金融街證券股份有限公司
Financial Street Securities Co., Limited

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

(the "Company")

Rules of Procedure for the Audit Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 In order to enhance the Company's internal control capability, improve its internal control rules, perfect its corporate governance structure and ensure the effective supervision by the Board of directors over the operational management team, the Company has established an audit committee of the Board of directors (hereinafter referred to as the "Audit Committee") and formulated the Rules of Procedure in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Regulations on Supervision and Management of Securities Companies, the Standards on Corporate Governance of Listed Companies, the Rules for Governance of Securities Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules"), the Articles of Association of the Company (hereinafter referred to as the "Articles of Association") and other relevant provisions.

Article 2 As a specialized working body set up under the Board of directors, the Audit Committee is accountable to and reports its work to the Board of directors. The Audit Committee is mainly responsible for reviewing the Company's internal control and its effective implementation and coordinating, overseeing and inspecting the internal and external audits of the Company.

Article 3 The Office of the Board of Directors is responsible for handling the day-to-day affairs of the Audit Committee. The Audit Committee may also engage a secretary where necessary.

Chapter 2 Composition

Article 4 The Audit Committee shall be composed of three to five non-executive directors, the majority (more than half) of whom shall be independent directors. At least one independent director shall be an accounting professional with more than five years of working experience in accounting and meets the qualifications specified in Rules of the Hong Kong Listing Rules. Employee representative director is members of the Audit Committee.

Members of the Audit Committee shall be nominated by the Chairman of the Board of Directors, more than half of the independent directors or more than one-third of all directors, and shall be elected by a majority vote of the Board of directors of the Company.

Article 5 A former partner of the existing external auditor of the Company shall be prohibited from acting as a member of the Audit Committee for a period of two years from the date of his/her ceasing (whichever is later):

(1) to be a partner of the external auditor; or

(2) to have any financial interest in the external auditor.

Article 6 The Audit Committee shall have one chairman who shall be an independent director with accounting expertise. The chairman of the Audit Committee shall be elected by more than half of all members.

The chairman of the Audit Committee shall be responsible for convening and presiding over meetings of the Audit Committee. Where the chairman is unable to perform his/her duties, he/she shall appoint another member to perform the duties on his/her behalf.

Article 7 The term of office of members of the Audit Committee shall be three years, which is the same as that of members of the Board of directors. A member may serve consecutive terms if re-elected upon the expiry of his/her term of office. Any member who no longer serves as a director of the Company during the term shall automatically be disqualified as a member of the Audit Committee.

A member of the Audit Committee may tender resignation before the expiry of his/her term of office. In this case, the member shall submit to the Board of directors his/her written resignation application, which shall only take effect upon approval by the Board of directors. The resigning member shall continue to perform relevant duties until the member elected in a by-election by the Board of directors takes office.

No member of the Audit Committee may be removed from office without cause prior to the expiry of term of office save as the occurrence of circumstances that requires dismissal as stipulated in the Company Law, the Articles of Association or the Hong Kong Listing Rules.

Article 8 Where the number of members of the Audit Committee falls below the required minimum number due to the resignation or removal of members or other reasons, the Board of directors of the Company shall fill the vacancy in accordance with Article 4 hereof as soon as possible.

The Audit Committee shall suspend the exercise of duties and powers stipulated by the Rules of Procedure when the number of members of the Audit Committee is less than the required minimum number.

Chapter 3 Duties and Authorities

Article 9 The specific duties and responsibilities of the Audit Committee include:

(1) reviewing the financial monitoring, risk management and internal control systems of the Company and the effectiveness of the implementation of these systems. Discussing the risk management and internal control systems with the

management to ensure that management has performed its duty to have effective systems and reporting to the Board of directors. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. Conducting study on important findings of risk management and internal control and management's responses on such findings actively or commissioned by the Board;

(2) guiding the work of the internal audit department of the Company, and supervising the internal audit system and its implementation;

(3) monitoring the annual audits, examining the Company's financial statements, annual reports and accounts, semi-annual reports and (if intend to publish) quarterly reports, reviewing the significant or unusual matters on financial reporting set out in financial statements and reports as well as other information relating to the Company's operation and management and relevant disclosures. Making judgments on the truthfulness, accuracy and completeness of audited financial reports and information and submitting to the Board of directors for consideration;

(4) acting as the major representative of both the Company and external auditors, and being responsible for overseeing the relationship between them;

(5) inspecting and ensuring the timely response of the Board of directors to the management letter (or equivalent documents) submitted by external auditors to the senior management, and also inspecting any significant queries raised by external auditors on accounting records, financial accounts or monitoring system to the senior management and the responses from the senior management;

(6) examining and supervising affiliated party transactions and assessing the appropriateness of affiliated party transactions;

(7) making suggestions to the Board of directors on the appointment, reappointment

or replacement of external auditors, approving the compensation and terms of engagement for external auditors, as well as handling any matters regarding the resignation or dismissal of external auditors;

(8) monitoring and assessing the independence and objectivity of work done by external auditors of the Company and the effectiveness of the auditing procedures, the Audit Committee shall discuss the nature, scope of the audit and relevant reporting obligations with external auditors before the auditing work commences as well as formulating policies on non-auditing services provided by external auditors and implementing such policies;

(9) reviewing the Company's financial and accounting policies and practices;

(10) being responsible for the communication between internal auditors and external auditors, and making sure adequate resources of the Company are available for internal auditors for operation and the proper positions for internal auditors, and reviewing and monitoring internal auditors' effectiveness;

(11) assessing the mechanism for the Company's staff to whistle-blow, carry out internal control or report on other misconducts, and the mechanism of the Company for making independent and fair investigations on reported matters and taking appropriate actions;

(12) paying attention to, and dealing with the challenges and claims raised by the employees, clients, suppliers, investors and media against the truthfulness, accuracy and completeness of information contained in the audited financial statement;

(13) supervising the behaviour of director and senior management in performing their duties and fulfilling their compliance management responsibilities, and questioning or proposing removal of directors and senior management for any violations of laws, administrative regulations, these Articles of Association, or shareholders' resolutions, or who bear primary responsibility or leadership

responsibility for major compliance risks;

(14) assuming the supervisory responsibility for comprehensive risk management, being responsible for supervising and inspecting the performance of the Board and management in risk management, and urging rectification;

(15) organizing exit audits of senior management members;

(16) assuming oversight responsibility for money laundering risk management, primarily performing the following duties:

1. to oversee the performance of the Board and senior management in fulfilling their responsibilities in anti-money laundering risk management and urge rectification where necessary;
2. to provide suggestions and opinions on the Company's anti-money laundering efforts;
3. other related responsibilities.

(17) reporting relevant affairs of the Hong Kong Listing Rules, and other duties as authorized by the Board of directors of the Company and as required by the laws, regulations and rules including the Hong Kong Listing Rules.

Article 10 After considering the matters set out in the previous article hereof, the Audit Committee shall make meeting resolutions and report the same, together with relevant proposals, to the Board of directors.

The Audit Committee shall submit an annual work report to the Board of directors within four months after the end date of each accounting year.

When the Audit Committee performs its duties, relevant departments of the Company shall give cooperation and the expenses incurred shall be borne by the Company. The Audit Committee may engage external professionals to provide services when necessary, and the reasonable expenses incurred thereto shall be borne by the Company, provided that it shall ensure that the trade secrets of the Company shall not be leaked out.

Article 11 The chairman of the Audit Committee or in his/her absence, another member

of the Audit Committee or failing this, his/her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the meeting on the Audit Committee's work and responsibilities.

Article 12 The Audit Committee shall meet with the external auditor of the Company at least twice in a year. The external auditor may request to convene a meeting if considered necessary.

Chapter 4 Convening and Notices of Meetings

Article 13 Meetings of the Audit Committee can be classified into regular meetings and interim meetings. The regular meeting shall be held twice a year to review and discuss the Company's interim and annual financial statements. The interim meeting shall be convened at the request of the chairman of the Audit Committee or more than half of members of the Audit Committee of the Company.

Article 14 Meetings of the Audit Committee can be classified into physical meetings and correspondence meetings. Meetings of the Audit Committee shall be convened by way of physical meetings, or through correspondence meetings complemented by such technological means as video and teleconference except in emergency case or due to force majeure. If a correspondence meeting is adopted, members of the Audit Committee who have signed on the meeting resolutions shall be deemed to have attended the relevant meeting and have agreed on the contents of the resolutions.

Article 15 The Audit Committee shall dispatch the meeting notice three days before the date of the meeting (exclusive of the date of the meeting). The meeting documents shall be sent to all members of the Audit Committee and to other invited attendees at least three days before the date of the meeting (exclusive of the date of the meeting) (or such other time of period as the members may agree).

Article 16 The meeting notice of the Audit Committee shall at least include the following items:

(1) way of convening, time and venue of the meeting;

(2) duration of the meeting;

(3) agenda of the meeting;

(4) date of notice of the meeting.

Article 17 The meeting notice may be delivered to all the Audit Committee members and attendees by mail, facsimile, email or personal delivery. Subject to the consent of all members of the Audit Committee, the foregoing requirement of notification may be waived.

Chapter 5 Consideration and Voting Procedures

Article 18 The Audit Committee meeting shall not be held unless a quorum of more than two thirds of its members is present.

Article 19 Any member of the Audit Committee who is absent from the meeting for two consecutive times, shall be considered as unable to perform his/her duty, and the Board of directors of the Company may remove his/her position as a member.

Article 20 Each member of the Audit Committee shall have one vote and the resolutions by the committee approved by over half of all members shall be effective.

Article 21 The Audit Committee may, if considered necessary, invite other relevant personnel to attend the meetings to introduce the details or deliver opinions in relation to the resolutions to be discussed at the meetings, but the persons so present shall have no voting rights.

Article 22 The voting of the Audit Committee resolution is done by a written voting on site or a show of hand on site. The chairman of the meeting shall count the votes on each proposal and announce the voting results on the spot, which shall be recorded by the minute taker, or the voting shall be made by absentee ballot.

Chapter 6 Resolutions and Minutes of Meetings

Article 23 Each proposal on which a prescribed number of valid votes are cast becomes a resolution of the Audit Committee upon announcement by the chairman of the meeting. Resolutions of the Audit Committee come into effect upon signature by members present at the meeting.

Article 24 The Audit Committee shall maintain a record of written meeting minutes on which members present and the person recording the meeting minutes shall sign their names after reviewing the minutes. Members present shall have the right to request explanatory remarks on his/her speech at the meeting to be written down in the minutes.

Article 25 Draft and final versions of minutes of the Committee meetings should be sent to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

Article 26 The written documentation and minutes regarding such resolutions shall be kept by the conference secretary (company secretary) as a corporate archive for a period of no less than 15 years during the subsistence of the Company.

Article 27 Members of the Audit Committee who participate in the voting on a resolution shall be jointly liable for compensation to the Company should such resolution be in violation of laws, regulations, the Articles of Association, the Hong Kong Listing Rules or other relevant provisions and cause severe harm to the Company. However, if a member is proven to have cast their votes against such resolution and it was so recorded in the meeting minutes, he/she may be exempted from the liabilities.

Article 28 Any resolution passed and the result of any poll taken at a meeting of the Audit Committee shall be reported in writing to the Board of directors of the Company.

Article 29 All members attending the meetings and persons sitting in at the meetings shall have the obligations of confidentiality, and shall not disclose any relevant information without authorization.

Chapter 7 Miscellaneous

Article 30 Any matters not covered herein shall be implemented in accordance with the PRC laws, regulations, the Articles of Association, the Hong Kong Listing Rules and other relevant provisions.

Article 31 The Board of directors of the Company shall be responsible for the interpretation of the Rules of Procedure.

Article 32 The Rules of Procedure shall take effect from the date of approval by the Board of directors.