
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer, bank manager, solicitor, professional accountant, or other professional advisers.

If you have sold or transferred all your shares in Holly Futures (a joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 弘業期貨股份有限公司 and carrying on business in Hong Kong as Holly Futures), you should at once hand this circular and the accompanying form of proxy and reply slip to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer 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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Holly Futures

*(a joint stock company incorporated in the People's Republic of China
with limited liability under the Chinese corporate name 弘業期貨股份有限公司 and carrying on
business in Hong Kong as Holly Futures) (the "Company")*
(Stock Code: 3678)

- (1) 2022 INTERIM PROFIT DISTRIBUTION PLAN;
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND THE RELATED RULES OF PROCEDURES;
(3) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR;
(4) PROPOSED CHANGE IN USE OF PROCEEDS OF
THE GLOBAL OFFERING; AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**
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A letter from the Board is set out on pages 4 to 12 of this circular. A notice convening the EGM to be held at Conference Room, 9/F, Holly Tower, No. 50 Zhonghua Road, Nanjing, the PRC at 10:00 a.m. on 22 November 2022 is set out on pages EGM-1 to EGM-3 of this circular.

Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H Shares) on or before Tuesday, 15 November 2022.

Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalfs. A proxy need not be a Shareholder. In order to be valid, the form of proxy for the EGM must be deposited by hand or post, for holders of H Shares of the Company, to the H share registrar of the Company, 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 for holding the EGM (i.e. before 10:00 a.m. on Monday, 21 November 2022) (or any adjournment thereof) for taking the poll. If the form of proxy is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the form of proxy. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.

PRECAUTIONARY MEASURES FOR THE EGM

To safeguard the health and safety of the Shareholders and to prevent the spread of the coronavirus, the following precautionary measures will be implemented at the EGM:

- Compulsory temperature checks;
- Compulsory wearing of surgical face masks; and
- No provision of refreshments.

Any person who does not comply with the precautionary measures may be denied entry to the EGM venue. The Company would like to encourage Shareholders to consider appointing the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

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DEFINITIONS

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

“7th Board Meeting”	the 7th meeting of the fourth session of the Board held on 29 August 2022
“9th Board Meeting”	the 9th meeting of the fourth session of the Board held on 27 October 2022
“2019 Announcement”	the announcement of the Company dated 22 March 2019 in relation to the change in use of proceeds from the Global Offering
“2022 Interim Report”	the interim report of the Company for the six months ended 30 June 2022 published on the website of the Hong Kong Stock Exchange on 15 September 2022
“A Share(s)”	domestic listed ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the Main Board of the Shenzhen Stock Exchange on 5 August 2022 (Stock Code: 001236)
“A Shareholders”	holders of A Shares
“Articles Amendments”	the proposed amendments to the Articles of Association
“Articles of Association”	the articles of association of the Company, currently in force, as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“Change in Use of Proceeds”	further Change in Use of Proceeds as set out in the paragraph headed “PROPOSED CHANGE IN USE OF PROCEEDS OF THE GLOBAL OFFERING” in this circular
“Company”	Holly Futures Co., Ltd. (弘業期貨股份有限公司), a joint stock limited company established in Jiangsu, the PRC under the laws of the PRC on 29 November 2012 and carrying on business in Hong Kong as “Holly Futures”, the H Shares and A Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange and the Main Board of the Shenzhen Stock Exchange, respectively

DEFINITIONS

“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Directors(s)”	the director(s) of the Company
“EGM”	the 2022 first extraordinary general meeting of the Company to be convened and held on Tuesday, 22 November 2022 at 10:00 a.m. at Conference Room, 9/F, Holly Tower, No. 50 Zhonghua Road, Nanjing, the PRC, notice of which is set out on pages EGM-1 to EGM-3 of this circular, or any adjournment thereof
“Global Offering”	global offering of 227,000,000 H Shares offered by the Company and 22,700,000 H Share offering by the selling shareholders which are listed and traded on the Main Board of the Hong Kong Stock Exchange on 30 December 2015
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholders”	holders of H Shares
“H Share Prospectus”	the prospectus in relation to the Global Offering published on 16 December 2015
“IT”	information technology
“Latest Practicable Date”	27 October 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

DEFINITIONS

“Net Proceeds”	the net proceeds received from the Global Offering which amounted to approximately HK\$536.1 million after deducting the underwriting fees and expenses payable by the Company in the Global Offering
“PRC” or “China”	the People’s Republic of China which shall, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“Related Rules of Procedures”	the Rules of Procedures of the General Meetings, the Rules of Procedures of the Board of Directors and the Rules of Procedures of the Board of Supervisors
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“%”	per cent

LETTER FROM THE BOARD



Holly Futures

*(a joint stock company incorporated in the People's Republic of China
with limited liability under the Chinese corporate name 弘業期貨股份有限公司 and carrying on
business in Hong Kong as Holly Futures)*
(Stock Code: 3678)

Executive Director:

Ms. Zhou Jianqiu (*Chairlady*)

Non-executive Directors:

Mr. Xue Binghai

Mr. Jiang Lin

Mr. Shan Bing

Independent non-executive Directors:

Mr. Wang Yuetang

Mr. Huang Dechun

Mr. Lo Wah Wai

***Registered Office and Headquarters
in the PRC:***

No. 50 Zhonghua Road, Nanjing
Jiangsu Province, the PRC

***Place of business in Hong Kong
registered under Part 16 of the
Companies Ordinance:***

40th Floor, Dah Sing Financial Centre,
No. 248 Queen's Road East, Wanchai,
Hong Kong

2 November 2022

To the Shareholders,

Dear Sir or Madam,

- (1) 2022 INTERIM PROFIT DISTRIBUTION PLAN;**
- (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND THE RELATED RULES OF PROCEDURES;**
- (3) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR;**
- (4) PROPOSED CHANGE IN USE OF PROCEEDS OF
THE GLOBAL OFFERING; AND**
- (5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you the notice of EGM and the information on the proposed resolutions to be considered at the EGM to enable you to make an informed decision on whether to vote for or against the resolutions at the EGM.

LETTER FROM THE BOARD

II. 2022 INTERIM PROFIT DISTRIBUTION PLAN

According to the interim results announcement of the Company for the six months ended 30 June 2022 published on 29 August 2022 and the 2022 Interim Report, in view of the long-term development and interests of investors, the Company is expected to make the following profit distribution plan (the “**2022 Interim Distribution Plan**”): the Board proposed distribution of cash interim dividend as of 30 June 2022 of RMB0.03 (tax inclusive) (“**2022 Interim Dividend**”) to A Shareholders and H Shareholders. In view of the successful listing of the A Share on 5 August 2022, the proposed distribution of profit is based on the total issued share capital of 1,007,777,778 Shares after the listing of A Shares and the total amount RMB30,233,333.34 (tax inclusive) to be distributed, among which, the number of A Shares is 758,077,778 with a cash dividend of RMB22,742,333.34 (tax inclusive) and the number of H Shares is 249,700,000 with a cash dividend of RMB7,491,000 (tax inclusive).

The actual total amount to be paid is determined based on the total share capital of the Company as at the record date of entitlement. The proposed distribution of the 2022 Interim Dividend is subject to the approval of the Shareholders at the EGM. The related resolution was considered and approved by the Board at the 7th Board Meeting and to be submitted to the Shareholders of the EGM for consideration and approval. Regarding the distribution of the 2022 Interim Dividend, the dividend payable to A Shareholders will be in RMB while those payable to H Shareholders will be in Hong Kong Dollars. The exchange rate shall be calculated on the basis of the average benchmark exchange rate between RMB and Hong Kong Dollars as announced by the People’s Bank of China for the five working days prior to the date of the EGM.

Once the 2022 Interim Profit Distribution Plan is approved at the EGM, the 2022 Interim Dividend will be paid to the Shareholders whose names appear on the share register of the Company on Friday, 2 December 2022. For the purpose of determining the entitlement of Shareholders to receive the 2022 Interim Dividend, the register of members of the Company will be closed from Monday, 28 November 2022 to Friday, 2 December 2022 (both days inclusive). In order to qualify for receiving the 2022 Interim Dividend, H Shareholders and A Shareholders should ensure all transfer documents, accompanied by the relevant share certificates, 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, and to the Company’s registered office at No. 50, Zhonghua Road, Nanjing, the PRC, respectively, before 4:30 p.m. on Friday, 25 November 2022.

Taxes

1. Withholding and Payment of Income Tax for H Share Dividends

According to the Notice on Issues Concerning the Collection and Management of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No.045 promulgated by the State Taxation Administration (Guo Shui Han [2011] No.348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Company is required to withhold and pay the individual income tax for non-resident

LETTER FROM THE BOARD

individual holders of H shares. The Company will withhold and pay the individual income tax at the tax rate of 10% on behalf of the individual H shareholders who are Hong Kong residents, Macau residents or residents of those countries having agreements with China for individual income tax rate in respect of dividend of 10%. For individual H shareholders who are residents of those countries having agreements with China for individual income tax rates in respect of dividend of lower than 10%, they have to follow the bilateral tax agreement in paying tax in connection with dividend paid by mainland companies listed in Hong Kong. When making payments of dividend, the Company acting like a withholding agent in general will withhold 10% of the dividend on behalf of the non-resident individual H shareholders as individual income tax.

For non-resident enterprise holders of H Shares, the Company will withhold and pay enterprise income tax at the tax rate of 10% on behalf of such holders of H Shares pursuant to the Notice of the State Administration of Taxation on the Issues Concerning Withholding and Payment of the Enterprises Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No.897) (國家稅務總局《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)).

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H Shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H Shares or any disputes over the withholding mechanism or arrangements.

2. Withholding and Payment of Individual Income Tax on behalf of Domestic Individual Shareholders Investing through Shenzhen-Hong Kong Stock Connect

Pursuant to the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for domestic individual shareholders who invest in H Shares through Shenzhen-Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as a nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the dividend. For domestic shareholders who are securities investment funds investing in H Shares through Shenzhen-Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as a nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the dividend.

LETTER FROM THE BOARD

3. No Withholding or Payment of Enterprise Income Tax on behalf of Domestic Enterprise Shareholders Investing through Shenzhen-Hong Kong Stock Connect

Pursuant to the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for domestic enterprise shareholders who invest in H Shares through Shenzhen-Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as a nominee shareholder), the Company will not withhold or pay enterprise income tax on their behalf in the distribution of the dividend, and the domestic enterprise shareholders shall report and pay the relevant taxes payable by themselves.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Shenzhen-Hong Kong Stock Connect will be the same as those for the holders of H Shares. Should the holders of H Shares have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax implications in Mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H Shares.

III. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RELATED RULES OF PROCEDURES

References are made to the announcements of the Company dated 29 August 2022 and 27 October 2022. The Board resolved at the 7th Board Meeting and the 9th Board Meeting to make certain amendments to the existing Articles of Association (i) in accordance with the provisions of the Constitution of the Communist Party of China (《中國共產黨章程》) and rules and regulations of relevant authority of the PRC; (ii) in light of the updates in PRC laws and regulations including but not limited to the Company Law of the PRC (《中華人民共和國公司法》), Futures and Derivatives Law of the PRC (《中華人民共和國期貨和衍生品法》), Measures for the Supervision and Administration of Futures Companies (《期貨公司監督管理辦法》) and the Guidelines on the Articles of Associations for Listed Companies (2022 revision) (《上市公司章程指引(2022年修訂)》), both published by the CSRC; and (iii) in light of the Company's daily operation and management.

The Company also proposed to make corresponding amendments to the Related Rules of Procedures. Details of the Articles Amendments and amendments to the Related Rules of Procedures are set out in Appendices I to IV to this circular.

Save for the amendments set out in Appendices I to IV to this circular, the other articles in the existing Articles of Association and the Related Rules of Procedures will remain unchanged.

The English versions of the Article Amendments and amendments to the Related Rules of Procedures are unofficial translations of their Chinese versions. In case of any discrepancy between the two versions, the Chinese versions shall prevail.

LETTER FROM THE BOARD

Each of the Articles Amendments and the amendments to the Related Rules of Procedures shall become effective upon the approval of the Shareholders at the EGM by way of a special resolution. In addition, the Board shall be authorised at the EGM to in turn authorise operating management of the Company to handle the approval and filing procedures with relevant regulatory authorities involved relating to such matter.

The Board believes that the Articles Amendments and amendments to the Related Rules of Procedures are in the interests of the Company and its Shareholders.

IV. PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 27 October 2022. The Board proposed to nominate Mr. Chu Kairong (“**Mr. Chu**”) as an executive Director. Such resolution has been considered and approved by the Board at the 9th Board Meeting, and will be submitted to the EGM for consideration in accordance with the Articles of Association.

Mr. Chu Kairong (儲開榮), aged 48, with Chinese nationality and without permanent residency abroad, was born in July 1974 and holds a bachelor degree.

From October 1996 to October 2003, Mr. Chu served as account manager, senior account manager, marketing supervisor, and head of the sales and marketing service department of Xichang Town in China Life Insurance Co., Ltd. Haian Branch (中國人壽保險股份有限公司海安支公司). From October 2003 to September 2004, he served as a cooperative intermediary (合作居間人) of Jiangsu Holly Futures Brokerage Company Limited (江蘇弘業期貨經紀有限公司) (“**Jiangsu Holly Futures**”). From September 2004 to January 2009, Mr. Chu served as institutional investment headquarters employee, deputy manager and manager of Jiangsu Holly Futures. From January 2009 to April 2016, he worked in Holly Futures Brokerage Co., Ltd. (弘業期貨經紀有限公司) as an assistant to the general manager. From April 2016 to January 2022, he served as the deputy general manager of the Company. On 27 October 2022, Mr. Chu was appointed as the general manager of the Company. As at the Latest Practicable Date, Mr. Chu is a member of the party committee and executive deputy general manager of the Company. He is also the chairman and general manager of the board of directors of Holly Capital Management Co., Ltd. (弘業資本管理有限公司), a wholly-owned subsidiary of the Company.

As at the Latest Practicable Date, save as disclosed above, Mr. Chu has not held any other position in the Group, has not held any directorship in other listed companies in the last three years and has no other major appointments or professional qualifications. He does not have any relationships with any Directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Chu does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

During the tenure of Mr. Chu as an executive Director and general manager, his remuneration shall be paid with reference to the standard of senior management of the Company and according to the Company’s remuneration management measures. With reference to the remuneration standard of 2021, the remuneration of Mr. Chu will be

LETTER FROM THE BOARD

approximately RMB690,000 per annum. The actual remuneration will be determined pursuant to the relevant remuneration administrative measures of the Company with reference to his duties and responsibilities. Please refer to the Company's annual reports issued from time to time for further details.

The Board is not aware that there are any other matters relating to the proposed appointment of Mr. Chu that need to be brought to the attention of the Shareholders and the Hong Kong Stock Exchange and there is no other information relating to Mr. Chu which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

V. PROPOSED CHANGE IN USE OF PROCEEDS OF THE GLOBAL OFFERING

References are made to (i) the announcement of the Company dated 27 October 2022 in relation to, among others, the Change in Use of Proceeds; (ii) the H Share Prospectus; (iii) the announcement of the Company dated 29 December 2015 in respect of the offer price under the Global Offering and announcement of allotment results; (iv) the 2019 Announcement; and (v) the 2022 Interim Report.

In light of the reasons for and benefits of the Change in Use of Proceeds as set out in the paragraph headed "Reasons for and the Benefits of the Change in Use of Proceeds" below, the Board has reviewed the current intended use of the unutilised Net Proceeds and has resolved to reallocate the unutilised Net Proceeds.

Previous Change in Use of Proceeds

The Net Proceeds in connection with the Global Offering amounted to approximately HK\$563.1 million. The original intended use of the Net Proceeds was disclosed in the section headed "Future Plans and Use of Proceeds" in the H Share Prospectus. As disclosed in the 2019 Announcement, the Board resolved to reallocate HK\$50 million among the unutilised Net Proceeds, which was initially allocated to develop and strengthen existing futures brokerage business, to develop the Group's Hong Kong and global futures business ("**Reallocation**").

Further Change in Use of Proceeds

Set out below are details of the Reallocation of the Net Proceeds as disclosed in the 2019 Announcement, the amount of the utilised and unutilised Net Proceeds as at the Latest Practicable Date and the further proposed reallocation of the unutilised Net Proceeds:

LETTER FROM THE BOARD

Use of proceeds	Reallocation of the Net Proceeds as disclosed in the 2019 Announcement HK\$	Utilised Net Proceeds up to Latest Practicable Date HK\$	Unutilised Net Proceeds up to the Latest Practicable Date HK\$	Further proposed reallocation of the Net Proceeds as disclosed in this circular HK\$
1. Developing the Hong Kong and global futures business	221,567,448.95	215,000,000.00	6,567,448.95	–
2. Developing asset management business	134,037,069.50	134,037,069.50	–	–
3. Developing the commodity trading and risk management business	107,229,655.60	97,838,074.22	9,391,581.38	–
4. Developing and strengthening the existing futures brokerage business	3,614,827.80	519,947.38	3,094,880.42	–
5. Purchasing IT equipment and software	26,807,413.90	26,807,413.90	–	19,053,910.75
6. For general working capital purpose	42,891,862.24	42,891,862.24	–	–
Total	<u>536,148,277.99</u>	<u>517,094,367.24</u>	<u>19,053,910.75</u>	<u>19,053,910.75</u>

Reasons for and Benefits of the Change in Use of Proceeds

The unutilised Net Proceeds originally allocated to (i) developing the Hong Kong and global futures business; (ii) developing the commodity trading and risk management business; and (iii) developing and strengthening the existing futures brokerage business will be re-allocated to purchasing IT equipment and software. Over the past few years, the Company developed the Hong Kong and global futures business through the capital injection into Holly International Financial Holdings Limited, a wholly-owned subsidiary of the Company which is principally engaged in offshore securities and futures trading services. Along with the strengthening of local securities and futures business, the revenue derived from the futures brokerage and asset management business has increased during the past few years. In addition, the commodity trading and risk management business of the Group has become mature during the past few years, which was evident in the growth in revenue from Holly Capital Management Co., Ltd. (弘業資本管理有限公司), a wholly-owned subsidiary of the Company which is principally engaged in basis trading, cooperation hedging, warehouse receipts services, over-the-counter derivatives business and market making business. Having considered the above, the Directors are of the view that there is no urgent funding needs from the aforementioned segments, such that the remaining unutilised Net Proceeds can be deployed for other purposes.

Taking into account the trends in the securities industry that traditional offline business model is gradually diminishing and the rise of online business, the Directors consider that it is essential to closely follow the market trends in order to capture potential business opportunities. Informatisation has gradually become the core competitiveness of securities and futures companies. Currently, most of the Group's transactions for the customers are completed online, which puts forward demanding

LETTER FROM THE BOARD

requirements for the Group online user experience, network security protection and disaster recovery capabilities. As such, the Group would deploy the unutilised Net Proceeds to purchase IT equipment and software in order to cater for more advanced IT systems and better online securities and futures services.

Opinion of the Board

The Board is of the view that the Change in Use of Proceeds will enable the Company to deploy its financial resources more effectively, enhance the Company's future business development and better cater to the Company's existing and future business needs, which will be beneficial to the continuous and rapid development of the Group, so as to strengthen its overall market position. The Board is of the view that the Change in Use of Proceeds is in line with the business strategy of the Group and will not adversely affect the operation and business of the Group and is in the interests of the Company and its Shareholders as a whole.

The Board confirms that there is no material change in the nature of the business of the Group as set out in the H Share Prospectus. Save as disclosed in this circular, there is no other change in the use of the Net Proceeds.

Other matters

In accordance with the Articles of Association and the relevant laws and regulations, the Change in Use of Proceeds is subject to the approval of the Shareholders at the EGM by way of ordinary resolution. Moreover, according to relevant laws and regulations, the Change in Use of Proceeds is subject to the approval of the relevant Chinese regulatory authorities such as the State Administration of Foreign Exchange (中國外匯管理局) and National Development and Reform Commission (國家發展和改革委員會) and filing with relevant institutions.

VI. THE EGM AND CLOSURE OF REGISTER OF MEMBERS

Enclosed are the proxy form and reply slip for the EGM.

If you intend to appoint a proxy to attend the EGM, you are required to complete the enclosed proxy form in accordance with the instructions printed thereon. The proxy form should be returned to Computershare Hong Kong Investor Services Limited (17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong) for H Shareholders in any event not less than 24 hours before the time designated for holding the EGM or any adjournment thereof in person or by post. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the enclosed reply slip to Computershare Hong Kong Investor Services Limited (for H Shareholders) on or before Tuesday, 15 November 2022.

LETTER FROM THE BOARD

For the purpose of determining the entitlement of Shareholders to attend the EGM, the register of members of the Company will be closed from Wednesday, 16 November 2022 to Tuesday, 22 November 2022 (both dates inclusive), during which period no transfer of Shares will be effected. In order to be qualified to attend and vote at the EGM, the share transfer documents and the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders no later than 4:30 p.m. on Tuesday, 15 November 2022.

VII. REPLY SLIP AND FORM OF PROXY

If you are eligible and intend to attend the EGM, please complete and return the reply slip in accordance with the instructions printed thereon as soon as possible and in any event no later than Tuesday, 15 November 2022 or any adjournment thereof.

Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the form of proxy for the EGM must be deposited by hand or by post, for holders of H Shares, to the H share registrar of the Company, 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 for holding the EGM (or any adjournment thereof) for taking the poll (i.e. Monday, 21 November 2022 at 10:00 a.m.). If the form of proxy is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.

VIII. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, 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. As such, all resolutions proposed at the EGM will be voted by poll.

IX. RECOMMENDATIONS

The Board considers that the resolutions to be proposed at the EGM are in the interests of the Company and its Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favor of the resolutions proposed at the EGM.

By order of the Board
Ms. Zhou Jianqiu
Chairlady and executive Director

Comparison of Articles Amendments to the existing Articles of Association	
Original text of the Articles of Association	Text of the Articles of Association after the Articles Amendments
<p>Article 1 In order to safeguard the legitimate rights and interests of Holly Futures Co., Ltd. (the “Company”) and its shareholders and creditors, and to regulate the organization and activities of the Company, these Articles of Association 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 Supervision and Administration Measures on Futures Firms, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter Regarding Opinion on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Guidelines for the Articles of Association of Listed Companies, the listing rules of domestic stock exchanges and other relevant laws, regulations and regulatory documents.</p>	<p>Article 1 In order to safeguard the legitimate rights and interests of Holly Futures Co., Ltd. (the “Company”) and its shareholders and creditors, and to regulate the organization and activities of the Company, these Articles of Association 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 Futures and Derivatives Law of the People’s Republic of China (the “Futures and Derivatives Law”), the Supervision and Administration Measures on Futures Firms, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter Regarding Opinion on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Guidelines for the Articles of Association of Listed Companies, the listing rules of domestic stock exchanges and other relevant laws, regulations and regulatory documents.</p>

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, the Supervision and Administration Measures on Futures Firms as well as other relevant laws and administrative regulations of the People's Republic of China (the "PRC", excluding Hong Kong, Macau and Taiwan for the purpose of these Articles of Association and its appendixes).

The Company is a joint stock limited company established through overall transformation from Jiangsu Holly Futures Company Limited. On 29 November 2012, the Company was established by way of promotion and registered with the Administration for Industry and Commerce of Jiangsu Province. The unified social credit code of the Company is 91320000100022362N.

Promoters of the Company are as follows:

Jiangsu SOHO Holdings Group Co., Ltd.
Jiangsu Holly Corporation
Jiangsu Holly Su Industrial Co., Ltd.
Jiangsu High Hope International Group Co., Ltd.
Jiangsu Hongrui Venture Capital Co., Ltd.
Shanghai Mingda Industrial (Group) Company Limited
Jiangsu Holly International Logistics Corporation

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, **the Futures and Derivatives Law**, the Supervision and Administration Measures on Futures Firms as well as other relevant laws and administrative regulations of the People's Republic of China (the "PRC"), **(excluding Hong Kong, Macau and Taiwan for the purpose of these Articles of Association and its appendixes)**.

The Company is a joint stock limited company established through overall transformation from Jiangsu Holly Futures Company Limited. On 29 November 2012, the Company was established by way of promotion and registered with the **Jiangsu Market Supervision and Administration Bureau**. The unified social credit code of the Company is 91320000100022362N.

Promoters of the Company are as follows:

Jiangsu SOHO Holdings Group Co., Ltd.
Jiangsu Holly Corporation
Jiangsu Holly Su Industrial Co., Ltd.
Jiangsu High Hope International Group Co., Ltd.
Jiangsu Hongrui Venture Capital Co., Ltd.
Shanghai Mingda Industrial (Group) Company Limited
Jiangsu Holly International Logistics Corporation

<p>Article 5 The legal representative of the Company shall be the general manager of the Company.</p>	<p>Article 5 The legal representative of the Company shall be the chairman of the Company.</p>
<p>Article 10 In accordance with the provisions of the Constitution of the Communist Party of China, the Company shall set up an organization of the Communist Party of China. The Party organization shall exercise its role as the core of leadership and the political nucleus, and shall focus on the overall direction and development and ensuring strict policy implementation. The Company shall establish related working organs, and maintain an adequate level of staffing to handle Party affairs as well as sufficient funding for the activities of the Party organization.</p>	<p>Article 10 In accordance with the provisions of the Constitution of the Communist Party of China, the Company shall set up an organization of the Communist Party of China. The Party organization shall exercise its leadership role, and shall focus on the overall direction and development and ensuring strict policy implementation. The Company shall establish related working organs, and maintain an adequate level of staffing to handle Party affairs as well as sufficient funding for the activities of the Party organization.</p>
<p>Article 27 Directors, supervisors, senior management and the shareholders holding over five percent of the Company sells the Company's shares within six months after the acquisition of the same or repurchases the Company's shares within six months after sale of the same, any proceed arising therefrom shall be attributed to the Company and the Company's Board shall retrieve such proceed. However, where a securities company holds more than 5% of the Company's shares as a result of underwriting, the sale of the residue of the Company's shares shall not be subject to this 6-month restriction.</p>	<p>Article 27 Directors, supervisors, senior management and the shareholders holding over five percent of the Company sells the Company's shares or other securities in equity nature within six months after the acquisition of the same or repurchases the Company's shares within six months after sale of the same, any proceed arising therefrom shall be attributed to the Company and the Company's Board shall retrieve such proceed. However, where a securities company holds more than 5% of the Company's shares as a result of underwriting and other circumstances provided by the China Securities Regulatory Commission, the sale of the residue of the Company's shares shall not be subject to this 6-month restriction.</p> <p>The shares or other securities in equity nature held by the directors, supervisors, senior management and natural person shareholders referred to in the preceding paragraph include the shares or other securities in equity nature held by their spouses, parents, children and held through others' accounts.</p>

<p>In the case that the Board fails to comply with the requirements under the aforesaid paragraph, a shareholder shall have the right to request the Board to comply within thirty days. In case of the Board's failure to comply with the same within the aforesaid period, such shareholder shall have the right to institute a legal proceeding directly with the People's Court in its own name for the benefit of the Company.</p> <p>In the case that the Board fails to comply with the requirements under the first paragraph, the responsible director(s) shall assume joint liability according to the law.</p>	<p>In the case that the Board fails to comply with the requirements under the first paragraph in this article, a shareholder shall have the right to request the Board to comply within thirty days. In case of the Board's failure to comply with the same within the aforesaid period, such shareholder shall have the right to institute a legal proceeding directly with the People's Court in its own name for the benefit of the Company.</p> <p>In the case that the Board fails to comply with the requirements under the first paragraph of this article, the responsible director(s) shall assume joint liability according to the law.</p>
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<p>Article 30 The Company may, in accordance with the requirements under laws, regulations and these Articles of Association, acquire its shares under the following circumstances:</p> <ol style="list-style-type: none"> 1) cancelling its shares for the purpose of reducing its registered capital; 2) merging with another company which holds the shares of the Company; 3) using shares for employee stock ownership plans or equity incentives; 4) acquiring the shares of shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company and request the Company to acquire their shares; 5) using shares for conversion pursuant to the convertible corporate bonds issued by the Company; 6) to maintain corporate value and shareholder' interests as the Company deems necessary. <p>Other than the above-mentioned circumstances, the Company shall not engage in any activities for the purchase or sale of its shares.</p>	<p>Article 30 The Company shall not acquire its own shares except under the following circumstances:</p> <ol style="list-style-type: none"> 1) cancelling its shares for the purpose of reducing its registered capital; 2) merging with another company which holds the shares of the Company; 3) using shares for employee stock ownership plans or equity incentives; 4) acquiring the shares of shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company and request the Company to acquire their shares; 5) using shares for conversion pursuant to the convertible corporate bonds issued by the Company; 6) to maintain corporate value and shareholder' interests as the Company deems necessary. <p>Other than the above-mentioned circumstances, the Company shall not engage in any activities for the purchase or sale of its shares.</p>
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The acquisition of the Company's shares shall be proceeded through open centralized transactions or other methods recognized by laws and regulations and the securities regulatory authority of the place where the Company's shares are listed. Where a company acquires shares of the Company's own shares due to the circumstances specified in items (3), (5) and (6), it shall be proceeded through an open centralized transaction method.

Any acquisition of shares by the Company for the purpose of clauses (1) and (2) shall be approved at a shareholders' general meeting. Where the Company is to acquire its shares pursuant to clause (3), (5) and (6), shall do so in accordance with the requirements of these Articles or as authorized at the shareholders' general meeting, resolved at a Board meeting with more than two-thirds of the directors present. In the event that the Company has acquired its shares under the circumstance set out in clause (1), such shares shall be cancelled within 10 days from the date of acquisition, and for circumstances set out in clauses (2) and (4), such shares shall be transferred or cancelled within six months from the date of acquisition. In the event that the Company has acquired its shares under the circumstance set out in clauses (3), (5) and (6), the total amount of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

The acquisition of the Company's shares shall be proceeded through open centralized transactions or other methods recognized by laws and regulations and the securities regulatory authority of the place where the Company's shares are listed. Where a company acquires shares of the Company's own shares due to the circumstances specified in items (3), (5) and (6), it shall be proceeded through an open centralized transaction method.

Any acquisition of shares by the Company for the purpose of clauses (1) and (2) shall be approved at a shareholders' general meeting. Where the Company is to acquire its shares pursuant to clause (3), (5) and (6), shall do so in accordance with the requirements of these Articles or as authorized at the shareholders' general meeting, resolved at a Board meeting with more than two-thirds of the directors present. In the event that the Company has acquired its shares under the circumstance set out in clause (1), such shares shall be cancelled within 10 days from the date of acquisition, and for circumstances set out in clauses (2) and (4), such shares shall be transferred or cancelled within six months from the date of acquisition. In the event that the Company has acquired its shares under the circumstance set out in clauses (3), (5) and (6), the total amount of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

<p>Article 66 The shareholders' general meeting shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> 1) to decide the Company's operational guidelines and investment schemes; 2) to elect and remove directors not being staff representatives and to determine matters relating to the directors' remunerations; 3) to elect and remove supervisors not being shareholders' representatives and to determine matters relating to the supervisors' remunerations; 4) to consider and approve the reports of the Board; 5) to consider and approve the reports of the Supervisory Committee; 6) to consider and approve the Company's annual financial budgets and final accounts; 7) to consider and approve the Company's profit distribution plan and plan for making up losses; 8) to resolve on an increase or a reduction in the Company's registered capital and acquisition of the Company's shares; 9) to resolve on matters such as merger, demerger, dissolution, liquidation or change of corporate form of the Company; 10) to resolve on the issue of debentures by the Company; 	<p>Article 66 The shareholders' general meeting shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> 1) to decide the Company's operational guidelines and investment schemes; 2) to elect and remove directors not being staff representatives and to determine matters relating to the directors' remunerations; 3) to elect and remove supervisors not being shareholders' representatives and to determine matters relating to the supervisors' remunerations; 4) to consider and approve the reports of the Board; 5) to consider and approve the reports of the Supervisory Committee; 6) to consider and approve the Company's annual financial budgets and final accounts; 7) to consider and approve the Company's profit distribution plan and plan for making up losses; 8) to resolve on an increase or a reduction in the Company's registered capital and acquisition of the Company's shares; 9) to resolve on matters such as merger, demerger, dissolution, liquidation or change of corporate form of the Company; 10) to resolve on the issue of debentures by the Company;
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<p>11) to resolve on the appointment, dismissal or non-reappointment of the accounting firms;</p> <p>12) to amend the Articles of Association;</p> <p>13) to consider proposals put forward by any shareholder representing 3% or more of the Company's shares with voting rights;</p> <p>14) to consider the purchases or sales of any material assets of the Company within a year in excess of 30% of the Company's audited net assets in the latest period;</p> <p>15) to consider and approve long-term material investment, acquisition or disposal asset, asset change, related transactions or pledged loans of the Company to be approved by shareholders' general meeting;</p> <p>16) to consider related transactions to be resolved by shareholders' general meeting as required by listing rules of the place where the Company's shares are listed;</p> <p>17) to consider and approve matters relating to change of the use of raised funds;</p> <p>18) to consider share incentive plans;</p> <p>19) to consider any other matters to be resolved by shareholders' general meeting as required by the laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed and the Articles of Association.</p>	<p>11) to resolve on the appointment, dismissal or non-reappointment of the accounting firms;</p> <p>12) to amend the Articles of Association;</p> <p>13) to consider proposals put forward by any shareholder representing 3% or more of the Company's shares with voting rights;</p> <p>14) to consider the purchases or sales of any material assets of the Company within a year in excess of 30% of the Company's audited net assets in the latest period;</p> <p>15) to consider and approve long-term material investment, acquisition or disposal asset, asset change, related transactions or pledged loans of the Company to be approved by shareholders' general meeting;</p> <p>16) to consider related transactions to be resolved by shareholders' general meeting as required by listing rules of the place where the Company's shares are listed;</p> <p>17) to consider and approve matters relating to change of the use of raised funds;</p> <p>18) to consider share incentive plans and employee share scheme;</p> <p>19) to consider any other matters to be resolved by shareholders' general meeting as required by the laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed and the Articles of Association.</p>
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<p>Article 75 If the Supervisory Committee or any such shareholder(s) convene(s) an extraordinary meeting, the Board shall be notified in writing, and the meeting shall be registered with the local branch of the CSRC and the stock exchange(s) in the place in which the Company is located. The shareholder(s) convening the shareholders' general meeting shall hold no less than 10% of the shares of the Company prior to the announcement of any resolution approved at the shareholders' general meeting. Such convening shareholder(s) shall submit relevant evidence to the local branch of the CSRC and the stock exchange(s) in the place in which the Company is located when issuing the notice of shareholders' general meeting and announcement of any resolution approved at the shareholders' general meeting.</p>	<p>Article 75 If the Supervisory Committee or any such shareholder(s) convene(s) an extraordinary meeting, the Board shall be notified in writing, and the meeting shall be registered with the local branch of the CSRC and the stock exchange(s). The Supervisory Committee or shareholder(s) convening the shareholders' general meeting shall hold no less than 10% of the shares of the Company prior to the announcement of any resolution approved at the shareholders' general meeting. Such convening shareholder(s) shall submit relevant evidence to the local branch of the CSRC and the stock exchange when issuing the notice of shareholders' general meeting and announcement of any resolution approved at the shareholders' general meeting.</p>
<p>Article 82 The notice of a shareholders' meeting shall:</p> <ol style="list-style-type: none"> 1) be in writing; 2) specify the place, date and time of the meeting; 3) present the matters and proposals to be considered at the meeting; 4) set out the record date for shareholders who are entitled to attend the shareholders' general meeting; 	<p>Article 82 The notice of a shareholders' meeting shall:</p> <ol style="list-style-type: none"> 1) be in writing; 2) specify the place, date and time of the meeting; 3) present the matters and proposals to be considered at the meeting; 4) set out the record date for shareholders who are entitled to attend the shareholders' general meeting;

<p>5) provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal on merger, repurchase of shares, restructuring of share capital or other restructuring is put forward by the Company, the provision of the specific conditions and the contracts (if any) of the transactions contemplated, and the causes and consequences of such proposals shall be properly explained;</p> <p>6) disclose the nature and extent of the material interest, if any, of any director, supervisor, general manager and senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor, general manager or senior management officer as a shareholder and the way in which such matter would affect other shareholders of the same class;</p> <p>7) set out the full text of any special resolution proposed to be passed at the meeting;</p> <p>8) contain an express statement that a shareholder entitled to attend and vote has the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder;</p> <p>9) specify the time and place for lodging proxy forms for the meeting;</p> <p>10) the name and telephone number of the standing contact person for meeting affairs.</p>	<p>5) provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal on merger, repurchase of shares, restructuring of share capital or other restructuring is put forward by the Company, the provision of the specific conditions and the contracts (if any) of the transactions contemplated, and the causes and consequences of such proposals shall be properly explained;</p> <p>6) disclose the nature and extent of the material interest, if any, of any director, supervisor, general manager and senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor, general manager or senior management officer as a shareholder and the way in which such matter would affect other shareholders of the same class;</p> <p>7) set out the full text of any special resolution proposed to be passed at the meeting;</p> <p>8) contain an express statement that a shareholder entitled to attend and vote has the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder;</p> <p>9) specify the time and place for lodging proxy forms for the meeting;</p> <p>10) the name and telephone number of the standing contact person for meeting affairs;</p> <p>11) voting time and voting procedure of the network or other means.</p>
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<p>Article 109 The following matters shall be resolved by special resolution at a shareholders' general meeting:</p> <ol style="list-style-type: none"> 1) increase or reduction of the Company's share capital, repurchase of the Company's shares and issue of shares of any class, warrants and other similar securities; 2) issue of debentures of the Company; 3) demerger, merger, dissolution, liquidation and change of corporate form of the Company; 4) amendments to the Articles of Association; 5) purchases or sales of material assets of the Company in excess of 30 percent of the net assets of the Company within a year; 6) share incentive plans; 7) any other matters stipulated by the laws, administrative regulations, the listing rules of the places where the shares of the Company are listed or the Articles of Association or determined by an ordinary resolution at a shareholders' general meeting as having a material impact on the Company and requiring to be resolved by special resolution. 	<p>Article 109 The following matters shall be resolved by special resolution at a shareholders' general meeting:</p> <ol style="list-style-type: none"> 1) increase or reduction of the Company's share capital, repurchase of the Company's shares and issue of shares of any class, warrants and other similar securities; 2) issue of debentures of the Company; 3) demerger, split, merger, dissolution, liquidation and change of corporate form of the Company; 4) amendments to the Articles of Association; 5) purchases or sales of material assets of the Company in excess of 30 percent of the net assets of the Company within a year; 6) share incentive plans; 7) any other matters stipulated by the laws, administrative regulations, the listing rules of the places where the shares of the Company are listed or the Articles of Association or determined by an ordinary resolution at a shareholders' general meeting as having a material impact on the Company and requiring to be resolved by special resolution.
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Article 110 Shareholders (including proxies thereof) shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share shall carry the right to one vote.

When material issues affecting the interests of medium and minority investors are considered at the shareholders' general meeting, the votes of medium and minority investors shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company shall have no voting rights for the shares it holds, and such portion of the shares shall be excluded from the total number of voting shares represented by the shareholders attending the general meeting.

Article 110 Shareholders (including proxies thereof) shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share shall carry the right to one vote.

When material issues affecting the interests of medium and minority investors are considered at the shareholders' general meeting, the votes of medium and minority investors shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company shall have no voting rights for the shares it holds, and such portion of the shares shall be excluded from the total number of voting shares represented by the shareholders attending the general meeting.

If a shareholder purchases voting shares of the Company in violation of the provisions of the first paragraph and the second paragraph of Article 63 of the Securities Law, the voting rights of the shares that exceed the prescribed proportion shall not be exercised within 36 months after purchasing such shares being purchased, and such shares shall not be included in the total number of voting shares represented by the shareholders attending the general meeting.

<p>The soliciting of voting rights can be carried out by the Board, independent directors, and the shareholders who comply with relevant regulations. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited.</p> <p>Consideration or disguised consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>	<p>The soliciting of voting rights can be carried out by the Board, independent directors, shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority under CSRC. Information including the specific voting preference shall be fully provided to the shareholders for whom voting rights are being solicited.</p> <p>Consideration or disguised consideration for soliciting shareholders' voting rights is prohibited. Except for legal conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.</p>
<p>Article 120 The general meeting shall, prior to the voting on any proposal, elect two representatives from shareholders to take part in vote counting and polling scrutiny. In case any shareholder is involved in any matter to be considered, the shareholder and his/her proxy shall not take part in vote counting and polling scrutiny.</p> <p>When the general meeting votes on any proposals, lawyers, representatives of shareholders and supervisors shall be jointly responsible for vote counting and polling scrutiny, and the voting result will be announced forthwith. Voting on the resolutions will be recorded in the minutes of meeting.</p> <p>Shareholders or their proxies who vote online or by any other means shall be entitled to check their voting results via the relevant voting system.</p>	<p>Article 120 The general meeting shall, prior to the voting on any proposal, elect two representatives from shareholders to take part in vote counting and polling scrutiny. In case any shareholder has connected relations with any matter to be considered, the shareholder and his/her proxy shall not take part in vote counting and polling scrutiny.</p> <p>When the general meeting votes on any proposals, lawyers, representatives of shareholders and supervisors shall be jointly responsible for vote counting and polling scrutiny, and the voting result will be announced forthwith. Voting on the resolutions will be recorded in the minutes of meeting.</p> <p>Shareholders or their proxies who vote online or by any other means shall be entitled to check their voting results via the relevant voting system.</p>

<p>Article 139(3) To consider and discuss the matters on the reform, development and stability of the Company, major operation and management matters as well as key issues involving the vital interests of employees, and make suggestions.</p>	<p>Article 139(3) To consider and discuss the matters on the reform, development and stability or the Company, major operation and management matters as well as key issues involving the vital interests of employees, and make suggestions; research and discussion by the Party organization is a prerequisite for the Board and the management to decide on major issues.</p>
<p>Article 150 The Board shall be accountable to the general meeting and exercise the following functions and powers:</p> <ol style="list-style-type: none"> 1) to convene general meetings and report to general meetings; 2) to execute resolutions of general meetings; 3) to resolve on the Company's business plans and investment plans; 4) to prepare the annual financial budgets and final accounting plans of the Company; 5) to prepare the profit distribution plan and loss makeup plan of the Company; 6) to prepare plans for the increase or decrease of the registered capital of the Company and for the issuance of corporate bonds and other securities and listing scheme; 	<p>Article 150 The Board shall be accountable to the general meeting and exercise the following functions and powers:</p> <ol style="list-style-type: none"> 1) to convene general meetings and report to general meetings; 2) to execute resolutions of general meetings; 3) to resolve on the Company's business plans and investment plans; 4) to prepare the annual financial budgets and final accounting plans of the Company; 5) to prepare the profit distribution plan and loss makeup plan of the Company; 6) to prepare plans for the increase or decrease of the registered capital of the Company and for the issuance of corporate bonds and other securities and listing scheme;

7) to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;	7) to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;
8) to decide on external investment, acquisition and disposal of assets, asset mortgage, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting;	8) to decide on external investment, acquisition and disposal of assets, asset mortgage, consigned financial management, connected transactions, external donations , etc. of the Company within the authority granted by the general meeting;
9) to resolve on the establishment of internal management organizations of the Company;	9) to resolve on the establishment of internal management organizations of the Company;
10) to appoint or dismiss the general manager, chief risk officer and secretary of the Board; to decide to appoint or dismiss the Company's deputy general manager, chief financial officer and other senior management as nominated by the chairman or the general manager, and to determine their remunerations and disciplinary matters;	10) to decide on the appointment or dismissal of the general manager, chief risk officer, secretary of the Board and other senior management and determine their remunerations and matters related to incentives and punishment ; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management as nominated by the chairman or the general manager, and to determine their remunerations and disciplinary matters;
11) to set up the basic management system of the Company, including transaction margin management system and risk management system;	11) to set up the basic management system of the Company, including transaction margin management system and risk management system;

<p>12) to formulate the proposals for any amendment to the Articles of Association;</p> <p>13) to manage the disclosure of the Company's information;</p> <p>14) to propose the appointment or replacement of an accounting firm that performs audits for the Company at the general meeting;</p> <p>15) to listen to the work report of the chief risk officer and the general manager of the Company and examine on their work;</p> <p>16) to approve the setting up of branches which is subject to approval from the Board in accordance to rules of regulatory departments;</p> <p>17) to check and approve the Company's any major transactions, very substantial disposals, very substantial acquisitions and reverse takeovers under Hong Kong Listing Rules and submit it for Shareholder's approval;</p> <p>18) to check and approve any transactions that shall be disclosed except the Company's any major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers under Hong Kong Listing Rules;</p> <p>19) to approve the connected transactions that are not subject to approval or announcement of the general meeting under Hong Kong Listing Rules;</p>	<p>12) to formulate the proposals for any amendment to the Articles of Association;</p> <p>13) to manage the disclosure of the Company's information;</p> <p>14) to propose the appointment or replacement of an accounting firm that performs audits for the Company at the general meeting;</p> <p>15) to listen to the work report of the chief risk officer and the general manager of the Company and examine on their work;</p> <p>16) to approve the setting up of branches which is subject to approval from the Board in accordance to rules of regulatory departments;</p> <p>17) to check and approve the Company's any major transactions, very substantial disposals, very substantial acquisitions and reverse takeovers under Hong Kong Listing Rules and submit it for Shareholder's approval;</p> <p>18) to check and approve any transactions that shall be disclosed except the Company's any major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers under Hong Kong Listing Rules;</p> <p>19) to approve the connected transactions that are not subject to approval or announcement of the general meeting under Hong Kong Listing Rules;</p>
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<p>20) to check the connected transactions that shall be approved by the general meeting under Hong Kong Listing Rules;</p> <p>21) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules or these Articles of Association.</p> <p>The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (6), (7), and (12), in which approval of two thirds of the directors is required.</p> <p>The Board shall seek opinions from the Party Committee before making decisions on the material issues of the Company.</p> <p>The Board shall determine the scope of authorization in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, as well as connected transactions. It shall establish strict inspection and decision-making procedures. The Board shall have the rights to approve and make decision on the following matters:</p> <p>1. External investment (including consigned financial management, entrusted loan, trust product, asset management plan, security, bond, fund and other financial asset investment, equity investment, and fixed asset investment etc.): The Board is granted the authorization in respect of standalone external investment of not more than 30% of the latest audited net assets of the Company;</p>	<p>20) to check the connected transactions that shall be approved by the general meeting under Hong Kong Listing Rules;</p> <p>21) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules or these Articles of Association.</p> <p>The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (6), (7), and (12), in which approval of two thirds of the directors is required.</p> <p>The Board shall seek opinions from the Party Committee before making decisions on the material issues of the Company.</p> <p>The Board shall determine the scope of authorization in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, as well as connected transactions, external donations. It shall establish strict inspection and decision-making procedures. The Board shall have the rights to approve and make decision on the following matters:</p> <p>1. External investment (including consigned financial management, entrusted loan, trust product, asset management plan, security, bond, fund and other financial asset investment, equity investment, and fixed asset investment etc.): The Board is granted the authorization in respect of standalone external investment of not more than 30% of the latest audited net assets of the Company;</p>
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<p>2. Acquisition and disposal of assets: The Board is granted the authorization in respect of standalone asset disposal (including acquisition, disposal, transfer, retirement and liquidation) of not more than 30% of the latest audited net assets of the Company;</p> <p>3. Asset mortgage: The Board is granted the authorization in respect of standalone asset mortgage of not more than 30% of the latest audited net assets of the Company;</p> <p>4. Asset written-off: The Board is granted the authorization in respect of asset written-off of not more than RMB10 million;</p> <p>5. Connected transaction: Connected transactions between the Company and its connected persons which satisfied the following standards shall be submitted to the Board for consideration and approval:</p> <p>(1) any contemplated connected transaction between the Company and its connected natural person in an amount more than RMB300,000;</p> <p>(2) any contemplated connected transaction between the Company and its connected legal person in an amount more than RMB3 million and accounting for more than 0.5% of the latest audited absolute value of net assets of the Company.</p>	<p>2. Acquisition and disposal of assets: The Board is granted the authorization in respect of standalone asset disposal (including acquisition, disposal, transfer, retirement and liquidation) of not more than 30% of the latest audited net assets of the Company;</p> <p>3. Asset mortgage: The Board is granted the authorization in respect of standalone asset mortgage of not more than 30% of the latest audited net assets of the Company;</p> <p>4. Asset written-off: The Board is granted the authorization in respect of asset written-off of not more than RMB10 million;</p> <p>5. Connected transaction: Connected transactions between the Company and its connected persons which satisfied the following standards shall be submitted to the Board for consideration and approval:</p> <p>(1) any contemplated connected transaction between the Company and its connected natural person in an amount more than RMB300,000;</p> <p>(2) any contemplated connected transaction between the Company and its connected legal person in an amount more than RMB3 million and accounting for more than 0.5% of the latest audited absolute value of net assets of the Company.</p>
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<p>Any contemplated connected transaction between the Company and its connected person in an amount more than RMB30 million and accounting for more than 5% of the latest audited absolute value of net assets of the Company shall be submitted to the general meeting for consideration after such transaction is considered and approved by the Board;</p> <p>6. External donation;</p> <p>7. For other matters which are necessary but did not meet the above criteria, they can be proposed to the Board for consideration.</p> <p>When conducting the above transactions, the Company shall apply the aforesaid provisions to corresponding transactions under the same category based on the principle of aggregation within a twelve (12) month period. For transactions in which relevant obligations have been performed according to the aforesaid provisions, such transactions shall not be subject to the scope of aggregation. In the event there are other special rules in respect of the aforesaid approval authorization by relevant regulatory authorities or the stock exchange on which the shares of the Company are listed, transactions shall be conducted in accordance with the rules of relevant regulatory authorities or the stock exchange on which the shares of the Company are listed. For other significant matters outside the scope stipulated above, the Board shall conduct review with relevant experts and professionals, and propose such matters at general meeting for approval.</p>	<p>Any contemplated connected transaction between the Company and its connected person in an amount more than RMB30 million and accounting for more than 5% of the latest audited absolute value of net assets of the Company shall be submitted to the general meeting for consideration after such transaction is considered and approved by the Board;</p> <p>6. External donation;</p> <p>7. For other matters which are necessary but did not meet the above criteria, they can be proposed to the Board for consideration.</p> <p>When conducting the above transactions, the Company shall apply the aforesaid provisions to corresponding transactions under the same category based on the principle of aggregation within a twelve (12) month period. For transactions in which relevant obligations have been performed according to the aforesaid provisions, such transactions shall not be subject to the scope of aggregation. In the event there are other special rules in respect of the aforesaid approval authorization by relevant regulatory authorities or the stock exchange on which the shares of the Company are listed, transactions shall be conducted in accordance with the rules of relevant regulatory authorities or the stock exchange on which the shares of the Company are listed. For other significant matters outside the scope stipulated above, the Board shall conduct review with relevant experts and professionals, and propose such matters at general meeting for approval.</p>
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<p>Article 154 Chairman of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> 1) have a minimum of 3 years' experience in futures business, or a minimum of 4 years' experience in other financial businesses, or a minimum of 5 years' experience in legal or accounting practice; 2) have educational background of graduate of college or university or above in relevant field or holding a bachelor degree or above; 3) have passed the qualification test accepted by the CSRC. 	<p>Article 154 Chairman of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> 1) have a minimum of 3 years' experience in futures business, or a minimum of 4 years' experience in other financial businesses, or a minimum of 5 years' experience in legal or accounting practice, or more than 10 years' experience in economic management field; 2) have educational background of graduate of college or university or above in relevant field or holding a bachelor degree or above; 3) are familiar with the laws and administrative regulations of futures and the requirements of the CSRC, and possess professional expertise in futures.
<p>Article 165 The Company shall set up four special committees under the Board, namely an audit committee, a nomination committee, a remuneration committee and a risk management committee.</p> <p>Each special committee shall be accountable to the Board, and shall consist of directors as members.</p> <p>The audit committee must comprise a minimum of three members, and most members shall be independent directors. At least one of the members of audit committee is a member with appropriate professional qualifications or accounting or related financial management expertise as required under the Hong Kong Listing Rules. The one who acts as the chairman of audit committee must be an independent director.</p> <p>Most members of remuneration committee shall be independent directors. The one who acts as the chairman of remuneration committee must be an independent director.</p> <p>The one who acts as the chairman of nomination committee must be chairman of the Board or an independent director, and most members of nomination committee shall be independent directors.</p>	<p>Article 165 The Company shall set up special committees under the Board including an audit committee, a nomination committee, a remuneration committee, a risk management committee and a strategic committee.</p> <p>Each special committee shall be accountable to the Board, and shall consist of directors as members.</p> <p>The audit committee must comprise a minimum of three members, and most members shall be independent directors. At least one of the members of audit committee is a member with appropriate professional qualifications or accounting or related financial management expertise as required under the Hong Kong Listing Rules. The one who acts as the chairman of audit committee must be an independent director.</p> <p>Most members of remuneration committee shall be independent directors. The one who acts as the chairman of remuneration committee must be an independent director.</p> <p>The one who acts as the chairman of nomination committee must be chairman of the Board or an independent director, and most members of nomination committee shall be independent directors.</p>

<p>Article 168 The following persons shall not act as independent director of the Company:</p> <ol style="list-style-type: none"> 1) persons employed by the Company or its related parties and their immediate family members and major social connections; 2) natural person shareholders directly or indirectly holding more than 1% of the Company's issued shares or of top ten shareholders of the Company and their immediate family members; 3) persons and their immediate family members and major social connections employed by the Shareholder entities which hold or control more than 5% of the Company's equity or which are top five shareholder entities of the Company, or by institutions which have business connection or interests relationship with the Company; 4) persons providing financial, legal or consulting services to the Company and its related parties and their immediate family members; 5) persons who belong to categories (1) to (4) within the preceding year; 6) persons holding positions other than independent director in other futures companies; 7) other persons specified in laws and regulations, or unfit to serve as independent director upon confirmation by CSRC. 	<p>Article 168 The following persons shall not act as independent director of the Company:</p> <ol style="list-style-type: none"> 1) persons employed by the Company or its related parties and their immediate family members and major social connections; 2) natural person shareholders directly or indirectly holding more than 1% of the Company's issued shares or of top ten shareholders of the Company and their close relatives; 3) persons and their immediate family members and major social connections employed by the Shareholder entities which hold or control more than 5% of the Company's equity or which are top five shareholder entities of the Company, or by institutions which have business connection or interests relationship with the Company; 4) persons providing financial, legal or consulting services to the Company and its related parties and their immediate family members; 5) persons who belong to categories (1) to (4) within the preceding year; 6) persons holding positions other than independent director in other futures companies; 7) other persons specified in laws and regulations, or unfit to serve as independent director upon confirmation by CSRC.
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<p>Article 172 General manager and other senior management of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> 1) have futures practitioner qualification; 2) have educational background of graduate of college or university or above in relevant field or holding a bachelor degree or above; 3) some senior management shall pass the qualification test accepted by the CSRC as required. 	<p>Article 172 General manager and other senior management of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> 1) have futures practitioner qualification; 2) have educational background of graduate of college or university or above in relevant field or holding a bachelor degree or above; 3) are familiar with the laws and administrative regulations of futures and as of the requirements of the CSRC, and possess professional expertise in futures.
<p>Article 173 General manager and deputy general manager of the Company shall, in addition to the conditions as prescribed in preceding Article, meet the following conditions:</p> <ol style="list-style-type: none"> 1) have a minimum of 3 years' experience in futures business, or a minimum of 4 years' experience in other financial businesses, or a minimum of 5 years' experience in legal or accounting practice; 2) have held the post of a person-in-charge of a department or above in such financial institutions as a futures company, a securities company etc. for more than 2 years or have experience of management of equivalent post. 	<p>Article 173 General manager and deputy general manager of the Company shall, in addition to the conditions as prescribed in Article 172, meet the following conditions:</p> <ol style="list-style-type: none"> 1) have a minimum of 3 years' experience in futures business, or a minimum of 4 years' experience in other financial businesses, or a minimum of 5 years' experience in legal or accounting practice, or more than 10 years' experience in economic management field; 2) have held the post of a person-in-charge of a department or above in such financial institutions as a futures company, a securities company etc. for more than 2 years or have experience of management of equivalent post.

<p>Article 175 The persons who hold posts other than directors in the entities of the controlling shareholder or de facto controller of the Company shall not hold the post of senior management in the Company.</p>	<p>Article 175 The persons who hold posts other than directors in the entities of the controlling shareholder or de facto controller of the Company shall not hold the post of senior management in the Company.</p> <p>The senior management members shall be only entitled to salaries paid by the Company, and the controlling shareholders shall not pay the salaries on behalf of the Company.</p>
<p>Article 177 Chief financial officer of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> 1) have futures practitioner qualifications; 2) have educational background of graduate of college or university or above in relevant field or holding a bachelor degree or above; 3) have a professional accountant title or above or CPA qualifications. 	<p>Article 177 Chief financial officer of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> 1) have futures practitioner qualifications; 2) have educational background of graduate of college or university or above in relevant field or holding a bachelor degree or above; 3) have a professional accountant title or above or CPA qualifications.
	<p>Article 179 The senior management of the Company shall perform their duties faithfully, and protect the best interests of the Company and all shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation according to law.</p>

<p>Article 182 The Company shall have one general manager and several deputy general managers, who shall be appointed or dismissed by the Board. The deputy general managers shall assist the general manager in his work and be accountable to the general manager. In absence or incapability of the general manager in performing his duties for any reasons, such duties shall be performed by the deputy general manager(s). The Board of the Company may decide upon whether a member of the Board shall concurrently act as the general manager, but the chairman shall not serve concurrently as general manager.</p> <p>Each general manager and other senior management shall have an even term of office of three (3) years, and shall be eligible for re-election.</p>	<p>Article 183 The Company shall have one general manager and several deputy general managers, who shall be appointed or dismissed by the Board. The deputy general managers shall assist the general manager in his work and be accountable to the general manager. In absence or incapability of the general manager in performing his duties for any reasons, such duties shall be performed by the deputy general manager(s). The Board of the Company may decide upon whether a member of the Board shall concurrently act as the general manager.</p> <p>Each general manager and other senior management shall have an even term of office of three (3) years, and shall be eligible for re-election.</p>
<p>Article 194 In the event of being aware that there are other problems in addition to those illegal behaviors and irregularities or significant potential risks listed in Article 193 of these Articles of Association with regards to the legal compliance and risk management in the Company's operation and management, the chief risk officer shall provide suggestions on rectifications to general manager or person in charge in a timely manner.</p> <p>In case of general manager or the person in charge failing to rectify the existing problem or the rectification results failing to meet the requirements, the chief risk officer shall promptly report to the Chairman or the Supervisory Committee, and to, if necessary, the CSRC's agency at the Company's domicile.</p>	<p>Article 195 In the event of being aware that there are other problems in addition to those illegal behaviors and irregularities or significant potential risks listed in Article 196 of these Articles of Association with regards to the legal compliance and risk management in the Company's operation and management, the chief risk officer shall provide suggestions on rectifications to general manager or person in charge in a timely manner.</p> <p>In case of general manager or the person in charge failing to rectify the existing problem or the rectification results failing to meet the requirements, the chief risk officer shall promptly report to the Chairman or the Supervisory Committee, and to, if necessary, the CSRC's agency at the Company's domicile.</p>

<p>Article 209 Supervisors shall ensure that the information disclosure of the Company is true, accurate and complete.</p>	<p>Article 210 Supervisors shall ensure that the information disclosure of the Company is true, accurate and complete, and sign written confirmation opinion on regular reports.</p>
<p>Article 217 In any of the following circumstances, a person shall not serve as director, supervisor, general manager or other senior management of the Company:</p> <ol style="list-style-type: none"> 1) without capacity or with limited capacity for civil conduct; 2) has been sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting economic order, and less than five years have elapsed since the punishment is fully executed; or has been deprived of political rights due to any criminal offences and less than five years have elapsed since the punishment is fully executed; 3) has served as a director, factory manager or manager of a company or an enterprise that was bankrupt and liquidated, and was personally liable for the bankruptcy of the company or enterprise because of mismanagement, and less than three years have elapsed since the date of completion of the bankruptcy or liquidation of the company or enterprise; 	<p>Article 218 In any of the following circumstances, a person shall not serve as director, supervisor, general manager or other senior management of the Company:</p> <ol style="list-style-type: none"> 1) without capacity or with limited capacity for civil conduct; 2) has been sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting economic order, and less than five years have elapsed since the punishment is fully executed; or has been deprived of political rights due to any criminal offences and less than five years have elapsed since the punishment is fully executed; 3) has served as a director, factory manager or manager of a company or an enterprise that was bankrupt and liquidated, and was personally liable for the bankruptcy of the company or enterprise because of mismanagement, and less than three years have elapsed since the date of completion of the bankruptcy or liquidation of the company or enterprise;

<p>4) has served as the legal representative of a company or an enterprise whose business license was revoked due to illegal activities or was ordered to be wound-up and was personally liable for such punishment, and less than three years have elapsed since the date of revocation of the business license of the company or enterprise;</p> <p>5) has large amount of overdue debts;</p> <p>6) is under investigation by the judiciary authority for violation of the criminal law, and the case is still pending;</p> <p>7) is disqualified as corporate leader under the laws and administrative regulations;</p> <p>8) is not a natural person;</p> <p>9) was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and less than five years have elapsed since such ruling was made;</p> <p>10) has served as the person-in-charge of a futures exchange, securities exchange, or securities depository and clearing institution, or a director, supervisor or senior manager of a futures company or securities company who was dismissed from his position for violating laws or disciplines where not more than 5 years have elapsed since the date of his dismissal;</p>	<p>4) has served as the legal representative of a company or an enterprise whose business license was revoked due to illegal activities or was ordered to be wound-up and was personally liable for such punishment, and less than three years have elapsed since the date of revocation of the business license of the company or enterprise;</p> <p>5) has large amount of overdue debts;</p> <p>6) is under investigation by the judiciary authority for violation of the criminal law, and the case is still pending;</p> <p>7) is disqualified as corporate leader under the laws and administrative regulations;</p> <p>8) is not a natural person;</p> <p>9) was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and less than five years have elapsed since such ruling was made;</p> <p>10) has served as the person-in-charge of a futures exchange, securities exchange, or securities depository and clearing institution, or a director, supervisor or senior manager of a futures company, securities company and fund management company who was dismissed from his position for violating laws or disciplines where not more than 5 years have elapsed since the date of his dismissal;</p>
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<p>11) has served as a lawyer, a certified public accountant or a professional of an investment consulting agency, financial advisory organ, credit rating institution, assets appraisal institution and verification institution, whose qualifications have been revoked for violating laws or disciplines, where not more than 5 years have elapsed since the date of the revocation;</p> <p>12) has served as a business practitioner of a futures exchange, securities exchange, securities depository and clearing institution, securities service agency, futures company, or securities company or a state organ functionary who was expelled for violating laws or disciplines, where not more than 5 years have elapsed as at the date of his expulsion;</p> <p>13) has served as a state organ functionary and those who are prohibited from assuming positions concurrently in a company according to laws and administrative regulations;</p> <p>14) was given administrative sanction by the financial regulatory authority for violating laws or disciplines, where not more than 3 years have elapsed since the expiration of the enforcement period;</p>	<p>11) has served as a lawyer, a certified public accountant or a professional of an investment consulting agency, financial advisory organ, credit rating institution, assets appraisal institution and verification institution, whose certified certificates or qualifications were revoked for violating laws or disciplines, where not more than 5 years have elapsed since the date of the revocation of certified certificates or qualification;</p> <p>12) has served as a business practitioner of a futures exchange, securities exchange, securities depository and clearing institution, securities service agency, futures company, securities company or fund management company or a state organ functionary who was expelled for violating laws or disciplines, where not more than 5 years have elapsed as at the date of his expulsion;</p> <p>13) has served as a state organ functionary and those who are prohibited from assuming positions concurrently in a company according to laws and administrative regulations;</p> <p>14) was given administrative sanction by the financial regulatory authority for serious violation of laws or disciplines, where not more than 3 years have elapsed since the expiration of the enforcement period;</p>
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<p>15) was determined to be an unsuitable candidate by the CSRC or its dispatched organ, where not more than 2 years have elapsed since the date of the decision;</p> <p>16) has served as a person-in-charge who bears liability and other directly responsible persons of a financial institution and its branch which were ordered to suspend business for rectification, entrusted for custody, taken over or revoked by the regulatory body for violating laws or disciplines or for emergence of major risks, where not more than 3 years have elapsed since the date when the financial institution and its branch were ordered to suspend business for rectification, custody, taken over or revoked by the regulatory body;</p> <p>17) was involved in other circumstances as prescribed by the CSRC.</p> <p>If the aforesaid rules are violated in electing or appointing director, supervisor and senior management, such election, appointment or employment shall be invalid.</p> <p>Where a circumstance prescribed in this article occurs during the term of office of director, supervisor or senior management, the Company shall dismiss the personnel concealed.</p>	<p>15) was determined to be an unsuitable candidate by the CSRC or its dispatched organ, where not more than 2 years have elapsed since the date of the decision;</p> <p>16) has served as a person-in-charge who bears liability and other directly responsible persons of a financial institution and its branch which were ordered to suspend business for rectification, entrusted for custody, taken over or revoked by the regulatory body for violating laws or disciplines or for emergence of major risks, where not more than 3 years have elapsed since the date when the financial institution and its branch were ordered to suspend business for rectification, custody, taken over or revoked by the regulatory body;</p> <p>17) was involved in other circumstances as stipulated by the CSRC.</p> <p>If the aforesaid rules are violated in electing or appointing director, supervisor and senior management, such election, appointment or employment shall be invalid.</p> <p>Where a circumstance prescribed in this article occurs during the term of office of director, supervisor or senior management, the Company shall dismiss the personnel concealed.</p>
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Article 232 The Company shall enter into a contract in writing with each of the directors, supervisors, general manager and other senior management, including the following contents at least:

- 1) the directors, supervisors, general manager and other senior management shall undertake to the Company that they will comply with the Company Law, Special Regulations, the Articles of Association, the Codes on Takeovers and Mergers, Share Buy-backs Code and other provisions of the Hong Kong Stock Exchange, and agree that the Company is entitled to access the remedial measures as stipulated in the Articles of Association. The contract and his position shall not be transferred;
- 2) the directors, supervisors, general manager and other senior management shall undertake to the Company that they will observe and perform their obligations to shareholders stipulated in the Articles of Association;
- 3) the arbitration clauses as provided in Article 292 of the Articles of Association.

The Company shall, with the prior approval of the shareholders' general meeting, enter into a contract in writing with a director or supervisor regarding his emoluments. The aforesaid emoluments shall include:

- 1) the emoluments in respect of his service as a director, supervisor or senior management of the Company;

Article 233 The Company shall enter into a contract in writing with each of the directors, supervisors, general manager and other senior management, including the following contents at least:

- 1) the directors, supervisors, general manager and other senior management shall undertake to the Company that they will comply with the Company Law, Special Regulations, the Articles of Association, the Codes on Takeovers and Mergers, Share Buy-backs Code and other provisions of the Hong Kong Stock Exchange, and agree that the Company is entitled to access the remedial measures as stipulated in the Articles of Association. The contract and his position shall not be transferred;
- 2) the directors, supervisors, general manager and other senior management shall undertake to the Company that they will observe and perform their obligations to shareholders stipulated in the Articles of Association;
- 3) the arbitration clauses as provided in Article **293** of the Articles of Association.

The Company shall, with the prior approval of the shareholders' general meeting, enter into a contract in writing with a director or supervisor regarding his emoluments. The aforesaid emoluments shall include:

- 1) the emoluments in respect of his service as a director, supervisor or senior management of the Company;

<p>2) the emoluments in respect of his service as a director, supervisor or senior management of any subsidiary of the Company;</p> <p>3) the emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries;</p> <p>4) the payment for compensation for the loss of office, or as a consideration for or in connection with his retirement from office.</p> <p>No proceedings may be brought by a director or supervisor against the Company for any benefit receivable in respect of the aforesaid matters except pursuant to the aforesaid contract.</p>	<p>2) the emoluments in respect of his service as a director, supervisor or senior management of any subsidiary of the Company;</p> <p>3) the emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries;</p> <p>4) the payment for compensation for the loss of office, or as a consideration for or in connection with his retirement from office.</p> <p>No proceedings may be brought by a director or supervisor against the Company for any benefit receivable in respect of the aforesaid matters except pursuant to the aforesaid contract.</p>
<p>Article 240 The Company shall publish relevant results within 2 months from the end of the first 6 months of each accounting year and submit interim financial and accounting reports to the dispatched office of the CSRC and the stock exchange; publish relevant results within 3 months from the end of each accounting year and submit annual financial reports to the CSRC and the stock exchange within 4 months; and quarterly financial and accounting reports shall be submitted to the dispatched office of the CSRC and the stock exchange within 1 month from the end of the first 3 months and 9 months of each accounting year.</p> <p>If the securities regulatory authorities of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.</p> <p>The aforesaid financial and accounting reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations and departmental rules.</p>	<p>Article 241 The Company shall publish relevant results within 2 months from the end of the first 6 months of each accounting year and submit interim financial and accounting reports to the dispatched office of the CSRC and the stock exchange; publish relevant results within 3 months from the end of each accounting year and submit annual financial reports to the CSRC and the stock exchange within 4 months.</p> <p>If the securities regulatory authorities of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.</p> <p>The aforesaid financial and accounting reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations and rules of CSRC and the stock exchange.</p>

Article 255 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the PRC and holds the qualification for engaging in securities- related business to audit the Company's annual financial reports, review other financial reports of the Company and provide other relevant consulting services.

The first accounting firm of the Company may be appointed at the inaugural meeting of the Company before the first annual general meeting. The accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.

If the inaugural meeting does not exercise its powers under the preceding paragraph, those powers shall be exercised by the Board.

Article 256 The Company shall appoint an independent accounting firm which is qualified under **the Securities Law** to audit the Company's annual financial reports, review other financial reports of the Company and provide other relevant consulting services.

The first accounting firm of the Company may be appointed at the inaugural meeting of the Company before the first annual general meeting. The accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.

If the inaugural meeting does not exercise its powers under the preceding paragraph, those powers shall be exercised by the Board.

Comparison of amendments to the Rules of Procedures of the General Meeting to the existing Rules of Procedures of the General Meeting	
Original text of the Rules of Procedures of general meetings	Text of the Rules of Procedures of general meetings after the amendments
<p>Rule 1 In order to safeguard the legitimate rights and interests of all Shareholders, to regulate the acts of Holly Futures Co., Ltd. (the “Company”), and ensure that the Shareholders’ General Meeting operate in a standard, efficient and stable way and that Shareholders equally and effectively exercise their authorities, these rules are specifically formulated in accordance with the domestic and overseas laws, regulations and regulatory documents for listed companies, including the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Rules Governing Shareholders’ General Meetings of Listed Companies, the Standards for the Governance of Listed Companies, the Guidelines on the Articles of Association for Listed Companies and the Articles of Association of Holly Futures Co., Ltd. (the “Articles of Association”).</p> <p>The Rules shall comply with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other laws and regulations amended from time to time. In case of any inconformity, inconsistency or dispute between relevant laws, regulations, the Articles of Association, the listing rules of the places where shares of the Company are listed and the Rules, the most rigorous clauses shall prevail according to the principle of strictness.</p>	<p>Rule 1 In order to safeguard the legitimate rights and interests of all Shareholders, to regulate the acts of Holly Futures Co., Ltd. (the “Company”), and ensure that the Shareholders’ General Meeting operate in a standard, efficient and stable way and that Shareholders equally and effectively exercise their authorities, these rules are specifically formulated in accordance with the domestic and overseas laws, regulations and regulatory documents for listed companies, including the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Futures and Derivatives Law of the People’s Republic of China (the “Futures and Derivatives Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Rules Governing Shareholders’ General Meetings of Listed Companies, the Standards for the Governance of Listed Companies, the Guidelines on the Articles of Association for Listed Companies and the Articles of Association of Holly Futures Co., Ltd. (the “Articles of Association”).</p> <p>The Rules shall comply with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other laws and regulations amended from time to time. In case of any inconformity, inconsistency or dispute between relevant laws, regulations, the Articles of Association, the listing rules of the places where shares of the Company are listed and the Rules, the most rigorous clauses shall prevail according to the principle of strictness.</p>

<p>Rule 6 The Shareholders' General Meeting shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> (1) to decide the Company's operational guidelines and investment schemes; (2) to elect and remove Directors not being staff representatives and to determine matters relating to the Directors' remunerations; (3) to elect and remove supervisors being Shareholders' representatives and to determine matters relating to the supervisors' remunerations; (4) to consider and approve the reports of the Board; (5) to consider and approve the reports of the Board of Supervisors; (6) to consider and approve the Company's annual financial budgets and final accounts; (7) to consider and approve the Company's profit distribution plan and plan for making up losses; (8) to resolve on an increase or a reduction in the Company's registered capital and acquisition of the Company's shares; (9) to resolve on matters such as merger, demerger, dissolution, liquidation or change of corporate form of the Company; 	<p>Rule 6 The Shareholders' General Meeting shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> (1) to decide the Company's operational guidelines and investment schemes; (2) to elect and remove Directors not being staff representatives and to determine matters relating to the Directors' remunerations; (3) to elect and remove supervisors being Shareholders' representatives and to determine matters relating to the supervisors' remunerations; (4) to consider and approve the reports of the Board; (5) to consider and approve the reports of the Board of Supervisors; (6) to consider and approve the Company's annual financial budgets and final accounts; (7) to consider and approve the Company's profit distribution plan and plan for making up losses; (8) to resolve on an increase or a reduction in the Company's registered capital and acquisition of the Company's shares; (9) to resolve on matters such as merger, demerger, dissolution, liquidation or change of corporate form of the Company;
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(10) to resolve on the issue of debentures by the Company;	(10) to resolve on the issue of debentures by the Company;
(11) to resolve on the appointment, dismissal or non-reappointment of the accounting firms;	(11) to resolve on the appointment, dismissal or non-reappointment of the accounting firms;
(12) to amend the Articles of Association;	(12) to amend the Articles of Association;
(13) to consider proposals put forward by any Shareholder representing 3% or more of the Company's shares with voting rights;	(13) to consider proposals put forward by any Shareholder representing 3% or more of the Company's shares with voting rights;
(14) to consider the purchases or sales of any material assets of the Company within a year in excess of 30% of the Company's audited net assets in the latest period;	(14) to consider the purchases or sales of any material assets of the Company within a year in excess of 30% of the Company's audited net assets in the latest period;
(15) to consider and approve long term material investment, acquisition or disposal of assets, asset replacement, related transactions or pledged loans of the Company to be approved by Shareholders' General Meeting;	(15) to consider and approve long term material investment, acquisition or disposal of assets, asset replacement, related transactions or pledged loans of the Company to be approved by Shareholders' General Meeting;
(16) to consider related transactions to be resolved by Shareholders' General Meeting as required by the listing rules of the place where the Company's shares are listed;	(16) to consider related transactions to be resolved by Shareholders' General Meeting as required by the listing rules of the place where the Company's shares are listed;
(17) to consider and approve matters relating to change of the use of raised funds;	(17) to consider and approve matters relating to change of the use of raised funds;
(18) to consider share incentive plans;	(18) to consider share incentive plans and employee share schemes;
(19) to consider any other matters to be resolved by Shareholders' General Meeting as required by the laws, administrative regulations, departmental rules, the listing rules of the places where shares of the Company are listed and the Articles of Association.	(19) to consider any other matters to be resolved by Shareholders' General Meeting as required by the laws, administrative regulations, departmental rules, the listing rules of the places where shares of the Company are listed and the Articles of Association.

Rule 16 When the Board of Supervisors or Shareholders itself/ themselves convene a Shareholders' General Meeting, they shall notify the Board of Directors in writing, the Board of Directors and the Secretary to the Board shall give their cooperation, and the meeting shall be filed with the local office of CSRC and the stock exchange where the Company is located. The Board of Directors shall provide the register of Shareholders as of the date of record. If the Board of Directors fails to provide the register of Shareholders, the convener may apply to the securities registration and clearance institution to obtain the same on the strength of the relevant announcement convening the Shareholders' General Meeting. The register of Shareholders obtained by the convener may not be used for any purpose other than to hold the Shareholders' General Meeting.

Prior to the announcement of the resolutions of the Shareholders' General Meeting, the convening Shareholders shall hold no less than 10% of the shares.

The Board of Supervisors and convening Shareholders shall submit relevant certification materials to the dispatched office of CSRC and the stock exchange in the place where the Company is located when issuing the notice of the general meeting and the announcement of the resolutions of the general meeting.

Rule 16 When the Board of Supervisors or Shareholders itself/ themselves convene a Shareholders' General Meeting, they shall notify the Board of Directors in writing, the Board of Directors and the Secretary to the Board shall give their cooperation, and the meeting **shall be filed with the stock exchange**. The Board of Directors shall provide the register of Shareholders as of the date of record. If the Board of Directors fails to provide the register of Shareholders, the convener may apply to the securities registration and clearance institution to obtain the same on the strength of the relevant announcement convening the Shareholders' General Meeting. The register of Shareholders obtained by the convener may not be used for any purpose other than to hold the Shareholders' General Meeting.

Prior to the announcement of the resolutions of the Shareholders' General Meeting, the convening Shareholders shall hold no less than 10% of the shares.

The Board of Supervisors and convening Shareholders shall submit relevant certification materials to the dispatched office of CSRC and the stock exchange in the place where the Company is located when issuing the notice of the general meeting and the announcement of the resolutions of the general meeting.

<p>Rule 22 The notice of a Shareholders' meeting and supplementary notices shall:</p> <ol style="list-style-type: none"> (1) be in writing; (2) specify the place, date and time of the meeting; (3) matters and proposals submitted to the meeting; (4) set out the record date for Shareholders who are entitled to attend the Shareholders' General Meeting; (5) provide Shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal on merger, repurchase of shares, restructuring of share capital or other restructuring is put forward by the Company, the provision of the specific conditions and the contracts (if any) of the transactions contemplated, and the causes and consequences of such proposals shall be properly explained; (6) disclose the nature and extent of the material interest, if any, of any Director, supervisor, general manager and senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such Director, supervisor, general manager or senior management officer as a Shareholder and the way in which such matter would affect other Shareholders of the same class; 	<p>Rule 22 The notice of a Shareholders' meeting and supplementary notices shall:</p> <ol style="list-style-type: none"> (1) be in writing; (2) specify the place, date and time of the meeting; (3) matters and proposals submitted to the meeting; (4) set out the record date for Shareholders who are entitled to attend the Shareholders' General Meeting; (5) provide Shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal on merger, repurchase of shares, restructuring of share capital or other restructuring is put forward by the Company, the provision of the specific conditions and the contracts (if any) of the transactions contemplated, and the causes and consequences of such proposals shall be properly explained; (6) disclose the nature and extent of the material interest, if any, of any Director, supervisor, general manager and senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such Director, supervisor, general manager or senior management officer as a Shareholder and the way in which such matter would affect other Shareholders of the same class;
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<p>(7) set out the full text of any special resolution proposed to be passed at the meeting;</p> <p>(8) contain an express statement that a Shareholder entitled to attend and vote has the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a Shareholder;</p> <p>(9) specify the time and place for lodging proxy forms for the meeting;</p> <p>(10) the name and telephone number of the standing contact person for meeting affairs.</p>	<p>(7) set out the full text of any special resolution proposed to be passed at the meeting;</p> <p>(8) contain an express statement that a Shareholder entitled to attend and vote has the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a Shareholder;</p> <p>(9) specify the time and place for lodging proxy forms for the meeting;</p> <p>(10) the name and telephone number of the standing contact person for meeting affairs;</p> <p>(11) voting time and voting procedure of the network or other means.</p>
<p>Rule 28 The general meeting of the Company shall be convened at the address of the Company or venues designated in the Articles of Association.</p> <p>The general meeting shall be provided with meeting venue and convened in the form of on-spot meeting. Under the precondition of ensuring a legal and effective general meeting, the Company may provide convenience for Shareholders to participate in the meeting by using safe, economic and convenient phone call, network or other means in light of laws, administrative regulations, CSRC or the Articles of Association. Shareholders participating in the general meeting by aforesaid means will be deemed to attend the meeting. If the Shareholders' General Meeting is to be held online or by other means, the time of the vote and the method of voting online or by other means shall be expressly stated in the notice of the Shareholders' General Meeting.</p>	<p>Rule 28 The general meeting of the Company shall be convened at the address of the Company or venues designated in the Articles of Association.</p> <p>The general meeting shall be provided with meeting venue and convened in the form of on-spot meeting. Under the precondition of ensuring a legal and effective general meeting, the Company may provide convenience for Shareholders to participate in the meeting by using safe, economic and convenient phone call, network or other means in light of laws, administrative regulations, CSRC or the Articles of Association. Shareholders participating in the general meeting by aforesaid means will be deemed to attend the meeting. The Company shall specify the time of the vote and the method of voting online or by other means in the notice of the Shareholders' General Meeting.</p>

<p>Rule 59 The following matters shall be resolved by special resolution at the Shareholders' General Meeting:</p> <ol style="list-style-type: none"> (1) increase or reduction of the Company's share capital, repurchase of the Company's shares and issue of shares of any class, warrants and other similar securities; (2) issue of debentures of the Company; (3) demerger, merger, dissolution, liquidation and change of corporate form of the Company; (4) amendment to the Articles of Association; (5) purchases or sales of material assets of the Company in excess of 30 percent of the net assets of the Company within a year; (6) share incentive plans; (7) any other matters stipulated by the laws, administrative regulations, the listing rules of the places where shares of the Company are listed or the Articles of Association or determined by an ordinary resolution at the Shareholders' General Meeting as having a material impact on the Company and requiring to be resolved by special resolution. 	<p>Rule 59 The following matters shall be resolved by special resolution at the Shareholders' General Meeting:</p> <ol style="list-style-type: none"> (1) increase or reduction of the Company's share capital, repurchase of the Company's shares and issue of shares of any class, warrants and other similar securities; (2) issue of debentures of the Company; (3) demerger, split, merger, dissolution, liquidation and change of corporate form of the Company; (4) amendment to the Articles of Association; (5) purchases or sales of material assets of the Company in excess of 30 percent of the net assets of the Company within a year; (6) share incentive plans; (7) any other matters stipulated by the laws, administrative regulations, the listing rules of the places where shares of the Company are listed or the Articles of Association or determined by an ordinary resolution at the Shareholders' General Meeting as having a material impact on the Company and requiring to be resolved by special resolution.
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<p>Rule 67 Before the Shareholders' General Meeting votes on a motion, two Shareholder representatives shall be elected to participate in the vote counting and vote scrutiny by law. When a Shareholder has a material interest in a matter being considered, he or she and his or her proxies may not participate in the vote counting or vote scrutiny.</p> <p>When the Shareholders' General Meeting votes on a motion, the attorney, Shareholders' representatives and supervisors' representatives shall be jointly responsible for counting the votes and scrutinizing the vote count and shall announce the results of the vote on the spot. The results of the votes on the resolutions shall be entered into the minutes of the meeting.</p> <p>Shareholders or their proxies who cast their votes online or by other means shall have the right to check the results of their votes by way of the pertinent voting system.</p>	<p>Rule 67 Before the Shareholders' General Meeting votes on a motion, two Shareholder representatives shall be elected to participate in the vote counting and vote scrutiny by law. When a Shareholder has connected relations with matter being considered, he or she and his or her proxies may not participate in the vote counting or vote scrutiny.</p> <p>When the Shareholders' General Meeting votes on a motion, the attorney, Shareholders' representatives and supervisors' representatives shall be jointly responsible for counting the votes and scrutinizing the vote count and shall announce the results of the vote on the spot. The results of the votes on the resolutions shall be entered into the minutes of the meeting.</p> <p>Shareholders or their proxies who cast their votes online or by other means shall have the right to check the results of their votes by way of the pertinent voting system.</p>
<p>Rule 90 Announcements or notices referred to in the Rules shall mean related information disclosures published on newspapers designated by CSRC. For lengthy announcements or notices, the Company may opt to disclose summaries of such announcements or notices on newspapers designated by CSRC, however, the full text of such shall be published at the same time on websites designated by CSRC.</p> <p>Supplemental notices of Shareholders' General Meetings referred to in the Rules shall be published on the same designated newspaper where the meeting notice has been published.</p>	<p>Rule 90 Announcements, notices or supplemental notices of Shareholders' General Meetings referred to in the Rules shall mean the announcement of the relevant information disclosure on the media and the website of the stock exchange that meet the conditions prescribed by the CSRC.</p>

**APPENDIX III AMENDMENTS TO THE RULES OF PROCEDURES OF
THE BOARD OF DIRECTORS**

Comparison of amendments to the Rules of Procedures of the Board of Directors to the existing Rules of Procedures of the Board of Directors	
Original text of the Rules of Procedures of the Board of Directors	Text of the Rules of Procedures of the Board of Directors after the amendments
<p>Rule 1 These rules (the “Rules”) are specifically formulated in accordance with domestic and overseas laws, regulations and regulatory documents, including 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 Guidelines on the Articles of Association for Listed Companies, the Standards for the Governance of Listed Companies, the listing rules of the places where shares of the Company are listed and the Articles of Association (the “Articles of Association”) of Holly Futures Co., Ltd. (the “Company”), for the purposes of further defining the terms of reference of the Board, regulating the manner of the proceedings and decision-making procedures of the Board, facilitating the Directors and the Board in effectively discharging their duties and enhancing the standards of the Board in its regulated operation and scientific decision-making.</p> <p>The Rules shall comply with the listing rules of the jurisdiction where the shares of the Company are listed as well as other laws and regulations amended from time to time. In case of any inconformity, inconsistency or dispute between relevant laws, regulations, the Articles of Association, the listing rules of the jurisdiction where the shares of the Company are listed and the Rules, the most rigorous clauses will prevail according to the principle of strictness.</p>	<p>Rule 1 These rules (the “Rules”) are specifically formulated in accordance with domestic and overseas laws, regulations and regulatory documents, including 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 Futures and Derivatives Law of the People’s Republic of China (the “Futures and Derivatives Law”), the Guidelines on the Articles of Association for Listed Companies, the Standards for the Governance of Listed Companies, the listing rules of the places where shares of the Company are listed and the Articles of Association (the “Articles of Association”) of Holly Futures Co., Ltd. (the “Company”), for the purposes of further defining the terms of reference of the Board, regulating the manner of the proceedings and decision-making procedures of the Board, facilitating the Directors and the Board in effectively discharging their duties and enhancing the standards of the Board in its regulated operation and scientific decision-making.</p> <p>The Rules shall comply with the listing rules of the jurisdiction where the shares of the Company are listed as well as other laws and regulations amended from time to time. In case of any inconformity, inconsistency or dispute between relevant laws, regulations, the Articles of Association, the listing rules of the jurisdiction where the shares of the Company are listed and the Rules, the most rigorous clauses will prevail according to the principle of strictness.</p>

**APPENDIX III AMENDMENTS TO THE RULES OF PROCEDURES OF
THE BOARD OF DIRECTORS**

<p>Rule 8 The Board shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> (1) to convene general meetings and report to general meetings; (2) to execute resolutions of general meetings; (3) to resolve on the Company's business plans and investment plans; (4) to prepare the annual financial budgets and final accounting plans of the Company; (5) to prepare the profit distribution plan and plan for making up losses of the Company; (6) to prepare plans for the increase or decrease of the registered capital of the Company and for the issuance of corporate bonds or other securities and listing scheme; (7) to formulate plans for material acquisitions, purchase of Shares of the Company, merger, demerger, dissolution and transformation of the Company; (8) to decide on external investment, acquisition and disposal of assets, asset mortgage, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting; (9) to resolve on the establishment of internal management organizations of the Company; 	<p>Rule 8 The Board shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> (1) to convene general meetings and report to general meetings; (2) to execute resolutions of general meetings; (3) to resolve on the Company's business plans and investment plans; (4) to prepare the annual financial budgets and final accounting plans of the Company; (5) to prepare the profit distribution plan and plan for making up losses of the Company; (6) to prepare plans for the increase or decrease of the registered capital of the Company and for the issuance of corporate bonds or other securities and listing scheme; (7) to formulate plans for material acquisitions, purchase of Shares of the Company, merger, demerger, dissolution and transformation of the Company; (8) to decide on external investment, acquisition and disposal of assets, asset mortgage, consigned financial management, connected transactions, external donations, etc. of the Company within the authority granted by the general meeting; (9) to resolve on the establishment of internal management organizations of the Company;
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**APPENDIX III AMENDMENTS TO THE RULES OF PROCEDURES OF
THE BOARD OF DIRECTORS**

<p>(10) to appoint or dismiss the general manager, chief risk officer and secretary of the Board; to appoint or dismiss the Company's deputy general manager, chief financial officer and other senior management as nominated by the chairman or the general manager, and to determine their remunerations and disciplinary matters;</p> <p>(11) to set up the basic management system of the Company, including transaction margin management system and risk management system;</p> <p>(12) to formulate the proposals for any amendment to this Articles of Association;</p> <p>(13) to manage the disclosure of the Company's information;</p> <p>(14) to propose the appointment or replacement of an accounting firm that performs audits for the Company at the general meeting;</p> <p>(15) to listen to the work report of the chief risk officer and the general manager of the Company and examine on their work;</p> <p>(16) to approve the setting up of branches which is subject to approval from the Board in accordance with rules of regulatory departments;</p>	<p>(10) to decide on the appointment or dismissal of the general manager, chief risk officer and secretary of the Board and other senior management and determine their remunerations and matters related to incentives and punishment; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management as nominated by the chairman or the general manager, and to determine their remunerations and disciplinary matters;</p> <p>(11) to set up the basic management system of the Company, including transaction margin management system and risk management system;</p> <p>(12) to formulate the proposals for any amendment to this Articles of Association;</p> <p>(13) to manage the disclosure of the Company's information;</p> <p>(14) to propose the appointment or replacement of an accounting firm that performs audits for the Company at the general meeting;</p> <p>(15) to listen to the work report of the chief risk officer and the general manager of the Company and examine on their work;</p> <p>(16) to approve the setting up of branches which is subject to approval from the Board in accordance with rules of regulatory departments;</p>
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APPENDIX III	AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF DIRECTORS
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<p>(17) to check and approve the Company's any major transactions, very substantial disposals, very substantial acquisitions and reverse takeovers under Hong Kong Listing Rules and submit it to Shareholders' approval;</p> <p>(18) to check and approve any transactions that shall be disclosed except the Company's any major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers under Hong Kong Listing Rules;</p> <p>(19) to approve the connected transactions that are not subject to approval or announcement of the general meeting under Hong Kong Listing Rules;</p> <p>(20) to check the connected transactions that shall be approved by the general meeting under Hong Kong Listing Rules;</p> <p>(21) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules or this Articles of Association.</p> <p>The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the Director save for the issues specified in (6), (7), and (12), in which approval of two thirds of the Directors is required.</p> <p>The Board shall seek opinion from the Party Committee before making decisions on material issues of the Company.</p>	<p>(17) to check and approve the Company's any major transactions, very substantial disposals, very substantial acquisitions and reverse takeovers under Hong Kong Listing Rules and submit it to Shareholders' approval;</p> <p>(18) to check and approve any transactions that shall be disclosed except the Company's any major transactions, very substantial disposals, very substantial acquisitions or reverse takeovers under Hong Kong Listing Rules;</p> <p>(19) to approve the connected transactions that are not subject to approval or announcement of the general meeting under Hong Kong Listing Rules;</p> <p>(20) to check the connected transactions that shall be approved by the general meeting under Hong Kong Listing Rules;</p> <p>(21) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules or this Articles of Association.</p> <p>The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the Director save for the issues specified in (6), (7), and (12), in which approval of two thirds of the Directors is required.</p> <p>The Board shall seek opinion from the Party Committee before making decisions on material issues of the Company.</p>
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APPENDIX III	AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF DIRECTORS
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<p>The Board shall determine the scope of authorization in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, as well as connected transactions. It shall establish strict inspection and decision- making procedures. The Board shall have the rights to approve and make decision on the following matters:</p> <ol style="list-style-type: none"> 1. External investment (including consigned financial management, entrusted loan, trust product, asset management plan, security, bond, fund and other financial asset investment, equity investment, and fixed asset investment etc.): The Board is granted the authorization in respect of standalone external investment of not more than 30% of the latest audited net assets of the Company; 2. Acquisition and disposal of assets: The Board is granted the authorization in respect of standalone asset disposal (including acquisition, disposal, transfer, retirement and liquidation) of not more than 30% of the latest audited net assets of the Company; 3. Asset mortgage: The Board is granted the authorization in respect of standalone asset mortgage of not more than 30% of the latest audited net assets of the Company; 4. Asset written-off: The Board is granted the authorization in respect of asset written- off of not more than RMB10 million; 	<p>The Board shall determine the scope of authorization in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, as well as connected transactions, external donations. It shall establish strict inspection and decision-making procedures. The Board shall have the rights to approve and make decision on the following matters:</p> <ol style="list-style-type: none"> 1. External investment (including consigned financial management, entrusted loan, trust product, asset management plan, security, bond, fund and other financial asset investment, equity investment, and fixed asset investment etc.): The Board is granted the authorization in respect of standalone external investment of not more than 30% of the latest audited net assets of the Company; 2. Acquisition and disposal of assets: The Board is granted the authorization in respect of standalone asset disposal (including acquisition, disposal, transfer, retirement and liquidation) of not more than 30% of the latest audited net assets of the Company; 3. Asset mortgage: The Board is granted the authorization in respect of standalone asset mortgage of not more than 30% of the latest audited net assets of the Company; 4. Asset written-off: The Board is granted the authorization in respect of asset written- off of not more than RMB10 million;
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APPENDIX III	AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF DIRECTORS
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<p>5. Connected transaction: Connected transactions between the Company and its connected persons which satisfied the following standards shall be submitted to the Board for consideration and approval:</p> <p>(1) any contemplated connected transaction between the Company and its connected natural person in an amount over RMB300,000;</p> <p>(2) any contemplated connected transaction between the Company and its connected legal person in an amount over RMB3,000,000 and accounting for 0.5% or more of the latest audited absolute value of net assets of the Company.</p> <p>Any contemplated connected transaction between the Company and its connected person in an amount over RMB30,000,000 and accounting for 5% or more of the latest audited absolute value of net assets of the Company shall be submitted to the general meeting for consideration after such transaction is considered and approved by the Board;</p> <p>6. External donation;</p> <p>7. For other matters which are necessary but did not meet the above criteria, they can be proposed to the Board for consideration.</p>	<p>5. Connected transaction: Connected transactions between the Company and its connected persons which satisfied the following standards shall be submitted to the Board for consideration and approval:</p> <p>(1) any contemplated connected transaction between the Company and its connected natural person in an amount over RMB300,000;</p> <p>(2) any contemplated connected transaction between the Company and its connected legal person in an amount over RMB3,000,000 and accounting for 0.5% or more of the latest audited absolute value of net assets of the Company.</p> <p>Any contemplated connected transaction between the Company and its connected person in an amount over RMB30,000,000 and accounting for 5% or more of the latest audited absolute value of net assets of the Company shall be submitted to the general meeting for consideration after such transaction is considered and approved by the Board;</p> <p>6. External donation;</p> <p>7. For other matters which are necessary but did not meet the above criteria, they can be proposed to the Board for consideration.</p>
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**APPENDIX III AMENDMENTS TO THE RULES OF PROCEDURES OF
THE BOARD OF DIRECTORS**

<p>When conducting the above transactions, the Company shall apply the aforesaid provisions to corresponding transactions under the same category based on the principle of aggregation within twelve (12) consecutive months. For transactions in which relevant obligations have been performed according to the aforesaid provisions, such transactions shall not be subject to the scope of aggregation. In the event there are other special rules in respect of the aforesaid approval authorization by relevant regulatory authorities or the stock exchange on which the shares of the Company are listed, transactions shall be conducted in accordance with the rules of relevant regulatory authorities or the stock exchange on which the shares of the Company are listed. For other significant matters outside the scope stipulated above, the Board shall conduct review with relevant experts and professionals, and propose such matters at general meeting for approval.</p>	<p>When conducting the above transactions, the Company shall apply the aforesaid provisions to corresponding transactions under the same category based on the principle of aggregation within twelve (12) consecutive months. For transactions in which relevant obligations have been performed according to the aforesaid provisions, such transactions shall not be subject to the scope of aggregation. In the event there are other special rules in respect of the aforesaid approval authorization by relevant regulatory authorities or the stock exchange on which the shares of the Company are listed, transactions shall be conducted in accordance with the rules of relevant regulatory authorities or the stock exchange on which the shares of the Company are listed. For other significant matters outside the scope stipulated above, the Board shall conduct review with relevant experts and professionals, and propose such matters at general meeting for approval.</p>
<p>Rule 14 A natural person who falls into any of the following circumstances shall not serve as Director, Supervisor, general manager or other senior management of the Company:</p> <ol style="list-style-type: none"> (1) without capacity or with limited capacity for civil conduct; (2) has been sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of societal economy, and less than five years have elapsed since the punishment is fully executed; or has been deprived of political rights due to any criminal offences and less than five years have elapsed since the punishment is fully executed; 	<p>Rule 14 A natural person who falls into any of the following circumstances shall not serve as Director, Supervisor, general manager or other senior management of the Company:</p> <ol style="list-style-type: none"> (1) without capacity or with limited capacity for civil conduct; (2) has been sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of societal economy, and less than five years have elapsed since the punishment is fully executed; or has been deprived of political rights due to any criminal offences and less than five years have elapsed since the punishment is fully executed;

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<p>(3) has served as a Director, factory manager or manager of a company or an enterprise that is bankrupt and liquidated, and is personally liable for the bankruptcy of the company or enterprise because of mismanagement, and less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise;</p>	<p>(3) has served as a Director, factory manager or manager of a company or an enterprise that is bankrupt and liquidated, and is personally liable for the bankruptcy of the company or enterprise because of mismanagement, and less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise;</p>
<p>(4) has served as the legal representative of a company or an enterprise whose Business License was revoked due to illegal activities or was ordered to be wound-up and was personally liable for such punishment, and less than three years has elapsed since the date of revocation of the business license of the company or enterprise;</p>	<p>(4) has served as the legal representative of a company or an enterprise whose Business License was revoked due to illegal activities or was ordered to be wound-up and was personally liable for such punishment, and less than three years has elapsed since the date of revocation of the business license of the company or enterprise;</p>
<p>(5) has large amount of overdue debts;</p>	<p>(5) has large amount of overdue debts;</p>
<p>(6) is under investigation by the judiciary authority for violation of the criminal law;</p>	<p>(6) is under investigation by the judiciary authority for violation of the criminal law;</p>
<p>(7) is disqualified as corporate leader in laws and administrative regulations;</p>	<p>(7) is disqualified as corporate leader in laws and administrative regulations;</p>
<p>(8) is not a natural person;</p>	<p>(8) is not a natural person;</p>
<p>(9) was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and less than five years have elapsed since such ruling was made;</p>	<p>(9) was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and less than five years have elapsed since such ruling was made;</p>

**APPENDIX III AMENDMENTS TO THE RULES OF PROCEDURES OF
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<p>(10) has served as the person-in-charge of a futures exchange, securities exchange, or securities depository and clearing institution, or the Director, Supervisor and senior management of a futures company or securities company who was dismissed from his position for violating laws or disciplines where not more than 5 years have elapsed since the date of his dismissal;</p> <p>(11) has served as a lawyer, a certified public accountant or a professional of an investment consultative agency, financial advisory organ, credit rating institution, assets assessment institution and verification institution, whose qualifications have been revoked for violating laws or disciplines, where not more than 5 years have elapsed since the date of the revocation;</p> <p>(12) has served as a business practitioner of a futures exchange, securities exchange, securities depository and clearing institution, securities service agency, futures company, or securities company or a state organ functionary who was expelled for violating laws or disciplines, where not more than 5 years have elapsed as at the date of his expulsion;</p> <p>(13) has served as a state organ functionary and those who are prohibited from assuming positions concurrently in a company according to laws and administrative regulations;</p>	<p>(10) has served as the person-in-charge of a futures exchange, securities exchange, or securities depository and clearing institution, or the Director, Supervisor and senior management of a futures company or securities company or fund management company who was dismissed from his position for violating laws or disciplines where not more than 5 years have elapsed since the date of his dismissal;</p> <p>(11) has served as a lawyer, a certified public accountant or a professional of an investment consultative agency, financial advisory organ, credit rating institution, assets assessment institution and verification institution, whose certified certificates or qualifications were revoked for violating laws or disciplines, where not more than 5 years have elapsed since the date of the revocation of certified certificates or qualification;</p> <p>(12) has served as a business practitioner of a futures exchange, securities exchange, securities depository and clearing institution, securities service agency, futures company, securities company or fund management company or a state organ functionary who was expelled for violating laws or disciplines, where not more than 5 years have elapsed as at the date of his expulsion;</p> <p>(13) has served as a state organ functionary and those who are prohibited from assuming positions concurrently in a company according to laws and administrative regulations;</p>
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**APPENDIX III AMENDMENTS TO THE RULES OF PROCEDURES OF
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<p>(14) was given administrative sanction by the financial regulatory authority for violating laws or disciplines, where not more than 3 years have elapsed since the expiration of the enforcement period;</p> <p>(15) was determined to be an unsuitable candidate by the CSRC or its dispatched organ, where not more than 2 years have elapsed since the date of the decision;</p> <p>(16) has served as a person-in-charge who bears liability and other directly responsible persons of a financial institution and its branch which were ordered to suspend business for rectification, entrusted for custody, taken over or revoked by the regulatory body for violating laws or disciplines or for emergence of major risks, where not more than 3 years have elapsed since the date when the financial institution and its branch were ordered to suspend business for rectification, entrusted, taken over or revoked by the regulatory body;</p> <p>(17) was involved in other circumstances as prescribed by the CSRC.</p> <p>For any election and appointment of a Director, Supervisor or senior management in contravention of the provisions prescribed by this Rule, such election, appointment or employment shall be void and null.</p> <p>Where a Director falls into any of the aforesaid circumstances in his term of office, the Director, Supervisor or senior management shall be removed from office.</p>	<p>(14) was given administrative sanction by the financial regulatory authority for serious violation of laws or disciplines, where not more than 3 years have elapsed since the expiration of the enforcement period;</p> <p>(15) was determined to be an unsuitable candidate by the CSRC or its dispatched organ, where not more than 2 years have elapsed since the date of the decision;</p> <p>(16) has served as a person-in-charge who bears liability and other directly responsible persons of a financial institution and its branch which were ordered to suspend business for rectification, entrusted for custody, taken over or revoked by the regulatory body for violating laws or disciplines or for emergence of major risks, where not more than 3 years have elapsed since the date when the financial institution and its branch were ordered to suspend business for rectification, entrusted, taken over or revoked by the regulatory body;</p> <p>(17) was involved in other circumstances as stipulated by the CSRC.</p> <p>For any election and appointment of a Director, Supervisor or senior management in contravention of the provisions prescribed by this Rule, such election, appointment or employment shall be void and null.</p> <p>Where a Director falls into any of the aforesaid circumstances in his term of office, the Director, Supervisor or senior management shall be removed from office.</p>
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APPENDIX III	AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF DIRECTORS
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<p>Rule 36 Chairman of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> (1) have a minimum of 3 years' experience in futures business, or a minimum of 4 years' experience in other financial businesses, or a minimum of 5 years' experience in legal or accounting practice; (2) have educational background of graduate of college or university or above or holding a bachelor degree or above; (3) have passed the qualification test accepted by CSRC. 	<p>Rule 36 Chairman of the Company shall meet the following conditions:</p> <ol style="list-style-type: none"> (1) have a minimum of 3 years' experience in futures business, or a minimum of 4 years' experience in other financial businesses, or a minimum of 5 years' experience in legal or accounting practice, or in economic management field for more than 10 years; (2) have educational background of graduate of college or university or above or holding a bachelor degree or above; (3) are familiar with the laws and administrative regulations of futures and the requirements of the CSRC, and possess professional expertise in futures;
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APPENDIX III	AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF DIRECTORS
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<p>Rule 39 The following persons shall not act as independent Director of the Company:</p> <ol style="list-style-type: none"> (1) persons employed by the Company or its related parties and their immediate family members and major social connections; (2) natural person shareholders directly or indirectly holding more than 1% of the Company's issued shares or of top ten shareholders of the Company and their immediate family members; (3) persons and their immediate family members and major social connections employed by the Shareholder entities which directly or indirectly hold or control more than 5% of the Company's equity or which are top five Shareholder entities of the Company, or by institutions which have business connection or interests relationship with the Company; (4) persons providing financial, legal or consulting services to the Company and its related parties and their immediate family members; (5) persons who belonged to categories (1) to (4) within the preceding year; (6) persons holding positions other than independent Director in other futures companies; (7) other persons specified in laws and regulations, or unfit to serve as independent Director upon confirmation by CSRC. 	<p>Rule 39 The following persons shall not act as independent Director of the Company:</p> <ol style="list-style-type: none"> (1) persons employed by the Company or its related parties and their immediate family members and major social connections; (2) natural person shareholders directly or indirectly holding more than 1% of the Company's issued shares or of top ten shareholders of the Company and their close relatives; (3) persons and their immediate family members and major social connections employed by the Shareholder entities which directly or indirectly hold or control more than 5% of the Company's equity or which are top five Shareholder entities of the Company, or by institutions which have business connection or interests relationship with the Company; (4) persons providing financial, legal or consulting services to the Company and its related parties and their immediate family members; (5) persons who belonged to categories (1) to (4) within the preceding year; (6) persons holding positions other than independent Director in other futures companies; (7) other persons specified in laws and regulations, or unfit to serve as independent Director upon confirmation by CSRC.
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APPENDIX IV	AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS
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Comparison of amendments to the Rules of Procedures of the Board of Supervisors to the existing Rules of Procedures of the Board of Supervisors	
Original text of the Rules of Procedures of the Board of Supervisors	Text of the Rules of Procedures of the Board of Supervisors after the amendments
<p>Rule 1 These rules (the “Rules”) are specifically formulated in accordance with relevant laws, regulations and regulatory documents, including the Company Law of the People’s Republic of China (the “Company Law”), the Standards for the Governance of Listed Companies, the Guidelines on the Articles of Association for Listed Companies, the listing rules of the place where the Company’s shares are listed, and the Articles of Association (the “Articles of Association”) of Holly Futures Co., Ltd. (the “Company”), for the purposes of regulating the manner of the proceedings and decision-making procedures of the Board of Supervisors, facilitating the supervisors and the Board of Supervisors in effectively discharging their duties and improving the corporate governance structure of the Company.</p> <p>The Rules shall comply with the listing rules of the place where shares of the Company are listed as well as other laws and regulations amended from time to time. In case of any inconformity, inconsistency or dispute between relevant laws, regulations, the Articles of Association, the listing rules of the place where shares of the Company are listed and the Rules, the most rigorous clauses will prevail according to the principle of strictness.</p>	<p>Rule 1 These rules (the “Rules”) are specifically formulated in accordance with relevant laws, regulations and regulatory documents, including the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Futures and Derivatives Law of the People’s Republic of China (the “Futures and Derivatives Law”), the Standards for the Governance of Listed Companies, the Guidelines on the Articles of Association for Listed Companies, the listing rules of the place where the Company’s shares are listed, and the Articles of Association (the “Articles of Association”) of Holly Futures Co., Ltd. (the “Company”), for the purposes of regulating the manner of the proceedings and decision-making procedures of the Board of Supervisors, facilitating the supervisors and the Board of Supervisors in effectively discharging their duties and improving the corporate governance structure of the Company.</p> <p>The Rules shall comply with the listing rules of the place where shares of the Company are listed as well as other laws and regulations amended from time to time. In case of any inconformity, inconsistency or dispute between relevant laws, regulations, the Articles of Association, the listing rules of the place where shares of the Company are listed and the Rules, the most rigorous clauses will prevail according to the principle of strictness.</p>

<p>Rule 8 In any of the following circumstances, a person shall not serve as Supervisor of the Company:</p> <ol style="list-style-type: none"> (1) without capacity or with limited capacity for civil conduct; (2) has been sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of societal economy, and less than five years have elapsed since the punishment is fully executed; or has been deprived of political rights due to any criminal offences and less than five years have elapsed since the punishment is fully executed; (3) has served as a Director, factory manager or manager of a company or an enterprise that is bankrupt and liquidated, and is personally liable for the bankruptcy of the company or enterprise, and less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise; (4) has served as the legal representative of a company or an enterprise whose Business License was revoked due to illegal activities or was ordered to be wound-up and was personally liable for such punishment, and less than three years has elapsed since the date of revocation of the business license of the company or enterprise; (5) has large amount of overdue debts; 	<p>Rule 8 In any of the following circumstances, a person shall not serve as Supervisor of the Company:</p> <ol style="list-style-type: none"> (1) without capacity or with limited capacity for civil conduct; (2) has been sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of societal economy, and less than five years have elapsed since the punishment is fully executed; or has been deprived of political rights due to any criminal offences and less than five years have elapsed since the punishment is fully executed; (3) has served as a Director, factory manager or manager of a company or an enterprise that is bankrupt and liquidated, and is personally liable for the bankruptcy of the company or enterprise, and less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise; (4) has served as the legal representative of a company or an enterprise whose Business License was revoked due to illegal activities or was ordered to be wound-up and was personally liable for such punishment, and less than three years has elapsed since the date of revocation of the business license of the company or enterprise; (5) has large amount of overdue debts;
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**APPENDIX IV AMENDMENTS TO THE RULES OF PROCEDURES OF
THE BOARD OF SUPERVISORS**

<p>(6) is under investigation by the judiciary authority for violation of the criminal law;</p> <p>(7) is disqualified as corporate leader in laws and administrative regulations;</p> <p>(8) is not a natural person;</p> <p>(9) was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and less than five years have elapsed since such ruling was made;</p> <p>(10) has served as the person-in-charge of a futures exchange, securities exchange, or securities depository and clearing institution, or the Director, Supervisor or senior manager of a futures company or securities company who was dismissed from his position for violating laws or disciplines where not more than five years have elapsed since the date of his dismissal;</p> <p>(11) has served as a lawyer, a certified public accountant or a professional of an investment consultative agency, financial advisory organ, credit rating institution, assets assessment institution and verification institution, whose qualifications have been revoked for violating laws or disciplines, where not more than five years have elapsed since the date of the revocation;</p>	<p>(6) is under investigation by the judiciary authority for violation of the criminal law;</p> <p>(7) is disqualified as corporate leader in laws and administrative regulations;</p> <p>(8) is not a natural person;</p> <p>(9) was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and less than five years have elapsed since such ruling was made;</p> <p>(10) has served as the person-in-charge of a futures exchange, securities exchange, or securities depository and clearing institution, or the Director, Supervisor or senior manager of a futures company, securities company or fund management company who was dismissed from his position for violating laws or disciplines where not more than five years have elapsed since the date of his dismissal;</p> <p>(11) has served as a lawyer, a certified public accountant or a professional of an investment consultative agency, financial advisory organ, credit rating institution, assets assessment institution and verification institution, whose certified certificates or qualifications were revoked for violating laws or disciplines, where not more than five years have elapsed since the date of the revocation of certified certificates or qualification;</p>
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<p>(12) has served as a business practitioner of a futures exchange, securities exchange, securities depository and clearing institution, securities service agency, futures company, or securities company or a state organ functionary who was expelled for violating laws or disciplines, where not more than 5 years have elapsed since the date of his expulsion;</p> <p>(13) has served as a state organ functionary and those who are prohibited from assuming positions concurrently in a company according to laws and administrative regulations;</p> <p>(14) was given administrative sanction by the financial regulatory authority for violating laws or disciplines, where not more than three years have elapsed since the expiration of the enforcement period;</p> <p>(15) was determined to be an unsuitable candidate by the CSRC or its dispatched organ, where not more than two years have elapsed since the date of the decision;</p>	<p>(12) has served as a business practitioner of a futures exchange, securities exchange, securities depository and clearing institution, securities service agency, futures company, securities company or fund management company or a state organ functionary who was expelled for violating laws or disciplines, where not more than 5 years have elapsed since the date of his expulsion;</p> <p>(13) has served as a state organ functionary and those who are prohibited from assuming positions concurrently in a company according to laws and administrative regulations;</p> <p>(14) was given administrative sanction by the financial regulatory authority for violating laws or disciplines, where not more than three years have elapsed since the expiration of the enforcement period;</p> <p>(15) was determined to be an unsuitable candidate by the CSRC or its dispatched organ, where not more than two years have elapsed since the date of the decision;</p>
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<p>(16) has served as a person-in-charge who bears liability and other directly responsible persons of a financial institution and its branch which were ordered to suspend business for rectification, entrusted for custody, taken over or revoked by the regulatory body for violating laws or disciplines or for emergence of major risks, where not more than three years have elapsed since the date when the financial institution and its branch were ordered to suspend business for rectification, entrusted, taken over or revoked by the regulatory body;</p>	<p>(16) has served as a person-in-charge who bears liability and other directly responsible persons of a financial institution and its branch which were ordered to suspend business for rectification, entrusted for custody, taken over or revoked by the regulatory body for violating laws or disciplines or for emergence of major risks, where not more than three years have elapsed since the date when the financial institution and its branch were ordered to suspend business for rectification, entrusted, taken over or revoked by the regulatory body;</p>
<p>(17) was involved in other circumstances as prescribed by the CSRC.</p>	<p>(17) was involved in other circumstances as stipulated by the CSRC.</p>
<p>If the aforesaid rules are violated in electing Supervisor, such election shall be invalid. Where a circumstance prescribed in this article occurs during the term of office of Supervisor, the Company shall dismiss him.</p>	<p>If the aforesaid rules are violated in electing Supervisor, such election shall be invalid. Where a circumstance prescribed in this article occurs during the term of office of Supervisor, the Company shall dismiss him.</p>
<p>Rule 17 Supervisors shall warrant the truthfulness, accuracy and completeness of the information disclosed by the Company.</p>	<p>Rule 17 Supervisors shall warrant the truthfulness, accuracy and completeness of the information disclosed by the Company, and sign written confirmation opinion on regular reports.</p>

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



Holly Futures

*(a joint stock company incorporated in the People's Republic of China
with limited liability under the Chinese corporate name 弘業期貨股份有限公司 and carrying on
business in Hong Kong as Holly Futures)
(the "Company")
(Stock Code: 3678)*

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting (the "EGM") of the Company in 2022 will be held at 10:00 a.m. on Tuesday, 22 November 2022 at Conference Room, 9/F, Holly Tower, No. 50 Zhonghua Road, Nanjing, the PRC for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the profit distribution plan of the Company and declaration of an interim dividend for the six months ended 30 June 2022.
2. To consider and approve the proposed appointment of Mr. Chu Kairong as an executive Director.
3. To consider and approve the proposed Changes in Use of Proceeds from the H Share Global Offering.

SPECIAL RESOLUTIONS

4. To consider and approve the proposed amendments to the existing Articles of Association.
5. To consider and approve the proposed amendments to The Rules of Procedures of the General Meeting.
6. To consider and approve the proposed amendments to The Rules of Procedures of the Board of Directors.
7. To consider and approve the proposed amendments to The Rules of Procedures of the Board of Supervisors.

By order of the Board
Ms. Zhou Jianqiu
Chairlady and executive Director

Nanjing, the PRC
2 November 2022

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
2. To ascertain shareholders of the Company who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 16 November 2022 to Tuesday, 22 November 2022 (both days inclusive), during which period no transfer of Shares can be registered. Holders of H Shares whose names appear on the registers of members of the Company after the close of business on Tuesday, 15 November 2022 shall be entitled to attend and vote at the EGM. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares), no later than 4:30 p.m. on Tuesday, 15 November 2022.
3. Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares) on or before Tuesday, 15 November 2022.
4. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a shareholder of the Company.
5. In order to be valid, the form of proxy for the EGM must be deposited by hand or post, for holders of H Shares, to the H share registrar of the Company, 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 for holding the EGM (i.e. before 10:00 a.m. on Monday, 21 November 2022) (or any adjournment thereof) for taking the poll. If the form of proxy is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the form of proxy. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.

If the proxy is a legal person, its legal representative or any representative authorised by a resolution of its board of directors or by other governing body shall attend the above meeting of the Company on its behalf. If the shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant ordinance from time to time, the Shareholder may authorise one or more persons it considers appropriate as its representative(s) at the above meeting; however, if more than one person are authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company’s individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they have been duly authorised.

A vote provided in according to the instruments in such form of proxy shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares with respect to which the proxy is given, provided that no notice in writing of such matters shall have been received by the Company prior to the EGM.

6. In case of joint Shareholder for any Share, only the person whose name is at the first place on the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company and to attend or exercise all of the votes relating to the Shares.
7. Shareholders or their proxies shall provide their identity documents when attending the EGM.
8. The address of the headquarters of the Company in the PRC is No. 50 Zhonghua Road, Nanjing, the PRC.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

9. Unless otherwise indicated, the capitalised terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 2 November 2022.

As at the date of this notice, the Board consists of Ms. Zhou Jianqiu as executive Director; Mr. Xue Binghai, Mr. Jiang Lin and Mr. Shan Bing as non-executive Directors; and Mr. Wang Yuetang, Mr. Huang Dechun and Mr. Lo Wah Wai as independent non-executive Directors.