国联民生证券股份有限公司
GUOLIAN MINSHENG SECURITIES CO., LTD.

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

(Stock Code: 01456)

RULES OF PROCEDURES OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF GUOLIAN MINSHENG SECURITIES COMPANY LIMITED

CHAPTER 1 GENERAL PROVISIONS

Article 1 To ensure the audit committee (the "Audit Committee") of the board of directors (the "Board") of Guolian Minsheng Securities Company Limited (hereinafter referred to as the "Company") exercises its power independently, disciplinarily and effectively in accordance with the law, and ensure work efficiency and scientific consideration, the Company has formulated these rules of procedures in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Regulations on Supervision and Management of Securities Companies, the Guidelines on the Governance of Listed Companies, the Guidelines on the Governance of Securities Companies, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, 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 Guidelines for the Audit Committee of Listed Companies, the Guidelines No. 1 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange – Standardized Operation, the Articles of Association of Guolian Minsheng Securities Company Limited (hereinafter referred to as the "Articles of Association") and other relevant regulations, and in light of the actual situation of the Company.

Article 2 The Audit Committee is a special committee under the Board, which is primarily responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external auditing work as well as the internal control, and is accountable and reports to the Board.

CHAPTER 2 COMPOSITION

Article 3 The Audit Committee shall comprise not less than three directors, all of whom shall be non-executive directors elected by the Board and shall not be senior management of the Company. A majority of the members of the Audit Committee shall be independent directors, and at least one of the independent directors shall have over five years of working experience in accounting, possess the professional qualifications as required by the stock exchanges of the places where the Company's shares are listed, or have appropriate expertise in accounting or relevant financial management.

Article 4 The Audit Committee shall have one chairman, who shall be an independent director and an accounting professional and shall be responsible for convening and presiding over the work of the committee.

Article 5 The term of office of members of the Audit Committee shall be the same as that of the Board, and members of the committee may serve consecutive terms if re-elected upon the expiration of his/her term of office. If any member no longer maintains the position as a director of the Company during his/her term of office, he/she shall be automatically disqualified as a member, and the vacancy shall be filled by the Board in accordance with the Articles of Association and these rules of procedures. Independent director members shall not serve for more than six consecutive years.

Article 6 The Audit Committee shall have a working group, which shall be composed of the Board of Directors Office and other relevant departments. The Board of Directors Office shall be responsible for the liaison of routine work and organization and preparation of meetings.

CHAPTER 3 RESPONSIBILITIES AND POWERS

Article 7 The main responsibilities of the Audit Committee are:

(1) to make recommendations to the Board on the appointment, re-appointment and replacement of the external auditors, and to make recommendations to the Board on the service fee and terms of engagement of the external auditors;

(2) to assess and monitor the external auditors' independence and objectivity, professionalism and the effectiveness of the audit process, and to discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;

(3) to develop and implement policy on non-audit services provided by the external auditors to the Company. The Audit Committee should report to the Board, identifying any matters where action or improvement is needed and making recommendations as to the steps to be taken;

(4) to audit the Company's financial information and its disclosure. To monitor the completeness of the Company's financial statements, annual report and accounts, half-year report and quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:

1. any changes in accounting policies and practices;

2. major judgmental areas;

3. significant adjustments resulting from the audit;

4. the going concern assumptions and any qualifications of the enterprise;

5. the compliance with accounting standards;

6. the compliance with the listing rules of the places where the Company is listed and the legal requirements concerning financial reporting;

(5) regarding (4) above:

1. members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the external auditors, at least one of which should be in the absence of the management;

2. the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and it should give due consideration to any matters that have been raised by the Company's internal staff responsible for accounting and financial reporting function, internal auditors or external auditors;

(6) to review the fairness of connected transactions and make disclosures in accordance with the listing rules and accounting standards;

(7) to monitor and evaluate the effectiveness of financial controls and internal controls systems;

(8) to discuss the internal control system with the management to ensure that the management has performed its duty to establish an effective internal control system, including the adequacy of resources, staff qualifications and experience, training programmes and budget for the relevant departments of the Company's accounting and financial reporting functions;

(9) to consider major investigation findings on internal control matters and management's response as delegated by the Board or on its own initiative;

(10) to be responsible for communication between the internal and external auditors, and to ensure the co-ordination between internal audit staff and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(11) to review the Company's financial and accounting policies and practices;

(12) to review the external auditors' management letter, any material queries raised by the external auditors to management about accounting records, financial accounts or system of control and management's response;

(13) to ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter;

(14) to report to the Board on the matters set out in Rule D.3.3 of the Corporate Governance Code (as amended from time to time) in Appendix C1 to the Hong Kong Listing Rules;

(15) to review the arrangements for employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters, enabling a fair and independent investigation of these matters and appropriate follow-up actions to be taken by the Company;

(16) to consider other topics as defined by the Board;

(17) to exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law;

(18) to supervise and evaluate the internal audit work and shall perform the following duties:

1. to guide and supervise the establishment and implementation of the internal audit system;

2. to review the Company's annual internal audit work plan;

3. to supervise the implementation of the Company's internal audit plan;

4. to guide the effective operation of the internal audit department;

5. to report to the Board on the progress and quality of the internal audit work and major issues identified;

6. to coordinate the relationship between the internal audit department and external audit units such as accounting firms and national audit agencies.

(19) to perform other responsibilities stipulated by laws and regulations, relevant provisions of the securities regulatory authorities and stock exchanges of the places where the Company's shares are listed and as authorized by the Board.

Article 8 The following matters shall be submitted to the Board for consideration after the approval by a majority of all members of the Audit Committee:

(1) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(2) appointment or dismissal of the external auditors that undertake the Company's auditing business;

(3) appointment or dismissal of the Company's chief financial officer;

(4) changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;

(5) other matters stipulated by laws and regulations, relevant regulations of the stock exchanges of the places where the Company's shares are listed and the Articles of Association.

CHAPTER 4 PROCEDURES

Article 9 The Audit Committee shall hold at least one meeting every quarter, and may hold an extraordinary meeting when two or more members propose, or when the chairman deems it necessary. Meetings shall, in principle, be held physically but may also be held via video, telephone or other means if necessary, provided that all attendees can fully communicate and express their opinions.

Article 10 Chairman of the Audit Committee shall be responsible for convening and presiding over meetings of the Audit Committee. If the chairman of the Audit Committee is unable or refuses to perform his/her duties, a member who is an independent director shall be jointly elected by more than half of the members of the Audit Committee to preside over the relevant meeting.

Article 11 Members of the Audit Committee shall attend the meetings of the Audit Committee in person, and express specific opinions on matters under consideration. If a member is unable to attend the meeting in person for any reason, he/she shall review the meeting materials in advance, form specific opinion and record such opinion in the power of attorney, and authorise in writing another member to attend such meeting on his/her behalf.

Each member of the Audit Committee may accept up to one member's authorisation, and the power of attorney shall specify the scope and duration of such authorisation. If a member who is an independent director is unable to attend the meeting for any reason, he/she shall authorise another member of the Audit Committee who is an independent director to attend such meeting on his/her behalf.

Article 12 Notice of meeting

(1) The Audit Committee shall convene a meeting and, in principle, give at least three days advanced notice to all members and provide relevant data and information. Under special circumstances, if more than two-thirds (including two-thirds) of the members have no objection, the notification time requirement may be waived.

(2) Notice of meeting may be given orally, in writing, or by telephone, facsimile or e-mail or by other means.

(3) Notice given orally shall be confirmed in writing before the meetings.

(4) The written notice of the meeting shall include at least the following: date and venue of the meeting, duration of the meeting, reason for the meeting and agenda for discussion and date of issuance of the meeting notice. The oral notice of the meeting shall include at least the date and venue of the meeting, the duration of the meeting and the explanation of convening the extraordinary meeting of the Audit Committee under emergency.

Article 13 The quorum of the meeting of the Audit Committee shall be more than two-thirds of the members present at the meeting. Each member shall be entitled to one vote at the meeting. Resolutions of the meeting shall be passed by the majority of the members attending the meeting. If any member of the Audit Committee is interested in the matters discussed at the meeting, he/she shall abstain from voting. If no effective opinions can be formed due to such abstention, the relevant matters shall be referred to the Board for consideration.

Article 14 When the Audit Committee is to convene a meeting, it may invite non-committee directors, senior management of the Company, and principals of relevant departments to attend the meeting as non-voting attendees when necessary.

Article 15 The Audit Committee may engage an intermediary to give professional opinion for its work when it deems necessary, and relevant expenses shall be borne by the Company.

Article 16 At the request of the chairman of the Board, the Audit Committee shall designate its chairman or, in his/her absence, another member or his/her authorized representative to answer questions at the annual general meeting.

Article 17 Members attending the meeting and the persons attending the meeting as non-voting attendees shall undertake confidentiality obligation for all items discussed at the meeting, and shall not disclose relevant information without permit.

CHAPTER 5 RESOLUTIONS AND MINUTES OF MEETINGS

Article 18 After the voting at meetings of the Audit Committee, meeting resolutions shall be formed and meeting minutes shall be prepared, and each member attending the meeting shall sign on the resolutions and minutes of the meeting. The written documents of the resolutions of the Audit Committee and the minutes of the meeting shall be kept by the Company as the Company's archives for a retention period of not less than ten years.

Article 19 The Audit Committee should report back to the Board on their decisions or recommendations unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 20 These rules of procedures shall take effect on the date of being approved by the Board.

Article 21 In the event of any matter not covered in these rules of procedures or the event of any conflict with the provisions of the laws and regulations, the listing rules of the places where the Company is listed and the Articles of Association promulgated from time to time after the commencement of these rules of procedures, the provisions of the laws and regulations, the listing rules of the places where the Company is listed and the Articles of Association shall prevail.

Article 22 The power of amendment and interpretation of these rules of procedures shall be vested in the Board of the Company.

Note: In the event of any discrepancy between the English and Chinese versions of these rules of procedures, the Chinese version shall prevail.