantial shareholders a connection which may possibly hamper their independent and objective judgments. One third or above of the members of the Board of Directors shall be independent directors, including at least one financial management and accounting professional (accounting professionals refer to persons holding senior titles or qualifications of certified public accountants) and meet the requirements of the Rule 3.10(2) of Hong Kong Listing Rules. Independent directors assume obligations of integrity and diligence towards the Company and all shareholders of the Company. Independent directors shall perform their duties diligently so as to protect the Company's interests, and in particular, to ensure that the legal rights of the minority shareholders will not be affected, in accordance with relevant laws, regulations and requirements of these Articles of Association.</p>	<p>Article 154 The Company shall establish an independent director system. Independent directors are directors who do not hold any positions in the Company other than as independent director and do not maintain with the Company and its substantial shareholders a connection which may possibly hamper their independent and objective judgments. <u>Independent directors shall have the qualifications and independence required by the relevant laws, regulations, normative documents, securities regulatory authorities and exchanges in the place where the shares of the Company are listed.</u></p>	<p>Given that the lengthy requirements for the qualifications and independence of independent directors by the domestic and foreign regulatory institutions and exchanges may be revised, it is recommended that the Articles of Association shall no longer set out specific clauses, that is, deleting Article 155 and Article 156. Article 154 is amended to clarify in general terms and duplicate content is deleted.</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
	<p>One-third or above of the members of the Board of Directors shall be independent directors, including at least one financial management and accounting professional (accounting professionals refer to persons holding senior titles or qualifications of certified public accountants) and meet the requirements of the Rule 3.10(2) of Hong Kong Listing Rules. Independent directors assume obligations of integrity and diligence towards the Company and all shareholders of the Company. Independent directors shall perform their duties diligently so as to protect the Company's interests, and in particular, to ensure that the legal rights of the minority shareholders will not be affected, in accordance with relevant laws, regulations and requirements of these Articles of Association.</p>	

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p><u>Independent directors, in principle, can concurrently serve as the independent director in at most five listed companies or two securities companies,</u> and shall make sure they have enough time and energy to effectively perform the duties as independent directors.</p> <p><u>Independent directors shall have independence in accord with the requirements of Rule 3.13 of Hong Kong Listing Rules.</u></p> <p>Independent directors shall act in accordance with laws, administrative regulations, relevant rules of the securities regulatory authority at the place where the securities of the Company are listed, and departmental rules.</p>	<p><u>Independent directors, in principle, can concurrently serve as the independent director in at most five listed companies and concurrently serve as the independent director in at most two securities companies,</u> and shall make sure they have enough time and energy to effectively perform the duties as independent directors.</p> <p>Independent directors shall act in accordance with laws, administrative regulations, relevant rules of the securities regulatory authority at the place where the securities of the Company are listed, and departmental rules.</p>	<p>The wording is amended to avoid ambiguity.</p>
<p>Article 155 An independent director shall meet the following basic conditions:</p> <p>Article 156 Independent directors shall be independent and the following persons shall not act as independent directors:</p>	<p>Deleted, and the subsequent serial numbers are adjusted accordingly</p>	

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 167 The Board of Directors consists of five special committees, namely, the Risk Management Committee, the Audit Committee, the Strategy Committee, the Nomination Committee, and the Remuneration and Assessment Committee. All of the special committees carry out the work with the authorization of the Board of Directors, provide suggestions for the decision of the Board of Directors, and are responsible to the Board of Directors. The composition and function of the special committees shall be determined by the Board of Directors.</p>	<p>Article 165 The Board of Directors consists of five special committees, namely, the Risk Management Committee, the Audit Committee, the Strategy Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. All of the special committees carry out the work with the authorization of the Board of Directors, provide suggestions for the decision of the Board of Directors, and are responsible to the Board of Directors. The composition and function of the special committees shall be determined by the Board of Directors. <u>The Board of Directors is responsible for formulating the working rules of special committees and regulating the operation of special committees.</u></p>	<p>Article 107 of the “Guidance for the Articles of Listed Company (Revised in 2022)”:</p> <p>The board of directors of a company shall establish an [audit committee] and may establish special committees, such as [strategy committee], [nomination committee], and [remuneration and assessment committee], as needed. Special committees are responsible to the board of directors and perform their duties in accordance with the articles of association and authorization by the board of directors. Their proposals shall be submitted to the board of directors for deliberation and decision. All members of the special committees shall be directors. Half or above of the members of the [audit committee], the [nomination committee], and the [remuneration and assessment committee] shall be independent directors who shall act as convener. <u>The convener of the [audit committee] shall be an accounting professional. The board of directors is responsible for formulating the working rules of special committees and regulating the operation of special committees.</u></p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>All members of the special committees shall be directors. Half or above of the members of the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee shall be independent directors who shall act as convener. All members of the Audit Committee shall be non-executive directors, and there shall be at least three directors, <u>including one independent director who is the financial management or accounting professional</u>. Each special committee may engage the external professional to provide services, and reasonable expenses arising therefrom shall be borne by the Company. The special committees shall submit the work report to the Board of Directors.</p>	<p>All members of the special committees shall be directors. Half or above of the members of the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee shall be independent directors who shall act as convener. All members of the Audit Committee shall be non-executive directors, and there shall be at least three directors, <u>and the convener shall be an accounting professional</u>. Each special committee may engage the external professional to provide services, and reasonable expenses arising therefrom shall be borne by the Company. The special committees shall submit the work report to the Board of Directors.</p>	
<p>Article 168 The Board of Directors is entitled to exercise the following functions and powers:</p> <p>(IX) To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, and other matters of the Company within the authority granted by the general meeting;</p> <p>.....</p>	<p>Article 166 The Board of Directors is entitled to exercise the following functions and powers:</p> <p>(IX) To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, <u>external donations</u>, and other matters of the Company within the authority granted by the general meeting;</p> <p>.....</p>	<ol style="list-style-type: none"> Article 107(VIII) of the "Guidance for the Articles of Listed Company (Revised in 2022)": To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, <u>external donations</u>, and other matters of the company within the authority granted by the general meeting; Article 8 of the "Guidelines for Reputational Risk Management of Securities Companies": The board of directors of a securities company <u>shall be ultimately responsible for reputational risk management and shall perform the following duties:</u>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>(XIX) To be ultimately responsible for the overall risk management, facilitate the risk management culture, review and approve the Company's basic overall risk management system, risk preference, risk tolerance and material risk limits, review the regular risk assessment reports of the Company, and establish a direct communication mechanism with the Chief Risk Officer, etc. The Board of Directors may authorize the relevant risk management committee to fulfil part of its risk management duties;</p> <p>.....</p>	<p>(XIX) To be ultimately responsible for the overall risk management <u>(including reputational risk management)</u>, facilitate the construction of risk management culture <u>(including reputational risk management culture)</u>, review and approve the Company's basic overall risk management system, risk preference, risk tolerance and material risk limits, review the regular risk assessment reports of the Company, and establish a direct communication mechanism with the Chief Risk Officer, etc.; <u>ensure that reputational risk is included in the comprehensive risk management system, determine the general goal of reputational risk management, and continuously pay attention to the Company's overall reputational risk management standard.</u> The Board of Directors may authorize the relevant risk management committee to fulfil part of its risk management duties;</p> <p>.....</p>	<p>(I) To facilitate the construction of the company's reputational risk management culture;</p> <p>(II) To ensure that reputational risk is included in the comprehensive risk management system, determine the general goal of reputational risk management, and continuously pay attention to the company's overall reputational risk management standard;</p> <p>(III) Other duties related to reputational risk management stipulated in the articles of association of the company.</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p><u>(XXI)</u> To exercise other functions and powers as conferred by laws, administrative regulations, departmental rules or these Articles of Association.</p> <p>The resolution of the Board of Directors stated in the preceding paragraph shall be voted and agreed by <u>more than half</u> of the directors, while the item (VI), (XIII) and the “plan for merger, division and dissolution of the Company” of item (VII) must be voted and agreed by more than two thirds of the directors.</p> <p>The matters beyond the authorization scope of the Board of Directors shall be submitted to the shareholders’ general meeting for deliberation.</p> <p>The Board of Directors shall seek advice from the party committee of the Company before determining major issues.</p>	<p><u>(XXI) To determine the objectives of business integrity management and be liable for ensuring the effectiveness of business integrity management;</u></p> <p><u>(XXII) To guide the Company to accomplish the cultural construction of the Company and facilitate the cultural construction of the Company;</u></p> <p><u>(XXIII) To be ultimately responsible for protecting the interests of investors; and</u></p> <p><u>(XXIV)</u> To exercise other functions and powers as conferred by laws, administrative regulations, departmental rules or these Articles of Association.</p> <p>The resolution of the Board of Directors stated in the preceding paragraph shall be voted and agreed by <u>more than half</u> of the directors, while the item (VI), (XIII) and the “plan for merger, division and dissolution of the Company” of item (VII) must be voted and agreed by more than two-thirds of the directors.</p> <p>The matters beyond the authorization scope of the Board of Directors shall be submitted to the shareholders’ general meeting for deliberation.</p> <p>The Board of Directors shall seek advice from the party committee of the Company before determining major issues.</p>	<p>3. Pursuant to the requirements of the “Provisions on the Business Integrity of Securities and Futures Institutions and its Staff” (Order of the Securities Regulatory Commission [No. 145]) and the “Implementation Rules for the Business Integrity of Securities Operation Institutions and its Staff” (China Securities Association Fa [2020] No. 32), it is clearly required that the <u>board of directors</u> of securities operation institutions <u>shall determine the objectives for business integrity management and be liable for ensuring the effectiveness of business integrity management.</u></p> <p>4. Addition of relevant expressions according to the requirements of the China Securities Regulatory Commission and the Securities Association of China in relation to the “Cultural Construction Practice Evaluation for Securities Companies”.</p> <p>5. According to Rule 8 of the “Regulations on Investor Interests Protection Work of Securities Companies”, “securities companies shall establish an effective structure of organization for investors’ interests protection, and <u>define the division of duties in investors’ interests protection performed by the Board, board of supervisors, managerial staff,</u> various departments and branch organizations”.</p> <p>6. Article 118 of the “Guidance for the Articles of Listed Company (Revised in 2022)”: The meeting of the board of directors shall be held upon the attendance of more than half of the directors. The resolutions of the board of directors shall be adopted upon the approval of <u>more than half</u> of all the directors.</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 172 The Board of Directors shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, external guarantee, and connected transactions, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the shareholders' general meeting for approval.</p> <p>The Board of Directors shall have the right to approve the following major items:</p> <p>(I) Matters related to Company's purchase or disposal of major assets within <u>one year</u> with the aggregate transaction amount below 30% of the latest audited total assets of the Company (net of clients' margins);</p> <p>(II) Matters related to Company's external investment within <u>one year</u> with the aggregate transaction amount below 30% of the latest audited total assets of the Company (net of clients' margins);</p> <p>.....</p>	<p>Article 170 The Board of Directors shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, <u>asset mortgage</u>, external guarantee, connected transactions, <u>and external donations</u>, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the shareholders' general meeting for approval.</p> <p>The Board of Directors shall have the right to approve the following major items:</p> <p>(I) Matters related to Company's purchase or disposal of major assets within <u>12 consecutive months</u> with the aggregate transaction amount below 30% of the latest audited total assets of the Company (net of clients' margins);</p> <p>(II) Matters related to Company's external investment within <u>12 consecutive months</u> with the aggregate transaction amount below 30% of the latest audited total assets of the Company (net of clients' margins);</p> <p>.....</p>	<p>Article 110 of the "Guidance for the Articles of Listed Company (Revised in 2022)": The Board of Directors shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, and external donations, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the shareholders' general meeting for approval.</p> <p>Rule 6.1.15 of the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in 2022)":</p> <p>6.1.15</p> <p>.....</p> <p>Save for the requirements under the preceding paragraph, for any transaction involving "a purchase or a disposal of assets", regardless of whether the subject matter of the transaction is relevant or not, if the total assets involved or the transaction amount exceeds 30% of the company's latest audited total assets in a cumulative calculation within <u>12 consecutive months</u>, such transaction shall be disclosed and audited or assessed with reference to Rule 6.1.6, and submitted to the shareholders' general meeting for deliberation and be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.</p>

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Major events set forth in paragraphs (I) and (II) of this Article exclude transactions arising in the ordinary course of business such as the purchase and sale of computer equipment and software, office facilities, and transportation equipment, proprietary trading in securities, securities underwriting and sponsorship, securities asset management, <u>direct investment business</u> , margin financing and securities lending.	Major events set forth in paragraphs (I) and (II) of this Article exclude transactions arising in the ordinary course of business such as the purchase and sale of computer equipment and software, office facilities, and transportation equipment, proprietary trading in securities, securities underwriting and sponsorship, securities asset management, <u>private equity investment fund business</u> , margin financing and securities lending.	The Securities Association of China issued the “Administrative Regulations on Private Investment Fund Subsidiaries of Securities Companies” on December 30, 2016, and the “Regulations on Direct Investment Business of Securities Companies” was repealed at the same time. Amendment is made to the business name in accordance with the requirements of the new regulations.
Article 177 When the chairman of the Board is unable or <u>fails to perform such duties</u> , a director elected jointly by more than half of the directors shall fulfill the duties.	Article 175 When the chairman of the Board is unable or <u>fails to perform such duties or is vacant</u> , a director elected jointly by more than half of the directors shall fulfill the duties.	Article 35 of the “Code of Corporate Governance for Securities Companies”: The articles of association of securities companies shall clearly stipulate the exercise of the chairman’s duties when the chairman of the board of directors is unable to perform duties or is vacant.
Article 187 The Board of Directors shall prepare minutes of the Board meetings, and accordingly may make sound recording of the meetings. The minutes of meetings shall truthfully, accurately and completely record the meeting process, resolution, directors’ remarks and voting, and be kept in compliance with laws. The minutes of meeting shall be signed by both the directors present at the meeting and the person recording the minutes.	Article 185 The Board of Directors shall prepare minutes of the Board meetings, and accordingly may make sound recording of the meetings. The minutes of meetings shall truthfully, accurately and completely record the meeting process, resolution, directors’ remarks and voting, and be kept in compliance with laws. The minutes of meeting shall be signed by both the directors present at the meeting and the person recording the minutes. <u>The minutes of meeting shall be kept as corporate files for a period of not less than ten (10) years.</u>	Article 122 of the “Guidance for the Articles of Listed Company (Revised in 2022)”: The board of directors shall make meeting minutes for all decisions on matters discussed at the meeting, and the minutes of meeting shall be signed by the directors present at the meeting. The minutes of the board of directors meeting shall be kept as corporate files for a period of not less than ten (10) years.

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 191 The secretary to the Board shall be a natural person appointed by the Board of Directors and with necessary professional knowledge and experience. The main responsibilities of the secretary to the Board shall be:</p> <p>.....</p> <p>(V) To fulfill other duties specified in these Articles of Association and the listing rules of the place where the securities of the Company are listed.</p>	<p>Article 189 The secretary to the Board shall be a natural person appointed by the Board of Directors and with necessary professional knowledge and experience. The main responsibilities of the secretary to the Board shall be:</p> <p>.....</p> <p>(V) <u>To handle the matters relating to information disclosure of the Company; and</u></p> <p>(VI) To fulfill other duties specified in these Articles of Association and the listing rules of the place where the securities of the Company are listed.</p>	<p>Article 133 of the “Guidance for the Articles of Listed Company (Revised in 2022)”: A company shall have a secretary to the board of directors, responsible for, among others, the preparation of shareholders’ general meetings of the company and meetings of the board of directors, documents keeping and management of the shareholders’ information of the company, and handling the matters relating to information disclosure.</p>
<p>Article 195 No senior officer of the Company shall assume an office other than as a director in the operation of its controlling shareholder. A senior officer of the controlling shareholder who is concurrently the director of the Company shall ensure enough time and vigor to undertake his/her work in the Company.</p> <p>No senior officer of the Company shall carry on any business in competition with the Company or make any direct or indirect investment in any enterprise which competes with the Company. Unless in agreement with the Articles of Association or the general meeting of shareholders, no senior officer of the Company shall enter into any connected transaction with the Company.</p>	<p>Deleted, and the subsequent serial numbers are adjusted accordingly</p>	<p>The first sentence of the first paragraph of this article has been stipulated in the original Article 197 (new Article 194), and the second sentence of the first paragraph, referring to the clauses related to a senior officer of the controlling shareholder concurrently serving as the director of the Company, should not be placed in this chapter (CHAPTER VI GENERAL MANAGER AND OTHER SENIOR OFFICERS).</p> <p>The second paragraph of this article is reflected in the clauses regarding the duties of loyalty of directors, supervisors and senior officers.</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 196 The provisions of Article 147 hereof concerning directors' duties of loyalty and of Clauses (IV)-(VI) of Article 148 hereof concerning the duty of diligence shall also apply to senior officers.</p>	<p>Article 193 The provisions of Article 147 hereof concerning directors' duties of loyalty and of Clauses (IV)-(VI) of Article 148 hereof concerning the duty of diligence shall also apply to senior officers.</p> <p><u>Senior management of the Company should faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management of the Company causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with the laws.</u></p>	<p>Article 135 of the "Guidance for the Articles of Listed Company (Revised in 2022)": Senior officers of the company should faithfully perform their duties and safeguard the best interests of the company and all shareholders. If any senior officer of the company causes damage to the interests of the company and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with the laws.</p>
<p>Article 197 No person of the Company who assumes administrative duties other than as a director and supervisor in the operation of the controlling shareholder of the Company shall undertake the role of a senior officer in the Company.</p>	<p>Article 194 No person of the Company who assumes administrative duties other than as a director and supervisor in the operation of the controlling shareholder of the Company shall undertake the role of a senior management in the Company.</p> <p><u>Senior management of the Company may only receive remuneration from the Company and may not be paid by the controlling shareholder.</u></p>	<p>Article 126 of the "Guidance for the Articles of Listed Company (Revised in 2022)": No person of the Company who assumes administrative duties other than as a director and supervisor in the operation of the controlling shareholder of the Company shall undertake the role of a senior management in the Company.</p> <p><u>Senior management of the Company may only receive remuneration from the Company and may not be paid by the controlling shareholder.</u></p>

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 199 The general manager shall be responsible to the Board of Directors and have the authority to:</p> <p>.....</p> <p>(VIII) other authorities granted by the Articles of Association or the Board of Directors.</p>	<p>Article 196 The general manager shall be responsible to the Board of Directors and have the authority to:</p> <p>.....</p> <p>(VIII) <u>be responsible for specific execution of investors' interests protection by the Company, and promoting the finalization of various requirements in respect of investors' interests protection; and</u></p> <p>(IX) other authorities granted by the Articles of Association or the Board of Directors.</p>	<p>According to Rule 8 of the "Regulations on Investor Interests Protection Work of Securities Companies", "securities companies shall establish an effective structure of organization for investors' interests protection, and define the division of duties in investors' interests protection performed by the Board, board of supervisors, managerial staff, various departments and branch organizations".</p>
<p>Article 220 Supervisors shall guarantee the trueness, accuracy and completeness of information disclosed by the Company.</p>	<p>Article 217 Supervisors shall guarantee the trueness, accuracy and completeness of information disclosed by the Company, <u>and shall sign written confirmation opinions on periodic reports.</u></p>	<p>Article 140 of the "Guidance for the Articles of Listed Company (Revised in 2022)": Supervisors shall guarantee the trueness, accuracy and completeness of information disclosed by the Company, <u>and shall sign written confirmation opinions on periodic reports.</u></p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 225 The Board of Supervisors shall exercise the following authorities:</p> <p>.....</p> <p>(XIV) other authorities prescribed by laws, regulations, departmental rules, other regulatory documents and the Articles of Association or granted by the general meeting of shareholders.</p>	<p>Article 222 The Board of Supervisors shall exercise the following authorities:</p> <p>.....</p> <p><u>(XIV) supervision on the performance of statutory obligations such as investors' legitimate interests protection by the Company;</u></p> <p><u>(XV) supervision on the implementation of cultural construction of the Company; and</u></p> <p><u>(XVI) other authorities prescribed by laws, regulations, departmental rules, other normative documents and the Articles of Association or granted by the general meeting of shareholders.</u></p>	<p>According to Rule 8 of the "Regulations on Investor Interests Protection Work of Securities Companies", "securities companies shall establish an effective structure of organization for investors' interests protection, and define the division of duties in investors' interests protection performed by the Board, board of supervisors, managerial staff, various departments and branch organizations".</p> <p>Addition of relevant expressions according to the requirements of the China Securities Regulatory Commission and the Securities Association of China in relation to the "Cultural Construction Practice Evaluation for Securities Companies".</p>
<p>Article 228 Minutes shall be written up and sound records may be made for meetings of the Board of Supervisors. The minutes of meeting shall truly, accurately and completely record the process of the meeting, the content of resolutions, speeches of supervisors and voting situation, and shall be kept in accordance with the law. Supervisors attending the meeting and the recorder shall sign on the minutes of meeting.</p>	<p>Article 225 Minutes shall be written up and sound records may be made for meetings of the Board of Supervisors. The minutes of meeting shall truly, accurately and completely record the process of the meeting, the content of resolutions, speeches of supervisors and voting situation, and shall be kept in accordance with the law. Supervisors attending the meeting and the recorder shall sign on the minutes of meeting. <u>The minutes of meeting shall be kept as corporate files for a period of not less than ten (10) years.</u></p>	<p>Paragraph II of Article 148 of the "Guidance for the Articles of Listed Company (Revised in 2022)": Supervisors shall have the right to request that certain explanatory records be made on the minutes of their speeches at the meeting. <u>Minutes of meetings of the board of supervisors shall be kept as corporate files for at least ten (10) years.</u></p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Newly added chapter, and the subsequent serial numbers are adjusted accordingly	<p><u>CHAPTER XI EMPLOYEE DEMOCRATIC MANAGEMENT AND LABOR AND PERSONNEL SYSTEM</u></p> <p><u>Article 252 The Company shall, in accordance with the laws, improve the democratic management system with the employees' congress as the basis, and respect and protect employees' rights to know, participate, express and supervise according to the laws. Major issues involving the vital interests of employees must be deliberated by the employees' congress, or the opinions of employees shall be heard through other means. The Company shall adhere to and improve the employee representative supervisor system, and safeguard the rights and interests of employee representatives to participate in corporate governance in an orderly manner.</u></p>	<p>Article 5 of the "Administrative Measures for the Formulation of Articles of Association of State-owned Enterprises": The articles of association of a state-owned enterprise shall generally include but not be limited to the following major contents:</p> <p>.....</p> <p>(VIII) Employee democratic management and labor and personnel system;</p> <p>.....</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
	<p><u>Article 253 Employees of the Company shall organize a trade union in accordance with the Trade Union Law of the People's Republic of China, carry out trade union activities, and safeguard the legitimate rights and interests of employees. The Company should provide the necessary conditions for the activities of the trade union.</u></p> <p><u>Article 254 The Company shall abide by PRC laws and administrative regulations on labor protection and work safety, implement relevant state policies, and protect the legitimate rights and interests of labor. The Company shall, according to PRC laws, administrative regulations and policies on labor and personnel, and in light of the actual situation of the Company, formulate labor and personnel relevant systems.</u></p>	

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 269 The profit distribution plan of the Company shall be submitted to the general meeting of shareholders for approval after being deliberated and adopted by the Board of Directors. The general meeting of shareholders shall, while deliberating a <u>cash dividend distribution plan</u>, actively communicate through various channels with shareholders, especially minority shareholders, and sufficiently listen to opinions and demands of minority shareholders, so as to safeguard public shareholders' right to reasonable return on investment.</p>	<p>Article 269 The profit distribution plan of the Company shall be submitted to the general meeting of shareholders for approval after being deliberated and adopted by the Board of Directors. The general meeting of shareholders shall, while deliberating a <u>profit distribution plan (especially cash dividend distribution plan)</u>, actively communicate through various channels with shareholders, especially minority shareholders, and sufficiently listen to opinions and demands of minority shareholders, so as to safeguard public shareholders' right to reasonable return on investment.</p>	<p>Article 153 of the "Guidance for the Articles of Listed Company (Revised in 2022)":</p> <p>.....</p> <p>The company shall specify in the articles of association the priority of cash dividends relative to stock dividends in the method of profit distribution, and set out the following:</p> <p>(I) The decision-making procedures and mechanism of the board of directors and shareholders' general meeting of the company on <u>profit distribution (especially cash dividend distribution)</u>, the specific conditions, decision-making procedures and mechanism for adjusting the established profit distribution policy (especially cash dividend distribution policy), and the <u>measures taken</u> in order to sufficiently listen to opinions of independent directors and <u>minority shareholders</u>.</p>

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 279 <u>If the office of the accounting firm is vacant, the Board of Directors may, prior to the holding of any general meeting of shareholders, appoint an accounting firm to fill such vacancy; however, such appointment shall be confirmed in the next general meeting of shareholders. During the period when such vacancy lasts, where the Company has any other accounting firms in office, such accounting firms may continue to act.</u></p>	<p>Article 279 <u>The appointment of accounting firm by the Company must be decided by the shareholders' general meeting, and the Board of Directors shall not appoint any accounting firm prior to the decision of the shareholders' general meeting. In the event of vacancy of accounting firm, where the Company has any other accounting firms in office, during the period when such vacancy lasts, such accounting firms may continue to act.</u></p>	<p>Article 160 of the "Guidance for the Articles of Listed Company (Revised in 2022)": The appointment of accounting firm by the company must be decided by the shareholders' general meeting, and the board of directors shall not appoint any accounting firm prior to the decision of the shareholders' general meeting.</p>
<p>Article 281 The decision to engage, remove or discontinue the engagement of an accounting firm shall be taken by the general meeting of shareholders <u>and submitted to the securities regulatory authority of the State Council for record.</u></p> <p>.....</p> <p>Where the general meeting of shareholders seeks to engage a non-incumbent accounting firm to fill any vacancy for the accounting firm, <u>or continue to engage an accounting firm engaged by the Board of Directors to fill the vacancy</u>, or remove an accounting firm of which the term of office does not expire, the following provisions shall be complied with:</p> <p>.....</p>	<p>Article 281 The decision to engage, remove or discontinue the engagement of an accounting firm shall be taken by the general meeting of shareholders.</p> <p>.....</p> <p>Where the general meeting of shareholders seeks to engage a non-incumbent accounting firm to fill any vacancy for the accounting firm, or remove an accounting firm of which the term of office does not expire, the following provisions shall be complied with:</p> <p>.....</p>	<p>The filing requirement for this matter is abolished in the Institutional Supervision Circular (2020 Issue No. 16) issued by the China Securities Regulatory Commission on September 4, 2020.</p> <p>Article 160 of the "Guidance for the Articles of Listed Company (Revised in 2022)": The appointment of accounting firm by the company <u>must be decided by the shareholders' general meeting, and the board of directors shall not appoint any accounting firm prior to the decision of the shareholders' general meeting.</u></p>

APPENDIX I

COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Article 283 The remuneration of the accounting firm or the mode of determination of the same shall be decided by the general meeting of shareholders. <u>The remuneration of the accounting firm engaged by the Board of Directors shall be determined by the Board of Directors.</u>	Article 283 The remuneration of the accounting firm or the mode of determination of the same shall be decided by the general meeting of shareholders.	Article 160 of the “Guidance for the Articles of Listed Company (Revised in 2022)”: The appointment of accounting firm by the company must be decided by the shareholders’ general meeting, and the board of directors shall not appoint any accounting firm prior to the decision of the shareholders’ general meeting.
Article 316 Where any amendment to the Articles of Association involves any content of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, such amendment shall come into effect after being approved by the company approval department authorized by the State Council and the securities regulatory authority of the State Council; where such amendment involves any registered item, the Company shall modify its registration in accordance with the law.	Deleted, and the subsequent serial numbers are adjusted accordingly.	The content has been covered by the original Article 313 (new Article 313).
Newly added article	<u>Article 322 The annexes to these Articles of Association include the rules of procedure for shareholders’ general meetings, rules of procedure for the Board of Directors and rules of procedure for the Board of Supervisors.</u>	Article 198 of the “Guidance for the Articles of Listed Company (Revised in 2022)”: The annexes to these articles of association include the rules of procedure for shareholders’ general meetings, rules of procedure for the board of directors and rules of procedure for the board of supervisors.

Proposed Amendments to the Rules for the Management of Related Party Transactions of the Company

Details of the proposed amendments to the Rules for the Management of Related Party Transactions of the Company are set out as below:

**Comparison Table of Amendments to the Rules for the
Management of Related Party Transactions of the Company**

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Article 1 These Rules are formulated to ensure that the related party transactions between China Merchants Securities Co., Ltd. (hereinafter referred to as the "Company") and related parties are in compliance with the principles of fairness, impartiality and openness, and to protect the legal rights of investors, especially small and medium investors, according to the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Rules Governing the Listing of Stocks on Shanghai Stock Exchange (hereinafter referred to as the "Listing Rules on Shanghai Stock Exchange", of which "Shanghai Stock Exchange" is hereinafter referred to as the "SSE"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules", of which "The Stock Exchange of Hong Kong Limited" is hereinafter referred to as the "Hong Kong Stock Exchange"), Accounting Standards for Business Enterprises No. 36, Disclosure of Related Parties and other relevant laws, regulations, rules, regulatory documents and relevant provisions of the articles of association of China Merchants Securities Co., Ltd. (hereinafter referred to as the "Articles of Association").	Article 1 These Rules are formulated to ensure that the related party transactions between China Merchants Securities Co., Ltd. (hereinafter referred to as the Company) and related parties are in compliance with the principles of fairness, impartiality and openness, and to protect the legal rights of investors, especially small and medium investors, according to the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Rules Governing the Listing of Stocks on Shanghai Stock Exchange (hereinafter referred to as the Listing Rules on Shanghai Stock Exchange, of which "Shanghai Stock Exchange" is hereinafter referred to as the "SSE"), <u>Self-Regulatory Supervision Guidelines for Company Listed on the Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions</u> , the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the Hong Kong Listing Rules, of which "The Stock Exchange of Hong Kong Limited" is hereinafter referred to as the "Hong Kong Stock Exchange"), Accounting Standards for Business Enterprises No. 36, Disclosure of Related Parties, <u>Provisions on the Administration of Equities of Securities Companies, Trial Measures on Regulation of Financial Holding Companies</u> and other relevant laws, regulations, rules, regulatory documents and relevant provisions of the articles of association of China Merchants Securities Co., Ltd. (hereinafter referred to as the Articles of Association).	Addition of basis of external requirement, amendment of punctuations.

APPENDIX II

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE MANAGEMENT OF RELATED PARTY TRANSACTIONS OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Nil	<u>Article 3 The Company shall ensure the legitimacy, necessity, rationality and fairness of related party transactions, maintain the independence of the Company, and shall not use related party transactions to adjust financial indicators and damage the interests of the Company. The parties to transactions shall not conceal the related relationship or adopt other means to circumvent the Company's related party transactions deliberation procedures and information disclosure obligations.</u>	Rules Governing the Listing of Stocks on Shanghai Stock Exchange: 6.3.1 Listed companies shall ensure the legitimacy, necessity, rationality and fairness of related party transactions, maintain the independence of the listed companies, and shall not use related party transactions to adjust financial indicators and damage the interests of the listed companies. The parties to transactions shall not conceal the related relationship or adopt other means to circumvent the listed companies' related party transactions deliberation procedures and information disclosure obligations.
Article <u>3</u> The Company shall establish an effective restraint and balance mechanism, <u>conduct related party transactions in a fair and reasonable manner in compliance with laws and regulations</u> , strengthen the role of compliance risk control, and fully disclose related party transaction information.	Article <u>4</u> The Company shall establish an effective restraint and balance mechanism, strengthen the role of compliance risk control, and fully disclose related party transaction information.	Deletion of the phrase "conduct related party transactions in a fair and reasonable manner in compliance with laws and regulations," in this article as the revised Article 3 has already stipulated that related party transactions shall be conducted in a fair and reasonable manner in compliance with laws and regulations.

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Article <u>4</u> Related parties of the Company include related legal persons and related natural persons as defined in the Listing Rules on SSE, and Accounting Standards for Business Enterprises No. 36, Disclosure of Related Parties, or connected persons as defined in Chapter 14A of the Hong Kong Listing Rules.	Article <u>5</u> Related parties of the Company include related legal persons and related natural persons as defined in the Listing Rules on SSE, Accounting Standards for Business Enterprises No. 36, Disclosure of Related Parties, <u>Provisions on the Administration of Equities of Securities Companies, and Trial Measures on Regulation of Financial Holding Companies</u> , or connected persons as defined in Chapter 14A of the Hong Kong Listing Rules.	Addition of basis of external requirement, amendment of punctuations.
<p>Article <u>5</u> Any of the following legal persons or other bodies shall be regarded as related legal persons of the Company under the Listing Rules on SSE:</p> <p>(I) legal persons or other bodies who have direct or indirect control over the Company <u>and the de facto controller of the Company</u>;</p> <p>(II) legal persons or other bodies, other than the Company and its controlled subsidiaries, who are directly or indirectly controlled by those referred in paragraph (I) above;</p>	<p>Article <u>7</u> Any of the following legal persons or other bodies shall be regarded as related legal persons of the Company under the Listing Rules on SSE:</p> <p>(I) legal persons or other bodies who have direct or indirect control over the Company;</p> <p>(II) legal persons or other bodies, other than the Company, its controlled subsidiaries and other entities controlled by them, who are directly or indirectly controlled by those referred in paragraph (I) above;</p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.3 Any of the following legal persons (or other bodies) shall be regarded as related legal persons (or other bodies) of listed companies:</p> <p>(I) legal persons (or other bodies) who have direct or indirect control over the listed companies;</p> <p>(II) legal persons (or other bodies), other than the listed companies, their controlled subsidiaries and other entities controlled by them, who are directly or indirectly controlled by legal persons (or other bodies) referred in the preceding paragraph;</p>

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(III) legal persons or other bodies, other than the Company and its controlled subsidiaries, who are directly or indirectly controlled by, or serve as directors or senior management members of, the related natural persons of the Company listed in Article 6 of these Rules;	(III) legal persons or other bodies, other than the Company, its controlled subsidiaries <u>and other controlled entities</u> , directly or indirectly controlled by, or serving as directors <u>(excluding independent directors who concurrently serve for both parties)</u> or senior management members of, the related natural persons of the company listed in Article 8 of these Rules;	(III) legal persons (or other bodies), other than the listed companies, their controlled subsidiaries and other entities controlled by them, who are directly or indirectly controlled by, or serve as directors <u>(excluding independent directors who concurrently serve for both parties)</u> or senior management members of, the related natural persons;
(IV) legal persons or other bodies who hold more than 5% of the shares of the Company; and	(IV) legal persons or other bodies who hold more than 5% of the shares of the Company <u>and persons acting in concert with them</u> ; and	(IV) legal persons (or other bodies) who hold more than 5% of the shares of the Company <u>and persons acting in concert with them</u> ;
(V) legal persons or other bodies who are considered to have a special relationship with the Company by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC"), the SSE or the Company based on the principle of substance over form, which may cause the Company's interests to favor them.	(V) legal persons or other bodies who are considered to have a special relationship with the Company by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC"), the SSE or the Company based on the principle of substance over form, which may cause the Company's interests to favor them.

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The original Article 8 (the definition of related relationship) is changed to Article 6, and the numbers of the original Article 5, 6, 7 and 9 (the definition of related parties) are changed to Article 7, 8, 9 and 10.		Adjustment according to logical order.
Nil	<u>Article 11 The Company shall manage shareholders, holding 5% or above of equity interests, and its controlling shareholder, de facto controller, related parties, parties acting in concert and ultimate beneficial owners as the Company's own connected persons, in accordance with the penetration principle.</u>	<p>Article 2 and 3 of Section 28 of the Provisions on the Administration of Equities of Securities Companies:</p> <p><u>Securities companies shall manage shareholders and their controlling shareholder, de facto controller, related parties, parties acting in concert and ultimate beneficial owners as their own connected persons, in accordance with the penetration principle.</u></p> <p><u>Shareholders, as stated in Article 2 of this section, do not include shareholders of listed securities companies and securities companies listed on equities exchange and quotations holding less than 5% of equity interests.</u></p>

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<p>Article 11 According to the relevant provisions of the CSRC, the SSE and the Hong Kong Stock Exchange, a related party transaction refers to a transaction that might lead to the transfer of resources or obligations between the Company and its controlled subsidiaries and the related parties as stated in the preceding article, and the specified categories of transactions (within the meaning of Chapter 14A of the Hong Kong Listing Rules) with third parties that may confer benefits on the related parties through their interests in the entities involved in the transactions, including but not limited to:</p> <p>(I) purchase or sale of assets;</p> <p>(II) external investments (including entrusted wealth management, <u>entrusted loans, equity investments</u>, etc.);</p> <p>(III) entrusted or consigned <u>asset management and business</u>;</p> <p>(IV) purchase or sale of raw materials, fuel and power;</p> <p>(V) purchase or sale of products and merchandise;</p> <p>(VI) provision or receipt of services;</p> <p>(VII) entrusted or consigned <u>purchase or sale</u>;</p> <p>(VIII) agency;</p>	<p>Article 13 According to the relevant provisions of the CSRC, the SSE and the Hong Kong Stock Exchange, a related party transaction refers to a transaction that might lead to the transfer of resources or obligations between the Company, its controlled subsidiaries <u>and other entities controlled by them</u> and the related parties as stated in the preceding article, and the specified categories of transactions (within the meaning of Chapter 14A of the Hong Kong Listing Rules) with third parties that may confer benefits on the related parties through their interests in the entities involved in the transactions, including but not limited to:</p> <p>(I) purchase or sale of assets;</p> <p>(II) external investments (including entrusted wealth management, <u>investment in subsidiaries</u>, etc.);</p> <p>(III) provision of financial assistance (<u>including interest-bearing or interest-free loans, entrusted loans, etc.</u>);</p> <p>(IV) provision of guarantees (<u>including guarantees for controlled subsidiaries, etc.</u>);</p> <p>(V) lease-in or lease-out of assets;</p> <p>(VI) entrusted or consigned <u>asset and business management</u>;</p> <p>(VII) granting or being granted of assets;</p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.2 A related party transaction of listed companies refers to a transaction that might lead to the transfer of resources or obligations between the listed companies, their controlled subsidiaries and other entities controlled by them and the related parties of the listed companies, including:</p> <p>(I) <u>transactions as specified in Rule 6.1.1</u> of these Rules;</p> <p>6.1.1 The material transactions mentioned in this section include the following types of events that occur in addition to the daily operations of listed companies:</p> <p>(I) purchase or sale of assets;</p> <p>(II) external investments (including entrusted wealth management, <u>investment in subsidiaries</u>, etc.);</p> <p>(III) provision of financial assistance (<u>including interest-bearing or interest-free loans, entrusted loans, etc.</u>);</p> <p>(IV) provision of guarantees (<u>including guarantees for controlled subsidiaries, etc.</u>);</p> <p>(V) lease-in or lease-out of assets;</p> <p>(VI) entrusted or consigned <u>asset and business management</u>;</p> <p>(VII) granting or being granted of assets;</p>

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(IX) lease-in or lease-out of assets;	(VIII) creditor's right or debt restructuring;	(VIII) creditor's right or debt restructuring;
(X) provision of financial assistance <u>(including in cash or in kind);</u>	(IX) entering into of licensing agreement;	(IX) entering into of licensing agreement;
(XI) guarantees and mortgages;	(X) transfer-out or transfer-in of research and development projects;	(X) transfer-out or transfer-in of research and development projects;
(XII) contracts regarding management;	<u>(XI) waiver of rights (including waiver of pre-emptive rights, pre-emptive rights to contribute, etc.);</u>	<u>(XI) waiver of rights (including waiver of pre-emptive rights, pre-emptive rights to contribute, etc.);</u>
(XIII) transfer-out or transfer-in of research and development projects;	(XII) purchase or sale of raw materials, fuel and power;	
(XIV) entering into of licensing agreement;	(XIII) sale of products and merchandise;	6.3.2 A related party transaction of listed companies....., including:
(XV) granting or being granted of assets;	(XIV) provision or receipt of services;	(I) transactions as specified in Rule 6.1.1 of these Rules;
(XVI) creditor's right or debt restructuring;	(XV) entrusted or consigned sale;	(II) purchase of raw materials, fuel and power;
(XVII) co-investment with related parties;	<u>(XVI) deposit and loan business;</u>	(III) sale of products and merchandise;
<u>(XVIII) debt settlement on behalf of a corporate or by a corporate on behalf of another party;</u>	(XVII) co-investment with related parties;	(IV) provision or receipt of services;
(XIX) other matters that may result in the transfer of resources or obligations by agreement;	(XVIII) other matters that may result in the transfer of resources or obligations by agreement;	(V) entrusted or consigned sale;
(XX) issuance of new securities of the Company or its subsidiaries;	(XIX) issuance of new securities of the Company or its subsidiaries;	<u>(VI) deposit and loan business;</u>
(XXI) other matters that the CSRC and the SSE consider to be related party transactions; and	(XX) other matters that the CSRC and the SSE consider to be related party transactions; and	(VII) co-investment with related parties; and
		(VIII) other matters that may result in the transfer of resources or obligations by agreement.

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<p>(XXII) other transactions or matters as defined in Chapter 14A of the Hong Kong Listing Rules.</p> <p>The Company shall not provide guarantees for shareholders or their related parties.</p> <p>.....</p>	<p>(XXI) other transactions or matters as defined in Chapter 14A of the Hong Kong Listing Rules.</p> <p><u>The Company shall not provide financial assistance to related parties. Save for the provision of margin financing and securities lending to clients in accordance with the regulations, the Company shall not provide financing or guarantee for its shareholders or the related parties of its shareholders.</u></p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.10 Listed company <u>shall not provide financial assistance to the related parties</u> specified in Rule 6.3.3 of these Rules, except for the provision of financial assistance to related joint-stock companies that are not controlled by the controlling shareholder or de facto controller of the listed company, where other shareholders of such joint-stock companies provide financial assistance under the same conditions in proportion to their contributions <u>(this exclusion does not apply to securities companies by virtue of the relevant provisions of the Securities Law).</u></p> <p>Article 123 of the Securities Law:</p> <p>.....<u>Save for the provision of margin financing and securities lending to their clients in accordance with the regulations, securities companies shall not provide financing or guarantee for their shareholders or the related parties of their shareholders.</u></p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Nil	<p><u>Article 18 The related party transactions between the Company and its controlled subsidiaries and the financial holding company(ies) that control(s) the Company (hereinafter referred to as the “financial holding company(ies)”) and its/their related parties shall comply with the following provisions:</u></p> <p>(I) <u>It shall not damage the legitimate interests of other shareholders and clients by taking advantage of the de facto control rights of the financial holding companies;</u></p> <p>(II) <u>It shall not engage in regulatory arbitrage through internal transactions;</u></p> <p>(III) <u>It shall not engage in internal transactions indirectly through any third party and damage the stability of the financial holding companies;</u></p> <p>(IV) <u>The Company and financial institutions controlled by it shall not provide financing to the financial holding companies, or provide unsecured financing to shareholders of the financial holding companies and other non-financial institution related parties;</u></p>	<p>Article 36 of the Trial Measures on Regulation of Financial Holding Companies:</p> <p>Financial holding companies and their controlled entities shall not engage in the following related party transactions:</p> <p>(I) damaging the legitimate interests of other shareholders and clients by taking advantage of their de facto control rights;</p> <p>(II) engaging in regulatory arbitrage through internal transactions;</p> <p>(III) engaging in internal transactions indirectly through any third party and damaging the stability of the financial holding companies;</p> <p>(IV) financial institutions controlled by financial holding companies (excluding finance companies) providing financing to financial holding companies, or providing unsecured financing to shareholders of financial holding companies and other non-financial institution related parties;</p>

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	<p>(V) <u>The risk exposure of the Company and financial institutions controlled by it to the financing related party transactions of other related party of a single financial holding company shall not exceed 10% of the net capital, and in aggregate, 10% of the consolidated net capital of the Company, and shall not exceed 20% of the net capital of such related party, unless otherwise stipulated by the banking and insurance regulatory authorities of the State Council and the securities regulatory authorities of the State Council;</u></p> <p>(VI) <u>The Company and its controlled subsidiaries shall not accept the equity of the financial holding companies as the subject of pledge; and</u></p> <p>(VII) <u>Other acts prohibited by the People's Bank of China and the CSRC.</u></p> <p><u>The definitions of "financial institutions", "financing", "financing related party transactions" and "net capital" mentioned in this article are subject to the relevant regulatory rules for financial holding companies.</u></p>	<p>(V) the financing or guarantee provided by a financial institution controlled by a financial holding company (excluding finance company) to other related party of the financial holding company exceeding 10% of the net capital of the controlled financial institution providing such financing or guarantee, or exceeding 20% of the net capital of the related party of the financial holding company receiving such financing or guarantee, unless otherwise stipulated by the banking and insurance regulatory authorities of the State Council and the securities regulatory authorities of the State Council;</p> <p>(VI) financial institutions controlled by financial holding companies (excluding finance companies) and non-financial institutions controlled by financial holding companies accepting the equity of the financial holding companies as the subject of pledge;</p> <p>(VII) the balance of guarantee provided by a financial holding company to an external party of the financial holding group exceeding 10% of the net assets of the financial holding company; and</p> <p>(VIII) other acts prohibited by the People's Bank of China.</p>

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Nil	<u>Article 19 Related party transactions between the Company and the financial company of a corporate group with a related relationship shall comply with the Self-Regulatory Supervision Guidelines for Company Listed on the Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions and other relevant regulations.</u>	Nine articles in section 1 of chapter 2 of the Self-Regulatory Supervision Guidelines for Company Listed on the Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions.
Article 16 Each department and each controlled subsidiary of the Company shall establish a <u>verification</u> mechanism for related party transactions. Before engaging in any related party transaction with a related party, it should ensure that such transaction complies with the restrictions on related party transactions imposed by regulatory authorities and the Company, and confirm with the office the consideration procedures such transaction shall go through.	Article 20 Each department and each controlled subsidiary of the Company shall establish a <u>management and control</u> mechanism for related party transactions <u>of such department or subsidiary</u> . Before engaging in any related party transaction with a related party, it should ensure that such transaction complies with the restrictions on related party transactions imposed by regulatory authorities and the Company, and confirm with the office the consideration procedures such transaction shall go through.	In accordance with management needs, clarifying the management and control responsibilities of each department and each subsidiary on related party transactions.

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<p>Article <u>17</u></p> <p>(IV) When the shareholders' general meeting deliberates related party transactions, shareholders who fall under any of the following circumstances shall abstain from voting:</p> <ol style="list-style-type: none"> 1. being a counterparty; 2. having direct or indirect control over the counterparty; 3. being directly or indirectly controlled by the counterparty; 4. being directly or indirectly controlled by a legal person or other body or natural person who also controls the counterparty; 5. their voting rights being restricted or affected due to the existence of an uncompleted equity transfer agreement or other agreement with the counterparty or its related parties; and 	<p>Article <u>21</u></p> <p>(IV) When the shareholders' general meeting deliberates related party transactions, shareholders who fall under any of the following circumstances shall abstain from voting:</p> <ol style="list-style-type: none"> 1. being a counterparty; 2. having direct or indirect control over the counterparty; 3. being directly or indirectly controlled by the counterparty; 4. being directly or indirectly controlled by a legal person or other body or natural person who also controls the counterparty; 5. <u>working in the counterparty, or working in a legal person or other body that can directly or indirectly control the counterparty, or a legal person or other body that is directly or indirectly controlled by the counterparty;</u> 	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.9 When the shareholders' general meeting of a listed company deliberates related party transactions, the related shareholders shall abstain from voting, and shall not exercise voting rights on behalf of other shareholders.</p> <p>The related shareholders mentioned in the preceding paragraph include the following shareholders or shareholders who fall under any of the following circumstances:</p> <ol style="list-style-type: none"> (I) being a counterparty; (II) having direct or indirect control over the counterparty; (III) being directly or indirectly controlled by the counterparty; (IV) being directly or indirectly controlled by a legal person or other body or natural person who also controls the counterparty;

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6. being legal or natural persons identified by the CSRC or the SSE and the Hong Kong Stock Exchange that may cause the Company to favor their interests.	<p>6. <u>being a close family member of the counterparty or its direct or indirect controller;</u></p> <p>7. being shareholders whose voting rights are restricted or affected due to the existence of an uncompleted equity transfer agreement or other agreement with the counterparty or its related parties; and</p> <p>8. being legal or natural persons identified by the CSRC or the SSE and the Hong Kong Stock Exchange that may cause the Company to favor their interests.</p>	<p>(V) <u>working in the counterparty, or working in a legal person or other body that can directly or indirectly control the counterparty, or a legal person or other body that is directly or indirectly controlled by the counterparty;</u></p> <p>(VI) <u>being a close family member of the counterparty or its direct or indirect controller;</u></p> <p>(VII) being shareholders whose voting rights are restricted or affected due to the existence of an uncompleted equity transfer agreement or other agreement with the counterparty or its related parties; and</p> <p>(VIII) being shareholders identified by the CSRC or our exchange that may cause the listed company to favor their interests.</p>

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<p>Article 20 The Company shall comply with the following provisions when deliberating related party transactions that comply with the Listing Rules on SSE:</p> <p>(I) Transactions between the Company and related natural persons in an amount of more than RMB300,000, or transactions between the Company and related legal persons in an amount of more than RMB3,000,000 (inclusive) that account for more than 0.5% (inclusive) of the absolute value of the Company's latest audited net assets shall be approved by the Board of Directors.</p> <p>(II) Transactions between the Company and related parties in an amount of more than RMB30,000,000 that account for more than 5% of the absolute value of the Company's latest audited net assets shall be deliberated and approved by shareholders' general meetings.</p>	<p>Article 24 The Company shall comply with the following provisions when deliberating related party transactions that comply with the Listing Rules on SSE:</p> <p>(I) Transactions between the Company and related natural persons in an amount of more than RMB300,000, or transactions between the Company and related legal persons in an amount of more than RMB3,000,000 (inclusive) that account for more than 0.5% (inclusive) of the absolute value of the Company's latest audited net assets <u>and fail to meet the standards for deliberation at the shareholders' general meeting</u> shall be approved by the Board of Directors.</p> <p>(II) Transactions between the Company and related parties in an amount of more than RMB30,000,000 that account for more than 5% of the absolute value of the Company's latest audited net assets shall be deliberated and approved by shareholders' general meetings.</p>	Adjustment of wordings.

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<p>(III) Related party transactions that the Company intends to enter into with related parties in an amount of more than RMB3,000,000 (inclusive) that account for more than 0.5% of the Company's latest audited net asset value shall be submitted to the Board of Directors for <u>discussion and decision</u> upon approval by independent directors. Before making a judgment, independent directors may engage an intermediary agency to issue an independent financial advisor report as the basis for their judgment.</p> <p>.....</p>	<p>(III) Related party transactions that the Company intends to enter into with related parties in an amount of more than RMB3,000,000 (inclusive) that account for more than 0.5% of the Company's latest audited net asset value shall be submitted to the Board of Directors <u>or shareholders' general meetings for deliberation and approval</u> upon approval by independent directors. Before making a judgment, independent directors may engage an intermediary agency to issue an independent financial advisor report as the basis for their judgment.</p> <p>.....</p>	<p>Adjustment of wordings.</p>

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<p>Article <u>21</u> <u>Save for related party transactions related to the Company's daily operations</u>, for related party transactions between the Company and related parties that require the approval of the shareholders' general meeting, <u>the Company shall engage an intermediary agency that is qualified to engage in securities and futures-related business to evaluate or audit the subject matter of the transactions, provided that provisions in relevant laws, regulations, rules and regulatory documents shall prevail.</u></p> <p>The Company may engage an independent financial advisor to express opinions on the fairness and reasonableness of the related party transactions that require the approval of the shareholders' general meeting to all shareholders, and issue an independent financial advisor report.</p>	<p>Article <u>25</u> For <u>non-routine</u> related party transactions between the Company and related parties that require the approval of the shareholders' general meeting, <u>if the subject matter of the transactions is the equity interest of a company, the financial accounting report for the subject asset for the most recent year and period audited by an accounting firm shall be disclosed. The audit opinion issued by the accounting firm shall be a standard unqualified opinion, and the audit deadline shall not be earlier than six months prior to the date of the shareholders' general meeting for deliberation of relevant transaction matters. If the subject matter of the transactions is asset other than the equity interest of a company, the appraisal report for the subject asset issued by the asset appraisal agency shall be disclosed. The basis date for appraisal shall not be earlier than one year prior to the date of the shareholders' general meeting for deliberation of relevant transaction matters.</u></p> <p><u>Where the Company and its related parties jointly invest to establish a company, and the Company's capital contribution reaches the standards specified in Article 24(II), if all contributors make capital contributions in cash, and the shareholding of each party in the established company is determined in accordance with the proportion of the capital contribution, the requirement to submit to the shareholders' general meeting for deliberation may be exempted.</u></p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.7 In addition to the provisions of Rule 6.3.11 of these Rules, if the transaction amount (including debts and expenses assumed) between listed companies and their related parties is more than RMB30,000,000, and accounts for more than 5% of the absolute value of the listed companies' latest audited net assets, the audit report or appraisal report <u>shall be disclosed in accordance with the provisions of Rule 6.1.6 of these Rules</u>, and the transaction shall be submitted to the shareholders' general meeting for deliberation.</p> <p><u>The daily related party transactions</u> specified in Rule 6.3.17 of these Rules <u>may not have to be audited or appraised.</u></p> <p>6.1.6 When listed companies engage in a transaction that meets the standards specified in Rule 6.1.3 of these Rules, <u>if the subject matter of the transactions is the equity interest of a company, the financial accounting report for the subject asset for the most recent year and period audited by an accounting firm shall be disclosed. The audit opinion issued by the accounting firm shall be a standard unqualified opinion, and the audit deadline shall not be earlier than six months prior to the date of the shareholders' general meeting for deliberation of relevant transaction matters.</u></p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
	<p><u>If the Company's related party transactions fail to meet the standards specified in the first paragraph of this article, but are required by the CSRC and the SSE based on the prudential principle, or by the Company in accordance with its Articles of Association or other regulations, and are voluntarily submitted to the shareholders' general meeting for deliberation, such transactions shall comply with the provisions of the first paragraph of this article to fulfill deliberation procedures and disclosure obligations, and the relevant audit or appraisal requirements shall be applied.</u></p> <p>The Company may engage an independent financial advisor to express opinions on the fairness and reasonableness of the related party transactions that require the approval of the shareholders' general meeting to all shareholders, and issue an independent financial advisor report.</p>	<p>When listed companies engage in a transaction that meets the standards specified in Rule 6.1.3 of these Rules, <u>if the subject matter of the transactions is asset other than the equity interest of a company, the appraisal report for the subject asset issued by the asset appraisal agency shall be disclosed. The basis date for appraisal shall not be earlier than one year prior to the date of the shareholders' general meeting for deliberation of relevant transaction matters.</u></p> <p>6.3.7 Where a listed company and its related parties jointly invest to establish a company, and the listed company's capital contribution reaches the standards specified in the first paragraph of this rule, if all contributors make capital contributions in cash, and the shareholding of each party in the established company is determined in accordance with the proportion of the capital contribution, the requirement to submit to the shareholders' general meeting for deliberation may be exempted.</p> <p>If a listed company's related party transactions fail to meet the standards specified in the first paragraph of this rule, but are required by the CSRC and the SSE based on the prudential principle, or by the listed company in accordance with its articles of association or other regulations, and are voluntarily submitted to the shareholders' general meeting for deliberation, such transactions shall comply with the provisions of the preceding paragraph to fulfill deliberation procedures and disclosure obligations, and the relevant audit or appraisal requirements shall be applied.</p>

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Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
		The company may engage an independent financial advisor to express opinions on the fairness and reasonableness of the related party transactions that require the approval of the shareholders' general meeting to all shareholders, and issue an independent financial advisor report.
Nil	<p><u>Article 31 For provision of guarantee to related parties by the Company (excluding shareholders and their related parties), in addition to the deliberation and approval by more than half of all non-related directors, it is also subject to deliberation, approval and resolution by more than two-thirds of the non-related directors present at the Board meeting, and shall be submitted to the shareholders' general meeting for deliberation.</u></p> <p><u>If the guaranteed party became a related party of the Company due to a transaction or related party transaction, the Company shall perform the corresponding deliberation procedures and information disclosure obligations for the existing related party guarantee while executing such transaction or related party transaction.</u></p> <p><u>If the Board of Directors or the shareholders' general meeting fails to deliberate and approve the related party guarantee specified in the preceding paragraph, the parties to the transaction shall take effective measures such as early termination of the guarantee.</u></p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.11 For provision of guarantee to related parties by the listed company, in addition to the deliberation and approval by more than half of all non-related directors, it is also subject to deliberation, approval and resolution by more than two-thirds of the non-related directors present at the board meeting, and shall be submitted to the shareholders' general meeting for deliberation.</p> <p>If the guaranteed party became a related party of the company due to a transaction or related party transaction, the company shall perform the corresponding deliberation procedures and information disclosure obligations for the existing related party guarantee while executing such transaction or related party transaction.</p> <p>If the board of directors or the shareholders' general meeting fails to deliberate and approve the related party guarantee specified in the preceding paragraph, the parties to the transaction shall take effective measures such as early termination of the guarantee.</p>

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Article 28 Connected transactions with connected persons as defined in the Hong Kong Listing Rules shall be handled according to the following different categories:	Article 33 Connected transactions with connected persons as defined in the Hong Kong Listing Rules shall be handled according to the following different categories:	Amendment in accordance with the rules of the Hong Kong Stock Exchange.
(I) Fully exempt connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules are subject to the annual review requirements under Article 29 of these Rules.	(I) Fully exempt connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules are <u>exempt from the shareholders' approval, annual review and all disclosure requirements.</u>	
.....	
(III) Non-exempt connected transactions are subject to the reporting, announcement and independent shareholders' approval requirements.	(III) Non-exempt connected transactions are subject to the reporting, announcement and independent shareholders' approval requirements.	
1. Non-exempt one-off connected transactions shall be reported, announced and approved by independent shareholders, and the following principles should be followed:	1. Non-exempt one-off connected transactions shall be reported, announced and approved by independent shareholders, and the following principles should be followed:	
(1) Such transactions must be approved by the Board of Directors of the Company, and an announcement should be published on <u>the next day</u> after the approval by the Board of Directors.	(1) Such transactions must be approved by the Board of Directors of the Company, and an announcement should be published on <u>the day</u> of approval by the Board of Directors.	
.....	

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<u>According to the new regulations, Articles 32 to 38 are systematically revised as Articles 37 to 47 as follows:</u>		
<p>Article 32 When the Company discloses information in relation to related party transactions, the following documents shall be submitted to the SSE:</p> <p>(I) draft announcement;</p> <p>(II) agreement or letter of intent related to such transaction;</p> <p>(III) Board resolutions, draft announcement of resolutions and independent directors' opinions (if applicable);</p> <p>(IV) government approvals involved in the transaction (if applicable);</p> <p>(V) professional reports issued by intermediaries (if applicable);</p> <p>(VI) written documents of independent directors for prior approval of such transaction;</p> <p>(VII) directors' opinions; and</p> <p>(VIII) other documents required by the SSE.</p> <p>Article 33 The announcement of related party transaction disclosed by the Company shall include the followings:</p> <p>(I) Overview of the transaction and basic information on the subject of the transaction;</p>	<p><u>Article 37 The Company shall, according to the type of the related party transaction and pursuant to the relevant requirements of the SSE, disclose the relevant information of the related party transaction, including the counterparty to the transaction, the subject of the transaction, the description of related party relationship between the parties to the transaction, the basic information of the related party, the salient terms of the transaction agreement, the pricing and basis of the transaction, the approval documents of relevant authorities (if any), and the opinions of intermediaries (if applicable).</u></p>	<p>The original articles are articles from the abolished Guidelines for Related Party Transactions of the Shanghai Stock Exchange.</p> <p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.19 The listed company shall, according to the type of the related party transaction and pursuant to the relevant requirements of our exchange, disclose the relevant information of the related party transaction, including the counterparty to the transaction, the subject of the transaction, the description of related party relationship between the parties to the transaction, the basic information of the related party, the salient terms of the transaction agreement, the pricing and basis of the transaction, the approval documents of relevant authorities (if any), and the opinions of intermediaries (if applicable).</p>

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Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
(II) Prior approval and independent opinions of independent directors; (III) Voting results of the Board of Directors (if applicable); (IV) The related relationship of the parties to the transaction and basic information of the related parties; (V) The pricing policy and pricing basis of the transaction, including the relationship between the transaction price and the book value, appraised value and explicit and fair market price of the subject of transaction, and other specific matters related to pricing that need to be explained due to the specific nature of the subject of transaction. If there is significant difference between the transaction price and the book value, appraised value or market price or government pricing, the reasons thereof shall be explained. If the transaction is unfair, the direction of transfer of benefits arising from such related party transaction shall also be disclosed;		

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Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>(VI) Other salient terms of the transaction agreement, including the transaction price, transaction settlement method, nature and proportion of equity interests of the related party in the transaction, as well as the effective conditions, effective time and term of performance of the agreement.</p> <p>For continuing or recurring related party transactions in daily operations, the estimated annual total transaction amount of such related party transaction shall also be stated;</p> <p>(VII) The purpose of the transaction and its impact on the Company, including the necessity and true intention of the related party transaction, as well as its impact on current and future financial condition and operating results;</p> <p>(VIII) The total amount of all kinds of related party transactions that have occurred with the related party from the beginning of the current year to the disclosure date; and</p> <p>(IX) Other information required by the CSRC and the SSE for explaining the substance of the transaction.</p>		

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Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Nil	<p><u>Article 38 For the joint establishment of a company by the Company and its related parties, the capital contribution of the Company shall be the transaction amount, and the provisions of Articles 24, 25, 35 and 36 of these Rules shall be applied. When the Company increases or reduces capital in a jointly invested enterprise, the investment and increase or reduction in capital shall be used as the basis for calculation, and the relevant provisions of the Listing Rules on SSE shall be applied.</u></p> <p><u>If a related party of the Company unilaterally increases or reduces capital in an enterprise controlled or held by the Company, and the waiver of rights is involved, the relevant provisions on waiver of rights shall be applied. If it does not involve a waiver of rights, but may have a significant impact on the Company's financial condition and operating results, or result in changes in the Company's related relationship with the entity, the Company shall disclose such matter in a timely manner.</u></p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.12 For the joint establishment of a company by the listed company and its related parties, the capital contribution of the listed company shall be the transaction amount, and the provisions of Rules 6.3.6 and 6.3.7 of these Rules shall be applied.</p> <p>Self-Regulatory Supervision Guidelines for Company Listed on the Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions:</p> <p>Article 17 For joint investment between a listed company and its related parties, when the company increases or reduces capital in the jointly invested enterprise, the investment and increase or reduction in capital by the listed company shall be used as the basis for calculation, and the relevant provisions of the Rules Governing the Listing of Stocks shall be applied.</p> <p>Article 18 If a related party of the listed company unilaterally increases or reduces capital in an enterprise controlled or held by the listed company, and the waiver of rights is involved, the relevant provisions on waiver of rights shall be applied. If it does not involve a waiver of rights, but may have a significant impact on the listed company's financial condition and operating results, or result in changes in the listed company's related relationship with the entity, the listed company shall disclose such matter in a timely manner.</p>

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Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Nil	<u>Article 39 If there is a related party transaction between the Company and its related parties due to the waiver of rights and result in changes in the scope of consolidated statement, based on the amount waived and the relevant financial indicators of the entity, the provisions of Articles 25, 35 and 36 of these Rules shall be applied.</u>	Rules Governing the Listing of Stocks on Shanghai Stock Exchange: 6.3.13 If there is a related party transaction between the listed company and its related parties due to the waiver of rights, in accordance with the standards stipulated in Rule 6.1.14 of these Rules, the provisions of Rules 6.3.6 and 6.3.7 of these Rules shall be applied.
Nil	<u>Article 40 If the relevant arrangement of the transaction between the Company and its related party involves a conditionally determined amount such as consideration that may be paid or received in the future, the estimated maximum amount shall be the transaction amount, and the provisions of Articles 25, 35 and 36 of these Rules shall be applied.</u>	Rules Governing the Listing of Stocks on Shanghai Stock Exchange: 6.3.14 If the relevant arrangement of the transaction between the listed company and its related party involves a conditionally determined amount such as consideration that may be paid or received in the future, the estimated maximum amount shall be the transaction amount, and the provisions of Rules 6.3.6 and 6.3.7 of these Rules shall be applied.

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Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Nil	<p><u>Article 41 The following related party transactions of the Company made within 12 consecutive months shall be subject to the provisions of Articles 25, 35 and 36 of these Rules according to the principle of cumulative calculation:</u></p> <p>(I) <u>transactions with the same related party; and</u></p> <p>(II) <u>transactions with different related parties in relation to subject of the same transaction category.</u></p> <p><u>The aforementioned same related party includes other related parties that are controlled by the same entity or have a relationship of equity control with such related party.</u></p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.15 The following related party transactions of the listed company made within 12 consecutive months shall be subject to the provisions of Rules 6.3.6 and 6.3.7 of these Rules according to the principle of cumulative calculation:</p> <p>(I) transactions with the same related party; and</p> <p>(II) transactions with different related parties in relation to subject of the same transaction category.</p> <p>The aforementioned same related party includes other related parties that are controlled by the same entity or have a relationship of equity control with such related party.</p> <p>Rule 6.1.16 of these Rules shall be applied if the cumulative calculation in accordance with the provisions of this rule reaches the disclosure standards or standards for deliberation at the shareholders' general meeting stipulated in this section for 12 consecutive months.</p>

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Nil	<p><u>Article 42 For entrusted wealth management between the Company and its related parties, if it is difficult to perform the deliberation procedures and disclosure obligations for each investment transaction due to the frequency of transactions and time-limitation requirements, the investment scope, investment quota and period may be reasonably estimated and, using the quota as the basis of calculation, the provisions of Articles 25, 35 and 36 of these Rules shall be applied.</u></p> <p><u>The period for using the relevant quota shall not exceed 12 months, and the transaction amount at any point of time in the period (including the relevant amount for reinvestment of the aforementioned investment gains) shall not exceed the investment quota.</u></p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.16 For entrusted wealth management between the listed company and its related parties, if it is difficult to perform the deliberation procedures and disclosure obligations for each investment transaction due to the frequency of transactions and time-limitation requirements, the investment scope, investment quota and period may be reasonably estimated and, using the quota as the basis of calculation, the provisions of Rules 6.3.6 and 6.3.7 of these Rules shall be applied.</p> <p>The period for using the relevant quota shall not exceed 12 months, and the transaction amount at any point of time in the period (including the relevant amount for reinvestment of the aforementioned investment gains) shall not exceed the investment quota.</p>

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Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 35 For related party transactions of the same type in relation to the transaction subject of the Company within 12 consecutive months, according to the principle of cumulative calculation, the provisions of Articles 30 and 31 of these Rules shall be applied.</p> <p>If the relevant obligations have been fulfilled in accordance with the provisions of Articles 30 and 31, they shall no longer be included in the relevant scope of cumulative calculation.</p>	<p><u>Article 43 When the Company engages in transactions other than “provision of guarantee” and “entrusted wealth management”, each relevant transaction under the same transaction category shall be, based on the principle of cumulative calculation within 12 consecutive months, subject to the provisions of Articles 24, 35 and 36 of these Rules.</u></p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.1.15 <u>When the listed company engages in transactions other than “provision of guarantee”, “provision of financial assistance” and “entrusted wealth management”, each relevant transaction under the same transaction category shall be, based on the principle of cumulative calculation within 12 consecutive months, subject to the provisions of Rules 6.1.2 and 6.1.3. If the relevant obligations have been fulfilled in accordance with the provisions of Rules 6.1.2 and 6.1.3, they shall no longer be included in the relevant scope of cumulative calculation.</u></p> <p>Article 123 of the Securities Law stipulates that “.....a securities company <u>shall not provide financing or guarantee for its shareholders or related parties of its shareholders</u>, except for provision of margin financing and securities lending for its clients in accordance with the regulations”. Rule 6.3.10 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange stipulates that a listed company <u>shall not provide financial assistance to its related parties. Therefore, the corporate terms do not involve “provision of financial assistance”.</u></p>

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Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Nil	<p><u>Article 44 Where related party transactions of the Company are subject to the principle of cumulative calculation for 12 consecutive months, and the disclosure standards stipulated by the SSE are met, the transaction may simply be disclosed in accordance with the relevant requirements of the SSE, and an announcement shall be published to explain the transactions that failed to meet the disclosure standards cumulatively in the previous period. If the standards for deliberation at the shareholders' general meeting are met, the transaction may simply be submitted to the shareholders' general meeting for deliberation, and an announcement shall be published to explain the transactions that failed to go through the deliberation procedures of the shareholders' general meeting in the previous period.</u></p> <p><u>If the Company has fulfilled relevant obligations in accordance with Articles 24, 35 and 36 of these Rules, they shall no longer be included in the corresponding scope of cumulative calculation. Transactions that have been disclosed by the Company but have not gone through the deliberation procedures of the shareholders' general meeting shall still be included in the corresponding scope of cumulative calculation to determine the deliberation procedures that should be performed.</u></p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.1.16 Where transactions of the listed company are subject to the principle of cumulative calculation for 12 consecutive months as stipulated in this section, and the disclosure standards stipulated in this section are met, the transaction may simply be disclosed in accordance with the relevant requirements of our exchange, and an announcement shall be published to explain the transactions that failed to meet the disclosure standards cumulatively in the previous period. If the standards for deliberation at the shareholders' general meeting as stipulated in this section are met, the transaction may simply be submitted to the shareholders' general meeting for deliberation, and an announcement shall be published to explain the transactions that failed to go through the deliberation procedures of the shareholders' general meeting in the previous period.</p> <p>If the company has fulfilled relevant obligations in accordance with Rules 6.1.2 and 6.1.3 of these Rules, they shall no longer be included in the corresponding scope of cumulative calculation. Transactions that have been disclosed by the company but have not gone through the deliberation procedures of the shareholders' general meeting shall still be included in the corresponding scope of cumulative calculation to determine the deliberation procedures that should be performed.</p>

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<p>Article 36 When the Company engages in a related party transaction related to its daily operations as stated in items (I) to (IV) of paragraph 1 of Article 11 of these Rules for the first time, the provisions of Articles 30 and 31 of these Rules shall be applied based on the actual amount of the related party transaction or the total amount of related party transactions of the same kind that is estimated to have occurred throughout the year based on the relevant subject.</p> <p>If the Company continues to engage in the related party transaction mentioned in the preceding paragraph with the related party in subsequent years, it shall, at the latest when disclosing the annual report of the previous year, make a reasonable estimation of the total amount of the related party transactions of the same kind occurred throughout the year based on the relevant subject. If the estimated total transaction amount reaches the standards stipulated in Articles 30 and 31 of these Rules, it shall be disclosed in a timely manner upon estimation.</p>	<p><u>Article 45 When the Company engages in daily related party transactions with related parties, it shall perform deliberation procedures and disclose such matter in accordance with the following provisions:</u></p> <p>(I) <u>For daily related party transaction agreements that have been deliberated and approved by the shareholders' general meeting or the Board of Directors and are being implemented, if there is no significant change in the principal terms during implementation, the Company shall disclose the actual implementation of each agreement in the annual report and interim report as required, and explain whether it complies with the provisions of the agreement; if there is significant change in the principal terms of the agreement during implementation, or if the agreement needs to be renewed upon expiration, the Company shall, according to the total transaction amount involved in the agreement, submit the newly revised or renewed daily related party transaction agreement to the Board of Directors or shareholders' general meeting for deliberation; if the agreement does not have a specific total transaction amount, it shall be submitted to the shareholders' general meeting for deliberation;</u></p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.17 When the listed company engages in daily related party transactions listed in items (II) to (VI) of Rule 6.3.2 of these Rules with related parties, it shall perform deliberation procedures and disclose such matter in accordance with the following provisions:</p> <p>(I) For daily related party transaction agreements that have been deliberated and approved by the shareholders' general meeting or the board of directors and are being implemented, if there is no significant change in the principal terms during implementation, the company shall disclose the actual implementation of each agreement in the annual report and interim report as required, and explain whether it complies with the provisions of the agreement; if there is significant change in the principal terms of the agreement during implementation, or if the agreement needs to be renewed upon expiration, the company shall, according to the total transaction amount involved in the agreement, submit the newly revised or renewed daily related party transaction agreement to the board of directors or shareholders' general meeting for deliberation; if the agreement does not have a specific total transaction amount, it shall be submitted to the shareholders' general meeting for deliberation;</p>

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<p>Article 37 For related party transactions within the estimated total amount stipulated in the preceding article, if there is no significant change in the pricing basis, transaction price, payment method and other principal transaction terms during the process of implementation, the Company may be exempted from implementing Articles 30 and 31 of these Rules, provided that the implementation of such related party transactions shall be explained in the periodic report, and shall be compared with the disclosed estimation, indicating whether there is any difference, where the difference is and the reasons for the difference.</p> <p>If the related party transaction exceeds the estimated total amount, or there is significant change in the principal transaction terms even through it does not exceed the estimated total amount, the Company shall explain the reasons for exceeding the estimated total amount or the significant change, re-estimate the total amount of related party transactions of the same kind that have occurred throughout the year, and perform disclosure obligations and deliberation procedures in accordance with the relevant provisions of these Rules.</p>	<p>(II) <u>For daily related party transactions occurred for the first time, the Company shall, according to the total transaction amount involved in the agreement, perform deliberation procedures and disclose such matter in a timely manner; if the agreement does not have a specific total transaction amount, it shall be submitted to the shareholders' general meeting for deliberation; if there is significant change in the principal terms of the agreement during implementation, or if the agreement needs to be renewed upon expiration, it shall be dealt with in accordance with the preceding provisions of this paragraph;</u></p> <p>(III) <u>The Company may reasonably estimate the amount of daily related party transactions during the year according to the category, perform deliberation procedures and disclose such matter; if the actual implementation exceeds the estimated amount, the Company shall, according to the amount exceeded, re-perform the deliberation procedures and disclose such matter;</u></p> <p>(IV) <u>The Company shall disclose in the annual report and interim report the actual implementation of daily related party transactions in a classified summary; and</u></p> <p>(V) <u>If the term of the daily related party transaction agreement entered into between the Company and its related party exceeds three (3) years, the Company shall re-perform the relevant deliberation procedures and disclosure obligations every three (3) years in accordance with the provisions of these Rules.</u></p>	<p>(II) For daily related party transactions occurred for the first time, the company shall, according to the total transaction amount involved in the agreement, perform deliberation procedures and disclose such matter in a timely manner; if the agreement does not have a specific total transaction amount, it shall be submitted to the shareholders' general meeting for deliberation; if there is significant change in the principal terms of the agreement during implementation, or if the agreement needs to be renewed upon expiration, it shall be dealt with in accordance with the preceding provisions of this paragraph;</p> <p>(III) The company may reasonably estimate the amount of daily related party transactions during the year according to the category, perform deliberation procedures and disclose such matter; if the actual implementation exceeds the estimated amount, the company shall, according to the amount exceeded, re-perform the deliberation procedures and disclose such matter;</p> <p>(IV) The company shall disclose in the annual report and interim report the actual implementation of daily related party transactions in a classified summary; and</p> <p>(V) If the term of the daily related party transaction agreement entered into between the company and its related party exceeds three (3) years, the company shall re-perform the relevant deliberation procedures and disclosure obligations every three (3) years in accordance with the provisions of this chapter.</p>

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Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Nil	<p><u>Article 46 Where the Company acquires or disposes assets from or to a related party and meets the disclosure standards stipulated in the Listing Rules on SSE, and the subject of the related party transaction is the equity interest of a company, the Company shall disclose the basic information of the subject company and its key financial indicators for the most recent year and period. If the subject company has undergone asset appraisal, capital increase, capital reduction or restructuring within the last 12 months, the Company shall disclose the basic information of the relevant appraisal, capital increase, capital reduction or restructuring.</u></p> <p><u>Where the Company acquires assets from a related party, and, according to the requirements, such acquisition shall be submitted to the shareholders' general meeting for deliberation and the transaction price exceeds 100% of the premium of the carrying value of the transaction subject, if the counterparty fails to provide the profit guarantee, compensation commitment or repurchase commitment of the transaction subject within a certain period of time, the Company should explain the specific reasons, whether to take relevant protection measures, and whether it is conducive to protecting the interests of the Company and the legitimate rights and interests of minority shareholders.</u></p> <p><u>If the Company's acquisition or disposal of assets may result in occupation of non-operating capital of the Company by the controlling shareholder, de facto controller and other related parties of the Company upon the completion of transaction, the Company shall specify a reasonable solution in an announcement and resolve such matter prior to the completion of the relevant transaction.</u></p>	<p>Self-Regulatory Supervision Guidelines for Company Listed on the Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions:</p> <p>Article 23 Where the listed company acquires or disposes assets from or to a related party and meets the disclosure standards stipulated in the Rules Governing the Listing of Stocks, and the subject of the related party transaction is the equity interest of a company, the listed company shall disclose the basic information of the subject company and its key financial indicators for the most recent year and period.</p> <p>If the subject company has undergone asset appraisal, capital increase, capital reduction or restructuring within the last 12 months, the company shall disclose the basic information of the relevant appraisal, capital increase, capital reduction or restructuring.</p> <p>Article 24 Where the listed company acquires assets from a related party, and, according to the requirements, such acquisition shall be submitted to the shareholders' general meeting for deliberation and the transaction price exceeds 100% of the premium of the carrying value of the transaction subject, if the counterparty fails to provide the profit guarantee, compensation commitment or repurchase commitment of the transaction subject within a certain period of time, the listed company should explain the specific reasons, whether to take relevant protection measures, and whether it is conducive to protecting the interests of the listed company and the legitimate rights and interests of minority shareholders.</p>

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		Article 25 If the listed company's acquisition or disposal of assets may result in occupation of non-operating capital of the listed company by the controlling shareholder, de facto controller and other related parties of the listed company upon the completion of transaction, the listed company shall specify a reasonable solution in an announcement and resolve such matter prior to the completion of the relevant transaction.
<p>Article 38 The following related party transactions concluded between the Company and its related parties may be exempted from voting and disclosure in the manner of related party transactions:</p> <p>(I) where a party subscribes in cash for stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p> <p>(II) where a party, as a member of the underwriting syndicate, underwrites the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p> <p>(III) where a party receives dividends, bonuses or compensation in accordance with the resolution of shareholders' general meeting of the other party;</p> <p>(IV) related party transactions as a result of any party's participation in public bidding, public auctions, etc.; and</p> <p>(V) other transactions recognized by the SSE.</p>	<p>Article 47 The following related party transactions concluded between the Company and its related parties may be exempted from voting and disclosure in the manner of related party transactions:</p> <p>(I) <u>transactions in which the Company unilaterally obtains benefits without paying any consideration or having attached any obligations, including being granted cash assets, obtaining debt relief, accepting guarantees and financial assistance for free, etc.;</u></p> <p>(II) <u>where a related party provides funds to the Company, and the interest rate is not higher than the interest rate quoted in the loan market, without needing the Company to provide any guarantee;</u></p> <p>(III) where a party subscribes in cash for stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p> <p>(IV) where a party, as a member of the underwriting syndicate, underwrites the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p>	<p>Rules Governing the Listing of Stocks on Shanghai Stock Exchange:</p> <p>6.3.18 The following related party transactions concluded between the listed company and its related parties may be exempted from deliberation and disclosure in the manner of related party transactions:</p> <p>(I) transactions in which the listed company unilaterally obtains benefits without paying any consideration or having attached any obligations, including being granted cash assets, obtaining debt relief, accepting guarantees and financial assistance for free, etc.;</p> <p>(II) where a related party provides funds to the listed company, and the interest rate is not higher than the interest rate quoted in the loan market, without needing the listed company to provide any guarantee;</p> <p>(III) where a party subscribes in cash for stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p>

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
	<p>(V) where a party receives dividends, bonuses or compensation in accordance with the resolution of shareholders' general meeting of the other party;</p> <p>(VI) <u>where a party participates in the other party's public bidding, auction, etc., unless it is difficult to conclude a fair price through bidding or auction;</u></p> <p>(VII) <u>where the Company provides products and services to related natural persons (except for natural persons who directly or indirectly hold more than 5% of the shares of the Company) under the same transaction terms as non-related parties;</u></p> <p>(VIII) <u>where the pricing of related party transactions is stipulated by state regulations; and</u></p> <p>(IX) other transactions recognized by the SSE.</p>	<p>(IV) where a party, as a member of the underwriting syndicate, underwrites the stocks, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives publicly issued by the other party;</p> <p>(V) where a party receives dividends, bonuses or compensation in accordance with the resolution of shareholders' general meeting of the other party;</p> <p>(VI) where a party participates in the other party's public bidding, auction, etc., unless it is difficult to conclude a fair price through bidding or auction;</p> <p>(VII) where the listed company provides products and services to <u>related natural persons specified in items (II) to (IV) of paragraph 3 of Rule 6.3.3 of these Rules</u> under the same transaction terms as non-related parties; <u>"natural persons who directly or indirectly hold more than 5% of the shares of the listed company" stipulated in item (I) of paragraph 3 of Rule 6.3.3 may not be exempted;</u></p> <p>(VIII) where the pricing of related party transactions is stipulated by state regulations; and</p> <p>(IX) other transactions recognized by our exchange.</p>

APPENDIX II

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE MANAGEMENT OF RELATED PARTY TRANSACTIONS OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Article <u>47</u> These Rules shall be interpreted <u>and revised</u> by the Board of Directors of the Company.	Article <u>56</u> These Rules shall be interpreted by the Board of Directors of the Company.	These Rules should be revised by the shareholders' general meeting.
Article <u>48</u> These Rules shall become effective upon the day of consideration and approval at the shareholders' general meeting, and the original "Rules for the Decision-making of Related Party Transactions of China Merchants Securities Co., Ltd." shall automatically become invalid.	Article <u>57</u> These Rules shall become effective upon the day of consideration and approval at the shareholders' general meeting, and the original "Rules for the <u>Management</u> of Related Party Transactions of China Merchants Securities Co., Ltd." <u>considered and approved at the 2019 first extraordinary general meeting held on May 20, 2019</u> shall automatically become invalid.	Amendment in accordance with the actual situation.

Proposed Amendments to the Rules for the Selection and Appointment of Accountants' Firm of the Company

Details of the proposed amendments to the Rules for the Selection and Appointment of Accountants' Firm of the Company are set out as below:

**Comparison Table of Amendments to the Rules for the
Selection and Appointment of Accountants' Firm of the Company**

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 1 These Rules are formulated to regulate the selection and appointment (including renewal and change in appointment, the same for below) of accountants' firm for annual audit of China Merchants Securities Co., Ltd. (hereinafter referred to as the "<u>Company</u>"), earnestly safeguard the interests of shareholders, and improve the quality of audit and financial information, in accordance with the Announcement of the China Securities Regulatory Commission [2008] No. 48, Notice on Requiring Shenzhen Listed Companies to Establish and Improve the Rules for the Selection and Appointment of Accountants' Firm (CSRC Shenzhen Office Zi [2009] No. 48) and Notice on Further Regulating Matters Related to the Selection and Appointment of Accountants' Firm of Shenzhen Listed Companies (CSRC Shenzhen Office Zi [2008] No. 20) as well as the articles of association of China Merchants Securities Co., Ltd.</p>	<p>Article 1 These Rules are formulated to regulate the selection and appointment (including renewal and change in appointment, the same for below) of accountants' firm for annual audit of China Merchants Securities Co., Ltd. (hereinafter referred to as the <u>Company</u>), earnestly safeguard the interests of shareholders, and improve the quality of audit and financial information, in accordance with the Announcement of the China Securities Regulatory Commission [2008] No. 48, Notice on Requiring Shenzhen Listed Companies to Establish and Improve the Rules for the Selection and Appointment of Accountants' Firm (CSRC Shenzhen Office Zi [2009] No. 48), Notice on Further Regulating Matters Related to the Selection and Appointment of Accountants' Firm of Shenzhen Listed Companies (CSRC Shenzhen Office Zi [2008] No. 20) <u>and Administrative Measures for the Selection and Appointment of Accountants' Firm by State-owned Financial Enterprises</u> as well as the articles of association of China Merchants Securities Co., Ltd.</p>	<p>Amendment of punctuations.</p> <p>Addition of basis of regulations in accordance with the actual situation.</p>

APPENDIX III

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 4 The accountants' firm selected and appointed by the Company should satisfy the following basic conditions:</p> <p>(I) possessing the relevant PRC business qualifications for securities and futures business approved by the China Securities Regulatory Commission;</p> <p>(II) having the status of an independent legal person;</p> <p>(III) having a fixed workplace, a sound organizational structure and a mature internal management and control system;</p> <p>(IV) having a proven record of professional ethics and reputation, conscientiously implementing laws, regulations, policies and requirements related to financial auditing, having not been punished by the competent national authorities in the past three years, and having no major audit quality problems and bad records in the audit work;</p> <p>.....</p> <p>(VII) other conditions prescribed by <u>the China Securities Regulatory Commission</u>.</p>	<p>Article 4 The accountants' firm selected and appointed by the Company should satisfy the following basic conditions:</p> <p>(I) possessing the relevant PRC business qualifications for securities and futures business approved by the China Securities Regulatory Commission;</p> <p>(II) having the status of an independent legal person;</p> <p>(III) <u>being an accountants' firm that has been incorporated in accordance with the laws in the PRC for three years or above. The accountants' firm which has been converted from limited liability company to special general partnership or general partnership continues the term of business prior to the conversion;</u></p> <p>(IV) having a fixed workplace, a sound organizational structure and a mature internal management and control system <u>with effective implementation;</u></p> <p>(V) having proven <u>records of practicing quality and</u> professional ethics and reputation, conscientiously implementing laws, regulations, policies and requirements related to financial auditing, having not been punished by the competent national authorities in the past three years, and having no major audit quality problems and bad records in the audit work;</p> <p>.....</p>	<p>Administrative Measures for the Selection and Appointment of Accountants' Firm by State-owned Financial Enterprises: Article 8 Accountants' firms engaged by financial enterprises must possess the following basic qualifications:</p> <p>(I) <u>being an accountants' firm that has been incorporated in accordance with the laws in the PRC for three years or above. The accountants' firm which has been converted from limited liability company to special general partnership or general partnership continues the term of business prior to the conversion;</u></p> <p>(II) having a fixed workplace, a sound organizational structure and a mature internal management and control system with effective implementation;</p> <p>(III) having a proven record of practicing quality, completing audit tasks on time and with high quality, having no major audit quality problems and bad records in the audit work, and having the ability to bear the corresponding audit risks;</p> <p>.....</p>

APPENDIX III

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
	<p>(VIII) <u>being able to keep the business secrets of the Company and maintain the security of national financial information; and</u></p> <p>(IX) other conditions prescribed by <u>relevant laws, regulations, rules and normative documents.</u></p>	<p>(V) being able to keep the business secrets of the audited financial enterprise and maintain the security of national financial information; and</p> <p>(VI) other conditions prescribed by the Ministry of Finance.</p>

APPENDIX III

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Newly added article, and the subsequent article numbers are adjusted accordingly.	<p><u>Article 5 For an accountants' firm that is in charge of the audit of the Company, its qualifications such as the number of certified public accountants, years of operation and business scale must correspond to the scale of the Company. In particular, the following conditions must be satisfied:</u></p> <p>(I) <u>For a company with total assets of over RMB500 billion in the audited consolidated financial statements as at the end of the most recent fiscal year, the accountants' firm engaged should have not less than 100 certified public accountants and have continuous experience in the audit of financial enterprises in the past three years;</u></p> <p>(II) <u>For a company with total assets of over RMB1,000 billion in the audited consolidated financial statements as at the end of the most recent fiscal year, the accountants' firm engaged should have not less than 200 certified public accountants and have continuous experience in the audit of financial enterprises in the past three years; and</u></p> <p>(III) <u>Large accountants' firms that have been converted to special general partnerships may, under the same conditions, be given priority to undertake the annual audit of the Company.</u></p>	<p>Administrative Measures for the Selection and Appointment of Accountants' Firm by State-owned Financial Enterprises: Article 9 For an accountants' firm that is in charge of the audit of a financial enterprise, its qualifications such as the number of certified public accountants, years of operation and business scale must correspond to the scale of the financial enterprise. In particular, the following conditions must be satisfied:</p> <p>(I) For a financial enterprise with total assets of over RMB500 billion in the audited consolidated financial statements as at the end of the most recent fiscal year, the accountants' firm engaged should have not less than 100 certified public accountants and have continuous experience in the audit of financial enterprises in the past three years;</p> <p>(II) For a financial enterprise with total assets of over RMB1,000 billion in the audited consolidated financial statements as at the end of the most recent fiscal year, the accountants' firm engaged should have not less than 200 certified public accountants and have continuous experience in the audit of financial enterprises in the past three years; and</p> <p>(III) Large accountants' firms that have been converted to special general partnerships may, under the same conditions, be given priority to undertake the annual audit of a central financial enterprise.</p>

APPENDIX III

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 5 <u>The Company may select and appoint accountants' firm by way of open selection, selection by invitation or direct appointment:</u></p> <p>(I) <u>Open selection refers to the open invitation of all accountants' firms having the required practising qualifications to participate in tender by the Company;</u></p> <p>(II) <u>Selection by invitation refers to the invitation of two or more accountants' firms having the specified conditions to participate in tender by the Company; and</u></p> <p>(III) <u>Direct appointment refers to the invitation of an accountants' firm having the required qualifications to participate in selection and appointment.</u></p>	<p>Article 6 <u>The Company shall select and appoint accountants' firm pursuant to the provisions of the Rules for Procurement Management.</u></p>	<p>Amendment in accordance with the actual situation of the Company.</p>

APPENDIX III

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p><u>Article 6 The audit committee shall, on the basis of the provision in Article 4 of these Rules, put forward the qualifications and requirements for the selection and appointment of accountants' firm and notify the finance department of the Company to commence works including preliminary preparation, investigation, and information collection and sorting together with the office of the Board of Directors.</u></p> <p><u>Article 7 Accountants' firms participating in the selection should, within the specified time, submit relevant materials to the finance department of the Company, and the finance department shall conduct preliminary review and sorting to compile a written report, which shall be submitted to the audit committee upon review by the office of the Board of Directors. In addition to the practising qualification requirements stipulated in Article 4 of these Rules, the preliminary review shall also include the working plan, staffing, relevant work experience, service standard, quotations, etc.</u></p>	Deleted, and the subsequent article numbers are adjusted accordingly.	Deleted in accordance with the actual situation of the Company.

APPENDIX III

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Article 14 The audit committee shall submit to the Board of Directors a summary report in regards of the audit work of the Company for the year by the accountants' firm. The summary report shall contain comprehensive and objective evaluation on the completion of annual audit work of the current year by the accountants and their practice quality; upon arriving at affirmative opinion, the appointment of the accountants' firm for annual audit may be <u>renewed</u> for the next year, and it shall be approved by the Board of Directors and <u>passed by resolution upon convention of</u> the shareholders' general meeting; or upon arriving at negative opinion, there shall be appointment of a new accountants' firm pursuant to the provision in Chapter 4 of these Rules.	Article 13 The audit committee shall submit to the Board of Directors a summary report in regards of the audit work of the Company for the year by the accountants' firm. The summary report shall contain comprehensive and objective evaluation on the completion of annual audit work of the current year by the accountants and their practice quality; upon arriving at affirmative opinion, the appointment of the accountants' firm for annual audit may be <u>recommended for renewal</u> for the next year, and it shall be <u>submitted to</u> the Board of Directors and the shareholders' general meeting <u>for consideration</u> ; or upon arriving at negative opinion, there shall be appointment of a new accountants' firm pursuant to the provision in Chapter 4 of these Rules.	Adjustment of certain wordings.

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Newly added article, and the subsequent article numbers are adjusted accordingly.	<p><u>Article 14 In principle, the Company shall not continuously engage the same accountants' firm (including the relevant member entities of such accountants' firm) for more than five years. Upon expiration of the five-year term, the Company may appropriately extend the term of engagement after relevant decision-making procedures, taking into account the audit quality of the accountants' firm in the previous term, shareholders' evaluation and the opinions of financial regulatory authorities, provided that the term of continuous engagement shall not be more than eight years. The term of continuous engagement of accountants' firm shall commence from the year in which the accountants' firm actually undertakes the audit of the financial reports of the Company.</u></p> <p><u>In case where the partner in charge of the audit project and the signing certified public accountant are in the same accountants' firm, or when the accountants' firm is changed, the actual term of continuous engagement for the audit of the Company shall not be more than five years.</u></p>	<p>Administrative Measures for the Selection and Appointment of Accountants' Firm by State-owned Financial Enterprises: Article 31 In principle, a financial enterprise shall not continuously engage the same accountants' firm (including the relevant member entities of such accountants' firm) for more than five years. Upon expiration of the five-year term, the financial enterprise may appropriately extend the term of engagement after the decision-making procedures as stipulated in these Measures, taking into account the audit quality of the accountants' firm in the previous term, shareholders' evaluation and the opinions of financial regulatory authorities, provided that the term of continuous engagement shall not be more than eight years, and tender may not be required within the above-mentioned term. The term of continuous engagement of accountants' firm shall commence from the year in which the accountants' firm actually undertakes the audit of the financial reports of the financial enterprise.</p> <p>Article 33 In case where the partner in charge of the audit project and the signing certified public accountant are in the same accountants' firm, or when the accountants' firm is changed, the actual term of continuous engagement for the audit of the same financial enterprise shall not be more than five years.</p>

APPENDIX III

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<u>Article 16 Where the audit committee has reviewed and agreed to the appointment of a new accountants' firm, the Company shall report in writing to the Shenzhen Securities Regulatory Commission in regards of the reasons for the proposed change of accountants' firm, the list of the accountants' firm(s) proposed for appointment and its/their relevant information, and provide written opinion and minutes of the audit committee of the Board of Directors ten working days before the relevant resolution is submitted to the Board of Directors for consideration.</u>	Deleted, and the subsequent article numbers are adjusted accordingly.	The filing requirement for this matter is abolished in the Institutional Supervision Circular (2020 Issue No. 16) issued by the China Securities Regulatory Commission on September 4, 2020.

APPENDIX III

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
<p>Article 26 Where the accountants' firm engaged by the Company has involved any of the following acts and resulted in serious consequences, upon the passing of resolution at the shareholders' general meeting, the Company shall not re-appoint such firm to undertake audit work, and shall deduct its corresponding audit fees according to the "Audit Engagement Agreement":</p> <p>(I) failing to provide the audit report within the prescribed time;</p> <p>(II) subcontracting or outsourcing the audit project undertaken to other institution(s); <u>and</u></p> <p>(III) the audit report failing to meet the requirements of audit work, with noticeable audit quality issues.</p>	<p>Article 25 Where the accountants' firm engaged by the Company has involved any of the following acts and resulted in serious consequences, upon the passing of resolution at the shareholders' general meeting, the Company shall not re-appoint such firm to undertake audit work, and shall deduct its corresponding audit fees according to the Audit Engagement Agreement:</p> <p>(I) failing to provide the audit report within the prescribed time;</p> <p>(II) subcontracting or outsourcing the audit project undertaken to other institution(s);</p> <p>(III) the audit report failing to meet the requirements of audit work, with noticeable audit quality issues;</p> <p><u>(IV) the qualifications of the accountants' firm being changed and failing to meet the relevant provisions of these Rules;</u></p> <p><u>(V) the accountants' firm participating in the Company's procurement in violation of the regulations; and</u></p> <p><u>(VI) other acts in violation of the laws, regulations and engagement agreements.</u></p>	<p>Administrative Measures for the Selection and Appointment of Accountants' Firm by State-owned Financial Enterprises: Article 35 Where an accountants' firm has involved any of the following acts in violation of the laws and agreements within the validity period of the engagement, the financial enterprise shall have the right to terminate the engagement agreement with such accountants' firm:</p> <p>(I) the audit report issued by the accountants' firm failing to meet the requirements of audit work, with noticeable audit quality issues;</p> <p>(II) the accountants' firm subcontracting or outsourcing the services to other institution(s);</p> <p>(III) the accountants' firm colluding with other bidders or relevant personnel of the financial enterprise to make false bids;</p> <p>(IV) the qualifications of the accountants' firm being changed and failing to meet the provisions of Articles 8, 9 and 10 of these Measures; and</p> <p>(V) other acts in violation of the laws, regulations and engagement agreements.</p>

APPENDIX III

COMPARISON TABLE OF AMENDMENTS TO THE RULES FOR THE SELECTION AND APPOINTMENT OF ACCOUNTANTS' FIRM OF THE COMPANY

Serial number and content of original articles	Serial number and content of new articles	Reasons for amendments
Article 30 These Rules shall become effective upon the day of consideration and approval at the shareholders' general meeting of the Company.	Article 29 These Rules shall become effective upon the day of consideration and approval at the shareholders' general meeting of the Company, <u>and the original "Rules for the Selection and Appointment of Accountants' Firm of China Merchants Securities Co., Ltd." considered and approved at the 2009 annual general meeting of the Company held on May 21, 2010 shall be revoked at the same time.</u>	Addition of statement for the revocation of the original rules.

Note: In addition to the amendment in the table, the term "Audit Engagement Agreement" (with quotation marks) shall all be amended to 'Audit Engagement Agreement' (without quotation marks).

NOTICE OF EGM



招商证券股份有限公司
China Merchants Securities Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6099)

NOTICE OF THE 2022 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 first extraordinary general meeting (the “EGM”) of China Merchants Securities Co., Ltd. (the “Company”) will be held at China Merchants Securities Building, 111 Fuhua Yi Road, Futian Street, Futian District, Shenzhen, Guangdong Province, the PRC on Friday, April 29, 2022 at 2:30 p.m. to consider and approve the following resolutions:

SPECIAL RESOLUTION

1. To consider and approve the resolution on the proposed amendments to the Articles of Association.

ORDINARY RESOLUTIONS

2. To consider and approve the resolution on proposed amendments to the Rules for the Management of Related Party Transactions of the Company.
3. To consider and approve the resolution on the proposed amendments to the Rules for the Selection and Appointment of Accountants' Firm of the Company.
4. To consider and approve the resolution on election of Directors:
 - 4.01 To elect Mr. WU Zongmin as executive Director
 - 4.02 To elect Mr. DENG Weidong as non-executive Director

By order of the Board
China Merchants Securities Co., Ltd.
HUO Da
Chairman

Shenzhen, the PRC
April 1, 2022

NOTICE OF EGM

Notes:

1. Eligibility for attending the EGM and date of registration of members

- (1) The register of members will be closed from Monday, April 25, 2022 to Friday, April 29, 2022 (both days inclusive), during which period no transfer of H Shares will be effected. All transfer documents accompanied by the relevant share certificates, shall be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, April 22, 2022. Holders of Shares who have submitted their transfer documents to the Company's H Share registrar and registered as Shareholders on the register of members of H Shares of the Company before 4:30 p.m. on Friday, April 22, 2022 are entitled to attend and vote in respect of the resolutions to be proposed at the EGM.
- (2) Further announcement will be made by the Company in the PRC regarding the record date and arrangements for holders of A Shares of the Company who are entitled to attend the EGM.

2. Proxy

- (1) A Shareholder who is entitled to attend and vote at the EGM may appoint one or more proxy(ies) to attend and vote on his/her behalf. A proxy need not be a Shareholder of the Company. A proxy of a Shareholder who has appointed more than one proxy may only vote by poll.
- (2) If a Shareholder wishes to appoint his/her proxy(ies) to attend the EGM, the instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or duly authorized attorney. If the instrument is signed by an attorney of the appointor, the power of attorney authorizing the attorney to sign or other document of authorization shall be notarized.
- (3) In order to be valid, for holders of H Shares, the notarized power of attorney or other document of authorization and the form of proxy shall be delivered to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the EGM.

3. Registration procedures for attending the EGM

- (1) A Shareholder attending in person should present valid proof of identity or stock account card when attending the EGM. In the case of attendance by proxy, the proxy should present valid proof of identity and the proxy form(s) of the Shareholder.
- (2) If a Shareholder is a legal person, its legal representative should present his/her proof of identity and valid proof of its capacity as a legal representative. In the case of attendance by proxy of the legal representative, the proxy should present his/her proof of identity and a written letter of authorization duly issued by such legal representative when attending the EGM.

4. Voting by poll

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the EGM will demand a poll in relation to the proposed resolutions at the EGM in accordance with Article 128 of the Articles of Association of the Company.

NOTICE OF EGM

Resolutions 4.01 to 4.02 shall adopt the method of cumulative poll, i.e., the number of votes carried by each Share held by the Shareholders shall be equal to the number of positions and the Shareholders may concentrate their entitled votes when voting. Each Shareholder shall be entitled to such number of votes as shall be equal to the number of Shares held by him/her multiplied by the number of Directors upon whom he/she can vote, when electing the Directors. Such votes may only be voted for the candidates of the Directors of the Company, and the candidates who have the most votes shall be appointed.

5. Miscellaneous

- (1) Shareholders who attend the EGM in person or by proxy shall bear their own travelling and accommodation expenses.

- (2) The contact details of the EGM are as follows:

Computershare Hong Kong Investor Services Limited

Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East,
Wanchai, Hong Kong

Telephone: (852) 2862 8555

Fax: (852) 2865 0990

The Company

Contact address: No. 111, Fuhuay Road, Futian Street, Futian District, Shenzhen,
Guangdong Province, the PRC General office of China Merchants
Securities Co., Ltd.

Contact person: SHANG Zhe, ZHANG Xiaoling and SUN Ya

Contact number: (86) 755-8308 1596, (86) 755-8308 1032 and (86) 755-8308 1580

Fax: (86) 755-8294 4669

IR email: IR@cmschina.com.cn

- (3) For details of the resolutions to be submitted for consideration and approval at the EGM, please refer to the circular of the Company dated April 1, 2022.

As at the date of this notice, the executive director of the Company is Mr. HUO Da; the non-executive directors of the Company are Mr. LIU Weiwu, Ms. SU Min, Ms. PENG Lei, Mr. GAO Hong, Mr. HUANG Jian, Mr. WANG Daxiong and Mr. WANG Wen; and the independent non-executive directors of the Company are Mr. XIANG Hua, Mr. XIAO Houfa, Mr. XIONG Wei, Mr. HU Honggao and Mr. WONG Ti.