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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in **Haitong Securities Co., Ltd.**, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**海通证券股份有限公司**  
**HAITONG SECURITIES CO., LTD.\***

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6837)**

**2021 REPORT OF THE BOARD  
2021 REPORT OF THE SUPERVISORY COMMITTEE  
2021 ANNUAL REPORT  
2021 FINAL ACCOUNTS REPORT  
2021 PROFIT DISTRIBUTION PROPOSAL  
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COMPANY AND APPENDICES THEREOF  
GRANT OF GENERAL MANDATE TO AUTHORISE, ALLOT OR  
ISSUE A SHARES AND/OR H SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 2021 Annual General Meeting of the Company to be held at Conference Room, 3/F, Haitong Securities Building, No. 689 Guangdong Road, Huangpu District, Shanghai, the People's Republic of China on Tuesday, 21 June 2022 at 1:30 p.m. is set out on pages 13 to 16 of this circular.

The form of proxy have been distributed on 20 May 2022. They have also been published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the AGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the holding of the AGM or not less than 24 hours before the time appointed for voting by poll, and deposit it together with the notarised power of attorney or other document of authorisation with Computershare Hong Kong Investor Services Limited. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so desire.

\* For identification purpose only

20 May 2022

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## DEFINITIONS

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

“A Share(s)”	domestic shares of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi and are listed for trading on the SSE
“AGM” or “Annual General Meeting”	the annual general meeting for the year 2021 of the Company to be held at Conference Room, 3/F, Haitong Securities Building, No. 689 Guangdong Road, Huangpu District, Shanghai, the People’s Republic of China on Tuesday, 21 June 2022 at 1:30 p.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Business Day(s)”	a day (other than Saturday or Sunday) on which the Hong Kong Stock Exchange is open for the business of dealing in securities
“Company” or “Haitong Securities”	Haitong Securities Co., Ltd., a joint stock company established in the People’s Republic of China with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange under the stock code of 6837 and the A Shares of which are listed on the Shanghai Stock Exchange under the stock code of 600837
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“General Mandate”	a general mandate proposed to be granted to the Board by the AGM to authorise, allot or issue A Shares and/or H Shares
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars

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## DEFINITIONS

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“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Director(s)” or “Independent Non-executive Director(s)”	The independent non-executive director(s) of the Company
“Latest Practicable Date”	17 May 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PBOC”	the People’s Bank of China, the central bank of the People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the People’s Republic of China
“Securities Law”	the Securities Law of the People’s Republic of China
“Shanghai Guosheng Group”	Shanghai Guosheng (Group) Co., Ltd., an existing shareholder of the Company, holding approximately 10.38% equity interest in the total issued share capital of the Company as of the Latest Practicable Date
“SSE”	the Shanghai Stock Exchange
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company, including holder(s) of H Shares and holder(s) of A Shares
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

*Unless otherwise indicated, all the financial data in this circular are presented in Renminbi.*

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## LETTER FROM THE BOARD

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海通证券股份有限公司  
HAITONG SECURITIES CO., LTD.\*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 6837)

*Executive Directors:*

Mr. Zhou Jie (Chairman)  
Mr. Li Jun (General Manager)  
Mr. Ren Peng

*Non-executive Directors:*

Mr. Tu Xuanxuan  
Mr. Zhou Donghui  
Ms. Yu Liping  
Mr. Xu Jianguo

*Independent Non-executive Directors:*

Mr. Zhang Ming  
Mr. Lam Lee G.  
Mr. Zhu Hongchao  
Mr. Zhou Yu

*Registered office:*

Haitong Securities Building  
No. 689 Guangdong Road  
Shanghai  
People's Republic of China

*Principal place of business in  
Hong Kong:*

21st Floor, Li Po Chun Chambers  
189 Des Voeux Road Central  
Central  
Hong Kong

20 May 2022

*To the Shareholders*

Dear Sir or Madam,

### INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM (set out on pages 13 to 16 of this circular) and provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions proposed at the AGM.

For reference purpose only, holders of A Shares may refer to Notice of 2021 AGM of Haitong Securities Co., Ltd. dated 19 May 2022, which is published on the website of the SSE (<http://www.sse.com.cn/>).

At the AGM, ordinary resolutions will be presented to approve (i) the report of the Board of Directors of the Company for the year 2021 (the “**2021 Report of the Board**”); (ii) the report of the Supervisory Committee of the Company for the year 2021 (the “**2021 Report of the Supervisory Committee**”); (iii) the annual report of the Company for the year 2021 (“**2021**

\* For identification purpose only

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## LETTER FROM THE BOARD

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**Annual Report**”); (iv) the final accounts report of the Company for the year 2021 (the “**2021 Final Accounts Report**”); (v) the profit distribution proposal of the Company for the year 2021 (the “**2021 Profit Distribution Proposal**”); (vi) the proposal of the Company on the renewal engagement of auditing firms for the year 2022; (vii) the proposal regarding the estimated investment amount for the proprietary business of the Company for the year 2022; and (viii) the proposal regarding the projected routine related party/connected transactions of the Company in 2022.

At the AGM, special resolutions will be presented to approve (i) the proposal regarding the general mandate to issue onshore and offshore debt financing instruments of the Company; (ii) the proposal regarding the amendments to the Articles of Association and appendices thereof; and (iii) the proposal regarding the grant of general mandate for the Board to authorise, allot or issue A shares and/or H shares.

### **ORDINARY RESOLUTIONS:**

#### **1. 2021 Report of the Board**

An ordinary resolution will be proposed at the AGM to approve the 2021 Report of the Board. Details of the aforesaid report of the Board are set out in Annex A to this circular.

The 2021 Report of the Board was considered and approved by the Board on 29 March 2022 and is hereby proposed at the AGM for consideration and approval.

#### **2. 2021 Report of the Supervisory Committee**

An ordinary resolution will be proposed at the AGM to approve the 2021 Report of the Supervisory Committee. Details of the aforesaid report of the Supervisory Committee are set out in Annex B to this circular.

The 2021 Report of the Supervisory Committee was considered and approved by the Supervisory Committee on 29 March 2022 and is hereby proposed at the AGM for consideration and approval.

#### **3. 2021 Annual Report**

An ordinary resolution will be proposed at the AGM to approve the 2021 Annual Report. The 2021 Annual Report of the Company has been despatched and also published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) on 21 April 2022.

The 2021 Annual Report was considered and approved by the Board on 29 March 2022 and is hereby proposed at the AGM for consideration and approval.

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## LETTER FROM THE BOARD

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### **4. 2021 Final Accounts Report**

An ordinary resolution will be proposed at the AGM to approve the 2021 Final Accounts Report. Details of the aforesaid final accounts report are set out in Annex C to this circular.

The 2021 Final Accounts Report was considered and approved by the Board on 29 March 2022 and is hereby proposed at the AGM for consideration and approval.

### **5. 2021 Profit Distribution Proposal**

An ordinary resolution will be proposed at the AGM to approve the 2021 Profit Distribution Proposal.

As audited, the net profit attributable to owners of the parent company for the year 2021 in the consolidated financial statements of the Company was RMB12,826,517,065.48 and the net profits of the parent company for the year of 2021 was RMB10,304,335,728.44.

In accordance with the relevant regulations including the Company Law, the Securities Law, the Financial Rules for Financial Enterprises and the Articles of Association, the Company may distribute profits to investors after making appropriation to statutory reserve funds and reserve funds. The Company has made appropriation of 10% of the net profit for the year 2021 realised by the parent company to statutory reserve funds, general risk reserve and transaction risk reserve, respectively, each amounting to RMB1,030,433,572.84, totalling RMB3,091,300,718.52. The amount of profits of the Company to be distributed to investors after making appropriation for the year 2021 was RMB7,213,035,009.92. The retained profits of the parent company amounted to RMB26,119,698,623.49 at the beginning of the year, adding the retained profits of the Company of RMB113,094,318.82 transferred from other comprehensive income, deducting the dividends of RMB3,266,050,000.00 distributed by the Company due to implementation of the annual profit distribution proposal for 2020, and the parent company's retained profits was RMB30,179,777,952.23 at the end of the year 2021. After comprehensive consideration of factors such as the interests of shareholders and the development of the Company, it is recommended that the 2021 Profits Distribution Proposal is as follows:

1. Based on the total share capital of the Company on the record date for dividend distribution, cash dividends of RMB3.00 per 10 shares (inclusive of tax) will be distributed to the holders of A shares and holders of H shares whose names appear on the register of members of the Company on the record date for the dividend distribution, with the total cash dividends amounting to RMB3,919,260,000.00, accounting for 30.56% of the net profits of shareholders of the parent company in 2021 on a consolidated basis. The total amount of cash dividend to be distributed and the proportion of dividends will be determined by the total share capital of the Company on the record date for the dividend distribution, and the retained profits available for distribution to investors in 2021 will be carried forward to the next year.

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## LETTER FROM THE BOARD

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2. Cash dividends are denominated and declared in Renminbi and will be paid in Renminbi and Hong Kong dollars to holders of A Shares of the Company and to holders of H Shares of the Company respectively. The actual amount distributed in Hong Kong dollar will be calculated based on the average exchange rate of Renminbi against Hong Kong dollar announced by the PBOC of the five working days prior to the date of the 2021 AGM of the Company. In the event of change in the total share capital of the Company after the date of convening the board meeting on approval of the 2021 Profit Distribution Proposal and prior to the record date for implementing the distribution, it is proposed that the distribution proportion per share will remain unchanged while the total distribution amount shall be adjusted accordingly.

The Company will conduct the cash dividend distribution within two months from the date of convening the general meeting, subject to the approval of the 2021 Profit Distribution Proposal at the general meeting.

The aforesaid resolution was considered and approved by the Board on 29 March 2022 and is hereby proposed at the AGM for consideration and approval.

### **6. Renewal of Engagement of Auditing Firms for the Year 2022**

The Board proposes that PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) (普華永道中天會計師事務所) (特殊普通合夥) and PricewaterhouseCoopers (羅兵咸永道會計師事務所) (“PwC”) be re-appointed as the external auditor of the Company in 2022 for a term of one year, who will be responsible for provisions of relevant domestic and overseas audit and review services in accordance with PRC GAAP and IFRS, respectively. Due to increased auditing contents and the business growth of the Company, with auditing fees (including those for internal control) amounting to RMB5.9 million for 2022, of which RMB5.5 million is for financial and special regulatory reporting auditing and RMB0.4 million is for internal control auditing, the auditing fees increased by RMB0.7 million compared with that of 2021.

The aforesaid resolution was considered and approved by the Board on 29 March 2022 and is hereby proposed at the AGM as an ordinary resolution for consideration and approval.

### **7. Estimated Investment Amount for the Proprietary Business for the Year 2022**

An ordinary resolution will be proposed at the AGM to approve the proposal regarding the estimated investment amount for the proprietary business of the Company for the year 2022.

Article 6 of the Provisions on Strengthening the Supervision and Administration of Listed Securities Companies (Revised in 2020) promulgated by CSRC provides that “pursuant to the requirements of the listing rules of Shanghai Stock Exchange and Shenzhen Stock Exchange with respect to transactions which shall be disclosed, where material external investments

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## LETTER FROM THE BOARD

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including securities proprietary business of listed securities companies exceeding certain amounts may need to be disclosed and proposed to the shareholders' general meeting for resolution in time, the aggregate amount of proprietary investments can be considered and disclosed by shareholders' general meeting of such companies each year; in the event that any changes occurred in proprietary investments, shareholders' general meeting can authorize the Board to vote and make announcements in compliance with the Articles of Association".

The proprietary investment business is one of the primary businesses of the Company. In order to facilitate proprietary investment business flexibly adjust the proprietary investment scale based on the market fluctuation and the proprietary investment strategy, the Board hereby proposes the following matters to be considered at the AGM, after taking the macro-economic and securities market conditions into account:

1. The limit for the proprietary investment business of the Company for the year 2022 is as follows:
  - (1) The investment amount for the proprietary equity securities and its derivatives shall not exceed 80% of the consolidated net capital of the previous year;
  - (2) The investment amount for the proprietary non-equity securities and its derivatives shall not exceed 400% of the consolidated net capital of the previous year.
2. The Company's management is authorized to determine and adjust the Company's annual assets and liabilities allocation plan within the aforesaid limit subject to the compliance with the relevant requirements of the CSRC on proprietary management and risk management based on market opportunities and the actual conditions of the Company.

The above limit excludes long-term equity investment and passive position arising from underwriting business and securities margin trading of the Company. The investment amount for the proprietary investment business of the Company shall be calculated according to the Administrative Measures for Risk Control Indicators of Securities Companies (2020) (《證券公司風險控制指標管理辦法(2020年)》) and the Calculation Standards for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) issued by CSRC.

The limit set out above is the maximum amount of proprietary investment based on the relevant provisions promulgated by CSRC, the Company's strategies and the risk profile. Its total amount and changes do not represent the judgement of the management and the Board of the Company regarding the market. The actual amount of proprietary investment shall be subject to the then prevailing market condition when the proprietary investment is made.

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## LETTER FROM THE BOARD

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The investment scheme and authorisation determined in the Proposal regarding Asset Allocation of Equity and Non-Equity Investments of the Company passed at the 36th meeting of the sixth session of the Board shall become invalid as of the date on which the above deliberated matters take effect.

The aforesaid resolution was considered and approved by the Board on 29 March 2022 and is hereby proposed at the AGM as an ordinary resolution for consideration and approval.

### **8. Projected Routine Related Party/Connected Transactions of the Company in 2022**

Reference is made to the announcement of the Company dated 29 March 2022 in relation to, among other things, the projected routine related party/connected transactions in 2022.

Ordinary resolutions will be proposed at the AGM to consider and approve the projected routine related party/connected transactions of the Company in 2022, details of which are set out in Annex E to this circular.

The aforesaid resolution was considered and approved by the Board on 29 March 2022 and is hereby proposed at the AGM for consideration and approval.

### **SPECIAL RESOLUTIONS:**

#### **1. General Mandate to Issue Onshore and Offshore Debt Financing Instruments**

Reference is hereby made to the announcement of the Company dated 29 March 2022 in relation to, among others, the general mandate to issue onshore and offshore debt financing instruments of the Company.

The Board has resolved to propose a resolution regarding the grant of general mandate to issue onshore and offshore debt financing instruments for consideration and approval at the shareholders' general meeting of the Company. A special resolution will be proposed at the AGM to consider and approve the Company's general mandate to issue onshore and offshore debt financing instruments, the details of which are set out in Annex F to this circular.

The aforesaid resolution was considered and approved by the Board on 29 March 2022 and is hereby proposed at the AGM for consideration and approval.

#### **2. Proposal Regarding the Amendment to the Articles of Association and Appendices Thereof**

Reference is hereby made to the announcement of the Company dated 15 December 2021 on proposed amendments to the Articles of Association and 29 March 2022 in relation to, among others, the proposed amendments to the Articles of Association and appendices thereof, including the Rules of Procedure for the Shareholders' General Meetings, the Rules of Procedure for the Board Meetings and the Rules of Procedure for the Supervisory Committee.

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## LETTER FROM THE BOARD

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The Board has resolved to propose the resolution regarding the amendments to relevant articles in the Articles of Association, and its appendix including the Rules of Procedure for the Shareholders' General Meetings, the Rules of Procedure for the Board Meetings and the Rules of Procedure for the Supervisory Committee of the Company, for the shareholders' consideration and approval at the general meeting of the Company. The Supervisory Committee passed the proposal regarding the amendments to the Rules of Procedure for the Supervisory Committee of the Company at the 14th meeting of the seventh session of the Supervisory Committee on 29 March 2022, and the details are set out in Annex G to this circular.

The proposed amendments to the Articles of Association, the Rules of Procedure for Shareholders' General Meetings, the Rules of Procedure for Board Meetings and the Rules of Procedure for Supervisory Committee will come into effect from the date of approval by the shareholders at the general meeting of the Company. The Board has resolved to propose a resolution at the general meeting of the Company to authorise the Board in return to authorise the management of the Company to handle the filing procedures with relevant regulatory authorities involved in such amendments, and to make format or the text expression and other immaterial adjustments to such amendments according to opinions of regulatory authorities.

The aforesaid resolution was considered and approved by the Board on 15 December 2021 and by the Board and the Supervisory Committee on 29 March 2022 and is hereby proposed at the AGM as a special resolution for consideration and approval.

### **3. Grant of General Mandate to Authorise, Allot or Issue A Shares and/or H Shares**

The Board has resolved to propose a resolution regarding the grant of the General Mandate to authorise, allot or issue A Shares and/or H Shares at the AGM of the Company. Details of the General Mandate are as follows:

In accordance with the requirements stipulated in the Company Law, the Securities Law, the Hong Kong Listing Rules and the Articles of Association, and subject to the terms and conditions set out in the following provisions (1), (2) and (3), it is proposed at the shareholders' general meeting to grant an unconditional general mandate to the Board to authorise, allot or issue A Shares and/or H Shares (including warrants, convertible corporate bonds and other securities which carry rights to subscribe for or are convertible into shares) separately or concurrently, and to execute the necessary documents, complete the necessary formalities and take other necessary steps to complete the aforesaid matters:

- (1) the authorisation is valid for the period from the date of passing of this resolution at the shareholders' general meeting to approve the grant of such authorisation until whichever is the earliest of:
  - (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution at the shareholders' general meeting; or

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## LETTER FROM THE BOARD

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- (b) the expiration of the 12-month period following the passing of this resolution at the shareholders' general meeting; or
- (c) the date on which the authorisation set out in this resolution is revoked or varied by a resolution of the shareholders of the Company at any shareholders' general meeting.

Should the Board, during the validity period of the authorisation, execute the necessary documents, complete the necessary formalities or take relevant steps which might be required to be performed or carried out upon or after the end of the validity period or continued until the end of the validity period, the validity period of the authorisation will be extended accordingly;

- (2) the respective number of A Shares and/or H Shares which the Board proposes to authorise, allot or issue, or conditionally or unconditionally agrees to authorise, allot or issue (including warrants, convertible corporate bonds and other securities that carry rights to subscribe for or are convertible into shares, which will be calculated based on the aggregate number of shares potentially convertible by them) shall not exceed 20% of the respective number of A Shares or H Shares of the Company in issue as at the date of passing of this resolution at the shareholders' general meeting;
- (3) the Board shall only exercise the authorisation pursuant to the Company Law, the Securities Law and the Hong Kong Listing Rules and all other applicable laws, regulations and requirements of any other government or regulatory authorities and with the approval by CSRC and/or other relevant governmental authorities in the People's Republic of China.

With respect to an issue of shares pursuant to the General Mandate set out in this resolution, a proposal is made to the Annual General Meeting to authorise the Board to increase the Company's registered capital corresponding to the number of shares issued under the general mandate, to make amendments to the Articles of Association where applicable and necessary in response to the increase of the Company's registered capital, and to take any other necessary actions and complete any other necessary procedures.

After the Board has obtained the aforesaid General Mandate, a proposal is made to the Annual General Meeting to approve the Board to in turn authorise the chairman and the general manager of the Company to jointly or separately sign, execute, amend, complete and submit all agreements, contracts and documents relating to the recognition, allotment or issuance of shares under the General Mandate, unless otherwise provided by laws and regulations.

The aforesaid resolution was considered and approved by the Board on 29 March 2022 and is hereby proposed at the AGM for consideration and approval as a special resolution.

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## LETTER FROM THE BOARD

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### READING MATERIALS – 2021 DUTY PERFORMANCE REPORT OF INDEPENDENT DIRECTORS

Pursuant to the requirements of *the Rules of General Meeting of Listed Companies* (《上市公司股東大會規則》) issued by the CSRC, Independent Directors shall present a duty performance report at the AGM. Such report will be presented at the AGM, but no Shareholder's approval is required. The duty performance report of the Independent Directors of the Company is made available to the Shareholders in Annex D to this circular.

### 2021 ANNUAL GENERAL MEETING

The AGM of the Company will be held at Conference Room, 3/F, Haitong Securities Building, No. 689 Guangdong Road, Huangpu District, Shanghai, the People's Republic of China on Tuesday, 21 June 2022 at 1:30 p.m. The notice of the AGM is set out on pages 13 to 16 of this circular.

The register of members of H Shares of the Company will be closed from Thursday, 16 June 2022 to Tuesday, 21 June 2022 (both days inclusive), during which time no share transfers of H Shares will be effected. Purchasers of H Shares who have submitted their instruments of share transfer to the H Share Registrar of the Company and registered as Shareholders on the H Share register of members of the Company before 4:30 p.m. on Wednesday, 15 June 2022 are entitled to attend and vote in respect of all resolutions to be proposed at the AGM. In order to attend the AGM, holders of H Shares should ensure that relevant Share certificates, accompanied by all transfer documents, are 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, before 4:30 p.m. on Wednesday, 15 June 2022.

The form of proxy will be distributed on 20 May 2022. They have also been published on the website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

To be valid, for holders of H Shares, 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 AGM (i.e., 1:30 p.m. on Monday, 20 June 2022) or not less than 24 hours before the time appointed for voting by poll. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

For reference purpose only, the record date for determining the eligibility of holders of A Shares for attending the AGM is 14 June 2022. For more details, please refer to Notice of 2021 AGM of Haitong Securities Co., Ltd. dated 19 May 2022, which is published on the website of the SSE (<http://www.sse.com.cn/>).

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## LETTER FROM THE BOARD

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### LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Hong Kong Listing Rules and Article 118 of the Articles of Association, 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. Therefore, all resolutions at the AGM will be taken by way of a poll.

According to the requirements of relevant laws in People's Republic of China and regulations, the ordinary resolutions 8.01 and 8.02 set out in the notice of the AGM on pages 13 to 16 of this circular and proposed at the Annual General Meeting shall be voted by the Shareholders who do not have substantial interest in such resolutions. Therefore, Shanghai Guosheng Group and its associates shall abstain from voting on the ordinary resolution 8.01. The companies (other than the Company and its controlling subsidiaries) of which the Directors, Supervisors and senior management of the Company hold positions as their directors or senior management, and other related corporate entities, shall abstain from voting on the ordinary resolution 8.02.

Save as disclosed above, as far as the Directors are aware, as of the Latest Practicable Date, no other Shareholder is required to abstain from voting in respect of the ordinary and special resolutions at the AGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

### 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 to vote in favour of the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM as attached to this circular.

Yours faithfully,  
By Order of the Board  
**Haitong Securities Co., Ltd.**  
**ZHOU Jie**  
*Chairman*

20 May 2022

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## NOTICE OF ANNUAL GENERAL MEETING

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海通证券股份有限公司  
HAITONG SECURITIES CO., LTD.\*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 6837)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2021 Annual General Meeting of Haitong Securities Co., Ltd. (the “**Company**”) will be held at Conference Room, 3/F, Haitong Securities Building, No. 689 Guangdong Road, Huangpu District, Shanghai, the People's Republic of China on Tuesday, 21 June 2022 at 1:30 p.m., for the following purposes:

#### ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company for the year 2021.
2. To consider and approve the report of the supervisory committee of the Company for the year 2021.
3. To consider and approve the annual report of the Company for the year 2021.
4. To consider and approve the final accounts report of the Company for the year 2021.
5. To consider and approve the profit distribution proposal of the Company for the year 2021.
6. To consider and approve the proposal of the Company on renewal of engagement of auditing firms for the year 2022.
7. To consider and approve the proposal regarding the estimated investment amount for the proprietary business of the Company for the year 2022.
8. To consider and approve the proposal regarding the projected routine related party/connected transactions of the Company in 2022, including:
  - 8.01 To consider and approve the proposal regarding the related party/connected transactions with Shanghai Guosheng (Group) Co., Ltd. and its associates; and
  - 8.02 To consider and approve the proposal regarding the projected related party transactions with the companies (other than the Company and its holding subsidiaries) where the Company's directors, supervisors and senior management hold positions as directors or senior management, and other related corporate entities.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTIONS

1. Proposal regarding general mandate to issue onshore and offshore debt financing instruments of the Company, including:
  - 1.01 Issuer, methods and size of issuance;
  - 1.02 Type;
  - 1.03 Term;
  - 1.04 Interest rate;
  - 1.05 Issue price;
  - 1.06 Security and other credit enhancement arrangements;
  - 1.07 Use of proceeds;
  - 1.08 Target subscribers and arrangements on placement to shareholders of the Company;
  - 1.09 Guarantee measures for repayment;
  - 1.10 Authorisation for issuance of onshore and offshore debt financing instruments of the Company; and
  - 1.11 Validity period of resolution.
2. To consider and approve the proposal regarding the amendments to the articles of association of the Company and appendices thereof.
3. To consider and approve the proposal regarding the grant of general mandate for the Board to authorize, allot or issue A shares and/or H shares.

By order of the Board  
**Haitong Securities Co., Ltd.**  
**ZHOU Jie**  
*Chairman*

Shanghai, the PRC  
20 May 2022

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

### **1. Eligibility for attending the Annual General Meeting and date of registration of members for H shares**

The register of members of H Shares of the Company will be closed from Thursday, 16 June 2022 to Tuesday, 21 June 2022 (both days inclusive), during which time no share transfers of H Shares will be effected. Purchasers of shares who have submitted their instruments of share transfer to the H Share Registrar of the Company and registered as shareholders on the H share register of members of the Company before 4:30 p.m. on Wednesday, 15 June 2022 are entitled to attend and vote in respect of all resolutions to be proposed at this Annual General Meeting.

In order to attend this Annual General Meeting, holders of H Shares should ensure that the relevant share certificates, accompanied by all transfer documents, are 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, before 4:30 p.m. on Wednesday, 15 June 2022.

### **2. Proxy**

- (1) Each shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more proxies in writing to attend and vote on his behalf. A proxy needs not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised.

To be valid, for holders of H Shares, 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 Annual General Meeting (i.e. 1:30 p.m. on Monday, 20 June 2022) or not less than 24 hours before the time appointed for voting by poll.

- (3) Any voting at the Annual General Meeting shall be taken by poll.

### **3. Registration procedures for attending the Annual General Meeting**

A shareholder or his proxy should present proof of identity when attending the Annual General Meeting. If a shareholder is a legal person, its legal representative or other person authorised by the board of directors or other governing body of such shareholder may attend the Annual General Meeting by providing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

### **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 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 Annual General Meeting will demand a poll in relation to all the proposed resolutions at the Annual General Meeting in accordance with Article 118 of the Articles of Association of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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### 5. Miscellaneous

(1) The Annual General Meeting is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

(2) The address of Computershare Hong Kong Investor Services Limited is:

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

(3) The registered office of the Company:

Haitong Securities Building  
No. 689 Guangdong Road  
Shanghai  
The People's Republic of China

Contact office: Office of the Board  
Telephone No.: 86 (21) 6341 1000  
Facsimile No.: 86 (21) 6341 0627  
Email : dshbgs@htsec.com  
Contact Person: Mr. Jiang Chengjun

*As at the date of this notice, the executive directors of the Company are Mr. ZHOU Jie, Mr. LI Jun and Mr. REN Peng; the non-executive directors of the Company are Mr. TU Xuanxuan, Mr. ZHOU Donghui, Ms. YU Liping and Mr. XU Jianguo; and the independent non-executive directors of the Company are Mr. ZHANG Ming, Mr. LAM Lee G., Mr. ZHU Hongchao and Mr. ZHOU Yu.*

\* *For identification purpose only*

**2021 REPORT OF THE BOARD OF HAITONG SECURITIES CO., LTD.<sup>1</sup>**

Dear Shareholders,

As entrusted by the Board of Directors, the report of the Board of the Company for the year of 2021 is as follows:

The year 2021 was a landmarked year in history. The “14th Five-Year Plan” has seen a good start, where new advances had been made in fostering a new development pattern, new results had been achieved in high-quality development, the power of the national strategic science and technology was rapidly strengthened, the resilience of the industrial chain was enhanced, the in-depth reform and opening-up was advanced, the people’s livelihood was strongly and effectively safeguarded and the construction of the ecological civilization continued to progressing. In 2021, the capital market operated steadily as a whole. There are 524 IPOs in the A-share market throughout the year, and the funds raised amounted to RMB542.7 billion, both hitting a record high. The Beijing Stock Exchange was officially launched for business, further enhancing the ability of the capital market to serve the innovation and development of small and medium-sized enterprises. As the report of the Central Economic Work Conference expressively stated that “the stock issuance registration system would be fully implemented”, the comprehensive and extensive reform led by the registration system accelerated steadily, and the functions of direct financing and resource allocation was better utilized. Obvious enhancements were seen in the A-share market structure, investor structure, pricing mechanism and transaction behaviour, and ecology in the capital market has been improving.

In 2021, the Board of the Company diligently and thoroughly implemented the national strategic deployment by actively serving the overall keynote of national reform and development, unswervingly deepening reform in an all-round way, accelerating the promotion of high-quality development, and maintaining strategic focus, which achieved remarkable results. The Company recorded operating income of RMB43.205 billion and net profit attributable to shareholders of the parent company of RMB12.827 billion, and various financial indicators continued to rank among the top in the industry.

**I. MAJOR WORKS IN 2021****1. Strengthening strategic leadership and focusing on the main line of serving the national strategy and the real economy**

The year 2021 was the first year of the “14th Five-Year Plan”. The Board maintained strategic determination, focused on the new development stage, implemented thoroughly new development concepts, served to build a new development pattern, and adhere to the original intention of serving the national strategy and development of real economy. Focusing mainly

1: Unless otherwise indicated, all the financial data in this report are presented in Renminbi.

on “deepening the service value chain and building a customer ecosystem”, starting from the origin of investment banking, focusing on the key process of the industrial chain and the core position on the value chain, the Company further expanded its coverage and influence in key industries. Through the multi-level capital market, the Company created an ecosystem that serves the growth and development of science and technology enterprises by continuously improving the level of finance services for high-quality private enterprises and micro, small and medium-sized enterprises, promoted regional construction and opening up, and supported the development of green industries and green projects.

## **2. Comprehensively strengthening compliance and risk control and adhering to a stable risk management concept**

In 2021, facing the increasingly strict domestic and overseas regulatory requirements, the Board required the management of the Company to further optimize the internal control mechanism, improve the awareness of standardized operation, strengthen the foundation, and maintain a better balance of the relationship between development and compliance; required the Company to firmly develop compliance risk-based culture, strengthen the compliance management regulation, continuously improve the Group’s compliance management level, and promoted the development of the Group’s business. In terms of organizational structure, in order to further strengthen the construction of the three lines of defense in the investment banking business, upon consideration and approval by the Board, the Company established a new quality control department to enhance the second line of defense for internal control of investment banking.

The Company has been following the risk appetite towards a stable and healthy operation, and maintaining our strategic focus on risk management, while actively promoting the establishment of the Group’s comprehensive risk management system. In 2021, while listening to regular reports such as the implementation of annual risk control indicators, the Board also focused on the Company’s reputation risk and credit risk, especially risk management and control in key areas and regions, and supported the management to keep optimizing asset quality, strengthen the active risk provision based on the market environment, and to constantly consolidate the quality of assets.

## **3. Establishing a robust capital management and control system to enhance the Group’s capital management capabilities**

The Board placed great importance on the establishment of the Company’s asset and liability allocation and management capabilities, and established a comprehensive management and control system for fund management, liability management, liquidity management and liquidity risk management; further improved internal fund pricing and formulated differentiated internal pricing models. In 2021, the Board required the management to firmly adhere to the bottom line of zero liquidity risk, focus on key areas of the Company’s development, improve the forward-looking and rationality of asset allocation, support the management to continuously optimize capital allocation, make good use of economic capital instruments, and keep improving capital management standards.

#### **4. Resolute in innovative development empowered by technology, and vigorously promoting digital transformation**

As considered and approved at the 15th meeting of the seventh session of the Board of the Company, the “Development of Science and Technology of the Company during the 14th Five-year Plan” was formulated, which clarifies that the Company will maintain the scientific and technological guiding principles of “unified management, independence and controllability, converged business and leading development”, driven by “technology + data + scene”, to create a digital Haitong 2.0 characterized by “agility, platform, intelligence and ecology”, comprehensively deepen technology-enabled business development, operation management, reform and innovation, and strive to build the Company into a leading technology-based investment bank in China. The Board conducted on-the-spot investigations in Zhangjiang Science and Technology Park, to get in-depth understanding of the Company’s implementation of the digital strategy, and to provide governance guarantees for the Company’s digital transformation.

With the support and encouragement of the Board, the management attached great importance to finance technology. The Company continued to put more resources into information technology, adhere to the dual-wheel drive of technology and data, and technology and business integration to accelerate digital transformation in an all-round way. The Company has become the only securities company in the securities industry that has attained the four major international information technology certifications at the same time. Focusing on the transformation of wealth management, the Company released 45 versions of the one-stop retail service platform “e Haitongcai” throughout the year, and the iteration frequency maintained at the forefront of the industry.

#### **5. Strengthening the Group’s management and control capabilities and promoting the coordinated development of domestic and overseas business**

The Board increased its efforts in the research and judgment on the economic and financial situation at home and abroad, focusing on the promotion of internationalization and group development strategies, and the Group’s business synergies continued to increase. The Board encouraged the management to actively serve the overall keynote of opening up and help to build a new development pattern of “double circle”. In 2021, in light of the complicated external environment, Haitong International continued to improve its income structure, strengthen its risk management capabilities, and respond to uncertainties in the global market with a stable business model. Its capability in investment banking maintained the leading position, the wealth management business grew steadily and the asset management capability continued to improve. Haitong Bank overcame the adverse impact of the COVID-19 pandemic, formulated contingency plans in a timely manner, and adhered to the two-wheel driven strategy of developing cross-border business with Chinese characteristics and local business. Its various businesses developed steadily. The Macao branch was officially launched upon the approval of Monetary Authority of Macao, which further improved our global layout. Haitong Unitrust achieved assets of over RMB100 billion, and its profitability reached a record high. In addition, in order to optimize the group structure of the Company and enhance the innovation driving

force and value creativity of subsidiaries, the Board reviewed and approved a number of relevant proposals, such as the Proposal on Increasing Capital to Wholly-owned Subsidiary Haitong Innovation Securities Investment Co., Ltd. and the Proposal on Adjusting the Shareholding Structure of Haitong UT Capital Group Co., Ltd.

**6. Strengthening the establishment of corporate governance of the Group, implementing medium and long-term incentive mechanism, and ensuring the legal compliance of related party/connected transactions**

The Board continuously strengthened the building of the corporate governance system and governance capacity, and optimized and improved the basic system of corporate governance, to promote and develop a sound corporate governance culture and the continuous improvement of the compliance and effectiveness of corporate governance, while ensuring compliant and efficient decision-making of the Board. At the same time, the Board and the management continued to intensify communication, and strengthen the supervision and implementation of opinions and suggestions, which not only gave full play to the decision-making and supervision role of the Board, strengthened the implementation of the management, but also enhanced the mutual understanding between the Board and the management, and promoted the synergy of corporate governance.

The Board actively promoted and implemented the incentive and restraint mechanism, and formulated the Implementation Plan for Further Deepening the Professional Managers System of Haitong Securities Co., Ltd. Based on market-based recruitment, contract-based management, differentiated remuneration and market-based exit. In order to further implement the remuneration and assessment management system for the Directors and senior management, the Board reviewed and approved the Proposal on the Assessment Results of the Company's Professional Managers' Term of Office from 2018 to 2020.

The Board attached great importance to the management of related party transactions, and requested the Company to conduct transactions in strict compliance with the regulations of Shanghai and Hong Kong and the Administrative Measures for Related Party Transactions of the Company. Based on the principle of prudence and fairness, the Board approved the relevant transactions between the Company and Shanghai Guosheng Group and other related parties/connected persons, to collect and estimate the daily related party/connected transactions based on the actual condition of operation and management, and strictly reviewed the list of related parties/connected persons.

**7. Ensuring high-quality information disclosure, and continuing to achieve Grade A granted by the SSE for information disclosure**

The Board constantly improved its system for information disclosure and fulfilled its information disclosure obligation in a compliant, conscientious, true, accurate, complete, timely and fair manner. It actively sought for voluntary information disclosure and explored in-depth strategic execution highlights to present the effectiveness of the Company's strategy implementation from various perspective in periodic reports based on macroeconomic

environment and taking in full consideration of hot spots of concern to the investors, so as to provide investors with efficient information in value judgement and investment decision-making. The Board have been committing to exercising best information disclosure practice and continuously improving the pertinence, effectiveness and transparency of information disclosure to protect investors' right to know in an effective manner. The Company obtained the highest evaluation Grade A in the annual assessment of information disclosure by the SSE. In 2021, the Company disclosed 47 temporary announcements, 4 periodic reports, 1 social responsibility report in respect of its A shares, and 115 announcements and circulars in respect of its H shares.

#### **8. Strengthening the initiative to communicate with the capital market and effectively protecting the rights and interests of investors**

The Company continued to expand the depth and breadth of capital market tracking and analysis, successfully held 2020 annual and 2021 interim results conferences, to actively innovate communication methods and increase active communication in the capital market through a combination of online and offline methods. The Company also actively publicized its strategic positioning and operational effectiveness through various methods such as receiving investors' visits and participating in domestic and overseas investment bank exchange meetings to boost investor confidence. In addition, the Board attaches great importance to the protection of the interests of small and medium investors, and actively answers investor hotline and makes e-interactive responses. The Board responded to 153 questions through e-interactive platforms of the SSE and answered nearly 500 investor hotline calls. The Board earnestly implemented the resolutions of the general meeting on profit distribution, organized the distribution of dividends, and effectively protected the rights and interests of shareholders.

#### **9. Improving the establishment of social responsibility management system and actively undertaking responsibilities as a corporate citizenship**

The Company has always adhered to the business philosophy of “pragmatism, development, stability and excellence”, and accurately positioned itself as a listed company, finance company and corporate citizen. The Company will continue to fulfil its responsibilities in terms of serving the real economy, financial technology, employee care, rural revitalization, social welfare, and supporting the “Dual Carbon” goal, among others, and create shared value for shareholders, customers, employees and the society.

In 2021, the Company further strengthened social responsibility management by taking environmental, social and corporate governance (“ESG”) as the core of the Company's social responsibility practice, set up the Development Strategy and ESG Management Committee under the Board, and build a top-down ESG management structure to promote the systematic development of ESG and social responsibility. The Company has also improved ESG risk management at the business level step by step and integrated ESG risk into its comprehensive risk management system. In terms of environmental responsibility, the Company conducted analysis and management of climate change risks in accordance with the recommended

framework of the Task Force on Climate-related Financial Disclosures (TCFD), and supported the national “Dual Carbon” goal through actions such as green and low-carbon operations and the development of green finance. Meanwhile, the Company’s carbon accounting was launched, which will lay a foundation for further formulation of the Company’s carbon neutrality goals. In terms of social responsibility, the Company continued to promote the cooperation between the east and the west, organised paired assistance activities such as “one hundred enterprises to help one hundred villages” and “one company for one county”, and continued to expand the influence of the “Love in Haitong” public welfare brand, to consolidate the achievements of poverty alleviation and promote rural revitalization and common prosperity.

## II. DUTY PERFORMANCE BY THE BOARD IN 2021

### 1. Overall assessment on duty performance

In 2021, the Board made steady progress in various tasks based on its accurate judgment on domestic and foreign business environments. All Directors seized opportunities and took on challenges diligently and dutifully, made use of their expertise and extensive experience to contribute wisdom and strength to the development of the Company, and provided a large number of constructive opinions and suggestions in respect of strategic guidance, risk management and control, incentives and restraints, audit matters and the Company’s governance. They properly and effectively performed their duties under the Articles of Association, and guaranteed the efficient operation, scientific decision-making of the Board and the sustainable and stable development of the Company.

#### *(1) The Board operated efficiently and made decisions on major issues in a scientific and transparent manner*

The Board planned meeting arrangements in a scientific manner, strengthened the implementation of meeting plans, optimized the meeting process, focused on pre-meeting communication, strengthened information construction, and further improved the efficiency of the meetings. In 2021, the Company convened 30 meetings in total, including 9 Board meetings, 2 annual report work meetings of Independent Directors, 7 meetings of the Audit Committee, 4 meetings of the Nomination, Remuneration and Assessment Committee, 5 meetings of the Development Strategy and ESG Management Committee and 3 meetings of the Compliance and Risk Control Committee, at which the Board considered and approved 46 proposals.

***(2) The Board effectively conducted Directors' training and continuously improved duty performance capability***

In 2021, the Directors actively participated in relevant trainings organized by regulatory authorities, stock exchanges and other institutions. The Company also organized specialized institutions to conduct training on the interpretation of new regulations related to Directors, Supervisors and senior management and corporate governance. In addition, the Directors were kept duly informed of and knowledge of the operation and management of the Company, latest policies and regulations of securities market and relevant information through the Newsletter of Directors and Supervisors and the Regulations of Securities Market and Case Analysis provided by the Company on a regular basis.

***(3) The Board strictly implemented the resolutions approved at general meetings and actively protected the legal rights and interests of Shareholders***

In 2021, the Company convened 2 general meetings, at which 9 resolutions were considered and approved. According to the 2020 Annual Profit Distribution Plan, the Board distributed cash dividend of RMB0.25 (tax inclusive) per share to the Shareholders, with total cash dividends of RMB3,266 million. By strictly implementing the resolutions approved at the general meetings, the Board performed the duties conferred by the Articles of Association and effectively protected the legal rights and interests of all Shareholders.

**2. Attendance of the meetings**

The details of the attendance are as follows:

Name of Directors	Attendance of the meetings	Name of Directors	Attendance of the meetings
Zhou Jie	9 required attendances, 9 actual attendances in person	Xu Jianguo	9 required attendances, 9 actual attendances in person
Li Jun	3 required attendances, 3 actual attendances in person	Zhang Ming (Independent Non-executive Director)	9 required attendances, 9 actual attendances in person
Ren Peng	9 required attendances, 9 actual attendances in person	Lam Lee G. (Independent Non-executive Director)	9 required attendances, 9 actual attendances in person
Tu Xuanxuan	9 required attendances, 9 actual attendances in person	Zhu Hongchao (Independent Non-executive Director)	9 required attendances, 9 actual attendances in person
Zhou Donghui	9 required attendances, 9 actual attendances in person	Zhou Yu (Independent Non-executive Director)	9 required attendances, 9 actual attendances in person
Yu Liping	9 required attendances, 9 actual attendances in person	Qu Qiuping (resigned)	5 required attendances, 5 actual attendances in person

### III. MAJOR WORK OF THE BOARD IN 2022

#### 1. **Resolutely developing the concept of “One Haitong” and extensively implementing the “14th Five-Year Plan”**

In 2022, the Board will continue to guide the management to implement thoroughly the “14th Five-Year Plan”, build consensus of “One Haitong”, stay focus on the goals of the Company under the “14th Five-Year Plan” to promote high-quality development and achieve new results, comprehensively promote “conglomeration, internationalization and informatization” strategy; under the guidance of “honesty and integrity”, actively implement the national strategy, assist in the realisation of the mission of Shanghai, adhere to the customer-centric approach, return to the origin of investment banking, and continue to improve the global comprehensive finance service capability for the real economy, give full play to the support of national policy and national strategic leadership, seize policy opportunities, and convert policy dividends into development results.

#### 2. **Systematically strengthening the development of compliance and risk control capabilities, and consolidating the cornerstone for the Company’s high-quality development**

Under the general supervision policy of “system establishment, non-intervention, and zero tolerance”, the Board will, in accordance with the overall deployment during the “14th Five-year Plan”, continue to promote the improvement of the Company’s risk defense capabilities, adhere to the full coverage of compliance, zero blind spots in internal control, and zero tolerance for violations. It will protect the Company’s “stable and even conservative” risk control brand, continue to promote the in-depth development of the Group’s risk management, and resolutely avoid systemic risks.

#### 3. **Optimizing the organizational structure to help achieve the strategic goals of the Company**

The Board will accurately determine the development trend of supervision and securities market, focus on investment banking, wealth management and other business fields, review the existing organizational structure and sort out the boundaries of business functions, to promote the return of business to its origin, improve the level of professionalism and overall coordination, and help to achieve the Company’s strategic goals.

**4. Conducting extensive negotiation and active communication, promoting the re-election of the Board in compliance with laws and regulations, and further improving corporate governance**

In 2022, the Company will actively promote the re-election of the Board in compliance with laws and regulations. Considering the re-election, the Company will continue to explore and optimize the composition of the Board on the basis of maintaining the continuity of the work of the Board, and improve the market judgment ability, deliberation and decision-making ability and risk control ability of the Board. The Company will further optimize the corporate governance mechanism, improve its market-oriented operation mechanism, and improve the level of corporate governance.

**5. Promoting the completion of the “14th Five-Year Plan” technology development plan and improving the level of technology empowerment**

As part of the “14th Five-Year Plan” technology development plan, the Board will continue to increase investment in technology, and promote technology to continue to empower the Company’s business development, management level improvement and group management and control. Meanwhile, it will further improve the system operation and maintenance and network security defense capabilities, and strengthen the research and development and independency and controllability of the trading system.

**6. Improving the operating mechanism of corporate governance, deepening the management of investor relations, striving to practice the best information disclosure, and improving the level of social responsibility management**

Based on the latest regulatory policy, the Board will continue to improve the corporate governance system at all levels of the Company, further optimize the supervision and execution system and mechanism of the decision-making matters of the Company, and ensure that the general meeting, the Board, the Supervisory Committee and the management function well with clear authority. The Board and all professional committees will earnestly perform their duties, actively and effectively operate, and facilitate the continuous improvement of the corporate governance level. It will continuously improve the investor relationship management system, further strengthen the communication initiative and pertinence with capital market, broaden service coverage of investors through diverse ways of communication and keep improving the protection mechanism for medium and small investors. It will continuously improve the quality of internal and external information disclosure. Subject to compliance, it will further strengthen the control of the timing and content of proactive and voluntary information disclosure to ensure symmetrical and effective transmission of information. While practicing social responsibility and serving the high-quality economic development, the Company will continue to improve the Company’s social responsibility management structure, and promote the standardized and efficient implementation of ESG management.

The year 2021 was the first year of the “14th Five-Year Plan”. With the strong support of all Shareholders, the Board will be in a position to serve the national strategy and the real economy, closely follow the opportunities from capital market reform, and focus on high-quality development. In 2022, the Board will continue to adhere to the general tone of seeking progress while maintaining stability, and thoroughly implement the new development concept, to build a new development pattern, achieve high-quality growth in serving the high-quality economic development, and move forward bravely towards the goal of China’s benchmark investment bank.

The above report is hereby proposed for consideration and approval at the general meeting.

**Board of Directors of  
Haitong Securities Co., Ltd.**  
21 June 2022

**2021 REPORT OF THE SUPERVISORY COMMITTEE OF  
HAITONG SECURITIES CO., LTD.<sup>2</sup>**

Dear Shareholders,

In 2021, amid the complicated external environment and market pressure, the Company worked through various difficulties and managed to make steady progress in various business segments, kicking off a good start for the “14th Five-Year Plan”. As at 31 December 2021, the Company’s total assets amounted to RMB744.925 billion, the net assets attributable to shareholders of the listed company amounted to RMB163.138 billion, and the net capital attributable to the parent company amounted to RMB85.222 billion. The Company’s operating revenue amounted to RMB43.205 billion, and the net profit attributable to shareholders of the listed company was RMB12.827 billion, with earnings per share of RMB0.98 and net assets per share attributable to shareholders of the listed company of RMB12.49.

In 2021, with active support and cooperation of the Board and the management, the Supervisory Committee diligently performed its duties to promote the compliant and healthy development of the Company and safeguard the legal rights and interests of the Company and Shareholders in the spirit of being responsible to all Shareholders and in strict compliance with laws and regulations, the Articles of Association, the Rules of Procedure of the Supervisory Committee of the Company and the Rules of Performance of the Supervisory Committee of the Company (Trial), etc.

As entrusted by the Supervisory Committee, the work of the Supervisory Committee of the Company for the year 2021 is reported as follow:

**I. MAJOR TASKS OF THE SUPERVISORY COMMITTEE IN 2021**

**1. Performing statutory duties and considering material matters**

In 2021, the Supervisory Committee convened six meetings and considered relevant reports and proposals (see the table below for details), and the Supervisors signed the relevant written confirmation according to the supervision requirements. The Supervisors put forward requirements and advice on supervision priorities such as financial management, compliance and risk control and duty performance of senior management at the meetings, a summary of which was prepared and submitted by the Supervisory Committee to the Board and management. The Board and management are highly concerned about the same, and thus, they provided supplementary materials regarding the proposals according to the requirements of the Supervisory Committee, took corresponding measures based on the advice of the Supervisors and delivered a special report to the Supervisory Committee in early 2022 to report the progress of relevant matters.

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2: Unless otherwise indicated, all the financial data in this report are presented in Renminbi.

Details about the six meetings of the Supervisory Committee are as follows:

<b>No.</b>	<b>Name of the meetings</b>	<b>Date of the meetings</b>	<b>Approved proposals</b>	<b>Form of the meetings</b>
1	the 8th meeting of the seventh session of the Supervisory Committee	30 March 2021	1. 2020 Annual Report of the company 2. 2020 Annual Internal Control Evaluation Report of the Company 3. 2020 Annual Compliance Report of the Company 4. The Proposal regarding the Provision for Asset Impairment of the Company 5. Special Report on the Deposit and the Actual Use of Proceeds of the Company 6. 2020 Annual Work Report of the Supervisory Committee of the Company 7. 2020 Corporate Social Responsibility Report of the Company	On-site
2	the 9th meeting of the seventh session of the Supervisory Committee	28 April 2021	First Quarterly Report for the Year 2021 of the Company	Correspondence
3	the 10th meeting of the seventh session of the Supervisory Committee	11 June 2021	Resolution regarding the Election of the Vice Chairman of the Supervisory Committee	On-site
4	the 11th meeting of the seventh session of the Supervisory Committee	26 August 2021	1. 2021 Interim Report of the Company 2. Special Report on the Deposit and the Actual Use of Proceeds of the Company	On-site
5	the 12th meeting of the seventh session of the Supervisory Committee	28 October 2021	1. Third Quarterly Report for the Year 2021 of the Company 2. The Proposal regarding the Provision for Asset Impairment of the Company	On-site and conference call
6	the 13th meeting of the seventh session of the Supervisory Committee	15 December 2021	Resolution regarding the Write-off of Bad Debts of the Company	Correspondence

## **2. Attending the general meetings and meetings of the Board and supervising the implementation of the corporate governance system**

In 2021, the Supervisors attended two general meetings, i.e., the 2020 annual general meeting convened on 18 June 2021 and the first extraordinary general meeting of 2021 convened on 28 September 2021, respectively, at which the Supervisors supervised the legitimacy and compliance of the decision-making process on material matters, such as considering and approving the periodic reports of the Company, distributing profit, election of directors and related party transactions.

The Supervisors attended three on-site meetings of the Board, i.e., the 15th meeting of the seventh session of the Board convened on 30 March 2021, 18th meeting of the seventh session of the Board convened on 26 August 2021 and the 20th session meeting of the seventh session of the Board convened on 28 October 2021, respectively. Notices and materials relating to the meetings convened by the Board through voting by correspondence were also sent to the Supervisors for review. By attending meetings and reviewing various resolutions, the Supervisory Committee supervised in real time the entire decision-making process of the Board regarding material matters and learned about the implementation of resolutions of the Board by the management, which helped to effectively perform its supervisory functions.

## **3. Promoting the improvement of the compliance and risk control system and ensuring the sustainable development of the Company**

In 2021, the Supervisors supervised the Amendment to the Corporate Insider Registration System and the Management Measures for the Information Wall of the Company considered and approved by the Directors and listened to the report on the implementation of risk control indicators of the Company at the meetings of the Board. Moreover, in early 2022, the Company also submitted to the Supervisory Committee certain special reports on compliance management on investment bank business, implementation of principal systems for preventing and mitigating major risks and analysis on writing off items.

The Supervisory Committee would consider and approve the annual compliance reports and the reports on evaluation of internal control of the Company. The monthly, quarterly and interim compliance and risk control reports of the Company were submitted to the vice chairman of the Supervisory Committee for review so that the Supervisory Committee was able to acquire full knowledge of compliance and risk control particulars of the Company.

The quarterly joint meetings on supervisory work convened by the Company aim to take advantage of the synergy of corporate governance supervision, discipline inspection and supervision, compliance and risk control supervision and audit supervision to prevent operational risks and regulate duty performance of the staff.

**4. Examining financial position of the Company and supervising the Company to continuously improve its asset quality**

Monthly financial analysis reports of the Company were submitted to the vice chairman of the Supervisory Committee for review. The Supervisory Committee considered and approved the periodic reports of the Company and listened to the reports on the annual, semi-annual and quarterly financial positions of the Company and annual final accounts report and budget.

In 2021, the Company initiated certain issues of corporate bonds and short-term bonds, and the Supervisors reviewed and signed the relevant issuance documents. In early 2022, the special report on use of proceeds was submitted to the Supervisory Committee for all Supervisors' supervision.

In addition, the Company also provided a special report on the specific applications of fintech in finance and fund management for the Supervisory Committee in early 2022.

**5. Supervising duty performance of the Company's Directors and management and promoting diligence of the Company's senior management**

The Supervisors were present at the Board meetings to supervise the whole process of the nomination of proposed director candidates, the annual assessment and term assessment of management as well as the determination of the performance appraisal and motivation schemes for senior management. The vice chairman of the Supervisory Committee also listened to the annual reports of senior management and expressed recommendations on the duty performance of the management.

**6. Supervising major operation and management activities of the Company to promote the compliant operation and business development of the Company**

In 2021, as the Board considered the new strategic plan, material guarantees, authorization of the Board and important matters of the subsidiaries, the Supervisors present also expressed their opinions and recommendations in this regard. In October 2021, the Supervisory Committee went to Shijiazhuang to conduct on-site survey on the branch company and its subordinate business departments in Hebei, and submitted the research summary to the management of the Company.

Attendances of the vice chairman of the Supervisory Committee at meetings of the general manager office, various meetings of special committees and thematic meetings of the Company helped the Supervisory Committee promptly keep informed of various major decisions and operating conditions of the Company and play its supervisory role.

**7. Continuously improving self-building of the Supervisory Committee to enhance duty performance capability**

In 2021, three employee representative Supervisors reported their duty performance to the 8th meeting of the fourth session of employee representative, and the employee representative meeting conducted assessment and rated “pass” on their duty performance in 2020.

In 2021, the Supervisors not only participated in the relevant training organised by the regulatory authorities and stock exchanges, but also participated in the on-site special training organised by the Company. The Supervisors also continued to improve their performance ability through the written training materials such as Regulations of Securities Market and Case Analysis edited and delivered by the Office of the Supervisory Committee each quarter.

**II. THE 14TH MEETING OF THE SEVENTH SESSION OF THE SUPERVISORY COMMITTEE AND EVALUATION THEREOF ON OPERATING MANAGEMENT OF THE COMPANY**

On 29 March 2022, the 14th meeting of the seventh session of the Supervisory Committee listened to the Report on Operation of the Company in 2021 and Business Plans for 2022, 2021 Final Accounts Report of the Company and 2021 Profit Distribution Plan of the Company, and considered the 2021 Annual Report of the Company, 2021 Annual Compliance Report of the Company and Report on Evaluation of Internal Control of the Company in 2021, etc. Upon consideration, the Supervisory Committee was of the view that:

1. PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) audited the financial statements and notes (A Shares) for 2021 prepared by the Company according to PRC GAAP and issued a standard and unqualified audit report “PricewaterhouseCoopers Zhong Tian Shen Zi (2022) No. 10083”. PricewaterhouseCoopers audited the financial statements and notes (H Shares) for 2021 prepared by the Company according to IFRS and issued an unqualified audit report. Pursuant to the above audit reports, the Company’s 2021 financial statements of A Shares and H Shares respectively conformed to PRC GAAP (A Shares) and IFRS (H Shares), respectively, which gave a true and fair view of the Company’s financial position at the end of 2021 and operating results and cash flows for the year of 2021 in all material respects and was recognized by the Supervisory Committee upon review.
2. The Company had a sound corporate governance structure, which was in compliance with the regulatory requirements in Mainland China and Hong Kong. In 2021, the Company replaced one Director and one Supervisor due to change in work arrangement. The relevant nomination and consideration procedures were complete and compliant and disclosed pursuant to the regulatory requirements.

The Board and the management of the Company diligently performed duties in accordance with laws and regulations. During the operation, none of the Directors or senior management was found violating laws and regulations or damaging the interests of Shareholders, the Company or the employees.

3. In 2021, amid the unprecedented global changes and an once-in-a-century pandemic, the Company responded to the challenges actively. Under such circumstance, the Company's business development maintained a good momentum, its revenue structure improved continuously and the overall business performance achieved steady growth, with various financial indicators constantly ranking the top in the industry.
4. The Company established a relatively complete compliance management structure. In 2021, the overall operation and management of the Company was in compliance. According to the 2021 Assessment Report on The Effectiveness of Compliance Management of Haitong Securities Co., Ltd. issued by the Shanghai Branch of Baker Tilly International Certified Public Accountants (Special General Partnership) which was engaged by the Company, there were no significant deficiencies of compliance management and significant compliance risks in terms of compliance management environment, responsibility performance of compliance management, construction and operation of operation management system and mechanism.

Upholding the risk management philosophy of “prudence and even conservativeness”, the Company established a relatively complete and effective comprehensive risk management structure. In 2021, by establishing a control and management platform with uniform risk control indicators, the Company incorporated the risk management of all domestic and foreign subsidiaries into the comprehensive risk management system, conducted vertical risk management for 16 subsidiaries and started to develop an ESG risk management system. In 2021, each risk control indicator of the Company conformed to the regulatory requirements, with other risk control indicators such as net capital and liquidity in the safe territory and all tolerance indicators within the normal range.

On the reporting base date of the internal control evaluation report of 2021, there were no significant defects in terms of the internal control in financial reports, and there were no significant defects in terms of internal control in non-financial reports. After conducting the independent audit on design and implementation of internal control, PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) engaged by the Company was of the opinion that the Company had maintained effective internal control on financial reports pursuant to the Basic Standards for Enterprise Internal Control and relevant regulations in all material aspects, and it also did not identify any significant defects in internal control in non-financial reports.

5. The Company complied with relevant laws and regulations on use of proceeds. In 2020, the Company issued A Shares by way of non-public issuance, and the total amount of proceeds raised was RMB20.0 billion. After the deduction of issuance expenses, the actual net proceeds raised amounted to RMB19.840 billion. The proceeds raised of RMB19.762 billion were used at the end of 2020, and the remainder of RMB79.0 million were fully used in 2021, which were in compliance with the provisions set out in the Report on the Non-public Issuance of A Shares of the Company. In 2021, the Company issued 11 tranches of corporate bonds on the Shanghai Stock Exchange totaling RMB40.3 billion and three tranches of short-term corporate bonds totaling RMB17.0 billion, raising a total of proceeds of RMB57.3 billion. Such proceeds were mainly used to replenish the working capital and repay debts. The Company has strictly complied with the relevant requirements of People's Republic of China and the Company regarding the transfer, deposit and use of the proceeds.
6. The decision-making, compliance of review procedure and disclosure of relevant information regarding related party/connected transactions of the Company were made in a timely, truthful and complete manner. In 2021, the Board and the general meeting considered and approved relevant resolutions regarding related party/connected transactions in accordance with the regulatory requirements and disclosed the particulars of such related party/connected transactions in the annual and interim reports of the Company.
7. Integrity standards of information disclosure. The Company strictly implemented the laws and regulations and the requirements of the stock exchanges and the Company on information disclosure. The internal circulation, review and process of information disclosure was compliant with the laws and effective, and the inside information management was in place. The Company was rated Grade A for six consecutive years in the evaluation of information disclosure by the SSE for its true, accurate and complete information disclosure.

### **III. SUPERVISORY OPINIONS AND RECOMMENDATIONS**

In the spirit of accountability to the Shareholders and to promote sustainable and sound development of the Company, the Supervisory Committee is putting forward the following recommendations:

1. To refine and materialize the requirements of full compliance coverage by taking the advantage of the “Year of Developing the Cultural of Internal Control on Compliance (合規內控文化建設年)”, continue to improve the internal control system, workflow and operation standards by learning from the previous risk events and further enhance the compliance awareness and ability of all staff through more stringent assessment and accountability, so as to comprehensively optimise and upgrade the internal compliance control system of the Company;

2. To enhance the technology empowerment level, promote the safe and effective operation of business and management system, strengthen customer service capabilities, improve the middle and back-stage management level, consolidate the defense of compliance and risk control, and enable the transformation of data asset management from business support to value creation by improving data analysis and mining ability in the purpose of strengthening the core competitiveness of the Company; and
3. To enhance the ESG concept, implement the decision and arrangement of the Board to further improve the ESG management structure of the Company, enhance the Company's reputation and the ability to control costs, improve operational efficiency and risk management through the practice of industry culture and fulfilment of social responsibility, and retain the top talents to promote the sustainable and sound development of the Company.

#### **IV. WORK PLAN OF THE SUPERVISORY COMMITTEE FOR 2022**

1. Promote the transition of a new session of the Supervisory Committee by law and in compliant manner;
2. Supervise the progress of intelligence-based financial management constantly;
3. Continue to further enhance the internal control over compliance;
4. Supervise the due performance of the directors and senior management effectively; and
5. Enhance the on-site research to obtain in-depth knowledge of the major business and significant investment of the Company.

The above report is hereby proposed for consideration and approval at the general meeting.

**Supervisory Committee of  
Haitong Securities Co., Ltd.**  
21 June 2022

**FINAL ACCOUNTS REPORT  
OF HAITONG SECURITIES CO., LTD. FOR THE YEAR OF 2021<sup>3</sup>**

Dear Shareholders,

In 2021, the Company focused on the main line of serving the national strategy and the real economy. Through the close cooperation of “investment, financing, sponsorship and research”, the construction of the customer-centric business system continued to improve, the business maintained a good growth momentum, and the income structure was further improved. Various financial indicators such as total assets, net assets attributable to the parent company, operating income, and net profit attributable to the parent company have delivered steady growth and continued to rank among the top in the industry.

## **I. OPERATION RESULTS**

### ***Operating Income***

In 2021, the operating income of the Group was RMB43.205 billion, increasing by of RMB4.985 billion or 13.04% as compared to RMB38.220 billion for the same period of last year. In particular:

1. net commission income from brokerage business was RMB6.024 billion, increasing by RMB816 million or 15.67% as compared to RMB5.208 billion for the same period of last year, which was mainly due to the increase in income from securities brokerage business and income from futures broker business;
2. net commission income from investment banking business was RMB4.925 billion, decreasing by RMB14 million or 0.27% as compared to RMB4.939 billion for the same period of last year, which was mainly due to the increase in securities underwriting business and the decrease in securities sponsor business;
3. net commission income from asset management business was RMB3.664 billion, increasing by RMB292 million or 8.66% as compared to RMB3.372 billion for the same period of last year, which was mainly due to the increase in income from fund management business;

3: Unless otherwise stated, financial data in this report are based on the audited consolidated statements (A Shares) and are presented in Renminbi, and the data involving net profit, net assets and total consolidated income are based on those attributable to the owners of the parent company. Principal financial indicators in this report are based on China Enterprise Accounting Standards (CEAS).

4. net interest income was RMB6.621 billion, increasing by RMB1.730 billion or 35.38% as compared to RMB4.891 billion for the same period of last year, which was mainly due to the increase in interest income from advances to customers on margin financing and the decrease in interest expenses from borrowings;
5. return on investment and gain from changes in fair value was RMB12.329 billion, increasing by RMB709 million or 6.10% as compared to RMB11.620 billion for the same period of last year, which was mainly due to the increase in gain on long-term equity investment under equity method and the increase in investment income of financial instruments;
6. income from other business was RMB8.227 billion, increasing by RMB1.188 billion or 16.87% as compared to RMB7.039 billion for the same period of last year, which was mainly due to the increase in sales income of a subsidiary.

### ***Operating Expenses***

In 2021, the operating expenses of the Group was RMB24.752 billion, increasing by RMB2.394 billion or 10.70% as compared to RMB22.358 billion for the same period of last year, in particular:

1. business and management fee was RMB14.154 billion, increasing by RMB2.207 billion or 18.48% as compared to RMB11.947 billion for the same period of last year, which was mainly due to the increase in salaries of employee;
2. credit impairment loss was RMB3.352 billion, decreasing by RMB1.234 billion or 26.92% as compared to RMB4.586 billion for the same period of last year, which was mainly due to the decrease in impairment loss for advances to customers on margin financing;
3. other asset impairment loss was RMB499 million, increasing by RMB488 million or 4,469.69% as compared to RMB11 million for the same period of last year, which was mainly due to the increase in impairment loss on goodwill;
4. costs of other business were RMB6.462 billion, increasing by RMB829 million or 14.73% as compared to RMB5.633 billion for the same period of last year, which was mainly due to the increase in sales costs of a subsidiary.

### ***Net profit attributable to shareholders of the parent company***

In 2021, the Group recorded net profit attributable to shareholders of the parent company of RMB12.827 billion, increasing by RMB1.952 billion or 17.94% as compared to RMB10.875 billion for the same period of last year.

## II. FINANCIAL CONDITION

### *Assets*

As at the end of 2021, the total assets of the Group were RMB744.925 billion, increasing by RMB50.852 billion or 7.33% as compared to RMB694.073 billion as at the end of last year. The major changes were: bank balances and cash, clearing settlement funds and refundable deposit increased by RMB38.829 billion, financial assets held for trading, other debt investment and other financial assets increased by RMB18.927 billion and financial assets held under resale agreements decreased by RMB18.204 billion.

Financial assets of the Group such as financial assets held for trading, other debt investment and investment in other equity instruments accounted for 37% of the Group's total assets. Bank balances and cash, clearing settlement funds and refundable deposit accounted for 26% of total assets. Long-term receivables and finance lease receivables accounted for 12% of total assets. Advances to customers on margin financing accounted for 10% of total assets. Financial assets held under resale agreements accounted for 5% of total assets. Fixed assets, right-of-use assets, construction in progress and investment properties accounted for 2% of the Group's total assets. Most assets have relatively strong realization capability, and the Group assets were well-structured with high liquidity.

### *Liabilities*

As at the end of 2021, the total liabilities of the Group were RMB567.170 billion, increasing by RMB41.223 billion or 7.84% as compared to RMB525.947 billion as at the end of last year. The major changes were: financial assets sold under repurchase agreements and placements from banks and other financial institutions increased by RMB31.944 billion, accounts payable to brokerage clients and accounts payable to underwriters increased by RMB16.403 billion, short-term financing bills payable and bonds payable increased by RMB15.016 billion, financial liabilities held for trading decreased by RMB15.922 billion and short-term borrowings and long-term borrowings decreased by RMB13.576 billion.

## III. CASH FLOW

Net cash flow from operating activities was RMB70.970 billion, in particular, cash inflow was RMB110.796 billion, accounting for 35.28% of the total cash inflow, which was mainly due to the net increase in fund from repurchase business of RMB45.872 billion, cash from interest, commission fee and charges of RMB31.903 billion and cash receipts from other operating activities of RMB17.710 billion; cash outflow was RMB39.827 billion, accounting for 14.47% of the total cash outflow, mainly comprising cash paid to and on behalf of employees of RMB7.968 billion and cash payment relating to other operating activities of RMB12.945 billion.

Net cash flow from investment activities was RMB-20.937 billion, in particular, cash inflow was RMB23.546 billion, accounting for 7.50% of the total cash inflow, primarily comprising cash from disposal of investment of RMB21.215 billion; cash outflow was RMB44.483 billion, accounting for 16.17% of the total cash outflow, primarily comprising cash payment for investment of RMB42.683 billion.

Net cash flow from financing activities was RMB-11.162 billion, in particular, cash inflow was RMB179.713 billion, accounting for 57.22% of the total cash inflow, primarily comprising cash receipts from bond issue of RMB126.613 billion and cash receipts from borrowings of RMB53.066 billion; cash outflow was RMB190.874 billion, accounting for 69.36% of the total cash outflow, primarily comprising cash paid for repayment of debts of RMB177.742 billion.

The above report is hereby proposed for consideration and approval at the general meeting.

**Board of Directors of  
Haitong Securities Co., Ltd.**  
21 June 2022

DUTY PERFORMANCE REPORT OF INDEPENDENT DIRECTORS OF  
HAITONG SECURITIES CO., LTD. FOR THE YEAR OF 2021

In accordance with the relevant requirements of the Independent Director System in Listed Companies (《上市公司獨立董事規則》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》) promulgated by the CSRC, as well as the Guidelines for the Format of Annual Duty Performance Reports of Independent Directors (《獨立董事年度述職報告格式指引》) promulgated by the Shanghai Stock Exchange, we, as the Independent Directors of the Company, hereby report our work in 2021 as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTORS**

The seventh session of the Board of the Company was comprised of eleven Directors, four of whom are Independent Directors. The basic information of each Independent Director is as follows:

**1. Working experience and professional background**

**Mr. Zhang Ming** (張鳴先生), born in 1958, a holder of doctor's degree in economics, a professor, doctoral supervisor and senior researcher. Mr. Zhang has served as an Independent Non-executive Director of the Company since 12 June 2016. Mr. Zhang currently lectures at the School of Accountancy of Shanghai University of Finance and Economics (上海財經大學會計學院). Mr. Zhang has lectured in Shanghai University of Finance and Economics since graduation from this university in 1983 and has been the director of the teaching office, the deputy director and then the deputy director of the School of Accountancy. He is now a professor and doctoral supervisor in the same university. Mr. Zhang has been an independent director of Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司, listed on the SSE under the stock code of 600000) since May 2016, an independent director of Wuxi Zhenhua Automobile Parts Co., Ltd. (無錫市振華汽車部件股份有限公司, listed on the SSE under the stock code of 605319) since May 2018, an independent director of National Silicon Industry Group Co., Ltd. (上海硅產業集團股份有限公司, listed on the SSE under the stock code of 688126) since March 2019, a director of Shanghai Shensi Enterprise Development Co., Ltd. (上海申絲企業發展有限公司) since November 2019, and an independent director of Shanghai Zhangjiang Hi-Tech Park Development Company Limited (上海張江高科技園區開發股份有限公司, listed on the SSE under the stock code of 600895) since June 2021.

**Mr. Lam Lee G.** (林家禮先生), born in 1959, a holder of doctor's degree in philosophy, a Solicitor of the High Court of Hong Kong (and formerly a member of the Hong Kong Bar), an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Fellow of Certified Management Accountants (CMA) Australia, the Hong Kong Institute of Arbitrators, the Hong Kong Institute of Directors and the Institute of Corporate Directors Malaysia (ICDM), and an Honorary Fellow of Certified Public Accountants (CPA) Australia, the Hong Kong Institute of Facility Management, and the University of Hong Kong School of Professional and Continuing Education. Mr. Lam has served as an Independent Non-executive Director of the Company since 6 April 2017, as a senior adviser of Macquarie Group Asia since June 2021. Mr. Lam has extensive international experience in corporate management, strategy consulting, corporate governance, direct investment, investment banking and asset management. Mr. Lam earlier served as a General Manager of Hong Kong Telecom, Vice President and Managing Partner – Greater China of the international management consulting firm A.T. Kearney (美國科爾尼國際管理顧問公司), a member of the Senior Management of Chia Tai Enterprises International Limited (now C.P. Lotus Corporation) and also the chairman/director/CEO of various subsidiaries of this group, managing director of BOC International Holdings (the international investment banking arm of the Bank of China group) and vice chairman and COO of Investment Banking Division of BOC International Holdings, Executive Director of Singapore Technologies Telemedia (a member of Temasek Holdings), and Chairman – Hong Kong/Vietnam/Cambodia/Laos/Myanmar/Thailand and Senior Adviser – Asia, of Macquarie Capital, Non-Executive Chairman – Greater China and ASEAN Region and Chief Advisor – Asia, of Macquarie Infrastructure and Real Assets. Mr. Lam is currently an independent non-executive director of each of CSI Properties Limited (Stock Code: 497), Vongroup Limited (Stock Code: 318), Mei Ah Entertainment Group Limited (Stock Code: 391), Elife Holdings Limited (Stock Code: 223), Hang Pin Living Technology Company Limited (Stock Code: 1682), Huarong International Financial Holdings Limited (Stock Code: 993), Kidsland International Holdings Limited (Stock Code: 2122), and Greenland Hong Kong Holdings Limited (Stock Code: 337), and a non-executive director of each of Sunwah Kingsway Capital Holdings Limited (Stock Code: 188), China LNG Group Limited (Stock Code: 931), National Arts Entertainment and Culture Group Limited (Stock Code: 8228), Mingfa Group (International) Company Limited (Stock Code: 846) and is redesignated as an executive director from non-executive director of Hong Kong Aerospace Technology Group Limited (formerly known as Eternity Technology Holdings Limited, Stock Code: 1725) since 3 January 2022, the shares of all of which are listed on the Hong Kong Stock Exchange. Mr. Lam is also an independent non-executive director of Asia-Pacific Strategic Investments Limited (Stock Code: 5RA), Alset International Limited (Stock Code: 40V), Beverly JCG Investment Holdings Limited (Stock Code: VFP), and Thomson Medical Group Limited (Stock Code: A50), the shares of all of which are listed on the Singapore Exchange. Mr. Lam is an independent non-executive director of AustChina Holdings Limited (Stock Code: AUH), whose shares are listed on the Australian Securities Exchange and TMC Life Sciences Berhad (Stock Code: 0101), whose shares are listed on the Bursa Malaysia, and a non-executive director of Jade Road Investments Limited (Stock Code: JADE), whose shares are listed on the London Stock Exchange.

Mr. Lam served as an independent non-executive director of Aurum Pacific (China) Group Limited (Stock Code: 8148, a company listed on the Hong Kong Stock Exchange) from January 2019 to March 2021, an independent director of Sunwah International Limited (Stock Code: SWH, a company listed on the Toronto Stock Exchange) from December 2011 to June 2021, an independent non-executive director of Top Global Limited (listed on the Singapore Exchange under the stock code of BHO) from April 2010 to August 2021 and a non-executive director of Tianda Pharmaceuticals Limited (Stock Code: 455, a company listed on the Hong Kong Stock Exchange) from January 2018 to August 2021. Mr Lam has served as a non-executive director of Hong Kong Aerospace Technology Group Limited (香港航天科技集團有限公司, listed on the Hong Kong Stock Exchange under the stock code of 1725) since May 2021 and redesignated as executive director in January 2022. He joined Huarong International Financial Holdings Limited (listed on the Hong Kong Stock Exchange under the stock code of 993) as an independent non-executive director since September 2021.

**Mr. Zhu Hongchao** (朱洪超先生), born in 1959, a holder of master's degree in law, and a senior lawyer. Mr. Zhu has been an Independent Non-executive Director of the Company since 18 June 2019. Mr. Zhu has served as the director and senior partner of Shanghai United Law Firm (上海市聯合律師事務所) since June 1986. Mr. Zhu currently serves as an arbitrator of China International Economic and Trade Arbitration Commission, Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Centre) and Shanghai Arbitration Commission, the vice president of the Procedure Law Studies at the Shanghai Law Society, a mediator of Shanghai Commercial Mediation Centre, and a part-time professor of Shanghai University Law School, East China University of Political Science and Law and Shanghai University of Political Science and Law. Mr. Zhu has been selected as one of Shanghai Leading Talents (上海市領軍人才), is entitled to the special government allowance of the State Council, and is a member of the legal experts of CPC Shanghai Committee (中共上海市委法律專家庫). Mr. Zhu served as a lawyer at Shanghai First Law Firm (上海市第一律師事務所) from July 1983 to June 1986. Mr. Zhu served as the vice president of the third, fourth, fifth and sixth session of All China Lawyers Association, president of the sixth session of Shanghai Bar Association and the chief supervisor of the seventh session of Shanghai Bar Association and a representative member the 13th and 14th Shanghai Municipal People's Congress from 1994 to 2018. Mr. Zhu has served as an independent director of Jupai Holdings Limited (鉅派投資有限公司, listed on NYSE under the stock code of JP) since June 2015; an independent director of Leju Holdings Limited (樂居控股有限公司, listed on New York Stock Exchange under the stock code of LEJU) since March 2017, and an independent non-executive director of E-House (China) Enterprise Holdings Limited (易居(中國)企業控股有限公司, listed on the Hong Kong Stock Exchange under the stock code of 2048) since July 2018; an independent director of Shanghai Hysea Industrial Communications Co., Ltd. (上海海希工業通訊股份有限公司) since July 2020; a director of Shanghai Research Institute of Building Sciences Group Co., Ltd. (上海建科集團股份有限公司) since November 2020; and an independent non-executive director of Sansheng Holdings (Group) Co. Ltd. (三盛控股(集團)有限公司, listed on the Hong Kong Stock Exchange under the stock code of 2183) since February 2021; an independent director of Shanghai Bailian Group Co., Ltd. (上海百聯集團股份有限公司, listed on the SSE under the stock code of 600827) since June 2021; and an independent director of Bright Real Estate Group Co., Ltd. (光明房地產集團股份有限公司, listed on the SSE under the stock code of 600708) since August 2021.

**Mr. Zhou Yu (周宇先生)**, born in 1959, a holder of doctor's degree in economics, a researcher and a doctoral supervisor. He is an expert entitled to the special government allowance of the State Council and an executive director of China Association of World Economic Research (中國世界經濟學會). Mr. Zhou has been serving as an Independent Non-executive Director of the Company since 18 June 2019. Mr. Zhou is currently a researcher of Shanghai Academy of Social Sciences. Mr. Zhou served as a teacher of the Finance Department at Xinjiang University of Finance and Economics (新疆財經學院) from August 1982 to March 1992, during which, he served as a visiting research fellow at Osaka University of Commerce (大阪商業大學) from April 1990 to March 1992. He pursued a master's degree and a doctor's degree at the Department of Economics of Osaka City University (大阪市立大學) from April 1992 to March 2000; served as a visiting research fellow at the Graduate School of Economics of Osaka City University from April 2000 to November 2000; served in various positions at the Institute of World Economy of Shanghai Academy of Social Sciences, including assistant researcher, associate researcher, deputy director of the Finance Research Institution from December 2000 to October 2008, during which, he served as a post-doctoral fellow of economic theory at Shanghai Academy of Social Sciences (上海社會科學院) from January 2001 to December 2002; the director of the International Finance Research Institution of the Institute of World Economy of Shanghai Academy of Social Sciences (上海社會科學院世界經濟研究所國際金融研究室), and the director of the International Finance Monetary Research Centre of Shanghai Academy of Social Sciences (上海社會科學院國際金融貨幣研究中心) from October 2008 to December 2020.

## 2. Other positions held concurrently

Name	Position	Positions in Other Entities	
		Name of Entities	Position
Zhang Ming	Independent Non-executive Director	School of Accountancy of Shanghai University of Finance and Economics (上海財經大學會計學院)	Professor
		Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司)	Independent Director
		Wuxi Zhenhua Automobile Parts Co., Ltd. (無錫市振華汽車部件股份有限公司)	Independent Director
		National Silicon Industry Group Co., Ltd. (上海硅產業集團股份有限公司)	Independent Director
		Shanghai Shensi Enterprise Development Co., Ltd. (上海申絲企業發展有限公司)	Director
		Shanghai Zhangjiang Hi-Tech Park Development Company Limited (上海張江高科技園區開發股份有限公司)	Independent Director

Name	Position	Positions in Other Entities	
		Name of Entities	Position
Lam Lee G.	Independent Non-executive Director	Macquarie Infrastructure and Tangible Assets (Hong Kong) Limited (麥格理基礎建設及有型資產(香港)有限公司)	Senior Adviser – Asia Chairman of the ASEAN region
		CSI Properties Limited (資本策略地產有限公司)	Independent Director
		Vongroup Limited	Independent Director
		Sunwah Kingsway Capital Holdings Limited (新華匯富金融控股有限公司)	Director
		Austchina Holdings Limited	Independent Director
		China LNG Group Limited (中國天然氣集團有限公司)	Director
		Elife Holdings Limited (易生活控股有限公司)	Independent Director
		Jade Road Investments Limited (formerly known as Adamas Finance Asia Limited)	Director
		Asia-Pacific Strategic Investments Limited (formerly known as China Real Estate Grp Limited)	Independent Director
		Hang Pin Living Technology Company Limited (杭品生活科技股份有限公司)	Independent Director
		Kidsland International Holdings Limited (凱知樂國際控股有限公司)	Independent Director
		Mei Ah Entertainment Group Ltd. (美亞娛樂諮詢信息集團有限公司)	Independent Director
		National Arts Entertainment and Culture Group Limited (國藝娛樂文化集團有限公司)	Director
		Thomson Medical Group Limited	Independent Director
		TMC Life Sciences Berhad (TMC生命科學)	Independent Director
		Alset International Limited	Independent Director
		Greenland Hong Kong Holdings Limited (綠地香港控股有限公司)	Independent Director
		Mingfa Group (International) Company Limited (明發集團(國際)有限公司)	Director
		Hong Kong Aerospace Technology Group Limited (香港航天科技集團有限公司)	Director
		Huarong International Financial Holdings Limited (華融國際金融控股有限公司)	Independent Director

Name	Position	Positions in Other Entities	
		Name of Entities	Position
Zhu Hongchao	Independent Non-executive Director	Top Global Limited	Independent Director
		Sunwah International Limited	Independent Director
		Aurum Pacific (China) Group Limited (奧栢中國集團有限公司)	Independent Director
		Tianda Pharmaceuticals Ltd. (天大藥業有限公司)	Director
		Shanghai United Law Firm (上海市聯合律師事務所)	Director/senior partner
		Caitong Fund Management Co., Ltd. (財通基金管理有限公司)	Director
		Jupai Holdings Limited (鉅派投資有限公司)	Independent Director
		Leju Holdings Limited (樂居控股有限公司)	Independent Director
		E-House (China) Enterprise Holdings Limited (易居(中國)企業控股有限公司)	Independent Director
		Shanghai Hysea Industrial Communications Co., Ltd. (上海海希工業通訊股份有限公司)	Independent Director
		Shanghai Research Institute of Building Sciences Group Co., Ltd. (上海建科集團股份有限公司)	Director
		Sansheng Holdings (Group) Co. Ltd. (三盛控股(集團)有限公司)	Independent Director
		Shanghai Bailian Group Co., Ltd. (上海百聯集團股份有限公司)	Independent Director
		Bright Real Estate Group Co., Ltd. (光明房地產集團股份有限公司)	Independent Director
Zhou Yu	Independent Non-executive Director	Shanghai Academy of Social Sciences (上海社會科學院)	Professor

### 3. Statement of independence

The four Independent Directors of the Company perform their duties independently, and have no connected relationship with any of the substantial shareholders of the Company or other entities or individuals having an interest in the Company which will affect their independence.

**II. DUTY PERFORMANCE BY INDEPENDENT DIRECTORS FOR THE YEAR****1. Attendance of meetings*****(1) Attendance at general meetings of Independent Directors***

During the reporting period, the Company convened two general meetings in total. The Company convened the Annual General Meeting of 2020 on 18 June 2021. Mr. Zhang Ming, Mr. Lam Lee G., Mr. Zhu Hongchao and Mr. Zhou Yu, who were Independent Directors, attended this annual general meeting. On 28 September 2021, the Company convened the first extraordinary general meeting of 2021. Mr. Zhou Yu, who was an Independent Director, attended this extraordinary general meeting.

***(2) Attendance at Board meetings of Independent Directors***

In 2021, the seventh session of the Board of the Company convened nine meetings in total and the details of attendance are set out in the following table:

Name	Number of required attendances	Number of attendances in person	Number of attendances by way of correspondence	Number of attendances by proxy	Number of absences
Zhang Ming	9	9	5	0	0
Lam Lee G.	9	9	9	0	0
Zhu Hongchao	9	9	5	0	0
Zhou Yu	9	9	5	0	0

**(3) Attendance at special committee meetings of Independent Directors**

The Board of the Company has set up four special committees. During the reporting period, the Development Strategy and Investment Management Committee, which was renamed as Development Strategy and ESG Management Committee, held five meetings, the Nomination, Remuneration and Assessment Committee held four meetings, the Audit Committee held seven meetings and the Compliance and Risk Control Committee held three meetings. The positions held by the Independent Directors of the Company at the special committees and their attendance at the respective meetings are as follows:

<b>Independent Director</b>	<b>The special committees under the Board in which positions were held</b>
Zhang Ming	Audit Committee (Chairman), Nomination, Remuneration and Assessment Committee, Compliance and Risk Management Committee
Lam Lee G.	Audit Committee, Nomination, Remuneration and Assessment Committee
Zhu Hongchao	Nomination, Remuneration and Assessment Committee (Chairman), Compliance and Risk Management Committee
Zhou Yu	Development Strategy and ESG Management Committee, Audit Committee

**Number of attendances in person/required attendances**

<b>Independent Director</b>	<b>The special committees under the Board</b>			
	<b>Development Strategy and ESG Management Committee</b>	<b>Compliance and Risk Management Committee</b>	<b>Audit Committee</b>	<b>Nomination, Remuneration and Assessment Committee</b>
Zhang Ming	–	3/3	7/7	4/4
Lam Lee G.	–	–	7/7	4/4
Zhu Hongchao	–	3/3	–	4/4
Zhou Yu	5/5	–	7/7	–

**2. Duty performance**

Based on the principles of integrity, objectivity, independence and prudence, the Independent Directors of the Company fully fulfilled their duties, actively attended general meetings, meetings of the Board and special committees of the Company, reviewed each topic in a professional, responsible and independent manner, paid great attention to the Company's corporate governance, development strategy, risk management, significant investment and financing, nomination of directors, remuneration and incentives and talent team construction, actively participated in discussions and proposed professional opinions and recommendations, thus playing an active role in the scientific decision-making of the Board, and effectively safeguarding the legitimate rights and interests of the Company and all shareholders.

The Independent Directors were kept duly informed of the Company's operations and management, latest policies and regulations in the securities market and other relevant information through materials including Newsletter of Directors and Supervisors and Regulations of Securities Market and Case Analysis produced by the Company on a regular basis. Meanwhile, the Independent Directors maintained regular communication with the Company in a prompt manner by email, telephone and other means, forming an effective communication mechanism and ensuring the right to know.

**III. KEY MATTERS OF INDEPENDENT DIRECTORS DURING DUTY PERFORMANCE FOR THE YEAR****1. Related party transactions**

On 30 March 2021, the 15th meeting of the seventh session of the Board of the Company has considered and approved the Proposal regarding the Projected Routine Related Party/Connected Transactions of the Company in 2021.

The Independent Directors of the Company believed that the projected related party/connected transactions were the public services or transactions provided by the Company in the securities market, which were conducted in the ordinary course of business of the Company and at fair value, without prejudice to the interests of the Company and its minority shareholders; the operations of relevant businesses promoted the Company's business growth, were in line with the Company's practical business needs and were conducive to the Company's long-term development; relevant related party transactions should be disclosed in relevant periodic reports of the Company under the Stock Listing Rules of Shanghai Stock Exchange.

On 15 December 2021, the 22nd meeting of the seventh session of the Board of the Company was held, at which the Resolution regarding the Connected Transactions in relation to the Co-investment made by Haitong Creative Private Equity Fund Management Co., Ltd., Haitong Capital Investment Co. Ltd. and Shanghai Guosheng (Group) Co., Ltd. was considered and approved.

The Independent Directors of the Company believed that the agreement on the matter regarding the co-investment among Haitong Creative Private Equity Fund Management Co., Ltd. and Haitong Capital Investment Co. Ltd. (holding subsidiaries of the Company) and Shanghai Guosheng (Group) Co., Ltd. (a connected person) was entered into by the Company in usual and ordinary course of business of the Company on ordinary fair commercial terms and pricing principle, without prejudicing the interests of the Company and its minority shareholders, and in the interest of the Company and all shareholders as a whole; the operations of relevant businesses were conducive to the promotion of the Company's business growth, in line with the business needs and were conducive to the long-term development of the Company.

The decision-making procedures on the connected transaction are in line with relevant laws, regulations and regulatory documents at home and abroad as well as relevant provisions of the Articles of Association. Hence, the connected transaction of the Company was agreed.

## 2. External guarantees and appropriation of fund

On 29 January 2021, the 14th meeting of the seventh session of the Board of the Company was held, at which the Proposal regarding the Provision of Guarantee for Outstanding Debts Arising from Capital Reduction of Haitong Capital Investment Co., Ltd., a wholly-owned Subsidiary of the Company.

The Independent Directors of the Company believed that Haitong Capital Investment Co., Ltd. (the "**Haitong Capital**"), a wholly-owned subsidiary of the Company, transferred 2,440,846,824 domestic shares of Haitong Unitrust International Financial Leasing Co., Ltd. held by it to Haitong Innovation Securities Investment Co., Ltd., a wholly-owned subsidiary of the Company. Haitong Capital reduced its registered capital by RMB3.150 billion from RMB10.650 billion to RMB7.5 billion. The Company provides a general guarantee of RMB1,055,020,800 of outstanding debts during Haitong Capital's capital reduction.

The Company considered the external guarantee in strict compliance with laws, regulations and the Articles of Association and performed necessary decision-making procedures. The Independent Directors believed that the guarantee did not prejudice the legal interests of the Company and its minority shareholders, and agreed with the Company to provide the guarantee.

On 30 March 2021, the 15th meeting of the seventh session of the Board of the Company was held, at which the Proposal regarding the Provision of Joint Liability Guarantees for Offshore Debt Financing of Overseas Wholly-owned Subsidiaries.

The Company was approved to provide a joint liability guarantee for offshore debt financing of the offshore wholly-owned subsidiary Haitong Bank, S.A. or wholly-owned subsidiaries thereof, with a guarantee amount of no more than Euro 750 million (inclusive, or other currencies with equivalent value), interest and other fees to be borne by the borrower, and a guarantee period of no more than 9 years (inclusive). The guarantee amount was within the

amount considered and approved at the general meeting of the Company (for details, see the Resolution Proposed to the General Meeting for Authorisation to the Board of Directors to Determine Provision of Guarantee for Subsidiaries of the Company considered and approved at the annual general meeting of 2015 of the Company). The Independent Directors believed that the guarantee would not prejudice the legitimate rights and interests of the Company and its minority shareholders, and it was approved to provide this guarantee.

### **3. Use of proceeds**

On 30 March 2021, the 15th meeting of the seventh session of the Board of the Company considered and approved the Special Report on the Placement and the Actual Use of Proceeds.

The Independent Directors of the Company believed that the contents of the Special Report on the Placement and the Actual Use of the Proceeds prepared by the Company were true, accurate and complete without any false records, misleading statements or material omissions, and objectively and truly reflected the placement and actual use of the proceeds of the Company as of 31 December 2020. The Company placed and utilized the proceeds raised in compliance with relevant requirements of laws and regulations such as the Administrative Measures of the Sponsorship of the Offering and Listing of Securities, the Administrative Measures for the Issuance of Securities by Listed Companies, the Administrative Measures of Proceeds from Issuance by Companies Listed on the Shanghai Stock Exchange and the Supervision Guide No.2 on Listed Companies – Regulatory on the Management and Use of Proceeds from Fund Raising of Listed Companies, strictly implemented the special account placement system for proceeds, and fulfilled relevant information disclosure obligations in a timely manner. The actual use of proceeds was consistent with what the Company had disclosed. There was no disguised change in the use of proceeds or damage to the interests of shareholders, nor illegal use of proceeds.

On 26 August 2021, the 18th meeting of the seventh session of the Board of the Company considered and approved the Special Report on the Placement and the Actual Use of Proceeds.

Upon verification, the Independent Directors of the Company believed that the contents of the Special Report on the Placement and the Use of the Proceeds prepared by the Company were true, accurate and complete without any false records, misleading statements or material omissions, and objectively and truly reflected the placement and actual use of the proceeds of the Company as of 30 June 2021. The Company placed and utilized the proceeds raised in compliance with the requirements of laws and regulations such as the Administrative Measures of Proceeds from Issuance by Companies Listed on the Shanghai Stock Exchange and the Supervision Guide No.2 on Listed Companies – Regulatory on the Management and Use of Proceeds from Fund Raising of Listed Companies, strictly implemented the special account placement system for proceeds, and fulfilled relevant information disclosure obligations in a timely manner. The actual use of proceeds was consistent with what the Company had disclosed. There was no disguised change in the use of proceeds or damage to the interests of shareholders, nor illegal use of proceeds.

#### **4. Nomination and remuneration of senior management**

On 2 September 2021, the 19th meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding Performance of Duties by Chairman on behalf of General Manager.

Mr. Qu Qiuping, the general manager of the Company, submitted to the Board of the Company his resignation report in writing on 2 September 2021 (please see the Announcement on Resignation of Executive Director and General Manager and Proposed Appointment of Executive Director published by the Company on 2 September 2021). Upon review of the biographical profile of the Chairman Mr. Zhou Jie, the Independent Directors of the Company believed that he is eligible for performing the duties as a general manager of securities company. The Board decided that the procedures for performing duties of the general manager by the Chairman of the Company comply with laws and regulations and the provisions of the Articles of Association. It was agreed that the duties of the general manager to be performed by the Company's Chairman.

On 2 September 2021, the 19th meeting of the seventh session of the Board considered and approved the Proposal regarding the Nomination of Mr. Li Jun as the Company's Director candidate.

Upon review of the biographical profile of Mr. Li Jun, the Independent Directors of the Company believed that he is eligible for acting as a director of listed companies and securities companies and the procedures for nomination and voting comply with laws and regulations and the provisions of the Articles of Association. It was agreed that Mr. Li Jun was nominated as a director candidate and relevant resolution will be submitted to the general meeting for consideration.

On 28 October 2021, the 20th meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding the Engagement of General Manager.

Upon review of the biographical profile of Mr. Li Jun, the Independent Directors of the Company believed that he is eligible for acting as a senior management member of listed companies and securities companies and the procedures for nomination and engagement comply with laws and regulations and the provisions of the Articles of Association. Mr. Li Jun's engagement has been agreed.

On 30 November 2021, the 21th meeting of the seventh session of the Board of the Company considered and approved the Proposal on Implementation Plan for Further Deepening the Professional Managers System of Haitong Securities Co., Ltd.

The Independent Directors of the Company believed that the formulation by the Company of the Implementation Plan for Further Deepening the Professional Managers System of Haitong Securities Co., Ltd. (the “Plan”) in accordance with the requirements of “market-oriented recruitment, contract-based management, differentiated remuneration and market-oriented exit”, supported by management measures, employment contracts and performance contracts for professional managers, are conducive to further improve the corporate governance structure of the Company and the long-term development of the Company, and are in the interests of the Company and its minority shareholders. The Plan was therefore approved.

#### **5. Performance pre-announcements and results express**

The Company released the Highlight for the 2020 Annual Results and Highlight for the 2021 Interim Results of Haitong Securities on 26 February 2021 and 16 July 2021, respectively.

The Independent Directors of the Company believed that the Company duly disclosed information in strict compliance with the Stock Listing Rules of Shanghai Stock Exchange, the Memorandum on Daily Information Disclosure of Listed Companies and the Management Measures for Information Disclosure of the Company, and the contents disclosed were true, accurate and complete without any false records, misleading statements or material omissions.

#### **6. Appointment or change of accounting firms**

On 30 March 2021, the 15th meeting of the seventh session of the Board of the Company considered and approved the Proposal of the Company on Re-appointment of Accounting Firm. It was agreed to re-appoint PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) and PricewaterhouseCoopers as the external audit institution for the year 2021 to be jointly responsible for provision of relevant domestic and overseas audit services and review services in accordance with PRC GAAP and IFRS for a term of one year. Due to the increase in the audit content and the business development of the Company, the expenses for audit including internal control services in 2021 was RMB5.2 million, which comprised the expense for audit of financial and special supervision report of RMB4.8 million and expense for audit of internal control of RMB0.4 million, representing an increase of RMB1.54 million over that in 2020.

Upon review of the eligibility of PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) and PricewaterhouseCoopers, the Independent Directors of the Company believed that PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) and PricewaterhouseCoopers re-appointed had independent legal person qualification and were qualified to engage in auditing of securities and futures and other related businesses. The appointment of PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) and PricewaterhouseCoopers could satisfy the Company’s needs for the audit work. The decision-making procedures for the appointment of PricewaterhouseCoopers Zhong Tian LLP (Special

General Partnership) and PricewaterhouseCoopers complied with the laws, regulations and the Articles of Association and did not damage the interest of the Company and shareholders. It was approved to re-appoint PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) as the external auditor of the Company for the provision of domestic audit services in 2021, and re-appoint PricewaterhouseCoopers as the external auditor of the Company for the provision of overseas audit services.

## **7. Cash dividends and other returns to investors**

On 30 March 2021, the 15th meeting of the seventh session of the Board of the Company considered and approved the 2020 Profit Distribution Proposal of the Company, and it was agreed to distribute a cash dividend of RMB2.50 (tax inclusive) for every 10 shares on the basis of the total share capital of 13,064,200,000 shares of the Company, with total cash dividends of RMB3,266,050,000.00. After this cash dividend distribution, the retained profit of the parent company of RMB22,853,648,623.49 was carried forward to the next year. The distribution plan has been implemented.

The Independent Directors of the Company believed that the Board made the 2020 Annual Profit Distribution Proposal after taking into account a number of factors, such as the interests of shareholders and the development of the Company, in accordance with relevant requirements specified in the Guidelines of Shanghai Stock Exchange on Distribution of Cash Dividends of Listed Companies, the Articles of Association of Haitong Securities Co., Ltd. and the Financial Rules for Financial Enterprises. The proposal was in line with the laws, regulations and regulatory documents, the Company's actual situation, the interests of shareholders as a whole and their long-term interests, and was conducive to the long-term development of the Company.

## **8. Provision for asset impairment**

On 30 March 2021, the 15th meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding the Provision for Asset Impairment of the Company.

The Independent Directors of the Company believed that this provision for impairment of assets was made in compliance with the GAAP and relevant requirements of the Company's accounting policies. It reflected the financial conditions of the Company as of 31 December 2020 and the operation results of the Company from July to December of 2020 on a true and fair basis, and could help provide investors with better accounting information in terms of truthfulness, reliability and accuracy, which was in the interests of the Company and its minority shareholders. Hence, this provision for impairment of assets of the Company was agreed.

On 28 October 2021, the 20th meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding the Provision for Asset Impairment of the Company.

The Independent Directors of the Company believed that this provision for impairment of assets was made in compliance with the GAAP and relevant requirements of the Company's accounting policies. It reflected the financial conditions of the Company as of 30 September 2021 and the operation results of the Company from January to September of 2021 on a true and fair basis, and could help provide investors with better accounting information in terms of truthfulness, reliability and accuracy, which did not prejudice the interests of the Company and all shareholders, especially its minority shareholders. Hence, this provision for impairment of assets of the Company was agreed.

On 15 December 2021, the 22nd meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding the Write-off of Bad Debts of the Company.

The Independent Directors of the Company believed that the written-off of bad debts and relevant decision-making procedures comply with laws and regulations and the provisions of the Articles of Association, and assets involved in the bad debt written-off had been accrued impairment in full under accounting policies, which complied with the Accounting Standards for Business Enterprises and the relevant financial regulations of the Company, without prejudicing the Company's profit for the year or the interests of the Company and all shareholders, especially minority shareholders. The bad debt written-off of the Company was approved.

#### **9. Performance of undertakings of the Company and shareholders**

In 2021, the Company disclosed the performance of the Company's and shareholders' undertakings in its periodic reports in accordance with relevant requirements. The Independent Directors were of the view that both the Company and shareholders strictly performed the undertakings on an ongoing basis, without reneging their undertakings.

#### **10. Implementation of information disclosure**

During the reporting period, the Company disclosed its significant information in a true, accurate, complete, timely and fair manner in strict compliance with the requirements of the domestic and overseas laws and regulations on information disclosure, to optimize and keep improving pertinence and effectiveness of information disclosure adhering to the goal of improving transparency and based on investor's needs. In 2021, the Company disclosed 47 temporary announcements, 4 periodic reports, 1 social responsibility report for its A shares and 115 announcements and circulars for its H shares.

The Independent Directors believed that the information of the Company was disclosed in a true, accurate, complete, timely and fair manner without any false representation, misleading statements or material omission. Its professional, standardized and excellent information disclosure ensured the high transparency of the Company.

**11. Implementation of internal control**

On 30 March 2021, the 15th meeting of the seventh session of the Board of the Company considered and approved the 2020 Internal Control Assessment Report of the Company.

The Independent Directors of the Company believed that the Company made the relevant internal control system covering all levels and aspects of its operation and management, after taking into account its needs in terms of operation and management, under the laws, regulations, regulatory documents and the basic principle of internal control. In the process of actual operation, a regularized management framework was formed, the operation and management risks could be effectively controlled, and the safety and integrity of the Company's assets as well as the interests of the Company and all shareholders were protected. The internal control assessment report of Company completely, truly and accurately reflected the actual situation of the Company's internal control, without false representation, misleading statements or material omissions. Hence, the conclusion drawn in the 2020 internal control assessment report was agreed.

**12. Operations of the Board and its special committees**

During the reporting period, the Board and its special committees conducted their work according to laws and regulations, the Articles of Association and relevant terms of reference. The special committees provided effective and professional advice on the significant events under consideration by giving a full play to the expertise of Independent Directors, which facilitated the Board's scientific decision-making. In 2021, the Company convened 30 meetings in total, including nine Board meetings, two work meetings of Independent Directors on annual reports, seven meetings of the Audit Committee, four meetings of the Nomination, Remuneration and Assessment Committee, five meetings of the Development Strategy and Investment Management Committee (which was renamed as the "Development Strategy and ESG Management Committee") and three meetings of the Compliance and Risk Control Committee.

The Independent Directors believed that the operation of the Board and its special committees was in compliance with laws and regulations, and all major issues have undergone thorough discussion and consideration, and the decision-making processes were scientific and efficient, showing that the Board and its special committees were under proper and effective operation, which facilitated the stable and continuous development of the Company.

**13. Other matters that the Independent Directors believe that listed companies need to improve**

The Independent Directors affirmed and agreed with the Company's development strategy and operating conditions, and suggested that the Company should keep up with the regulatory trend, and further strengthen its attention to compliance risk control, data governance, and human resources system, so as to lay a solid foundation for the Company's high-quality development.

**IV. OVERALL EVALUATION AND SUGGESTIONS**

During the reporting period, all the Independent Directors fulfilled their duties in good faith, diligently and independently in accordance with relevant laws and regulations, the Articles of Association, etc., effectively improving the decision-making level of the Board and special committees of the Board, promoting the improvement of corporate governance, and maintaining the legitimate rights and interests of the Company and all the Shareholders.

In 2022, all Independent Directors will continue to perform the duties of Independent Directors conscientiously and diligently regarding all works of the Board and its special committees, maintain the communication and cooperation among the Board, the Supervisory Committee and senior management to facilitate continuous and steady development of the Company, express reasonable opinions and suggestions dutifully and protect the interests of the Company and all Shareholders, especially the interests of minority shareholders.

**Signature of Independent Directors:**

**Zhang Ming, Lam Lee G., Zhu Hongchao and Zhou Yu**

21 June 2022

THE RESOLUTION ON PROJECT ROUTINE RELATED PARTY/CONNECTED  
TRANSACTIONS OF THE COMPANY IN 2022

Dear Shareholders,

The Company has forecasted the routine related party/connected transactions to be conducted in 2022, details of which are as follows:

**I BASIC INFORMATION OF ROUTINE RELATED PARTY/CONNECTED  
TRANSACTIONS****(I) SUMMARY OF ROUTINE RELATED PARTY/CONNECTED TRANSACTIONS**

The Company has been approved by CSRC to engage in securities business and provide trading and intermediary services for securities and other financial products. The transaction counterparties and the target clients may also include related parties/connected persons of the Company. For the purpose of sound management and information disclosure for its related party/connected transactions, the Company, in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the “**Shanghai Stock Exchange Listing Rules**”), the Guidelines No. 5 for the Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange on Transactions and Related Transactions, Hong Kong Listing Rules and requirements of other laws and regulations, as well as the Articles of Association and the Measures Concerning Related Party Transactions Management of the Company, we have forecasted its routine related party/connected transactions to be conducted in 2022 based on the need of its routine operations and business development.

**(II) THE COMPANY'S IMPLEMENTATION OF ROUTINE RELATED  
PARTY/CONNECTED TRANSACTIONS IN 2021****1. Continuing Connected Transactions under the Hong Kong Listing Rules**

Reference was made to the announcement of the Company dated 6 August 2020, pursuant to which, the Company and Shanghai Guosheng Group entered into the securities and financial products transactions and services framework agreement (the “**Continuing Connected Transactions Framework Agreement**”) on 6 August 2020 for a term commencing from 6 August 2020 to 31 December 2022. The Continuing Connected Transactions Framework Agreement provided scope, pricing basis and approval and supervision procedures of the connected transactions and estimated the annual caps for such connected transactions during the three years ending 31 December 2022. Pursuant to the Continuing Connected Transactions Framework Agreement, the Company and its subsidiaries (the “**Group**”) and Shanghai Guosheng Group and its associates will conduct the securities and financial products transactions and the securities and financial services in the course of ordinary business.

For the year ended 31 December 2021, the annual caps and actual transaction amounts of the securities and financial products transactions and the securities and financial services conducted between the Group and Shanghai Guosheng Group and its associates under the Continuing Connected Transactions Framework Agreement are as follows:

*Unit: RMB'0,000*

<b>Transactions</b>	<b>Annual caps for the year ended 31 December 2021</b>	<b>Actual transaction amount for the year ended 31 December 2021</b>
<b>Securities and Financial Products Transactions</b>		
Inflow <sup>(1)</sup>	290,000.00	30,379.98
Outflow <sup>(2)</sup>	540,000.00	49,132.51
<b>Securities and Financial Services</b>		
Total revenue derived from provision of Securities and Financial Services by the Group to Shanghai Guosheng Group and its associates	7,000.00	2,561.76
Total expenses incurred for Securities and Financial Services provided by Shanghai Guosheng Group and its associates to the Group	2,000.00	—

(1) “Inflow” refers to the total amount of cash inflows arising from the Securities and Financial Products Transactions, including the sale of fixed income products and equity products, the interest received from derivatives related to fixed income products and borrowing/repurchase through financing transactions.

(2) “Outflow” refers to the total amount of cash outflows arising from the Securities and Financial Products Transactions, including the purchase of fixed income products and equity products, the interest paid for derivatives related to fixed income products and lending/resale through financing transactions.

The independent non-executive Directors of the Company has reviewed the above continuing connected transactions for the year ended 31 December 2021, and confirmed that such transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the agreements for such transactions, the terms of which are fair and reasonable, and are in the interest of the Shareholders as a whole. The auditor of the Company was engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. Please refer to the annual results announcement of the Company dated 29 March 2022 for further details.

**2. Routine Related Party Transactions under the Shanghai Stock Exchange Listing Rules****(1) Related party transactions with Shanghai Guosheng Group and Shanghai Guosheng Group Assets Co., Ltd.***Unit: RMB'0,000*

Transaction	Transaction amount for the year ended 31 December 2021	% of similar transaction amount of the Group	Remarks
Fee and commission income	340.38	0.00%	Investment banking service fee income charged from related parties
Fee and commission income	15.81	0.00%	Securities trading fee and commission income received from related parties
Net interest income	14.93	0.00%	Net interest income from margin deposits of related parties
Net gains or losses from trading of derivative financial instruments ( <i>note</i> )	-360.28	0.00%	For the year ended 31 December 2021, the amount of notional principal was RMB180 million. As at 31 December 2021, the balance of notional principal was RMB92 million

*Note:* The realized and unrealized investment income generated from trading of derivatives between the related parties as the counterparties and the Company, with losses presented in negative terms.

*Unit: RMB'0,000*

Item	Balance as of 31 December 2021	Percentage to the amount of similar transactions (%)	Remarks
Accounts receivable	58.50	0.00%	Balance of bond underwriting service fees receivable from related parties
Accounts payable to brokerage clients	17,469.89	0.00%	Balance of margin deposits from clients placed by related parties
Accounts payable	9,160.00	1.00%	Balance of margin deposits payable by the Company to related parties on derivative financial instruments
Derivative financial assets	94.92	0.00%	Balance of derivative financial assets generated from trading of derivatives with related parties

- (2) *Related party transactions with companies (other than the Company and its subsidiaries), where the Company's Directors, supervisors and senior management hold positions as directors or senior management, and other related corporate legal persons*

Unit: RMB'0,000

Content of transactions	Transaction amount for the year ended 31 December 2021	Proportion of the same type of transaction (%)	Remarks
Fee and commission income	30,571.87	2.00%	Income from assets management business, income from sales service and income from investment consulting service received from related parties
Net gains or losses from trading of derivative financial instruments ( <i>note</i> )	-4,462.62	0.00%	For the year ended 31 December 2021, the amount of notional principal was RMB11,731 million. As at 31 December 2021, the balance of notional principal was RMB5,666 million.
Fee and commission income	61.02	0.00%	Securities trading fee and commission income received from related parties
Net interest income	8.42	0.00%	Net interest income from margin deposits of related parties
Business and management expenses	16.69	0.00%	Expenses such as fund sales service fees paid to related parties

*Note:* The realized and unrealized investment income generated from trading of derivatives between the related parties as the counterparties and the Company, with losses presented in negative value.

Unit: RMB'0,000

Item	Balance as at 31 December 2021	Proportion of the same type of transaction (%)	Remarks
Accounts payable to brokerage clients	962.39	0.00%	Balance of margin deposits from clients placed by related parties
Accounts receivable	5,251.00	0.00%	Balance of performance fees receivable from related parties
Accounts payable	6.93	0.00%	Service fees balance due to related parties
Derivative financial assets	749.38	1.00%	Balance of derivative financial assets from derivative trading with related parties
Derivative financial liabilities	9,653.00	6.00%	Balance of derivative financial liabilities from derivative trading with related parties

Related corporate legal persons, such as certain securities companies, carried out spot trading with the Company as qualified counterparties. For the year ended 31 December 2021, the accumulated trading volume amounted to RMB2,419 million.

### (III) PROJECTED TRANSACTION AMOUNT AND TRANSACTION TYPE OF THE ROUTINE RELATED PARTY/CONNECTED TRANSACTIONS IN 2022

The Company forecasted the related party/connected transactions for the year of 2022 and the period until the 2022 annual general meeting.

#### (1) Projected related party/connected transactions with Shanghai Guosheng Group and its Associates

Reference was made to the announcement of the Company dated 6 August 2020, the Company and Shanghai Guosheng Group entered into the Continuing Connected Transactions Framework Agreement on 6 August 2020, pursuant to which, the Group and Shanghai Guosheng Group and its associates will conduct the securities and financial product transactions and the securities and financial services in the course of ordinary business. For details of the transaction types and annual caps for each transaction type for the three years ending 31 December 2022, please refer to the announcement of the Company dated 6 August 2020.

**(2) Projected related party transactions with companies (other than the Company and its subsidiaries), where the Company's Directors, supervisors and senior management hold positions as directors or senior management, and other related corporate legal persons**

Type of transaction	Scope of transaction	Caps for and descriptions of projected transaction
Securities and Financial Product Services	Providing securities and futures brokerage services, lease of trading rights, targeted asset management services, asset custody and operation outsourcing services to related parties; providing third-party fund depository services by related parties; agency sale of financial products of related parties; providing underwriting, sponsorship and financial consultation services to related parties; providing stock pledge, margin financing and securities lending services to related parties; providing investment consultation services to related parties; related parties' provision of banking credit, borrowing and other services to the Company; providing financial leasing to related parties; pay dividends to related parties and making joint investment with related parties.	Due to uncertainties of the occurrence and volume of such business, the projected cap will be the actual transaction amount.
Securities and Financial Product Transactions	Resale or repurchase in the interbank market with related parties; conducting bond proprietary trading in the interbank market with related parties; carrying out usufruct transfer with related parties; subscribing for bonds, funds, wealth management products or trust plans issued by related parties; related parties' subscription for funds, asset management plans, wealth management products, over-the-counter derivatives and private placement bonds issued by the Company; conducting transfer of the listed shares in the NEEQ with related parties; making joint investment with related parties.	Due to uncertainties of the occurrence and volume of such business, the projected cap will be the actual transaction amount.

**II BACKGROUND OF THE RELATED PARTIES/CONNECTED PERSONS IN  
RESPECT OF THE RELATED PARTY/CONNECTED TRANSACTIONS IN 2022****1. Shanghai Guosheng Group and its Associates**

Shanghai Guosheng Group is a large state-owned investment holding company focusing on capital operation, which was established in April 2007. As at 31 December 2021, Shanghai Guosheng Group and its wholly-owned subsidiary Shanghai Guosheng Group Assets Co., Ltd. in aggregate held approximately 10.38% equity interest of the Company. According to the Rule 6.3.3 (4) of the Shanghai Stock Exchange Listing Rules, Shanghai Guosheng Group and its wholly-owned subsidiary Shanghai Guosheng Group Assets Co., Ltd. constitute related parties of the Company. Shanghai Guosheng Group and its associates constitute connected persons of the Company pursuant to Rules 14A.07(1) and (4), and 14A.13 of the Hong Kong Listing Rules.

**2. Other related companies**

Pursuant to Rule 6.3.3 (3) of the Shanghai Stock Exchange Listing Rules, in the event that the directors, supervisors and senior management of the Company hold the positions of directors or senior management of a company (other than the Company and its holding subsidiaries), such companies will constitute the related parties of the Company, but do not constitute a connected person of the Company under the Hong Kong Listing rules.

**III PRICE DETERMINATION PRINCIPLES****(1) Securities and financial products and services**

It mainly includes but not limited to the following services arising from relevant business: fee charged from securities brokerage on behalf of client, sales and service fees of securities and financial products, entrusted assets management fee and performance-based compensation, investment consulting fee, underwriting fees of investment banks, financial advisory fees, accounts receivable, and accounts payable etc., which shall be determined with reference of market price, industry practice and prices determined by the third party.

**(2) Trading in securities and financial products**

It mainly includes but not limited to the following transactions arising from relevant business: interest income from security deposits, income from investments, and trading financial assets etc., which shall be determined with reference to market price, industry practice and prices determined by the third party.

The above routine related party transactions will not prejudice the interests of the Company and its shareholders, especially its minority shareholders.

**IV REASONS OF THE TRANSACTIONS AND IMPACT ON THE COMPANY**

- (1) The above related party/connected transactions are conducted in the ordinary course of the Company's business and will generate a stream of recurring revenue for the Company, which promotes the development of the Company's business, and has no material impact on the normal operations of the Company.
- (2) The above related party/connected transactions are fair, and the prices under these transactions is made with reference to the market price, therefore without prejudicing the interest of the Company and its shareholders as a whole.
- (3) The above related party/connected transactions do not prejudice the independence of the Company as the principal business of the Company does not rely on the related parties/connected persons as a result of the above related party /connected transactions.

**V IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

Shanghai Guosheng Group constitutes a connected person of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. Therefore, the transactions entered into between the Group and Shanghai Guosheng Group and its associates constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. The Company has entered into the Continuing Connected Transactions Framework Agreement with Shanghai Guosheng Group on 6 August 2020, and complied with reporting, announcement and annual review requirements under the Hong Kong Listing Rules. For further details, please refer to the announcement of the Company dated 6 August 2020 and the annual results announcement of the Company dated 29 March 2022, respectively.

The Company is required by the applicable laws and regulations of People's Republic of China to seek the approval of its shareholders with respect to the above related party transactions. Relevant resolutions will be proposed to the shareholders for voting at the general meeting of the Company. A circular containing, among other things, details of the above resolution, together with the notice of the general meeting, will be despatched to the shareholders of the Company in due course.

If any of the above related party transactions constitute a connected transaction under Chapter 14A of the Hong Kong Listing Rules or no longer be exempted, the Company will strictly comply with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules (including without limitation, reporting, announcement, annual review and independent shareholders' approval requirements).

**VI THE CONSIDERATION PROCEDURES OF RELATED PARTY/CONNECTED  
TRANSACTION**

1. The Audit Committee of the Board of the Company has conducted a preliminary review of the Proposal regarding Projected Routine Related Party/Connected Transactions of the Company in 2022, and has agreed to submit it to the Board for consideration.
2. All Independent Non-Executive Directors of the Company have reviewed the Proposal regarding the Projected Routine Related Party/Connected Transactions of the Company in 2022 and have issued pre-accepted opinions and independent opinions. They are of the view that all projected related party/connected transactions will be conducted in the ordinary course of business of the Company. The transactions will be performed at fair prices without prejudice to the interests of the Company and minority shareholders. Such transactions are in line with the Company's actual needs and will promote its business growth and long-term development.
3. The 25th meeting of the seventh session of the Board of the Company has approved the Proposal regarding the Projected Routine Related Party/Connected Transactions of the Company in 2022.

Each of the aforesaid related party/connected transactions will be submitted to the general meeting for consideration, and related party/connected shareholders shall abstain from voting.

**Board of Directors of  
Haitong Securities Co., Ltd.**  
21 June 2022

Dear Shareholders,

In order to satisfy the need of onshore and offshore business development of the Company, further implement the strategy of conglomeration and internationalisation, and seize the market opportunities to make debt financing successfully and replenish working capital in a timely manner, general mandate will be granted to the Company to issue onshore and offshore debt financing instruments. Details are as follows:

**(1) ISSUER, METHODS AND SIZE OF ISSUANCE**

The Company or its subsidiaries (hereinafter including wholly-owned and controlled subsidiaries) will act as the issuer of the onshore and offshore debt financing instruments. The onshore and offshore debt financing instruments shall be issued on a one-off or multiple issuances or multi-tranche issuances basis through public offering or private placement to investors onshore and offshore, upon approval by, filing with or recognition by relevant regulatory authorities in accordance with relevant rules and regulations. The aggregate issue size of the onshore and offshore debt financing instruments shall be no more than 400% of the audited net asset value of the Company as at the end of the latest period (based on the balance outstanding on the instruments issued and, in the case of an instrument denominated in foreign currency, based on the median exchange rate published by the People's Bank of China on the date of issuance), and shall be in compliance with the requirements prescribed in the relevant laws and regulations on the maximum amount of the specific debt financing instruments to be issued.

**(2) TYPE**

Corporate bonds, short-term corporate bonds, financial bonds, subordinated bonds, perpetual bonds, short-term financing bonds, ultra-short-term financing bonds, asset-backed securities (notes), income certificate, transfer of income rights, loans (including but not limited to bank loans and syndicated loans, etc.) issued onshore and other onshore debt financing instruments as approved by, filed with or recognised by the regulatory authorities and other relevant departments in accordance with relevant rules and regulations; foreign currency or offshore Renminbi denominated bonds, subordinated bonds, and public offering bonds and private placement bonds issued under the medium-term note plans, notes (including but not limited to commercial notes), perpetual bonds, loans (including but not limited to bank loans and syndicated loans, etc.) issued overseas and other offshore debt financing instruments as approved by, filed with or recognised by the regulatory authorities and other relevant departments in accordance with relevant rules and regulations.

The onshore and offshore debt financing instruments in this resolution do not contain the provisions for the conversion of shares, and the specific type and liquidation status are determined in accordance with the relevant regulations and the market conditions at the time of issuance.

**(3) TERM**

The term of the fixed-term onshore and offshore debt financing instruments shall be no longer than 15 years (inclusive). It may have a single term or hybrid type with multiple maturities; the non-fixed-term onshore and offshore debt financing instruments are not subject to the aforementioned requirement in respect of the term.

**(4) INTEREST RATE**

The onshore and offshore debt financing instruments may be of fixed interest rate and/or floating interest rate, and the interest rate for the issuance of the onshore and offshore debt financing instruments as well as the method of calculation and payment thereof may be determined based on the then prevailing market conditions at the time of such issuance and in accordance with relevant rules.

**(5) ISSUE PRICE**

The issue price of the onshore and offshore debt financing instruments shall be determined based on the then prevailing market conditions at the time of issuance and relevant laws and in accordance with regulations.

**(6) SECURITY AND OTHER CREDIT ENHANCEMENT ARRANGEMENTS**

According to the characteristics of the debt financing instruments issued and the needs of issuance, internal and external credit enhancement mechanisms may be adopted, including but not limited to third-party (counter) guarantee, commercial insurance, asset mortgage, pledge guarantee, support letter, etc. The specific security and other credit enhancement arrangements may be determined based on the characteristics of the onshore and offshore debt financing instruments and the issuance needs in accordance with the laws.

**(7) USE OF PROCEEDS**

The proceeds raised from the issuance of onshore and offshore debt financing instruments shall be used for business operation of the Company, improvement of its debt structure, repayment of its debts when due, replenishing working capital and/or project investment as permitted by the laws and/or regulations and regulatory authorities.

**(8) TARGET SUBSCRIBERS AND ARRANGEMENTS ON PLACEMENT TO SHAREHOLDERS OF THE COMPANY**

The target subscribers of the onshore and offshore debt financing instruments of the Company shall be the qualified investors. The debt financing instruments issued by the Company may be placed to the shareholders of the Company and the specific placement arrangements (including whether to make such placement and the proportion of placement, etc.) shall be determined in accordance with the then prevailing market conditions and other specific matters related to the issuance and applicable laws.

**(9) GUARANTEE MEASURES FOR REPAYMENT**

In the event they expect that the Company is unable to repay the principal and interests of the onshore and offshore debt financing instruments as scheduled, or the Company fails to repay the principal and interests of the onshore and offshore debt financing instruments when they become due, at least the following measures shall be adopted: ① no dividend shall be distributed to the shareholders; ② suspend the implementation of projects that incur capital expenditure such as material external investments, acquisitions and mergers; ③ payment of salary and bonus of the directors and senior management of the Company shall be adjusted, reduced or ceased; ④ key personnel responsible for such event shall not be allowed for re-designation.

**(10) AUTHORISATION FOR ISSUANCE OF ONSHORE AND OFFSHORE DEBT FINANCING INSTRUMENTS OF THE COMPANY**

To ensure effective coordination of the issuance of onshore and offshore debt financing instruments and other matters in connection with the issuance, a resolution will be proposed at the general meeting to authorise the Board, and agree the Board in turn to further authorise the chairman and the general manager of the Company (the “Authorised Representatives”) to jointly and severally deal with, at its/their sole discretion, all matters in connection with the issuance of onshore and offshore debt financing instruments in accordance with the relevant laws and regulations as well as the advice and recommendations from regulatory authorities, within the framework and under the principles approved at the general meeting, in order to maximise the interest of the Company, including but not limited to:

- ① formulation and adjustment of the details of the proposal for issuance of onshore and offshore debt financing instruments in accordance with the applicable laws, regulations and relevant provisions from regulatory authorities as well as resolutions passed at the general meeting of the Company, and based on the actual conditions of the Company and the specific conditions of the relevant debt market, including but not limited to, the determination of the suitable issuer(s), timing of issue, details of issue size and method, terms of issue, target subscribers, maturity, whether to issue on a one-off, multiple issuances, multi-tranche issuances or multiple-category issuances basis and, if on multiple issuances, multi-tranche issuances or multiple-category issuances basis, the issue size and term of each issuance, tranche and category, the methods in which the nominal value and interest rate are determined, currency (including offshore Renminbi), pricing method, issuance arrangements, credit enhancement arrangements including letter of guarantee, mortgage or pledge, rating arrangement, details of subscription method, whether to incorporate terms of repurchase or redemption, details of placement arrangements, use of proceeds, registration, listing of onshore and offshore debt financing instruments and place of listing, measures to mitigate repayment risks, measures to ensure debt repayment (if applicable), etc. and all matters in connection with the issuance of onshore and offshore debt financing instruments;

- ② determining and engaging intermediary agency, signing, implementing, amending and completing all agreements and documents relating to the issuance of onshore and offshore debt financing instruments, including but not limited to, the sponsor agreement, underwriting agreement, credit enhancement agreements such as guarantee agreement, mortgage or pledge agreements, bond indenture, engagement letter with intermediary agency, trust agreement, settlement management agreement, registration and custody agreement, listing agreement and other legal documents, etc., and disclosing the relevant information in accordance with the relevant laws, regulations and the listing rules of the stock exchanges on which the Company's securities are listed (including but not limited to, the preliminary and final offering memoranda of the debt financing instruments, and all announcements and circulars, etc. in relation to the issuance of onshore and offshore debt financing instruments);
- ③ selecting and engaging trustee manager(s) and settlement manager(s) for the issuance of onshore and offshore debt financing instruments, signing the trustee agreement(s) and settlement management agreement(s) and (if applicable), formulating rules for meetings of the holders of the debt financing instruments;
- ④ undertaking all applications and filings as well as listing matters (if applicable) in connection with the issuance of onshore and offshore debt financing instruments, including but not limited to, preparing, revising and submitting relevant application and filing materials relating to the issuance and listing of the onshore and offshore debt financing instruments and application and filing materials in respect of credit enhancement agreements such as (counter) guarantee, mortgage or pledge, letter of support to be provided by the Company, the issuer(s) and/or third party(ies), and signing the relevant application and filing documents and other legal documents;
- ⑤ making relevant adjustments to matters relating to the issuance of onshore and offshore debt financing instruments according to the advice of regulatory authorities and changes in the policies or the changes in market conditions, or determining whether to continue with all or part of the work in respect of the issuance of onshore and offshore debt financing instruments in accordance with the actual conditions, unless re-approval by the shareholders at general meeting is otherwise required pursuant to the relevant laws, regulations and the articles of association of the Company;
- ⑥ dealing with other relevant matters in connection with the issuance of onshore and offshore debt financing instruments;

- ⑦ the term of the authorisation shall be valid for a period commencing from the date of passing of such resolution at the general meeting to the convening date of the annual general meeting for 2024. Where the Board and/or its Authorised Representatives have, during the term of the authorisation, decided the issuance or partial issuance of onshore and offshore debt financing instruments, and provided that the Company has also, during the term of the authorisation, obtained the approval or license from or completed filing or registration (if applicable) with regulatory authorities on the issuance, the Company may, during the validity period of such approval, license, filing or registration, complete the issuance or relevant partial issuance of debt financing instruments. For the matters in relation to the issuance or partial issuance, the abovementioned term of the authorization shall be extended to the date of completion of such issuance or partial issuance.

**(11) VALIDITY PERIOD OF RESOLUTION**

The resolution shall be valid for a period commencing from the date of passing of such resolutions at the general meeting to the convening date of the annual general meeting for 2024.

The above resolution is hereby proposed for consideration and approval at the general meeting.

**Board of Directors of  
Haitong Securities Co., Ltd.**

21 June 2022

## Comparison Chart of Amendments to Articles of Association and Appendices Thereof

Original article	To be amended as	Basis
<b>CHAPTER TWO OBJECTIVES AND SCOPE OF OPERATION</b>		
<p><b>Article 12</b></p> <p>The objectives of the operation of the Company: to insist on the “practical, developing, sound, stable and outstanding” operation concepts, to serve national strategies with a global vision and Chinese wisdom, and to provide customers with global comprehensive financial solutions. With the mission of building a world-class investment bank, the Company builds itself into a first-class investment banking model in China with international influences.</p> <p>The Company implements the industrial culture of “compliance, integrity, professional and steadiness” in its operation and management, leads its development with correct views on values, risks and development and improves its services to help build a regulated, transparent, open, energetic and resilient capital market.</p>	<p><b>Article 12</b></p> <p>The objectives of the operation of the Company: to insist on the “practical, developing, sound, stable and outstanding” operation concepts, to serve national strategies with a global vision and Chinese wisdom, and to provide customers with global comprehensive financial solutions. With the mission of building a world-class investment bank, the Company builds itself into a first-class investment banking model in China with international influences.</p> <p>The Company <u>adheres to manage enterprises according to the law</u> and implements the industrial culture of “compliance, integrity, professional and steadiness” in its operation and management, leads its development with correct views on values, risks and development and improves its services to help build a regulated, transparent, open, energetic and resilient capital market.</p>	<p>Article 6 of the Notice on Issuing of requirement for the chief officer of Municipal State-Owned Assets Supervision and Administration Commission to perform the duties as principal responsible officer for promoting legal governance and general legal construction (Hu Guo Zi Dang Wei [2021] No. 121)</p>
<p><b>Article 13</b></p> <p>As registered according to the laws, the scope of operation of the Company shall be: securities brokerage; securities proprietary business; securities underwriting and sponsoring; securities investment advisory; consultation related to securities transactions and securities investment activities; <del>direct investment business</del>; securities investment fund consignment; provision of intermediary introduction business for the futures companies; securities lending and borrowing business; agency sales of financial products; stock options market making business; and other businesses approved by the CSRC.</p> <p>According to laws, administrative regulations and relevant regulatory requirements, the Company may set up private equity investment funds subsidiaries and alternative investment subsidiaries to engage in private equity investment funds and alternative investments.</p>	<p><b>Article 13</b></p> <p>As registered according to the laws, the scope of operation of the Company shall be: securities brokerage; securities proprietary business; securities underwriting and sponsoring; securities investment advisory; consultation related to securities transactions and securities investment activities; securities investment fund consignment; provision of intermediary introduction business for the futures companies; securities lending and borrowing business; agency sales of financial products; stock options market making business; <u>securities investment fund custody</u>; and other businesses approved by the CSRC.</p> <p>According to laws, administrative regulations and relevant regulatory requirements, the Company may set up private equity investment funds subsidiaries and alternative investment subsidiaries to engage in private equity investment funds and alternative investments.</p>	<p>Article 14 of the Measures for the Administration of Securities Investment Fund Custody Business and the actual situation of the Company</p>

Original article	To be amended as	Basis
<b>CHAPTER FOUR SHAREHOLDERS, EQUITY OWNERSHIP MANAGEMENT AND SHAREHOLDERS' GENERAL MEETING</b>		
<b>Article 66</b>  The controlling shareholders and beneficial controller of the Company shall not exploit their connected relationship with the Company to harm the interests of the Company. <i>In the case</i> of having violated such provision and caused damage to the company, they are liable for compensation.	<b>Article 66</b>  The controlling shareholders and beneficial controller of the Company shall not exploit their connected relationship with the Company to harm the interests of the Company. In the case of having violated such provision <i>and caused</i> damage to the company, they are liable for compensation.	Article 40 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)
<b>Article 75</b>  The shareholders' general meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with law: <ul style="list-style-type: none"> <li>(i) to decide on the operating policies and investment plans of the Company;</li> <li>(ii) to elect and remove Directors and Supervisors (not being staff representatives), and to fix the remuneration of the relevant Directors and Supervisors;</li> <li>(iii) to examine and approve the reports of the Board;</li> <li>(iv) to examine and approve the reports of the Supervisory Committee;</li> <li>(v) to examine and approve the annual report of the Company;</li> <li>(vi) to examine and approve the proposed annual financial budgets and final accounts of the Company;</li> <li>(vii) to examine and approve the profit distribution plans and loss recovery plans of the Company;</li> <li>(viii) to adopt resolutions on any increment or reduction of registered capital of the Company and issue any type of shares, warrants and other similar securities;</li> <li>(ix) to adopt resolutions on any issuance of bonds of the Company;</li> </ul>	<b>Article 75</b>  The shareholders' general meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with law: <ul style="list-style-type: none"> <li>(i) to decide on the operating policies and investment plans of the Company;</li> <li>(ii) to elect and remove Directors and Supervisors (not being staff representatives), and to fix the remuneration of the relevant Directors and Supervisors;</li> <li>(iii) to examine and approve the reports of the Board;</li> <li>(iv) to examine and approve the reports of the Supervisory Committee;</li> <li>(v) to examine and approve the annual report of the Company;</li> <li>(vi) to examine and approve the proposed annual financial budgets and final accounts of the Company;</li> <li>(vii) to examine and approve the profit distribution plans and loss recovery plans of the Company;</li> <li>(viii) to adopt resolutions on any increment or reduction of registered capital of the Company and issue any type of shares, warrants and other similar securities;</li> <li>(ix) to adopt resolutions on any issuance of bonds of the Company;</li> </ul>	Article 41 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)

Original article	To be amended as	Basis
(x) to adopt resolutions on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;	(x) to adopt resolutions on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;	
(xi) to amend the Articles of Association;	(xi) to amend the Articles of Association;	
(xii) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms;	(xii) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms;	
(xiii) to examine and approve matters relating to security under Article 76;	(xiii) to examine and approve matters relating to security under Article 76;	
(xiv) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 15% the Company's latest audited total assets;	(xiv) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 15% the Company's latest audited total assets;	
(xv) to examine and approve the change of the purpose for raising funds;	(xv) to examine and approve the change of the purpose for raising funds;	
(xvi) to examine and approve an application of funds for external investment, the value of which reaches or exceeds 10% of the latest audited net assets of the Company;	(xvi) to examine and approve an application of funds for external investment, the value of which reaches or exceeds 10% of the latest audited net assets of the Company;	
(xvii) According to Listing rules of shares on the Shanghai Stock Exchange, to examine and approve the connected transactions which shall be examined by the shareholders' general meeting, that is, the total amount of the connected transactions between the Company and its connected parties exceeding 30 million and the connected transactions taking more than 5% of the latest audited net assets of the Company;	(xvii) According to Listing rules of shares on the Shanghai Stock Exchange, to examine and approve the connected transactions which shall be examined by the shareholders' general meeting, that is, the total amount of the connected transactions between the Company and its connected parties exceeding 30 million and the connected transactions taking more than 5% of the latest audited net assets of the Company;	

Original article	To be amended as	Basis
<p>(xviii) According to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), to examine and approve the connected transactions which shall be approved by the independent shareholders (that is, those who are not interested in the relevant connection transactions). The connected transactions of the Company shall be conducted on normal commercial terms. The connected transactions are usually classified as the one-off connected transactions and the continuing connected transactions. Except when the relevant exemption provisions of the Hong Kong Listing Rules apply, such as, (1) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 5%, and the total consideration (in terms of the one-off connected transaction) or the annual connected transactions (in terms of the continuing connected transactions) reaches or exceeds HK\$10 million, (2) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 25%; or (3) in the event that the Company (excluding its subsidiaries issue new shares to the connected party, then the transaction shall be approved by the independent shareholders. In particular, the asset</p>	<p>(xviii) According to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), to examine and approve the connected transactions which shall be approved by the independent shareholders (that is, those who are not interested in the relevant connection transactions). The connected transactions of the Company shall be conducted on normal commercial terms. The connected transactions are usually classified as the one-off connected transactions and the continuing connected transactions. Except when the relevant exemption provisions of the Hong Kong Listing Rules apply, such as, (1) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 5%, and the total consideration (in terms of the one-off connected transaction) or the annual connected transactions (in terms of the continuing connected transactions) reaches or exceeds HK\$10 million, (2) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 25%; or (3) in the event that the Company (excluding its subsidiaries issue new shares to the connected party, then the transaction shall be approved by the independent shareholders. In particular, the asset</p>	

Original article	To be amended as	Basis
<p>ratio refers to the total value of the assets involved in the connected transactions divided by the total value of the assets of the Company; the return ratio refers to the return ratio attributable to the connected transactions in the assets involved divided by the return of the Company; the consideration ratio refers to the relevant consideration divided by the total market value of the Company; the equity ratio refers to par value of the share capital issued as the consideration divided by the par value of the share capital issued by the Company prior to the connected transaction. The foregoing statements are for reference only, and shall not replace or revise to any extent the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions. The Company shall comply with the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions.</p> <p>(xix) to examine the implementation schemes on the mechanism for long-term effective incentives;</p> <p>(xx) to examine and approve the proposal submitted by the individual shareholder or the shareholders collectively holding more than 3% (including 3%) of the Company's voting shares;</p> <p>(xxi) to resolve on the repurchase of the Company's shares as prescribed under items (I) and (II) of Article 28 of the Articles of Association;</p>	<p>ratio refers to the total value of the assets involved in the connected transactions divided by the total value of the assets of the Company; the return ratio refers to the return ratio attributable to the connected transactions in the assets involved divided by the return of the Company; the consideration ratio refers to the relevant consideration divided by the total market value of the Company; the equity ratio refers to par value of the share capital issued as the consideration divided by the par value of the share capital issued by the Company prior to the connected transaction. The foregoing statements are for reference only, and shall not replace or revise to any extent the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions. The Company shall comply with the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions.</p> <p>(xix) to examine the implementation schemes on the mechanism for long-term effective incentives, <u>such as equity incentive scheme and employee shareholding plan</u>;</p> <p>(xx) to examine and approve the proposal submitted by the individual shareholder or the shareholders collectively holding more than 3% (including 3%) of the Company's voting shares;</p> <p>(xxi) to resolve on the repurchase of the Company's shares as prescribed under items (I) and (II) of Article 28 of the Articles of Association;</p>	

Original article	To be amended as	Basis
<p>(xxii) to examine other matters required by laws, administrative regulations, departmental rules or the Articles of Association to be resolved by the shareholders' general meeting.</p> <p>For matters to be decided at shareholders' general meeting as prescribed by laws, administrative regulations and the Articles, such matters have to be reviewed at shareholders' general meeting so as to ensure that the shareholders of the Company have a right to decide over those matters. When it is deemed necessary and reasonable, in relation to resolutions that have been made but their relevant specific matters cannot be decided upon during the shareholders' general meeting, the shareholders' general meeting may authorise the Board to decide upon such matters within the scope of authorisation of the shareholders' general meeting subject to the applicable laws, regulations and the Articles.</p>	<p>(xxii) to examine other matters required by laws, administrative regulations, departmental rules or the Articles of Association to be resolved by the shareholders' general meeting.</p> <p>For matters to be decided at shareholders' general meeting as prescribed by laws, administrative regulations and the Articles, such matters have to be reviewed at shareholders' general meeting so as to ensure that the shareholders of the Company have a right to decide over those matters. When it is deemed necessary and reasonable, in relation to resolutions that have been made but their relevant specific matters cannot be decided upon during the shareholders' general meeting, the shareholders' general meeting may authorise the Board to decide upon such matters within the scope of authorisation of the shareholders' general meeting subject to the applicable laws, regulations and the Articles.</p>	

Original article	To be amended as	Basis
<p><b>Article 76</b></p> <p>The Company shall not provide any finance or guarantee for the shareholders or related parties of the shareholders, except for securities lending and borrowing business provided by the Company to customers according to provisions. The provision of security to external parties by the Company in the following situations shall be subject to the review and approval at the shareholders' general meeting:</p> <p>(i) any security after the total amount of security to the external parties by the Company and its subsidiaries has <del>reached or</del> exceeded 50% of the Company's latest audited net assets;</p> <p>(ii) any security after the total amount of security to the external parties by the Company has <del>reached or</del> exceeded 30% of the Company's latest audited total assets;</p> <p>(iii) a security to be provided in favour of an object which has an asset-liability ratio in excess of 70%;</p> <p>(iv) a single security in excess of 10% of the Company's latest audited net assets.</p>	<p><b>Article 76</b></p> <p>The Company shall not provide any finance or guarantee for the shareholders or related parties of the shareholders, except for securities lending and borrowing business provided by the Company to customers according to provisions. The provision of security to external parties by the Company in the following situations shall be subject to the review and approval at the shareholders' general meeting:</p> <p>(i) any security after the total amount of security to the external parties by the Company and its subsidiaries has exceeded 50% of the Company's latest audited net assets;</p> <p>(ii) any security after the total amount of security to the external parties by the Company <del>and its subsidiaries has</del> exceeded 30% of the Company's latest audited total assets;</p> <p><u>(iii) any security after the total amount of security has exceeded 30% of the Company's latest audited total assets pursuant to the cumulative calculation principle of security amount within 12 consecutive months;</u></p> <p><u>(iv) a security to be provided in favour of an object which has an asset-liability ratio in excess of 70%;</u></p> <p><u>(v) a single security in excess of 10% of the Company's latest audited net assets.</u></p> <p><u>(vi) other security provided by the laws and regulations or the Listing Rules.</u></p> <p><u>In the event of violation of the approval authorities or review procedures of the general meeting and the Board on providing external guarantees stipulated in these Articles of Association, the Company shall pursue legal actions against or seek monetary compensation from the relevant responsible person(s) depending on the materiality of such violation.</u></p>	<p>Article 42 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p> <p>Rule 6.1.1 of Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in January 2022)</p>

Original article	To be amended as	Basis
<p><b>Article 83</b></p> <p>Where the Supervisory Committee or shareholders decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall send a written notice to the Board, and file the same with <del>the local office of China Securities Regulatory Commission, and the stock exchange at the place where the Company is located</del> for record.</p> <p>The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the shareholders' general meeting.</p> <p>The convening shareholders shall submit relevant evidence to <del>the local office of China Securities Regulatory Commission and the stock exchange at the place where the Company is located</del> upon the issuance of the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.</p>	<p><b>Article 83</b></p> <p>Where the Supervisory Committee or shareholders decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall send a written notice to the Board, and file the same with the stock exchange for record.</p> <p>The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the shareholders' general meeting, <u>and shall undertake that its shareholding will be no less than 10% during the period from the date of the proposal to convene the general meeting to the date of the general meeting.</u></p> <p>The convening shareholders shall submit relevant evidence to the stock exchange upon the issuance of the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.</p>	<p>Article 50 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p> <p>Article 10 of the Rules for the Shareholders' Meetings of Listed Companies (2022 Revision)</p> <p>Rule 4.22 of Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in January 2022)</p>
<p><b>Article 84</b></p> <p>The Board and the secretary to the Board shall coordinate with respect to matters relating to a shareholders' general meeting convened by the Supervisory Committee or the shareholders by itself/themselves. The Board <del>shall</del> provide the register of shareholders on the record date of the equity.</p>	<p><b>Article 84</b></p> <p>The Board and the secretary to the Board shall coordinate with respect to matters relating to a shareholders' general meeting convened by the Supervisory Committee or the shareholders by itself/themselves. The Board <u>will</u> provide the register of shareholders on the record date of the equity.</p>	<p>Article 51 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<p><b>Article 87</b></p> <p>The Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to submit proposed resolutions to the Company for a shareholders' general meeting of the Company.</p> <p>The shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit extra proposed resolutions in writing to the convener of a shareholders' general meeting in writing 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such extra proposed resolutions within 2 days after receipt thereof.</p> <p>Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposed resolutions set out in the notice of the meeting or add any new proposed resolutions subsequent to the issue of the notice of the shareholders' general meeting.</p> <p>Motions which are not specified in the notice of the shareholders' general meeting or which do not comply with Article 75 of the Articles of Association shall not be voted and resolved at the shareholders' general meeting and become resolutions.</p>	<p><b>Article 87</b></p> <p>The Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to submit proposed resolutions to the Company for a shareholders' general meeting of the Company.</p> <p>The shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit extra proposed resolutions in writing to the convener of a shareholders' general meeting in writing 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such extra proposed resolutions within 2 days after receipt thereof. <u>Where qualified shareholders submit extra proposed resolutions, his/her shareholding ratio shall not be less than 3% during the period from the issuance of the notice of such extra proposed resolutions to the announcement of the resolutions of the meeting.</u></p> <p>Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposed resolutions set out in the notice of the meeting or add any new proposed resolutions subsequent to the issue of the notice of the shareholders' general meeting.</p> <p>Motions which are not specified in the notice of the shareholders' general meeting or which do not comply with Article 75 of the Articles of Association shall not be voted and resolved at the shareholders' general meeting and become resolutions.</p>	<p>Article 2.1.4 of the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standardized Operation</p>

Original article	To be amended as	Basis
<p><b>Article 89</b></p> <p>The notice of the shareholders' general meeting shall be made in writing and include the following contents:</p> <p>(i) the time and place of the meeting and its duration.</p> <p>(ii) the matters and motions for consideration and examination at the meeting. The notice of the shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions. For those items proposed for discussion requiring the opinions of Independent Directors, the notice of shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of Independent Directors.</p> <p>(iii) to provide the shareholders with such information and explanation which are necessary for the shareholders to make an informed decision on the proposals put before them. This principle shall include (but not limited to), where a proposal is made by the Company for merger, repurchase of shares, restructure of share capital, or reorganisation of the Company in any other way, the specific terms of the proposed conditions and contract, if any, and its cause and effect shall be conscientiously explained.</p>	<p><b>Article 89</b></p> <p>The notice of the shareholders' general meeting shall be made in writing and include the following contents:</p> <p>(i) the time and place of the meeting and its duration.</p> <p>(ii) the matters and motions for consideration and examination at the meeting. The notice of the shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions. For those items proposed for discussion requiring the opinions of Independent Directors, the notice of shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of Independent Directors.</p> <p>(iii) to provide the shareholders with such information and explanation which are necessary for the shareholders to make an informed decision on the proposals put before them. This principle shall include (but not limited to), where a proposal is made by the Company for merger, repurchase of shares, restructure of share capital, or reorganisation of the Company in any other way, the specific terms of the proposed conditions and contract, if any, and its cause and effect shall be conscientiously explained.</p>	<p>Article 21 of the Rules for the Shareholders' Meetings of Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<p>(iv) to contain a disclosure of the nature and extent, if any, of the material interests if any Director, Supervisor, general manager and other senior management members are materially interested in the matters for discussion. If the effects of the matters for discussion on them in their respective capacity as shareholders are different from the effects on the effects of other shareholders of the same class, the difference shall be set out.</p> <p>(v) to contain the full text of any special resolution intended to be proposed at the meeting.</p> <p>(vi) to specify the time and venue for serving the proxy forms for the meeting.</p> <p>(vii) to contain a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company.</p> <p>(viii) to specify the record date of equity of shareholders entitled to attend the shareholders' general meeting.</p> <p>(ix) to specify the name and telephone number of the standing contact person of the Meeting.</p> <p>(x) to specify expressly in the notice of the shareholders' general meeting the time of online voting and the voting procedure <del>if the shareholders' general meeting adopts the online voting or other means of voting.</del></p> <p>The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall not exceed 7 working days. Once the shareholding record date is confirmed, it shall not be altered.</p>	<p>(iv) to contain a disclosure of the nature and extent, if any, of the material interests if any Director, Supervisor, general manager and other senior management members are materially interested in the matters for discussion. If the effects of the matters for discussion on them in their respective capacity as shareholders are different from the effects on the effects of other shareholders of the same class, the difference shall be set out.</p> <p>(v) to contain the full text of any special resolution intended to be proposed at the meeting.</p> <p>(vi) to specify the time and venue for serving the proxy forms for the meeting.</p> <p>(vii) to contain a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company.</p> <p>(viii) to specify the record date of equity of shareholders entitled to attend the shareholders' general meeting.</p> <p>(ix) to specify the name and telephone number of the standing contact person of the Meeting.</p> <p>(x) to specify expressly in the notice of the shareholders' general meeting the time of online voting and the voting procedure <u>or by other means by the Company.</u></p> <p>The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall not exceed 7 working days. Once the shareholding record date is confirmed, it shall not be altered.</p>	

Original article	To be amended as	Basis
<p><b>Article 94</b></p> <p>The Board and other convener shall take necessary measures to ensure the good order of the shareholders' general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and punishment.</p>	<p><b>Article 94</b></p> <p><u>The shareholders' general meetings of the Company shall be held onsite at the location, and online voting shall be provided for its shareholders by the Company to conveniently participate in the shareholders' general meetings. Shareholders participating in the shareholders' general meetings by any aforesaid means shall be deemed as present.</u></p> <p>The Board and other convener shall take necessary measures to ensure the good order of the shareholders' general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and punishment.</p>	<p>Article 45 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<p><b>Article 115</b></p> <p>The following matters shall be approved by special resolutions of a shareholders' general meeting:</p> <p>(i) the increment or reduction of the Company registered capital and the issue of any class of shares, warrants and other similar securities of the Company;</p> <p>(ii) the issue of corporate bonds;</p> <p>(iii) any spin-off, merger, dissolution or liquidation;</p> <p>(iv) the amendments to the Articles of Association;</p> <p>(v) purchase or disposal of material assets or provision of security by the Company within 1 year which involves an amount exceeding 15% of the Company's latest audited total assets;</p> <p>(vi) repurchase of the Company's shares under circumstances as prescribed under items (I), (II) of Article 28 in the Articles of Association;</p> <p>(vii) Implementation of the Scheme for long-term incentives mechanism;</p> <p>(viii) such other matters as may be required by laws, administrative regulations or the Articles of Association or which, pursuant to ordinary resolutions passed at the shareholders' general meeting, are considered to have material effects on the Company and require approval by special resolutions.</p>	<p><b>Article 115</b></p> <p>The following matters shall be approved by special resolutions of a shareholders' general meeting:</p> <p>(i) the increment or reduction of the Company registered capital and the issue of any class of shares, warrants and other similar securities of the Company;</p> <p>(ii) the issue of corporate bonds;</p> <p>(iii) any spin-off, <u>division</u>, merger, dissolution or liquidation;</p> <p>(iv) the amendments to the Articles of Association;</p> <p>(v) purchase or disposal of material assets or provision of security by the Company within 1 year which involves an amount exceeding 15% of the Company's latest audited total assets;</p> <p>(vi) repurchase of the Company's shares under circumstances as prescribed under items (I), (II) of Article 28 in the Articles of Association;</p> <p>(vii) Implementation of the Scheme for long-term incentives mechanism <u>such as equity incentive scheme and employee shareholding plan</u>;</p> <p>(viii) such other matters as may be required by laws, administrative regulations or the Articles of Association or which, pursuant to ordinary resolutions passed at the shareholders' general meeting, are considered to have material effects on the Company and require approval by special resolutions.</p>	<p>Articles 41 and 78 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<p><b>Article 116</b></p> <p>Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.</p> <p>Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p>	<p><b>Article 116</b></p> <p>Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.</p> <p>Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p> <p><u>Shareholders purchase the voting shares of the Company in violation of Paragraph 1 and Paragraph 2 of Article 63 of the Securities Law, they shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such shares shall not be counted into the total number of voting shares present at the shareholders' general meeting.</u></p>	<p>Article 79 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p> <p>Article 31 of the Rules for the Shareholders' Meetings of Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<p>The Board, Independent Directors, shareholders holding more than 1% of voting shares, or investor protection institutions established according to laws, administrative regulations or provisions of the securities regulatory authorities of the State Council may, as collectors, personally or authorize a securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the shareholders' general meeting and exercise the shareholders' rights such as right of making motions and voting right on their behalf. However, the collectors shall disclose the collection documents and the Company shall provide cooperation. While collecting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the public collection of shareholders' rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the collection of shareholders' rights. The collectors shall bear compensation liabilities according to law if the public collection of shareholders' rights violates laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council, causing losses to the Company or the shareholders of the Company.</p>	<p>The Board, Independent Directors, shareholders holding more than 1% of voting shares, or investor protection institutions established according to laws, administrative regulations or provisions of the securities regulatory authorities of the State Council may, as collectors, personally or authorize a securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the shareholders' general meeting and exercise the shareholders' rights such as right of making motions and voting right on their behalf. However, the collectors shall disclose the collection documents and the Company shall provide cooperation. While collecting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the public collection of shareholders' rights from shareholders. <u>Except for the statutory requirements</u>, the Company shall not impose any limitation related to minimum shareholdings on the collection of shareholders' rights. The collectors shall bear compensation liabilities according to law if the public collection of shareholders' rights violates laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council, causing losses to the Company or the shareholders of the Company.</p>	

Original article	To be amended as	Basis
<p><b>Article 124</b></p> <p>The same vote may only be cast once at the venue of a shareholders' general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.</p> <p><i>The Company shall, subject to the general meetings being legally and validly held, provide online voting through the platforms of stock exchanges to the extent technically feasible, and shall perform relevant notice and announcement obligations in connection with general meetings and perform relevant organisation and preparation work in connection with online voting. The specific operating procedures of online voting shall be conducted in accordance with relevant rules promulgated by stock exchanges.</i></p>	<p><b>Article 124</b></p> <p>The same vote may only be cast once at the venue of a shareholders' general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.</p>	<p>Article 85 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>
<p><b>Article 126</b></p> <p>Before the relevant proposed resolution is voted on at the shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who <i>is interested</i> in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.</p> <p>When the relevant proposed resolution is being voted on at the shareholders' general meeting, lawyers, the shareholders' representatives and representatives of the Supervisors shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.</p> <p>Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.</p>	<p><b>Article 126</b></p> <p>Before the relevant proposed resolution is voted on at the shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who <i>has connection with</i> the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.</p> <p>When the relevant proposed resolution is being voted on at the shareholders' general meeting, lawyers, the shareholders' representatives and representatives of the Supervisors shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.</p> <p>Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.</p>	<p>Article 87 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<b>CHAPTER FIVE DIRECTORS AND THE BOARD OF DIRECTORS</b>		
<b>Article 150</b>  The Independent Director shall execute their duties in compliance with the relevant provisions of laws, administrative regulations, <i>and department rules.</i>	<b>Article 150</b>  The Independent Director shall execute their duties in compliance with the relevant provisions of laws, administrative regulations, <u>the CSRC and the stock exchange(s).</u>	Article 104 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)
<b>Article 158</b>  The Independent Director shall have the following powers in addition to having those powers granted to him by the Company Law and other relevant laws and administrative regulations:  (i) to propose to the Board to convene extraordinary shareholders' general meetings. If the Board refuses to do so, he may propose to the Supervisor Committee to convene extraordinary shareholders' general meetings;  (ii) to propose to convene Board meetings;  (iii) to engage external auditing firms or consultancy firms necessary for performing duties;  (iv) to offer independent opinions on matters related to the remuneration plans, incentive scheme and so forth for the Company's Directors and management members;	<b>Article 158</b>  The Independent Director shall have the following powers in addition to having those powers granted to him by the Company Law and other relevant laws and administrative regulations:  (i) to propose to the Board to convene extraordinary shareholders' general meetings. If the Board refuses to do so, he may propose to the Supervisor Committee to convene extraordinary shareholders' general meetings;  (ii) to propose to convene Board meetings;  (iii) to engage external auditing firms or consultancy firms necessary for performing duties;  (iv) to offer independent opinions on matters related to the remuneration plans, incentive scheme and so forth for the Company's Directors and management members;	Article 3.5.13 of the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standardized Operation

Original article	To be amended as	Basis
<p>(v) to offer his independent opinions on the material connected transactions and where necessary report to the Shanghai Regulatory Bureau of the China Securities Regulatory Commission;</p> <p>(vi) in the event of any conflict between the shareholders or Directors of the listed Company and such conflict has a significant impact on the Company's operation and management, the independent Directors shall take the initiative to perform their obligations and safeguard the overall interests of the listed Company.</p> <p>The Independent Director shall submit his work report at the annual general meeting of shareholders.</p> <p>The Independent Director having failed to perform his duties diligently shall undertake the corresponding responsibilities.</p> <p>The Independent Director shall exercise his aforesaid powers only with the consent of more than half of all the Independent Directors.</p>	<p>(v) to offer his independent opinions on the material connected transactions and where necessary report to the Shanghai Regulatory Bureau of the China Securities Regulatory Commission;</p> <p>(vi) in the event of any conflict between the shareholders or Directors of the listed Company and such conflict has a significant impact on the Company's operation and management, the independent Directors shall take the initiative to perform their obligations and safeguard the overall interests of the listed Company.</p> <p>The Independent Director shall submit his work report at the annual general meeting of shareholders.</p> <p>The Independent Director having failed to perform his duties diligently shall undertake the corresponding responsibilities.</p> <p>The Independent Director shall exercise his aforesaid powers <i>other than those set out in item (iii)</i> only with the consent of more than half of all the Independent Directors; <i>the Independent Director shall exercise his aforesaid powers set out in item (iii) with the consent of all the Independent Directors.</i></p>	

Original article	To be amended as	Basis
<b>Article 162</b>  The Board exercises the following powers:  (i) to convene shareholders' general meetings and report its work to the shareholders' general meeting;  (ii) to implement the resolutions of shareholders' general meetings;  (iii) to decide on the Company's business plans and investment plans;  (iv) to formulate the Company's plans on annual financial budgets and final accounts;  (v) to formulate the Company's profit distribution plans and plans on making up losses;  (vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;  (vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company under circumstances as prescribed under items (I), (II) of Article 28 of the Articles of Association;  (viii) to adopt resolutions on repurchase of the Company's shares under circumstances as prescribed under items (III), (V) and (VI) of Article 28 of the Articles of Association;	<b>Article 162</b>  The Board exercises the following powers:  (i) to convene shareholders' general meetings and report its work to the shareholders' general meeting;  (ii) to implement the resolutions of shareholders' general meetings;  (iii) to decide on the Company's business plans and investment plans;  (iv) to formulate the Company's plans on annual financial budgets and final accounts;  (v) to formulate the Company's profit distribution plans and plans on making up losses;  (vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;  (vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company under circumstances as prescribed under items (I), (II) of Article 28 of the Articles of Association;  (viii) to adopt resolutions on repurchase of the Company's shares under circumstances as prescribed under items (III), (V) and (VI) of Article 28 of the Articles of Association;	Article 107 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)  Article 6 of the Notice on issuing of requirement for the chief officer of Municipal State-Owned Assets Supervision and Administration Commission to perform the duties as principal responsible officer for promoting legal governance and general legal construction (Hu Guo Zi Dang Wei [2021] No. 121)

Original article	To be amended as	Basis
(ix) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters and connected transactions of the Company within the authorisation of the shareholders' general meeting;	(ix) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters and connected transactions, <u>external donations</u> of the Company within the authorisation of the shareholders' general meeting;	
(x) to formulate the implementation plan of the long-term incentives program for <del>the management and employees</del> ;	(x) to formulate the implementation plan of the long-term incentives program <u>such as equity incentive scheme and employee shareholding plan</u> ;	
(xi) to determine the establishment of the Company's internal management structure;	(xi) to determine the establishment of the Company's internal management structure;	
(xii) to appoint or dismiss general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to appoint or dismiss senior management members including deputy general manager, assistants of general manager and chief financial officer, chief information officer and chief risk officer of the Company and to determine their remunerations, incentives and punishments;	(xii) to <u>decide on the appointment or dismissal of</u> general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to <u>decide on the appointment or dismissal of</u> senior management members including deputy general manager, assistants of general manager and chief financial officer, chief information officer and chief risk officer of the Company and to determine their remunerations, incentives and punishments;	
(xiii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company's own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;	(xiii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company's own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;	
(xiv) to formulate proposals for amendment to the Articles of Association;	(xiv) to formulate proposals for amendment to the Articles of Association;	
(xv) to manage information disclosure of the Company;	(xv) to manage information disclosure of the Company;	

Original article	To be amended as	Basis
<p>(xvi) to propose at shareholders' general meetings for the appointment or change of accountants' firm conducting auditing for the Company;</p> <p>(xvii) to hear the work report and inspect the work of the general manager;</p> <p>(xviii) to determine the compliance management objectives of the Company, and assume responsibility for the effectiveness of compliance management including but not limited to, to consider and approve the fundamental system of compliance management and the annual compliance reports, to evaluate the effectiveness of compliance management, and to supervise the resolution of problems existing in compliance management;</p> <p>(xix) to undertake the ultimate responsibility of comprehensive risk management;</p> <p>(xx) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.</p> <p>The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.</p>	<p>(xvi) to propose at shareholders' general meetings for the appointment or change of accountants' firm conducting auditing for the Company;</p> <p>(xvii) to hear the work report and inspect the work of the general manager;</p> <p>(xviii) to determine the compliance management objectives of the Company, and assume responsibility for the effectiveness of compliance management including but not limited to, to consider and approve the fundamental system of compliance management and the annual compliance reports, to evaluate the effectiveness of compliance management, and to supervise the resolution of problems existing in compliance management;</p> <p>(xix) to undertake the ultimate responsibility of comprehensive risk management;</p> <p><u>(xx) to promote the legal construction of the Company, improve the level of legal corporate governance of the Company, and authorize the compliance and risk management committee to perform specific duties in relation to the promotion of legal construction.</u></p> <p><u>(xxi) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.</u></p> <p>The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.</p>	

Original article	To be amended as	Basis
<b>Article 165</b>  The Board shall have the compliance and risk management committee, the audit committee, the development strategy and <del>investment</del> management committee, and the nomination and remuneration appraisal committee.	<b>Article 165</b>  The Board shall have the compliance and risk management committee, the audit committee, <u>the development strategy and ESG management committee</u> , and the nomination and remuneration appraisal committee.	Amended based on the actual situation of the Company
<b>Article 166</b>  The Board shall determine the matters of external investment, acquisition and sale of assets, asset pledge, external guarantee, scope of powers for connected transactions, establish stringent examination and decision making procedures, 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. The Board shall be entitled to determine the following matters: <ul style="list-style-type: none"> <li>(i) the disposal of assets not within the approval authority of the shareholders' general meeting stipulated by Article 75 of the Articles of Association;</li> <li>(ii) the guarantee not within the approval authority of the shareholders' general meeting stipulated by Article 76 of the Articles of Association;</li> <li>(iii) to approve an application of funds for external investment, the value of which does not exceed 10% of the latest audited net assets of the Company;</li> <li>(iv) the connected transactions which shall be resolved by the Board according to the disclosure requirements of the local listing rules at the place where the Company is listed.</li> </ul>	<b>Article 166</b>  The Board shall determine the matters of external investment, acquisition and sale of assets, asset pledge, external guarantee, scope of powers for connected transactions, <u>external donations</u> , establish stringent examination and decision making procedures, 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. The Board shall be entitled to determine the following matters: <ul style="list-style-type: none"> <li>(i) the disposal of assets not within the approval authority of the shareholders' general meeting stipulated by Article 75 of the Articles of Association;</li> <li>(ii) the guarantee not within the approval authority of the shareholders' general meeting stipulated by Article 76 of the Articles of Association;</li> <li>(iii) to approve an application of funds for external investment, the value of which does not exceed 10% of the latest audited net assets of the Company;</li> <li>(iv) the connected transactions which shall be resolved by the Board according to the disclosure requirements of the local listing rules at the place where the Company is listed.</li> <li>(v) <u>to approve any external donation with a single amount or accumulated amount for 12 consecutive months not exceeding RMB100 million.</u></li> </ul>	Article 107 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)

Original article	To be amended as	Basis
<b>CHAPTER SIX GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS</b>		
<b>Article 193</b>  The general manager and other senior management members shall have the following qualifications on the job:  (i) They shall not be prohibited by the laws and administrative regulations to assume office as the senior management member in securities companies;  (ii) They shall pass the benchmark test approved by the China Securities Regulatory Commission;  (iii) They shall be a university graduate above the first degree level, or obtain a bachelor degree or higher degree;  (iv) They shall be of good character, faithful and honest;  (v) They shall be familiar with the laws, administrative regulations, rules and other regulatory documents related to the operation and management of a securities company, and have the operation and management capacity necessary to perform the senior management members' duties;  (vi) They shall be licensed to practice in the securities industry;  (vii) They shall have three years of experience in the practice of securities operation or five years in the field of finance, law or accountancy;	<b>Article 193</b>  The general manager and other senior management members shall have the following qualifications on the job:  (i) They shall not be prohibited by the laws and administrative regulations to assume office as the senior management member in securities companies;  (ii) They shall pass the benchmark test approved by the China Securities Regulatory Commission;  (iii) They shall be a university graduate above the first degree level, or obtain a bachelor degree or higher degree;  (iv) They shall be of good character, faithful and honest;  (v) They shall be familiar with the laws, administrative regulations, rules and other regulatory documents related to the operation and management of a securities company, and have the operation and management capacity necessary to perform the senior management members' duties;  (vi) They shall be licensed to practice in the securities industry;  (vii) They shall have three years of experience in the practice of securities operation or five years in the field of finance, law or accountancy;	Article 135 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)

Original article	To be amended as	Basis
<p>(viii) They shall have at least two years of experience in charge of a department or even of a higher capacity in a securities company or no less than four years in charge of a department or even of a higher capacity in such financial institutions as funds management, futures, banking, insurance and so forth or of comparable management experience;</p> <p>(ix) Where the laws, regulations and regulatory documents have any other provisions in respect of the qualifications, such provisions shall prevail.</p> <p>The employment of the general manager and other senior management members shall be null and void if it has violated the provisions of this article. The Company shall remove the incumbent general manager and other senior management members from office if he or they have been found to have the situation under this article.</p> <p>What are stipulated in Article 132 related to the Director's faithful obligations and Article 133(iv)~(vi) related to the diligent obligations are applicable to the senior management members.</p>	<p>(viii) They shall have at least two years of experience in charge of a department or even of a higher capacity in a securities company or no less than four years in charge of a department or even of a higher capacity in such financial institutions as funds management, futures, banking, insurance and so forth or of comparable management experience;</p> <p>(ix) Where the laws, regulations and regulatory documents have any other provisions in respect of the qualifications, such provisions shall prevail.</p> <p>The employment of the general manager and other senior management members shall be null and void if it has violated the provisions of this article. The Company shall remove the incumbent general manager and other senior management members from office if he or they have been found to have the situation under this article.</p> <p>What are stipulated in Article 132 related to the Director's faithful obligations and Article 133(iv)~(vi) related to the diligent obligations are applicable to the senior management members.</p> <p><u>The senior management members of the Company shall carry out their duties honestly and faithfully, and protect the best interests of the Company and its shareholders as a whole. A senior management member of the Company shall be liable for compensation according to the law if he/she fails to perform his/her duties honestly and faithfully or in breach of his/her fiduciary duties, thereby causing damage to the interests of the Company and its public shareholders.</u></p>	

Original article	To be amended as	Basis
<p><b>Article 194</b></p> <p>The person who holds an office other than that of a Director or a Supervisor of the Company or a controlling shareholder or beneficial controller shall not become a senior management member of the Company.</p> <p>A senior management member of the Company may at most hold the office of Director or Supervisor concurrently in two companies where the Company has shareholding, but not an office other than those aforesaid. They shall not engage themselves concurrently in any other profit-making organizations or other operation activities.</p>	<p><b>Article 194</b></p> <p>The person who holds an office other than that of a Director or a Supervisor of the Company or a controlling shareholder or beneficial controller shall not become a senior management member of the Company.</p> <p>A senior management member of the Company may at most hold the office of Director or Supervisor concurrently in two companies where the Company has shareholding, but not an office other than those aforesaid. They shall not engage themselves concurrently in any other profit-making organizations or other operation activities.</p> <p><u>The senior management members only receive remuneration from the Company and are not paid by the Controlling Shareholders.</u></p>	<p>Article 126 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>
<p><b>Article 200</b></p> <p>The general manager's dismissal shall be resolved by the Board. He may resign anytime before the expiry of his tenure. The specific procedure and means concerning the general manager's resignation shall be clearly stipulated in his employment contract negotiated between the general manager and the Company. Where the general manager is unable to perform his obligations or during his absence, the Board shall designate <del>another senior management member</del> to exercise his obligations on his behalf within fifteen working days.</p>	<p><b>Article 200</b></p> <p>The general manager's dismissal shall be resolved by the Board. He may resign anytime before the expiry of his tenure. The specific procedure and means concerning the general manager's resignation shall be clearly stipulated in his employment contract negotiated between the general manager and the Company. Where the general manager is unable to perform his obligations or during his absence, the Board shall designate <u>the relevant personnel of the Company complying with the laws and regulations</u> to exercise his obligations on his behalf within fifteen working days.</p>	<p>To adjust according to the actual situation of the Company</p>

Original article	To be amended as	Basis
<b>CHAPTER EIGHT THE QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY DIRECTORS, SUPERVISORS AND OTHER SENIOR MANAGEMENT MEMBERS</b>		
<p><b>Article 222</b></p> <p>Other than the conditions for the directorate position of Directors (including Independent Directors), Supervisors, senior management members as required under Article 130, Article 143, Article 144, Article 177, Article 183, Article 192, the following persons may not serve as Directors, Supervisors, general manager or other senior management members of the Company:</p> <p>(i) persons without civil capacity or with limited civil capacity;</p> <p>(ii) persons who have committed offences relating to corruption, bribery, conversion of property, misappropriation of property or disruption of social economic order, and have been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to the commission of a criminal offence, where less than five years have elapsed since the date of restoring their political rights;</p> <p>(iii) persons who were former Directors, factory managers or managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;</p>	<p><b>Article 222</b></p> <p>Other than the conditions for the directorate position of Directors (including Independent Directors), Supervisors, senior management members as required under Article 130, Article 143, Article 144, Article 177, Article 183, Article 192, the following persons may not serve as Directors, Supervisors, general manager or other senior management members of the Company:</p> <p>(i) persons without civil capacity or with limited civil capacity;</p> <p>(ii) persons who have committed offences relating to corruption, bribery, conversion of property, misappropriation of property or disruption of social economic order, and have been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to the commission of a criminal offence, where less than five years have elapsed since the date of restoring their political rights;</p> <p>(iii) persons who were former Directors, factory managers or managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;</p>	<p>Article 95 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
(iv) persons who were legal representatives of a company or enterprise which had its business licence revoked due to violation of the law and who were personally liable, where less than three years have elapsed since the date of the revocation of the business licence;	(iv) persons who were legal representatives of a company or enterprise which had its business licence revoked due to violation of the law and who were personally liable, where less than three years have elapsed since the date of the revocation of the business licence;	
(v) persons who have a relatively substantial amount of debts due and outstanding;	(v) persons who have a relatively substantial amount of debts due and outstanding;	
(vi) persons who are subject to CSRC's <del>punishment</del> which prohibit them from entering into the securities market for a period which has not yet expired;	(vi) persons who are subject to CSRC's <u>measure</u> which prohibit them from entering into the securities market for a period which has not yet expired;	
(vii) persons in charge of stock exchange, the securities registration and clearing institutions or Directors, Supervisors, senior management members of securities companies, whose qualification was revoked due to illegal or disciplinary behavior, and it has not been five years since the date when the qualification was revoked;	(vii) persons in charge of stock exchange, the securities registration and clearing institutions or Directors, Supervisors, senior management members of securities companies, whose qualification was revoked due to illegal or disciplinary behavior, and it has not been five years since the date when the qualification was revoked;	
(viii) persons who has been convicted by the relevant competent authority for violation of relevant securities regulations, and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five years have elapsed from the date of such conviction;	(viii) persons who has been convicted by the relevant competent authority for violation of relevant securities regulations, and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five years have elapsed from the date of such conviction;	

Original article	To be amended as	Basis
<p>(ix) persons who are lawyers, certified public accountants or professionals of other securities service institutions, whose practising certificate or qualification was revoked due to illegal or disciplinary behavior, and it has not been five years since the date when the practising certificate or qualification was revoked;</p> <p>(x) Government office personnel and other personnel who are forbidden by law and administrative regulations to take up concurrent posts at companies;</p> <p>(xi) persons who were subject to administrative penalties by the financial regulatory department due to illegal or indisciplinary behavior where less than three years have elapsed since the date of completion of the penalties;</p> <p>(xii) persons other than a natural person;</p> <p>(xiii) persons who are under the period of investigation due to suspected illegal behaviors, or under the investigation of the legal authority in accordance with the criminal laws and the trials have not yet finished;</p> <p>(xiv) other contents required by the legal, administrative laws or authorities regulations.</p> <p>If an election or appointment of a Director is taken place in contravention of this Article, the said election, appointment or engagement shall be invalid. If a Director falls into any of the circumstances set forth in this Article during his term of office, the Company shall terminate his duties.</p>	<p>(ix) persons who are lawyers, certified public accountants or professionals of other securities service institutions, whose practising certificate or qualification was revoked due to illegal or disciplinary behavior, and it has not been five years since the date when the practising certificate or qualification was revoked;</p> <p>(x) Government office personnel and other personnel who are forbidden by law and administrative regulations to take up concurrent posts at companies;</p> <p>(xi) persons who were subject to administrative penalties by the financial regulatory department due to illegal or indisciplinary behavior where less than three years have elapsed since the date of completion of the penalties;</p> <p>(xii) persons other than a natural person;</p> <p>(xiii) persons who are under the period of investigation due to suspected illegal behaviors, or under the investigation of the legal authority in accordance with the criminal laws and the trials have not yet finished;</p> <p>(xiv) other contents required by the legal, administrative laws or authorities regulations.</p> <p>If an election or appointment of a Director is taken place in contravention of this Article, the said election, appointment or engagement shall be invalid. If a Director falls into any of the circumstances set forth in this Article during his term of office, the Company shall terminate his duties.</p>	

Original article	To be amended as	Basis
<b>CHAPTER NINE FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING</b>		
<p><b>Article 241</b></p> <p>The Company shall <del>prepare its annual financial reports and submit to the CSRC and the stock exchange(s) within four months from the ending date of each fiscal year, the half year financial reports it prepare and submit to the local office of the CSRC and the stock exchange(s) within two months from the ending date of the first six months of each fiscal year, and the quarterly reports it prepare and submit to the local office of the CSRC and the stock exchange(s) within one month from the ending dates of the first three and first nine months of each fiscal year respectively.</del></p> <p>The aforesaid <del>financial report shall be drafted in accordance with the relevant laws, administrative rules and regulations, and announced according to the requirement of the securities regulatory authority of the place which the Company's shares listed.</del></p>	<p><b>Article 241</b></p> <p>The Company shall <u>submit and disclose its annual reports to the CSRC and the stock exchange(s) within four months</u> from the ending date of each fiscal year, <u>and the interim reports it submit and disclose to the local office of the CSRC and the stock exchange(s) within two months from the ending date of the first six months of each fiscal year.</u></p> <p>The aforesaid <u>annual and interim reports shall be drafted in accordance with the relevant laws, administrative rules, and the provisions of the CSRC and the stock exchange(s).</u></p>	<p>Article 151 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>
<p><b>Article 258</b></p> <p>The Company shall appoint an independent accountant firm which is qualified under the relevant regulations of PRC to audit the Company's annual report, audit the financial statements, conduct verification of net assets, audit risk control indicator measures, carry out other relevant consultation services.</p> <p>The accountant firm appointed by the Company shall hold office for a period of one year, commencing from the conclusion of the annual general meeting until the conclusion of the next annual general meeting. The appointment may be renewed.</p>	<p><b>Article 258</b></p> <p>The Company shall appoint an independent accountant firm which is qualified under the relevant regulations of PRC <u>such as the Securities Law</u> to audit the Company's annual report, audit the financial statements, conduct verification of net assets, audit risk control indicator measures, carry out other relevant consultation services.</p> <p>The accountant firm appointed by the Company shall hold office for a period of one year, commencing from the conclusion of the annual general meeting until the conclusion of the next annual general meeting. The appointment may be renewed.</p>	<p>Article 159 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<b>CHAPTER ELEVEN NOTICE AND ANNOUNCEMENT</b>		
<b>Article 271</b>  The Company shall issue notice and disclose information to domestic shareholders through <del>newspapers and</del> websites <del>for information disclosure specified</del> in the laws, administrative rules and regulations or the securities regulatory authority. For notice issued by the Company to the shareholders of overseas-listed foreign-invested Shares in accordance with the Articles of Association, the relevant notice shall be at the same time published by means specified in the Hong Kong Listing Rules.	<b>Article 271</b>  The Company shall issue notice and disclose information to domestic shareholders through <u>the medias and</u> the websites <u>of the the stock exchange(s)</u> for information disclosure specified in the laws, administrative rules and regulations <u>or meeting the requirements specified by</u> the security's regulatory authority. For notice issued by the Company to the shareholders of overseas-listed foreign-invested Shares in accordance with the Articles of Association, the relevant notice shall be at the same time published by means specified in the Hong Kong Listing Rules.	Article 52 of the Rules for the Shareholders' Meetings of Listed Companies (2022 Revision)

**Comparison Chart Of Amendments To The Rules Of Procedure  
For Shareholders' General Meeting Of The Company**

Original article	To be amended as	Basis
<b>CHAPTER 1 GENERAL PROVISIONS</b>		
<p><b>Article 1</b></p> <p>To regulate the conduct of Haitong Securities Co., Ltd. (the “Company”) and ensure that the shareholders’ general meeting exercises its functions and powers legally, Rules of Procedure for Shareholders’ General Meetings of Haitong Securities Co., Ltd. (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Measures on the Administration of Securities Companies, the Rules for Governance of Securities Companies (<del>for trial implementation</del>), the Listing Rules of Shanghai Stock Exchange and Rules for Shareholders’ General Meetings of Listed Companies (<del>Zheng Jian Fa [2006] No. 21</del>), the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas, the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies, the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders’ Meetings by Overseas Listed Companies, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, other laws, administrative regulations and regulatory documents, and the Articles of Association.</p>	<p><b>Article 1</b></p> <p>To regulate the conduct of Haitong Securities Co., Ltd. (the “Company”) and ensure that the shareholders’ general meeting exercises its functions and powers legally, Rules of Procedure for Shareholders’ General Meetings of Haitong Securities Co., Ltd. (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), <u>the Securities Companies Supervision and Administration Regulations</u>, the Rules for Governance of Securities Companies, the Listing Rules of Shanghai Stock Exchange and Rules for Shareholders’ General Meetings of Listed Companies, the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas, the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies, the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders’ Meetings by Overseas Listed Companies, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, other laws, administrative regulations and regulatory documents, and the Articles of Association.</p>	<p>To adjust according to updates on laws and regulations</p>

Original article	To be amended as	Basis
<b>CHAPTER 2 GENERAL RULES OF SHAREHOLDERS' GENERAL MEETING</b>		
<b>Article 5</b>  The shareholders' general meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with law:  (i) to decide on the operating policies and investment plans of the Company;  (ii) to elect and remove Directors and Supervisors (not being staff representatives), and to fix the remuneration of the relevant Directors and Supervisors;  (iii) to examine and approve the reports of the Board;  (iv) to examine and approve the reports of the Supervisory Committee;  (v) to examine and approve the annual reports of the Company;  (vi) to examine and approve the proposed annual financial budgets and final accounts of the Company;  (vii) to examine and approve the profit distribution plans and loss recovery plans of the Company;	<b>Article 5</b>  The shareholders' general meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with law:  (i) to decide on the operating policies and investment plans of the Company;  (ii) to elect and remove Directors and Supervisors (not being staff representatives), and to fix the remuneration of the relevant Directors and Supervisors;  (iii) to examine and approve the reports of the Board;  (iv) to examine and approve the reports of the Supervisory Committee;  (v) to examine and approve the annual reports of the Company;  (vi) to examine and approve the proposed annual financial budgets and final accounts of the Company;  (vii) to examine and approve the profit distribution plans and loss recovery plans of the Company;	Article 41 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)

Original article	To be amended as	Basis
(viii) to adopt resolutions on any increment or reduction of registered capital of the Company and issue any type of Shares, warrants and other similar securities;	(viii) to adopt resolutions on any increment or reduction of registered capital of the Company and issue any type of Shares, warrants and other similar securities;	
(ix) to adopt resolutions on any issuance of bonds of the Company;	(ix) to adopt resolutions on any issuance of bonds of the Company;	
(x) to adopt resolutions on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;	(x) to adopt resolutions on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;	
(xi) to amend the Articles of Association;	(xi) to amend the Articles of Association;	
(xii) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms;	(xii) to adopt resolutions on the appointments, dismissals or non-reappointments of accounting firms;	
(xiii) to examine and approve matters relating to security under Article 6;	(xiii) to examine and approve matters relating to security under Article 6;	
(xiv) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 15% the Company's latest audited total assets;	(xiv) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 15% the Company's latest audited total assets;	
(xv) to examine and approve the change of the purpose for raising funds;	(xv) to examine and approve the change of the purpose for raising funds;	
(xvi) to examine and approve an application of funds for external investment, the value of which reaches or exceeds 10% of the latest audited net assets of the Company;	(xvi) to examine and approve an application of funds for external investment, the value of which reaches or exceeds 10% of the latest audited net assets of the Company;	

Original article	To be amended as	Basis
<p>(xvii) According to Listing rules of shares on the Shanghai Stock Exchange, to examine and approve the connected transactions which shall be examined by the shareholders' general meeting, that is, the total amount of the connected transactions between the Company and its connected parties exceeding 30 million or the connected transactions taking more than 5% of the latest audited net assets of the Company;</p>	<p>(xvii) According to Listing rules of shares on the Shanghai Stock Exchange, to examine and approve the connected transactions which shall be examined by the shareholders' general meeting, that is, the total amount of the connected transactions between the Company and its connected parties exceeding 30 million or the connected transactions taking more than 5% of the latest audited net assets of the Company;</p>	
<p>(xviii) According to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), to examine and approve the connected transactions which shall be approved by the independent shareholders (that is, those who are not interested in the relevant connection transactions). The connected transactions of the Company shall be conducted on normal commercial terms. The connected transactions are usually classified as the one-off connected transactions and the continuing connected transactions. Except when the relevant exemption provisions of the Hong Kong Listing Rules apply, such as, (1) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 5%, and the total consideration (in terms of the one-off connected transaction) or the annual connected transactions (in terms of the continuing connected transactions) reaches or exceeds HK\$10 million;</p>	<p>(xviii) According to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), to examine and approve the connected transactions which shall be approved by the independent shareholders (that is, those who are not interested in the relevant connection transactions). The connected transactions of the Company shall be conducted on normal commercial terms. The connected transactions are usually classified as the one-off connected transactions and the continuing connected transactions. Except when the relevant exemption provisions of the Hong Kong Listing Rules apply, such as, (1) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 5%, and the total consideration (in terms of the one-off connected transaction) or the annual connected transactions (in terms of the continuing connected transactions) reaches or exceeds HK\$10 million;</p>	

Original article	To be amended as	Basis
<p>(2) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 25%; or (3) in the event that the Company (excluding its subsidiaries) issue new shares to the connected party, then the transaction shall be approved by the independent shareholders. In particular, the asset ratio refers to the total value of the assets involved in the connected transactions divided by the total value of the assets of the Company; the return ratio refers to the return attributable to the assets involved in the connected transactions divided by the return of the Company; the consideration ratio refers to the relevant consideration divided by the total market value of the Company; the equity ratio refers to par value of the share capital issued as the consideration divided by the par value of the share capital issued by the Company prior to the connected transaction. The foregoing statements are for reference only, and shall not replace or revise to any extent the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions. The Company shall comply with the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions.</p> <p>(xix) to examine the implementation schemes on the mechanism for long-term effective incentives;</p>	<p>(2) any of the asset ratio, the return ratio, the consideration ratio or the equity ratio of the connected transactions reaches or exceeds 25%; or (3) in the event that the Company (excluding its subsidiaries) issue new shares to the connected party, then the transaction shall be approved by the independent shareholders. In particular, the asset ratio refers to the total value of the assets involved in the connected transactions divided by the total value of the assets of the Company; the return ratio refers to the return attributable to the assets involved in the connected transactions divided by the return of the Company; the consideration ratio refers to the relevant consideration divided by the total market value of the Company; the equity ratio refers to par value of the share capital issued as the consideration divided by the par value of the share capital issued by the Company prior to the connected transaction. The foregoing statements are for reference only, and shall not replace or revise to any extent the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions. The Company shall comply with the specific stipulations of the Hong Kong Listing Rules (as amended at times) applicable to the connected transactions.</p> <p>(xix) to examine the implementation schemes on the mechanism for long-term effective incentives, <u>such as equity incentive scheme and employee shareholding plan;</u></p>	

Original article	To be amended as	Basis
<p>(xx) to examine and approve the proposal submitted by the individual shareholder or the shareholders collectively holding more than 3% (including 3%) of the Company's voting shares;</p> <p>(xxi) to resolve on the repurchase of the Company's shares as prescribed under items (I) and (II) of Article 28 of the Articles of Association;</p> <p>(xxii) to examine other matters required by laws, administrative regulations, departmental rules or the Articles of Association to be resolved by the shareholders' general meeting.</p> <p>For matters to be decided at shareholders' general meeting as prescribed by laws, administrative regulations and the Articles, such matters have to be reviewed at shareholders' general meeting so as to ensure that the shareholders of the Company have a right to decide over those matters. When it is deemed necessary and reasonable, in relation to resolutions that have been made but their relevant specific matters cannot be decided upon during the shareholders' general meeting, the shareholders' general meeting may authorise the Board to decide upon such matters within the scope of authorisation of the shareholders' general meeting subject to the applicable laws, regulations and the Articles.</p>	<p>(xx) to examine and approve the proposal submitted by the individual shareholder or the shareholders collectively holding more than 3% (including 3%) of the Company's voting shares;</p> <p>(xxi) to resolve on the repurchase of the Company's shares as prescribed under items (I) and (II) of Article 28 of the Articles of Association;</p> <p>(xxii) to examine other matters required by laws, administrative regulations, departmental rules or the Articles of Association to be resolved by the shareholders' general meeting.</p> <p>For matters to be decided at shareholders' general meeting as prescribed by laws, administrative regulations and the Articles, such matters have to be reviewed at shareholders' general meeting so as to ensure that the shareholders of the Company have a right to decide over those matters. When it is deemed necessary and reasonable, in relation to resolutions that have been made but their relevant specific matters cannot be decided upon during the shareholders' general meeting, the shareholders' general meeting may authorise the Board to decide upon such matters within the scope of authorisation of the shareholders' general meeting subject to the applicable laws, regulations and the Articles.</p>	

Original article	To be amended as	Basis
<p><b>Article 6</b></p> <p>The Company shall not provide any finance or guarantee for the shareholders or related parties of the shareholders, except for securities lending and borrowing business provided by the Company to customers according to provisions. The provision of security to external parties by the Company in the following situations shall be subject to the review and approval at the shareholders' general meeting:</p> <p>(i) any security after the total amount of security to the external parties by the Company and its subsidiaries <i>has reached or</i> exceeded 50% of the Company's latest audited net assets;</p> <p>(ii) any security after the total amount of security to the external parties by the Company <i>has reached or</i> exceeded 30% of the Company's latest audited total assets;</p> <p>(iii) a security to be provided in favour of an object which has an asset-liability ratio in excess of 70%;</p> <p>(iv) a single security in excess of 10% of the Company's latest audited net assets.</p>	<p><b>Article 6</b></p> <p>The Company shall not provide any finance or guarantee for the shareholders or related parties of the shareholders, except for securities lending and borrowing business provided by the Company to customers according to provisions. The provision of security to external parties by the Company in the following situations shall be subject to the review and approval at the shareholders' general meeting:</p> <p>(i) any security after the total amount of security to the external parties by the Company and its subsidiaries has exceeded 50% of the Company's latest audited net assets;</p> <p>(ii) any security after the total amount of security to the external parties by the Company <u>and its subsidiaries</u> has exceeded 30% of the Company's latest audited total assets;</p> <p><u>(iii) a security with its total amount over a period of twelve consecutive months exceeding 30% of the Company's latest audited total assets;</u></p> <p><u>(iv) a security to be provided in favour of an object which has an asset-liability ratio in excess of 70%;</u></p> <p><u>(v) a single security in excess of 10% of the Company's latest audited net assets;</u></p> <p><u>(vi) other security provided by the laws and regulations or the Listing Rules.</u></p> <p><u>In the event of violation of the approval authorities or review procedures of the general meeting and the Board on providing external guarantees stipulated in these Articles of Association, the Company shall pursue legal actions against or seek monetary compensation from the relevant responsible person(s) depending on the materiality of such violation.</u></p>	<p>Article 42 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p> <p>Rule 6.1.10 of Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in January 2022)</p>

Original article	To be amended as	Basis
<b>CHAPTER 3 THE CONVENING OF SHAREHOLDERS' GENERAL MEETING</b>		
<p><b>Article 14</b></p> <p>Where the Supervisory Committee or shareholders decide(s) to convene the extraordinary shareholders' general meeting by itself/themselves, it/they shall send a written notice to the Board, and file the same with <del>the local office of China Securities Regulatory Commission (the "CSRC")</del>, and the stock exchange <del>at the place where the Company is located</del> for record.</p> <p>The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the shareholders' general meeting.</p> <p>The Supervisory Committee and the convening shareholders shall submit relevant evidence to <del>the local office of CSRC and the stock exchange at the place where the Company is located</del> upon the issuance of the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.</p>	<p><b>Article 14</b></p> <p>Where the Supervisory Committee or shareholders decide(s) to convene the extraordinary shareholders' general meeting by itself/themselves, it/they shall send a written notice to the Board, and file the same with the stock exchange for record.</p> <p>The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the shareholders' general meeting, <u>and the convening shareholders shall undertake to hold no lower than 10% of shares during the period from the date of the proposal to convene the shareholders' general meeting to the date of the shareholders' general meeting.</u></p> <p>The Supervisory Committee and the convening shareholders shall submit relevant evidence to the stock exchange upon the issuance of the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.</p>	<p>Rule 4.22 of Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in January 2022)</p> <p>Article 10 of the Rules for the Shareholders' Meetings of Listed Companies (2022 Revision)</p>
<p><b>Article 15</b></p> <p>The Board and the secretary to the Board shall coordinate with respect to matters relating to a shareholders' general meeting convened by the Supervisory Committee or the shareholders by itself/themselves. The Board <del>shall</del> provide the register of shareholders on the record date of the equity.</p>	<p><b>Article 15</b></p> <p>The Board and the secretary to the Board shall coordinate with respect to matters relating to a shareholders' general meeting convened by the Supervisory Committee or the shareholders by itself/themselves. The Board <u>will</u> provide the register of shareholders on the record date of the equity.</p>	<p>Article 51 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<b>CHAPTER 4 MOTIONS AND NOTICES OF SHAREHOLDERS' GENERAL MEETING</b>		
<p><b>Article 18</b></p> <p>The Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to submit proposed resolutions to the Company for a shareholders' general meeting of the Company.</p> <p>The shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit extra proposed resolutions in writing to the convener of a shareholders' general meeting in writing 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such extra proposed resolutions within 2 days after receipt thereof.</p> <p>Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposed resolutions set out in the notice of the meeting or add any new proposed resolutions subsequent to the issue of the notice of the shareholders' general meeting.</p> <p>Motions which are not specified in the notice of the shareholders' general meeting or which do not comply with the preceding article of the Rules shall not be voted and resolved at the shareholders' general meeting and become resolutions.</p>	<p><b>Article 18</b></p> <p>The Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to submit proposed resolutions to the Company for a shareholders' general meeting of the Company.</p> <p>The shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit extra proposed resolutions in writing to the convener of a shareholders' general meeting in writing 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such extra proposed resolutions within 2 days after receipt thereof. <u>Qualified shareholders who submit extra proposed resolutions shall hold no lower than 3% of shares during the period from the issuance of the notice of resolutions to the announcement of the resolutions of the meeting.</u></p> <p>Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposed resolutions set out in the notice of the meeting or add any new proposed resolutions subsequent to the issue of the notice of the shareholders' general meeting.</p> <p>Motions which are not specified in the notice of the shareholders' general meeting or which do not comply with the preceding article of the Rules shall not be voted and resolved at the shareholders' general meeting and become resolutions.</p>	<p>2.1.4 of the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standardized Operation</p>

Original article	To be amended as	Basis
<p><b>Article 20</b></p> <p>The notice of the shareholders' general meeting shall be made in writing and include the following contents:</p> <p>(i) the date and location of the meeting and its duration;</p> <p>(ii) the matters and motions for consideration and examination at the meeting. The notice of the shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions. For those items proposed for discussion requiring the opinions of Independent Directors, the notice of the shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of Independent Directors;</p> <p>(iii) to provide the shareholders with such information and explanation which are necessary for the shareholders to make an informed decision on the proposals put before them. This principle shall include (but not limited to), where a proposal is made by the Company for merger, repurchase of shares, restructure of share capital, or reorganisation of the Company in any other way, the specific terms of the proposed conditions and contract, if any, and its cause and effect shall be conscientiously explained;</p>	<p><b>Article 20</b></p> <p>The notice of the shareholders' general meeting shall be made in writing and include the following contents:</p> <p>(i) the date and location of the meeting and its duration;</p> <p>(ii) the matters and motions for consideration and examination at the meeting. The notice of the shareholders' general meeting and its supplementary notice shall fully and completely disclose the specific contents of all motions. For those items proposed for discussion requiring the opinions of Independent Directors, the notice of the shareholders' general meeting or the supplementary notice shall disclose both the opinions and the reasons of Independent Directors;</p> <p>(iii) to provide the shareholders with such information and explanation which are necessary for the shareholders to make an informed decision on the proposals put before them. This principle shall include (but not limited to), where a proposal is made by the Company for merger, repurchase of shares, restructure of share capital, or reorganisation of the Company in any other way, the specific terms of the proposed conditions and contract, if any, and its cause and effect shall be conscientiously explained;</p>	<p>Article 21 of the Rules for the Shareholders' Meetings of Listed Companies (January 2022 Revision)</p>

Original article	To be amended as	Basis
(iv) to contain a disclosure of the nature and extent, if any, of the material interests if any Director, Supervisor, general manager and other senior management members are materially interested in the matters for discussion. If the effects of the matters for discussion on them in their respective capacity as shareholders are different from the effects on other shareholders of the same class, the difference shall be set out;	(iv) to contain a disclosure of the nature and extent, if any, of the material interests if any Director, Supervisor, general manager and other senior management members are materially interested in the matters for discussion. If the effects of the matters for discussion on them in their respective capacity as shareholders are different from the effects on other shareholders of the same class, the difference shall be set out;	
(v) to contain the full text of any special resolution intended to be proposed at the meeting;	(v) to contain the full text of any special resolution intended to be proposed at the meeting;	
(vi) to specify the date and location for serving the proxy forms for the meeting;	(vi) to specify the date and location for serving the proxy forms for the meeting;	
(vii) to contain a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that proxy need not be a shareholder of the Company;	(vii) to contain a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that proxy need not be a shareholder of the Company;	
(viii) to specify the record date of equity of shareholders entitled to attend the shareholders' general meeting;	(viii) to specify the record date of equity of shareholders entitled to attend the shareholders' general meeting;	

Original article	To be amended as	Basis
<p>(ix) to specify the name and telephone number of the standing contact person of the Meeting; and</p> <p>(x) to specify expressly in the notice of the shareholders' general meeting the time of online voting and the voting procedure <del>if the shareholders' general meeting adopts the online voting or other means of voting.</del></p> <p>The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall not exceed 7 working days. Once the shareholding record date is confirmed, it shall not be altered.</p> <p>The time to start voting at a shareholder's general meeting held over network or by other means shall not be earlier than 3:00 PM of the day preceding the date of the onsite shareholders' general meeting or later than 9:30 AM of the date of the onsite shareholders' general meeting, and shall not conclude earlier than 3:00 PM of the date of the onsite shareholders' general meeting.</p>	<p>(ix) to specify the name and telephone number of the standing contact person of the Meeting; and</p> <p>(x) to specify expressly in the notice of the shareholders' general meeting the time of voting and the voting procedure online or by other means <u>by the Company.</u></p> <p>The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall not exceed 7 working days. Once the shareholding record date is confirmed, it shall not be altered.</p> <p>The time to start voting at a shareholder's general meeting held over network or by other means shall not be earlier than 3:00 PM of the day preceding the date of the onsite shareholders' general meeting or later than 9:30 AM of the date of the onsite shareholders' general meeting, and shall not conclude earlier than 3:00 PM of the date of the onsite shareholders' general meeting.</p>	

Original article	To be amended as	Basis
<b>CHAPTER 6 VOTING AND RESOLUTIONS OF SHAREHOLDERS' GENERAL MEETING</b>		
<p><b>Article 48</b></p> <p>The following matters shall be approved by special resolutions of a shareholders' general meeting:</p> <p>(i) the increment or reduction of the Company's registered capital and the issue of any class of shares, warrants and other similar securities of the Company;</p> <p>(ii) the issue of corporate bonds;</p> <p>(iii) any spin-off, merger, dissolution or liquidation;</p> <p>(iv) the amendments to the Articles of Association;</p> <p>(v) purchase or disposal of material assets or provision of security by the Company within 1 year which involves an amount exceeding 15% of the Company's latest audited total assets;</p> <p>(vi) repurchase of the Company's shares under items (I) and (II) of Article 28 of the Articles of Association;</p> <p>(vii) implementation of the Scheme for long-term incentives mechanism; and</p> <p>(viii) such other matters as may be required by laws, administrative regulations or the Articles of Association or which, pursuant to ordinary resolutions passed at the shareholders' general meeting, are considered to have material effects on the Company and require approval by special resolutions.</p>	<p><b>Article 48</b></p> <p>The following matters shall be approved by special resolutions of a shareholders' general meeting:</p> <p>(i) the increment or reduction of the Company's registered capital and the issue of any class of shares, warrants and other similar securities of the Company;</p> <p>(ii) the issue of corporate bonds;</p> <p>(iii) any spin-off, <u>division</u>, merger, dissolution or liquidation;</p> <p>(iv) the amendments to the Articles of Association;</p> <p>(v) purchase or disposal of material assets or provision of security by the Company within 1 year which involves an amount exceeding 15% of the Company's latest audited total assets;</p> <p>(vi) repurchase of the Company's shares under items (I) and (II) of Article 28 of the Articles of Association;</p> <p>(vii) implementation of the Scheme for long-term incentives mechanism <u>such as equity incentive scheme and employee shareholding plan</u>; and</p> <p>(viii) such other matters as may be required by laws, administrative regulations or the Articles of Association or which, pursuant to ordinary resolutions passed at the shareholders' general meeting, are considered to have material effects on the Company and require approval by special resolutions.</p>	<p>Article 41 and Article 78 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<p><b>Article 49</b></p> <p>Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p> <p>The Board of the Company, Independent Directors, shareholders holding more than 1% of voting shares, or investor protection institutions established according to laws, administrative regulations or provisions of the securities regulatory authorities of the State Council may, as collectors, personally or authorize a securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the shareholders' general meeting and exercise the shareholders' rights such as right of making motions and voting right on their behalf. However, the collectors shall disclose the collection documents and the Company shall provide cooperation. While collecting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the public collection of shareholders' rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the collection of shareholders' rights.</p>	<p><b>Article 49</b></p> <p>Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.</p> <p><u>When material issues affecting the interests of small and medium investors are being considered at the shareholders' general meeting, the votes of such investors shall be counted separately. The separate counting results shall be promptly and publicly disclosed.</u></p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p> <p><u>Shareholders who purchase the shares with voting rights of the Company in violation of Clause 1 or 2 of Article 63 of the Securities Law shall not exercise the voting rights of the shares that exceed the prescribed proportion within 36 months after purchasing such shares, and such shares shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</u></p>	<p>Article 79 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
The collectors shall bear compensation liabilities according to law if the public collection of shareholders' rights violates laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council, causing losses to the Company or the shareholders of the Company.	The Board of the Company, Independent Directors, shareholders holding more than 1% of voting shares, or investor protection institutions established according to laws, administrative regulations or provisions of the securities regulatory authorities of the State Council may, as collectors, personally or authorize a securities company or securities service agency to publicly request the Company's shareholders to authorize them to attend the shareholders' general meeting and exercise the shareholders' rights such as right of making motions and voting right on their behalf. However, the collectors shall disclose the collection documents and the Company shall provide cooperation. While collecting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being collected. No consideration or other form of de facto consideration shall be involved in the public collection of shareholders' rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the collection of shareholders' rights, <u>except for the statutory conditions</u> . The collectors shall bear compensation liabilities according to law if the public collection of shareholders' rights violates laws, administrative regulations or relevant provisions of the securities regulatory authorities of the State Council, causing losses to the Company or the shareholders of the Company.	

Original article	To be amended as	Basis
<p><b>Article 64</b></p> <p>Before the relevant proposed resolution is voted on at the shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is <del>interested</del> in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.</p> <p>When the relevant proposed resolution is being voted on at the shareholders' general meeting, lawyers, the shareholders' representatives and representatives of the Supervisors shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.</p> <p>Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.</p>	<p><b>Article 64</b></p> <p>Before the relevant proposed resolution is voted on at the shareholders' general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is <u>connected with</u> the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.</p> <p>When the relevant proposed resolution is being voted on at the shareholders' general meeting, lawyers, the shareholders' representatives and representatives of the Supervisors shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.</p> <p>Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.</p>	<p>Article 87 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

## Comparison Chart of Amendments to the Rules of Procedure for the Board of the Company

Original article	To be amended as	Basis
<p><b>Article 1</b></p> <p>Objectives</p> <p>To regulate the operational and decision making procedures of the Board of Directors (the “Board”) of Haitong Securities Co., Ltd. (the “Company”), to make the Directors and the Board effectively perform their duties, and to ensure the standard operation and scientific decision-making of the Board, Rules of Procedure of Board Meetings of Haitong Securities Co., Ltd. (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of People’s Republic of China (the “Securities Law”), the Measures on the Administration of Securities Companies, the Rules for Governance of Securities Companies (<i>For Trial Implementation</i>), the Stock Listing Rules of Shanghai Stock Exchange, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Articles of Association and other relevant provisions, and with reference to the Model Rules of Procedure for the Board of Directors of Listed Companies in Shanghai Stock Exchange.</p>	<p><b>Article 1</b></p> <p>Objectives</p> <p>To regulate the operational and decision making procedures of the Board of Directors (the “Board”) of Haitong Securities Co., Ltd. (the “Company”), to make the Directors and the Board effectively perform their duties, and to ensure the standard operation and scientific decision-making of the Board, Rules of Procedure of Board Meetings of Haitong Securities Co., Ltd. (the “Rules”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of People’s Republic of China (the “Securities Law”), <u>the Regulations on the Supervision and Administration of Securities Companies</u>, the Rules for Governance of Securities Companies the Stock Listing Rules of Shanghai Stock Exchange, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Articles of Association and other relevant provisions, and with reference to the Model Rules of Procedure for the Board of Directors of Listed Companies in Shanghai Stock Exchange.</p>	<p>To adjust according to updates on laws and regulations</p>

Original article	To be amended as	Basis
<b>Article 2</b>	<b>Article 2</b>	Article 107 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)
Duties of the Board	Duties of the Board	
The Board exercises the following powers:	The Board exercises the following powers:	To amend relevant articles in line with the Articles of Association
(i) to convene shareholders' general meetings and report its work to the shareholders' general meeting;	(i) to convene shareholders' general meetings and report its work to the shareholders' general meeting;	
(ii) to implement the resolutions of shareholders' general meetings;	(ii) to implement the resolutions of shareholders' general meetings;	
(iii) to decide on the Company's business plans and investment plans;	(iii) to decide on the Company's business plans and investment plans;	
(iv) to formulate the Company's plans on annual financial budgets and final accounts;	(iv) to formulate the Company's plans on annual financial budgets and final accounts;	
(v) to formulate the Company's profit distribution plans and plans on making up losses;	(v) to formulate the Company's profit distribution plans and plans on making up losses;	
(vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;	(vi) to formulate the proposal for increase or decrease of the registered capital of the Company, issue and listing of bonds or other securities of the Company;	
(vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company under circumstances as prescribed under items (I) and (II) of Article 28 of the Articles of Association;	(vii) to formulate plans for substantial acquisition, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company under circumstances as prescribed under items (I) and (II) of Article 28 of the Articles of Association;	

Original article	To be amended as	Basis
(viii) to resolve on the repurchase of the Company's shares under circumstances as prescribed under items (III), (V) and (VI) of Article 28 of the Articles of Association;	(viii) to resolve on the repurchase of the Company's shares under circumstances as prescribed under items (III), (V) and (VI) of Article 28 of the Articles of Association;	
(ix) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters and connected transactions of the Company within the authorisation of the shareholders' general meeting;	(ix) to determine external investments, acquisition and disposal of assets, assets pledge, external guarantees matters, connected transactions <u>and donations</u> of the Company within the authorisation of the shareholders' general meeting;	
(x) to formulate the implementation plan of the long-term incentives program for the management and employees;	(x) to formulate the implementation plan of the long-term incentives program <u>including equity incentive scheme and employee shareholding plan, etc.</u> ;	
(xi) to determine the establishment of the Company's internal management structure;	(xi) to determine the establishment of the Company's internal management structure;	
(xii) to appoint or dismiss general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to appoint or dismiss senior management members including deputy general manager, assistants of general manager and chief financial officer, chief information officer, and chief risk officer of the Company and to determine their remunerations, incentives and punishments;	(xii) to <u>decide to</u> appoint or dismiss general manager, the secretary to the Board, General Compliance Officer and, based on the nomination by the general manager, to <u>decide to</u> appoint or dismiss senior management members including deputy general manager, assistants of general manager and chief financial officer, chief information officer, and chief risk officer of the Company and to determine their remunerations, incentives and punishments;	

Original article	To be amended as	Basis
(xiii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company's own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;	(xiii) to formulate the basic management system of the Company; and based on the approved business scopes and the Company's own business managing characteristics to establish a clear and effective internal control mechanism, so as to formulate a comprehensive and practicable internal control system;	
(xiv) to formulate proposals for amendment to the Articles of Association;	(xiv) to formulate proposals for amendment to the Articles of Association;	
(xv) to manage information disclosure of the Company;	(xv) to manage information disclosure of the Company;	
(xvi) to propose at the shareholders' general meetings for the appointment or change of accountants' firm conducting auditing for the Company;	(xvi) to propose at the shareholders' general meetings for the appointment or change of accountants' firm conducting auditing for the Company;	
(xvii) to hear the work report and inspect the work of the general manager;	(xvii) to hear the work report and inspect the work of the general manager;	
(xviii) to determine the compliance management objectives of the Company, and assume responsibility for the effectiveness of compliance management, including but not limited to, to consider and approve the fundamental system of compliance management and the annual compliance reports, to evaluate the effectiveness of compliance management, and to supervise the resolution of problems existing in compliance management;	(xviii) to determine the compliance management objectives of the Company, and assume responsibility for the effectiveness of compliance management, including but not limited to, to consider and approve the fundamental system of compliance management and the annual compliance reports, to evaluate the effectiveness of compliance management, and to supervise the resolution of problems existing in compliance management;	

Original article	To be amended as	Basis
<p>(xix) to undertake the ultimate responsibility of comprehensive risk management;</p> <p>(xx) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.</p> <p>The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.</p> <p>When the Board is not in session, the Chairman of the Board shall supervise and examine the execution of resolutions of the Board, and listen to the report of the general manager on the execution of the resolutions of the Board.</p>	<p>(xix) to undertake the ultimate responsibility of comprehensive risk management;</p> <p>(xx) to exercise any other powers specified in relevant laws, administrative regulations, departmental rules and conferred by the Articles of Association.</p> <p>The Board resolutions related to the increase or decrease of registered capital, bonds issue, merger, spin-off, dissolution and amendment to the Articles of Association, shall be passed by more than two-thirds of the Directors.</p> <p>When the Board is not in session, the Chairman of the Board shall supervise and examine the execution of resolutions of the Board, and listen to the report of the general manager on the execution of the resolutions of the Board.</p>	

Original article	To be amended as	Basis
<p><b>Article 3</b></p> <p>The Board shall determine the matters of external investment, acquisition and sale of assets, asset pledge, external guarantee, scope of powers for connected transactions, establish stringent examination and decision making procedures, 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 shall be entitled to determine the following matters:</p> <p>(i) the disposal of assets not within the approval authority of the shareholders' general meeting stipulated by Article 63 of the Articles of Association;</p> <p>(ii) the guarantee not within the approval authority of the shareholders' general meeting stipulated by Article 64 of the Articles of Association;</p> <p>(iii) to approve an application of funds for external investment, the value of which does not exceed 10% of the latest audited net assets of the Company; and</p> <p>(iv) the connected transactions which shall be resolved by the Board according to the disclosure requirements of the local listing rules at the place where the Company is listed.</p>	<p><b>Article 3</b></p> <p>The Board shall determine the matters of external investment, acquisition and sale of assets, asset pledge, external guarantee, scope of powers for connected transactions <u>and donations</u>, establish stringent examination and decision making procedures, 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 shall be entitled to determine the following matters:</p> <p>(i) the disposal of assets not within the approval authority of the shareholders' general meeting stipulated by Article 63 of the Articles of Association;</p> <p>(ii) the guarantee not within the approval authority of the shareholders' general meeting stipulated by Article 64 of the Articles of Association;</p> <p>(iii) to approve an application of funds for external investment, the value of which does not exceed 10% of the latest audited net assets of the Company; and</p> <p>(iv) the connected transactions which shall be resolved by the Board according to the disclosure requirements of the local listing rules at the place where the Company is listed.</p> <p>(v) <u>to approve donations with a single amount or the accumulative amount in 12 consecutive months of no more than RMB100 million.</u></p>	<p>Article 107 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
<p><b>Article 15</b></p> <p>Attendance in person or by proxy</p> <p>In principle, the Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he shall peruse the meeting documents in advance, form definite opinions, and appoint another Director in writing to attend the meeting on his behalf. The Independent Director shall not entrust any non-independent Director to vote on his/her behalf.</p> <p>The power of attorney shall specify:</p> <p>(i) the names and ID No. of the principal and proxy;</p> <p>(ii) reasons for the principal's failure to attend the meeting;</p> <p>(iii) outline opinions of the principal on respective proposals;</p> <p>(iv) the principal's range of authorization and instructions about voting intent in relation to respective proposals; and</p> <p>(v) signature of the principal and proxy, date, etc.</p> <p><del>Where any Director signs the regular reports by proxy, the said Director shall specify such authorization in the power of attorney.</del></p> <p>The proxy Director shall present the written power of attorney to the Chairman of the meeting, and explain proxy attendance in the attendance book.</p>	<p><b>Article 15</b></p> <p>Attendance in person or by proxy</p> <p>In principle, the Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he shall peruse the meeting documents in advance, form definite opinions, and appoint another Director in writing to attend the meeting on his behalf. The Independent Director shall not entrust any non-independent Director to vote on his/her behalf.</p> <p>The power of attorney shall specify:</p> <p>(i) the names and ID No. of the principal and proxy;</p> <p>(ii) reasons for the principal's failure to attend the meeting;</p> <p>(iii) outline opinions of the principal on respective proposals;</p> <p>(iv) the principal's range of authorization and instructions about voting intent in relation to respective proposals; and</p> <p>(v) signature of the principal and proxy, date, etc.</p> <p>The proxy Director shall present the written power of attorney to the Chairman of the meeting, and explain proxy attendance in the attendance book.</p>	<p>Article 3.3.5 of the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standardized Operation</p>

**Comparison Chart Of Amendments To The Rules Of Procedure For The Supervisory  
Committee Of The Company**

Original article	To be amended as	Basis
<p><b>Article 1</b></p> <p>Objectives</p> <p>To further regulate the rules of procedure and decision-making of the Supervisory Committee of Haitong Securities Co., Ltd. (the “Company”), make the Supervisors and the Supervisory Committee effectively perform their supervisory duties, and improve the governance structure of the Company, Rules of Procedure of the Supervisory Committee of Haitong Securities Co., Ltd. (the “Rules”) are formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Measures on the Administration of Securities Companies, the Regulations on Supervision and Administration of Securities Companies (<del>for Trial Implementation</del>), the Listing Rules of Shanghai Stock Exchange, the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Articles of Association, as well as the Model Rules of Procedure for the Supervisory Committee of Listed Companies in Shanghai Stock Exchange.</p>	<p><b>Article 1</b></p> <p>Objectives</p> <p>To further regulate the rules of procedure and decision-making of the Supervisory Committee of Haitong Securities Co., Ltd. (the “Company”), make the Supervisors and the Supervisory Committee effectively perform their supervisory duties, and improve the governance structure of the Company, Rules of Procedure of the Supervisory Committee of Haitong Securities Co., Ltd. (the “Rules”) are formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), <u>the Regulations on the Supervision and Administration of Securities Companies</u>, the Regulations on Supervision and Administration of Securities Companies, the Listing Rules of Shanghai Stock Exchange, the Mandatory Provisions for the Articles of Association of the Companies Listed Overseas, the Letter of Opinion on the Supplements and Amendments to the Articles of Association of the Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Articles of Association, as well as <u>the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standardized Operation.</u></p>	<p>To adjust according to updates on laws and regulations</p>

Original article	To be amended as	Basis
<p><b>Article 2</b></p> <p>Duties of the Supervisory Committee</p> <p>(i) to review the Company's securities issuance documents and periodical reports prepared by the Board and to express its comments in writing; Supervisors shall sign the written confirmation opinion;</p> <p>(ii) to inspect the Company's financial position. Chief Financial Officer of the Company shall regularly and truthfully report the analysis on financial statements to the Supervisory Committee;</p> <p>(iii) to supervise the establishment and implementation of internal control by the Board;</p> <p>(iv) to conduct supervision on comprehensive risk management of the Company and monitor the diligent performance of the Board and senior management in risk management and recommend their rectification;</p> <p>(v) to supervise the performance of compliance management duties performed by directors and senior management;</p> <p>(vi) to supervise the behaviours of the Directors and senior management members in performing their duties, and to advise on dismissal of any Directors and senior management members who are in breach of laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meetings, and assume the primary or leadership responsibility for the occurrence of major compliance risks;</p>	<p><b>Article 2</b></p> <p>Duties of the Supervisory Committee</p> <p>(i) to review the Company's securities issuance documents and periodical reports prepared by the Board and to express its comments in writing; Supervisors shall sign the written confirmation opinion;</p> <p>(ii) to inspect the Company's financial position. Chief Financial Officer of the Company shall regularly and truthfully report the analysis on financial statements to the Supervisory Committee;</p> <p>(iii) to supervise the establishment and implementation of internal control by the Board;</p> <p>(iv) to conduct supervision on comprehensive risk management of the Company and monitor the diligent performance of the Board and senior management in risk management and recommend their rectification;</p> <p>(v) to supervise the performance of compliance management duties performed by directors and senior management;</p> <p>(vi) to supervise the behaviours of the Directors and senior management members in performing their duties, and to advise on dismissal of any Directors and senior management members who are in breach of laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meetings, and assume the primary or leadership responsibility for the occurrence of major compliance risks;</p>	<p>Article 159 of the Guidelines for the Articles of Association of the Listed Companies (2022 Revision)</p>

Original article	To be amended as	Basis
(vii) to enquire on the conduct of Directors and senior management members;	(vii) to enquire on the conduct of Directors and senior management members;	
(viii) to demand the Directors and senior management members to rectify their errors if they have acted in a harmful manner to the Company's interest;	(viii) to demand the Directors and senior management members to rectify their errors if they have acted in a harmful manner to the Company's interest;	
(ix) to propose to convene an extraordinary shareholders' general meeting, and where the Board fails to perform the duties in relation to convening or presiding over a shareholders' general meeting as required by the Company Law, to convene and preside over the shareholders' general meeting;	(ix) to propose to convene an extraordinary shareholders' general meeting, and where the Board fails to perform the duties in relation to convening or presiding over a shareholders' general meeting as required by the Company Law, to convene and preside over the shareholders' general meeting;	
(x) to engage an accountant firm qualified for engaging securities related business to conduct the audits on retiring or resigning senior management members;	(x) to engage an accountant firm <u>meeting the requirements of the Securities Law</u> to conduct the audits on retiring or resigning senior management members;	
(xi) to propose motions in a shareholders' general meeting;	(xi) to propose motions in a shareholders' general meeting;	
(xii) to take legal actions against Directors and senior management members in accordance with Article 152 of the Company Law;	(xii) to take legal actions against Directors and senior management members in accordance with Article 152 of the Company Law;	
(xiii) to conduct investigations whenever unusual conditions of operation, financial conditions and compliance of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations. Any reasonable costs arising therefore shall be borne by the Company;	(xiii) to conduct investigations whenever unusual conditions of operation, financial conditions and compliance of the Company arise and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations. Any reasonable costs arising therefore shall be borne by the Company;	

Original article	To be amended as	Basis
<p>(xiv) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings, and if there are any queries, to engage certified public accountants or practicing auditors in the name of the Company to assist in the examination; and</p> <p>(xv) to exercise other authorities as authorized by the Articles of Association or the shareholders' general meetings.</p> <p>The Supervisory Committee may require the Directors, personnel of manager level and other related personnel to attend meetings of the Supervisory Committee to answer any questions raised by the Supervisory Committee.</p> <p>When the Supervisory Committee investigate the conduct of Directors, personnel of manager level of the Company in the performance of their duties, it may understand the situation through the Directors, personnel of manager level and the other involved personnel of the Company, who should provide assistance.</p> <p>When the Supervisory Committee find any violations of laws, regulations or the Articles of Association by any Directors or senior management, it shall perform its supervisory duties, and report to the Board or general meetings or report directly to the CSRC and its local offices, stock exchanges or other departments.</p>	<p>(xiv) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings, and if there are any queries, to engage certified public accountants or practicing auditors in the name of the Company to assist in the examination; and</p> <p>(xv) to exercise other authorities as authorized by the Articles of Association or the shareholders' general meetings.</p> <p>The Supervisory Committee may require the Directors, personnel of manager level and other related personnel to attend meetings of the Supervisory Committee to answer any questions raised by the Supervisory Committee.</p> <p>When the Supervisory Committee investigate the conduct of Directors, personnel of manager level of the Company in the performance of their duties, it may understand the situation through the Directors, personnel of manager level and the other involved personnel of the Company, who should provide assistance.</p> <p>When the Supervisory Committee find any violations of laws, regulations or the Articles of Association by any Directors or senior management, it shall perform its supervisory duties, and report to the Board or general meetings or report directly to the CSRC and its local offices, stock exchanges or other departments.</p>	