
GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this prospectus in connection with our Group and our business. These terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“A shares”	the shares that are traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange in Renminbi
“Alpha trading”	an arbitrage trading strategy targeting return in excess of the compensation for systematic risk
“AUM”	assets under management
“average securities brokerage commission rate”	equals commission and fee income on securities brokerage of our Group as divided by our brokerage trading turnover of stocks and funds in the PRC
“CAGR”	compound annual growth rate
“ChiNext Board”	the growth enterprise board launched by the Shenzhen Stock Exchange (深圳證券交易所創業板)
“collective asset management plan(s)”	an asset management contract entered into with multiple clients by a securities firm in the PRC, pursuant to which the clients’ assets are placed in custody of commercial banks with qualification to hold client transaction settlement funds or other institutions approved by the CSRC, and the securities firm provides asset management services to the clients through designated accounts
“corporate pension funds”	the supplementary pension insurance scheme established voluntarily by enterprises and their employees in addition to the basic pension insurance in which they participate in accordance with the law
“CSI 300 Index”	a capitalization-weighted stock market index designed to replicate the performance of 300 stocks traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, which is compiled by the China Securities Index Company, Ltd.* (中證指數有限公司)
“ETFs”	exchange-traded funds
“futures IB business”	the business activities in which securities firms, as commissioned by futures companies, introduce clients to futures companies to provide futures brokerage and other related services
“H shares”	overseas-listed shares of PRC companies that are traded on the Hong Kong Stock Exchange
“HS300 Index Futures”	Shanghai-Shenzhen 300 index futures contracts* (滬深300股票指數期貨合約)

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“high-net-worth individual(s)”	individual(s) having total investable assets of at least RMB10.0 million
“International Board”	a board expected to be established on the Shanghai Stock Exchange where foreign companies can list their stocks
“IPO”	initial public offering
“IT”	information technology
“LOF”	listed open-ended fund
“M&A”	mergers and acquisitions
“margin and securities refinancing”	a business in which securities firms can act as intermediaries to borrow funds or securities from the CSFC and lend such funds and securities to their clients
“MOF bonds”	debt instruments issued by the Ministry of Finance on behalf of the PRC Government
“Net Capital”	equals net assets minus risk-adjusted financial assets minus other risk-adjusted assets and contingent liability plus/minus capital from other adjustments recognized or approved by the CSRC
“net revenue from securities brokerage business”	brokerage commission and fee income received less commission paid to account executives and commission and fee expenses primarily paid to the exchanges
“New OTC Board”	a pilot board launched to provide an OTC market for quotations and transfers of shares of unlisted joint stock companies registered in the Zhongguancun Science and Technology Park in Beijing, the Zhangjiang Hi-Tech Industrial Development Zone in Shanghai, the Donghu New Technology Development Zone in Wuhan and the Binhai Hi-Tech Zone in Tianjin
“New Regional OTC Boards”	regional equity depositary trading centers which have been established in recent years to facilitate financing to SMEs
“OTC”	over-the-counter
“OTCBB”	OTC Bulletin Board, which is an inter-dealer electronic quotation system in the U.S. that displays real-time quotes, last-sale prices and volume information for many OTC equity securities that are not listed on a national securities exchange in the U.S.
“PBOC benchmark interest rate”	the benchmark demand deposit rate set by the PBOC on financial institutions’ Renminbi deposits

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“Pinksheet”	formally known as the OTC Markets Group, Inc., which is a private company that provides services to the U.S. OTC securities market, including electronic quotations, trading, messaging and information platforms
“QDII”	Qualified Domestic Institutional Investor* (合格境內機構投資者)
“QFII”	Qualified Foreign Institutional Investor* (合格境外機構投資者)
“RQFII”	Renminbi Qualified Foreign Institutional Investor* (人民幣合格境外機構投資者), a pilot program launched in the PRC which allows Hong Kong subsidiaries of PRC brokerage companies and fund houses to facilitate investments of offshore Renminbi into the PRC capital markets
“SIFMA”	Securities Industry and Financial Markets Association in the U.S.
“SME Board”	the Small and Medium Enterprises Board of the Shenzhen Stock Exchange* (深圳證券交易所中小企業板)
“sponsor representative”	professional representative qualified in the PRC to sponsor and execute the offerings and listings of securities pursuant to the Measures for the Administration of the Sponsorship of the Offering and Listing of Securities of the PRC* (證券發行上市保薦業務管理辦法)
“stock index futures”	cash-settled standardized futures contracts on the value of a particular stock market index
“targeted asset management plan(s)”	a targeted asset management contract entered into by a securities firm in the PRC with a single client, pursuant to which the securities company provides asset management services to the client through accounts under the client’s name
“VaR”	value at risk
“XBRL”	a freely available, open and global standard for exchanging business information (also known as “eXtensible Business Reporting Language”), which allows the expression of semantic meaning commonly required in business reporting