

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

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

**If you have sold or transferred** all your shares in **Jilin Province Chuncheng Heating Company Limited\***, you should at once hand this circular with the form of proxy and reply slip to the purchaser(s) or the transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



### **Jilin Province Chuncheng Heating Company Limited\***

**吉林省春城熱力股份有限公司**

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

**(Stock code: 1853)**

**PROPOSED A SHARE OFFERING;  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND  
THE RULES OF PROCEDURE;  
OTHER RESOLUTIONS RELATING TO THE A SHARE OFFERING;  
NOTICE OF THE EGM;  
NOTICE OF THE H SHAREHOLDERS' CLASS MEETING; AND  
NOTICE OF THE DOMESTIC SHAREHOLDERS' CLASS MEETING**

---

The letter from the Board is set out on pages 4 to 19 of this circular.

The Company will convene the EGM at 9:00 a.m. on Friday, 17 December 2021, the H Shareholders' Class Meeting immediately following the conclusion of the EGM or any adjournment thereof (whichever is the later), and the Domestic Shareholders' Class Meeting immediately following the conclusion of the H Shareholders' Class Meeting or any adjournment thereof (whichever is the later) at Conference Room 907, Chuncheng Heating, No. 998 Nanhua Road, Nanguan District, Changchun City, Jilin Province, the PRC. The notices of the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting are set out in Appendices XX, XXI and XXII to this circular, respectively.

If you intend to appoint a proxy to attend the EGM, the H Shareholders' Class Meeting and/or the Domestic Shareholders' Class Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the H Share Registrar (in the case of H Shareholders) or to the head office of the Company in the PRC (in the case of Domestic Shareholders) not less than 24 hours before the time fixed for holding the EGM, the H Shareholders' Class Meeting and/or the Domestic Shareholders' Class Meeting, or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM, the H Shareholders' Class Meeting and/or the Domestic Shareholders' Class Meeting, or any adjournment thereof should you so wish.

\* For identification purpose only

# CONTENTS

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>APPENDIX I</b> — <b>FEASIBILITY REPORT ON USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY</b> .....	I-1
<b>APPENDIX II</b> — <b>PROPOSAL ON SHARE PRICE STABILISATION OF THE A SHARES OF THE COMPANY WITHIN THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY</b> .....	II-1
<b>APPENDIX III</b> — <b>DIVIDEND DISTRIBUTION PLAN FOR THE SHAREHOLDERS FOR THE NEXT THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY</b> .....	III-1
<b>APPENDIX IV</b> — <b>ANALYSIS OF DILUTION IMPACT ON IMMEDIATE RETURNS AND THE MEASURES TO RECOVER SUCH RETURNS IN RELATION TO THE INITIAL PUBLIC OFFERING OF THE A SHARES BY THE COMPANY</b> .....	IV-1
<b>APPENDIX V</b> — <b>PARTICULARS OF THE RELATED PARTY TRANSACTIONS WITH RELATED PARTIES MADE BY THE COMPANY DURING THE REPORTING PERIOD</b> .....	V-1
<b>APPENDIX VI</b> — <b>REPORT ON THE DEPOSIT AND USE OF PREVIOUSLY RAISED PROCEEDS OF JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED AND ASSURANCE REPORT</b> .....	VI-1
<b>APPENDIX VII</b> — <b>LETTERS OF UNDERTAKING FROM JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED REGARDING THE INITIAL PUBLIC OFFERING AND LISTING OF RMB ORDINARY SHARES ON THE MAIN BOARD OF THE SHENZHEN STOCK EXCHANGE</b> .....	VII-1
<b>APPENDIX VIII</b> — <b>GRANT OF AUTHORISATION TO THE BOARD AND ITS AUTHORISED PERSONS TO DEAL WITH MATTERS RELATING TO THE OFFERING AND LISTING AT THEIR FULL DISCRETION</b> .....	VIII-1
<b>APPENDIX IX</b> — <b>COMPARISON TABLE OF THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION</b> .....	IX-1
<b>APPENDIX X</b> — <b>FORMULATION OF THE RULES OF PROCEDURE FOR GENERAL MEETING WHICH ARE APPLICABLE AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY</b> ..	X-1
<b>APPENDIX XI</b> — <b>FORMULATION OF THE RULES OF PROCEDURE OF THE BOARD WHICH ARE APPLICABLE AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY</b> .....	XI-1
<b>APPENDIX XII</b> — <b>FORMULATION OF THE RULES OF PROCEDURE OF THE SUPERVISORY COMMITTEE WHICH ARE APPLICABLE AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY</b> .....	XII-1
<b>APPENDIX XIII</b> — <b>PROCEDURE ON MANAGEMENT OF EXTERNAL INVESTMENT</b> ...	XIII-1
<b>APPENDIX XIV</b> — <b>PROCEDURE ON MANAGEMENT OF EXTERNAL GUARANTEE</b> ...	XIV-1
<b>APPENDIX XV</b> — <b>PROCEDURE ON MANAGEMENT OF RELATED PARTY TRANSACTION</b> .....	XV-1
<b>APPENDIX XVI</b> — <b>WORKING RULES OF BOARD SECRETARY</b> .....	XVI-1
<b>APPENDIX XVII</b> — <b>WORK PROCEDURE OF INDEPENDENT DIRECTORS</b> .....	XVII-1
<b>APPENDIX XVIII</b> — <b>PROCEDURE ON MANAGEMENT OF PROCEEDS</b> .....	XVIII-1
<b>APPENDIX XIX</b> — <b>PROCEDURE ON GOVERNING FUND TRANSFER WITH RELATED PARTIES</b> .....	XIX-1
<b>APPENDIX XX</b> — <b>NOTICE OF THE THIRD EGM OF 2021</b> .....	XX-1
<b>APPENDIX XXI</b> — <b>NOTICE OF THE FIRST H SHAREHOLDERS' CLASS MEETING OF 2021</b> .....	XXI-1
<b>APPENDIX XXII</b> — <b>NOTICE OF THE FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING OF 2021</b> .....	XXII-1

---

## DEFINITIONS

---

*In this announcement, unless the context otherwise requires, terms used herein shall have the following meanings:*

“A Share(s)”	ordinary share(s) proposed to be issued by the Company pursuant to the A Share Offering and subscribed for in RMB
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“Changchun Heating Group”	Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司), the controlling shareholder of the Company, and a state-owned company established in the PRC on 28 April 1998 which held 69.75% of the total share capital of the Company as at the Latest Practicable Date
“Class Meetings”	collectively, the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meeting
“Company”	Jilin Province Chuncheng Heating Company Limited* (吉林省春城熱力股份有限公司), presently a joint stock company with limited liability which was incorporated in the PRC on 23 October 2017 and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic Share(s), which are subscribed for in RMB and held by PRC nationals or PRC incorporated entities, and are not listed or traded on any stock exchange
“Domestic Shareholder(s)”	holder(s) of the Domestic Share(s)
“Domestic Shareholders’ Class Meeting”	the first Domestic Shareholders’ class meeting of 2021 to be held by the Company on Friday, 17 December 2021 for the approval of, among other matters, the proposed A Share Offering and the proposed amendments to the Articles of Association

---

## DEFINITIONS

---

“EGM” or “General Meeting”	the third extraordinary general meeting of 2021 to be held by the Company on Friday, 17 December 2021 for the approval of, among other matters, the proposed A Share Offering and the proposed amendments to the Articles of Association
“H Share(s)”	overseas listed foreign Share(s), which are subscribed for and traded in HK\$ and listed on the Main Board of the Hong Kong Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Shareholder(s)”	holder(s) of the H Share(s)
“H Shareholders’ Class Meeting”	the first H Shareholders’ class meeting of 2021 to be held by the Company on Friday, 17 December 2021 for the approval of, among other matters, the proposed A Share Offering and the proposed amendments to the Articles of Association
“HK\$”	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
“Latest Practicable Date”	26 November 2021, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Offering” or “A Share Offering”	the proposed public offering by the Company of not more than 155.5666 million A Shares, which will be listed on the Shenzhen Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the Domestic Share(s) and the H Share(s) of the Company

---

## DEFINITIONS

---

“Shareholder(s)”	the shareholder(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

*In case of any discrepancy between the Chinese version and the English version of this circular (including its appendices), the Chinese version shall prevail.*

---

## LETTER FROM THE BOARD

---



### **Jilin Province Chuncheng Heating Company Limited\***

### **吉林省春城熱力股份有限公司**

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

**(Stock code: 1853)**

*Executive Directors:*

Mr. Yang Zhongshi  
Mr. Shi Mingjun  
Mr. Xu Chungang  
Mr. Li Yeji

*Registered office in the PRC:*

No. 28, Block B Nanhu Road Community  
No. 998 Nanhu Road, Nangan District  
Changchun City, Jilin Province  
PRC

*Non-executive Director:*

Mr. Liu Changchun (*Chairman*)

*Head office/Principal place of business in the PRC:*

No. 28, Block B Nanhu Road Community  
No. 998 Nanhu Road, Nangan District  
Changchun City, Jilin Province  
PRC

*Independent non-executive Directors:*

Mr. Wang Yuguo  
Mr. Fu Yachen  
Mr. Poon Pok Man

*Principal place of business in Hong Kong:*

46/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

2 December 2021

Dear Shareholders,

**PROPOSED A SHARE OFFERING;  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND  
THE RULES OF PROCEDURE;  
OTHER RESOLUTIONS RELATING TO THE A SHARE OFFERING;  
NOTICE OF THE EGM;  
NOTICE OF THE H SHAREHOLDERS' CLASS MEETING; AND  
NOTICE OF THE DOMESTIC SHAREHOLDERS' CLASS MEETING**

#### **I. INTRODUCTION**

Reference is made to the announcements of the Company dated 18 November 2021 and 22 November 2021.

---

## LETTER FROM THE BOARD

---

The Company will convene the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting on Friday, 17 December 2021, the notices of which are set out in Appendices XX, XXI and XXII to this circular, respectively. The purpose of this circular is to set out the notice of the EGM, the notice of the H Shareholders' Class Meeting and the notice of the Domestic Shareholders' Class Meeting, and provide you with the details of the above resolutions.

### II. MATTERS TO BE DEALT WITH AT THE EGM AND THE CLASS MEETINGS

The resolutions to be proposed at the EGM for approval include, among other matters, (1) the resolution regarding application for initial public offering and listing of the A Shares on the main board of the Shenzhen Stock Exchange by the Company<sup>(Note)</sup>; (2) the resolution regarding investment projects to be financed by the initial public offering of the A Shares by the Company and its feasibility; (3) the resolution regarding proposal for distribution of accumulated profits prior to the initial public offering and listing of the A Shares by the Company; (4) the resolution regarding share price stabilisation plan for the A Shares within three years after the initial public offering and listing of the A Shares by the Company; (5) the resolution regarding dividend distribution plan for the Shareholders for the next three years after the initial public offering and listing of the A Shares by the Company; (6) the resolution regarding analysis of dilution impact on immediate returns and the relevant measures to recover such returns in relation to the initial public offering of the A Shares by the Company; (7) the resolution regarding confirmation of related party transactions of the Company during the reporting period; (8) the resolution regarding report on the use of funds raised from previous fund raising activities of the Company; (9) the resolution regarding provision of relevant undertakings by the Company for the initial public offering and listing of the A Shares; (10) the resolution regarding grant of authorisation to the Board and its authorised persons at the general meeting of the Company to deal, at their full discretion, with matters relating to the initial public offering and listing of A Shares on the main board of the Shenzhen Stock Exchange by the Company; (11) the resolution regarding formulation of Articles of Association (draft) which are applicable after the initial public offering and listing of the A Shares by the Company; (12) the resolution regarding formulation of rules of procedure for general meeting (draft) which are applicable after the initial public offering and listing of the A Shares by the Company; (13) the resolution regarding formulation of rules of procedure of the Board (draft) which are applicable after the initial public offering and listing of the A Shares by the Company; (14) the resolution regarding formulation of rules of procedure of the Supervisory Committee (draft) which are applicable after the initial public offering and listing of the A Shares by the Company; (15) the resolution regarding addition or modification to the relevant governance procedures of the Company for the purpose of the initial public offering and listing of the A Shares by the Company; and (16) the resolution regarding engagement of an audit firm for the initial public offering and listing of the A Shares by the Company.

*Note: If any sub-resolution under the relevant resolution was not passed, the sub-resolution that was not passed will not be implemented. Other sub-resolutions to be voted on individually will be implemented in accordance with the voting results.*

The above resolutions have been considered and approved by the Board or the Supervisory Committee (as the case may be) and will be put forward to the EGM for consideration and approval, of which resolutions (1) to (6), (8), (10) to (11) are subject to approval by way of special resolution, and resolutions (7), (9) and (12) to (16) are subject to approval by way of ordinary resolution. Resolutions (1) to (6) and (8) to (12) shall be put forward separately to the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting for consideration and approval. The relevant resolutions are summarised as follows.

---

## LETTER FROM THE BOARD

---

### **1. RESOLUTION REGARDING APPLICATION FOR INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES ON THE MAIN BOARD OF THE SHENZHEN STOCK EXCHANGE BY THE COMPANY**

The resolution involves the proposed submission of application to the CSRC and other relevant regulatory authorities for the A Share Offering pursuant to the requirements of the “Company Law of the People’s Republic of China” (《中華人民共和國公司法》), the “Securities Law of the People’s Republic of China” (《中華人民共和國證券法》), the “Opinions on Further Promoting the Initial Public Offering System Reform” (《關於進一步推進新股發行體制改革的意見》), the “Measures for the Administration of Initial Public Offering and Listing of Stocks” (《首次公開發行股票並上市管理辦法》), the “Rules Governing the Listing of Shares on Shenzhen Stock Exchange” (《深圳證券交易所股票上市規則》) and other related laws, regulations and regulatory documents. Particulars of the A Share Offering are as follows:

#### **1.1 Type and par value of the Shares to be issued**

Domestically listed RMB ordinary Shares (A Shares), with a par value of RMB1.00.

#### **1.2 Offering size**

The Company intends to make an initial public offering of RMB ordinary shares of not more than 155.5666 million A Shares to the public. The actual number of Shares to be issued will be determined based on the capital requirements of the Company and the specific situation of the securities market at the time of the Offering, by the Board and its authorised persons under the authorisation granted at the EGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting in accordance with the requirements of the laws and regulations, the approval of the securities regulatory authorities and the market conditions.

#### **1.3 Target Subscribers of the Offering**

The target subscribers of the Offering shall be inquired investors who are qualified and natural persons, legal persons and other institutions which have maintained RMB ordinary share (A share) securities accounts with the Shenzhen Stock Exchange (except for those prohibited by national laws, regulations, other applicable regulatory documents and other regulatory requirements applicable to the Company), unless otherwise provided by the CSRC or the Shenzhen Stock Exchange.

To the best knowledge of the Directors, they do not envisage any of the target subscribers to be related parties or connected persons (as defined under the Listing Rules) of the Company. If any of the A Share Offering’s target subscriber is a related/connected person of the Company, the Company will take all reasonable measures to comply with the relevant requirements of the CSRC and other regulatory authorities as well as the listing rules of the places where the Company’s Shares are listed (including Chapter 14A of the Listing Rules).



---

## LETTER FROM THE BOARD

---

### 1.4 Method of Issuance

- (a) Offline allotment to inquired investors;
- (b) Online subscription offering to public investors at market price;
- (c) Other methods permitted by the CSRC and the Shenzhen Stock Exchange.

### 1.5 Method of Pricing

The pricing will be determined by a combination of offline allotment to inquired investors and online subscription offering to public investors at market price, or other methods permitted by the CSRC.

The lead underwriter(s) shall carry out book-building in respect of the quotations of offline investors, and record the subscription prices and subscription number of offline investors, and shall determine the issue price according to the result of book-building. Once the final issue price is determined, all subscribers for the A Shares will subscribe for such number of A Shares allocated to them at the final issue price.

According to the “PRC Company Law” (《中華人民共和國公司法》), the issue price shall not be lower than the par value of the Shares. In addition, the final issue price will be determined with reference to, including but not limited to, the then average price-to-earnings ratio of the heat supply industry in the secondary market, the operational and financial conditions of the Company and in accordance with the laws, regulations and requirements of the relevant securities regulatory authorities of the PRC.

### 1.6 Method of Underwriting

The Offering will be underwritten by a sponsor (the lead underwriter) by way of standby commitment.

### 1.7 Proposed Place of Listing

The proposed place of listing for the Offering is the Main Board of the Shenzhen Stock Exchange.

### 1.8 Timing for the Offering and listing

Upon the grant of approvals of the CSRC and the Shenzhen Stock Exchange, the Board shall discuss with the lead underwriter and relevant regulatory authorities on the timing for the Offering and listing.

### 1.9 Effective Period of the Resolution Relating to the Offering Proposal

The resolution shall be effective for a period of 12 months from the date on which the resolution is passed at the EGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting.

If the approval(s) regarding the A Share Offering from the CSRC and other regulatory authorities is/are not obtained within such validity period, the Company shall seek the shareholders’ approval to extend the validity period of the resolution at general meeting and the class meetings.

The A Share Offering is subject to the Shareholders’ approval at the EGM and the Class Meetings, as well as the approval of the CSRC and other relevant regulatory authorities.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

---

## LETTER FROM THE BOARD

---

### 2. RESOLUTION REGARDING INVESTMENT PROJECTS TO BE FINANCED BY THE INITIAL PUBLIC OFFERING OF THE A SHARES BY THE COMPANY AND ITS FEASIBILITY

In order to expand its production scale and enhance its core competitiveness, the Company proposes to apply for an initial public offering of RMB ordinary Shares (A Shares) and listing on the main board of the Shenzhen Stock Exchange. Based on the Company's operational and development needs, the proceeds from the Offering, after deducting issuance expenses, will be used to invest in the following projects:

No.	Name of project	Total investment amount (RMB0'000)	Proceeds utilised (RMB0'000)
1	Intelligent upgrade of heat supply facilities of Jilin Province Chuncheng Heating Company Limited (吉林省春城熱力股份有限公司供熱設施智能化改造項目)	40,059.65	40,059.65
2	Chuncheng Heating gas-fired peak-shaving boiler plant project at Linhe West Street (春城熱力臨河西街燃氣調峰熱源廠工程)	21,062.56	21,062.56
Total:		<b>61,122.21</b>	<b>61,122.21</b>

The Board of the Company has prepared a feasibility report on the aforesaid investment projects financed by the proceeds, the details of which are set out in **Appendix I** to this circular.

Before the proceeds from the Offering are in place, the Company may make initial investment with its own capital or bank loans in accordance with the actual progress of the projects, and replace the initial investment and pay for the remaining funds required for project construction after the proceeds are in place. In the event that the actual net proceeds (after deducting issuance expenses) are not sufficient to meet the funding requirements of the above investment projects, the shortfall will be financed by bank loans or the Company's own capital. The Board proposes to the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting to authorise the Board and its authorised persons to adjust the proceeds raised for the investment projects based on the progress of the approval of the proceeds and in accordance with the listing regulatory requirements. In the event the A Share Offering is not approved by the Shareholders, the Company will continue to invest in the aforementioned projects using its own capital or self-financing funds. The Company will comply with all the necessary internal approval procedures and information disclosure requirements as required by the Hong Kong Stock Exchange and other regulatory authorities, where necessary. If the approval(s) regarding the A Share Offering from the CSRC and other regulatory authorities is/are not obtained within such validity period, the Company shall seek the shareholders' approval to extend the validity period of the resolution at general meeting and the class meetings.

It is agreed that the Company shall establish a special account for the deposit of the proceeds raised and the proceeds will be deposited into the special account designated by the Board for concentrated management and will only be used for specific purpose. The Company shall manage and use the proceeds raised in strict accordance with the relevant regulations such as the "Procedure on Management of Proceeds of Jilin Province Chuncheng Heating Company Limited" (《吉林省春城熱力股份有限公司募集資金管理制度》).

---

## LETTER FROM THE BOARD

---

Particulars of the investment projects financed by the proceeds are detailed in **Appendix I** to this circular.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

### **3. RESOLUTION REGARDING PROPOSAL FOR DISTRIBUTION OF ACCUMULATED PROFITS PRIOR TO THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY**

According to the Measures for the Administration of Initial Public Offering and Listing of Stocks, the Company is required to determine the distribution policy for accumulated profits prior to the Offering before the submission of the application for the initial public offering. In order to satisfy the interests of both new and existing Shareholders of the Company, the Company proposes that the distribution policy for accumulated profits prior to the Offering will provide that the undistributed profits of the Company prior to the Offering shall be jointly enjoyed by the new and existing Shareholders in proportion to their shareholdings upon completion of the Offering.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

### **4. RESOLUTION REGARDING SHARE PRICE STABILISATION PLAN FOR THE A SHARES WITHIN THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY**

According to the Opinions on Further Promoting the Initial Public Offering System Reform issued by the CSRC and other relevant requirements, the Company has formulated the “Share Price Stabilisation Plan for the A Shares Within Three Years After the Initial Public Offering and Listing of the A Shares by the Company” (《公司關於首次公開發行A股股票並上市後三年內穩定公司A股股價的預案》). For details of the plan, please refer to **Appendix II** to this circular.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

### **5. RESOLUTION REGARDING DIVIDEND DISTRIBUTION PLAN FOR THE SHAREHOLDERS FOR THE NEXT THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY**

In order to establish a continuous, stable and scientific profit return mechanism for investors, maintain the continuity and stability of the profit distribution policy, safeguard the legitimate rights and interests of the Company’s investors, enhance the transparency and operability of the decision-making on dividend distribution, and optimise and improve the Company’s decision-making and supervision mechanism for dividend distribution, the Company has formulated the “Dividend Distribution Plan for the Shareholders for the Next Three Years After the Initial Public Offering and Listing of the A Shares by the Company” (《公司首次公開發行A股股票並上市後未來三年內股東分紅回報規劃》) to be implemented after the Offering. For details of the plan, please refer to **Appendix III** to this circular.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

---

## LETTER FROM THE BOARD

---

### **6. RESOLUTION REGARDING ANALYSIS OF DILUTION IMPACT ON IMMEDIATE RETURNS AND THE RELEVANT MEASURES TO RECOVER SUCH RETURNS IN RELATION TO THE INITIAL PUBLIC OFFERING OF THE A SHARES BY THE COMPANY**

Upon completion of the Offering, the Company's share capital and net asset size will increase, and the Company may face the risk of decrease in diluted immediate and future earnings per share and return on net assets. According to the "Guiding Opinions on Matters Concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring (Announcement【2015】No. 31 of the CSRC)" (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(中國證券監督管理委員會公告【2015】31號)) issued by the CSRC, the Company has formulated relevant measures to recover the diluted immediate return. For details of the measures, please refer to **Appendix IV** to this circular.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

### **7. RESOLUTION REGARDING CONFIRMATION OF RELATED PARTY TRANSACTIONS OF THE COMPANY DURING THE REPORTING PERIOD**

Due to its business needs, the Company has conducted related party transactions such as purchase and sale of goods, provision and acceptance of labour services and acceptance of leases with related parties in the years 2018, 2019 and 2020 and from January to June 2021. Currently, the Company intends to apply for an initial public offering of RMB ordinary shares (A shares) and listing on the main board of the Shenzhen Stock Exchange, which has strict regulations with regard to related party transactions of the Company.

Particulars of the Company's related party transactions conducted with related parties during the Reporting Period are detailed in **Appendix V** to this circular.

Particulars of the related party transactions during the said period should be considered correct as stated in the final audit report issued by Da Hua Certified Public Accountants (Special General Partnership).

Upon self-inspection, the Company notes that the related party transactions conducted by the Company during the said period have complied with the principles of equality, voluntariness, fairness and reasonableness in all material respects, the prices of the related party transactions were fair and reasonable, the decision-making authority and procedures of the related party transactions were lawful, and there was no prejudice to the interests of the Company and its Shareholders, nor any transfer of benefits to the Company or related parties.

The related Shareholder (i.e. Changchun Heating Group) is required to abstain from voting on this resolution.

The above resolution has been considered and passed by the Board and is put forward to the EGM for consideration and approval by the Shareholders.

---

## LETTER FROM THE BOARD

---

### **8. RESOLUTION REGARDING REPORT ON THE USE OF FUNDS RAISED FROM PREVIOUS FUND RAISING ACTIVITIES OF THE COMPANY**

According to the requirements of relevant laws, regulations and regulatory documents such as the “Administrative Measures for the Issuance of Securities by Listed Companies” (《上市公司證券發行管理辦法》) and the “Regulation on the Report on Use of Proceeds from Previous Fund Raising Activities” (《關於前次募集資金使用情況報告的規定》) issued by the CSRC, the Company has reviewed the use of the previously raised proceeds and formulated the “Report on the Deposit and Use of Previously Raised Proceeds of Jilin Province Chuncheng Heating Company Limited” (《吉林省春城熱力股份有限公司前次募集資金存放與使用情況報告》). After reviewing the use of the previously raised proceeds, Da Hua Certified Public Accountants (Special General Partnership) has issued the “Assurance Report on the Deposit and Use of Proceeds of Jilin Province Chuncheng Heating Company Limited” (《吉林省春城熱力股份有限公司募集資金存放與使用情況鑒證報告》), the details of which are set out in **Appendix VI** to this circular.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

### **9. RESOLUTION REGARDING PROVISION OF RELEVANT UNDERTAKINGS BY THE COMPANY FOR THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES**

The Company proposes to make a series of undertakings and binding measures, such as undertakings in relation to share price stabilisation, undertakings in relation to the due implementation of measures to recover the diluted immediate returns and undertakings in relation to the non-fulfilment of relevant undertaking and binding measures, in the public offering and listing documents according to the relevant requirements of the “Opinions on Further Promoting the Initial Public Offering System Reform” (《關於進一步推進新股發行體制改革的意見》) of the CSRC, the details of which are set out in **Appendix VII** to this circular.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

### **10. RESOLUTION REGARDING GRANT OF AUTHORISATION TO THE BOARD AND ITS AUTHORISED PERSONS AT THE GENERAL MEETING OF THE COMPANY TO DEAL AT THEIR FULL DISCRETION WITH MATTERS RELATING TO THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES ON THE MAIN BOARD OF THE SHENZHEN STOCK EXCHANGE BY THE COMPANY**

As the work relating to listing process is very complex and requires signing a large number of documents, making applications to the competent authorities and dealing with contingent events from time to time, in order to enhance the efficiency of decision making and to ensure an early completion of the Offering and listing, it is necessary to seek approval in general meetings to authorise the Board and its authorised persons to deal, at their full discretion, with matters relating to the Offering. For details of the authorisation, please refer to **Appendix VIII** to this circular.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

---

## LETTER FROM THE BOARD

---

### **11. RESOLUTION REGARDING FORMULATION OF ARTICLES OF ASSOCIATION (DRAFT) WHICH ARE APPLICABLE AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY**

In order to prepare for the relevant work of the Offering and listing of the Company and enable the Company to comply with the requirements applicable to A-share listed companies regarding compliance governance and other aspects, the Company has formulated the “Articles of Association of Jilin Province Chuncheng Heating Company Limited (Draft)” (《吉林省春城熱力股份有限公司章程(草案)》) (hereinafter referred to as the “Articles of Association (Draft)”) which will be applicable after the Offering and listing of the Company. The Articles of Association (Draft) shall take effect from the date of the Company’s initial public offering and listing of the A shares on the main board of the Shenzhen Stock Exchange. Prior to the completion of the Offering and listing of the Company, the existing Articles of Association of the Company shall continue to be in force. Particulars of the amendments to the Articles of Association are set out in **Appendix IX** to this circular.

At the same time, the Board proposes the EGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting to grant authority to the Board and its authorised persons to exercise their power to adjust and amend the Articles of Association (Draft) that have been considered and approved at general meetings of the Company (including but not limited to adjusting and amending the wordings, sections, clauses, effective conditions, registered capital and shareholding structure) in accordance with the requirements of domestic and foreign laws and regulations as amended from time to time, the requirements and recommendations from domestic and foreign government departments and regulatory authorities and the actual circumstances of the Offering and listing.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.

### **12. RESOLUTION REGARDING FORMULATION OF RULES OF PROCEDURE FOR GENERAL MEETING (DRAFT) WHICH ARE APPLICABLE AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY**

In order to prepare for the relevant work of the Offering and listing of the Company and enable the Company to comply with the requirements applicable to listed companies regarding compliance governance and other aspects, the Company has formulated the “Rules of Procedure for General Meeting of Jilin Province Chuncheng Heating Company Limited (Draft)” (《吉林省春城熱力股份有限公司股東大會議事規則(草案)》) (hereinafter referred to as the “Rules of Procedure for General Meeting (Draft)”) which will be applicable after the Offering and listing of the Company in accordance with the “Company Law” (《公司法》), the “Guidelines for Articles of Association of Listed Companies” (《上市公司章程指引》) and other relevant laws, regulations and regulatory documents. The Rules of Procedure for General Meeting (Draft) shall take effect from the date of the Company’s initial public offering and listing of the A shares on the main board of the Shenzhen Stock Exchange. Details of the formulation of the Rules of Procedure for General Meeting which are applicable after the initial public offering and listing of the A Shares by the Company are set out in **Appendix X** to this circular.

At the same time, the Board proposes at the EGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting to grant authority to the Board and its authorised persons to exercise their power to adjust and amend the Rules of Procedure for General Meeting (Draft) that have been considered and approved at general meetings of the Company in accordance with the requirements of laws and regulations as amended from time to time, the requirements and recommendations from government departments and regulatory authorities and the actual circumstances of the Offering and listing.

The above resolution has been considered and passed by the Board and is put forward to the EGM and the Class Meetings for consideration and approval by the Shareholders.



---

## LETTER FROM THE BOARD

---

### **13. RESOLUTION REGARDING FORMULATION OF RULES OF PROCEDURE OF THE BOARD (DRAFT) WHICH ARE APPLICABLE AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY**

In order to prepare for the relevant work of the Offering and listing of the Company and enable the Company to comply with the requirements applicable to listed companies regarding compliance governance and other aspects, the Company has formulated the “Rules of Procedure of the Board of Jilin Province Chuncheng Heating Company Limited (Draft)” (《吉林省春城熱力股份有限公司董事會議事規則(草案)》) (hereinafter referred to as the “Rules of Procedure of the Board (Draft)”) which will be applicable after the Offering and listing of the Company in accordance with the “Company Law” (《公司法》), the “Guidelines for Articles of Association of Listed Companies” (《上市公司章程指引》) and other relevant laws, regulations and regulatory documents. The Rules of Procedure of the Board (Draft) shall take effect from the date of the Company’s initial public offering and listing of the A shares on the main board of the Shenzhen Stock Exchange. Prior to the completion of the Offering and listing of the Company, the existing Rules of Procedure of the Board of the Company shall continue to be in force. Details of the formulation of the Rules of Procedure of the Board which are applicable after the initial public offering and listing of the A Shares by the Company are set out in **Appendix XI** to this circular.

At the same time, the Board proposes at the general meeting to grant authority to the Board and its authorised persons to exercise their power to adjust and amend the Rules of Procedure of the Board (Draft) that have been considered and approved at general meetings of the Company in accordance with the requirements of laws and regulations as amended from time to time, the requirements and recommendations from government departments and regulatory authorities and the actual circumstances of the Offering and listing.

The above resolution has been considered and passed by the Board and is put forward to the EGM for consideration and approval by the Shareholders.

### **14. RESOLUTION REGARDING FORMULATION OF RULES OF PROCEDURE OF THE SUPERVISORY COMMITTEE (DRAFT) WHICH ARE APPLICABLE AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY**

In order to prepare for the relevant work of the Offering and listing of the Company and enable the Company to comply with the requirements applicable to listed companies regarding compliance governance and other aspects, the Company has formulated the “Rules of Procedure of the Supervisory Committee of Jilin Province Chuncheng Heating Company Limited (Draft)” (《吉林省春城熱力股份有限公司監事會議事規則(草案)》) (hereinafter referred to as the “Rules of Procedure of the Supervisory Committee (Draft)”) which will be applicable after the Offering and listing of the Company in accordance with the “Company Law” (《公司法》), the “Guidelines for Articles of Association of Listed Companies” (《上市公司章程指引》) and other relevant laws, regulations and regulatory documents. The Rules of Procedure of the Supervisory Committee (Draft) shall take effect from the date of the Company’s initial public offering and listing of the A shares on the main board of the Shenzhen Stock Exchange. Prior to the completion of the Offering and listing of the Company, the existing Rules of Procedure of the Supervisory Committee of the Company shall continue to be in force. Details of the formulation of the Rules of Procedure of the Supervisory Committee which are applicable after the initial public offering and listing of the A Shares by the Company are set out in **Appendix XII** to this circular.

At the same time, the Supervisory Committee proposes at the general meeting to grant authority to the Supervisory Committee and its authorised persons to exercise their power to adjust and amend the Rules of Procedure of the Supervisory Committee (Draft) of the Company that have been considered and approved at general meetings of the Company in accordance with the requirements of laws and regulations as amended from time to time, the requirements and recommendations from government departments and regulatory authorities and the actual circumstances of the Offering and listing.

The above resolution has been considered and passed by the Supervisory Committee and is put forward to the EGM for consideration and approval by the Shareholders.

---

## LETTER FROM THE BOARD

---

### **15. RESOLUTION REGARDING ADDITION OR MODIFICATION TO THE RELEVANT GOVERNANCE PROCEDURES OF THE COMPANY FOR THE PURPOSE OF THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY**

According to the relevant requirements of the CSRC and the Shenzhen Stock Exchange, the Company is required to make amendments to existing internal procedures and adopt new procedures, of which:

1. 5 procedures are to be amended, namely:

the “Procedure on Management of External Investment” (《對外投資管理制度》), the “Procedure on Management of External Guarantee” (《對外擔保管理制度》), the “Procedure on Management of Related Party Transaction” (《關聯交易管理制度》), the “Working Rules of Board Secretary” (《董事會秘書工作細則》) and the “Work Procedure of Independent Directors” (《獨立董事工作制度》).

2. 2 new procedures are to be adopted, namely:

the “Procedure on Management of Proceeds” (《募集資金管理制度》) and the “Procedure on Governing Fund Transfer with Related Parties” (《規範與關聯方資金往來的管理制度》).

The Board proposes at the general meeting to grant authority to the Board and its authorised persons to exercise their power to adjust and amend the abovementioned 7 internal management procedures in accordance with the requirements of laws and regulations as amended from time to time, the requirements and recommendations from government departments and regulatory authorities and the actual circumstances of the Offering and listing.

Particulars of the aforesaid amendments and additions to the internal procedures are detailed in **Appendices XIII to XIX** to this circular. The above internal procedures under consideration shall take effect following the consideration and passing of such internal procedures at the General Meeting and from the date of the Company’s initial public offering and listing of the A Shares on the main board of the Shenzhen Stock Exchange.

The above resolution has been considered and passed by the Board and is put forward to the EGM for consideration and approval by the Shareholders.

### **16. RESOLUTION REGARDING ENGAGEMENT OF AN AUDIT FIRM FOR THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY**

According to the requirements of the “Securities Law of the People’s Republic of China” (《中華人民共和國證券法》) and other relevant laws and regulations, the Company proposes to engage Da Hua Certified Public Accountants (Special General Partnership) to serve as the financial audit firm and internal control audit firm for the Offering and issue the audit reports and relevant documents required for listing.

The above resolution has been considered and passed by the Board and is put forward to the EGM for consideration and approval by the Shareholders.



---

## LETTER FROM THE BOARD

---

### III. EFFECTS OF THE A SHARE OFFERING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that the entire 155.5666 million A Shares under the A Share Offering are permitted to be issued and there are no changes to the share capital of the Company prior to the completion of the A Share Offering, the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the A Share Offering is as follows:

Shareholder	As at the Latest Practicable Date		Immediately after the completion of the A Share Offering	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
Domestic Shares ( <i>Note 1</i> )				
– Domestic Shares in issue held by non-public Shareholders ( <i>Note 2</i> )	325,500,000	69.75%	–	–
– Domestic Shares in issue held by public Shareholders	24,500,000	5.25%	–	–
A Shares ( <i>Note 1</i> )				
– A Shares in issue held by non-public Shareholders ( <i>Note 2</i> )	–	–	325,500,000	52.31%
– New A Shares issued under the A Share Offering ( <i>Note 3</i> )	–	–	155,566,600	25.00%
– A Shares in issue held by other public Shareholders	–	–	24,500,000	3.94%
H Shares	116,700,000	25.00%	116,700,000	18.75%
<b>Total</b>	<b>466,700,000</b>	<b>100%</b>	<b>622,266,600</b>	<b>100%</b>

*Note 1: Subject to the approval of the A Share Offering referred to above at the EGM and the granting of all approvals by the competent PRC regulatory authorities, the Domestic Shares in issue will be converted into domestically listed RMB ordinary shares (A Shares) upon the completion of the A Share Offering and listing.*

*Note 2: These Shares are held by Changchun Heating Group, the controlling shareholder of the Company.*

*Note 3: Immediately after the completion of the A Share Offering, all the 155,566,600 A Shares newly issued under the A Share Offering, representing approximately 25.00% of the Company's issued share capital, will be calculated as part of the public Shares.*

---

## LETTER FROM THE BOARD

---

As at the Latest Practicable Date, based on publicly available information and to the directors' knowledge, the Company had sufficient public float to meet the minimum public float requirement under Rule 8.08 of the Listing Rules. Assuming that the 155.5666 million A Shares under the A Share Offering are permitted to be issued in full to non-core connected persons of the Company, the percentage of H Shares to be held by the public relative to the total number of Shares after the Offering is expected to be approximately 18.75%, and the percentage of Shares (both A Shares and H Shares combined) held by the public relative to the total number of Shares after the Offering is expected to be approximately 47.69%. The Company has undertaken to continue to comply with the public float requirement under Rule 8.08 of the Listing Rules during the application period of the A Share Offering and upon completion of the A Share Offering.

#### IV. REASONS AND PURPOSES OF THE A SHARE OFFERING

The Company believes that the "A+H" dual listing approach will enable the Company to take full advantage of both the international and domestic capital markets. This will enable the Company to set up two financing platforms at one time, and hence its subsequent financing will not be restricted by the rules and conditions of a single market, thereby expanding the Company's subsequent financing channels and methods.

Expenses relating to the A Share Offering (including sponsor fees, audit fees, valuation fees, legal expenses, offering administrative expenses and underwriting commissions for the issue of new A Shares by the Company) shall be borne by the Company.

All Directors (including independent non-executive Directors) are of the view that the A Share Offering is in the interests of the Company and the Shareholders as a whole.

#### V. USE OF PROCEEDS

Proceeds raised from the A Share Offering, after deducting issuance expenses, will be invested as follows:

No.	Name of project	Total investment	Proceeds utilised
		amount (RMB0'000)	
1	Intelligent upgrade of heat supply facilities of Jilin Province Chuncheng Heating Company Limited (吉林省春城熱力股份有限公司供熱設施智能化改造項目)	40,059.65	40,059.65
2	Chuncheng Heating gas-fired peak-shaving boiler plant project at Linhe West Street (春城熱力臨河西街燃氣調峰熱源廠工程)	21,062.56	21,062.56
Total:		<u>61,122.21</u>	<u>61,122.21</u>

---

## LETTER FROM THE BOARD

---

### VI. EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not carried out any equity fund raising activities nor issued any equity securities in the 12 months immediately before the Latest Practicable Date.

### VII. THE EGM AND THE CLASS MEETINGS

The EGM and the Class Meetings will be held at Conference Room 907, Chuncheng Heating, No. 998 Nanhu Road, Nanguan District, Changchun City, Jilin Province, the PRC, at 9:00 a.m. on Friday, 17 December 2021, for the purpose of considering and, if thought fit, passing the matters as set out in this circular. The notices of the EGM and the Class Meetings and the form of proxy have been despatched to the Shareholders and are enclosed with this circular. The notices of the EGM and the Class Meetings are set out in Appendices XX to XXII to this circular respectively.

The form of proxy for the EGM and the Class Meetings were despatched to the Shareholders on 2 December 2021 in accordance with the Listing Rules. Whether or not you wish to attend or vote at the EGM and/or the Class Meetings, you must complete and return the form of proxy in accordance with the instructions printed thereon. If you wish to appoint a proxy to attend the EGM and/or the Class Meetings, you must complete and return the form of proxy in accordance with the instructions printed thereon. For H Shareholders, the form of proxy shall be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, and for Domestic Shareholders, the form of proxy shall be lodged with the office of the Board at the Company's head office in the PRC as soon as possible and in any event not later than 24 hours before the time fixed for holding the EGM and/or the Class Meetings or any adjournment thereof, by hand delivery or by post. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and/or the Class Meetings if you so wish.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Changchun Heating Group which is required to abstain from voting at the EGM and the Domestic Shareholders' Class Meeting on the resolution regarding confirmation of related party transactions of the Company during the Reporting Period, no Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting.

---

## LETTER FROM THE BOARD

---

### **VIII. VOTING AT THE EGM, THE H SHAREHOLDERS' CLASS MEETING AND THE DOMESTIC SHAREHOLDERS' CLASS MEETING**

Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting shall be taken by poll.

### **IX. CLOSURE OF REGISTER OF MEMBERS, AND ELIGIBILITY FOR ATTENDING AND VOTING AT THE EGM, THE H SHAREHOLDERS' CLASS MEETING AND THE DOMESTIC SHAREHOLDERS' CLASS MEETING**

In order to ascertain the entitlement of the Shareholders to attend and vote at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting, the register of members of the Company will be closed from Tuesday, 14 December 2021 to Friday, 17 December 2021 (both days inclusive), during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on Friday, 17 December 2021 shall be entitled to attend and vote at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting. In order to be eligible to attend and vote at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting, all transfer documents together with relevant share certificates and other appropriate documents must be lodged for registration with the head office of the Company in the PRC at No. 28, Block B Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC (in the case of Domestic Shareholders), or the 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 (in the case of H Shareholders) no later than 4:30 p.m. on Monday, 13 December 2021.

---

## LETTER FROM THE BOARD

---

### **X. RESPONSIBILITY STATEMENT**

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

### **XI. RECOMMENDATIONS**

The Board (including independent non-executive Directors) is of the opinion that all the ordinary resolutions and special resolutions to be proposed at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting are in the interests of the Company and the Shareholders as a whole, and therefore recommends the Shareholders to vote in favour of all the relevant resolutions to be proposed at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting.

### **XII. ADDITIONAL INFORMATION**

Your attention is drawn to the additional information contained in Appendices I to XXII to this circular.

**As the A Share Offering is subject to the approval of the CSRC and other relevant regulatory authorities and accordingly, may or may not proceed to completion, Shareholders and investors are advised to exercise caution when dealing in the H Shares of the Company. The Company will make further announcements regarding any material updates and progress with respect to the A Share Offering in accordance with the Listing Rules and other applicable laws and regulations.**

Yours faithfully  
By order of the Board  
**Jilin Province Chuncheng Heating Company Limited\***  
**LIU Changchun**  
*Chairman*

\* *for identification purpose only*

**Jilin Province Chuncheng Heating Company Limited**

**Feasibility Report on Use of Proceeds from the Initial Public  
Offering and Listing of the A Shares**

**November 2021**

---

**APPENDIX I**

---

**FEASIBILITY REPORT ON USE OF PROCEEDS  
FROM THE INITIAL PUBLIC OFFERING AND  
LISTING OF THE A SHARES BY THE COMPANY**

---

The raising of funds by the Company is intended to be used in the intelligent upgrade of heat supply facilities of Jilin Province Chuncheng Heating Company Limited and the Chuncheng Heating gas-fired peak-shaving boiler plant project at Linhe West Street. The anticipated project construction investment amount for the intelligent upgrade of heat supply facilities of Jilin Province Chuncheng Heating Company Limited is RMB400.5965 million, while the anticipated project total investment amount for the Chuncheng Heating gas-fired peak-shaving boiler plant project at Linhe West Street is RMB210.6256 million. The concrete investment details of the projects are as follows:

<b>Serial No.</b>	<b>Project Name</b>	<b>Total Investment (RMB0'000)</b>	<b>Use of Proceeds (RMB0'000)</b>
1	Intelligent upgrade of heat supply facilities of Jilin Province Chuncheng Heating Company Limited (吉林省春城熱力股份有限公司供熱設施智能化改造項目)	40,059.65	40,059.65
2	Chuncheng Heating gas-fired peak-shaving boiler plant project at Linhe West Street (春城熱力臨河西街燃氣調峰熱源廠工程)	21,062.56	21,062.56
	<b>Total</b>	<b>61,122.21</b>	<b>61,122.21</b>

The proceeds from this IPO of A Shares by the Company will, after deducting issuance costs, be used as funds for the construction of the above two projects.

**(I) INTELLIGENT UPGRADE OF HEAT SUPPLY FACILITIES OF JILIN PROVINCE  
CHUNCHENG HEATING COMPANY LIMITED**

**1. Project Profile**

This project intends to implement the intelligent upgrade of heat supply facilities for around 300 estates served by 13 business divisions in Changchun City of the Company and its subsidiaries, covering a heat supply areas of approximately 40,000,000 sq.m.. Three different control modes, namely by users, by flats and by blocks, are adopted according to the actual situation of respective estates served by each business divisions.

This project intends to realize the control targeted on the average room temperature of users within districts covered by heat exchange stations, and in the meantime based on outdoor climate parameters, weather forecasts and room temperature monitored feedback data of heat users to realize primary network and secondary network co-activation in heat supply systems as well as automated control of water supply temperature and water supply flow of secondary front of heating stations, so as to materialize energy saving and consumption reduction.

The investment and construction of this project is intended to be implemented by Jilin Province Chun Cheng Heating Company Limited.

## **2. Feasibility and Necessity concerning Investment of the Project**

### **(1) Conforming to State Policies**

The project regarding the intelligent upgrade of heat supply facilities is capable of saving energy, reducing coal consumption and diminishing emission of atmosphere pollutants. On 25 February 2021, The Ministry of Ecology and Environment announced on its routine news release that the “Three-year action plan to win the war on keeping the skies blue (打贏藍天保衛戰)” has ended in consummation. On 22 September 2020, at a generality debate of the 75th session of the United Nations General Assembly, General Secretary Xi Jinping pointed out that China will enhance state autonomous contribution efforts and adopt stronger policies and measures to peak its carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060. The project actively echoes the call from the state and conforms to relevant state policies concerning energy and environmental protection.

### **(2) Solving the present Heat Source Deficiency**

There had been heat supply capacity deficiency in No. 2 Cogeneration Plant under Datang Jilin Power Generation Co., Ltd. and No. 4 Cogeneration Plant under Huaneng Jilin Power Generation Co., Ltd. in respect of the heat supply areas they are serving within Changchun City. The Company has implemented smart heat pipeline renovation on heat exchange stations in 2017 and realized their no-man stationing, distribution of heat volume according to needs and thus significant enhancement in heat supply capacity. However, along with rapid development in the real estate sector and yearly increase in heat load, further energy saving renovation is needed to alleviate the heat supply burden of cogeneration plants. The project will carry out energy saving renovation on heat supply secondary network and user end, in order to address the imbalance between heat source deficiency and heat load.

### **(3) Enhancing Management Level of the Company**

The project regarding the intelligent upgrade of heat supply facilities is able to enhance corporate management level and promote heat supply service quality. Presently, all business divisions regulate pipeline balance by manual methods, which require more staff and more time with poor precision and regulation results limited by pipeline conditions. The project achieves whole life cycle management on pipelines through renovating heat supply systems, distributing heat volume according to the room temperature of users, regulating the working conditions of secondary network and diminishing manual regulation. As a result, the manpower of pipeline staff can be notably reduced, but with quick response, high precision and remarkable enhanced service quality in heat supply. It is surely a win-win initiative for the Company as it can save energy as well as the management costs.



**(4) Improving Existing Heat Supply Conditions**

The project regarding the intelligent upgrade of heat supply facilities can improve the existing heat supply conditions in some old and aged estates and raise the comfort level of users when enjoying heat supply. Limited by pipeline conditions, users in some old and aged estates are more frequent to experience over-heat or sub-standard room temperature, which are unsolvable by manual regulating. The project regulates valve switching according to the room temperature of users, distributes heat volume according to needs, effectively solve the problem of horizontal and vertical disorders by realizing meticulous regulation on every household, every flat and every block, in order to increase the comfort level of users when enjoying heat supply, and to advance their living quality.

**3. Integrated Appraisal of the Project**

After implementation, this project is able to effectively control the room temperature of users, raise heat supply quality and lower consumption on energies like coal and electricity, being conducive to enhancing utilization efficiency of urban energy. This project has an after-tax financial internal yield of 12.08%, an after-tax financial net value of RMB175.56 million and an after-tax static investment return period of 9.05 years. This project is thus of sound social benefits as well as economic effectiveness.

**(II) CHUNCHENG HEATING GAS-FIRED PEAK-SHAVING BOILER PLANT PROJECT AT  
LINHE WEST STREET**

**1. Project Profile**

This project intends to newly build one gas peak-shaving boiler plant accommodating two 91MW and two 70MW gas-fired hot water boilers (equipped with heat pump recycling units for smoke and gas waste heat), and to install heat supply pipeline network within its serving areas. The project is chosen to be located at a land parcel in an enclosure area surrounded by Tianzeda Road, Linhe Street, Binhedong Street and Guihuayi Road, occupying an area of approximately 21,318 sq.m.. After completion, this phase of construction will have a heat supply capacity of 273MW, a heat supply area of 6.35 million sq.m. and an annual heat supply capacity of 2.543 million GJ.

The investment and construction of this project is intended to be implemented by Jilin Province Chun Cheng Heating Company Limited.

**2. Feasibility and Necessity concerning Investment of the Project****(1) Requirement for Heat Supply Planning**

According to the “Dedicated Research on Heat Supply Planning for Jingyue New and High Tech District” (2020-2035), the heat supply district of Linhe West Street is under rapid expansion. The district has an existing heat supply area of approximately 1.072 million sq.m., and taking into consideration of land parcels under construction like Longhu and Rongchuang (approximately 370,000 sq.m. in total) and four land parcels to be launched in 2021 (an expected construction area of 616,000 sq.m.), it is expected that the district will realize construction area of approximately 2 million sq.m. in 2021. Based on the development speed of an annual increase of construction area of 1 million sq.m. as planned, it is anticipated that a planned heat supply area of 6.35 million sq.m. will be realized by 2026. Therefore, the planning and construction of heat supply facilities in Linhe West Street District is imminent.

**(2) Requirements for Enhancing Safety and Stability of Heat Supply**

Jingyue New and High Tech District represents one of the key development urban areas of Changchun City, having brilliant natural environment and humanistic atmosphere and vast development potentials. The district of Linhe West Street consists of mainly high-end residential blocks, so the development of heat supply facilities should focus more on combining district features without compromising aspects on environmental protection, energy-saving and technical advancement, as well as safety and stability of heat supply. The district relies on No. 5 Cogeneration Plant as base heat source and gas-fired boilers as peak-shaving heat source to ensure its heat supply safety. Peak-shaving of heat source operates separately to ensure heat supply in the district when problem occurs with the heat source from the cogeneration plant and the connection between the district and the main power grid is cut off.

The planning of the heat supply main pipeline network for the district is inter-connected and mutually safeguarded, thus enhances greatly the safety of the whole heat supply system.

**(3) Needs to Reinforce Urban Infrastructure Construction and Perfect Urban Functionalities**

Urban centralized heat supply as one aspects of urban infrastructure signifies the development level of the city and represents a key factor affecting its environmental quality. The Implementation of centralized heat supply suits the needs to reinforce urban infrastructure construction and perfect urban functionalities as it can improve district investment environment, playing an active and decisive role in promoting district economic development and urban construction.

(4) Needs to Save Energy and Reduce Emission

According to the “Emission Standards for Pollutants entering the Atmosphere from Boilers” (GB13271-2014) and the “Dedicated Research on Heat Supply Planning for Jingyue New and High Tech District” (2020-2035), the district applies a heat supply mode of heat-power cogeneration with gas-fired boilers as peak-shaving heat source, which is nowadays a more technologically advance mode of heat supply. As compared with heat supply by conventional district coal-fired boilers, the construction and completion of this project will lower the emission of pollutants and conform to requirements by state environmental protection policies.

Heat-power cogeneration can enhance the integrated efficiency of the operation of power plants, lower energy consumption and thereby decrease emission volume of pollutants from power plants. Gas itself is a clean energy while peak-shaving boilers activated only in peak-hours of heat supply load, and basically produce no pollutants like smoke dust and sulfur dioxide. As to relatively high degree of nitrogen oxide produced by gas-fired boilers, such pollution can be addressed by the use of low-nitrogen burners and recycling for smoke and gas waste and so on.

Therefore, comparing with the heat supply mode by district coal-fired boilers, the implementation of the project can completely accomplish the goal of energy saving and emission reduction.

(5) Needs to Promote Urban Environmental Protection

Along with the rapid development of urban and rural industry and commerce, the heat use volume in domestic heating and industrial and daily living soars with escalating environmental pollution issues and conflicts between development and environmental protection. As compared with district boilers mainly fired by coal, heat supply by heat-power cogeneration aided with gas peak-shaving heat source can save energy greatly, lower atmosphere pollution, decrease emission of waste water and waste residue, abate affects on the surrounding environment by coal transport and noises, thereby improve urban environment during heating aspiring seasons and promotion people’s living quality.

Judging from the above, the construction of heat supply facilities in Linhe West Street District can solve problems associated with centralized heat supply in the district, and represents the common need for environmental protection, urban development and overall planning. The construction of this project not only conforms to requirements for overall heat supply planning for Jingyue New and High Tech District, but also lays a solid foundation for building an image of environmental protection for the city and for administering the environmental quality of the same. In addition, the construction is scientifically and economically sound, advanced and reasonable, and thus a necessity.

**3. Integrated Appraisal of the Project**

After implementation, this project will lay a foundation for the development and construction of the heat supply district of Jingyue Linhe West Street and be conducive to local economic development. It can also alleviate pressure from present heat supply load in Jingyue District. With the help of scientific appropriation of heat supply resources, the heat supply experience of users can be improved as the heat-power cogeneration be optimized, consequently realizing a heat supply system that is energy-saving, efficient and environmental-friendly, resulting in super-low emission, creating a fine living environment for residents, accomplishing people's expected happiness index target and promoting heat supply safety. This project is expected to have an after-tax financial internal yield of 10.26%, an after-tax financial net value of RMB23.2034 million and an after-tax static investment return period of 9.79 years. This project is thus of sound social benefits as well as economic effectiveness.

**PROPOSAL ON SHARE PRICE STABILISATION OF  
THE A SHARES OF THE COMPANY  
WITHIN THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND  
LISTING OF THE A SHARES**

In order to ensure the stability of the share price after the listing of the Company, Jilin Province Chuncheng Heating Company Limited (the “Company”) has formulated the share price stabilisation proposal (the “Proposal”) after the initial public offering and listing of the shares of the Company in accordance with the Opinions on Further Promoting the Initial Public Offering System Reform (《關於進一步推進新股發行體制改革的意見》) issued by the China Securities Regulatory Commission (the “CSRC”), details of which are as follows:

**(I) CONDITIONS FOR INITIATING MEASURES FOR STABILISING SHARE PRICE**

Within three years from the date of listing of A shares of the Company, if the closing prices of the Company’s shares for 20 consecutive trading days are lower than the latest audited net assets per share of the Company (if there are any ex-rights or ex-dividend events such as dividend distribution, bonus issue and conversion of capital reserve into share capital during the period, the Company shall make corresponding adjustments in accordance with relevant regulations), in order to safeguard the interests of the Shareholders, enhance investors’ confidence and maintain the stability of the A share price of the Company, the Company will initiate the Proposal to stabilise the A share price of the Company.

**(II) SPECIFIC MEASURES FOR STABILISING SHARE PRICE**

When the above conditions for initiating share price stabilisation measures are triggered, the Company and relevant entities will timely initiate the share price stabilisation plan in the following order:

**1. Repurchase of A shares by the Company**

- (1) The repurchase of shares by the Company for the purpose of stabilising the price of A shares shall comply with the relevant laws and regulations such as the Measures on the Administration of Listed Companies’ Buying Back the Shares Held by the Public (for trial implementation) (《上市公司回購社會公眾股份管理辦法(試行)》) and the Supplementary Provisions on the Share Repurchase by Listed Companies by Means of Centralized Bidding (《關於上市公司以集中競價交易方式回購股份的補充規定》), and shall not cause the shareholding structure of the Company to fail to meet the listing conditions.
- (2) The directors of the Company undertake to vote (if voting is needed or if they have the voting rights) in favor of the resolution regarding the repurchase of A shares to be considered by the Board or the general meeting of the Company.

- (3) A resolution regarding the repurchase of A shares at the general meeting of the Company shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. The controlling shareholder of the Company undertakes to vote in favor of the resolution regarding the repurchase of A shares at the general meeting of the Company.
- (4) After the repurchase plan of A shares is considered and approved at the general meeting, the Company shall notify the creditors in accordance with the law, submit relevant materials to the securities regulatory authorities, stock exchanges and other competent authorities, and complete the approval or filing procedures. The corresponding share repurchase plan can only be implemented after the necessary approval, filing, information disclosure and other procedures have been completed.
- (5) In addition to complying with the requirements of relevant laws and regulations, the Company shall comply with the following when implementing the resolution regarding the A share price stabilisation:
  - (i) The total amount of funds used for share repurchase by the Company in aggregate shall not exceed the total amount of funds raised from the initial public offering of RMB ordinary shares (A shares) of the Company;
  - (ii) The funds used by the Company for a single share repurchase shall not be less than 20% of the audited net profit attributable to shareholders of the parent company for the previous fiscal year.
- (6) After the Board of the Company announces the share repurchase proposal, if the closing price of the Company's shares for 10 consecutive trading days exceeds the latest audited net assets of the Company, the Board of the Company may resolve to terminate the share repurchase.

## **2. Increase in shareholding by the controlling shareholder of the Company**

- (1) In the event that the Company is unable to implement the repurchase of A shares, or the proposal of repurchase of A shares by the Company is not considered and approved by the Board or the general meeting, or the conditions for initiating the share price stabilisation proposal are triggered again after the completion of the repurchase of A shares by the Company, the controlling shareholder shall increase its shareholding in the Company in accordance with the conditions and requirements of laws and regulations such as the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》) and under the circumstances that it will not cause the shareholding distribution of the Company to fail to meet the listing conditions and will not trigger the general offer obligation.
- (2) The controlling shareholder of the Company shall notify the Company in writing of its specific plan (including but not limited to the range of increase in the number of shares held, the maximum price limit of the planned increase in shareholding and the time limit for completion, etc.) for the proposed increase in shareholding within 10 consecutive trading days when the conditions for A share price stabilisation are triggered, and the Company shall make an announcement within 3 trading days prior to the commencement of the increase in shareholding.

- (3) When implementing the share price stabilisation proposal, the controlling shareholder shall also comply with the following:
  - (i) The controlling shareholder will fulfill the obligation of increasing the shareholding with its own funds;
  - (ii) The funds used by the controlling shareholder for a single increase in shareholding shall not be less than the following requirements: the funds used for a single increase in shareholding shall not be less than 10% of the after-tax cash dividends received from the Company in the previous year, and the number of shares increased shall not exceed 2% of the total share capital of the Company.

**3. Increase of A shares held by directors and senior management of the Company**

- (1) In the event that the controlling shareholder of the Company is unable to propose or implement a plan to increase its shareholding in the Company in a timely manner, or the controlling shareholder again triggers the conditions for initiating the share price stabilisation proposal after the completion of the increase in shareholding in the Company, the directors and senior management shall initiate the increase in shareholding, but shall comply with the requirements of laws and regulations such as the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》) and the Rules on the Management of Shares Held by the Directors, Supervisors and Senior Management Officers of Listed Companies and the Changes Thereof (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》), and shall not cause the shareholding distribution of the Company to fail to meet the listing conditions.
- (2) The directors and senior management of the Company who receive remuneration from the Company or directly hold shares of the Company shall notify the Company in writing of their specific plan (including but not limited to the range of increase in the number of shares held, the maximum price limit of the planned increase in shareholding and the time limit for completion, etc.) for the proposed increase in shareholding within 10 trading days when the conditions for initiating share price stabilisation are triggered, and the Company shall make an announcement within 3 trading days prior to the commencement of the increase in shareholding.
- (3) When implementing the share price stabilisation proposal, the directors and senior management of the Company shall also comply with the following:
  - (i) The funds used by the directors and senior management of the Company for a single increase in shareholding in the Company shall not be less than 10% of the remuneration (before tax) received by such directors and senior management from the Company in the previous year;
  - (ii) The funds used by the directors and senior management of the Company to increase their shareholdings in the Company for one or more consecutive 12 months shall not exceed 50% of the total remuneration received from the Company in aggregate after the listing of the Company;
- (4) If a new director or senior management officer is appointed within three years after the listing of the Company, the Company shall require such newly appointed director or senior management officer to sign relevant undertakings in accordance with the provisions of the Proposal.

**(III) RELEVANT RESTRAINT MEASURES**

1. When the conditions precedent for initiating share price stabilisation measures are met, if the Company, controlling shareholder, directors and senior management fail to take specific share price stabilisation measures in accordance with the above Proposal, they shall explain the specific reasons for not taking the share price stabilisation measures at the general meeting of the Company and make an apology to the shareholders of the Company and public investors.
2. If the controlling shareholder, directors and senior management fail to fulfill the above commitment to increase shareholding, the issuer may withhold such cash dividends (if any) for the year where the commitment to increase shareholding is triggered and the year after and 30% of the remuneration for the year where the commitment to increase shareholding is triggered, and the shares of the Company held by it shall not be transferred until the relevant share price stabilisation measures are taken and completed in accordance with the provisions of the above Proposal.
3. The Company will remind and urge the newly appointed directors and senior management of the Company in the future to perform the corresponding undertaking requirements on the share price stabilisation measures made by the directors and senior management of the Company at the time of listing.

**(IV) CONDITIONS FOR CESSATION OF SHARE PRICE STABILISATION MEASURES**

From the date of the announcement of the A share price stabilisation plan of the Company, if any of the following circumstances occurs, it shall be deemed that the implementation of the share price stabilisation measures and the fulfillment of undertakings have been completed, and the announced share price stabilisation plan shall cease to be implemented:

1. The closing price of the Company's shares for five consecutive trading days is higher than the audited net assets per share of the Company at the end of the latest period (if the closing price of the above shares is not comparable to the audited net assets per share of the Company at the end of the latest period due to ex-rights or ex-dividend events, the above net assets per share shall be adjusted accordingly);
2. The proceeding with repurchase or increase in shareholding of the Company will cause the shareholding structure of the Company to fail to meet the listing conditions.

After the implementation of the specific share price stabilisation plan is completed or suspended, if the implementation of the share price stabilisation proposal is triggered again, the share price stabilisation proposal will be initiated again.



**JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED  
DIVIDEND DISTRIBUTION PLAN FOR THE SHAREHOLDERS FOR  
THE NEXT THREE YEARS AFTER THE INITIAL PUBLIC OFFERING AND  
LISTING OF THE A SHARES BY THE COMPANY**

Jilin Province Chuncheng Heating Company Limited (the “Company”) intends to apply for the initial public offering of RMB ordinary shares (A shares) and listing on the Main Board of the Shenzhen Stock Exchange (the “Offering and Listing”). In order to establish a sustainable, stable and scientific profit return mechanism for investors, maintain the consistency and stability of profit distribution policy, protect the legitimate rights of investors of the Company, enhance the transparency and operability of dividend distribution decision-making, as well as improve and optimize the dividend distribution decision-making and supervision mechanism of the Company, the Company has prepared the Shareholders’ Dividend Distribution Plan of the Company within Three Years after the Initial Public Offering and Listing of A Shares (《公司首次公開發行A股股票並上市後未來三年內股東分紅回報規劃》) to be implemented after the Offering and Listing. Details are as follows:

**I. PRINCIPLES FOR FORMULATING THE SHAREHOLDERS’ DIVIDEND DISTRIBUTION PLAN BY THE COMPANY**

**(I) FACTORS CONSIDERED BY THE COMPANY IN FORMULATING THE PLAN**

The Company’s actual operation and development, shareholders’ requirements and intentions, social funds costs, external financing environment and other factors; the Company’s current and future profit scale, cash flow, development stage, funds demand and other circumstances; the balance between the long-term sustainable development of the Company and the reasonable return on investment of shareholders.

**(II) PERIOD FOR FORMULATING THE DIVIDEND DISTRIBUTION PLAN**

The Board of the Company shall formulate the shareholders’ dividend distribution plan in accordance with the profit distribution policy as determined by the Articles of Association of Jilin Province Chuncheng Heating Company Limited (《吉林省春城熱力股份有限公司章程》) (the “Articles of Association”). In the event that the profit distribution policy requires adjustment due to the needs of production and operation, investment planning and long-term development or significant changes in external operating environment or its own operating conditions, the Board of the Company shall adjust the plan according to the actual situation of the Company and report to the general meeting for consideration.

The Company shall review the shareholders’ dividend distribution plan at least once every three years, and shall make appropriate and necessary amendments to the existing profit distribution policy of the Company based on the opinions of shareholders, especially those of small and medium shareholders and independent directors, in order to determine the shareholders’ dividend distribution plan for that period.

**II. SHAREHOLDERS' DIVIDEND DISTRIBUTION PLAN WITHIN THREE YEARS AFTER THE LISTING OF THE COMPANY**

According to the Company Law, the Notice on Further Implementing Matters Relevant to the Cash Dividends Distribution by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》), the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) and the Articles of Association, after the full provision of statutory reserve and surplus reserve, the Company's profit distribution plan within three years after the listing of the Company is as follows:

- (I) Form of profit distribution: The Company may distribute dividends in the form of cash, shares, a combination of cash and shares or other legal means. The amount of profit distribution shall not exceed the accumulated distributable profits and shall not impair the Company's ability to operate on a going concern basis.
- (II) Intervals of profit distribution: The Company shall adopt a consistent and stable profit distribution policy and distribute profit once a year in principle. The Company may make interim profit distribution subject to conditions.
- (III) Specific conditions and proportion of the Company's cash dividends:

If the distributable profit (being the remaining net profit after the recovery for losses and provision of reserves by the Company) realized by the Company for the year or half-year is a positive amount, and there are no special circumstances such as significant investment plans or significant cash expenditures, the Company shall distribute dividends in cash, and the profits distributed in cash shall not be less than 10% of the distributable profits realized during the year provided that the funds demand for normal production and operation and sufficient amount of statutory reserve have been met by the Company.

The Board of the Company shall take into consideration various factors, including the features of the industry in which the Company operates, development stage, its own business model and profit level as well as whether there are significant capital expenditure arrangements, to distinguish the following situations and formulate differentiated cash dividend policies:

- (1) Where the Company is in a mature development stage with no significant capital expenditure arrangements, the profit distributed by means of cash dividends shall not be less than 80% of the total profit to be distributed;
- (2) Where the Company is in a mature development stage with significant capital expenditure arrangements, the profit distributed by means of cash dividends shall not be less than 40% of the total profit to be distributed;
- (3) Where the Company is in a growing development stage with significant capital expenditure arrangements, the profit distributed by means of cash dividends shall not be less than 20% of the total profit to be distributed;
- (4) Where the Company is in a development stage difficult to distinguish but with significant capital expenditure arrangements, the preceding provision may apply.

(IV) Specific conditions for the Company to issue stock dividends:

In the event that the Company's business is in good condition and the Board of Directors believes that the Company is growing, the dilution of net assets per share and the price of shares do not match the size of the Company's share capital, and the issuance of stock dividends is beneficial to the interests of all shareholders of the Company as a whole, the Company may propose a stock dividend distribution plan as long as it satisfies the above cash dividend conditions.

(V) Review procedures for profit distribution of the Company:

- (1) The Board of the Company is responsible for formulating the profit distribution plan and the independent directors shall provide independent opinions thereon;
- (2) The profit distribution plan considered and approved by the Board shall be proposed to the general meeting for consideration and approval before implementation;
- (3) If the Board of the Company fails to formulate a cash profit distribution plan or the cash profit distribution plan formulated by the Board does not comply with the provisions of the Articles of Association, the Board shall disclose the detailed reasons and the use of the undistributed funds retained by the Company in the periodic reports, and the independent directors shall provide independent opinions thereon;
- (4) The Supervisory Committee shall supervise the profit distribution plan formulated by the Board. If the Board fails to formulate a cash profit distribution plan in accordance with the Articles of Association, or the cash profit distribution plan formulated by the Board does not comply with the Articles of Association, the Supervisory Committee is entitled to require the Board to make rectification;
- (5) If adjustment to the profit distribution policy is required due to significant changes in the external operating environment or the Company's own operating conditions, the Board shall re-formulate the profit distribution policy and the independent directors shall provide their opinions. The new profit distribution policy formulated by the Board shall be proposed to the general meeting for consideration and shall be implemented only after being approved by shareholders holding more than two-thirds of the voting rights present at the general meeting. The general meeting shall be conducted by a combination of on-site voting and online voting to facilitate the participation of minority shareholders in the formulation or modification of the profit distribution policy.

After the profit distribution plan is resolved at the general meeting of the Company, the Board of the Company shall complete the dividend (or share) distribution within two months.

**III. PLAN FOR USE OF UNDISTRIBUTED PROFITS**

The profit distribution plan of the Company focuses on the establishment of a sustainable, stable and scientific profit return mechanism for investors to maintain the consistency and stability of the dividend distribution policy, taking into account the Company's long-term and sustainable development, current and future profit scale, cash flow, development stage, funds required for project investment, financing through initial public offering of shares, bank credit and debt financing environment and other circumstances. Within three years after the initial public offering and listing of A shares of the Company, it will mainly adopt the cash dividend distribution policy, and the profit distributed in cash in a single year shall not be less than 10% of the distributable profit realized during the year. The undistributed profits of the Company will be mainly used for other capital expenditure plans of the Company other than the projects to be invested with the proceeds and replenishment of the additional working capital required for the expansion of the business scale of the Company.

**IV. ANALYSIS ON THE REASONABLENESS OF THE FORMULATION OF THE DIVIDEND DISTRIBUTION PLAN FOR THE SHAREHOLDERS**

The Company has relatively strong profitability and funds management ability, and has sufficient ability to offer sustainable, stable and reasonable returns to the shareholders. The Company's production and operation are relatively stable, and it may obtain the funds required for the current development stage by means of business accumulation and proceeds from initial public offering of shares. After the initial public offering and listing of the shares of the Company, it will further expand the production scale of its products and further enhance its profitability through the construction of the investment projects funded by the proceeds, so as to create greater value for the shareholders and share with them the results of the Company's growth. In the years of 2018, 2019 and 2020 and the period from January to June 2021, the Company maintained stable and continuous growth in net profits attributable to owners of the parent company with positive net cash flow from operating activities, hence the Company was able to offer reasonable returns to the shareholders.

**V. ARRANGEMENT ON THE FORMULATION OF THE FUTURE DIVIDEND DISTRIBUTION PLAN FOR THE SHAREHOLDERS**

The Company formulates the dividend distribution plan for the Shareholders every three years. According to the profit distribution policy stipulated in the Articles of Association, the Board of the Company will determine the profit distribution plan for a particular period based on the Company's actual operating conditions with full consideration of the Company's profit scale, cash flow, development stage and fund requirements for the period.

**VI. OTHERS**

- (I) Upon consideration and approval at the general meeting of the Company, the plan shall be implemented from the date of initial public offering and listing of RMB ordinary shares (A shares) of the Company.
- (II) Any amendments to the plan shall be subject to consideration and approval at the general meeting of the Company.
- (III) The plan shall be interpreted by the Board of the Company.

**JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED  
ANALYSIS OF DILUTION IMPACT ON IMMEDIATE RETURNS AND  
THE MEASURES TO RECOVER SUCH RETURNS  
IN RELATION TO THE INITIAL PUBLIC OFFERING OF  
THE A SHARES BY THE COMPANY**

Given that Jilin Province Chuncheng Heating Company Limited (the “Company”) proposed to apply for initial public offering and listing of RMB ordinary shares (A Shares) on the Main Board of the Shenzhen Stock Exchange, upon completion of the Offering, the share capital and net assets of the Company will increase, and the Company may face the risk of decrease in diluted immediate and future earnings per share and return on net assets. According to the Guiding Opinions on Matters Concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring (Announcement【2015】No. 31 of the CSRC) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(中國證券監督管理委員會公告【2015】31號)) issued by the CSRC, the Company has formulated relevant measures to recover the diluted immediate returns, details of which are as follows:

The Company undertakes to increase its revenue and profitability through the following measures so as to recover the diluted immediate return and strengthen the Company’s ability to generate sustainable return.

**1. STRENGTHENING THE SUPERVISION AND MANAGEMENT OF INVESTMENT PROJECTS THAT ARE FINANCED BY THE PROCEEDS AND ENSURING THE LEGAL AND REASONABLE USE OF PROCEEDS**

The Company has formulated the Procedure on Management of Proceeds in accordance with the Company Law and the Securities Law, which sets out specific requirements on the deposit and use of proceeds, the management and supervision of use of proceeds and other relevant matters. After the proceeds are fully raised from the Offering, the proceeds will be deposited into a special account designated by the Board for concentrated management and will only be used for specific purpose. The Company shall implement strict management on the use of proceeds according to the requirements of relevant regulations, regulatory documents and the Procedure on Management of Proceeds, and actively coordinate with the bank that opened the designated account for the proceeds and the sponsor in the inspection and supervision of the use of proceeds, so as to ensure the legal and compliant use of proceeds and prevent any risks associated with the use of proceeds, thereby fundamentally safeguarding the interests of investors, especially retail investors.

**2. ACTIVELY FACILITATING THE CONSTRUCTION OF INVESTMENT PROJECTS THAT ARE FINANCED BY THE PROCEEDS TO REALISE EXPECTED BENEFITS FROM THE PROJECTS AS SOON AS POSSIBLE**

The investment projects to be financed by the proceeds are closely related to the principal business of the Company which is conducive to the expansion of production scale of the Company and the strengthening of its capability of self-innovation. After the proceeds are fully raised, the Company will strengthen its management in the planning, use, auditing and risk prevention of the proceeds and actively facilitate the construction of investment projects to be financed by the proceeds with a view to realise expected benefits as soon as possible.

**3. FURTHER IMPROVING THE POLICY FOR DISTRIBUTION OF PROFIT AND  
STRENGTHEN THE PROFIT RETURN MECHANISM FOR INVESTORS**

In order to fully protect the legal interests of the Shareholders of the Company and provide them with sustainable and stable investment returns, the Company has established relevant requirements on the terms of the profit distribution policy as set out in the Articles of Association (Draft) which are applicable after the listing of the A shares of the Company, further clarified the profit distribution policy of the Company, optimised the examination and investigation process and decision-making mechanism of the profit distribution policy of the Company and reinforced the supervision and binding mechanism of the profit distribution policy of the Company in accordance with the Company Law, the Securities Law, the Notice on Further Implementing Matters Concerning Cash Dividend Distribution of Listed Companies (CSRC Announcement [2012] No. 37) (《關於進一步落實上市公司現金分紅有關事項的通知》(證監發【2012】37號)) and other relevant requirements. The Company will continue to implement the profit distribution policy in a sustainable, stable and proactive manner in accordance with the relevant regulations, and will continue to improve its operational performance, optimise its dividend distribution policy and increase the transparency of the implementation of the distribution policy by taking into account the Company's actual circumstances, policy direction and market aspirations, to better safeguard and enhance the interests of the Shareholders.

The Company will carry out the above measures to recover the diluted immediate returns. If it failed to carry out these measures, the Company will openly explain the reasons for such failure at the General Meeting of the Company and apologise to the Shareholders of the Company and public investors; if it failed to fulfil such undertakings which caused investors to suffer losses in securities trading, the Company will compensate for the losses in accordance with the law.

**APPENDIX V****PARTICULARS OF THE RELATED PARTY  
TRANSACTIONS WITH RELATED PARTIES MADE BY  
THE COMPANY DURING THE REPORTING PERIOD**

*Note 1: The scope of related parties and related persons set out in this appendix are based on the applicable PRC laws and regulations which may differ from the scope of connected persons and connected transactions under the Listing Rules.*

*Note 2: Unless otherwise specified, all monetary amounts stated in this appendix are denominated in RMB.*

**(I) RELATED PARTY TRANSACTIONS**

**1. For the subsidiaries which are controlled by and combined into the combined financial statements of the Company, the transactions amongst themselves and that between the Company and them have been eliminated.**

**2. Related party transactions in relation to purchase of goods and receipt of services**

<b>Related party</b>	<b>Description of the related party transaction</b>	<b>January to June 2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Jilin Province Changre Properties Co., Ltd.* (吉林省長熱物業有限公司)	Receipt of services				53,877.17
Datang Changre Jilin Heating Company Limited* (大唐長熱吉林熱力有限公司)	Purchase of goods	6,311,369.32	9,993,935.79		
Jilin Province Smart Equipment Company Limited* (吉林省智能裝備有限責任公司)	Purchase of goods			3,823,337.90	6,326,839.81
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	Purchase of goods	33,366,271.41	22,795,544.95		
Jilin Province New Model Pipes Company Limited* (吉林省新型管業有限責任公司)	Purchase of goods	4,287,383.18	20,267,644.51	17,529,247.35	16,882,711.94
Jilin Province Hengxin Electricity Co. Ltd.* (吉林省恒信售電有限公司)	Purchase of goods			1,033,988.65	1,253,422.41
Jilin Electric Power Co., Ltd. Changchun Thermoelectricity Branch* (吉林電力股份有限公司長春熱電分公司)	Purchase of goods	80,495,503.69	143,601,359.40	143,002,903.50	88,512,478.82
<b>Total</b>		<u>124,460,527.60</u>	<u>196,658,484.65</u>	<u>165,389,477.40</u>	<u>113,029,330.15</u>



## APPENDIX V

## PARTICULARS OF THE RELATED PARTY TRANSACTIONS WITH RELATED PARTIES MADE BY THE COMPANY DURING THE REPORTING PERIOD

### 3. Related party transactions in relation to sale of goods and provision of services

Related party	Description of the related party transaction	January to June 2021	2020	2019	2018
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	Sale of goods	2,555,779.92	7,583,118.10	19,785,086.29	40,612,917.69
Jilin Province Heating Group Co., Ltd.* (吉林省熱力集團有限公司)	Sale of goods				8,189,194.88
Jilin Province Heating Group Jilin Public Utilities Co., Ltd.* (吉林省熱力集團吉林市公用事業有限公司)	Sale of goods	1,703,035.88	1,807,347.05		
Jilin Province Heating Group Panshi Public Utilities Co., Ltd.* (吉林省熱力集團磐石市公用事業有限公司)	Sale of goods	546,731.67	150,111.86		
Changchun Light Rail Heat Supply Co., Ltd.* (長春市輕軌供熱有限公司)	Sale of goods		4,717,249.90		
Inner Mongolia Chuncheng Heating Service Co., Ltd.* (內蒙古春城熱力服務有限公司)	Sale of goods		42,413.86		
Jilin Heating Group Tumen Public Utilities Co., Ltd.* (吉熱集團圖們市公用事業有限公司)	Sale of goods and provision of services	9,023,854.85	16,288,349.35	15,080,800.33	
Jilin Province Changre Properties Co., Ltd.* (吉林省長熱物業有限公司)	Sale of goods			1,395,644.08	46,260.00
Changre Group Jilin Changtie Public Utilities Co., Ltd.* (長熱集團吉林長鐵公用事業有限公司)	Sale of goods			837,331.85	1,145,454.55
Inner Mongolia Changre Heating Co., Ltd.* (內蒙古長熱熱力有限公司)	Sale of goods				5,594.83
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	Sale of goods				7,629.31
Jilin Province Xixing Energy Limited* (吉林省西興能源有限公司)	Sale of goods			77,452.83	1,193,272.90
Jilin Province New Model Pipes Company Limited* (吉林省新型管業有限責任公司)	Sale of goods			787,425.60	
Changchun Longtai Heat Supply Property Co., Ltd.* (長春龍泰供熱物業有限責任公司)	Sale of goods	2,414,651.42	5,035,182.12	3,311,285.37	22,025,078.49
Changchun Investment and Construction (Group) Co., Ltd.* (長春城投建設投資(集團)有限公司)	Sale of goods	47,948.87	3,103,988.51	19,898,148.72	50,110,836.38
Related natural persons sub-total		26,841.21	51,132.87	54,406.01	49,423.01
<b>Total</b>		<b>16,318,843.82</b>	<b>38,778,893.62</b>	<b>61,227,581.08</b>	<b>123,385,662.04</b>



## APPENDIX V

## PARTICULARS OF THE RELATED PARTY TRANSACTIONS WITH RELATED PARTIES MADE BY THE COMPANY DURING THE REPORTING PERIOD

### 4. Entrusted management

#### (1) Particulars of entrusted management of the Company

Name of trustor	Name of trustee	Type of entrusted asset	Commencement date of the trust	Termination date of the trust	Basis of custody fee income	Custody fee income recognised during the period between January to June 2021	Custody fee income recognised during 2020	Custody fee income recognised during 2019	Custody fee income recognised during 2018
Changchun Light Rail Heat Supply Co., Ltd.* (長春市輕軌供熱有限公司)	Jilin Province Changre Maintenance Service Company Limited* (吉林省長熱維修實業有限公司)	Heat supply pipelines	2019.9.15	2021.9.14	Based on area size and unit price	742,360.00	1,074,238.10		
Changre Group Jilin Changtie Public Utilities Co., Ltd.* (長熱集團吉林長鐵公用事業有限公司)	Jilin Province Changre Maintenance Service Company Limited* (吉林省長熱維修實業有限公司)	Heat supply pipelines	2019.9.15	2021.9.14	Based on area size and unit price	884,708.00	1,417,216.38	770,642.20	
<b>Total</b>						1,627,068.00	2,491,454.48	770,642.20	

### 5. Particulars of leasing with related party

#### (1) The Company as the lessee

Name of lessor	Type of leased asset	Rental fee recognised during the period between January to June 2021	Rental fee recognised during 2020	Rental fee recognised during 2019	Rental fee recognised during 2018
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	Property and boiler	759,799.89	1,669,742.76	367,891.57	7,544,176.63
Jilin Province Changre Properties Co., Ltd.* (吉林省長熱物業有限公司)	Property		547,706.40	341,284.40	
<b>Total</b>		759,799.89	2,217,449.16	709,175.97	7,544,176.63

**APPENDIX V****PARTICULARS OF THE RELATED PARTY  
TRANSACTIONS WITH RELATED PARTIES MADE BY  
THE COMPANY DURING THE REPORTING PERIOD****6. Borrowing and lending with related party**

<b>Related party</b>	<b>Loan amount</b>	<b>Commencement date</b>	<b>Maturity date</b>	<b>Remarks</b>
Borrowing:				
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	25,000,000.00	2018-1-1	2019-9-14	
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	2,000,000.00	2018-8-16	2019-8-16	
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	5,000,000.00	2018-7-2	2019-4-9	
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	5,000,000.00	2018-12-7	2019-1-23	
Changchun Xinda Construction Project Management Co., Ltd.* (長春市新達建設項目管理有限公司)	78,000,000.00	2018-1-1	2018-3-30	RMB78 million was borrowed in 2017 and RMB2 million was repaid during this period.
Changchun Xinda Construction Project Management Co., Ltd.* (長春市新達建設項目管理有限公司)	76,000,000.00	2018-3-30	2018-4-28	RMB5 million was repaid during this period.
Changchun Xinda Construction Project Management Co., Ltd.* (長春市新達建設項目管理有限公司)	71,000,000.00	2018-4-29	2018-12-31	
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	71,000,000.00	2019-1-1	2019-6-10	RMB6 million was repaid during this period.
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	65,000,000.00	2019-6-11	2019-6-14	RMB3 million was repaid during this period.
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	62,000,000.00	2019-6-15	2019-6-18	RMB15 million was repaid during this period.
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	47,000,000.00	2019-6-19	2019-6-20	RMB20 million was repaid during this period.
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	27,000,000.00	2019-6-21	2019-6-21	RMB17 million was repaid during this period.
Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司)	10,000,000.00	2019-6-22	2019-6-24	RMB10 million was repaid during this period.
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	60,000,000.00	2018-1-1	2018-03-30	

**APPENDIX V****PARTICULARS OF THE RELATED PARTY  
TRANSACTIONS WITH RELATED PARTIES MADE BY  
THE COMPANY DURING THE REPORTING PERIOD**

Related party	Loan amount	Commencement date	Maturity date	Remarks
Lending:				
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	524,312,938.81	2019-12-31	2020-12-30	Amount of funds collected was RMB524,312,938.81 via an aggregate of 25 transactions; Total amount of funds repaid was RMB524,312,938.81, involving 45 transactions.
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	37,500,000.00	2018-03-30	2018-09-29	
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	5,000,000.00	2018-04-23	2018-08-31	
Remarks: Between 2018 and 2019, the Company's subsidiaries, Runfeng Installation Co., Ltd* (潤鋒安裝) and Maintenance Service Co., Ltd* (維修實業) borrowed money from Jilin Province Xinda Investment Management Co., Ltd.* (吉林省新達投資管理有限公司) and Changchun Xinda Construction Project Management Co., Ltd.* (長春市新達建設項目管理有限公司) and the total interests for 2018 was RMB9,931,616.43 and the total interests for 2019 was RMB4,111,013.69.				

## APPENDIX V

## PARTICULARS OF THE RELATED PARTY TRANSACTIONS WITH RELATED PARTIES MADE BY THE COMPANY DURING THE REPORTING PERIOD

### 7. Information on assets transfer and debt restructuring with related party

Related party	Details of related party transactions	January – June 2021	2020	2019	2018
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限公司)	Transfer of equity		318,376,300.00		
<b>Total</b>			<b>318,376,300.00</b>		

### 8. Remuneration of key management

Item	January to June 2021	2020	2019	2018
Remuneration of key management	1,770,605.94	2,898,855.43	2,600,739.90	3,061,671.00

### 9. Amounts due from/to related party

#### (1) Trade receivables

Name of related party	30 June 2021		31 December 2020		31 December 2019		31 December 2018	
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限公司)	3,159,230.10	496,543.40	16,293,979.07	2,488,155.46	11,454,079.15	1,444,307.32	39,466,050.67	3,693,909.48
Changre Group Jilin Changtie Public Utilities Co., Ltd.* (長熱集團吉林長鐵公用事業有限公司)					19,761.47	1,533.49	80,854.55	6,476.45
Changchun Light Rail Heat Supply Co., Ltd.* (長春市輕軌供熱有限公司)	6,851,947.43	373,785.97	24,989,327.10	4,307,065.14				
Jilin Province Heating Group Jilin Public Utilities Co., Ltd.* (吉林省熱力集團吉林市公用事業有限公司)	2,408,542.14	315,282.54	2,526,413.74	122,155.33				
Jilin Province Heating Group Panshi Public Utilities Co., Ltd.* (吉林省熱力集團磐石市公用事業有限公司)	1,016,957.43	192,031.78	568,777.03	61,043.77				
Jilin Province Heating Group Co., Ltd.* (吉林省熱力集團有限公司)							1,121,622.98	89,842.00
Jilin Heating Group Tumen Public Utilities Co., Ltd.* (吉熱集團圖們市公用事業有限公司)	2,060,959.00	112,322.27	5,394,576.50	350,108.01				
Changchun Investment and Construction (Group) Co., Ltd.* (長春城投建設投資(集團)有限公司)	90.00	54.14	90.00	18.58	12,757,905.09	1,369,928.57	229,050.00	18,346.90
Changchun Longtai Heat Supply Property Co., Ltd.* (長春龍泰供熱物業有限公司)	995,000.00	568,512.00	995,000.00	292,575.50	800,000.00	87,360.00	300,000.00	24,030.00
Jilin Province Xixing Energy Limited* (吉林省西興能源有限公司)							533,519.20	42,734.89

#### (2) Other receivables

Name of related party	30 June 2021		31 December 2020		31 December 2019		31 December 2018	
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
Inner Mongolia Chuncheng Heating Service Co., Ltd.* (內蒙古春城熱力服務有限公司)	2,176.00	542.04	2,176.00	152.76				
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限公司)	10,000.00	755.00	25,022,133.61	44,898.00	188,183,787.91	2,258,681.92	26,668,939.39	2,136,182.05
Changchun Runfeng Bathroom Service Co., Ltd.* (長春市潤鋒洗浴服務有限公司)							4,280,393.57	2,266,749.69
Jilin Province Heating Group Jilin Public Utilities Co., Ltd.* (吉林省熱力集團吉林市公用事業有限公司)	15,000.00	9,450.00	15,000.00	12,600.00				

## APPENDIX V

## PARTICULARS OF THE RELATED PARTY TRANSACTIONS WITH RELATED PARTIES MADE BY THE COMPANY DURING THE REPORTING PERIOD

### (3) Prepayments

Name of related party	30 June 2021		31 December 2020		31 December 2019		31 December 2018	
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
Datang Changre Jilin Heating Company Limited* (大唐長熱吉林熱力有限公司)			7,534,110.00					
Jilin Province New Model Pipes Company Limited* (吉林省新型管業有限責任公司)			1,699,080.00					
Inner Mongolia Chuncheng Heating Service Co., Ltd.* (內蒙古春城熱力服務有限公司)							800,000.00	
Jilin Province Changre Properties Co., Ltd.* (吉林省長熱物業有限公司)							26,938.59	
Jilin Electric Power Co., Ltd. Changchun Thermoelectricity Branch* (吉林電力股份有限公司長春熱電分公司)			105,557,023.75		89,308,432.53		99,993,947.99	
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)							121,212.12	

### (4) Contract assets

Name of related party	30 June 2021		31 December 2020		31 December 2019		31 December 2018	
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	3,259,510.28	336,889.53	1,120,294.31	72,707.09	18,031,459.17	2,304,052.55	4,727,840.38	378,700.00
Changchun Light Rail Heat Supply Co., Ltd.* (長春市輕軌供熱有限公司)	2,503,968.90	136,466.31	15,842,700.12	1,028,191.24				
Jilin Province Changre Properties Co., Ltd.* (吉林省長熱物業有限公司)							50,886.00	4,075.97
Jilin Province Heating Group Co. Ltd.* (吉林省熱力集團有限公司)							7,910,752.50	633,651.28
Changchun Investment and Construction (Group) Co., Ltd.* (長春城投建設投資(集團)有限公司)			5,220,091.45	566,690.01	18,121,474.15	3,855,839.49	34,579,856.58	6,329,975.19
Jilin Heating Group Tumen Public Utilities Co., Ltd.* (吉熱集團圖們市公用事業有限公司)	6,326,359.00	991,801.14	2,394,576.50	155,408.01	1,110,362.84	85,942.08		

### (5) Trade payables

Name of related party	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Jilin Province New Model Pipes Company Limited* (吉林省新型管業有限責任公司)	4,039,546.93	18,267,947.82	12,016,553.10	15,736,035.97
Jilin Province Smart Equipment Company Limited* (吉林省智能裝備有限責任公司)	655,867.08	2,155,867.08	5,200,146.69	6,169,162.53
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	116,250.00	118,376,300.00		818,023.42
Jilin Province Hengxin Electricity Co. Ltd.* (吉林省恒信售電有限公司)			1,073,747.00	1,453,970.00
Jilin Province Changre Properties Co., Ltd.* (吉林省長熱物業有限公司)			341,284.40	

### (6) Other payables

Name of related party	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Jilin Province Smart Equipment Company Limited* (吉林省智能裝備有限責任公司)			1,359.66	1,359.66
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	17,700,402.66	17,653,590.60	1,148,402.15	1,616,301.22
Jilin Province Heating Group Co. Ltd.* (吉林省熱力集團有限公司)	52,804.41	52,804.41	52,804.41	

**APPENDIX V****PARTICULARS OF THE RELATED PARTY  
TRANSACTIONS WITH RELATED PARTIES MADE BY  
THE COMPANY DURING THE REPORTING PERIOD****(7) Deposits received**

Name of related party	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任公司)	13,139,612.91			

**(8) Contract liabilities**

Name of related party	30 June 2021	31 December 2020	31 December 2019	31 December 2018
Jilin Heating Group Tumen Public Utilities Co., Ltd.* (吉熱集團圖們市公用事業 有限公司)		5,640,633.78	7,938,006.74	
Changchun Light Rail Heat Supply Co., Ltd.* (長春市輕軌供熱有限公司)	371,180.39	599,693.79		
Changchun Longtai Heat Supply Property Co., Ltd.* (長春龍泰供熱物業有限責任 公司)		19,554,471.19	7,215,973.58	22,000,000.00
Changre Group Jilin Changtie Public Utilities Co., Ltd.* (長熱集團吉林長鐵公用事業 有限公司)	478,499.17	327,063.48		
Changchun Heating Power (Group) Company Limited* (長春市熱力(集團)有限責任 公司)	1,073,394.49			

**Assurance Report on the Deposit and Use of Previously Raised Proceeds of  
Jilin Province Chuncheng Heating Company Limited**

**Dahuahezi 【2021】 No. 0012329**

Da Hua Certified Public Accountants (Special General Partnership)



**Assurance Report on the Deposit and Use of Previously Raised Proceeds of  
Jilin Province Chuncheng Heating Company Limited**

(October 2019 to June 2021)

	<b>Content</b>	<b>Page</b>
<b>1.</b>	<b>Assurance Report on the Deposit and Use of Proceeds</b>	<b>VI-4</b>
<b>2.</b>	<b>Report on the Deposit and Use of Previously Raised Proceeds</b>	<b>VI-6</b>

**Assurance Report on the Deposit and Use of Proceeds****Dahuahezi [2021] No. 0012329****To all Shareholders of Jilin Province Chuncheng Heating Company Limited:**

We have reviewed the “Report on the Deposit and Use of Previously Raised Proceeds” of Jilin Province Chuncheng Heating Company Limited (hereinafter “Chuncheng Heating”) as annexed herein.

**1. Responsibilities of the Board**

It is the responsibility of the Board of Jilin Province Chuncheng Heating Company Limited to prepare the special report on the use of proceeds in compliance with the “Company Law of the People’s Republic of China” (《中華人民共和國公司法》), the “Securities Law of the People’s Republic of China” (《中華人民共和國證券法》), the “Administrative Measures for the Issuance of Securities by Listed Companies” (《上市公司證券發行管理辦法》), the “Rules Governing the Listing of Shares on Stock Exchange” (《證券交易所股票上市規則》), the “Articles of Association” and other relevant laws and regulations after taking into consideration the actual status of the Company based on the “Format of Special Report on Annual Actual Deposit and Use of the Proceeds of Listed Companies” (《上市公司募集資金年度存放與使用情況的專項報告格式》), and to ensure the truthfulness, accuracy, completeness and that there is no false records, misleading statements or material omission of the said report.

**2. Responsibilities of the Certified Accountants**

We were responsible for issuing an assurance opinion on the Report on the Deposit and Use of Previously Raised Proceeds of Jilin Province Chuncheng Heating Company Limited on the basis of performing assurance engagement. We conducted assurance in accordance with the Standards for Other Assurance Practices of Chinese Certified Public Accountants No. 3101-Assurance Practices Other than Auditing or Reviewing of Historical Financial Information (《中國註冊會計師其他鑒證業務準則第3101號—歷史財務信息審計或審閱以外的鑒證業務》). The standards require us to plan and conduct assurance, so as to obtain reasonable guarantee that there is no material misstatement in the Report on the Use of Proceeds of Chuncheng Heating.

During the course of the assurance, we implemented procedures including understanding, inquires, checks and remeasurements and other procedures we considered necessary. The selected procedures were subject to our judgment, including the evaluation on risk of material misstatement in the Report on the Use of Proceeds due to fraud or misstatement. When conducting risk evaluation, we considered the internal control relating to the preparation of the Report on the Use of Proceeds, and designed appropriate assurance procedures. We believed our assurance had provided reasonable basis for issuing an assurance opinion.

**3. Assurance Conclusion**

We believe, the Report on the Use of Proceeds of Chuncheng Heating was prepared in compliance with the requirements of “Company Law of the People’s Republic of China” (《中華人民共和國公司法》), the “Securities Law of the People’s Republic of China” (《中華人民共和國證券法》), the “Administrative Measures for the Issuance of Securities by Listed Companies” (《上市公司證券發行管理辦法》), the “Rules Governing the Listing of Shares on Stock Exchange” (《證券交易所股票上市規則》), the “Articles of Association” and other relevant laws and regulations, and has fairly reflected in all material respects the deposit and use of the previously raised Proceeds of Chuncheng Heating.

**4. Restrictions on Users of the Report and the Purpose of the Report**

This report shall only be used for disclosure purpose as set out in the annual report of Chuncheng Heating and shall not be used for other purposes. We agree to use this report as a requisite document for the annual report of Chuncheng Heating and submit the same together with other reporting documents.

Da Hua Certified Public Accountants  
(Special General Partnership)

China Certified Public  
Accountant: \_\_\_\_\_

Yan Xincui

Beijing, the PRC

China Certified Public  
Accountant: \_\_\_\_\_

Fei Qiang

18 November 2021

**Report on the Deposit and Use of Previously Raised Proceeds of  
Jilin Province Chuncheng Heating Company Limited**

**1. Basic Status of the Proceeds**

The Company successfully listed on the Main Board of the Hong Kong Stock Exchange on 24 October 2019 and issued 116,700,000 H shares with a par value of RMB1.00 each at a price of HK\$2.35 per share with scale of financing of approximately HK\$274.2 million, representing 25% of the total share capital upon issuance. After deducting the relevant costs, the actual net proceeds amounted to HK\$220.5 million (equivalent to approximately RMB199.4 million). The said proceeds were all received on 31 October 2019, and verified by Da Hua Certified Public Accountants (Special General Partnership) for which a capital verification report (Dahuayanzi 【2019- 2021】 No. 000352) was issued.

As of 30 June 2021, the Company has utilized RMB186,446,034.55 of the proceeds, of which, RMB28,036,916.58 for upgrading the smart heat supply network; RMB22,409,117.97 for replacing pipelines and facilities; RMB25,900,000.00 for expanding service areas; and RMB110,100,000.00 for acquisitions. After deducting handling charges, the interests on the deposited proceeds amounts to RMB4,233,018.49, and balance of the proceeds is RMB17,208,983.94.

**2. Management of the Proceeds**

To standardize the use and management of the proceeds and to ensure practical safeguard of the interests of both the Company and its investors, the Company has formulated a procedure on management of proceeds according to the “Company Law of the People’s Republic of China” (《中華人民共和國公司法》), the “Securities Law of the People’s Republic of China” (《中華人民共和國證券法》), the “Administrative Measures for the Issuance of Securities by Listed Companies” (《上市公司證券發行管理辦法》), the “Rules Governing the Listing of Shares on Stock Exchange” (《證券交易所股票上市規則》), the “Articles of Association” and other relevant laws and regulations after taking into consideration the actual status of the Company. Stringent management and supervision are applied according to the system for the deposit and use of the proceeds to ensure specific amount of proceeds shall be utilized for specific purposes.

As of 30 June 2021, the details regarding the deposit of the proceeds are as follows:

Unit: RMB

Name of Bank	Account Number	Initial amount of deposit	Balance as of cutoff date	Way of Deposit
Changchun branch, China Minsheng Bank Corp., Ltd.	631594379	199,422,000.00	17,208,983.94	Demand deposit
<b>Total</b>		<u>199,422,000.00</u>	<u>17,208,983.94</u>	

### 3. Use of the Previously Raised Proceeds

Details regarding the use of the proceeds raised from October 2019 to June 2021 are as follows:

**Table of the Use of Proceeds**

Unit: RMB

Total Amount of Proceeds		Total Proceeds invested for the year				41,614,637.17				
Total amount of Proceeds with change of use during reporting period		199,422,000.00				Accumulated total proceeds invested  41,614,637.17				
A accumulated total proceeds with change of use		100,000,000.00								
Proportion of Accumulated total proceeds with change of use		50.14%								
Projects with Committed investment and investment directions of over-raised proceeds	Any change in projects (including those with partial changes)	Total amount of committed investments from the proceeds	Total investments after adjustment (1)	Total investments for the year	Accumulated investments as of the end of the period (2)	Investment progress as of the end of the period (%) (3)=(2)/(1)	Date on which projects are ready for expected use	Benefits realized for the year	Any expected benefits achieved	Any material change in project feasibility
Projects with Committed Investment										
1. Upgrade the smart heating network	Yes	81,711,000.00	31,711,000.00	14,932,705.00	28,036,916.58	88.41	N/A	N/A	Yes	No
2. Replace pipelines and facilities	Yes	81,711,000.00	31,711,000.00	22,409,117.97	22,409,117.97	70.67	N/A	N/A	Yes	No
3. Expand service area	No	25,900,000.00	Not yet adjusted		25,900,000.00	100.00	N/A	N/A	Yes	No
4. Acquisition	Yes	10,100,000.00	110,100,000.00		110,100,000.00	100.00	N/A	N/A	Yes	No
Subtotal of projects with committed investment		199,422,000.00	199,422,000.00	37,341,822.97	186,446,034.55	93.49				
Description on and Reasons for failure in achieving planned progress or expected revenue (for specific investment projects)		N/A								
Description on any material change in project feasibility		No material change								

Amount, use and utilization progress of over-raised proceeds	N/A
Changes in execution locations of fundraising investment projects	N/A
Adjustment to the implementation of fundraising investment projects	N/A
Initial investment and capital replacement in fundraising investment projects	An announcement was issued by the Company on 29 October 2020 regarding the proposed changes in the uses of upgrading the smart heating network and replacing pipelines and facilities, and the proposed changes were approved in the extraordinary general meeting held on 30 December 2020. RMB50 million will be allocated from each investment projects, amounting to, in aggregate, RMB100 million, for the acquisitions of appropriate enterprises.
Use of unused proceeds for temporary funding of liquidity	N/A
Amount of and Reason for positive balance of proceeds upon project execution	The original uses remain unchanged and the proceeds are planned to be utilized in full no later than 31 December 2021.
Use and tracking of unused proceeds	The original uses of unused proceeds remain unchanged and the proceeds are planned to be utilized in full no later than 31 December 2021. Apart from the proceeds, the remaining amount is deposit interests.
Problem or other situation occurred in the use and disclosure of proceeds	Nil

**4. Change in uses of the Proceeds for the Investment Projects**

An announcement was issued by the Company on 29 October 2020 regarding the proposed changes in the uses of upgrading the smart heating network and replacing pipelines and facilities, and the proposed changes were approved in the extraordinary general meeting held on 30 December 2020. RMB50 million will be allocated from each investment items, amounting to, in aggregate, RMB100 million, for the acquisitions of appropriate enterprises.

**5. Problem or Other situation occurred in the use and disclosure of the Proceeds**

The use of the proceeds has been strictly administrated according to the requirements under the “Guidelines of the Main Board of Hong Kong Stock Exchange for the Standard Operation of Listed Companies” (《香港聯交所主板上市公司規範運作指引》) and the “Procedure on Management of Proceeds” of the Company. The Company had made timely, true, accurate, complete disclosure of the relevant information of the proceeds, and does not involve any non-compliance regarding the deposit, uses, management and disclosure thereof.

Jilin Province Chuncheng Heating Company Limited (stamped)

Legal representative:

Person in charge of accounting:

Head of Accounting Firm:

18 November 2021

---

**LETTERS OF UNDERTAKING FROM  
JILIN PROVINCE CHUNCHENG HEATING  
COMPANY LIMITED  
REGARDING THE INITIAL PUBLIC OFFERING  
AND LISTING OF RMB ORDINARY SHARES ON  
THE MAIN BOARD OF THE SHENZHEN STOCK EXCHANGE**

---

**(A) UNDERTAKING ON SHARE PRICE STABILISATION**

Jilin Province Chuncheng Heating Company Limited (hereinafter the “Company”) has proposed initial public offering of A Shares and listing on the Main Board of Shenzhen Stock Exchange. Pursuant to the relevant laws, regulations and regulatory documents, the Company has made the following undertakings in relation to share price stabilisation:

1. The Company shall recognise the “Proposal on Share Price Stabilisation of the A Shares of the Company within Three Years after the Initial Public Offering and Listing of the A Shares by the Company” as considered and approved in shareholders’ meeting.
2. The Company shall unconditionally comply with the relevant regulations under the “Proposal on Share Price Stabilisation of the A Shares of the Company within Three Years after the Initial Public Offering and Listing of the A Shares by the Company” and perform relevant obligations.
3. If there is different rules to be imposed under any laws, regulations, regulatory documents and by the CSRC or Shenzhen Stock Exchange regarding the specific conditions of, and the measures adopted for share price stabilisation, or there is different rules regarding the relevant responsibilities and consequences which the Company should be assumed due to any breach of the said proposal, the Company shall voluntarily and unconditionally comply with those rules.

**(B) UNDERTAKING ON REMEDIAL MEASURES FOR DILUTION IMPACT ON IMMEDIATE RETURNS**

Jilin Province Chuncheng Heating Company Limited (hereinafter the “Company”) has proposed an application of public offering of A Shares and listing on the Main Board of Shenzhen Stock Exchange (hereinafter “this Offering”). Upon completion of this Offering, the scales of the share capital and net assets of the Company will be increased, while the diluted current and future earnings per share and return on equity may decrease. According to the relevant regulations under the “Guiding Opinions on Matters Concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring (Announcement【2015】No. 31 of the CSRC) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(中國證券監督管理委員會公告【2015】31號)) issued by the China Securities Regulatory Commission, the Company has made the following undertakings for the due performance of the remedial measures for returns:

1. Pursuant to the relevant regulations imposed by the regulatory authorities namely the CSRC and the Stock Exchange, the Company shall actively adopt all necessary, reasonable measures to increase the revenue and profitability of the Company so as to remedy the diluted immediate returns and strengthen its ability of maintaining sustainable returns.
2. In case of failure to perform the above undertaking, the Company shall actively adopt measures to re-perform the above undertaking and ensure effective implementation of its remedial measures, and shall make public statement to explain specific reasons for the failure on the website designated by the CSRC.



**(C) UNDERTAKING ON PROFIT DISTRIBUTION POLICY**

Jilin Province Chuncheng Heating Company Limited (hereinafter the “Company”) has proposed an application of initial public offering of A Shares and listing on the Main Board of Shenzhen Stock Exchange. Pursuant to the laws and regulations including the “Rules Governing the Listing of Shares on Shenzhen Stock Exchange”, the Company has formulated a specific policy regarding profit distribution after listing, and has made the following undertakings for the implementation thereof:

**I. Specific Policies on the Company’s Profit Distribution**

- (I)** form of profit distribution: The Company may distribute dividends in the form of cash, shares, a combination of cash and shares or other legal means. The amount of profit distribution shall not exceed the accumulated distributable profits and shall not impair the Company’s ability to operate on a going concern basis.
- (II)** intervals of profit distribution: The Company shall adopt a consistent and stable profit distribution policy and distribute profit once a year in principle. The Company may make interim profit distribution subject to conditions.
- (III)** The specific conditions and proportion of the Company’s cash dividend:

If the distributable profit (being the remaining net profit after the recovery for losses and provision of reserves by the Company) realized by the Company for the year or half-year is a positive amount, and there are no special circumstances such as significant investment plans or significant cash expenditures, the Company shall distribute dividends in cash, and the profits distributed in cash shall not be less than 10% of the distributable profits realized during the year provided that the funds demand for normal production and operation and sufficient amount of statutory reserve have been met by the Company.

The Board of the Company shall take into consideration various factors, including the features of the industry in which the Company operates, development stage, its own business model and profit level as well as whether there are significant capital expenditure arrangements, to distinguish the following situations and formulate differentiated cash dividend policies:

- (1) Where the Company is in a mature development stage with no significant capital expenditure arrangements, the profit distributed by means of cash dividends shall not be less than 80% of the total profit to be distributed;
- (2) Where the Company is in a mature development stage with significant capital expenditure arrangements, the profit distributed by means of cash dividends shall not be less than 40% of the total profit to be distributed;

---

**LETTERS OF UNDERTAKING FROM  
JILIN PROVINCE CHUNCHENG HEATING  
COMPANY LIMITED  
REGARDING THE INITIAL PUBLIC OFFERING  
AND LISTING OF RMB ORDINARY SHARES ON  
THE MAIN BOARD OF THE SHENZHEN STOCK EXCHANGE**

---

- (3) Where the Company is in a growing development stage with significant capital expenditure arrangements, the profit distributed by means of cash dividends shall not be less than 20% of the total profit to be distributed;
- (4) Where the Company is in a development stage difficult to distinguish but with significant capital expenditure arrangements, the preceding provision may apply.

**(IV) Specific conditions for the Company to issue stock dividends**

In the event that the Company's business is in good condition and the Board of Directors believes that the Company is growing, the dilution of net assets per share and the price of shares do not match the size of the Company's share capital, and the issuance of stock dividends is beneficial to the interests of all shareholders of the Company as a whole, the Company may propose a stock dividend distribution plan as long as it satisfies the above cash dividend conditions.

**(V) Review procedures for profit distribution of the Company**

- (1) The Board of the Company is responsible for formulating the profit distribution plan and the independent directors shall provide independent opinions thereon;
- (2) The profit distribution plan considered and approved by the Board shall be proposed to the general meeting for consideration and approval before implementation;
- (3) If the Board of the Company fails to formulate a cash profit distribution plan or the cash profit distribution plan formulated by the Board does not comply with the provisions of the Articles of Association, the Board shall disclose the detailed reasons and the use of the undistributed funds retained by the Company in the periodic reports, and the independent directors shall provide independent opinions thereon;
- (4) The Supervisory Committee shall supervise the profit distribution plan formulated by the Board. If the Board fails to formulate a cash profit distribution plan in accordance with the Articles of Association, or the cash profit distribution plan formulated by the Board does not comply with the Articles of Association, the Supervisory Committee is entitled to require the Board to make rectification;

- (5) If adjustment to the profit distribution policy is required due to significant changes in the external operating environment or the Company's own operating conditions, the Board shall re-formulate the profit distribution policy and the independent directors shall provide their opinions. The new profit distribution policy formulated by the Board shall be proposed to the general meeting for consideration and shall be implemented only after being approved by shareholders holding more than two-thirds of the voting rights present at the general meeting. The general meeting shall be conducted by a combination of on-site voting and online voting to facilitate the participation of minority shareholders in the formulation or modification of the profit distribution policy.

After the profit distribution plan is resolved at the general meeting of the Company, the Board of the Company shall complete the dividend (or share) distribution within two months.

**II. Undertaking on Implementation of Profit Distribution Policy**

The Company shall strictly implement profit distribution policy and distribute profits to the shareholders and ensure stringent performance of the deliberation procedures for profit distribution plan in accordance with the Articles of Association and the “Dividend Distribution Plan for the Shareholders for The Next Three Years After the Initial Public Offering and Listing of the A Shares by the Company”. If any loss is incurred due to breach of the undertaking, the Company shall accept liability to the investors pursuant to law.

**(D) UNDERTAKING ON SHARE REPURCHASE DUE TO FRAUDULENT ISSUANCE AND LISTING**

Jilin Province Chuncheng Heating Company Limited (hereinafter the “Company”) has proposed an application of initial public offering of A Shares and listing on the Main Board of Shenzhen Stock Exchange. Pursuant to the relevant regulatory requests and requirements including the “Measures for the Administration of the Initial Public Offerings and Listing of Stocks” (《首次公開發行股票並上市管理辦法》)、the “Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 1 – Prospectus” (《公開發行證券的公司信息披露內容與格式準則第1號—招股說明書》), the Company has made the following undertaking on share repurchase and buyback due to fraudulent issuance and listing:

1. The Company shall satisfy the listing conditions. The prospectus for this Offering and other information disclosure documents contains no material omission and material false statements, and there was no issuance by fraud.
2. After this public offering, if the Company is considered as involving in issuance by fraud by the CSRC, Stock Exchange or relevant judicial authorities, the Company shall buyback the shares under this Offering from the investors at a repurchase and buyback price of an aggregate of the issue price under this Offering and the higher of bank deposit interests for the period or secondary market price, subject to corresponding adjustment upon ex-entitlement and ex-dividend due to cash bonus and share distribution and share capital transfer and increase after listing by the Company.
3. The Board of the Company shall resolve resolution of share repurchase within 15 trading days upon the date of triggering of the above conditions for share repurchase. The Board of the Company shall announce its decision, share repurchase plan and the date of shareholders’ meeting within 2 trading days after passing the share repurchase resolution, and the Company shall commence share repurchase on the next day after obtaining approval from the shareholders’ meeting and completing the relevant legal procedures.

---

**LETTERS OF UNDERTAKING FROM  
JILIN PROVINCE CHUNCHENG HEATING  
COMPANY LIMITED  
REGARDING THE INITIAL PUBLIC OFFERING  
AND LISTING OF RMB ORDINARY SHARES ON  
THE MAIN BOARD OF THE SHENZHEN STOCK EXCHANGE**

---

**(E) UNDERTAKING ON BINDING MEASURES ON FAILURE TO PERFORM RELEVANT PUBLIC UNDERTAKINGS**

Jilin Province Chuncheng Heating Company Limited (hereinafter the “Company”) has proposed an application of initial public offering of A Shares and listing on the Main Board of Shenzhen Stock Exchange (hereinafter “this Offering”). According to the “Opinions on Further Promoting the Initial Public Offering System Reform” (《關於進一步推進新股發行體制改革的意見》) and other relevant regulatory requirements and provisions of the China Securities Regulatory Commission, if the Company fails to perform the public undertakings made in the prospectus, the Company agrees to adopt the following binding measures:

- I. If the relevant undertakings made publicly by the Company in the prospectus contain binding measures, such binding measures specified in those undertakings shall prevail; if the Company violates those undertakings, the Company agrees to adopt the binding measures specified in those undertakings.
- II. If the relevant undertakings made publicly by the Company in the prospectus do not contain binding measures, and the Company fails to fully or effectively perform such undertakings due to reasons other than force majeure, the Company agrees to adopt the following binding measures:
  1. The Company will make public explanation on specific reasons of failure to perform the undertakings through the newspaper designated by the general meeting and the CSRC and apologize to shareholders and public investors;
  2. The Company will assume relevant responsibilities according to the requirements of relevant laws and regulations and the regulatory authorities;
  3. The Company will compensate the investors for any losses in securities transactions due to its failure to perform the above undertakings according to relevant laws;
  4. The Company shall not increase the remuneration or allowance of its directors, supervisors and senior management in any form before completely eliminating the adverse effects caused by its failure to perform relevant undertakings;
  5. Other measures that may be adopted according to the then relevant regulations.

**(F) UNDERTAKING ON NON-EXISTENCE OF FALSE REPRESENTATION, MISLEADING STATEMENT OR MATERIAL OMISSION IN THE PROSPECTUS OF INITIAL PUBLIC OFFERING AND OTHER INFORMATION DISCLOSURE**

The Company hereby undertakes that the prospectus regarding the initial public offering of A shares and listing on the Main Board of Shenzhen Stock Exchange of Jilin Province Chuncheng Heating Company Limited (hereinafter the “Company”) and other information disclosures contain no false representation, misleading statement or material omission, and be jointly and severally liable for any legal responsibility for the truthfulness, accuracy and completeness of the contents contained therein.

The Company shall compensate the investors for any losses in securities issue and trading suffered by them due to any false representation, misleading statement or material omission in the content of the prospectus regarding the initial public offering of A shares and listing on the Main Board of Shenzhen Stock Exchange of the Company and other information disclosures. The amount of compensation for such losses shall be limited to the direct loss actually incurred by the investor and the details of the specific compensation standard, the scope of the compensation subject, the amount of compensation, etc. shall be based on the finalized compensation scheme or determined in accordance with the method or amount recognized by the securities regulatory and administrative authorities or judicial authorities when the above circumstances actually occur.

If the securities regulatory and administrative authorities or other competent authorities consider that the prospectus regarding the initial public offering and listing on the Main Board of Shenzhen Stock Exchange of the Company and other information disclosures contains false representation, misleading statement or material omission, which will constitute significant and substantial impacts on the judgement of whether the Company satisfies the conditions for share issue according the laws and regulations, The Company undertakes that it shall repurchase, or, with the best endeavor, procure the Company to repurchase all new shares from the initial public offering according to law.

**(G) UNDERTAKING ON CONSISTENCY IN CONTENT BETWEEN ELECTRONIC DOCUMENTS AND WRITTEN DOCUMENTS**

The Company shall prepare the electronic version of application documents for the initial public offering and listing on the main board of the Shenzhen Stock Exchange, and the Company undertakes that:

The content between the electronic version and written version of the application documents are consistent and did not contain any false representation, misleading statement or material omission, and the Company shall be jointly and severally liable for any legal responsibility for the truthfulness, accuracy and completeness of the contents contained therein.

---

**LETTERS OF UNDERTAKING FROM  
JILIN PROVINCE CHUNCHENG HEATING  
COMPANY LIMITED  
REGARDING THE INITIAL PUBLIC OFFERING  
AND LISTING OF RMB ORDINARY SHARES ON  
THE MAIN BOARD OF THE SHENZHEN STOCK EXCHANGE**

---

**(H) UNDERTAKING ON NON-INFLUENCE AND NON-INTERFERENCE OF THE AUDIT OF THE ISSUANCE EXAMINATION COMMITTEE**

Given that Jilin Province Chuncheng Heating Company Limited (hereinafter the “Company”) has proposed an application of initial public offering and listing on the Main Board of Shenzhen Stock Exchange, the Company undertakes that:

1. During the course of application, the Company guarantees that no gift in the form of funds and goods and other benefits will be directly or indirectly offered to the members of the Listing Examination Committee (上市審核委員會), that no shares under this approved offering application will be directly or indirectly offered to the members, and that no improper measure will be taken to affect the judgement of the members to the Company.
2. The Company guarantees that it will not interfere by any mean the auditing work of the examination authorities, the Issuance Examination Committee and other related parties.
3. When being inquired at the meeting with Issuance Examination Committee, the Company guarantees to provide true, objective, accurate and clear statements, to the exclusion of any content irrelevant to this Offering.
4. Any failure to perform the said undertakings, the Company shall assume all legal responsibilities arising therefrom.

**(I) UNDERTAKING ON NO SIGNIFICANT NON-COMPLIANCE**

Jilin Province Chuncheng Heating Company Limited (hereinafter the “Company”) hereby solemnly undertakes that:

1. from 1 January 2018 up till now, the Company and its wholly-owned and controlled subsidiaries are not subject to any significant administrative penalty by any administrative and regulatory authorities of the PRC;
2. from 1 January 2018 up till now, the Company and its wholly-owned and controlled subsidiaries do not involve in any criminal offences including corruption, bribery, property appropriation, misuse of assets or disturbance of the socialist market and economic order, nor any fraudulent issuance, significant non-compliance in relation to information disclosure or any significant non-compliance regarding national security, public security, ecological security, production security, public health securities, etc.
3. from 1 January 2018 up till now, the Company and its wholly-owned and controlled subsidiaries do not involve in any contingency such as significant ownership disputes regarding major assets, core technologies, trademarks, etc., significant insolvency risk, significant guarantee, litigations and arbitrations, nor any event which constitutes material adverse impact to the on-going operation as a result of the already significantly changed or soon-to-be significantly changed operating environment;
4. from 1 January 2018 up till now, the Company and its wholly-owned and controlled subsidiaries do not involve in any criminal offences including corruption, bribery, property appropriation, misuse of assets or disturbance of the socialist market and economic order, nor subject to any investigation or prosecution by the relevant authorities due to the said criminal offences or any investigation by the CSRC due to non-compliance without any definite conclusion or opinion.



**AUTHORISATIONS TO THE BOARD AND ITS AUTHORIZED  
REPRESENTATIVES TO EXERCISE FULL POWERS TO DEAL WITH  
MATTERS RELATING TO THE INITIAL PUBLIC OFFERING OF A SHARE  
AND LISTING ON THE MAIN BOARD OF SHENZHEN STOCK EXCHANGE**

Jilin Province Chuncheng Heating Company Limited (hereinafter the “Company”) has proposed an application for initial public offering of RMB ordinary shares (A Shares) and listing on the Main Board of Shenzhen Stock Exchange (hereinafter “this Offering and Listing”). Due to the complexity of listing-related works which require immediate execution of a substantial amount of documents, submission of application to competent authorities, handling of contingencies which may arise from time to time, in order to enhance efficiency in decision making and to ensure completion of all listing related works by the Company as soon as possible, it is necessary to seek approval at the general meeting of the authorisations to the Board and its authorized representatives to exercise full power to deal with matters in relation to this Offering and Listing, which include, but not limited to, the followings:

1. To deal with the reporting and relevant procedural works of this Offering and Listing, including but not limited to applying for approval from, registering with, filing with and seeking approvals and consents from relevant governmental departments, regulatory authorities, stock exchanges and securities clearing institutions; to sign, execute, amend and complete all necessary documents related to this Offering and Listing (including but not limited to the letter of intent for offering, prospectus, sponsor agreement, underwriting agreement, listing agreement, statement and undertaking and various announcements, etc.).
2. According to the requirements of the CSRC and Shenzhen Stock Exchange and based on the actual situation of the securities market, to determine the details of offering size, target subscribers, offering price, method of pricing, method of issuance, strategic placing, over allotment options, timing for the offering based on the offering proposal considered and approved at general meetings.
3. To confirm and amend the investment plans for the use of proceeds relating to this Offering and Listing based on the actual investment needs for the proceeds, the approval progress of the investment projects or requirements of the CSRC, which mainly include amendment to, modification of or decrease in the amount of proceeds for the investment projects, establishment of subject matters, investment amounts, investment methods, implementation progress, etc.
4. To make necessary adjustment to relevant detailed plans based on the implementation of this Offering and Listing proposal, market conditions, changes in policies and opinions from the regulatory authorities.



5. To determine the detailed project implementation plan based on the total investment amount of each investment project to be financed by the proceeds from this Offering as considered and approved at the general meetings; to amend, increase, decrease or otherwise adjust the investment direction, amount of proceeds to be used and other relevant matters of the projects to be financed by proceeds from this Offering based on the Company's actual operational needs after thorough discussion by the Board on the feasibility of investment projects to be financed by the proceeds; before the proceeds from this Offering and Listing are in place, to execute projects using self-owned or self-raised funds according to the actual progress of the projects; after the proceeds from this Offering and Listing are in place, to replace the self-owned funds and indirect financing such as bank borrowings previously invested for the investment project with the proceeds; the confirmation of a special deposit account for the proceeds; the signing of a tripartite supervision agreement for the proceeds; to specifically execute the investment directions of the proceeds upon completion of this Offering and Listing; to sign material contracts involved in the implementation process of the investment projects funded by the proceeds.
6. To make corresponding amendments to the relevant provisions of the Articles of Association and relevant internal policies based on the implementation results of this Offering and Listing proposal and the requirements of regulatory authorities, and deal with the matters related to change and filing of industry and commerce registration.
7. After completion of this Offering and Listing, to handle the matters of registration and settlement of shareholdings at the China Securities Depository and Clearing Co., Ltd., including but not limited to the depository, registration, circulation and lock-up of shares.
8. To the extent permitted by laws and regulations and regulatory documents, to handle other necessary, proper and appropriate matters related to this Offering and Listing.
9. During the validity period of the resolution regarding this Offering and Listing, if there is any change in the policies regarding initial public offering of new shares, the new policies shall prevail in order to continue handling all matters in relation to this Offering and Listing.
10. The above authorizations shall be effective for a period of 12 months from the date on which the resolution is passed at the general meeting, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting.

Original provisions	Amended provisions
<p><b>Article 1</b> Jilin Province Chuncheng Heating Company Limited* (the “Company”) is a joint stock company with limited liability established 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 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 Letter of the Opinion on the Supplemental Amendments to the 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 and other relevant laws, administrative regulations of the PRC.</p> <p>The Company was established by the way of promotion on May 30, 2018 with the approval by the State-owned Assets Supervision and Administration Commission of Changchun Municipal People’s Government of Jilin Province and was registered with Changchun Administration Bureau for Industry and Commerce and obtained the business license on the same date.</p> <p>The Unified Social Credit Code of the Company is 91220101MA14W03575.</p> <p>The promoters of the Company are Changchun Heating Power (Group) Company Limited (長春市熱力(集團)有限責任公司) and Changchun State-owned Capital Investment Operation (Group) Co., Ltd. (長春市國有資本投資運營(集團)有限公司).</p>	<p><b>Article 1</b> <u>The Articles of Association are drawn up 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 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 of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong, the Guidelines for the Articles of Association of Listed Companies (the “AOA Guidelines”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEx Listing Rules”), the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (the “Listing Rules”) and other relevant requirements so as to protect the legitimate interests of Jilin Province Chuncheng Heating Company Limited* (the “Company”) and its shareholders and creditors, and to regulate the organization and conducts of the Company.</u></p> <p><b>Article 2</b> <u>The Company is a joint stock company with limited liability established in accordance with the Company Law, the Securities Law and the Special Regulations as well as other relevant laws, administrative regulations of the People’s Republic of China.</u></p> <p>The Company was <u>established by the way of promotion by Changchun Heating Power (Group) Company Limited (長春市熱力(集團)有限責任公司) and Changchun State-owned Capital Investment Operation (Group) Co., Ltd. (長春市國有資本投資運營(集團)有限公司)</u> on May 30, 2018 with the approval by the State-owned Assets Supervision and Administration Commission of Changchun Municipal People’s Government of Jilin Province and was registered with Changchun Administration Bureau for Industry and Commerce and obtained the business license on the same date. The Unified Social Credit Code of the Company is 91220101MA14W03575.</p>

Original provisions	Amended provisions
<p><b>Article 5</b> The Company is a joint stock limited company with perpetual existence and is an independent legal entity. The Company shall undertake its liabilities with all of its assets, while the liability of a shareholder of the Company shall be limited to the shares subscribed by him.</p>	<p><b>Article 6</b> The Company is a joint stock limited company with perpetual existence and is an independent legal entity.</p> <p><b><u>All of the assets of the Company shall be divided into shares of equal value.</u></b> The Company shall undertake its liabilities with all of its assets, while the liability of a shareholder of the Company shall be limited to the shares subscribed by him.</p>
<p><b>Article 6</b> The Articles of Association, being the code of conduct for the Company, are passed by way of a special resolution at the shareholders' general meeting of the Company and shall become effective on the date when the overseas-listed foreign shares, permitted by the relevant departments of the PRC and the relevant regulatory authorities, are listed and traded on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Articles of Association supersede the articles of association previously filed with industry and commerce administration authorities. From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders <i>inter se</i>.</p>	<p><b>Article 7</b> The Articles of Association, being the code of conduct for the Company, shall become effective on the date of the Company's initial public offering of A Shares and listing of the same on the main board of the Shenzhen Stock Exchange (the "Shenzhen Stock Exchange"). The Articles of Association supersede the articles of association previously registered and filed with industry and commerce administration authorities.</p> <p>From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders <i>inter se</i>.</p>
<p><b>Article 7</b> The Articles of Association are binding on the Company and its shareholders, directors, supervisors and senior management officers of the Company; all of whom are entitled, according to the Articles of Association, to make claims in respect of rights concerning the matters of the Company.</p> <p>Without prejudice to the provisions of Article 205 of the Articles of Association, pursuant to the Articles of Association, shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders; shareholders may institute legal proceedings against shareholders; and shareholders may institute legal proceedings against directors, supervisors and senior management officers of the Company.</p> <p>"Legal proceedings" referred to in the preceding paragraph refers to any arbitration application submitted to the China International Economic and Trade Arbitration Commission.</p>	<p><b>Article 8</b> The Articles of Association are binding on the Company and its shareholders, directors, supervisors and senior management officers of the Company; all of whom are entitled, according to the Articles of Association, to make claims in respect of rights concerning the matters of the Company.</p> <p><b><u>Pursuant to the Articles of Association, shareholders may institute legal proceedings against shareholders; shareholders may institute legal proceedings against directors, supervisors and senior management officers; shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders, directors, supervisors and senior management officers of the Company.</u></b></p> <p>"Legal proceedings" referred to in the preceding paragraph refers to any arbitration application submitted to the China International Economic and Trade Arbitration Commission.</p>

Original provisions	Amended provisions
<p><b>Article 12</b> The objectives of the Company are to implement national industrial policies in according with national laws and administrative regulations; ensure the maintenance and appreciation of values of state-owned assets and improve the operational efficiency of state-owned assets.</p> <p>The business scope of the Company includes: new energy technology development; heating production and supply; heating engineering design and installation services; contract energy management; sales of cables, electrical equipment, household appliances, flooring, floor tiles, thermostats and heating accessories (the businesses which are prohibited by the laws, regulations and decisions of State Council may not be operated, and the businesses subject to approval according to laws may not be operated until being approved by relevant authorities)** The business scope referred to in the preceding paragraph shall be such items as audited by the relevant company registration authority.</p> <p>The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its scope of business and handle relevant formalities of industry and commerce administration registration for such an adjustment according to relevant provisions.</p>	<p><b>Article 13</b> The objectives of the Company are to implement national industrial policies in according with national laws and administrative regulations; ensure the maintenance and appreciation of values of state-owned assets and improve the operational efficiency of state-owned assets.</p> <p><b>Article 14</b> The business scope of the Company includes: new energy technology development; heating production and supply; heating engineering design and installation services; contract energy management; sales of cables, electrical equipment, household appliances, flooring, floor tiles, thermostats and heating accessories (the businesses which are prohibited by the laws, regulations and decisions of State Council may not be operated, and the businesses subject to approval according to laws may not be operated until being approved by relevant authorities)** The business scope referred to in the preceding paragraph shall be such items as audited by the relevant company registration authority.</p> <p>The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its scope of business and handle relevant formalities of industry and commerce administration registration for such an adjustment according to relevant provisions.</p>
<p><b>Article 13</b> All shares issued by the Company are ordinary shares. Ordinary shares issued by the Company include domestic shares and foreign shares. Subject to the approval of the company approving department authorized by the State Council, the Company may, according to its requirements, create different classes of shares. In appropriate circumstances, the Company shall ensure enough voting rights for preferred shareholders.</p> <p>If the Company creates other classes of shares, it shall specify the order of rights entitled to these different classes of shares in any distribution by dividend or other forms. If the share capital of the Company comprises shares without right to vote, names of these shares shall be added with the words “without right to vote”. If the share capital comprises shares attached with different rights to vote, names of each kind of shares (other than shares attached with the most preferential right to vote) shall be added with the words “with restricted right to vote” or “with limited right to vote”.</p>	<p><b>Article 15</b> All shares issued by the Company are ordinary shares. Subject to the approval of the company approving department authorized by the State Council, the Company may, according to its requirements, create different classes of shares. In appropriate circumstances, the Company shall ensure enough voting rights for preferred shareholders.</p> <p><b><u>Apart from shareholders of other classes, the holders of domestic shares and H shares are shareholders of different classes. All classes of shareholders of the Company shall have equal rights in any distribution in the form of a dividend or any other form.</u></b> If the share capital of the Company comprises shares without right to vote, names of these shares shall be added with the words “without right to vote”. If the share capital comprises shares attached with different rights to vote, names of each kind of shares (other than shares attached with the most preferential right to vote) shall be added with the words “with restricted right to vote” or “with limited right to vote”.</p>

Original provisions	Amended provisions
<p><b>Article 15</b> Shares of the Company shall be issued in a transparent, fair and equal manner and shall rank <i>pari passu</i> in all respects with the shares of the same class.</p> <p>Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.</p> <p>Domestic shares and overseas-listed foreign shares issued by the Company are entitled to the same rights in any distribution in the form of dividend or any other forms. The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Company.</p>	<p><b>Article 17</b> Shares of the Company shall be issued in a transparent, fair and equal manner and shall rank <i>pari passu</i> in all respects with the shares of the same class.</p> <p>Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.</p>
<p><b>Article 17</b> Shares which the Company issues to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares which the Company issues to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares which are listed overseas are called overseas-listed foreign shares. The Board of the Company may make arrangements for separate issuance of domestic shares and overseas listed foreign shares in accordance with the issuance scheme approved by the securities regulatory authorities under the State Council.</p> <p>Foreign currencies referred to in the preceding paragraph mean the lawful currencies (other than Renminbi) of other countries or regions which are recognized by the foreign exchange authority of the PRC and which can be used to pay the share price to the Company.</p> <p>Both holders of domestic shares and holders of foreign shares are holders of ordinary shares, and have and bear the same rights and obligations.</p>	<p><b>Article 19</b> Shares which the Company issues to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares which the Company issues to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares which are listed overseas are called overseas-listed foreign shares.</p> <p>Foreign currencies referred to in the preceding paragraph mean the lawful currencies (other than Renminbi) of other countries or regions which are recognized by the foreign exchange authority of the PRC and which can be used to pay the share price to the Company.</p> <p>Both holders of domestic shares and holders of foreign shares are holders of ordinary shares, and have and bear the same rights and obligations.</p>

Original provisions	Amended provisions															
<p><b>Article 18</b> Foreign shares issued by the Company and which are listed in Hong Kong Stock Exchange shall be referred to as H shares. H shares are shares which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.</p>	<p><b>Article 20</b> Foreign shares issued by the Company and which are listed in Hong Kong Stock Exchange shall be referred to as H shares. H shares are shares which have been admitted for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.</p> <p><b><u>Domestic listed shares of the Company that are listed on the Shenzhen Stock Exchange are referred to as “A shares”. A shares are shares which have been admitted for listing on the Shenzhen Stock Exchange with a par value denominated in RMB and are subscribed for and traded in RMB.</u></b></p>															
/	<p><b>Article 21</b> <u>The domestic shares issued by the Company shall be collectively deposited with the China Securities Depository and Clearing Corporation Limited. Overseas listed foreign shares issued by the Company in Hong Kong are mainly held in custody by the securities depository and clearing company in Hong Kong, and may also be held by shareholders in their own names.</u></p>															
<p><b>Article 19</b> The Company, at the time of its establishment, issued 350,000,000 ordinary shares to its promoters, all of which are subscribed and held by the promoters of the Company, among which:</p> <p>Changchun Heating Power (Group) Company Limited subscribed and held 325,500,000 shares, representing 93% of the total number of ordinary shares issued by the Company at the time of its establishment;</p> <p>Changchun State-owned Capital Investment Operation (Group) Co., Ltd. subscribed and held 24,500,000 shares, representing 7% of the total number of ordinary shares issued by the Company at the time of its establishment;</p>	<p><b>Article 22</b> The Company, at the time of its establishment, issued 350,000,000 ordinary shares to its promoters, all of which are subscribed and held by the promoters of the Company, among which <b><u>the names, number of shares held in the Company, shareholding proportion, method of capital contribution and time of capital contribution of the promoters are as follows:</u></b></p> <table><tr><th>No.</th><th>Name of promoters</th><th>Number of shares subscribed for ('0,000 shares)</th><th>Shareholding proportion (%)</th><th>Method of capital contribution</th></tr><tr><td>1</td><td>Changchun Heating Power (Group) Company Limited (長春市熱力(集團)有限責任公司)</td><td>32,550</td><td>93</td><td>Shares converted from net assets</td></tr><tr><td>2</td><td>Changchun State-owned Capital Investment Operation (Group) Co., Ltd. (長春市國有資本投資運營(集團)有限公司)</td><td>2,450</td><td>7</td><td>Shares converted from net assets</td></tr></table>	No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding proportion (%)	Method of capital contribution	1	Changchun Heating Power (Group) Company Limited (長春市熱力(集團)有限責任公司)	32,550	93	Shares converted from net assets	2	Changchun State-owned Capital Investment Operation (Group) Co., Ltd. (長春市國有資本投資運營(集團)有限公司)	2,450	7	Shares converted from net assets
No.	Name of promoters	Number of shares subscribed for ('0,000 shares)	Shareholding proportion (%)	Method of capital contribution												
1	Changchun Heating Power (Group) Company Limited (長春市熱力(集團)有限責任公司)	32,550	93	Shares converted from net assets												
2	Changchun State-owned Capital Investment Operation (Group) Co., Ltd. (長春市國有資本投資運營(集團)有限公司)	2,450	7	Shares converted from net assets												



<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 20</b> Subject to the approval of the securities regulatory authority of the State Council, the Company publicly issued 116,700,000 overseas-listed foreign shares to overseas investors. These ordinary shares are all H shares.</p> <p>Upon the completion of the above issuance of overseas-listed foreign shares, the total number of the Company's shares shall be 466,700,000 shares. The shareholding structure of the Company shall be as follows: 466,700,000 ordinary shares, among which 325,500,000 shares shall be held by Changchun Heating Power (Group) Company Limited, our promoter, representing 69.75% of our total ordinary shares capital; 24,500,000 shares shall be held by Changchun State-owned Capital Investment Operation (Group) Co., Ltd., our promoter, representing 5.25% of our total ordinary shares capital; 116,700,000 shares shall be held by H shareholders, representing 25% of our total ordinary shares capital.</p>	<p><b>Article 23</b> Subject to the approval of the securities regulatory authority of the State Council, the Company publicly issued 116,700,000 overseas-listed foreign shares to overseas investors. These ordinary shares are all H shares.</p> <p>Upon the completion of the above issuance of overseas-listed foreign shares, the total number of the Company's shares shall be 466,700,000 shares. The shareholding structure of the Company shall be as follows: 466,700,000 ordinary shares, among which 325,500,000 shares shall be held by Changchun Heating Power (Group) Company Limited, our promoter, representing 69.75% of our total ordinary shares capital; 24,500,000 shares shall be held by Changchun State-owned Capital Investment Operation (Group) Co., Ltd., our promoter, representing 5.25% of our total ordinary shares capital; 116,700,000 shares shall be held by H shareholders, representing 25% of our total ordinary shares capital.</p> <p><b><u>After being reviewed and approved by the CSRC, the Company may make an initial public offering of [•••] ordinary shares to the public, all of which will be A shares.</u></b></p>
<p><b>Article 23</b> The registered capital of the Company is RMB466,700,000.</p>	<p><b>Article 26</b> <b><u>Upon the completion of the above-mentioned issue of H shares,</u></b> the registered capital of the Company is RMB466,700,000.</p> <p><b><u>Upon completion of the above-mentioned issuance of A shares, the registered capital of the Company shall be RMB[•••].</u></b></p> <p><b><u>The change of the Company's registered capital shall be registered with the administration authorities for industry and commerce.</u></b></p>



<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 24</b> Unless otherwise provided by the PRC laws, administrative regulations and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed, fully-paid shares of the Company are freely transferable and are not subject to any lien. Transfer of overseas-listed foreign shares listed in Hong Kong requires to be registered with the share registrar in Hong Kong entrusted by the Company.</p> <p>All overseas-listed foreign shares listed in Hong Kong Stock Exchange which have been fully paid-up may be freely transferred in accordance with these Articles of Association. However, unless such transfer complies with the following requirements, the board of directors may refuse to recognize any document of transfer and would not need to provide any reason therefor:</p> <ol style="list-style-type: none"> <li>(1) payment of a fee according to the expense standard in, and not exceed the price ceiling stipulated by the Hong Kong Listing Rules from time to time shall be made to the Company for the purpose of registering the instrument of transfer and other documents that relate to, or may affect, the title to the shares;</li> <li>(2) the document of transfer only relates to overseas-listed foreign shares listed in Hong Kong Stock Exchange;</li> <li>(3) the stamp duty on the instrument of transfer payable according to laws in Hong Kong has been paid;</li> <li>(4) the relevant share certificate(s) and any other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;</li> </ol>	<p><b>Article 27</b> Unless otherwise provided by the PRC laws, administrative regulations and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed, fully-paid shares of the Company are freely transferable and are not subject to any lien.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p>(5) when shares are proposed to transferred to joint holders, such jointly registered shareholders shall not be more than four;</p> <p>(6) the Company does not have any lien on the relevant shares.</p> <p>If the board of directors refuses to register the transfer of shares, a notice of the refusal of registration of such transfer of shares shall be issued to the transferor and the transferee within two months upon the duly submission of transfer application.</p> <p>All instruments of transfer shall be kept at the legal address of the Company or the address appointed by the board of directors from time to time.</p>	
<p><b>Article 25</b> Based on its operating and development needs, the Company may, pursuant to the laws, regulations and the Articles of Association and with the approval by special resolution in the shareholders' general meeting, increase its capital in the following ways:</p> <p>(1) offering new shares to non-specially-designated investors for subscription;</p> <p>(2) placing new shares to its existing shareholders;</p> <p>(3) distributing bonus shares to its existing shareholders;</p> <p>(4) issuing new shares to specially-designated investors;</p> <p>(5) conversion of capital reserve into share capital;</p> <p>(6) any other means which are stipulated by laws and administrative regulations and approved by the relevant regulatory authority.</p> <p>After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association, the issuance thereof should be made in accordance with the procedures set out in the relevant PRC laws and administrative regulations.</p>	<p><b>Article 28</b> Based on its operating and development needs, the Company may, pursuant to the laws, regulations and the Articles of Association and with the approval by special resolution in the shareholders' general meeting, increase its capital in the following ways:</p> <p>(1) <b><u>public issuance of shares;</u></b></p> <p>(2) <b><u>non-public issuance of shares;</u></b></p> <p>(3) distributing bonus shares to its existing shareholders;</p> <p>(4) conversion of capital reserve into share capital;</p> <p>(5) any other means which are stipulated by laws and administrative regulations and approved by <b><u>CSRC</u></b>.</p> <p>After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association, the issuance thereof should be made in accordance with the procedures set out in the relevant PRC laws and administrative regulations.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 28</b> The Company may, in accordance with the provisions set out in the laws, administrative regulations, the HKEx Listing Rules, departmental rules and the Articles of Association and subject to the approval of the relevant governing authorities of the PRC, repurchase its shares under the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) cancellation of its shares for the purpose of reducing its registered capital;</li> <li>(2) merging with another company which holds the shares of the Company;</li> <li>(3) granting shares as incentive compensation to the staff of the Company;</li> <li>(4) acquiring the shares upon request by shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company;</li> <li>(5) any other circumstances permitted by the laws and administrative regulations and approved by the governing authorities.</li> </ol>	<p><b>Article 31</b> The Company may, in accordance with the provisions set out in the laws, administrative regulations, departmental rules and the Articles of Association and subject to the approval of the relevant governing authorities of the PRC, repurchase its shares under the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) for the reduction of its registered capital;</li> <li>(2) merging with another company which holds the shares of the Company;</li> <li>(3) use of shares for employee share ownership plans or equity incentives;</li> <li>(4) acquiring the shares upon request by shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company;</li> <li><b><u>(5) use of shares for conversion of corporate bonds which are convertible into shares issued by the Company; and</u></b></li> <li><b><u>(6) where it is necessary for the listed company to safeguard its value and the shareholders' interests.</u></b></li> </ol> <p><b><u>Except for the above circumstances, the Company shall not purchase its own shares.</u></b></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 30</b> The Company must obtain the prior approval of the shareholders' general meeting, in the manner stipulated in the Articles of Association, before it can repurchase shares by reason of those mentioned in subparagraphs (1) to (3) of Article 28 of the Articles of Association, or repurchase shares by means of an off-market agreement outside a stock exchange. The Company may, by obtaining the prior approval of the shareholders' general meeting in the same manner, release or vary, or waive its rights under, an agreement which has been so entered into.</p> <p>An agreement for the repurchase of shares referred to in the preceding paragraph includes (without limitation) an agreement to become liable to repurchase shares or an agreement to have the right to repurchase shares.</p> <p>The Company shall not assign a contract for the repurchase of its shares or any right contained in such agreement.</p>	<p><b>Article 33</b> The acquisition of its own shares by the Company due to the circumstances specified in <b><u>sub-paragraphs (3), (5) and (6) of the first paragraph of Article 31</u></b> of the Articles of Association <b><u>shall be conducted through open centralised trading.</u></b></p> <p><b><u>Where the Company repurchases its shares by an agreement outside a stock exchange,</u></b> the Company must obtain the prior approval of the shareholders' general meeting, in the manner stipulated in the Articles of Association. The Company may, by obtaining the prior approval of the shareholders' general meeting in the same manner, release or vary, or waive its rights under, an agreement which has been so entered into.</p> <p>An agreement for the repurchase of shares referred to in the preceding paragraph includes (without limitation) an agreement to become liable to repurchase shares or an agreement to have the right to repurchase shares.</p> <p>The Company shall not assign a contract for the repurchase of its shares or any right contained in such agreement.</p>

Original provisions	Amended provisions
<p><b>Article 32</b> Shares lawfully repurchased by the Company under subparagraph (1) of Article 28 herein shall be cancelled within ten days from the date of repurchase; for those shares repurchased under subparagraphs (2) and (4) of Article 28 herein shall be transferred or cancelled within 6 months thereafter; and the shares acquired by the Company in accordance with subparagraph (3) of Article 28 herein shall not exceed 5% of the total issued share capital of the Company, and the shares repurchased shall be transferred to the employees within one year.</p> <p>After cancelling the repurchased shares lawfully, the Company shall apply to the original companies registration authority for registration of the change of its registered capital and issue a relevant announcement accordingly.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>	<p><b>Article 35</b> Shares lawfully repurchased by the Company under subparagraph (1) of <b>Article 31</b> herein shall be cancelled within ten days from the date of repurchase; for those shares repurchased under subparagraphs (2) and (4) of <b>Article 31</b> herein shall be transferred or cancelled within 6 months thereafter; and the shares acquired by the Company in accordance with subparagraph (3) of <b>Article 31</b> herein shall not exceed 5% of the total issued share capital of the Company, and the shares repurchased shall be transferred to the employees within one year; <b><u>in the circumstances specified in subparagraphs (5) and (6) of Article 31 herein, the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares of the Company in issue and shall be transferred or cancelled within three years.</u></b></p> <p><b><u>If the Company buys back its H shares, it shall observe the relevant requirements of the HKEx Listing Rules.</u></b></p> <p>After cancelling the repurchased shares lawfully, the Company shall apply to the original companies registration authority for registration of the change of its registered capital and issue a relevant announcement accordingly.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p>
<p><b>Article 33</b> The Company shall not accept any share certificate of the Company as the subject of the pledge.</p>	<p><b>Article 36</b> The Company shall not accept any share certificate of the Company as the subject of the pledge.</p>

Original provisions	Amended provisions
<p><b>Article 34</b> Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares:</p> <p>(1) where the Company repurchases shares at par value, payment shall be made out of book surplus distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;</p> <p>(2) where the Company repurchases its shares at a premium to its par value, payment up to the par value may be made out of the book surplus distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:</p> <p>If the shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of the Company;</p> <p>If the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value of the Company's premium account (or capital reserve account) (including the premiums from the fresh issue) at the time of the repurchase;</p>	<p><b>Article 37</b> Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its outstanding shares:</p> <p>(1) where the Company repurchases shares at par value, payment shall be made out of book surplus distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;</p> <p>(2) where the Company repurchases its shares at a premium to its par value, payment up to the par value may be made out of the book surplus distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:</p> <p>If the shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of the Company;</p> <p>If the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value of the Company's premium account (or capital reserve account) (including the premiums from the fresh issue) at the time of the repurchase;</p>

Original provisions	Amended provisions
<p>(3) the Company shall make the following payments out of the Company's distributable profits:</p> <ul style="list-style-type: none"> <li>i. payment for the acquisition of the right to repurchase its shares;</li> <li>ii. payment for variation of any contract for the repurchase of its shares;</li> <li>iii. payment for the release of its obligations under any contract for the repurchase of shares;</li> </ul> <p>(4) after the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of shares which have been repurchased shall be transferred to the Company's premium account (or capital reserve fund account).</p> <p>In respect of redeemable shares that the issuer is entitled to repurchase:</p> <ul style="list-style-type: none"> <li>(1) the price shall not exceed a specific price limit if such shares are not repurchased through the market or by tender; and</li> <li>(2) if the repurchase is made by tender, tender shall be available to all shareholders on equal conditions.</li> </ul>	<p>(3) the Company shall make the following payments out of the Company's distributable profits:</p> <ul style="list-style-type: none"> <li>(i) payment for the acquisition of the right to repurchase its shares;</li> <li>(ii) payment for variation of any contract for the repurchase of its shares;</li> <li>(iii) payment for the release of its obligations under any contract for the repurchase of shares;</li> </ul> <p>(4) after the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of shares which have been repurchased shall be transferred to the Company's premium account (or capital reserve fund account).</p>

Original provisions	Amended provisions
<p><b>Article 35</b> The Company or its subsidiaries shall not, at any time and in any manner, provide any kind of financial assistance to a person who acquires or is proposing to acquire shares of the Company. The said person includes any person who has directly or indirectly incurs any obligations due to the acquisition of shares of the Company.</p> <p>The Company or its subsidiaries shall not, at any time and in any manner, provide financial assistance to the aforesaid person for the purpose of reducing or discharging the obligations assumed by him.</p> <p>This article does not apply to the circumstances as stated in Article 37 of this Chapter.</p>	<p><b>Article 38</b> The Company or its subsidiaries shall not, at any time and in any manner, provide any kind of financial assistance to a person who acquires or is proposing to acquire shares of the Company. The said person includes any person who has directly or indirectly incurs any obligations due to the acquisition of shares of the Company.</p> <p>The Company or its subsidiaries shall not, at any time and in any manner, provide financial assistance to the aforesaid person for the purpose of reducing or discharging the obligations assumed by him.</p> <p>This article does not apply to the circumstances as stated in <b>Article 40</b> of this Chapter.</p>
<p><b>Article 37</b> The following acts shall not be deemed to be acts as prohibited in Article 35 herein:</p> <ol style="list-style-type: none"> <li>(1) the provision of financial assistance where the Company's principal purpose for giving that assistance is genuinely for the Company's interests and not for the purpose of acquiring the Shares, or the provision of such assistance is incidental to some broader objective of the Company;</li> <li>(2) the lawful distribution of the Company's assets by way of dividend;</li> <li>(3) the allotment of bonus shares as dividends;</li> <li>(4) a reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure of the Company effected in accordance with the Articles of Association;</li> </ol>	<p><b>Article 40</b> The following acts shall not be deemed to be acts as prohibited in <b>Article 38</b> herein:</p> <ol style="list-style-type: none"> <li>(1) the provision of financial assistance where the Company's principal purpose for giving that assistance is genuinely for the Company's interests and not for the purpose of acquiring the Shares, or the provision of such assistance is incidental to some broader objective of the Company;</li> <li>(2) the lawful distribution of the Company's assets by way of dividend;</li> <li>(3) the allotment of bonus shares as dividends;</li> <li>(4) a reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure of the Company effected in accordance with the Articles of Association;</li> </ol>



<u>Original provisions</u>	<u>Amended provisions</u>
<p>(5) the provision of loans by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company); and</p> <p>(6) the Company's contributions to employees' share schemes (provided that the net assets of the Company are not thereby reduced or, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company).</p>	<p>(5) the provision of loans by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company); and</p> <p>(6) the Company's contributions to employees' share schemes (provided that the net assets of the Company are not thereby reduced or, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company).</p>
<p><b>Article 38</b> Share certificates of the Company shall be in registered form.</p> <p>In addition to those provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.</p> <p>During the listing of the Company's H shares on the Hong Kong Stock Exchange, the Company shall at any time ensure that the following statements are included in all title documents (including H shares certificates) relating to its securities listed on the Hong Kong Stock Exchange, and shall instruct and cause its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any individual holder unless and until such holder delivers to such share registrar a completed and signed form in respect of such shares bearing the following statements:</p> <p>(1) the purchaser of the shares and the Company and each of the shareholders, and the Company and each of the shareholders agree to observe and comply with the requirements of the Company Law and other relevant laws, administrative regulations, the Special Regulations and the Articles of Association;</p>	<p><b>Article 41</b> Share certificates of the Company shall be in registered form.</p> <p>In addition to those provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.</p> <p>During the listing of the Company's H shares on the Hong Kong Stock Exchange, the Company shall at any time ensure that the following statements are included in all title documents (including H shares certificates) relating to its securities listed on the Hong Kong Stock Exchange, and shall instruct and cause its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any individual holder unless and until such holder delivers to such share registrar a completed and signed form in respect of such shares bearing the following statements:</p> <p>(1) the purchaser of the shares and the Company and each of the shareholders, and the Company and each of the shareholders agree to observe and comply with the requirements of the Company Law and other relevant laws, administrative regulations, the Special Regulations and the Articles of Association;</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p>(2) the purchaser of the shares agrees with the Company, each of the Company's shareholders, directors, supervisors and senior management officers of the Company, and the Company, acting on behalf of itself and each of the directors, supervisors and senior management officers of the Company, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims of rights in relation to the Company's affairs arising from the Articles of Association or any rights or obligations under the Company Law or other relevant laws or administrative regulations in accordance with the provisions of the Articles of Association, and that any referral to arbitration shall be deemed as an authorization to an arbitral court to hold a public hearing and announce its arbitration award to the public. Such award shall be final and conclusive;</p> <p>(3) the purchaser of the shares agrees with the Company and each of the shareholders of the Company that the shares of the Company may be freely transferable by the holder;</p> <p>(4) the purchaser of the shares authorizes the Company to enter into a contract on his behalf with each of the directors and senior management officers, pursuant to which the directors and senior management officers undertake to observe and fulfill their responsibilities under the Articles of Association to the shareholders.</p>	<p>(2) the purchaser of the shares agrees with the Company, each of the Company's shareholders, directors, supervisors and senior management officers of the Company, and the Company, acting on behalf of itself and each of the directors, supervisors and senior management officers of the Company, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims of rights in relation to the Company's affairs arising from the Articles of Association or any rights or obligations under the Company Law or other relevant laws or administrative regulations in accordance with the provisions of the Articles of Association, and that any referral to arbitration shall be deemed as an authorization to an arbitral court to hold a public hearing and announce its arbitration award to the public. Such award shall be final and conclusive;</p> <p>(3) the purchaser of the shares agrees with the Company and each of the shareholders of the Company that the shares of the Company may be freely transferable by the holder;</p> <p>(4) the purchaser of the shares authorizes the Company to enter into a contract on his behalf with each of the directors and senior management officers, pursuant to which the directors and senior management officers undertake to observe and fulfill their responsibilities under the Articles of Association to the shareholders.</p>
<p><b>Article 39</b> The shares of the Company may be transferred, donated, inherited and pledged in accordance with the relevant laws, administrative regulations and the Articles of Association. The documents of transfer and other documents in relation to the ownership of shares shall be registered with the share registrar entrusted by the Company.</p>	<p>[Deleted]</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 41</b> The Company shall maintain a register of shareholders and register the following particulars:</p> <ol style="list-style-type: none"> <li>(1) the name, address (residence), occupation or nature of each shareholder;</li> <li>(2) the class and number of shares held by each shareholder;</li> <li>(3) the amount paid-up or payable in respect of shares held by each shareholder;</li> <li>(4) the serial numbers of the shares held by each shareholder;</li> <li>(5) the date on which each shareholder registers as a shareholder;</li> <li>(6) the date on which each shareholder ceases to be a shareholder.</li> </ol> <p>The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company, except with evidence to prove the contrary.</p>	<p><b>Article 43</b> The Company shall maintain a register of shareholders and register the following particulars:</p> <ol style="list-style-type: none"> <li>(1) the name, address (residence), occupation or nature of each shareholder;</li> <li>(2) the class and number of shares held by each shareholder;</li> <li>(3) the amount paid-up or payable in respect of shares held by each shareholder;</li> <li>(4) the serial numbers of the shares held by each shareholder;</li> <li>(5) the date on which each shareholder registers as a shareholder;</li> <li>(6) the date on which each shareholder ceases to be a shareholder.</li> <li><b><u>(7) the restrictions such as pledge, freezing and other prohibition imposed on shares held by shareholders.</u></b></li> </ol> <p>The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company, except with evidence to prove the contrary.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 42</b> Subject to the Articles of Association and other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of shareholders.</p> <p>All instruments of transfer and other documents related to the ownership of any H shares or affecting the ownership of any H shares shall be registered. If any fees are charged in respect of such registration, such fees shall not exceed the highest fees as prescribed by the Hong Kong Stock Exchange.</p> <p>Where two or more than two persons are registered as joint holders of any shares, they should be deemed as joint owners of such shares and subject to the following restrictions:</p> <ol style="list-style-type: none"> <li>(1) the restricted number of holders jointly registered shall not exceed four if the Company is entitled to restrict the number of shareholders of joint holders account;</li> <li>(2) all joint holders of any shares shall jointly and severally assume obligation for all amounts payable for relevant shares;</li> <li>(3) if one of the joint holders deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. The Board of Directors shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate of the relevant shareholder where it deems appropriate to do so; and</li> </ol>	<p><b>Article 44</b> Subject to the Articles of Association and other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of shareholders.</p> <p>All instruments of transfer and other documents related to the ownership of any H shares or affecting the ownership of any H shares shall be registered. If any fees are charged in respect of such registration, such fees shall not exceed the highest fees as prescribed by the Hong Kong Stock Exchange.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p>(4) in case of joint holders of any shares, only the joint holder that is listed first in the register of shareholders shall be entitled to take relevant shares, receive notices of the Company, and attend the shareholders' general meetings of the Company or exercise the full voting right of the relevant shares. Any notice served to the aforesaid person shall be deemed as having been served to all the joint holders of the relevant shares. Any one of the joint holders may sign a proxy form, but if more than one joint holder attends the shareholders' general meeting in person or by proxy, the resolution made by the joint holder with priority shall be accepted as the sole resolution made on behalf of other joint holders (regardless of whether it is made in person or by proxy). In this respect, the priority of shareholders shall be determined according to the order of ranking of the joint holders of relevant shares in the register of shareholders.</p>	
<p><b>Article 47</b> Shares held by promoters of the Company shall not be transferred within one year after the Company's establishment. Shares of the Company that have been issued before public offering shall not be transferred within one year commencing from the date on which the shares of the Company are listed and traded on a stock exchange.</p> <p>The directors, supervisors and senior management officers of the Company shall report to the Company the number of shares held by them in the Company and the subsequent changes in their shareholdings. The number of shares which such persons may transfer every year during their terms of office shall not exceed 25% of the total number of the Company's shares in his or her possession. Such personnel shall not transfer the Company's shares in their possession within half a year after they have terminated their employment with the Company. Such restrictions shall comply with the relevant provisions of the Main Board Listing Rules if H Shares are involved.</p>	<p><b>Article 49</b> Shares held by promoters of the Company shall not be transferred within one year after the Company's establishment. Shares of the Company that have been issued before public offering shall not be transferred within one year commencing from the date on which the shares of the Company are listed and traded on a stock exchange.</p> <p>The directors, supervisors and senior management officers of the Company shall report to the Company the number of shares held by them in the Company and the subsequent changes in their shareholdings. The number of shares which such persons may transfer every year during their terms of office shall not exceed 25% of the total number of the Company's shares in his or her possession. Such personnel shall not transfer the Company's shares in their possession within half a year after they have terminated their employment with the Company. Such restrictions shall comply with the relevant provisions of the <u>HKEx</u> Listing Rules if H Shares are involved.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 49</b> No share transfer may be entered in the register of shareholders within 30 days prior to the date of a shareholders' general meeting or within 5 days before the record date set by the Company for the purpose of distribution of dividends.</p>	<p><b>Article 51</b> <u>Where the laws, administrative regulations, departmental rules and securities regulatory rules in the place where the Company's shares are listed stipulate the period of closure of the register of shareholders</u> before the date of the general meeting or before the record date set by the Company for the purpose of distribution of dividends, <u>such provisions shall prevail.</u></p>
<p><b>Article 55</b> A shareholder of the Company is a person who lawfully holds shares in the Company and whose name is entered in the register of shareholders.</p> <p>A shareholder shall enjoy rights and assume obligations according to the class and numbers of shares held by him; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. All classes of shareholders of the Company shall rank pari passu over any distribution by way of dividend or any other forms of distribution.</p> <p>All classes of shareholders of the Company shall have equal rights in any distribution in the form of a dividend or any other form.</p> <p>A shareholder of legal person shall appoint its legal representative or a proxy authorized by the legal representative to exercise its rights on its behalf. The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attaching to any shares of the Company by reason only that persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.</p>	<p><b>Article 57</b> A shareholder of the Company is a person who lawfully holds shares in the Company and whose name is entered in the register of shareholders.</p> <p>A shareholder shall enjoy rights and assume obligations according to the class and numbers of shares held by him; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.</p> <p>A shareholder of legal person shall appoint its legal representative or a proxy authorized by the legal representative to exercise its rights on its behalf. The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attaching to any shares of the Company by reason only that persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 56</b> Holders of ordinary shares of the Company shall have the following rights:</p> <ol style="list-style-type: none"> <li>(1) the right to receive dividends and other distributions in proportion to the number of shares held;</li> <li>(2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend and vote on his behalf at shareholders' general meetings in proportion to the number of shares held in accordance with laws;</li> <li>(3) the right to supervise and manage the Company's business operations, and to put forward proposals and raise inquiries;</li> <li>(4) the right to transfer, give or pledge the shares held in accordance with laws, administrative regulations and the Articles of Association;</li> <li>(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including: <ol style="list-style-type: none"> <li>1. a copy of the Articles of Association upon payment of a reasonable charge;</li> <li>2. the right to inspect for free or the right to inspect and copy subject to payment of a reasonable charge: <ol style="list-style-type: none"> <li>(1) a copy of register of all classes of shareholders;</li> </ol> </li> </ol> </li> </ol>	<p><b>Article 58</b> Holders of ordinary shares of the Company shall have the following rights:</p> <ol style="list-style-type: none"> <li>(1) the right to receive dividends and other distributions in proportion to the number of shares held;</li> <li>(2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend and vote on his behalf at shareholders' general meetings in proportion to the number of shares held in accordance with laws;</li> <li>(3) the right to supervise and manage the Company's business operations, and to put forward proposals and raise inquiries;</li> <li>(4) the right to transfer, give or pledge the shares held in accordance with laws, administrative regulations and the Articles of Association;</li> <li>(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including: <ol style="list-style-type: none"> <li>1. a copy of the Articles of Association upon payment of a reasonable charge;</li> <li>2. the right to inspect for free or the right to inspect and copy subject to payment of a reasonable charge: <ol style="list-style-type: none"> <li>(1) a copy of register of all classes of shareholders;</li> </ol> </li> </ol> </li> </ol>

Original provisions	Amended provisions
<p>(2) personal particulars of directors, supervisors, general manager and other senior management officers of the Company, including;</p> <p>(a) present name and alias and any former name and alias;</p> <p>(b) principal address (domicile);</p> <p>(c) nationality;</p> <p>(d) primary and all other part-time occupations and positions;</p> <p>(e) identity document and numbers thereof.</p> <p>(3) a report on the state of the issued share capital of the Company;</p> <p>(4) the latest audited financial statements of the Company, and the reports of directors, auditors and supervisors;</p> <p>(5) special resolutions of the Company;</p> <p>(6) reports showing the quantity and par value in respect of each class of shares repurchased by the Company since the end of the last financial year, the aggregate amount paid by the Company for this purpose, and the maximum and minimum prices paid in respect of each class of securities repurchased (with a breakdown between domestic shares and foreign shares); the latest audited financial statements of the Company;</p>	<p>(2) personal particulars of directors, supervisors, general manager and other senior management officers of the Company, including;</p> <p>(a) present name and alias and any former name and alias;</p> <p>(b) principal address (domicile);</p> <p>(c) nationality;</p> <p>(d) primary and all other part-time occupations and positions;</p> <p>(e) identity document and numbers thereof.</p> <p>(3) a report on the state of the issued share capital of the Company;</p> <p>(4) the latest audited financial statements of the Company, and the reports of directors, auditors and supervisors;</p> <p>(5) special resolutions of the Company;</p> <p>(6) reports showing the quantity and par value in respect of each class of shares repurchased by the Company since the end of the last financial year, the aggregate amount paid by the Company for this purpose, and the maximum and minimum prices paid in respect of each class of securities repurchased (with a breakdown between domestic shares and foreign shares); the latest audited financial statements of the Company;</p>



Original provisions	Amended provisions
<p>(7) minutes of the shareholders' general meetings (for shareholders' review only);</p> <p>(8) corporate bond counterfoils, minutes of shareholders' general meetings (for shareholders' inspection only), special resolutions of shareholders' general meetings, resolutions of the Board and resolutions of the Supervisory Committee of the Company;</p> <p>(9) copy of the latest annual inspection report filed with the State Administration for Industry &amp; Commerce of the PRC or other competent authorities.</p>	<p>(7) minutes of the shareholders' general meetings (for shareholders' review only);</p> <p>(8) corporate bond counterfoils, minutes of shareholders' general meetings (for shareholders' inspection only), special resolutions of shareholders' general meetings, resolutions of the Board and resolutions of the Supervisory Committee of the Company;</p> <p>(9) copy of the latest annual inspection report filed with the State Administration for Industry &amp; Commerce of the PRC or other competent authorities.</p>
<p>The Company shall deposit the documents in clauses (1) to (9) above (other than clause (2)) and other applicable documents at its Hong Kong address as required by the Main Board Listing Rules available for free inspection of the public and the holders of overseas-listed foreign shares.</p>	<p>The Company shall deposit the documents in clauses (1) to (9) above (other than clause (2)) and other applicable documents at its Hong Kong address as required by the <b>HKEx</b> Listing Rules available for free inspection of the public and the holders of overseas-listed foreign shares.</p>
<p>The Company may refuse any inspecting or copying request which involves commercial secrets and insider information on the Company and privacy of relevant personnel.</p>	<p>The Company may refuse any inspecting or copying request which involves commercial secrets and insider information on the Company and privacy of relevant personnel.</p>
<p>(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company according to the number of shares held;</p>	<p>(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company according to the number of shares held;</p>
<p>(7) with respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;</p>	<p>(7) with respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;</p>
<p>(8) shareholders individually or jointly holding 3% or more of the Company's shares can make a provisional motion in writing to the Board of Directors 10 days before the date of shareholders' general meeting;</p>	<p>(8) shareholders individually or jointly holding 3% or more of the Company's shares can make a provisional motion in writing to the Board of Directors 10 days before the date of shareholders' general meeting;</p>
<p>(9) any other rights conferred by laws, administrative regulations, departmental rules or the Articles of Association.</p>	<p>(9) any other rights conferred by laws, administrative regulations, departmental rules or the Articles of Association.</p>

Original provisions	Amended provisions
/	<p><u>Article 59 Where a shareholder requests to inspect the relevant information as mentioned in Article 58 or asks for relevant documents, he/she shall provide the Company with documents showing the class and number of shares he/she holds. The Company shall provide such information as requested by the shareholder whose identification has been verified.</u></p>
/	<p><u>Article 60 If any resolution of a shareholders' general meeting or board meeting is in violation of the laws and administrative regulations, the shareholders shall have the right to request the court to invalidate the said resolution.</u></p> <p><u>If the meeting convening procedures and voting methods of the shareholders' general meetings or board meetings of the Company are in violation of the laws, administrative regulations or these Articles of Association, if the contents of any resolution are in breach of these Articles of Association, the shareholders shall have the right to request the court to annul the said procedures, methods or resolutions within 60 days after the date of the resolution.</u></p>
/	<p><u>Article 61 Where any director or member of the senior management personnel violates any laws or these Articles of Association in his/her performance of duties and powers and thereby causes any loss to the Company, shareholders who individually or jointly hold 1% or more of the Company's shares for 180 days consecutively or more may request the Supervisory Committee in writing to file a lawsuit with the people's court. Where the Supervisory Committee violates any laws or these Articles of Association in its performance of duties and powers and thereby causes any loss to the Company, shareholders may request the board of directors in writing to file a lawsuit with the people's court.</u></p> <p><u>Where the Supervisory Committee or the board of directors refuses to file a lawsuit upon receipt of an aforementioned written request in the preceding paragraph, or where it fails to file a lawsuit within 30 days upon receipt of the request, or where it is in an emergency that the failure to initiate a lawsuit immediately may cause irretrievable damage to the interests of the Company, the aforementioned shareholders in the preceding paragraph shall have the right to directly file a lawsuit with the people's court in his/her own name to protect the interest of the Company.</u></p> <p><u>In the event that the legitimate rights and interests of the Company are impaired and losses are incurred thereof, the aforementioned shareholders in the first paragraph of this Article shall have the right to file a lawsuit with the people's court in accordance with the provisions in the preceding two paragraphs of this Article.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
/	<b>Article 62</b> <u>Where any director or member of the senior manager personnel does any act jeopardizing the shareholders' interests by violating any laws or these Articles of Association, shareholders shall have the right to file a lawsuit with the people's court.</u>
<p><b>Article 57</b> Holders of ordinary shares of the Company shall assume the following obligations:</p> <ol style="list-style-type: none"> <li>(1) to abide by the laws, administrative regulations and the Articles of Association;</li> <li>(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;</li> <li>(3) to assume liability of the Company based on the shares held by them;</li> <li>(4) not to withdraw their fund contribution after approval and registration by the Company, except as provided in laws and regulations;</li> <li>(5) other obligations imposed by laws, administrative regulations and the Articles of Association.</li> </ol> <p>Unless otherwise specified, shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.</p>	<p><b>Article 63</b> Holders of ordinary shares of the Company shall assume the following obligations:</p> <ol style="list-style-type: none"> <li>(1) to abide by the laws, administrative regulations and the Articles of Association;</li> <li>(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;</li> <li>(3) not to <u>surrender the shares</u> after approval and registration by the Company, except as provided in laws and regulations;</li> <li>(4) <u>not to abuse shareholder's rights and harm the interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of the shareholders to impair the interests of creditors of the Company;</u></li> </ol> <p><u>Where the shareholder's abuse of its power causes damage to other shareholders, such shareholder shall be liable to compensation in accordance with the laws.</u></p> <p><u>Where the shareholder has abused the Company's independent legal person status and shareholder's limited liability for debt evasion and caused serious damage to the creditor's interests, such shareholder shall bear joint liability for the debts of the Company.</u></p> <ol style="list-style-type: none"> <li>(5) other obligations imposed by laws, administrative regulations and the Articles of Association.</li> </ol> <p>Unless otherwise specified, shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.</p>

Original provisions	Amended provisions
<p><b>Article 58</b> In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:</p> <ol style="list-style-type: none"> <li>(1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;</li> <li>(2) to approve the directors or supervisors (for their own account or for the account of other parties) to deprive the Company of its assets in any manner, including, but not limited to, any opportunity favorable to the Company;</li> <li>(3) to approve the directors or supervisors (for their own account or for the account of other parties) to deprive another shareholder of his personal interest, including, but not limited to, any allocation right and voting right, but excluding any corporate restructuring proposal submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.</li> </ol>	<p><b>Article 64</b> <u>The controlling shareholder and de facto controller of the Company may not take advantage of their related (connected) relationships to harm the interests of the Company, and they shall be held liable for damages if, as a result of violating a regulation, they cause the Company to sustain a loss.</u></p> <p><u>If a shareholder holding more than 5% of the Company's voting shares pledges the shares held by him/her/it, he/she/it shall make a written report to the Company at the date of the event.</u></p> <p><u>The controlling shareholder and de facto controller of the Company bear a fiduciary duty towards the Company and public shareholders. The controlling shareholder shall exercise its/his/her rights as an investor in strict accordance with the laws. The controlling shareholder may not use means such as profit distribution, asset restructuring, investment in a third party, appropriation of funds, loan security, etc. or use its/his/her controlling position to harm the lawful rights and interests of the Company and the public shareholders.</u></p> <p>In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:</p> <ol style="list-style-type: none"> <li>(1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;</li> <li>(2) to approve the directors or supervisors (for their own account or for the account of other parties) to deprive the Company of its assets in any manner, including, but not limited to, any opportunity favorable to the Company;</li> <li>(3) to approve the directors or supervisors (for their own account or for the account of other parties) to deprive another shareholder of his personal interest, including, but not limited to, any allocation right and voting right, but excluding any corporate restructuring proposal submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.</li> </ol>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 61</b> The shareholders' general meeting shall have the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to decide the Company's operational guidelines and investment schemes;</li> <li>(2) to elect and remove directors and supervisors not being staff representatives and to determine matters relating to the remuneration of the directors and the supervisors;</li> <li>(3) to consider and approve the reports of the Board of Directors;</li> <li>(4) to consider and approve the reports of the Supervisory Committee;</li> <li>(5) to consider and approve the Company's annual financial budgets and final accounts;</li> <li>(6) to consider and approve the Company's profit distribution plan and plan for recovery of losses;</li> <li>(7) to resolve on increase or reduction in the Company's registered capital;</li> <li>(8) to resolve on the issue of debentures, any kind of shares, warrants or other similar securities by the Company;</li> <li>(9) to resolve on the merger, demerger, dissolution, liquidation or change of form of business of the Company;</li> <li>(10) to formulate and amend the Articles of Association;</li> <li>(11) to consider the motions put forward by shareholders individually or jointly holding 5% or more of the Company's shares with voting rights;</li> <li>(12) to decide the engagement, re-appointment or dismissal of the accounting firms;</li> <li>(13) to consider and approve the external guarantees subject to the approval of the shareholders' general meeting;</li> </ol>	<p><b>Article 67</b> The shareholders' general meeting shall have the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to decide the Company's operational guidelines and investment schemes;</li> <li>(2) to elect and remove directors and supervisors not being staff representatives and to determine matters relating to the remuneration of the directors and the supervisors;</li> <li>(3) to consider and approve the reports of the Board of Directors;</li> <li>(4) to consider and approve the reports of the Supervisory Committee;</li> <li>(5) to consider and approve the Company's annual financial budgets and final accounts;</li> <li>(6) to consider and approve the Company's profit distribution plan and plan for recovery of losses;</li> <li>(7) to resolve on increase or reduction in the Company's registered capital;</li> <li>(8) to resolve on the issue of debentures, any kind of shares, warrants or other similar securities by the Company;</li> <li>(9) to resolve on the merger, demerger, dissolution, liquidation or change of form of business of the Company;</li> <li>(10) to amend the Articles of Association;</li> <li>(11) to consider the motions put forward by shareholders individually or jointly holding <b>3%</b> or more of the Company's shares with voting rights;</li> <li>(12) to decide the engagement, re-appointment or dismissal of the accounting firms;</li> <li>(13) to consider and approve the external guarantees subject to the approval of the shareholders' general meeting;</li> </ol>

<u>Original provisions</u>	<u>Amended provisions</u>
<p>(14) to consider the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(15) to consider the share incentive plan;</p> <p>(16) to consider and approve matters on change of the use of proceeds;</p> <p>(17) to consider and approve any other matters to be resolved thereby as required by laws, administrative regulations and the Articles of Association;</p> <p>(18) to consider and approve other matters as required by the listing rules of the stock exchange of the locality on which the Company's shares are listed.</p>	<p>(14) to consider the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;</p> <p>(15) to consider the share incentive plan;</p> <p>(16) to consider and approve matters on change of the use of proceeds;</p> <p>(17) to consider and approve any other matters to be resolved thereby as required by laws, administrative regulations and the Articles of Association;</p> <p>(18) to consider and approve other matters as required by the listing rules of the stock exchange of the locality on which the Company's shares are listed.</p>
<p>The shareholders' general meeting may authorize or delegate the Board of Directors to transact the matters authorized or delegated by it, including but not limited to carrying out the following matters at the annual general meeting:</p> <p>Subject to the applicable laws, regulations and listing rules, to give a general mandate to the Board of Directors to issue, allot and deal with additional H shares not exceeding 20% of the H shares of the Company in issue (or other proportions as required by the applicable laws, regulations and listing rules) and authorize the Board of Directors to make corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares;</p> <p>To authorize the Board of Directors, within the cap amount of debt issuance, to determine the specific terms and the relevant matters in relation to the issuance of the debt financing instrument(s) such as domestic short-term financial instruments, mid-term financial notes, corporate bonds, overseas USD bonds in accordance with the needs of production, operation and capital expenditure as well as the market conditions, including but not limited to the determination of the value, interest rate, term, targeted group and use of proceeds of the bond(s), as well as the preparation for, execution and disclosure of all necessary documents thereof subject to the aforementioned limits.</p>	<p><b><u>Subject to the laws, regulations and mandatory provisions of the listing rules of the listing place</u></b>, the shareholders' general meeting may authorize or delegate the Board of Directors to transact the matters authorized or delegated by it, including but not limited to at the annual general meeting.</p>

Original provisions	Amended provisions
<p><b>Article 63</b> The following guarantees provided to third parties by the Company shall be subject to consideration and approval at general meetings:</p> <p>(1) any guarantee provided after the total amount of guarantees provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;</p> <p>(2) any guarantee provided after the total amount of guarantees provided by the Company has reached or exceeded 30% of the latest audited total assets;</p> <p>(3) a guarantee provided to a party whose asset-liability ratio is higher than 70%;</p> <p>(4) a single guarantee, the amount of which exceeds 10% of the latest audited net assets;</p> <p>(5) a guarantee provided to shareholders, de facto controller and their related/connecting parties;</p> <p>(6) other provisions of guarantees that are required to be submitted to the general meeting for approval as prescribed by the laws and the Articles of Association. The provision of guarantee to third parties other than as mentioned above shall be subject to the consideration and approval of the board of directors as authorized by the general meeting.</p>	<p><b>Article 69</b> The following guarantees provided to third parties by the Company shall be subject to consideration and approval at general meetings:</p> <p>(1) <u>a single guarantee, the amount of which exceeds 10% of the Company's latest audited net assets;</u></p> <p>(2) any guarantee <b>provided</b> after the total amount of guarantees provided by the Company <b>and its controlled subsidiaries</b> exceeds <u>50%</u> of the Company's latest audited <u>net assets</u>;</p> <p>(3) a guarantee provided to a party whose asset-liability ratio is higher than 70%;</p> <p>(4) <u>guarantees of which the guaranteed amount in the twelve consecutive months exceeds 50% of the Company's latest audited net assets and the absolute amount exceeds RMB50 million;</u></p> <p>(5) <u>guarantees of which the guaranteed amount in the twelve consecutive months exceeds 30% of the Company's latest audited total assets;</u></p> <p>(6) a guarantee provided to shareholders, de facto controller and their related/connecting parties;</p>



Original provisions	Amended provisions
	<p>(7) <u>other guarantees as specified by the stock exchanges where the Company's shares are listed and the Articles of Association. The provision of security for third parties other than as mentioned above shall be subject to the review and approval of the Board of Directors as authorized by the general meeting. When the board of directors considers the guarantee matters, such matters shall be passed by approval of two-thirds or more of the directors present at the board meeting. When the general meeting considers the guarantee matters in item (5) of the first paragraph, such matters shall be passed by approval of two-thirds or more of the voting rights held by the shareholders present at the meeting.</u></p> <p><u>The "external guarantee" in these Articles of Association refers to the guarantee provided by the Company to others, including the guarantee provided by the Company to its controlled subsidiaries. The "total amount of guarantees provided by the Company and its controlled subsidiaries" refers to the sum of the total external guarantees provided by the Company (including the guarantees provided by the Company to its controlled subsidiaries) and the total external guarantees provided by the Company's controlled subsidiaries.</u></p> <p><u>When the general meeting considers the resolution regarding guarantees provided to shareholders, de facto controllers and their related parties, such shareholders or shareholders controlled by the de facto controllers shall not participate in the voting, and such resolution shall be passed by approval of half or more of the voting rights held by other shareholders present at the general meeting.</u></p> <p><u>If the Company provides guarantees for a wholly-owned subsidiary or guarantees for a controlled subsidiary and other shareholders of such subsidiary would provide guarantees in proportion to their rights and interests, and such guarantees fall within the scope of items (1) to (4) of the first paragraph of this Article, they can be exempted from being submitted to the general meeting for consideration, except as otherwise stipulated in the Articles of Association.</u></p>



Original provisions	Amended provisions
<p><b>Article 65</b> A general meeting shall either be an annual general meeting or an extraordinary general meeting. Annual general meetings shall be held once every year and within 6 months from the close of the preceding accounting year.</p> <p>Extraordinary general meetings shall be convened as and when necessary. The Board of Directors shall convene an extraordinary general meeting within 2 months from the occurrence of any of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) when the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;</li> <li>(2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;</li> <li>(3) where any shareholder(s) holding individually or collectively 10% or more of the Company's shares request(s) in writing for the convening of an extraordinary general meeting;</li> <li>(4) when deemed necessary by the Board of Directors or when requested by the Supervisory Committee;</li> <li>(5) when proposed by two or more of independent non-executive directors;</li> <li>(6) other situations stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the locality where the Company's shares are listed or the Articles of Association.</li> </ol> <p>In any of the circumstances referred to in subparagraphs (3), (4) and (5) above, the matter for consideration proposed by the party requesting the holding of the extraordinary general meeting shall be included in the agenda of such meeting.</p>	<p><b>Article 71</b> A general meeting shall either be an <b>annual general meeting</b> or an extraordinary general meeting. <b>Annual general meetings</b> shall be held once every year and within 6 months from the close of the preceding accounting year.</p> <p><b>The Company</b> shall convene an extraordinary general meeting within 2 months from the date of <b>occurrence</b> of <b>any one of the following circumstances</b>:</p> <ol style="list-style-type: none"> <li>(1) when the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;</li> <li>(2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;</li> <li>(3) where any shareholder(s) holding individually or collectively 10% or more of the Company's shares request(s) in writing for the convening of an extraordinary general meeting;</li> <li>(4) when deemed necessary by the Board of Directors or when requested by the Supervisory Committee;</li> <li>(5) when proposed by two or more of independent non-executive directors;</li> <li>(6) other situations stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the locality where the Company's shares are listed or the Articles of Association.</li> </ol> <p>In any of the circumstances referred to in subparagraphs (3), (4) and (5) above, the matter for consideration proposed by the party requesting the holding of the extraordinary general meeting shall be included in the agenda of such meeting.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
/	<p data-bbox="809 329 1388 776"><u>Article 72 The right to propose to the Board of Directors that an extraordinary general meeting be convened shall be exercised by two or more of the independent non-executive directors of the Company together. The independent non-executive directors' proposal that an extraordinary general meeting be convened shall be in writing. Concerning the above request, the Board of Directors shall, in accordance with the law and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.</u></p> <p data-bbox="809 808 1388 1032"><u>If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. If the Board of Directors does not agree to convene an extraordinary general meeting, it shall explain the reasons in writing and make an announcement accordingly.</u></p>
/	<p data-bbox="809 1053 1388 1404"><u>Article 73 The Supervisory Committee is entitled to propose an extraordinary general meeting to the Board of Directors, which shall be made in writing. Concerning the above request, the Board of Directors shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.</u></p> <p data-bbox="809 1436 1388 1627"><u>If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days of the decision. Any changes made to the original request in the notice shall be agreed by the Supervisory Committee.</u></p> <p data-bbox="809 1659 1388 1915"><u>If the Board of Directors disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, it shall be deemed as failing or not discharging its duties to convene the general meeting. The Supervisory Committee shall then be entitled to convene and hold the meeting itself.</u></p>

Original provisions	Amended provisions
<p><b>Article 66</b> Shareholders requesting the convening of extraordinary general meetings or class meetings shall follow the procedures listed below:</p> <ol style="list-style-type: none"> <li>(1) two or more Shareholder(s) individually or collectively holding 10% or more of the shares carrying voting rights at the meeting to be convened may, by signing one or more counterpart written requisition(s) stating the object of the meeting, require the Board to convene an extraordinary general meeting or a class shareholders' meeting. The Board shall as soon as possible after receipt of such written requisition(s) proceed to so convene the extraordinary general meeting or class shareholders' meeting. The shareholdings referred to above shall be calculated as at the date of the delivery of the written requisition(s).</li> <li>(2) Where the Board fails to issue notice of convening meeting within 30 days upon receipt of the above written request, the requesting shareholder(s) may request the Supervisory Committee to convene the extraordinary general meeting or class shareholders' meeting.</li> <li>(3) Where the Supervisory Committee fails to issue notice of convening meeting within 30 days upon receipt of the above written request, shareholder(s), for more than 90 consecutive days, individually or collectively holding more than 10% of the shares carrying voting rights at the meeting to be convened may convene the meeting on their own accord within four months upon the Board having received such request. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.</li> </ol> <p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors and Supervisory Committee to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.</p>	<p><b>Article 74</b> Shareholders requesting the convening of extraordinary general meetings or class meetings shall follow the procedures listed below:</p> <ol style="list-style-type: none"> <li>(1) two or more Shareholder(s) individually or collectively holding 10% or more of the shares carrying voting rights at the meeting to be convened may, by signing one or more counterpart written requisition(s) stating the object of the meeting, require the Board of Directors to convene an extraordinary general meeting or a class shareholders' meeting. <b><u>The Board of Directors shall, in accordance with the laws, administrative regulations and these Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting or class shareholders' meeting within ten days upon receiving such requisition(s).</u></b></li> <li>(2) <b><u>In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such requisition(s), shareholder(s) individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the Supervisory Committee to convene the extraordinary general meeting or class shareholders' meeting, provided that such proposal shall be made in writing.</u></b></li> <li>(3) <b><u>In the event that the Supervisory Committee agrees to convene an extraordinary general meeting, the notice of the general meeting or class shareholders' meeting shall be issued within five days after receiving such proposal. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned.</u></b></li> </ol> <p><b><u>Failure of the Supervisory Committee to issue the notice of the general meeting within required time frame shall be deemed as failure of the Supervisory Committee to convene and preside over a general meeting, in which case, shareholder(s) individually or collectively holding 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on its/his/her/their own.</u></b></p>

<u>Original provisions</u>	<u>Amended provisions</u>
	<p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors and Supervisory Committee to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.</p>
/	<p><b><u>Article 75 In the event that the Supervisory Committee or the shareholder(s) decide(s) to convene the shareholders' general meeting on its/his/her/their own, the Supervisory Committee or the shareholder(s) shall notify the Board of Directors in writing, and file with the branch office of the CSRC at the place where the Company resides and the stock exchange(s).</u></b></p> <p><b><u>The shareholding of the shareholder(s) who convene(s) a shareholders' general meeting shall be no less than 10% prior to the announcement of resolutions of the shareholders' general meeting.</u></b></p> <p><b><u>The convening shareholder(s) shall submit relevant evidencing documents to the branch office of the CSRC at the place where the Company resides as well as the stock exchange(s) upon the issuance of notice of the shareholders' general meeting and announcement of resolutions of the shareholders' general meeting.</u></b></p>
/	<p><b><u>Article 76 The Board of Directors and the secretary to the Board of Directors shall cooperate when the Supervisory Committee or the shareholder(s) proceed to convene(s) a shareholders' general meeting on its/his/her/their own. The Board of Directors shall provide the register of shareholders as at the record date.</u></b></p> <p><b><u>Requisite costs of the meetings convened by the Supervisory Committee or shareholder(s) on its/his/her/their own shall be borne by the Company.</u></b></p>

Original provisions	Amended provisions
<p><b>Article 67</b> To convene a shareholders' general meeting, the Company shall notify all shareholders of the time, place and matters to be considered at the meeting 20 days before the date of meeting; an extraordinary general meeting shall be notified to all shareholders 15 days before the date of meeting.</p> <p>Shareholders individually or jointly holding 3% or more of the Company's shares can make a provisional motion in writing to the Board of Directors 10 days before the date of shareholders' general meeting; the Board of Directors shall notify other shareholders within 2 days after the receipt of such proposal and table the provisional motion to the general meeting for consideration. The contents of the provisional motion shall fall within the scope of duties of the general meeting, with clear topics and specific resolutions.</p> <p>A general meeting shall not transact matters not stated in the two above-mentioned notices of meeting.</p> <p>Unless otherwise provided in the Articles of Association, the notice of the shareholders' general meeting shall be delivered by personal delivery or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the shareholders' general meeting). The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council during 20 days to 25 days prior to the date of the meeting. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>The notice of a shareholders' general meeting served on the holders of overseas-listed foreign shares may be published through the designated websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>	<p><b>Article 77</b> For the <b>Company</b> to convene an <b>annual</b> general meeting, the <b>convener</b> shall notify all shareholders of the time, place and matters to be considered at the meeting 20 days before the date of meeting; an extraordinary general meeting shall be notified to all shareholders 15 days before the date of meeting. <b><u>The calculation of relevant time frame is exclusive of the date on which such meeting is held.</u></b></p> <p><b>Article 78</b> <b><u>The contents of proposals before the general meeting shall fall within the authority of the general meeting, contain a clear topic and a specific resolution and comply with relevant provisions of laws and these Articles of Association.</u></b></p> <p><b><u>Proposal before the general meeting shall be in writing.</u></b></p> <p><b>Article 79</b> <b><u>The Board, Supervisory Committee and shareholders individually or jointly holding 3% or more of shares in the Company are entitled to make motion(s) at the general meeting.</u></b></p> <p>Shareholders individually or jointly holding 3% or more of the Company's shares can make a provisional motion in writing to the <b>convener</b> 10 days before the date of shareholders' general meeting; the <b>convener</b> shall <b><u>issue a supplemental notice of the general meeting and make a public announcement of the contents of such provisional motion(s)</u></b> and table the provisional motion to the general meeting for consideration. The contents of the provisional motion shall fall within the scope of duties of the general meeting, with clear topics and specific resolutions.</p> <p><b><u>Except as provided in the preceding paragraph, the convener shall not make any changes to the motions set forth in the notice of the general meeting or add any new motions once the notice and announcement of the general meeting have been issued.</u></b></p> <p><b><u>Any motion which is not stated in the notice of shareholders' general meeting or not in compliance with Article 78 of these Articles of Association shall not be voted and passed as resolutions at the shareholders' general meeting.</u></b></p>

<u>Original provisions</u>	<u>Amended provisions</u>
	<p>Unless otherwise provided in the Articles of Association, the notice of the shareholders' general meeting shall be delivered by personal delivery or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the shareholders' general meeting). The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.</p> <p>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>The notice of a shareholders' general meeting served on the holders of overseas-listed foreign shares may be published through the designated websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>
<p><b>Article 68</b> Notice of a shareholders' general meeting shall:</p> <ol style="list-style-type: none"> <li>(1) be in writing;</li> <li>(2) specify the time, place and date of the meeting;</li> <li>(3) set out the matters to be considered at the meeting;</li> <li>(4) provide such information and explanation as are necessary for the shareholders to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract (if any), and the cause and effect of such proposal shall be properly described;</li> </ol>	<p><b>Article 80</b> Notice of a shareholders' general meeting shall:</p> <ol style="list-style-type: none"> <li>(1) be in writing;</li> <li>(2) specify the time, place and date of the meeting;</li> <li>(3) set out the matters to be considered at the meeting;</li> <li>(4) provide such information and explanation as are necessary for the shareholders to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract (if any), and the cause and effect of such proposal shall be properly described;</li> </ol>

<u>Original provisions</u>	<u>Amended provisions</u>
<p>(5) disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other 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 other senior management officer in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;</p> <p>(6) set out the full text of any special resolution proposed to be passed at the meeting;</p> <p>(7) contain conspicuously a statement that a shareholder entitled to attend and vote have the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder of the Company;</p> <p>(8) specify the time and place for lodging proxy forms for the relevant meeting.</p>	<p>(5) disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other 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 other senior management officer in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;</p> <p>(6) set out the full text of any special resolution proposed to be passed at the meeting;</p> <p>(7) contain conspicuously a statement that <b><u>all shareholders are entitled to attend the general meeting</u></b> and 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 of the Company;</p> <p>(8) specify the time and place for lodging proxy forms for the relevant meeting.</p> <p><b><u>(9) specify the record date for shareholders who are entitled to attend the shareholders' general meeting;</u></b></p> <p><b><u>(10) specify the name and telephone number of the contact person for the meeting.</u></b></p>
/	<p><b><u>Article 87 The Company shall be responsible for preparing the meeting register of the attending persons. The meeting register shall contain the names (or names of the legal persons), ID card numbers, addresses of the residence, the number of shares held or represented with voting rights, the names of the principals (or names of the legal persons) and other matters.</u></b></p>



<u>Original provisions</u>	<u>Amended provisions</u>
/	Article 88 <u>The convener and the legal advisers retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the name of the shareholders together with the number of voting shares in their possession. Before the presider of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of voting shares in their possession, registration for the meeting shall be ended.</u>
/	Article 89 <u>When convening a shareholders' general meeting, all directors, supervisors and the secretary to the Board of Directors shall attend the meeting in person while the managers and other senior management personnel shall be in attendance the meeting as non-voting participants.</u>



Original provisions	Amended provisions
<p><b>Article 75</b> A shareholders' general meeting shall be convened and presided by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his duties, the meeting shall be convened and presided over by the vice chairman of the Board of Directors; where both the chairman and the vice chairman of the Board of Directors are unable to attend the meeting, the Board of Directors shall designate a director of the Company to convene and preside over the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including proxy thereof) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting.</p> <p>A shareholders' general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.</p> <p>A shareholders' general meeting convened by the Shareholders themselves shall be presided over by a representative elected by the convener.</p> <p>When a shareholders' general meeting is held and the chairman violates the rules of procedure which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the chairman so as to carry on with the shareholders' general meeting, subject to the approval of more than half of the attending shareholders having the voting rights. If for any reason the shareholders fail to elect a chairman of the meeting, the shareholder (including proxy thereof) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting.</p>	<p><b>Article 90</b> A shareholders' general meeting shall be convened and presided by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his duties, the meeting shall be convened and presided over by the vice chairman of the Board of Directors; where both the chairman and the vice chairman of the Board of Directors <b>are unable to perform or fail to perform their duties, a director shall be jointly elected by half or more of the directors to preside over the meeting.</b></p> <p>A shareholders' general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.</p> <p>A shareholders' general meeting convened by the Shareholders themselves shall be presided over by a representative elected by the convener.</p> <p>When a shareholders' general meeting is held and the presider of the meeting violates the rules of procedure which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the chairman so as to carry on with the shareholders' general meeting, subject to the approval of more than half of the attending shareholders having the voting rights. If for any reason the shareholders fail to elect a presider of the meeting, the shareholder (including proxy thereof) attending the meeting and holding the largest number of shares vested with voting rights shall be the presider of the meeting.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
/	<u>Article 91 The Company shall formulate the Rules of Procedure for General Meetings which shall specify in detail the procedures for convening and voting at general meeting, and cover notification, registration, consideration of proposals, voting, vote counting, announcement of voting results, adoption of meeting resolutions, keeping and signing of meeting minutes, announcement, etc., as well as the principles for the authorization of the Board of Directors by the general meeting. The contents of the authorization shall be clear and specific. The Rules of Procedure for General Meetings shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the general meeting of shareholders.</u>
/	<u>Article 92 The Board of Directors and the Supervisory Committee shall report on their work during the past year to the general meeting at annual general meetings. Each independent non-executive director shall also give a report on the performance of his or her duties.</u>
/	<u>Article 93 The directors, supervisors and senior management members shall provide explanations in response to the queries and suggestions made by shareholders at a general meeting, unless the matter involves trade secrets of the Company that cannot be disclosed at a general meeting.</u>

Original provisions	Amended provisions
/	<p><u>Article 94 The presider of the meeting shall announce the number of shareholders and proxies present at the meeting in person and the total number of voting shares that they hold before a vote is held. The meeting registration shall prevail in respect of the number of shareholders and proxies present at the meeting in person and the total number of voting shares held by them.</u></p> <p><u>Minutes shall be kept of general meetings and the secretary to the Board of Directors shall be responsible therefor.</u></p> <p><u>The meeting minutes shall include:</u></p> <ol style="list-style-type: none"> <li><u>(1) time, place and agenda of the meeting and name of the convener;</u></li> <li><u>(2) name of the presider of the meeting and directors, supervisors, managers and other senior management members present or in attendance at the meeting;</u></li> <li><u>(3) number of the attending shareholders and proxies, the total number of voting shares they represent and the percentage of the total shares of the Company they represent;</u></li> <li><u>(4) the discussions in respect of each proposal, highlights of the speeches made at the meeting and the voting results;</u></li> <li><u>(5) details of the queries or recommendations of the shareholders, and the corresponding answers or explanations;</u></li> <li><u>(6) the name of lawyers, counting officers and scrutinizers;</u></li> <li><u>(7) such other matters which shall be recorded in the meeting minutes in accordance with the Articles of Association.</u></li> </ol>
/	<p><u>Article 95 The convener shall ensure that the meeting minutes are true, accurate and complete. The directors, supervisors and secretary to the Board of Directors who attended the meeting, the convener or his/her representative and the presider of the meeting shall sign the minutes. The meeting minutes shall be kept together with the sign-in register of the shareholders present in person, the instruments of appointment of proxies and valid information on votes cast online or by other means for a period of not less than 10 years.</u></p>

Original provisions	Amended provisions
/	<p><b>Article 96</b> <u>The convener shall ensure that the general meeting continues until the final resolution has been adopted. If a general meeting is suspended or is unable to reach a resolution due to force majeure or other such special reason, necessary measures shall be taken to resume the general meeting as soon as possible or the general meeting shall be directly adjourned and the same announced in a timely manner. At the same time, the convener shall deliver a report to the branch office of the CSRC at the place where the Company resides and the stock exchange(s).</u></p>
<p><b>Article 76</b> Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions.</p> <p>To adopt an ordinary resolution, more than one-half of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.</p> <p>To adopt a special resolution, two-thirds or more of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.</p> <p>A shareholder (including his proxy) attending the meeting shall vote in favor of or against each resolution relating to every matter which has been put to vote at the relevant meeting or cast abstention vote. If a shareholder or his proxy casts abstention vote or abstains from voting, any vote cast by such shareholder or his proxy shall not be counted in the voting results of the Company.</p>	<p><b>Article 97</b> Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions.</p> <p>To adopt an ordinary resolution, <b><u>half or more</u></b> of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.</p> <p>To adopt a special resolution, two-thirds or more of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.</p>
<p><b>Article 77</b> Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one votes upon voting at the shareholders' general meeting. However, shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.</p>	<p><b>Article 98</b> Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one votes upon voting at the shareholders' general meeting.</p> <p><b><u>When a shareholders' general meeting reviews on significant matters which have an impact on the interests of small and medium investors, the voting of medium and small investors shall be counted separately. The result of separate vote counting shall be disclosed publicly in a timely manner.</u></b></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p>Where any shareholder is, under the applicable laws and regulations and the HKEx Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution at any general meeting, any votes cast by such shareholders (or their proxies) in contravention of such requirement or restriction shall not be counted.</p>	<p>Shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.</p> <p><b><u>The Company's Board of Directors, independent non-executive directors and shareholders who meet the relevant regulations may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, they shall fully disclose the specific voting intention and other information to the persons solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.</u></b></p> <p><b><u>When the general meeting reviews matters in relation to related (connected) transactions, the related (connected) shareholders shall not participate in voting. The number of shares with voting rights as represented by such shareholders shall not be counted as part of the total number of valid voting shares. The announcement of the resolutions of the general meeting shall fully disclose the votes of non-related (unconnected) shareholders.</u></b></p> <p>Where any shareholder is, under the applicable laws and regulations and the HKEx Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution at any general meeting, any votes cast by such shareholders (or their proxies) in contravention of such requirement or restriction shall not be counted.</p> <p><b><u>On the premise of ensuring the legality and effectiveness of the general meeting, the Company shall give priority to providing modern information technology means such as a network-based voting platform through various means and channels to facilitate the participation of shareholders in the general meeting.</u></b></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 78</b> At any general meeting of shareholders, a resolution shall be decided on a show of hands unless a poll is demanded by the following persons before or after a vote is carried out by a show of hands:</p> <p>(1) the chairman of the meeting;</p> <p>(2) at least two shareholders present in person or by proxy entitled to vote; and</p> <p>(3) one or more shareholders present in person or by proxy and representing 10% or more shares carrying the right to vote at the meeting individually or jointly. Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution. The demand for a poll may be withdrawn by the person who demands the same.</p>	<p>[Deleted]</p>
<p>/</p>	<p><b>Article 99</b> <u>In addition to the resolutions on procedures or administrative matters of the general meeting as stipulated by the HKEx Listing Rules (which can be made by the presider of the meeting on the principle of good faith and voted by show of hands), the general meeting shall apply the voting methods of disclosed ballot or other methods permitted by the securities regulatory rules of the places where the Company's shares are listed.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 79</b> A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken immediately. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may proceed to discuss other matters. The results of the poll to be taken shall still be deemed to be a resolution of that meeting.</p>	<p><b>Article 100</b> A poll demanded on such matters as the election of <b>presider</b> or the adjournment of the meeting shall be taken immediately. A poll demanded on any other matters shall be taken at such time as the <b>presider</b> may decide, and the meeting may proceed to discuss other matters. The results of the poll to be taken shall still be deemed to be a resolution of that meeting.</p>
<p><b>Article 81</b> In the case of an equality of votes, the chairman of the meeting shall have a casting vote.</p>	<p><b>Article 102</b> In the case of an equality of votes, the <b>presider</b> of the meeting shall have a casting vote.</p>
<p><b>Article 82</b> The following matters shall be resolved by ordinary resolutions at a shareholders' general meeting:</p> <ol style="list-style-type: none"> <li>(1) work reports of the Board of Directors and the Supervisory Committee;</li> <li>(2) plans formulated by the Board of Directors for distribution of profits and for making up losses;</li> <li>(3) appointment or removal of members of the Board of Directors and the Supervisory Committee (except for staff representative supervisors), and their remuneration and manner of payment thereof;</li> <li>(4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;</li> <li>(5) matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.</li> </ol>	<p><b>Article 103</b> The following matters shall be resolved by ordinary resolutions at a shareholders' general meeting:</p> <ol style="list-style-type: none"> <li>(1) work reports of the Board of Directors and the Supervisory Committee;</li> <li>(2) plans formulated by the Board of Directors for distribution of profits and for making up losses;</li> <li>(3) appointment or removal of members of the Board of Directors and the Supervisory Committee (except for staff representative supervisors), and their remuneration and manner of payment thereof;</li> <li>(4) the Company's annual financial budgets and final accounts, <b>the Company's annual report</b>, balance sheets, income statements and other financial statements;</li> <li>(5) matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.</li> </ol>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 83</b> The following matters shall be resolved by special resolutions at a shareholders' general meeting:</p> <ol style="list-style-type: none"> <li>(1) increase in or reduction of the Company's share capital, and issue of shares of any class, warrants and other similar securities;</li> <li>(2) issue of corporate debentures of the Company;</li> <li>(3) demerger, merger, dissolution and liquidation of the Company;</li> <li>(4) change of corporate form of the Company;</li> <li>(5) the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;</li> <li>(6) amendment to the Articles of Association;</li> <li>(7) consideration and implementation of share incentive scheme;</li> <li>(8) any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those approved as an ordinary resolution at a shareholders' general meeting that may have material impact on the Company and are required to be approved by a special resolution;</li> <li>(9) other matters required by the HKEx Listing Rules to be adopted by special resolution.</li> </ol>	<p><b>Article 104</b> The following matters shall be resolved by special resolutions at a shareholders' general meeting:</p> <ol style="list-style-type: none"> <li>(1) increase in or reduction of the Company's share capital, and issue of shares of any class, warrants and other similar securities;</li> <li>(2) issue of corporate debentures of the Company;</li> <li>(3) demerger, merger, dissolution and liquidation of the Company;</li> <li>(4) change of corporate form of the Company;</li> <li>(5) the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;</li> <li>(6) amendment to the Articles of Association;</li> <li>(7) <b><u>repurchase of the shares of the Company;</u></b></li> <li><b><u>(8)</u></b> consideration and implementation of share incentive scheme;</li> <li><b><u>(9)</u></b> any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those approved as an ordinary resolution at a shareholders' general meeting that may have material impact on the Company and are required to be approved by a special resolution;</li> <li><b><u>(10)</u></b> other matters required by the listing rules of the <b><u>stock exchange(s) on which the shares of the Company are listed</u></b> to be adopted by special resolution.</li> </ol>



<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 84</b> All directors, supervisors, general managers and other senior management officers shall attend the shareholders' general meeting as non-voting participants if being requested. The directors, supervisors, general managers and other senior management officers who attend the meeting or attend the meeting as non-voting participants shall make replies or explanation in respect of inquiries of shareholders at the shareholders' general meeting, except for those matters in relation to business secrets of the Company which cannot be made public.</p>	<p>[Deleted]</p>
<p><b>Article 85</b> The chairman of the meeting shall determine whether a resolution at a shareholders' general meeting is passed based on the voting result. His decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting.</p>	<p><b>Article 105</b> The presider of the meeting shall determine whether a resolution at a shareholders' general meeting is passed based on the voting result. His/her decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting.</p>
<p>/</p>	<p><b>Article 106</b> <u>The list of candidates for directors and supervisors (not being staff representatives) shall be submitted to the general meeting for voting by way of proposal.</u></p> <p><u>When the shareholders in the general meeting vote in respect of the election of directors and supervisors (not being staff representatives), a cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or the resolutions of the general meeting.</u></p> <p><u>The "cumulative voting system" as referred above means that when a director or supervisor (not being staff representatives) is elected at the general meeting, each share shall carry the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights owned by the shareholders may be cumulatively used. The Board of Directors shall announce the profile and basic information of each candidate for directors or supervisors to the shareholders.</u></p>
<p>/</p>	<p><b>Article 108</b> <u>In addition to the cumulative voting system, the general meeting shall resolve all the proposals separately. Where there are several proposals for the same matter, such proposals shall be resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolutions can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused to vote at the general meeting.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
/	Article 109 <u>When considering a proposal, the general meeting may not revise it, and should it do so, such amendment shall be deemed as a new proposal and may not be voted on at the current general meeting.</u>
/	Article 110 <u>The same voting right shall only be exercised by one means, either through on-site voting or online voting or other voting means. If the same voting right is exercised by more than one means, the result of the first vote cast shall prevail.</u>
/	<p>Article 111 <u>Before the general meeting votes on proposals, it shall elect two shareholder representatives to count the votes and scrutinize the voting. If any shareholder is interested in the matter to be discussed, the relevant shareholder and its/his/her proxy shall not participate in vote counting or scrutinize the voting.</u></p> <p><u>When a general meeting vote on proposals, the counting of votes and scrutinizing of voting shall be conducted jointly by lawyers, shareholder representatives and supervisor representatives. The voting results shall be announced during the meeting. The voting results shall be contained in the meeting minutes.</u></p> <p><u>A shareholder of the Company or its/his/her proxy, who uses online voting or other voting methods, shall be entitled to verify its/his/her voting results through relevant voting system.</u></p>
/	<p>Article 112 <u>The conclusion of the general meeting on-site cannot be earlier than online voting or other voting methods. The presider of the meeting shall announce the voting circumstances and results of each resolution, and shall also announce whether the resolutions have been passed according to the voting results.</u></p> <p><u>Before the voting results are officially announced, the Company, counting officers, scrutinizers, major shareholders, the online voting service provider and all relevant parties in relation to voting on-site, online voting and otherwise shall be obligated to keep confidential the voting results.</u></p>

Original provisions	Amended provisions
/	<p><b>Article 113</b> A shareholder (including its/his/her proxy) attending the meeting shall vote in favor of or against or abstain from voting on each resolution relating to every matter which has been put to vote at the relevant meeting, except for the declaration by securities registration and settlement institutions as the nominal holders of shares that can be traded through mutual stock market access between the Mainland and Hong Kong, according to the intention of de facto holders.</p> <p>Ballot papers that are left in blank, unduly completed or illegible or that have not been used, are deemed as waiver of voting rights by the voter, and the voting results corresponding to the shares in their possession shall be classified as “Abstain from voting”.</p> <p>If a shareholder or its/his/her proxy casts abstention vote or abstains from voting, any vote cast by such shareholder or his/her proxy shall not be counted in the voting results of the Company.</p>
<p><b>Article 87</b> If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any attending shareholder or proxy who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted immediately.</p>	<p><b>Article 114</b> If the <u>presider</u> of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the presider of the meeting fails to have the votes counted, any attending shareholder or proxy who objects to the result announced by the presider of the meeting may demand that the votes be counted immediately after the declaration of the result, and the presider of the meeting shall have the votes counted immediately.</p>
<p><b>Article 88</b> If votes are counted at the shareholders’ general meeting, the counting result shall be recorded in the minutes of the meeting.</p> <p>The minutes of the meeting together with the attendance lists of shareholders and proxy forms shall be kept at the address of the Company.</p>	<p>If votes are counted at the shareholders’ general meeting, the counting result shall be recorded in the minutes of the meeting. The minutes of the meeting together with the attendance lists of shareholders and proxy forms shall be kept at the address of the Company.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
/	<p><u>Article 115 An announcement on the resolutions of a general meeting shall be made promptly. The announcement should list out the number of shareholders or their proxies present at the meeting, the total number of voting shares of such shareholders or proxies, the ratio of such voting shares to total voting shares of the Company, the means by which votes were cast, the voting result for each proposal, and the particulars of each resolution passed. Statistics on the attendance and the voting of domestic shareholders and foreign shareholders shall be compiled separately, and announced accordingly.</u></p> <p><u>In the event that a proposal is not passed at a general meeting, or a resolution passed at a previous general meeting is modified at the general meeting, a special note shall be made in the announcement on the resolutions of the general meeting.</u></p>
/	<p><u>Article 116 If the proposal on election of director or supervisor is passed at the general meeting, the term of office of the new director or supervisor shall commence on the date on which the resolution is approved at the shareholders' meeting or the date otherwise determined at the shareholders' meeting.</u></p>
/	<p><u>Article 117 Where a proposal on cash dividends, bonus shares or capital reserve capitalization has been approved at the general meeting, the Company shall implement the specific scheme within two months after conclusion of the general meeting.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 90</b> Shareholders holding different classes of shares are referred to as class shareholders.</p> <p>A class shareholder shall, in accordance with the laws, administrative regulations and the Articles of Association, enjoy rights and assume obligations.</p> <p>Save for shareholders of other classes, holders of domestic shares and holders of overseas-listed foreign shares are deemed to be different classes of shareholders. Where the capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares.</p> <p>Where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words “restricted voting” or “limited voting”.</p>	<p><b>Article 119</b> Shareholders holding different classes of shares are referred to as class shareholders.</p> <p>A class shareholder shall, in accordance with the laws, administrative regulations and the Articles of Association, enjoy rights and assume obligations.</p> <p>Save for shareholders of other classes, holders of domestic shares and holders of overseas-listed foreign shares are deemed to be different classes of shareholders.</p>
<p><b>Article 91</b> Rights conferred to class shareholders may not be varied or abrogated unless approved by way of a special resolution at a shareholders’ general meeting and by the affected class shareholders at a separate shareholders’ meeting convened in accordance with Articles 95 to 99 of the Articles of Association.</p> <p>No approval by a shareholders’ general meeting or a class meeting is required for variation or abrogation of rights of class shareholders resulting from any change in domestic and foreign laws and administrative regulations and listing rules where the Company’s shares are listed, and those resulting from decisions made by domestic and foreign regulatory authorities.</p> <p>The transfer by the Company’s holders of domestic shares of the shares held thereby to overseas investors for listing and trading overseas, shall not be deemed as the Company’s intention to vary or abrogate the rights of class shareholders.</p>	<p><b>Article 120</b> Rights conferred to class shareholders may not be varied or abrogated unless approved by way of a special resolution at a shareholders’ general meeting and by the affected class shareholders at a separate shareholders’ meeting convened in accordance with <b>Articles [122] to [126]</b> of the Articles of Association.</p> <p>No approval by a shareholders’ general meeting or a class meeting is required for variation or abrogation of rights of class shareholders resulting from any change in domestic and foreign laws and administrative regulations and listing rules where the Company’s shares are listed, and those resulting from decisions made by domestic and foreign regulatory authorities.</p> <p>The transfer by the Company’s holders of domestic shares of the shares held thereby to overseas investors for listing and trading overseas, shall not be deemed as the Company’s intention to vary or abrogate the rights of class shareholders.</p>

Original provisions	Amended provisions
<p><b>Article 93</b> Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning subparagraphs (2) to (8), (11) and (12) of Article 94 of the Articles of Association, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>The meaning of “interested shareholder(s)” as mentioned in the preceding paragraph is:</p> <ol style="list-style-type: none"> <li>(1) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on the Hong Kong Stock Exchange under Article 29 of the Articles of Association, a “controlling shareholder” within the meaning of Article 59 of the Articles of Association;</li> <li>(2) in the case of a repurchase of shares by the Company outside the Hong Kong Stock Exchange by way of agreement under Article 29 of the Articles of Association, a shareholder who is related to the agreement;</li> <li>(3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate amount of obligations imposed on other shareholders of that class or who has an interest different from those of other shareholders of that class.</li> </ol>	<p><b>Article 122</b> Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning subparagraphs (2) to (8), (11) and (12) of <b>Article [121]</b> of the Articles of Association, but interested shareholder(s) shall not be entitled to vote at class meetings.</p> <p>The meaning of “interested shareholder(s)” as mentioned in the preceding paragraph is:</p> <ol style="list-style-type: none"> <li>(1) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on the Hong Kong Stock Exchange under <b>Article 32</b> of the Articles of Association, a “controlling shareholder” within the meaning of <b>Article [60]</b> of the Articles of Association;</li> <li>(2) in the case of a repurchase of shares by the Company outside the Hong Kong Stock Exchange by way of agreement under <b>Article 32</b> of the Articles of Association, a shareholder who is related to the agreement;</li> <li>(3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate amount of obligations imposed on other shareholders of that class or who has an interest different from those of other shareholders of that class.</li> </ol>
<p><b>Article 94</b> Resolutions of a class meeting shall be passed by shareholders present at the meeting representing two-thirds or more of the voting rights according to Article 95 of the Articles of Association.</p>	<p><b>Article 123</b> Resolutions of a class meeting shall be passed by shareholders present at the meeting representing two-thirds or more of the voting rights according to <b>Article [122]</b> of the Articles of Association.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 95</b> In the event that the Company convenes a class meeting, a written notice shall be issued to shareholders whose names appear on the register of shareholders of such class 45 days prior to the date of the class meeting, specifying the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply confirming his attendance at the class meeting to the Company 20 days prior to the date of the meeting. When calculating the time limit, the date of meeting shall not be included. The quorum for a class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the shareholders of at least one-third of the issued shares of that class.</p> <p>Where the number of shares carrying rights to vote at the meeting held by the shareholders intending to attend the meeting reaches half or more of the total number of shares of such class carrying rights to vote at the meeting, the Company may hold the class meeting based thereon. If it does not reach that percentage, the Company shall within 5 days notify the shareholders again, by way of public announcement, of the matters to be considered at, and the date and place for, the meeting. Once an announcement has been so made, the Company may convene the class meeting.</p> <p>If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions, such provisions shall be complied with.</p>	<p><b>Article 124</b> In the event that the Company convenes a class meeting, a written notice shall be issued <b><u>with reference to the requirements on notice period for extraordinary general meetings as stipulated in the Articles of Association</u></b> to shareholders whose names appear on the register of shareholders of such class, specifying the <b><u>time, place and matters to be considered at the meeting.</u></b></p> <p>If the listing rules of the stock exchange(s) on which the Company's shares are listed have specific provisions, such provisions shall be complied with.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 108</b> A director may resign before expiration of his term of office. The directors who resign shall submit to the Board of Directors a written report in relation to their resignation. The relevant information shall be disclosed within two days by the Board of Directors.</p> <p>In the event that the resignation of any director during his term of office results in the number of members of the Board of Directors being less than the statutory minimum requirement, the said directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the re-elected directors assume their office.</p> <p>Save for the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the Board of Directors.</p> <p>Subject to the relevant laws and regulations, as well as regulatory rules of the local authority where the Company's shares are listed, if the Board of Directors appoints a new director to fill a casual vacancy, the appointed director should be subject to election by shareholders at the first general meeting after the appointment.</p> <p>Any person appointed by the board of directors to fill a temporary vacancy on or as an addition to the board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election.</p> <p>Where not otherwise provided by law, the Company in general meeting shall have power by ordinary resolution to remove any director (including a managing or other executive director), but without prejudice to any claim for damages under any contract before the expiration of his/her term of office.</p> <p>The minimum length of the period, during which notice to the Company of the intention to propose a person for election as a director and during which notice to the Company by such person of his/her willingness to be elected may be given, will be at least 7 days.</p>	<p><b>Article 137</b> A director may resign before expiration of his term of office. The directors who resign shall submit to the Board of Directors a written report in relation to their resignation. The relevant information shall be disclosed within two days by the Board of Directors.</p> <p>In the event that the resignation of any director during his term of office results in the number of members of the Board of Directors being less than the statutory minimum requirement, the said directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the re-elected directors assume their office.</p> <p>Save for the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the Board of Directors.</p> <p>Subject to the relevant laws and regulations, as well as regulatory rules of the local authority where the Company's shares are listed, if the Board of Directors appoints a new director to fill a casual vacancy, the appointed director should be subject to election by shareholders at the first general meeting after the appointment.</p> <p>Any person appointed by the board of directors to fill a temporary vacancy on or as an addition to the board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election.</p> <p>The minimum length of the period, during which notice to the Company of the intention to propose a person for election as a director and during which notice to the Company by such person of his/her willingness to be elected may be given, will be at least 7 days.</p> <p>The period for lodgment of the aforesaid notice(s) shall commence no earlier than the date after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days before the date of such general meeting.</p>



<u>Original provisions</u>	<u>Amended provisions</u>
The period for lodgment of the aforesaid notice(s) shall commence no earlier than the date after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days before the date of such general meeting.	
<b>Article 109</b> A Director shall clear all transitional procedures with the Board of Directors on resignation or expiry of term and shall fulfil his fiduciary obligations against the Company and shareholders. The obligations shall not be dismissed after the expiry of term and remain effective within the reasonable period specified by the Articles of Association.	<b>Article 138</b> A Director shall clear all transitional procedures with the Board of Directors on resignation or expiry of term and shall fulfil his fiduciary obligations against the Company and shareholders. The obligations shall not be dismissed after the expiry of term and remain effective within <b><u>two years after such expiry of term.</u></b>
/	<b>Article 140</b> <b><u>If a director has violated the laws, administrative regulations, regulations of authorities or these Articles of Association in performing his/her duties thereby causing losses to the Company, he/she shall be liable for compensation.</u></b>

Original provisions	Amended provisions
<p><b>Article 111</b> The Company shall have independent non-executive directors. Except as otherwise provided in this section, the provisions relating to the qualifications and obligations of directors in Chapter 15 of the Articles of Association shall apply to independent non-executive directors. At least one independent non-executive director of the Company shall be an accounting professional. Independent non-executive directors shall carry out their duties honestly and faithfully, safeguard the Company's interest and in particular prevent encroachment of the rights and interests of public shareholders, in order to ensure the sufficient representation of the interests of all shareholders.</p> <p>The independent non-executive director of the Company shall satisfy the basic conditions set forth below:</p> <ol style="list-style-type: none"> <li>(1) to be qualified for directors of a listed company as provided in laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed and other relevant regulations;</li> <li>(2) to comply with the requirements on independence as stipulated in the listing rules of the stock exchange where the Company's shares are listed;</li> <li>(3) to possess the basic knowledge of the operations of listed companies, and be familiar with relevant laws, administrative regulations, and rules and regulations;</li> <li>(4) having at least five years of working experience in legal or economic areas, or other experience indispensable for performing the duties as independent non-executive directors;</li> <li>(5) other requirements provided in the Articles of Association.</li> </ol>	<p><b>Article 141</b> The Company shall have independent non-executive directors. Except as otherwise provided in this section, the provisions relating to the qualifications and obligations of directors in Chapter 15 of the Articles of Association shall apply to independent non-executive directors. At least one independent non-executive director of the Company shall be an accounting professional. Independent non-executive directors shall carry out their duties honestly and faithfully, safeguard the Company's interest and in particular prevent encroachment of the rights and interests of public shareholders, in order to ensure the sufficient representation of the interests of all shareholders.</p> <p>The independent non-executive director of the Company shall satisfy the basic conditions set forth below:</p> <ol style="list-style-type: none"> <li>(1) to be qualified for directors of a listed company as provided in laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed and other relevant regulations;</li> <li>(2) to comply with the requirements on independence as stipulated in the listing rules of the stock exchange where the Company's shares are listed;</li> <li>(3) to possess the basic knowledge of the operations of listed companies, and be familiar with relevant laws, administrative regulations, and rules and regulations;</li> <li>(4) having at least five years of working experience in legal or economic areas, or other experience indispensable for performing the duties as independent non-executive directors;</li> <li>(5) other requirements provided in the Articles of Association.</li> </ol> <p><b><u>As regards the system of independent non-executive directors, if not provided in this section, the provisions of relevant laws, regulations, rules and listing rules of the stock exchange(s) where the shares of the Company are listed shall apply.</u></b></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<b>Article 112</b> Any director who has withdrawn from his office without permission or who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his duties prior to the expiration of his term of office, and whereby a loss is incurred to the Company, shall be liable for compensation of such loss.	[Deleted]
/	<b>Article 143</b> Any director who has withdrawn from his office without permission or who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his duties prior to the expiration of his term of office, and whereby a loss is incurred to the Company, shall be liable for compensation of such loss.

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 114</b> The Company shall have a board of directors which shall consists of 6 to 9 directors, the number of independent non-executive directors shall not be less than 3 and shall be more than one-third of the actual number of the board of directors.</p> <p>Independent non-executive directors may report to the shareholders' general meeting, the securities regulatory authorities of the State Council and other related departments directly.</p> <p>General manager and other senior management may also concurrently act as director, the number of general manager and other senior management who hold the offices of director shall not be more than half of the total number of directors of the Company.</p> <p>The board of directors shall have one chairman, one vice chairman who shall be elected and removed by a majority of directors. The term of office of the chairman, the vice chairman shall be three years, renewable upon re-election.</p> <p>Number of controlling shareholders' senior management who concurrently hold the offices of the chairman or the executive director of the Company shall not be more than two. Directors are not required to hold shares of the Company.</p> <p>Save as otherwise required by the laws, regulations and the listing rules of the stock exchange of the place where the shares of the Company are listed, the terms of office of independent non-executive directors shall be three years, renewable upon re-election, but shall not exceed nine years.</p>	<p><b>Article 144</b> The Company shall have a board of directors which shall consists of 6 to 9 directors, the number of independent non-executive directors shall not be less than 3 and shall be more than one-third of the actual number of the board of directors.</p> <p>Independent non-executive directors may report to the shareholders' general meeting, the securities regulatory authorities of the State Council and other related departments directly.</p> <p>General manager and other senior management may also concurrently act as director, the number of general manager and other senior management who hold the offices of director shall not be more than half of the total number of directors of the Company.</p> <p>The board of directors shall have one chairman, one vice chairman who shall be elected and removed by a majority of directors. The term of office of the chairman, the vice chairman shall be three years, renewable upon re-election.</p> <p>Number of controlling shareholders' senior management who concurrently hold the offices of the chairman or the executive director of the Company shall not be more than two. Directors are not required to hold shares of the Company.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 115</b> The Board of Directors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to convene the shareholders' general meeting, to propose at the shareholders' general meeting to pass the relevant matters and report its work to the shareholders' general meeting;</li> <li>(2) to implement the resolutions of the shareholders' general meetings;</li> <li>(3) to decide on the Company's business plans and investment plans;</li> <li>(4) to formulate the Company's annual financial budgets and final accounts;</li> <li>(5) to formulate the Company's profit distribution plan and plan for recovery of losses;</li> <li>(6) to formulate proposals for the increase or decrease of the registered capital of the Company, the issue of shares and corporate bonds or other securities, and the listing;</li> <li>(7) to formulate proposals for material asset acquisition or disposal, repurchase of the Company's shares, and merger, demerger, dissolution or change of corporate form of the Company;</li> <li>(8) to decide on the establishment of the Company's internal management structure;</li> <li>(9) to appoint or dismiss the Company's general manager and secretary of the Board of Directors, and to appoint or dismiss other senior management officers, such as the deputy general manager and the chief financial officer of the Company pursuant to the nominations of the general manager;</li> <li>(10) to decide on the matters relating to the remuneration of the aforesaid senior management officers;</li> </ol>	<p><b>Article 145</b> The Board of Directors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to convene the shareholders' general meeting and report its work to the shareholders' general meeting;</li> <li>(2) to implement the resolutions of the shareholders' general meetings;</li> <li>(3) to decide on the Company's business plans and investment plans;</li> <li>(4) to formulate the Company's annual financial budgets and final accounts;</li> <li>(5) to formulate the Company's profit distribution plan and plan for recovery of losses;</li> <li>(6) to formulate proposals for the increase or decrease of the registered capital of the Company, the issue of shares and corporate bonds or other securities, and the listing;</li> <li>(7) to formulate proposals for material asset acquisition or disposal, repurchase of the Company's shares, and merger, demerger, dissolution or change of corporate form of the Company;</li> <li><b><u>(8) to decide, within the authority granted to them in shareholders' general meeting, on matters such as external investment, purchase or disposal of assets, pledges on assets, financial management arrangements, bank facilities and related (connected) transactions of the Company;</u></b></li> <li><b><u>(9) to consider and approve external guarantees provided by the Company that need not to be considered and approved by the general meeting under Article [69] of these Articles of Association;</u></b></li> <li><b><u>(10)</u></b> to decide on the establishment of the Company's internal management structure;</li> </ol>

Original provisions	Amended provisions
<p>(11) to formulate the Company's basic management system;</p> <p>(12) to formulate proposals for amendment to the Articles of Association;</p> <p>(13) to decide on investment, acquisition or sale of assets, financing, connected person transactions, etc. as specified in the Listing Rules of Hong Kong Stock Exchange;</p> <p>(14) to decide on other major affairs of the Company, save for matters to be resolved at general meetings as required by the Company Law and the Articles of Association;</p> <p>(15) to exercise other functions and powers conferred by the laws and regulations, the Listing Rules of Hong Kong Stock Exchange, the Articles of Association or the general meetings.</p> <p>The Board shall also be responsible for the following issues:</p> <p>(1) to formulate the Company's corporate governance system and to review and improve its corporate governance;</p> <p>(2) to review and supervise the training for and continuous professional development of directors and senior management;</p> <p>(3) to review and supervise the systems formulated and observation thereof by the Company and to make relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed;</p> <p>(4) to work out the Company's code of conduct and relevant compliance manual for its employees and directors, and to review and supervise their behaviors. The Board shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.</p>	<p><b><u>(11)</u></b> to appoint or dismiss the Company's general manager and secretary of the Board of Directors, and to appoint or dismiss other senior management officers, such as the deputy general manager and the chief financial officer of the Company pursuant to the nominations of the general manager, <b><u>and to decide on the matters relating to their remuneration, rewards and punishments;</u></b></p> <p><b><u>(12)</u></b> to formulate the Company's basic management system;</p> <p><b><u>(13)</u></b> to formulate proposals for amendment to the Articles of Association;</p> <p><b><u>(14)</u></b> <b><u>to manage the information disclosure of the Company;</u></b></p> <p><b><u>(15)</u></b> <b><u>to propose to the general meeting the appointment or replacement of an accounting firm that provides audit services to the Company;</u></b></p> <p><b><u>(16)</u></b> <b><u>to receive the work reports of the Company's manager(s) and inspect his/her work;</u></b></p> <p><b><u>(17)</u></b> to decide on other major affairs of the Company, save for matters to be resolved at general meetings as required by the Company Law and the Articles of Association;</p> <p><b><u>(18)</u></b> to exercise other functions and powers conferred by the laws and regulations, the Listing Rules of Hong Kong Stock Exchange, the Articles of Association or the general meetings.</p> <p>Except for the matters specified in subparagraphs (6), (7) and <b><u>(13)</u></b> or other listing rules which shall be passed by two-thirds or more of the directors, the board's resolutions in respect of any other aforesaid matters may be passed by half or more of all directors.</p> <p>Resolutions in respect of connected transactions made by the Board of Directors shall not come into force unless it is signed by independent non-executive directors.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p>Except for the matters specified in subparagraphs (6), (7) and (12) or other listing rules which shall be passed by two-thirds or more of the directors, the board's resolutions in respect of any other aforesaid matters may be passed by half or more of all directors.</p> <p>Resolutions in respect of connected transactions made by the Board of Directors shall not come into force unless it is signed by independent non-executive directors. When the decision on major affairs should be made by the Communist Party Committee of the Company in the course of study on the decision on major affairs by the Board of Directors, the Board of Directors should accept advises from the Communist Party Committee in priory.</p>	<p>When the decision on major affairs should be made by the Communist Party Committee of the Company in the course of study on the decision on major affairs by the Board of Directors, the Board of Directors should accept advises from the Communist Party Committee in priory.</p> <p><b>Article 146</b> <u>The Board shall also be responsible for the following matters:</u></p> <ol style="list-style-type: none"> <li data-bbox="810 634 1396 732">(1) <u>to formulate the Company's corporate governance system and to review and improve its corporate governance;</u></li> <li data-bbox="810 761 1396 859">(2) <u>to review and supervise the training for and continuous professional development of directors and senior management;</u></li> <li data-bbox="810 889 1396 1115">(3) <u>to review and supervise the systems formulated and observation thereof by the Company and to make relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed;</u></li> <li data-bbox="810 1144 1396 1421">(4) <u>to formulate the Company's code of conduct and relevant compliance manual for its employees and directors, and to review and supervise their behaviors. The Board shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.</u></li> </ol>
/	<p><b>Article 147</b> <u>The Board of the Company shall explain at the shareholders' general meeting any modified audit opinion in respect of the financial report of the Company made by the certified public accountant.</u></p>
/	<p><b>Article 148</b> <u>The Board shall formulate the rules of procedures for board meetings to ensure implementation of the resolutions of the general meeting, improve work efficiency and ensure scientific decision-making. The rules of procedures for board meetings shall be drafted by the Board and submitted to the shareholders' general meeting for approval.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 117</b> The chairman of the Board of Directors is entitled to the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to preside over general meetings and to convene and preside over the board meetings;</li> <li>(2) to supervise and check on the implementation of resolutions passed at the meeting of the Board of Directors;</li> <li>(3) to sign share certificates, bonds and other marketable securities of the Company;</li> <li>(4) to sign important documents of the Board of Directors and other documents that shall be signed by the legal representative of the Company and to exercise the authorities of legal representatives;</li> <li>(5) to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide post-event reports to the Board of Directors after such event occurs, in the event of force majeure or an emergency in which it is impossible to convene a board meeting;</li> <li>(6) to define the systems necessary for the operation of the Board of Directors, and coordinate its operation;</li> <li>(7) to hear regular and non-regular performance reports from the Company's senior management officers, and to provide the Board of Directors with steering comments on the implementation of board resolutions;</li> <li>(8) to nominate a candidate for the general manager and the secretary to the Board of Directors of the Company;</li> <li>(9) to exercise any other functions and powers conferred by laws, regulations, the Articles of Association or the Board of Directors.</li> </ol>	<p><b>Article 150</b> The chairman of the Board of Directors is entitled to the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to preside over general meetings and to convene and preside over the board meetings;</li> <li>(2) to supervise and check on the implementation of resolutions passed at the meeting of the Board of Directors;</li> <li>(3) to sign share certificates, bonds and other marketable securities of the Company;</li> <li>(4) to sign important documents of the Board of Directors and other documents that shall be signed by the legal representative of the Company and to exercise the authorities of legal representatives;</li> <li>(5) to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide post-event reports to the Board of Directors after such event occurs, in the event of force majeure or an emergency in which it is impossible to convene a board meeting;</li> <li>(6) to define the systems necessary for the operation of the Board of Directors, and coordinate its operation;</li> <li>(7) to hear regular and non-regular performance reports from the Company's senior management officers, and to provide the Board of Directors with steering comments on the implementation of board resolutions;</li> <li>(8) to nominate a candidate for the general manager and the secretary to the Board of Directors of the Company;</li> <li>(9) to exercise any other functions and powers conferred by laws, regulations, the Articles of Association or the Board of Directors.</li> </ol>



<u>Original provisions</u>	<u>Amended provisions</u>
<p>In the event that the chairman of the Board of Directors is unable to perform his duties, he may direct the vice chairman to perform his duties. In the event that the vice chairman of the Board of Directors is unable to or fails to perform his duties, a director shall be elected jointly by more than half of the directors to perform such duties.</p> <p>The Board of Directors may, if necessary, authorize the chairman of the Board of Directors to exercise part of the powers of the Board of Directors when it is in recess.</p>	<p><b><u>The vice chairman of the Board of Directors shall assist the chairman to perform his duties.</u></b></p> <p>In the event that the chairman of the Board of Directors is unable to perform his duties, he may direct the vice chairman to perform his duties. In the event that the vice chairman of the Board of Directors is unable to or fails to perform his duties, a director shall be elected jointly by more than half of the directors to perform such duties.</p> <p>The Board of Directors may, if necessary, authorize the chairman of the Board of Directors to exercise part of the powers of the Board of Directors when it is in recess.</p>
<p><b>Article 118</b> The Board of Directors shall meet regularly and the meetings of the Board of Directors shall be held at least four times every year, and convened by the chairman of the Board of Directors. A 14 days' prior written notice for convening the meeting shall be given to all directors.</p> <p>Under the following circumstances, an extraordinary meeting of the Board of Directors shall be held by the chairman within 5 days upon receipt of proposal:</p> <ol style="list-style-type: none"> <li>(1) when proposed by the shareholders representing one tenth or more of voting rights;</li> <li>(2) when proposed jointly by one-third or more of the directors;</li> <li>(3) when proposed by the chairman of the Board of Directors;</li> <li>(4) when proposed by more than two independent non-executive directors;</li> <li>(5) when proposed by the Supervisory Committee;</li> <li>(6) when proposed by the general manager.</li> </ol>	<p><b><u>Article 151 Board meetings consist of regular meetings and extraordinary meetings.</u></b> The meetings of the Board of Directors shall be held at least four times every year, and convened by the chairman of the Board of Directors. A 14 days' prior written notice for convening the meeting shall be given to all directors.</p> <p>Under the following circumstances, an extraordinary meeting of the Board of Directors shall be held by the chairman within 5 days upon receipt of proposal:</p> <ol style="list-style-type: none"> <li>(1) when proposed by the shareholders representing one tenth or more of voting rights;</li> <li>(2) when proposed jointly by one-third or more of the directors;</li> <li>(3) when proposed by the chairman of the Board of Directors;</li> <li>(4) when proposed by more than two independent non-executive directors;</li> <li>(5) when proposed by the Supervisory Committee;</li> <li>(6) when proposed by the general manager.</li> </ol>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 119</b> To hold regular meetings and extraordinary meetings of the Board, the Office of the Board shall deliver written notice of the meeting to all the directors, supervisors, and the secretary to the Board the general manager by email, post, fax or person within fourteen days and five days in advance respectively. If not delivered by hand, the delivery shall be confirmed by calls and relevant records shall be made.</p> <p>Where an extraordinary board meeting needs to be convened in emergency, it is not subject to the above time limit of notification and the above manner limit of notification but a reasonable notice for the meeting shall be given thereafter. The notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.</p>	<p><b>Article 152</b> To hold regular meetings and extraordinary meetings of the Board, the Office of the Board shall deliver written notice of the meeting to all the directors, supervisors, and the secretary to the Board the general manager by email, post, fax or person within fourteen days and five days in advance respectively. If not delivered by hand, the delivery shall be confirmed by calls and relevant records shall be made.</p> <p>Where an extraordinary board meeting needs to be convened in emergency, it is not subject to the above time limit of notification and the above manner limit of notification but a reasonable notice for the meeting shall be given thereafter. The notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.</p>
/	<p><b>Article 153</b> <u>Notice of board meeting shall contain:</u></p> <ul style="list-style-type: none"> <li>(1) <u>date and venue of the meeting;</u></li> <li>(2) <u>duration of the meeting;</u></li> <li>(3) <u>matters and proposals;</u></li> <li>(4) <u>date of issuance of the notice;</u></li> <li>(5) <u>convening method.</u></li> </ul>
<p><b>Article 121</b> The board meeting may not be held unless half or more of the directors are present.</p> <p>Each director has one vote. Except for provided in laws, administrative regulations and the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors.</p> <p>In the case of an equality of votes, the chairman shall have a casting vote.</p>	<p><b>Article 155</b> The board meeting may not be held unless half or more of the directors are present.</p> <p><b><u>For any vote on board resolutions, each director has one vote.</u></b> Except for provided in laws, administrative regulations and the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors.</p> <p>In the case of an equality of votes, the chairman shall have a casting vote.</p>

Original provisions	Amended provisions
/	<p><u>Article 156 If a director is related to an enterprise involved in a matter on which a resolution is to be made at a board meeting, he/she may not exercise his/her right to vote regarding such resolution, nor may he/she exercise the voting right of another director as such director's proxy thereon. Such a board meeting may be held only if more than one-half of the directors without a related (connected) relationship are present, and the resolutions made at such board meeting shall require adoption by more than one-half of the directors without a related (connected) relationship. If the board meeting is attended by less than three directors without a related (connected) relationship, the matter shall be submitted to the general meeting for consideration.</u></p> <p><u>Resolutions in respect of related (connected) transactions of the Company made by the Board of Directors shall not come into force unless it is signed by independent non-executive directors.</u></p>
/	<p><u>Article 157 Resolutions at board meetings may be voted on by open ballot or by a show of hands. On the premise of ensuring the Directors to fully express their opinions, resolutions at the extraordinary board meetings may be voted on and adopted by means of video conference, telephone, fax or e-mail, which shall be signed by the participating Directors.</u></p>
<p><b>Article 122</b> A director shall attend the board meetings in person. If a director is not able to attend the meeting for any reasons, he may appoint in writing other directors to attend the meeting on his behalf. The scope of authorization shall be specified in the power of attorney.</p> <p>The appointed director attending the meeting shall only exercise the rights within the scope of authorization. Should a director neither attend a board meeting nor appoint representative to attend on his behalf, the said director shall be deemed to have waived his right to vote at the meeting.</p>	<p><b>Article 158</b> A director shall attend the board meetings in person. If a director is not able to attend the meeting for any reasons, he may appoint in writing other directors to attend the meeting on his behalf. <u>The power of attorney shall set out the name of the proxy, subject matters of representation, scope of the authorization and valid period, with the signature or seal of the appointer.</u></p> <p>The appointed director attending the meeting shall only exercise the rights within the scope of authorization. Should a director neither attend a board meeting nor appoint representative to attend on his behalf, the said director shall be deemed to have waived his right to vote at the meeting.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 123</b> Any material matters to be decided by the Board of Directors must be proceeded strictly according to specified procedures. A notice shall be given to all directors at the time required by the Articles of Association and sufficient information shall be given at the same time. The directors may request additional information. When one-fourth or more of directors or two or more of independent non-executive directors consider that the information and materials of the matters are insufficient or, they are unable to make a decision on the matters by other reasons, they may jointly propose to postpone the board meeting or delay the discussion of certain matters to be resolved in the board meeting, and the Board of Directors shall adopt the relevant proposal.</p> <p>Resolutions in respect of connected transactions of the Company made by the Board of Directors shall not come into force unless it is signed by independent non-executive directors.</p>	<p><b>Article 159</b> Any material matters to be decided by the Board of Directors must be proceeded strictly according to specified procedures. A notice shall be given to all directors at the time required by the Articles of Association and sufficient information shall be given at the same time. The directors may request additional information. When one-fourth or more of directors or two or more of independent non-executive directors consider that the information and materials of the matters are insufficient or, they are unable to make a decision on the matters by other reasons, they may jointly propose to postpone the board meeting or delay the discussion of certain matters to be resolved in the board meeting, and the Board of Directors shall adopt the relevant proposal.</p>
<p><b>Article 125</b> The Board of Directors shall keep minutes of decisions on matters discussed at meetings. The attending directors and the minutes taker shall sign on the minutes of such meeting. Directors shall be liable for the resolutions of the Board of Directors. If a resolution of the Board of Directors violates laws, administrative regulations or the Articles of Association, thus causes the Company to suffer any material loss, the directors participating in the resolution are liable to compensate to the Company. However, directors who have proved to have cast a dissenting vote against the motion during the voting as recorded in the minutes shall be exempted from such liability.</p>	<p><b>Article 161</b> The Board of Directors shall keep minutes of decisions on matters discussed at meetings. The attending directors and the minutes taker shall sign on the minutes of such meeting. <b><u>Minutes of the Board meeting shall be kept as the Company's files for no less than 10 years.</u></b></p> <p>Directors shall be liable for the resolutions of the Board of Directors. If a resolution of the Board of Directors violates laws, administrative regulations or the Articles of Association, thus causes the Company to suffer any material loss, the directors participating in the resolution are liable to compensate to the Company. However, directors who have proved to have cast a dissenting vote against the motion during the voting as recorded in the minutes shall be exempted from such liability.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
/	<p><b>Article 162</b> <u>Minutes of Board meetings shall include the followings:</u></p> <p>(1) <u>date and venue of the meeting and the name of the convener;</u></p> <p>(2) <u>names of the attending Directors and names of the Directors (proxies) appointed by others to attend the Board meeting;</u></p> <p>(3) <u>agenda of the meeting;</u></p> <p>(4) <u>summary of the statement of the Directors;</u></p> <p>(5) <u>the voting method for, and result of, each motion (the voting results shall state the numbers of votes for, votes against and abstention).</u></p>
<p><b>Article 130</b> The Company shall have one general manager who shall be removed by the Board of Directors, a number of deputy general managers who shall be nominated by the general manager and appointed and removed by the Board of Directors. A director may serve concurrently as the general manager, deputy general manager or other senior management officers.</p>	<p><b>Article 167</b> The Company shall have one general manager who shall be removed by the Board of Directors, a number of deputy general managers who shall be nominated by the general manager and appointed and removed by the Board of Directors. A director may serve concurrently as the general manager, deputy general manager or other senior management officers.</p>
<p><b>Article 131</b> The general manager shall serve a term of three years, and may be reelected for successive terms.</p>	<p>The general manager and deputy general manager shall serve a term of three years, and may be reelected for successive terms.</p> <p><u>The Company shall have one chief financial officer who shall be appointed or removed by the Board. The chief financial officer shall be accountable to the Board and general manager.</u></p>
/	<p><b>Article 168</b> <u>Any person who have other administrative duties, other than acting as director or supervisor, in an entity of the controlling shareholder of the Company is not allowed to act as senior management officers of the Company.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 132</b> The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to be in charge of the Company's production, operation and management and report to the Board of Directors;</li> <li>(2) to organize the implementation of the resolutions of the Board of Directors, the Company's annual business plans and investment plans;</li> <li>(3) to draft the Company's annual financial budget plans and final accounts, and to put forward the proposal to the Board of Directors;</li> <li>(4) to draft the Company's basic management system and the plan for establishment of the Company's internal management organization;</li> <li>(5) to formulate the specific rules and regulations of the Company;</li> <li>(6) to propose to the Board of Directors the employment and dismissal of the deputy general managers and other senior management officers such as chief financial officer;</li> <li>(7) to employ and dismiss the responsible management personnel and general staffs other than those to be employed and dismissed by the Board of Directors;</li> <li>(8) to propose to convene extraordinary board meetings;</li> <li>(9) to decide the Company's other issues within the scope of the authority of the Board of Directors;</li> <li>(10) to decide on such projects as investment, acquisition or disposal and financing which do not need to be decided by the Board or the shareholders' general meeting;</li> <li>(11) to exercise other functions and powers as conferred by these Articles of Association and the Board.</li> </ol>	<p><b>Article 169</b> The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to be in charge of the Company's production, operation and management and report to the Board of Directors;</li> <li>(2) to organize the implementation of the resolutions of the Board of Directors, the Company's annual business plans and investment plans;</li> <li>(3) to draft the Company's annual financial budget plans and final accounts, and to put forward the proposal to the Board of Directors;</li> <li>(4) to draft the Company's basic management system and the plan for establishment of the Company's internal management organization;</li> <li>(5) to formulate the specific rules and regulations of the Company;</li> <li>(6) to propose to the Board of Directors the employment and dismissal of the deputy general managers and chief financial officer;</li> <li>(7) to employ and dismiss the responsible management personnel and general staffs other than those to be employed and dismissed by the Board of Directors;</li> <li>(8) to propose to convene extraordinary board meetings;</li> <li>(9) to decide the Company's other issues within the scope of the authority of the Board of Directors;</li> <li>(10) to decide on such projects as investment, acquisition or disposal and financing which do not need to be decided by the Board or the shareholders' general meeting;</li> <li>(11) to exercise other functions and powers as conferred by these Articles of Association and the Board.</li> </ol>

<u>Original provisions</u>	<u>Amended provisions</u>
<p>Senior management officers other than the general managers shall assist the general manager in his works and may exercise part of the functions and powers entrusted by the general manager.</p> <p>When the decision on major affairs should be made by the Communist Party Committee of the Company in the course of study on the decision on major affairs by the general manager, the general manager should accept advises from the Communist Party Committee in priory.</p>	<p>Senior management officers other than the general managers shall assist the general manager in his works and may exercise part of the functions and powers entrusted by the general manager.</p> <p>When the decision on major affairs should be made by the Communist Party Committee of the Company in the course of study on the decision on major affairs by the general manager, the general manager should accept advises from the Communist Party Committee in priory.</p>
<p><b>Article 134</b> In the exercise of his powers, the general manager shall comply with the laws, administrative regulations and the Articles of Association, and fulfill his duties in good faith and diligence.</p>	<p><b>Article 171</b> In the exercise of his powers, the general manager shall comply with the laws, administrative regulations and the Articles of Association, and fulfill his duties in good faith and diligence. <u>The general manager shall be liable for the losses of the Company caused by violation of the laws or the requirements of these Articles of Association in performing his/her duties.</u></p>
/	<p><b>Article 172</b> <u>The general manager shall formulate The Scope of Work of General Manager and submit to the Board for approval before implementation.</u></p>
/	<p><b>Article 173</b> <u>The general manager may tender resignation prior to the expiry of his term of office. The specific procedure concerning the general manager's resignation shall be stipulated by the employment contract by and between the general manager and the Company.</u></p>
<p><b>Article 135</b> The Company shall have one chief financial officer, who shall be appointed or removed by the Board of Directors. The chief financial officer shall be accountable to the Board of Directors and the general manager.</p>	[Deleted]
/	<p><b>Section 1 Supervisor</b></p>
/	<p><b>Article 174</b> <u>The provisions of these Articles of Association concerning the circumstances in which a person may not act as a director shall also apply to supervisor.</u></p> <p><u>A director, general manager and senior management personnel may not act concurrently as a supervisor.</u></p>
/	<p><b>Article 175</b> <u>Each supervisor shall serve for a term of three years, whose term is renewable upon re-election when expired.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
/	<u>Article 176 If a supervisor is not re-elected in time upon expiry of his/her term of office, or if the number of supervisors falls below the quorum due to a supervisor's resignation during his/her term of office, the original supervisor shall perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the provisions of these Articles of Association, until a newly elected supervisor assumes office.</u>
/	<u>Article 177 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.</u>
/	<u>Article 178 Supervisors may attend board meetings and may raise queries or make proposals on matters of board resolutions.</u>
/	<u>Article 179 Supervisors shall not take advantage of their related (connected) relationship to prejudice the interests of the Company and shall be liable for any loss to the Company by doing so.</u>
/	<u>Article 180 Supervisors shall abide by the laws, administrative regulations and these Articles of Association, and shall be loyal and diligent to the Company. Supervisors shall not take any bribe or any other illegal proceeds by taking advantage of his/her position, nor shall he/she misappropriate any of the properties of the Company.</u>  <u>If a supervisor has violated the laws, administrative regulations, regulations of authorities or these Articles of Association in performing his/her duties thereby causing losses to the Company, he/she shall be liable for compensation.</u>
/	<u>Section 2 Supervisory Committee</u>
<b>Article 139</b> The directors, the general manager and the senior management officers of the Company shall not act concurrently as supervisors.	[Deleted]



<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 140</b> The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to monitor any acts of directors, the general manager and other senior management officers in their performance of duties that violate the laws, administrative regulations and the Articles of Association, and to propose dismissal of any directors and senior management officers who violate the laws, administrative regulations, the Articles of Association or any resolutions of shareholders' general meetings;</li> <li>(2) to demand rectification from a director and other senior management officers when the acts of such persons prejudice the Company's interest;</li> <li>(3) to examine the Company's financial affairs;</li> <li>(4) to review financial information such as the financial reports, operation reports and profit distribution schemes to be submitted by the Board of Directors to the Shareholders' general meetings; and if necessary, to engage professional institutions such as accounting firms and law firms to assist in the work, the cost incurred are to be borne by the Company;</li> <li>(5) to review the regular reports of the Company prepared by the Board of Directors and to submit written review opinions thereon;</li> <li>(6) to propose to convene an extraordinary general meeting; and to convene and chair the general meeting in case the Board of Directors fails to fulfill the obligations prescribed by the Company Law to convene and chair the general meeting;</li> <li>(7) to submit proposals to the shareholders' general meeting;</li> <li>(8) to propose to convene an extraordinary meeting of the Board of Directors;</li> <li>(9) to institute a suit to the directors or senior management officers according to Article 151 of the Company Law;</li> </ol>	<p><b>Article 184</b> The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to monitor any acts of directors, the general manager and other senior management officers in their performance of duties that violate the laws, administrative regulations and the Articles of Association, and to propose dismissal of any directors and senior management officers who violate the laws, administrative regulations, the Articles of Association or any resolutions of shareholders' general meetings;</li> <li>(2) to demand rectification from a director and other senior management officers when the acts of such persons prejudice the Company's interest;</li> <li>(3) to examine the Company's financial affairs;</li> <li>(4) to review financial information such as the financial reports, operation reports and profit distribution schemes to be submitted by the Board of Directors to the Shareholders' general meetings;</li> <li>(5) to review the regular reports of the Company prepared by the Board of Directors and to submit written review opinions thereon;</li> <li>(6) to propose to convene an extraordinary general meeting; and to convene and chair the general meeting in case the Board of Directors fails to fulfill the obligations prescribed by the Company Law to convene and chair the general meeting;</li> <li>(7) to submit proposals to the shareholders' general meeting;</li> <li>(8) to propose to convene an extraordinary meeting of the Board of Directors;</li> <li>(9) to institute a suit to the directors or senior management officers according to Article 151 of the Company Law;</li> <li>(10) to exercise other functions and powers specified in the laws, administrative regulations and the Articles of Association.</li> </ol>

<u>Original provisions</u>	<u>Amended provisions</u>
(10) to exercise other functions and powers specified in the laws, administrative regulations and the Articles of Association.  Supervisors shall attend the board meetings and make enquiries or suggestions in respect of the resolutions of the Board of Directors.	<b><u>The reasonable expenses incurred by the Supervisory Committee in engaging professional services, such as lawyers, certified public accountants and certified auditors, in the exercise of its powers and functions shall be borne by the Company.</u></b>
/	<b><u>Article 186 The Supervisory Committee shall formulate the Rules of Procedure of Supervisory Committee to clarify the methods of discussion and the voting procedures to ensure the efficiency and scientific decision-making of the Supervisory Committee.</u></b>

Original provisions	Amended provisions
<p><b>Article 142</b> The method for conducting businesses at the meetings of the Supervisory Committee: any voting at the Supervisory Committee shall be made on a one-person-one-vote basis in the manner of open and written ballot.</p> <p>The voting procedure: a supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his/her intention by choosing one of the above. The chairman of the meeting shall request each supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, refusal to do so shall be regarded as having abstained from voting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.</p> <p>Resolutions of the Supervisory Committee shall be passed by the affirmative votes of two-thirds or more of the members of the Supervisory Committee.</p> <p>The Supervisory Committee shall record the decisions on matters discussed in the minutes, supervisors who attended the meeting shall sign the minutes of the meeting. A supervisor is entitled to request for some descriptive record to be made with regard to his speech in the meeting. The minutes of the meeting of the Supervisory Committee shall be kept in the domicile of the company.</p> <p>When voting by way of telecommunications, supervisors shall, after confirming their votes by signing a written opinion on the matter considered and his/her voting intention, fax the same to the office of the Supervisory Committee. Supervisors shall not merely specify their voting opinions without expressing their written opinions or reasons for voting. Supervisors who cast votes by way of telecommunications shall submit the signed original copy of the voting paper to the Supervisory Committee within the period stipulated in the meeting notice.</p>	<p><b>Article 187</b> The method for conducting businesses at the meetings of the Supervisory Committee: any voting at the Supervisory Committee shall be made on a one-person-one-vote basis in the manner of open and written ballot.</p> <p><b><u>Voting at meetings, which include video conference, of the Supervisory Committee held in person may be conducted by a show of hands or disclosed ballot. If a supervisor attends a meeting held in person by telephone conference or by way of other such communication equipment, so long as the supervisors attending the meeting in person can clearly hear what he or she says and communicate with him or her, all the supervisors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the supervisors of their opinions at a meeting of the Supervisory Committee, votes may be held and resolutions adopted by way of telecommunications, and such resolutions shall be signed by the supervisors in attendance. A deadline shall be set for votes held by way of telecommunications, and if a supervisor fails to express his or her opinion by the specified deadline, he or she shall be deemed to abstain from voting.</u></b></p> <p>A supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his/her intention by choosing one of the above. The <b>presider</b> of the meeting shall request each supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, refusal to do so shall be regarded as having abstained from voting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.</p> <p>When voting by way of telecommunications, supervisors shall, after confirming their votes by signing a written opinion on the matter considered and his/her voting intention, fax the same to the office of the Supervisory Committee. Supervisors shall not merely specify their voting opinions without expressing their written opinions or reasons for voting. Supervisors who cast votes by way of telecommunications shall submit the signed original copy of the voting paper to the Supervisory Committee within the period stipulated in the meeting notice.</p> <p><b><u>Resolutions of the Supervisory Committee shall be passed by the affirmative votes of two-thirds or more of the members of the Supervisory Committee.</u></b></p>

<u>Original provisions</u>	<u>Amended provisions</u>
/	<p><b>Article 188</b> <u>The Supervisory Committee shall record the decisions on matters discussed in the minutes, supervisors who attended the meeting shall sign the minutes of the meeting. A supervisor is entitled to request for some descriptive record to be made with regard to his speech in the meeting. The minutes of the meeting of the Supervisory Committee shall be kept as the Company's file for at least 10 years.</u></p>
/	<p><b>Article 189</b> <u>Notice of meeting of Supervisory Committee shall include the followings:</u></p> <p>(1) <u>date, venue and duration of the meeting;</u></p> <p>(2) <u>matters and proposals;</u></p> <p>(3) <u>date of issuance of the notice.</u></p>
<b>Article 143</b> In case that the Supervisory Committee discovers any unusual operation of the Company, the Supervisory Committee may investigate it and, when necessary, may engage professionals, such as lawyers and accounting firms, to assist in the work. Any reasonable expenses incurred thereby shall be borne by the Company.	[Deleted]
<b>Article 144</b> A supervisor shall carry out his supervisory duties honestly and faithfully in accordance with laws, administrative regulations and the Articles of Association.	[Deleted]

Original provisions	Amended provisions
<p><b>Article 145</b> The following persons may not serve as a director, supervisor, the general manager, or other senior management officer of the Company:</p> <ol style="list-style-type: none"> <li>(1) an individual who has no civil capacity or has restricted civil capacity;</li> <li>(2) persons who have committed the offences of corruption, bribery, trespass of property, misappropriation of property or damaging the social economic order, and have been penalized due to the above offences;</li> <li>(3) persons who were former directors, factory chiefs or managers of a company or enterprise which has become insolvent and has been liquidated and were personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;</li> <li>(4) persons who were legal representatives of a company or enterprise, which had its business license revoked due to a violation of the law and were ordered to close down, and who were personally liable for the revocation of business license of such company or enterprise, where less than three years have elapsed since the date of the revocation of business license of such company or enterprise;</li> <li>(5) persons with a comparatively large amount of personal debts due and unsettled;</li> <li>(6) persons who have committed criminal offences and are still under investigation by law administration authorities;</li> <li>(7) persons who were not allowed to be heads of enterprises as stipulated by laws and administrative regulations;</li> <li>(8) persons who are not natural persons;</li> <li>(9) persons who have been convicted of offences of violating provisions of the relevant securities regulations or offences of fraud or acting in bad faith by the relevant competent authorities, where less than five years have lapsed since the date of conviction;</li> </ol>	<p><b>Article 190</b> The following persons may not serve as a director, supervisor, the general manager, or other senior management officer of the Company:</p> <ol style="list-style-type: none"> <li>(1) an individual who has no civil capacity or has restricted civil capacity;</li> <li>(2) persons who have committed the offences of corruption, bribery, trespass of property, misappropriation of property or damaging the social economic order, and have been penalized due to the above offences, <b><u>where not more than five years have elapsed since the expiration of the period of enforcement; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of enforcement;</u></b></li> <li>(3) persons who were former directors, factory chiefs or managers of a company or enterprise which has become insolvent and has been liquidated and were personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;</li> <li>(4) persons who were legal representatives of a company or enterprise, which had its business license revoked due to a violation of the law and were ordered to close down, and who were personally liable for the revocation of business license of such company or enterprise, where less than three years have elapsed since the date of the revocation of business license of such company or enterprise;</li> <li>(5) persons with a comparatively large amount of personal debts due and unsettled;</li> <li>(6) persons who have committed criminal offences and are still under investigation by law administration authorities;</li> <li>(7) persons who were not allowed to be heads of enterprises as stipulated by laws and administrative regulations;</li> <li>(8) persons who are not natural persons;</li> </ol>

<u>Original provisions</u>	<u>Amended provisions</u>
(10) other persons stipulated by relevant laws and regulations of the place where the Company's shares are listed.	<p>(9) persons who have been convicted of offences of violating provisions of the relevant securities regulations or offences of fraud or acting in bad faith by the relevant competent authorities, where less than five years have lapsed since the date of conviction;</p> <p>(10) <b><u>persons who have been prohibited from accessing the securities market as penalization by the CSRC, where the specified prohibition period has not expired yet;</u></b></p> <p>(11) other persons stipulated by relevant laws and regulations of the place where the Company's shares are listed.</p> <p><b><u>If a director is elected or appointed in violation of this article, such election, appointment or employment shall be invalid. The Company shall dismiss the existing director who commits any act mentioned in this article during his/her tenure of office.</u></b></p>
<b>Article 152</b> Except in the circumstances prescribed in Article 58 of the Articles of Association, liabilities of a director, supervisor, the general manager and other senior management officers arising from the violation of a specified duty may be released by informed shareholders at a general meeting.	<b>Article 197</b> Except in the circumstances prescribed in <b><u>Article 63</u></b> of the Articles of Association, liabilities of a director, supervisor, the general manager and other senior management officers arising from the violation of a specified duty may be released by informed shareholders at a general meeting.

Original provisions	Amended provisions
<p><b>Article 153</b> Where a director, supervisor, the general manager, or other senior management officer of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, he shall declare the nature and extent of his interest to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal is otherwise subject to the approval of the Board of Directors under the normal circumstances.</p> <p>Subject to such exceptions specified in the Articles of Association as the Hong Kong Stock Exchange may approve, a director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board of Directors in respect of any contract, transaction or arrangement in which he or any of his close associates as defined in the applicable Listing Rules of the Hong Kong Stock Exchange in effect from time to time has any material interest or any other relevant proposals. Unless the interested director, supervisor, the president or other senior management officer of the Company has disclosed his interest in accordance with paragraph 1 of this Article and the contract, transaction or arrangement has been approved by the Board of Directors at a meeting in which the interested director, supervisor, the general manager or other senior management officer is not counted in the quorum and has refrained from voting, such contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the director, supervisor, the general manager or other senior management officer concerned.</p> <p>A director, supervisor, the general manager and other senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement in which his related parties have interest.</p>	<p><b>Article 198</b> Where a director, supervisor, the general manager, or other senior management officer of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, he shall declare the nature and extent of his interest to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal is otherwise subject to the approval of the Board of Directors under the normal circumstances.</p> <p>A director shall not be entitled to vote on <b>(nor shall be counted in the quorum in relation to) any resolution of the Board of Directors</b> in respect of any contract, transaction or arrangement in which he or any of his close associates as defined in the <b>securities</b> listing rules in effect from time to time <b>in a timely manner</b> has any material interest or any other relevant proposals. Unless the interested director, supervisor, the president or other senior management officer of the Company has disclosed his interest in accordance with paragraph 1 of this Article and the contract, transaction or arrangement has been approved by the Board of Directors at a meeting in which the interested director, supervisor, the general manager or other senior management officer is not counted in the quorum and has refrained from voting, such contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the director, supervisor, the general manager or other senior management officer concerned.</p> <p>A director, supervisor, the general manager and other senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement in which his related parties have interest.</p>



Original provisions	Amended provisions
<p><b>Article 158</b> A guarantee for a loan provided by the Company in breach of paragraph 1 of Article 158 shall be unenforceable against the Company unless:</p> <ol style="list-style-type: none"> <li>(1) the loan was provided to a related party of a director, supervisor, the general manager, or other senior management officer of the Company or its controlling shareholders and at the time the loan was advanced the lender did not know of the relevant circumstances;</li> <li>(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</li> </ol>	<p><b>Article 203</b> A guarantee for a loan provided by the Company in breach of <b>paragraph 1 of Article 191</b> shall be unenforceable against the Company unless:</p> <ol style="list-style-type: none"> <li>(1) the loan was provided to a related party of a director, supervisor, the general manager, or other senior management officer of the Company or its controlling shareholders and at the time the loan was advanced the lender did not know of the relevant circumstances;</li> <li>(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</li> </ol>
<p><b>Article 161</b> The Company shall, with the prior approval of shareholders in a general meeting, enter into a contract in writing with its director, supervisor or senior management officer wherein his emoluments are stipulated. The written contract shall include at least the following provisions:</p> <ol style="list-style-type: none"> <li>(1) Directors, supervisors and senior management officers shall undertake to the Company that they will observe and comply with the Company Law, the Special Regulations, the Articles of Association, the Code on Takeovers and Mergers, the Code on Share Repurchases and other provisions of the Hong Kong Stock Exchange, and agree that the Company is entitled to access to the remedial measures as prescribed in the Articles of Association. The contract and their positions shall not be transferred;</li> <li>(2) Directors, supervisors and senior management officers shall undertake to the Company (for and on behalf of each shareholder) that they will observe and fulfill their obligations to shareholders stipulated in the Articles of Association;</li> <li>(3) The arbitration clauses as provided in Article 207 of the Articles of Association.</li> </ol>	<p><b>Article 206</b> The Company shall, with the prior approval of shareholders in a general meeting, enter into a contract in writing with its director, supervisor or senior management officer wherein his emoluments are stipulated.</p> <p>The aforesaid emoluments include:</p> <ol style="list-style-type: none"> <li>(1) emoluments in respect of his service as director, supervisor or senior management officer of the Company;</li> <li>(2) emoluments in respect of his service as director, supervisor or senior management officer of any subsidiary of the Company;</li> <li>(3) 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; and</li> <li>(4) payment for compensation for loss of office, or as consideration in connection with his retirement from office.</li> </ol> <p>No proceedings may be brought by a director or supervisor against the Company for any benefit due to him in respect of the matters mentioned in this Article except pursuant to the contract mentioned above.</p> <p>The Company shall, on a regular basis, disclose to shareholders the remunerations obtained by the directors, supervisors and senior management officers from the Company.</p>



<u>Original provisions</u>	<u>Amended provisions</u>
<p>The aforesaid emoluments include:</p> <p>(1) emoluments in respect of his service as director, supervisor or senior management officer of the Company;</p> <p>(2) emoluments in respect of his service as director, supervisor or senior management officer of any subsidiary of the Company;</p> <p>(3) 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; and</p> <p>(4) payment for compensation for loss of office, or as consideration 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 due to him in respect of the matters mentioned in this Article except pursuant to the contract mentioned above.</p> <p>The Company shall, on a regular basis, disclose to shareholders the remunerations obtained by the directors, supervisors and senior management officers from the Company.</p>	

Original provisions	Amended provisions
<p><b>Article 164</b> The Company shall adopt the Gregorian calendar year for its accounting year, i.e. the accounting year shall be from 1 January to 31 December.</p> <p>At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law.</p> <p>The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or that of the place overseas where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be specifically stated in the financial statements.</p> <p>In distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown in the different sets of financial statements shall be adopted.</p>	<p><b>Article 209</b> The Company shall adopt the Gregorian calendar year for its accounting year, i.e. the accounting year shall be from 1 January to 31 December.</p> <p>At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law.</p> <p>The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations, <u>unless the laws, administrative regulations, departmental rules and securities regulatory rules in the place where the Company's shares are listed require that the financial statements of the Company shall also be prepared in accordance with either international accounting standards, or that of the place overseas where the Company's shares are listed.</u> If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be specifically stated in the financial statements.</p> <p>In distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown in the different sets of financial statements shall be adopted.</p>
/	<p><b>Article 210</b> <u>The Company shall submit an annual financial and accounting report to the CSRC and the stock exchanges within 4 months from the end of each financial year, submit an interim financial and accounting report to the branch office of the CSRC and the stock exchanges within 2 months from the end of the first six months of each financial year, and submit a quarterly financial and accounting report to the branch office of the CSRC and the stock exchanges within 1 month from the end of the first 3 months and the first 9 months of each financial year.</u></p> <p><u>The above financial and accounting reports shall be prepared in accordance with the relevant laws, administrative regulations and departmental rules.</u></p>
<p><b>Article 165</b> The Company's Board of Directors shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and regulatory documents promulgated by the local government and the competent governmental authorities require the Company to prepare.</p>	<p><b>Article 211</b> The Company's Board of Directors shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and regulatory documents promulgated by the local government and the competent governmental authorities require the Company to prepare.</p>

Original provisions	Amended provisions
<p><b>Article 168</b> The Company shall publish its financial reports twice every financial year, that is, the interim financial report shall be published within 60 days after the end of the first six months of each accounting year and the annual financial report shall be published within 120 days after the end of each accounting year.</p> <p>The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as in accordance with either the international accounting standards or that of the place overseas where the Company's shares are listed.</p>	<p><b>Article 214</b> The Company shall publish its financial reports twice every financial year, that is, the interim financial report shall be published within 60 days after the end of the first six months of each accounting year and the annual financial report shall be published within 120 days after the end of each accounting year.</p> <p>The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations, <b><u>unless the laws, administrative regulations, departmental rules and securities regulatory rules in the place where the Company's shares are listed require that</u></b> the financial statements of the Company shall also be prepared in accordance with either international accounting standards, or that of the place overseas where the Company's shares are listed.</p>
/	<p><b>Article 218</b> <u>The basic principles for the Company's profit distribution policy are as follows:</u></p> <p>(1) <u>the Company shall fully consider the returns to investors;</u></p> <p>(2) <u>the Company's profit distribution policy shall maintain continuity and stability, while taking into account the Company's long-term interests, the interests of all shareholders as a whole and the Company's sustainable development;</u></p> <p>(3) <u>the Company shall preferentially adopt cash dividend for profit distribution.</u></p>
<p><b>Article 172</b> The Company may distribute dividends in the form of (or a combination of both):</p> <p>(1) cash;</p> <p>(2) shares.</p>	[Deleted]

<u>Original provisions</u>	<u>Amended provisions</u>
/	<p data-bbox="810 331 1390 391"><u>Article 219 The specific policies on the Company's profit distribution are as follows:</u></p> <p data-bbox="810 425 1390 680"><u>(1) form of profit distribution: The Company may distribute dividends in the form of cash, shares, a combination of cash and shares or other legal means. The amount of profit distribution shall not exceed the accumulated distributable profits and shall not impair the Company's ability to operate on a going concern basis;</u></p> <p data-bbox="810 715 1390 906"><u>(2) intervals of profit distribution: The Company shall adopt a consistent and stable profit distribution policy and distribute profit once a year in principle. The Company may make interim profit distribution subject to conditions;</u></p> <p data-bbox="810 940 1390 1000"><u>(3) the specific conditions and proportion of the Company's cash dividend:</u></p> <p data-bbox="810 1034 1390 1476"><u>If the distributable profit (being the remaining net profit after the recovery for losses and provision of reserves by the Company) realized by the Company for the year or half-year is a positive amount, and there are no special circumstances such as significant investment plans or significant cash expenditures, the Company shall distribute dividends in cash, and the profits distributed in cash shall not be less than 10% of the distributable profits realized during the year provided that the funds demand for normal production and operation and sufficient amount of statutory reserve have been met by the Company.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
	<p><u>The Board of the Company shall take into consideration various factors, including the features of the industry in which the Company operates, development stage, its own business model and profit level as well as whether there are significant capital expenditure arrangements, to distinguish the following situations and formulate differentiated cash dividend policies:</u></p> <p>(i) <u>Where the Company is in a mature development stage with no significant capital expenditure arrangements, the profit distributed by means of cash dividends shall not be less than 80% of the total profit to be distributed;</u></p> <p>(ii) <u>Where the Company is in a mature development stage with significant capital expenditure arrangements, the profit distributed by means of cash dividends shall not be less than 40% of the total profit to be distributed;</u></p> <p>(iii) <u>Where the Company is in a growing development stage with significant capital expenditure arrangements, the profit distributed by means of cash dividends shall not be less than 20% of the total profit to be distributed;</u></p> <p>(iv) <u>Where the Company is in a development stage difficult to distinguish but with significant capital expenditure arrangements, the preceding provision may apply.</u></p> <p>(4) <u>specific conditions for the Company to issue stock dividends</u></p> <p><u>In the event that the Company's business is in good condition and the Board of Directors believes that the Company is growing, the dilution of net assets per share and the price of shares do not match the size of the Company's share capital, and the issuance of stock dividends is beneficial to the interests of all shareholders of the Company as a whole, the Company may propose a stock dividend distribution plan as long as it satisfies the above cash dividend conditions.</u></p>

Original provisions	Amended provisions
/	<p data-bbox="810 325 1390 421"><u>Article 220 The procedures for reviewing the Company's profit distribution plans are as follows:</u></p> <p data-bbox="810 449 1390 910"><u>(1) the Company's annual profit distribution plan shall be proposed and formulated by the Board of Directors in accordance with the provisions of the Articles of Association, profitability, capital supply and demand. Subject to opinions expressed by independent non-executive directors, it shall be submitted to the general meeting for approval after consideration and approval by the Board of Directors. Independent directors may propose dividend proposals by soliciting the opinions of minority shareholders and submit directly to the Board of Directors for consideration.</u></p> <p data-bbox="810 944 1390 1342"><u>(2) when the general meeting considers the profit distribution plan, the Company shall provide shareholders with an online voting method, or any ways in which the Board of Directors, independent non-executive directors and shareholders who meet the relevant requirements may from the record date of the general meeting to the date of the general meeting, solicit votes of shareholders, especially the votes of minority and medium shareholders, regarding the profit distribution plan resolution.</u></p> <p data-bbox="810 1376 1390 1900"><u>(3) subject to the cash dividend conditions stipulated in the Articles of Association, when the Company has significant investment opportunities, good investment prospects and major capital needs and decides to suspend the cash dividend plan temporarily, the Board of Directors shall make specific explanations on the reasons for not distributing cash dividends, the use and plan of funds not used for dividends and other matters and disclose in its periodic report, which is subject to opinions expressed by independent non-executive directors and shall be submitted to the general meeting for consideration and then disclosed on the Company's designated media.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
	<p>(4) <u>any necessary adjustments or changes to the cash dividend policy as stipulated in the Articles of Association shall be for the purpose of protecting shareholders' rights and interests, and the Board of Directors shall thoroughly discuss the reasonableness behind such amendment or change to the profit distribution plan, and submit a special resolution to the general meeting for consideration. The resolution shall be passed only if more than two-thirds of the voting rights held by shareholders present at the general meeting vote for it.</u></p>
/	<p>Article 221 <u>The Company may amend the profit distribution policy in the following circumstances:</u></p> <p>(1) <u>in case of force majeure such as war or act of God;</u></p> <p>(2) <u>major changes in national laws, regulations and industry policies which would have a significant adverse impact on the Company's production and operation, resulting in the Company's operating losses;</u></p> <p>(3) <u>the ratio of net cash flow generated by the Company's operating activities to net profit is less than 20% for three consecutive accounting years due to major changes in the external operating environment or its own operating conditions;</u></p> <p>(4) <u>the profit distribution policy requires amendment due to major changes in the Company's own operating conditions;</u></p> <p>(5) <u>it is necessary to amend the Company's profit distribution policy to protect shareholders' rights or to maintain the Company's normal and sustainable development.</u></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 223</b> The Company shall appoint a payment receiving agent for holders of overseas-listed foreign shares. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas-listed foreign shares, and such payment shall be kept by the payment receiving agent on such shareholders' behalf for any payment to them.</p> <p>The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange. The payment receiving agent appointed by the Company for holders of overseas-listed foreign shares listed in the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.</p> <p>Subject to the relevant laws and regulations of the PRC, the Company may exercise its right to confiscate the dividends which nobody has claimed only after 6 years or more of the declaration of such dividends.</p> <p>If the Company ceases sending dividend warrants by post to a holder of overseas-listed foreign shares, it should provide that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.</p>	<p><b>Article 223</b> The Company shall appoint a payment receiving agent for holders of overseas-listed foreign shares. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas-listed foreign shares, and such payment shall be kept by the payment receiving agent on such shareholders' behalf for any payment to them.</p> <p>The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange. The payment receiving agent appointed by the Company for holders of overseas-listed foreign shares listed in the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.</p> <p>Subject to the relevant laws and regulations of the PRC, the Company may exercise its right to confiscate the dividends which nobody has claimed. <b><u>Such rights, however, shall not be exercised before the expiry of the relevant applicable period.</u></b></p> <p>If the Company ceases sending dividend warrants by post to a holder of overseas-listed foreign shares, it should provide that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.</p>



<u>Original provisions</u>	<u>Amended provisions</u>
<p>In relation to the exercise of right to issue warrants to bearer, no warrant thereof shall be issued to replace one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed. The Company has the power to sell, by means considered appropriate by the Board of Directors, the shares of a holder of the overseas-listed foreign shares who is untraceable under the following circumstances:</p> <p>(1) during a period of 12 years at least 3 dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and</p> <p>(2) on expiry of the 12 years the Company gives notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company's shares are listed and notifies the Hong Kong Stock Exchange of such intention.</p>	<p>In relation to the exercise of right to issue warrants to bearer, no warrant thereof shall be issued to replace one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed. The Company has the power to sell, by means considered appropriate by the Board of Directors, the shares of a holder of the overseas-listed foreign shares who is untraceable under the following circumstances:</p> <p>(1) during a period of 12 years at least 3 dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and</p> <p>(2) on expiry of the 12 years the Company gives notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company's shares are listed and notifies the Hong Kong Stock Exchange of such intention.</p>
/	<p><b><u>Article 224 The Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after the approval of the profit distribution plan at the general meeting of the Company.</u></b></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 176</b> Unless otherwise provided in the relevant or administrative regulations, if the cash dividends and other payments are to be paid in Hong Kong dollars, the Company shall adopt the average offer price of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other payments are declared as the exchange rate therefor.</p>	<p><b>Article 226</b> Unless otherwise provided in the relevant or administrative regulations, if the cash dividends and other payments are to be paid in Hong Kong dollars, the Company shall adopt the average <b>mid-price</b> of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other payments are declared as the exchange rate therefor.</p>
/	<p><b>Article 227</b> <u>The Company shall implement an internal audit system with designated auditors to carry out internal auditing and supervision of the Company's financial income and expenditure and economic activities.</u></p>
/	<p><b>Article 228</b> <u>The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the Board. The auditor general shall be accountable to the Board of Directors and report on his/her work.</u></p>

Original provisions	Amended provisions
<p><b>Article 184</b> If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm in advance, and the latter has the right to state its opinions to the shareholders' general meeting. Where the accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.</p> <p>The accounting firm may resign its office by depositing at the Company's legal address a written notice of resignation, which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:</p> <ol style="list-style-type: none"> <li>i. a statement to the effect that there are no circumstances connected with its resignation which it considers shall be brought to the notice of the shareholders or creditors of the Company; or</li> <li>ii. a statement of any such circumstances that should be explained.</li> </ol> <p>The Company shall, within fourteen days after receipt of the written notice referred to in paragraph (2) of this Article, send a copy of the notice to the relevant governing authority. If the notice contains a statement under subparagraph (2) (ii) of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. If the notice contains the statement as referred in the paragraph (2) of Article 185, the Company shall also send a copy of such statement by prepaid mail to every holder of overseas-listed foreign shares (i.e. the shareholder who entitles to receive the financial report of the Company) at the address registered in the register of shareholders.</p> <p>Where the accounting firm's notice of resignation contains a statement under subparagraph (2) (ii) of this Article, the accounting firm may require the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.</p>	<p><b>Article 236</b> If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm in advance, and the latter has the right to state its opinions to the shareholders' general meeting. Where the accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.</p> <p>The accounting firm may resign its office by depositing at the Company's legal address a written notice of resignation, which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:</p> <ol style="list-style-type: none"> <li>i. a statement to the effect that there are no circumstances connected with its resignation which it considers shall be brought to the notice of the shareholders or creditors of the Company; or</li> <li>ii. a statement of any such circumstances that should be explained.</li> </ol> <p>The Company shall, within fourteen days after receipt of the written notice referred to in paragraph (2) of this Article, send a copy of the notice to the relevant governing authority. If the notice contains a statement under subparagraph (2) (ii) of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. If the notice contains the statement as referred in the subparagraph (2) (ii) of <b>this Article</b>, the Company shall also send a copy of such statement by prepaid mail to every holder of overseas-listed foreign shares (i.e. the shareholder who entitles to receive the financial report of the Company) at the address registered in the register of shareholders.</p> <p>Where the accounting firm's notice of resignation contains a statement under subparagraph (2) (ii) of this Article, the accounting firm may require the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.</p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p><b>Article 185</b> Notices of the Company may be delivered by the following means:</p> <ol style="list-style-type: none"> <li>(1) by designated person;</li> <li>(2) by mail;</li> <li>(3) by fax or electronic mail;</li> <li>(4) by way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed;</li> <li>(5) by way of announcement;</li> <li>(6) by any other means as agreed by the Company or the addressee or as accepted by the addressee after the notice is received;</li> <li>(7) by any other means as approved by relevant regulatory authorities at the places where the Company's shares are listed or as specified in the Articles of Association.</li> </ol>	<p><b>Article 237</b> Notices of the Company may be delivered by the following means:</p> <ol style="list-style-type: none"> <li>(1) by designated person;</li> <li>(2) by mail;</li> <li>(3) by fax or electronic mail;</li> <li>(4) by way of publishing information on websites designated by the Company and the <b>stock exchanges</b>, subject to the laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed;</li> <li>(5) by way of announcement;</li> <li>(6) by any other means as agreed by the Company or the addressee or as accepted by the addressee after the notice is received;</li> <li>(7) by any other means as approved by relevant regulatory authorities at the places where the Company's shares are listed or as specified in the Articles of Association.</li> </ol>

Original provisions	Amended provisions
<p>Unless the context otherwise specifies, the “announcement” referred to in the Articles of Association shall mean, in respect of announcements made to the holders of domestic shares or the announcements to be published in the PRC as required by the relevant requirements and the Articles of Association, the publication of an announcement in newspapers in the PRC, and such newspapers shall have been prescribed under the laws and administrative regulations of the PRC or by the securities regulatory authority of the State Council. For notices issued by the Company to the holders of overseas-listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for immediate release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. The announcement shall also be published on the Company’s website at the same time. In addition, unless otherwise required in the Articles of Association, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas-listed foreign shares by personal delivery or prepaid mail so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.</p>	<p>Unless the context otherwise specifies, the “announcement” referred to in the Articles of Association shall mean, in respect of announcements made to the holders of domestic shares or the announcements to be published in the PRC as required by the relevant requirements and the Articles of Association, the publication of an announcement in newspapers in the PRC, and such newspapers shall have been prescribed under the laws and administrative regulations of the PRC or by the securities regulatory authority of the State Council. For notices issued by the Company to the holders of overseas-listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for immediate release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. The announcement shall also be published on the Company’s website at the same time. In addition, unless otherwise required in the Articles of Association, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas-listed foreign shares by personal delivery or prepaid mail so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.</p>
<p>Holders of the Company’s overseas-listed foreign shares shall select electronic version or mail in writing to receive corporate communication that the Company shall send to shareholders, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.</p>	<p>Holders of the Company’s overseas-listed foreign shares shall select electronic version or mail in writing to receive corporate communication that the Company shall send to shareholders, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.</p>
<p>Shareholders or directors who want to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.</p>	<p>Shareholders or directors who want to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.</p>

Original provisions	Amended provisions
<p>Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communication to shareholders, for the purpose of the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the Listing Rules of the Hong Kong Stock Exchange, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Listing Rules of the Hong Kong Stock Exchange as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by electronic means or via its website. Corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the Listing Rules of the Hong Kong Stock Exchange.</p> <p>If the Company is empowered to give notice by advertisement, such advertisements may be published in the newspapers and there is no prohibition on giving notice to shareholders with registered addresses outside Hong Kong.</p>	<p>Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communication to shareholders, for the purpose of the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the Listing Rules of the Hong Kong Stock Exchange, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Listing Rules of the Hong Kong Stock Exchange as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by electronic means or via its website. Corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the Listing Rules of the Hong Kong Stock Exchange.</p> <p>If the Company is empowered to give notice by advertisement, such advertisements may be published in the newspapers and there is no prohibition on giving notice to shareholders with registered addresses outside Hong Kong.</p>
<p><b>Article 194</b> Where the Company is dissolved pursuant to subparagraphs (1), (3) and (5) of Article 195 hereof, a liquidation committee shall be set up, within 15 days from the date upon which the cause of dissolution arises, to start the liquidation process. The composition of the liquidation committee shall be determined by the shareholders' general meeting by ordinary resolution. In case no such committee is established to proceed with liquidation in time, the creditors may make application to the people's court for appointing relevant persons to form the liquidation committee for liquidation.</p>	<p><b>Article 246</b> Where the Company is dissolved pursuant to subparagraphs (1), (3) and (5) of <b>Article 245</b> hereof, a liquidation committee shall be set up, within 15 days from the date upon which the cause of dissolution arises, to start the liquidation process. The composition of the liquidation committee shall be determined by the shareholders' general meeting by ordinary resolution. In case no such committee is established to proceed with liquidation in time, the creditors may make application to the people's court for appointing relevant persons to form the liquidation committee for liquidation.</p>
<p><b>Article 198</b> The liquidation committee shall, after examining the Company's assets and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' general meeting or the relevant governing authority for confirmation.</p> <p>The assets of the Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.</p>	<p><b>Article 250</b> The liquidation committee shall, after examining the Company's assets and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' general meeting or the relevant governing authority for confirmation.</p> <p>The <b>remaining</b> assets of the Company <b>after the</b> payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes and payment of the Company's debts <b>shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.</b></p>

<u>Original provisions</u>	<u>Amended provisions</u>
<p>The remaining assets of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings.</p> <p>During the liquidation period, the Company shall not commence any new business activities.</p>	<p>The remaining assets of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings. <b><u>The assets of the Company shall not be distributed to the shareholders before the repayment in accordance with the preceding provision.</u></b></p> <p>During the liquidation period, the Company shall not commence any new business activities.</p>
/	<p><b><u>Article 253 The members of the liquidation committee shall devote themselves to their duties and fulfill their obligations of liquidation according to the law.</u></b></p> <p><b><u>None of the members of the liquidation committee may take any bribe or any other illegal proceeds by taking advantage of his/her position, nor may he misappropriate any of the properties of the Company.</u></b></p> <p><b><u>Where any of the members of the liquidation committee causes any loss to the Company or any creditor by intention or due to gross negligence, he/she shall make corresponding compensations.</u></b></p>
/	<p><b><u>Article 254 If the Company is declared bankrupt in accordance with the laws, liquidation shall be implemented pursuant to the laws on corporate winding up.</u></b></p>

Original provisions	Amended provisions
<p><b>Article 205</b> The Company shall act according to the following principles to settle disputes:</p> <p>(1) For any disputes or claims of rights between holders of overseas-listed foreign shares and the Company; between holders of overseas-listed foreign shares and the directors, supervisors, the general manager or other senior management officers of the Company; between holders of overseas-listed foreign shares and holders of domestic shares, that arise based on the rights and obligations stipulated in the Articles of Association, the Company Law and other relevant laws and administrative regulations, any such disputes or claims of rights relevant to the affairs of the Company shall be referred by the relevant parties to arbitration.</p> <p>Where the abovementioned dispute or claim of rights is referred to arbitration, it shall be the entire claim or dispute, and all persons (being the Company or shareholders, directors, supervisors, the general manager or other senior management officers of the Company), who have a cause of action based on the same facts giving rise to the dispute or claim of rights or whose participation is necessary for the resolution of such dispute or claim of rights, shall abide by arbitration.</p> <p>Disputes regarding definition of shareholders and register of shareholders may be resolved other than by way of by arbitration.</p> <p>(2) The claimant shall refer the arbitration to the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules. Once a claimant refers a dispute or claim of rights to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>(3) If any disputes or claims of rights arising out of Item (1) above are settled by way of arbitration, the laws of the People's Republic of China (excluding the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau and Taiwan region) shall apply, save as otherwise provided in laws and administrative regulations.</p>	<p><b>Article 259</b> The Company shall act according to the following principles to settle disputes:</p> <p>(1) For any disputes or claims of rights between holders of overseas-listed foreign shares and the Company; between holders of overseas-listed foreign shares and the directors, supervisors, the general manager or other senior management officers of the Company; between holders of overseas-listed foreign shares and holders of domestic shares, that arise based on the rights and obligations stipulated in the Articles of Association, the Company Law and other relevant laws and administrative regulations, any such disputes or claims of rights relevant to the affairs of the Company shall be referred by the relevant parties to arbitration.</p> <p>Where the abovementioned dispute or claim of rights is referred to arbitration, it shall be the entire claim or dispute, and all persons (being the Company or shareholders, directors, supervisors, the general manager or other senior management officers of the Company), who have a cause of action based on the same facts giving rise to the dispute or claim of rights or whose participation is necessary for the resolution of such dispute or claim of rights, shall abide by arbitration.</p> <p>Disputes regarding definition of shareholders and register of shareholders may be resolved other than by way of by arbitration.</p> <p>(2) The claimant shall refer the arbitration to the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules. Once a claimant refers a dispute or claim of rights to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>(3) If any disputes or claims of rights arising out of Item (1) above are settled by way of arbitration, the laws of the People's Republic of China (excluding the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau and Taiwan region) shall apply, save as otherwise provided in laws and administrative regulations.</p>



Original provisions	Amended provisions
<p>(4) The decision made by the arbitral body shall be final and conclusive, and shall be binding on all parties.</p> <p>(5) The arbitration agreement shall be reached by directors or senior management and the Company which represents both itself and each of the shareholders.</p> <p>(6) Any arbitration submitted shall be deemed as authorizing the arbitration tribunal to conduct a public hearing and announce its verdict.</p>	<p>(4) The decision made by the arbitral body shall be final and conclusive, and shall be binding on all parties.</p>
<p><b>Article 206</b> In the Articles of Association, the meaning of an “accounting firm” is the same as that of “auditors”.</p> <p>In the Articles of Association, the meaning of “de facto controller” is the person who is not a shareholder of the Company but is able to actually control the acts of the Company through an investment, agreement or other arrangement.</p> <p>In the Articles of Association, the meaning of “no less than”, “within” or “no more than” includes the underlying number, while “more than” or “beyond” does not include the underlying number.</p> <p>In the Articles of Association, the meaning of “connected transaction” refers to the connected transaction as defined in Listing Rules of the Hong Kong Stock Exchange.</p>	<p><b>Article 260</b> In the Articles of Association, the meaning of an “accounting firm” is the same as that of “auditors”.</p> <p>In the Articles of Association, the meaning of “de facto controller” is the person who is not a shareholder of the Company but is able to actually control the acts of the Company through an investment, agreement or other arrangement.</p> <p>In the Articles of Association, the meaning of “no less than”, “within” or “no more than” includes the underlying number, while “more than” or “beyond” does not include the underlying number.</p> <p><b><u>In the Articles of Association, “related (connected) relationship” means the relationship between the Company’s controlling shareholder, actual controller, a director, a supervisor or senior management member (including the associates of the above parties as defined in the HKEx Listing Rules and Listing Rules) on the one hand and an enterprise he/she directly or indirectly controls on the other hand, as well as any other relationship that may result in a diversion of the Company’s interests; however, enterprises controlled by the state shall not be deemed to have a related (connected) relationship merely by virtue of the fact that such enterprises are under the common control of the state.</u></b></p>
<p><b>Article 209</b> Upon approval of the Articles of Association at the shareholders’ general meeting, the Articles of Association shall come into effect from the date on which the shares of the Company are listed on the main board of The Stock Exchange of Hong Kong Limited. Prior to the Articles of Association becoming effective, the existing Articles of Association will continue to be in force until the Articles of Association becoming effective.</p>	<p><b>Article 263</b> <u>The Articles of Association shall come into force on the date the Company completes the initial public offering of its A shares and such A shares are listed on the main board of Shenzhen Stock Exchange (hereinafter referred to as “Shenzhen Stock Exchange”) and shall supersede the existing articles of association of the Company filed with the administration authorities for industry and commerce.</u></p>

**JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED  
RULES OF PROCEDURE FOR GENERAL MEETING****Chapter 1 General Rules**

Article 1 The Rules are hereby drawn up in accordance with the Company Law of the People's Republic of China, The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Listing Rules of Hong Kong Stock Exchange"), the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (hereinafter referred to as the "Listing Rules"), the Guidelines for the Articles of Association of Listed Companies, the Opinions on Standards of Shareholders' General Meetings of Listed Companies, the Rules of Shareholders' General Meetings of Listed Companies and provisions of the Articles of Association of the Company to facilitate the smooth operation of shareholders' general meetings, enhance the procedural efficiency of shareholders' general meetings, safeguard the legitimate interests of shareholders, ensure shareholders' general meetings exercise their functions and powers legally, ensure the validity and legality of their procedures and resolutions.

Article 2 The Articles of Association of the Company shall prevail in construing the terms as referred to in the Rules and unspecified matters.

**Chapter 2 Nature and Authorities of the Shareholders' General Meeting**

Article 3 The shareholders' general meeting is the organ of the highest power of the Company and the primary means for the shareholders to exercise their functions and powers legally. The Board of Directors shall strictly abide by all provisions of the Company Law and other laws and regulations in relation to convening shareholders' general meetings and have them conducted conscientiously and timely. All the directors of the Company shall bear obligations of good faith toward the normal proceeding of the shareholders' general meeting, and shall not obstruct the lawful exercise of functions and powers by the shareholders' general meeting

Article 4 The shareholders' general meeting shall exercise the following functions and powers according to law:

- (1) to decide the Company's operational guidelines and investment schemes;
- (2) to elect and remove directors and supervisors not being staff representatives and to determine matters relating to the remuneration of the directors and the supervisors;
- (3) to consider and approve the reports of the Board of Directors;
- (4) to consider and approve the reports of the Supervisory Committee;
- (5) to consider and approve the Company's annual financial budgets and final accounts;
- (6) to consider and approve the Company's profit distribution plan and plan for recovery of losses;
- (7) to resolve on increase or reduction in the Company's registered capital;

(8) to resolve on the issue of debentures, any kind of shares, warrants or other similar securities by the Company;

(9) to resolve on the merger, demerger, dissolution, liquidation or change of form of business of the Company;

(10) to formulate and amend the Articles of Association;

(11) to consider the motions put forward by shareholders individually or jointly holding 3% or more of the Company's shares with voting rights;

(12) to decide the engagement, re-appointment or dismissal of the accounting firms;

(13) to consider and approve the external guarantees subject to the approval of the shareholders' general meeting;

(14) to consider the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;

(15) to consider the share incentive plan;

(16) to consider and approve matters on change of the use of proceeds;

(17) to consider and approve any other matters to be resolved thereby as required by laws, administrative regulations and the Articles of Association;

(18) to consider and approve other matters as required by the listing rules of the stock exchange of the locality on which the Company's shares are listed.

Subject to the laws, regulations and mandatory provisions of the listing rules of the listing place, the shareholders' general meeting may authorize or delegate the Board of Directors to transact the matters authorized or delegated by it, including but not limited to at the annual general meeting.

Article 5 The shareholders' general meeting shall exercise its functions and powers to the extent permitted by the Company Law, the Articles of Association and relevant laws and regulations, and shall not interfere with shareholders in respect of the disposal of their own rights.

Article 6 The controlling shareholders of the Company shall exercise their rights as investor strictly according to law and shall not directly or indirectly intervene in the decision-making of and any business activity commenced by the Company according to law and damage the lawful interests of the Company and other shareholders.

Article 7 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings shall be held once every year within six months from the close of the preceding accounting year.

### **Chapter 3 Convening a Shareholders' General Meeting**

Article 8 When convening a shareholders' meeting, the Board of Directors shall notify all shareholders by way of notice 20 days prior to the date of the annual general meeting, as to an extraordinary general meeting, the Board of Directors shall notify all shareholders by way of notice 15 days prior to the date of meeting. For matters included for consideration in a motion to be submitted to a

shareholders' general meeting for voting that may only be transacted after having been passed by public shareholders representing more than half of the voting rights who must be part of the voting, the Board of Directors shall, upon releasing the notice of convening such shareholders' general meeting, re-publish the same within 3 days after the record date.

Article 9 The notice and the supplemental notice of the shareholders' general meeting shall disclose all the specific contents of the motion adequately and completely, and provide all information and explanation required for making a reasonable judgment by shareholders in respect of the matters for discussion. If the matters for discussion require opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed contemporaneously with the announcement of the notice of the shareholders' general meeting and the supplemental notice.

Article 10 The notice of a shareholders' general meeting shall:

- (1) be in writing;
- (2) specify the time, place and date of the meeting;
- (3) set out the matters to be considered at the meeting;
- (4) provide such information and explanation as are necessary for the shareholders to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract (if any), and the cause and effect of such motion shall be properly described;
- (5) disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other 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 other senior management officer in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;
- (6) set out the full text of any special resolution proposed to be passed at the meeting;
- (7) contain conspicuously a statement that all shareholders are entitled to attend the shareholders' general meeting, and 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 of the Company;
- (8) specify the time and place for lodging proxy forms for the meeting;
- (9) specify the record date for shareholders who are entitled to attend the shareholders' general meeting;
- (10) specify the name and telephone number of the contact person for the meeting.

Article 11 Providing that matters involving the election of directors and supervisors are to be considered at a shareholders' general meeting, the notice of such shareholders' general meeting shall fully disclose the detailed information of the candidates for such directors and supervisors, which shall at least include the following:

- (1) personal particulars including education background, work experience and any part-time jobs, etc.;
- (2) whether there is any related relationship with the listed company or its controlling shareholders and de facto controller;
- (3) disclosure of the shareholdings in the listed company;
- (4) whether or not he/she has been penalized by CSRC and other relevant authorities and any stock exchange.

Except for electing directors or supervisors by way of cumulative voting system, each candidate for directors or supervisors shall be nominated by means of a separate motion.

Article 12 After the notice of a shareholders' general meeting is released, the meeting shall not be postponed or cancelled and the motions set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the specific reason for the postponement or cancellation at least 2 working days prior to the convening date on which the meeting is originally scheduled. The Board of Directors shall specify the reasons and announce the postponed convening date in the notice. In the case of any postponement of a shareholders' general meeting, the record date for shareholders entitled to attend the meeting as stipulated in the notice shall not be altered.

Article 13 The shareholders' general meeting shall be held at the domicile of the Company or the venue as stipulated in the Articles of Association.

The shareholders' general meetings shall be provided with a meeting venue and be convened by way of on-site meeting. The Company may provide convenience for shareholders attending the meeting by means of internet and other modes that are safe, economic and convenient. Shareholders who attend the meeting in the aforesaid modes shall be deemed to be present.

A shareholder may attend a shareholders' general meeting in person and exercise its/his/her voting rights, or may appoint other person(s) as its/his/her proxy to attend the meeting on its/his/her behalf and exercise the voting rights within the scope of authorization.

Article 14 In the event that the shareholders' general meeting of the Company is held by way of internet or other modes, the voting time and voting procedures via internet or other modes shall be clearly set out in the notice of the shareholders' general meeting.

The beginning time for voting via internet or other modes for the shareholders' general meeting shall not be earlier than 3:00 p.m. on the day prior to the onsite shareholders' general meeting, and shall not be later than 9:30 a.m. on the day when the onsite shareholders' general meeting is convened, and its closing time shall not be earlier than 3:00 p.m. on the day when the onsite shareholders' general meeting is concluded.

Article 15 All ordinary shareholders (including those senior shareholders having their voting rights resumed) registered on the record date or their proxies shall have the right to attend a shareholders' general meeting, and shall not be refused to do so by the Company or the convener for any reason.

Article 16 The convener and the legal advisers shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the name of the shareholders together with the number of voting shares in their possession. Before the presider of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of voting shares in their possession, registration for the meeting shall be ended.

Article 17 When convening a shareholders' general meeting by the Company, all directors, supervisors and the secretary to the Board of Directors shall attend the meeting in person while the manager(s) and other senior management personnel shall attend the meeting as non-voting participants.

Article 18 A shareholder may attend a shareholders' general meeting in person or may appoint a proxy to attend the meeting and vote on his/her behalf. The proxy form issued by a shareholder to appoint a proxy to attend a shareholders' general meeting shall specify the following:

- (1) the name of the proxy;
- (2) whether the proxy has the right to vote;
- (3) separate instructions as to whether to vote for, vote against, or abstain from voting on, each item included on the agenda of the shareholders' general meeting as an item for consideration thereat;
- (4) whether the proxy is entitled to vote for temporary motions that may be included in the agenda of the shareholders' general meeting; and concrete instructions of voting if such voting power is granted;
- (5) the date of issuance and the term of validity of the proxy form;
- (6) the signature (or seal) of the principal. If the principal is a corporation, it must be executed with a seal of the same;
- (7) the proxy form shall specify, if no concrete instruction is given by the shareholder concerned, whether the proxy can vote in his/her discretion.

Article 19 Where the proxy form is signed by a person authorized by the principal, the power of attorney or other authorization documents shall be notarized. The notarized proxy form and other authorization documents, together with the proxy form, shall be lodged with the Company's domicile or such other place as specified in the notice convening the meeting.

If the proxy is a legal person, his legal representative or any representative authorized by the Board of Directors or by other decision-making body shall attend the shareholders' general meeting of the Company on its behalf.

Article 20 A shareholder shall present his/her share account card, identity card or other valid certificates or proof that can manifest his/her identity to attend a shareholders' general meeting. As to a proxy, he/she shall also produce the proxy form and his/her personal valid identification certificates while attending.

Article 21 A corporate shareholder shall attend the meeting by its legal representative or the proxy appointed by the legal representative. A legal representative attending the meeting shall present his identity card and documents that can certify his capacity as a legal representative. A proxy attending the meeting shall present his identity card and the power of attorney issued according to law by the legal representative of the corporate shareholder.

Article 22 The Board of Directors, the independent directors and the qualified shareholders (hereinafter be abbreviated as the “Solicitors”) may solicit from shareholder their voting rights at a shareholders’ general meeting. The Solicitors shall abide by the following stipulations when soliciting voting rights from shareholders:

(1) The solicitation of voting right by the Board of Directors shall be consented to by the Board of Directors and the relevant board resolution should be made public. The independent directors and the qualified shareholders may solicit voting rights separately or jointly.

(2) The solicitation of voting rights shall be conducted without consideration, and information must be fully disclosed to the person being solicited.

(3) The Solicitors must solicit voting rights for all matters for voting at one single shareholders’ general meeting, while the shareholders shall delegate their respective voting rights in respect of different matters for voting to the same person.

(4) The Solicitors shall prepare a report for soliciting voting rights and a power of attorney of the same in accordance with stipulations as provided in relevant laws, regulations and regulatory documents, and have them released on the information disclosure media designated by the Company fifteen days prior to convening of a shareholders’ general meeting.

(5) The Solicitors shall engage a lawyer to issue a legal opinion on qualification of the Solicitors, the soliciting proposal, the form and validity of the power of attorney for soliciting voting rights and other matters, and have the report for soliciting voting rights and the power of attorney for soliciting voting rights released on the designated information disclosure media together with the opinion.

(6) The report for soliciting voting rights, a power of attorney of the same and related materials must be filed with securities regulatory authorities 10 days prior to serving the same to shareholders. If the regulatory authorities dissent within 5 working days, the material must be amended before serving to shareholders. If the regulatory authorities do not dissent after the end of 5 working days, the material may be served to shareholders straightaway.

Article 23 The Company is responsible for preparing a register for persons attending the meeting, which should specify details of persons attending the meeting such as the name (or the name of corporation), the identity card number, the residential address, the shareholdings in possession or representing voting rights, the name of the nominee name (or the name of the corporation) and so on.



Article 24 The Board of Directors shall convene an extraordinary general meeting within two months from the occurrence of any of the following circumstances:

The Board of Directors shall convene an extraordinary general meeting within 2 months from the occurrence of any of the following circumstances:

- (1) when the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (3) where any shareholder(s) individually or collectively holding 10% or more of the Company's shares request(s) in writing for the convening of an extraordinary general meeting;
- (4) when it is deemed necessary by the Board of Directors or when requested by the Supervisory Committee;
- (5) when proposed by two or more of independent non-executive directors;
- (6) other situations stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange(s) on which the Company's shares are listed or the Articles of Association.

In any of the circumstances referred to in items (3), (4) and (5) above, the matter for consideration proposed by the party requesting the holding of the extraordinary general meeting shall be included in the agenda of such meeting.

Article 25 Voting by way of telecommunications shall not be adopted in an annual general meeting and a shareholders' general meeting convened at the request of the shareholders or the Supervisory Committee. Voting by way of telecommunications shall not be adopted in an extraordinary general meeting for deliberation of following matters:

- (1) increase or reduction of registered capital of the Company;
- (2) the issue of corporate debentures by the Company;
- (3) demerger, merger, dissolution and liquidation of the Company;
- (4) amendments to the Articles of Association;
- (5) motions for profit distribution and loss recovery;
- (6) appointment and removal of members of the Board of Directors and the Supervisory Committee;
- (7) change of use of proceeds from issuance of shares;
- (8) related party transactions which are subject to approval at the shareholders' general meeting;
- (9) acquisition or disposal of assets which are subject to approval at the shareholders' general meeting;
- (10) change of accounting firms;
- (11) other matters stipulated in the Articles of Association that shall not be subject to voting by way of telecommunications.



Article 26 The preparation for a shareholders' general meeting shall be conducted under the leadership of the chairman of the Board of Directors and be executed by the board secretary.

Article 27 For the purpose of shareholders' general meeting, the Board of Directors shall engage a lawyer to issue legal opinion on the following matters and make relevant announcements:

- (1) whether the procedures relating to the convening and holding of such meeting comply with requirements under laws, administrative regulations, the Articles of Association and this Article;
- (2) whether the qualifications of the attendees and the convener are legal and valid;
- (3) whether the voting procedure of the meeting, the result of voting are legal and valid;
- (4) opine on such other relevant queries upon request by a listed company.

#### **Chapter 4 Convening Extraordinary General Meeting as proposed by the Supervisory Committee and Shareholders**

Article 28 The independent directors shall have the rights to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the motion requesting to convene an extraordinary general meeting by the independent directors, the Board of Directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after receiving the motion in accordance with the laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the Board of Directors. If the Board of Directors refuses to convene an extraordinary general meeting, an explanation and relevant announcement shall be made.

Article 29 The Supervisory Committee shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and shall propose the same to the Board of Directors in writing. The Board of Directors shall issue a written reply on consent or non-consent to convene the extraordinary general meeting within 10 days upon the receipt of the requisition in accordance with the laws, administrative regulations and the Articles of Association.

Where the Board of Directors consents to convene an extraordinary general meeting, a notice on convening the extraordinary general meeting shall be issued within 5 days from passing of the board resolution. Any amendment to the original motion in the notice shall be subject to the agreement of the supervisory committee.

Where the Board of Directors disagrees to convene an extraordinary general meeting or fails to give the reply in writing within 10 days upon receipt of the motion, the Board of Directors shall be deemed as unable or failing to perform the duties of convening the shareholders' general meeting. As such, the Supervisory Committee may proceed to convene and preside over the meeting on its own.

Article 30 Shareholders who individually or collectively holding 10% or more of shares of the Company shall have the rights to propose to the Board of Directors to convene an extraordinary general meeting in writing. The Board of Directors shall give its reply in writing stating whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon the receipt of the said request in accordance with the laws, administrative regulations and the Articles of Association.

Where the Board of Directors agrees to convene the extraordinary general meeting, a notice for convening the shareholders' general meeting shall be issued within 5 days after the Board of Directors passing the relevant resolution. Any change to the original request in the notice shall be subject to the agreement of the Supervisory Committee.

Where the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such request, the Shareholders who individually or collectively holding 10% or more of shares of the Company shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting, provided that such motion shall be made in writing.

In the event that the supervisory committee agrees to convene an extraordinary general meeting, the notice of convening a shareholders' general meeting shall be issued within 5 days after receiving such request. Any changes to the original request made in the notice shall require approval of the shareholders concerned.

Failure of the supervisory committee to issue the notice of the shareholders' general meeting within the stipulated time shall be deemed as failure of the Supervisory Committee to convene and preside over a shareholders' general meeting, shareholders who separately or jointly hold more than 10% of shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.

Article 31 In the event that the supervisory committee or the shareholders decide to convene a shareholders' general meeting on its or their own, they shall notify the Board of Director in writing and file the relevant documents with branch offices of the CSRC and the stock exchange at the Company's domicile.

The shareholding of the shareholders convening a shareholders' general meeting shall be not less than 10% prior to the announcement of resolutions of the shareholders' general meeting.

The Supervisory Committee and the convening shareholders shall file the relevant documents with branch offices of the CSRC and the stock exchange at the Company's domicile.

Article 32 The Board of Directors and the board secretary shall cooperate when the Supervisory Committee or the shareholders proceed to convene a shareholders' general meeting on its or their own. The Board of Directors shall provide the register of shareholders as at the record date. Where the Board of Directors fails to provide the register of shareholders, the convener may apply for one from the securities registration and clearing authority with relevant announcement on the convening notice of the shareholders' general meeting. The register of shareholders so obtained by the convener shall not be used for purposes other than convening the shareholders' general meeting.

Article 33 Requisite costs of the meeting(s) convened by the Supervisory Committee or shareholder(s) on its or their own shall be borne by the Company.

#### **Chapter 5 Procedural Matters and Motions at Shareholders' General Meeting**

Article 34 The matters stated in the motion must be within the terms of reference of the shareholders' general meeting and it shall have a clear subject and specific resolutions, and conform to relevant stipulations of laws, administrative regulations and the Articles of Association.

Article 35 Shareholders who individually or collectively holding 3% or more of the shares of the Company may submit an ad hoc motion to the convener in writing 10 days before the date of the shareholders' general meeting; the convener shall issue a supplementary notice of the shareholders' general meeting to announce the contents of the ad hoc motions within 2 days of receiving the motion and include it for consideration at the shareholders' general meeting. The matters stated in the ad hoc motion must be within the terms of reference of the shareholders' general meeting and it shall have a clear subject and specific resolutions.

Apart from aforesaid provisions, the convener shall not amend the motions stated in the notice of the shareholders' general meeting or add new motions upon issuance of the announcement on the notice of the shareholders' general meeting.

The shareholders' general meeting shall not vote on or resolve the motions which have not been stated in the notice of the shareholders' general meeting or the motions which do not meet the provisions in Article 34 of the Rules.

Unless otherwise provided in the Articles of Association, the notice of the shareholders' general meeting shall be served by personal delivery or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the shareholders' general meeting). The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities competent authority of the State Council. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting. The notice of a shareholders' general meeting served to the holders of overseas-listed foreign shares may be published through the designated websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Article 36 Where motions at a shareholders' general meeting are concrete ones made in connection with the matters to be discussed at the shareholders' general meeting, the shareholders' general meeting shall make resolutions in respect of such concrete motions.

Article 37 For motions at a shareholders' general meeting made by the Supervisory Committee, the Board of Directors shall put forward such motions to the shareholders' general meeting for consideration.

Article 38 For motions made by shareholders, the Board of Directors shall consider the same in accordance with conditions provided in the Rules on the basis of whether they are in the best interests of the Company and its shareholders and decide whether or not to put forward such motions to the shareholders' general meeting for consideration. Motions made by shareholders and agreed by the Board of Directors after consideration shall be included in the agenda of the shareholders' general meeting. Those motions made by shareholders and are not agreed by the Board of Directors shall be excluded from the agenda of the meeting, and the Board of Directors shall explain the reasons therefor at that shareholders' general meeting.

Article 39 Where the proposing shareholders dissent from the decision not to include their motions in issue in the agenda of the meeting, they may request to convene an extraordinary general meeting pursuant to provisions in Chapter 4 of the Rules.

Article 40 At an annual general meeting, shareholders individually or collectively holding 5% or more of the total outstanding voting shares or the Supervisory Committee shall have the right to put forward an ad hoc motion. If the ad hoc motion involves matters not included in the notice of the Board of Directors and deals with matter stated in Article 24 of the Rules, the proposing person shall deliver the motion to the Board of Directors 10 days prior to the convening of the shareholders' general meeting. The Board of Directors will examine the motion and then notify the shareholders. As to motions involving matters other than those stated in Article 24 of the Rules, the proposing person may submit the motion to the Board of Directors and notify the shareholders by the Board of Directors, or he may put forward the same directly at the annual general meeting.

Article 41 With regards to the aforesaid ad hoc motion put forward at an annual general meeting, the Board of Directors shall examine the motion according to the Articles of Association and provisions of the Rules and based on the following principles:

(1) Relevance. Shareholder's motions approved by the Board of Directors shall be put forward before the general meeting, provided that they concern matters directly relating to the affairs of the Company and falling within the authority of the shareholders' general meeting as stipulated by the laws, regulations and the Articles of Association. For motions failing to meet the above criteria, the Board of Directors has the right to refuse putting forward the motion but it shall give its reasons and explanations at the relevant general meeting.

(2) Procedural suitability. The Board of Directors has discretion over procedural issues involved in shareholder's motions. Any decision to put the motion to vote in separated parts or together with other motions shall require the consent of the proposing party. If such consent is not granted, the presider of the shareholders' general meeting may put such procedural issue for decision at the general meeting and shall proceed with the procedures so decided.

Article 42 Resolutions in relation to investment, disposal of assets, acquisition and mergers shall be proposed with sufficient details, including the amount, price (or pricing methods), book value, impact on the Company and the status of approval. The Board of Directors shall issue an announcement regarding the result of asset valuation, audit or independent financial report, which are required by the applicable regulations, at least five working days prior to the day on which the shareholders' general meeting is to be held.

Article 43 Where the Board of Directors proposes motions to change the use of proceeds, it shall state the basic status of original projects and the concrete reasons thereof, the basic status of new projects, market prospects and risk indications, as well as whether the new project needs to obtain approval from relevant departments, whether it has obtained or yet to obtain approval from relevant departments in the notice convening the general meeting.

Article 44 Matters requiring approval from the CSRC, including those involving the issue of new shares, shall be proposed as a special motion.

Article 45 Upon review of the annual report, the Board of Directors shall come up with a resolution on the profit distribution motion, which shall be proposed at the annual general meeting as a motion. When proposing a plan of conversion of the surplus reserve into the share capital, the Board of Directors shall set out the reasons in detail and have it disclosed in an announcement, and a comparison of incomes per share and net asset values per share before and after the conversion, together with influence on the future development of the Company.

Article 46 The appointment of accounting firm shall be proposed by the Board of Directors and approved at the general meeting by a way of poll. Where the Board of Directors proposes the removal or discontinuation of engagement of an accounting firm, prior notice shall be given to the accounting firm and the reasons for such a motion shall be given at the general meeting. The accounting firm shall be entitled to give its opinions at the meeting. During the recess period between a shareholders' general meeting and the next meeting, the Board of Directors may appoint another accounting firm temporarily to fill the vacancy arising from the due removal of the existing accounting firm. However, such temporary appointment shall be rectified at the next general meeting. Where the accounting firm tenders its resignation, the Board of Directors shall explain the reason thereof to the next general meeting. The resigning accounting firm is obliged to give, in writing or in person by a representative attending the general meeting, explanation of whether there is any irregularity involved by the Company.

## **Chapter 6 Procedural Provisions of the Shareholders' General Meeting**

### **Section 1 General Procedural Provisions**

Article 47 The shareholders' general meeting shall be chaired by the chairman. If the chairman cannot or fails to perform his duties, it should be chaired by the vice chairman. If the vice chairman cannot or fails to perform his duties, the shareholders' general meeting shall be chaired by a director co-elected by half or more of the directors.

The shareholders' general meeting convened by the Supervisory Committee on its own shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee cannot perform or fails to perform his duties, it should be chaired by the vice chairman of the Supervisory Committee. If the vice chairman cannot or fails to perform his duties, a supervisor jointly elected by half or more of the supervisors shall chair the meeting.

Shareholder(s) may convene the meeting themselves and a representative nominated by the convener(s) shall preside over the meeting.

When the shareholders' general meeting is held and the presider of the meeting violates the Rules which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the presider of the meeting to resume the meeting, subject to the agreement by more than half of the shareholders having the voting rights who are present at the meeting.

Article 48 The presider of the meeting shall announce the number of shareholders and proxies present at the venue of the meeting and the total shares held by them with voting rights, and the number of shareholders and proxies present at the venue of meeting and the shares held by them with voting rights shall be the number recorded by the meeting.

Article 49 When a shareholders' general meeting or an extraordinary general meeting commences, the chairman of the Board of Directors shall announce details of the attendance of the shareholders and any proxies, the voting rights represented by the attendants, and whether the meeting can be conducted in compliance with the Articles of Association.

Article 50 At an annual general meeting, the Board of Directors and the Supervisory Committee shall report on their respective work to the shareholders' general meeting for the past year, and each independent director shall make his debriefing report.

Articles 51 Directors, Supervisors and senior management officers shall explain and account for enquiries put forward by shareholders.

Article 52 The shareholders' general meeting shall be conducted in sequential order of the agenda as motions considered one by one.

Article 53 In considering the proposed resolutions, the shareholders and proxies shall briefly explain their views. In case there are any issues that are not mentioned by the presenter but may affect their judgments, the shareholders and proxies may raise queries and request for an explanation (except where commercial secrets of the Company are involved and may not be laid open at the shareholders' general meeting).

Article 54 At the annual general meeting, the Supervisory Committee shall announce the dedicated report concerning its supervision of the Company in the previous year, and the content shall include:

- (1) a review of the financial conditions of the Company;
- (2) diligence of performance by the directors and the senior management of their duties and implementation in relation to the laws, regulations, the Articles of Association of the Company and resolutions of shareholders' general meetings;
- (3) other events considered by the Supervisory Committee as necessary to be reported to the shareholders' general meeting. The Supervisory Committee may also provide its opinion on the motions considered at the shareholders' general meeting, and submit independent reports when it deems necessary.

Article 55 All matters included in the agenda of the shareholder's general meeting shall go through vote for resolution and adoption. The Board of Directors shall prepare the ballot paper for use at the shareholder's general meeting, which stated clearly the matters to be considered and manners of indicating voting intention. Each shareholder (including the proxy thereof) shall exercise the right to vote on the basis of the share holdings with voting rights, with each share having one vote. The voting shall be done with the name of voter being written down. Presided over by the presider of the meeting, shareholders shall indicate their voting intention on the ballot paper in respect of each motion one by one after deliberation.



Article 56 Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions. To adopt an ordinary resolution, half or more of the votes represented by the shareholders (including proxies thereof) present at the meeting must be cast in favor of the resolution. To adopt a special resolution, two-thirds or more of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

Article 57 The following matters shall be resolved by ordinary resolutions at a shareholders' general meeting:

- (1) work reports of the Board of Directors and the Supervisory Committee;
- (2) plans formulated by the Board of Directors for distribution of profits and for making up losses;
- (3) appointment or removal of members of the Board of Directors and the Supervisory Committee (except for staff representative supervisors), and their remuneration and manner of payment thereof;
- (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (5) matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.

Article 58 The following matters shall be resolved by special resolutions at a shareholders' general meeting:

- (1) increase in or reduction of the Company's share capital, and issue of shares of any class, warrants and other similar securities;
- (2) issue of corporate debentures of the Company;
- (3) demerger, merger, dissolution and liquidation of the Company;
- (4) change of corporate form of the Company;
- (5) the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;
- (6) amendment to the Articles of Association of the Company;
- (7) consideration and implementation of share incentive scheme;
- (8) repurchase of the shares of the Company;
- (9) any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those approved as an ordinary resolution at a shareholders' general meeting that may have material impact on the Company and are required to be approved by a special resolution;
- (10) other matters required by the listing rules of the stock exchange(s) on which the shares of the Company are listed to be adopted by special resolution.

Article 59 Other than on-site meetings, where the Company convenes a shareholders' general meeting to consider and approve the following matters, it shall provide the shareholders with an online voting system, which shall not be implemented or applied for unless they have been approved by all the shareholders of the Company at the shareholders' general meeting and have been passed by half or more of the public shareholders with voting rights present at the shareholders' general meeting:

(1) Any issue of new shares by the Company to the public (including issue of overseas listed foreign shares or share of other natures), issue of convertible debentures, placing of shares to existing shareholders (except in such placing where the controlling shareholders have provided an undertaking to fully subscribe for the shares in cash before the shareholders' general meeting is convened);

(2) Major asset restructuring in which the assets will be acquired at a total consideration which is 20% or more than the audited net book value of such assets;

(3) Repayment of debts due to the Company by any shareholder using his shares of the Company;

(4) Overseas listing of any significant subsidiary of the Company;

(5) Other relevant issues in the Company's development which may have a material impact on the interests of the public shareholders. Where the Company makes an announcement on the resolutions of the shareholders' general meeting about any issue mentioned above, the announcement shall be re-published within three days after the record date, setting out the number of the public shareholders voting at the shareholders' general meeting, the number of shares they held and its percentage in the total number of shares held by the public shareholders, the voting result and shareholdings of the ten largest public shareholders voting at the shareholders' general meeting and the results of their votes.

Article 60 In case any shareholder is involved in any matter to be reviewed at the general meeting, he shall abstain from the voting process, and the voting shares he holds shall not be included in the total number of voting shares held by shareholders present at the meeting.

A listed company has no voting right for the shares it holds, and these shares shall not be included in the total number of voting shares held by shareholders present at the meeting.

The Board of Directors, the independent directors and the shareholders who meet the relevant requirements may solicit voting rights of shareholders, provided that sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to minimum shareholdings on the solicitation of voting rights.

Article 61 When a voting is made on the election of directors or supervisors at a general meeting, cumulative voting may be adopted in accordance with the provisions of the Articles of Association or a resolution of the general meeting.

The "cumulative voting" mentioned above means that each share shall have the same number of votes as the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be cumulatively used when electing the directors or supervisors at the general meeting.



Article 62 Except for cumulative voting, all proposals shall be voted on one by one at a general meeting. Where there are different proposals on the same matter, they shall be voted on in the chronological order in which they are put forward. Unless a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the meeting.

Article 63 When considering a motion at a general meeting, the motion shall not be modified; otherwise it shall be regarded as a new motion and cannot be voted on at that meeting.

Article 64 The same voting right shall be exercised only by one of the voting methods (on-site voting, online voting or otherwise). In case of repeated voting for the same shares, the first vote shall prevail.

Article 65 Shareholders attending the shareholders' general meeting shall submit one of the following opinions for a proposal to be reviewed: "for", "against" or "abstain", except for the declaration by securities registration and clearing institution as the nominal holders of shares that can be traded through mutual stock market access between the Mainland and Hong Kong, according to the intention of actual holders.

Ballot papers that are left in blank, unduly completed or illegible or that have not been used, are deemed as waiver of voting rights by the voter, and the voting results corresponding to the shares in their possession shall be classified as "Abstain from voting".

Article 66 Before a resolution is voted on at a shareholders' general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinizers. Any shareholder who is related to the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinizing.

When the shareholders are voting on the motions, lawyers, shareholder representatives and supervisory representatives shall count and scrutinize the votes jointly.

A shareholder or its proxy of a listed company voting via online voting or other modes shall have the right to examine his/her own voting results through corresponding voting system.

Article 67 The closing time of an on-site general meeting shall not be earlier than the session held online or by other means. The presider of the meeting shall announce the voting results of each proposal at the meeting venue and whether each proposal is passed according to voting results.

Before the voting results are officially announced, the Company, counting officers, scrutinizers, major shareholders, the online voting service provider and all relevant parties in relation to voting on-site, online voting and otherwise shall be obligated to keep confidential the voting results.

Article 68 An announcement on the resolutions of a general meeting shall be made promptly. The announcement should list out the number of shareholders or their proxies present at the meeting, the total number of voting shares of such shareholders or proxies, the ratio of such voting shares to total voting shares of the Company, the means by which votes were cast, the voting result for each proposal, and the particulars of each resolution passed.

Article 69 In the event that a proposal is not passed at a general meeting, or a resolution passed at a previous general meeting is modified at the general meeting, a special note shall be made in the announcement on the resolutions of the general meeting.

Article 70 Minutes of meetings shall be kept for shareholders' general meetings, which shall be the duty of the board secretary.

The meeting minutes shall include:

- (1) time, place and agenda of the meeting and name of the convener;
- (2) name of the presider of the meeting and directors, supervisors, secretary to the Board, managers and other senior management members present or in attendance at the meeting;
- (3) number of the present shareholders and proxies, the total number of voting shares they represent and the percentage of the total shares of the Company they represent;
- (4) the discussions in respect of each proposal, highlights of the speeches made at the meeting and the voting results;
- (5) details of the queries or recommendations of the shareholders, and the corresponding answers or explanations;
- (6) the name of lawyers, counting officers and scrutinizers;
- (7) such other matters which shall be recorded in the meeting minutes in accordance with the Articles of Association.

The directors, supervisors and secretary to the Board who attended the meeting, the convener or his/her representative and the presider of the meeting shall sign the minutes, and shall ensure that the meeting minutes are true, accurate and complete. The meeting minutes shall be kept together with the sign-in register of the shareholders present in person, the instruments of appointment of proxies and valid information on votes cast online or by other means for a period of not less than 10 years.

Article 71 The minutes of the shareholders' general meeting shall be signed by the attending directors and the minutes taker.

Article 72 The convener shall ensure that the general meeting continues until the final resolution has been adopted. If a general meeting is suspended or is unable to reach a resolution due to force majeure or other such special reason, necessary measures shall be taken to resume the general meeting as soon as possible or the general meeting shall be directly adjourned and the same announced in a timely manner. At the same time, the convener shall deliver a report to the branch office of the CSRC at the place where the Company resides and the stock exchange(s).

Article 73 Where a proposed resolution on election of directors or supervisors is passed at the shareholders' general meeting, the directors elected or supervisors elected shall take office pursuant to provision of the Articles of Association.

Article 74 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a general meeting, the Company shall implement the specific plans within 2 months after the conclusion of such general meeting.

Article 75 If the contents of any resolution of a shareholders' general meeting is in violation of the laws and administrative regulations, they are deemed null and invalid.

If the meeting convening procedures and voting methods of the shareholders' general meetings are in violation of the laws, administrative regulations or the Articles of Association, or if the contents of any resolution are in breach of the Articles of Association, the shareholders shall have the right to request the People's Court to annul the said procedures, methods or resolutions within 60 days after the resolution has been approved.

## **Section 2 Special Procedural Provisions**

Article 76 The name list of candidates for directors and supervisor candidates to be assumed by shareholder representative shall be tabled by the Board of Directors by way of motions, with the list specifying nominees for such candidates.

Article 77 As to supervisors to be assumed by staff representatives, the name list of candidates shall be put forward by the staff representatives' general meeting of the Company, and be elected by means of democratic elections. The staff representatives' general meeting of the Company shall provide biographical information of the candidates for supervisors to the Board of Directors.

Article 78 When the proposed resolutions to elect directors and supervisors are considered in the general meeting, voting shall be done on each of the candidates for election as director and supervisor by way of ordinary resolutions. When the resolutions to re-elect directors and supervisors are passed, newly elected directors and supervisors shall assume office immediately after the conclusion of the meeting.

Article 79 Related party transactions of the Company with related parties with a total amount of more than RMB30 million or amounting to 5% or more of the Company's latest audited net assets, approval shall be sought from the shareholders at general meeting. If the total amount is below 5%, but involves related party transaction matters in accordance with laws and regulations of the State, such transactions shall be submitted to the shareholders' general meeting for consideration and approval. If the related party transactions are conducted by the Company in batches within a consecutive period of 12 months in respect of the same related party transaction, the amount is calculated based on the cumulative amount transacted during such period.

Article 80 The Board of Directors shall state clearly details of related party transaction matters, including amount involved, price (or pricing methods), effect on the Company and status of approval, etc.

Article 81 For related party transactions to be considered at a shareholders' general meeting, related shareholders shall abstain from voting on such related party transactions, and the number of voting shares which he/she represents, shall not be included in the total number of valid votes; the announcements of resolutions passed at the shareholders' general meeting shall fully disclose the voting of non-related shareholders. In special case where the related shareholder is unable to abstain from voting, the Company may, upon obtaining consent from the competent authority, proceed with the voting as normal and shall give a detailed account in this respect in the announcement setting out the resolution of the shareholders' general meeting.

Article 82 The following external guarantees provided third parties by the Company shall be subject to consideration and approval at shareholders' general meetings:

- (1) any guarantee with a single amount amounting to 10% of the Company's latest audited net assets;
- (2) any guarantee provided after the total amount of guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;
- (3) a guarantee provided to a party whose asset-liability ratio is higher than 70%;
- (4) the guarantee amount amounting to 50% of the Company's latest audited net asset for a consecutive period of 12 months, with the absolute amount surpassing RMB50 million;
- (5) the guarantee amount amounting to 30% of the Company's latest audited total asset for a consecutive period of 12 months;
- (6) a guarantee provided to shareholders, de facto controller and their related/connecting parties;
- (7) other provisions of guarantees as stipulated by the stock exchange of the locality where shares of the Company are listed and the Articles of Association. The provision of guarantee to third parties other than as mentioned above shall be subject to the consideration and approval of the Board of Directors as authorized by the shareholders' general meeting. When considering guarantee matters by the Board of Directors, a consent with two-thirds or above of directors attending the meeting is required. When considering guarantee matters stated in item (5), clause 1 at the shareholders' general meeting, the resolution can only be passed by shareholders attending the meeting with two-thirds or above of voting rights.

The term "external guarantees" in the Rules refers to guarantees provided by the Company to a third party, including guarantees provided by the Company to its controlled subsidiaries. The term "total guarantee amount provided by the Company and its controlled subsidiaries" refers to sum of the total amount of external guarantees including guarantees provided by the Company to its controlled subsidiaries and the total amount of external guarantees provided by the Company's controlled subsidiaries.

When a motion on providing guarantee for any shareholder, de facto controller and its related parties is being reviewed at the shareholders' general meeting, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the motion, and the voting shall be subject to approval by a simple majority of the voting rights of the other shareholders attending the meeting.

In case that the Company provides guarantees to its wholly-owned subsidiaries or its controlled subsidiaries and other shareholders of such controlled subsidiary provide guarantees with the same proportion based on their entitled interests, such guarantees can be exempted from submitting to the shareholders' general meeting for consideration and approval as they fall into items (1) and (4) of clause 1 of this Article, except as otherwise stipulated by the Articles of Association.

Article 83 Without approval by way of special resolution is obtained in a shareholders' general meeting, the Company shall not enter into any contract with any person other than the directors, general managers and other senior management members whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save for special circumstances such as the Company is in a crisis.

#### **Chapter 7 Execution and Disclosures Provisions in relation to Resolutions of the Shareholders' General Meeting**

Article 84 The Board of Directors shall be responsible for executing the resolutions of the shareholders' general meeting and cause such resolutions to be implemented by the management in accordance with their functions. Resolutions of the shareholders' general meeting that are determined to be implemented by the supervisory committee shall be directly executed by the convener of the supervisory committee.

Article 85 The Board of Directors shall report the implementation status of the resolutions to the shareholders' general meeting. Resolutions that shall be implemented by the supervisory committee shall be reported by the committee to the meeting, and, if deemed necessary to the committee, reported to the Board of Directors in advance.

Article 86 Upon convening of the shareholders' general meeting, proper disclosures shall be made in accordance with the Articles of Association, as well as the laws and administrative rules of the State. Details of such disclosure shall be reviewed by the chairman of Board of Directors in accordance with relevant laws and regulations. The secretary of the Board shall then make the disclosure according to law. For matters stated in Article 58 of the Rules, the Company, when making announcement on resolutions of the shareholders' general meeting, shall specify the number of voting public shareholders, their shareholdings, proportion of the holdings to public shares and the poll results. Disclosures shall be made on the holdings of the top 10 public shareholders who had casted their votes and the poll results.

Article 87 Where the Company needs to make disclosure to the social public, it may release the information via news media as approved by CSRC when it deemed necessary.

#### **Chapter 8 Supplementary Provisions**

Article 88 The Rules are formulated by the Board of Directors and approved by the shareholders' general meeting. The Board of Directors shall perfect the Rules along with the development of the Company's operational management and the practice of the operation of the shareholders' general meeting. Should there be discrepancy between the Rules and the Articles of Association, or with those provisions of relevant laws and regulations, amendments shall be made in a timely manner, with the amended version submitted to the shareholders' general meeting for consideration and approval before it takes effect.

Article 89 The Rules shall take effect after completion of the Initial Public Offering of A Shares of the Company and upon the date on which such A Shares are listed on the main board of Shenzhen Stock Exchange.

Article 90 Matters yet to be stipulated in the Rules shall be executed subject to provisions of the Articles of Association and relevant laws and regulations,

Article 91 The Board of Directors shall be responsible for the interpretation of the Rules.

**JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED  
RULES OF PROCEDURE OF THE BOARD****Chapter 1 General Provisions**

Article 1 In order to clearly define the duties and authority of the board of directors (the “Board”), regulate the meetings and working procedures of the Board, ensure that the Board and the directors of the Company faithfully perform their duties and safeguard the interests of the Company and its shareholders, Jilin Province Chuncheng Heating Company Limited (the “Company”) has established these Rules of Procedures in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules of the Hong Kong Stock Exchange”), the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (hereinafter referred to as the “Listing Rules”), and other relevant regulations and the Articles of Association of Jilin Province Chuncheng Heating Company Limited.

Article 2 The Board is accountable to the general meeting for the operation and management of the Company’s corporate property, safeguarding the interests of the Company and its shareholders, and exercising the powers and functions conferred by laws and regulations, the Articles of Association and these Rules.

The proceedings of the Board shall be conducted by way of board meetings of the Board. Participation in board meetings as required is a fundamental way for directors to discharge their duties.

**Chapter 2 Composition of the Board and its Subsidiary Bodies**

Article 3 The Board of the Company shall consist of 6 to 9 directors. directors are not required to hold shares in the Company. The number of independent non-executive directors shall not be less than 3 and shall be one-third or more of the total number of the Board.

Article 4 General manager and other senior management may also concurrently act as director, the number of general manager and other senior management who hold the offices of director shall not be more than half of the total number of directors of the Company.

Article 5 Number of controlling shareholders’ senior management who concurrently hold the offices of the chairman or the executive director of the Company shall not be more than two.

Article 6 Independent non-executive directors may report to the shareholders’ general meeting, the securities regulatory authorities of the State Council and other related departments directly.

Article 7 Save as otherwise required by the laws, regulations and the listing rules of the stock exchange of the place where the shares of the Company are listed, the terms of office of independent non-executive directors shall be three years, renewable upon re-election, but shall not exceed six years.

Article 8 The Board shall have a chairman who shall be elected by more than half of all directors of the board for a term of three years and may be re-elected. If the chairman of the Board resigns or is removed from office during his or her term of office, the newly elected chairman of the Board shall serve until the expiration of the term of office of the current Board.

Article 9 The Board may establish four specialized committees, namely the audit committee, the remuneration committee, the nomination committee and the strategy committee, and may also establish other specialized committees as required.

Article 10 Each specialized committee is accountable to the Board and proposals from each specialized committee shall be submitted to the Board for review and determination.

Article 11 Specialized committees may engage intermediaries to provide professional advice at the Company's expense.

Article 12 Specialised committees of the Board shall draw up their own working rules, which shall take effect upon approval by the Board.

### **Chapter 3 Functions and Powers of the Board**

Article 13 The Board of the Company shall consist of directors elected by the shareholders at a general meeting in accordance with the Articles of Association.

A director may resign before expiration of his or her term of office. A director who resign shall submit to the Board a written report in relation to his or her resignation. The relevant information shall be disclosed within two days by the Board. If a director's term of office expires without timely re-election, or if a director resigns during his or her term of office, resulting in the number of board members falling below the prescribed number, the said director shall continue fulfilling the duties as director pursuant to relevant laws and regulations and the Articles of Association until a new director is elected.

Article 14 The Board shall conscientiously perform its duties as stipulated in relevant laws, regulations and the Articles of Association to ensure that the Company complies with the provisions of laws, regulations and the Articles of Association, treats all shareholders fairly and addresses the interests of other stakeholders.

Article 15 The Board shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (1) to convene the shareholders' general meeting, propose matters for approval at general meetings, and report its work to the shareholders' general meeting;
- (2) to implement the resolutions of the shareholders' general meetings;



- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (6) to formulate proposals for the increase or decrease of the registered capital of the Company, the issue of shares and corporate bonds or other securities, and the listing;
- (7) to formulate proposals for material asset acquisition or disposal, repurchase of the Company's shares, and merger, demerger, dissolution or change of corporate form of the Company;
- (8) to decide, within the authority granted to them in shareholders' general meeting, on matters such as external investment, purchase or disposal of assets, pledges on assets, financial management arrangements, bank facilities and related (connected) transactions of the Company;
- (9) to consider and approve external guarantees provided by the Company that need not to be considered and approved by the general meeting under the Articles of Association;
- (10) to decide on the establishment of the Company's internal management structure;
- (11) to appoint or dismiss the Company's general manager and board secretary, and to appoint or dismiss other senior management officers, such as the deputy general manager and the chief financial officer of the Company pursuant to the nominations of the general manager, and to decide on the matters relating to their remuneration, rewards and punishments;
- (12) to formulate the Company's basic management system;
- (13) to formulate proposals for amendment to the Articles of Association;
- (14) to manage the information disclosure of the Company;
- (15) to propose to the general meeting the appointment or replacement of an accounting firm that provides audit services to the Company;
- (16) to receive the work reports of Company's manager(s) and inspect his or her work;
- (17) to decide on other major affairs of the Company, save for matters to be resolved at general meetings as required by the Company Law and the Articles of Association;
- (18) to exercise other functions and powers conferred by the laws and regulations, the listing rules of the stock exchange on which the Company is listed, the Articles of Association or the general meetings.

The Board shall also be responsible for the following issues:

- (1) to formulate the Company's corporate governance system and to review and improve its corporate governance;



(2) to review and supervise the training for and continuous professional development of directors and senior management;

(3) to review and supervise the systems formulated and observation thereof by the Company and to make relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed;

(4) to formulate the Company's code of conduct and relevant compliance manual for its employees and directors, and to review and supervise their behaviors.

The Board shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.

Except for the matters specified in subparagraphs (6), (7) and (13) or other requirements under the Listing Rules of the Hong Kong Stock Exchange which shall be passed by two-thirds or more of the directors, the board's resolutions in respect of any other aforesaid matters may be passed by more than half of all directors.

Resolutions in respect of related party transactions made by the Board shall not come into force unless it is signed by independent non-executive directors.

When the decision on major affairs should be made by the Communist Party Committee of the Company in the course of study on the decision on major affairs by the Board, the Board should accept advises from the Communist Party Committee in priory.

Article 16 The Board shall not, without the approval of shareholders in a general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the fixed assets of the Company proposed to be disposed of and where any fixed assets of the Company have been disposed of in the period of four months preceding the proposed disposition, the amount or value of the consideration for any such disposition, exceeds 33% of the value of the Company's fixed assets as shown in the last balance sheet tabled before the shareholders in a general meeting.

The disposal of fixed assets referred to in this Article shall include the act of transferring certain rights and interests of assets, but excluding the act of providing guarantee with fixed assets.

The validity of a transaction for the disposition of fixed assets by the Company shall not be affected by a breach of paragraph 1 of this Article.

Article 17 The chairman of the Board is entitled to the following functions and powers:

- (1) to preside over general meetings and to convene and preside over board meetings;
- (2) to supervise and check on the implementation of resolutions passed at the board meeting;
- (3) to sign share certificates, bonds and other marketable securities of the Company;
- (4) to sign important documents of the Board and other documents that shall be signed by the legal representative of the Company and to exercise the authorities of legal representatives;
- (5) to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide post-event reports to the Board

after such event occurs, in the event of force majeure or an emergency in which it is impossible to convene a board meeting;

- (6) to define the systems necessary for the operation of the Board, and coordinate its operation;
- (7) to hear regular and non-regular performance reports from the Company's senior management officers, and to provide the Board with steering comments on the implementation of board resolutions;
- (8) to nominate a candidate for the general manager and the board secretary of the Company;
- (9) to exercise any other functions and powers conferred by laws and regulations, the Articles of Association or the Board.

In the event that the chairman of the Board is unable to perform his or her duties, a director shall be elected jointly by half or more of the directors to perform such duties.

The Board may, if necessary, authorize the chairman of the Board to exercise part of the powers of the Board when it is in recess.

Article 18 The Company may, if deemed necessary by the general meeting of shareholders, delegate authority to the Board in respect of, among others, external investments, acquisition and sale of assets, pledge of assets, external guarantee matters, entrustment of financial management, with specific authority to be determined by resolution of the general meeting.

Article 19 The Board may, within the scope of its terms of reference and if it deems necessary, delegate authority to the chairman of the Board in respect of, among others, external investments, acquisition and sale of assets, pledge of assets, external guarantee matters, entrustment of financial management, with specific authority to be determined by resolution of the Board.

#### **Chapter 4 Board Meeting System**

##### **Article 20 Regular meetings**

Board meetings are divided into regular meetings and extraordinary meetings. Board meetings shall be held at least four times every year, and convened by the chairman of the Board. A 14 days' prior written notice for convening the meeting shall be given to all directors.

Under the following circumstances, an extraordinary board meeting shall be held by the chairman within 5 days upon receipt of proposal:

- (1) when proposed by the shareholders representing one tenth or more of voting rights;
- (2) when proposed jointly by one-third or more of the directors;
- (3) when proposed by the chairman of the Board;

- (4) when proposed by two or more of the independent non-executive directors;
- (5) when proposed by the Supervisory Committee;
- (6) when proposed by the general manager.

#### Article 21 Proposals for regular meetings

Before giving notice of a regular board meeting, the office of the Board shall fully solicit the opinions of the directors and prepare a preliminary proposal for the meeting for submission to the chairman of the Board, who shall seek the opinions of the general manager and other senior management, as necessary, before preparing the proposal.

#### Article 22 Procedure for proposing the convening of extraordinary meetings

If an extraordinary board meeting is proposed to be convened in accordance with the preceding Article, a written proposal signed (sealed) by the proposer may be submitted directly to the chairman of the Board, and the written proposal shall contain the following particulars:

- (1) name of the proposer;
- (2) reason for proposing such proposal or objective causes;
- (3) time or time limit, venue and the way the proposed meeting is held;
- (4) explicit and concrete proposal;
- (5) contact information of the proposer, date of proposal, etc.

The contents of the proposal shall be matters within the authority of the Board as specified in the Articles of Association, and relevant information about the proposal shall be submitted together.

#### Article 23 Convening and chairing of meetings

Meetings of the Board shall be convened and presided over by the chairman of the Board; if the chairman of the Board is unable to perform or fails to perform his or her duties, a director shall be jointly elected by half or more of the directors to preside over the meeting.

#### Article 24 Notice of Meeting

To hold regular meetings and extraordinary meetings of the Board, the office of the Board shall deliver written notice of the meeting to all the directors, supervisors, the board secretary and the general manager by email, post, fax or person within fourteen days and five days in advance respectively. If not delivered by hand, the delivery shall be confirmed by calls and relevant records shall be made.

Where an extraordinary board meeting needs to be convened in emergency, it is not subject to the above time limit of notification and the above manner limit of notification but a reasonable notice for the meeting shall be given thereafter. The notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

**Article 25** Contents of notice of meeting

The notice of the meeting should include, at a minimum, the following:

- (1) the date and venue of the meeting;
- (2) the manner in which the meeting is to be convened;
- (3) the subject matter and issues to be discussed;
- (4) the date on which the notice is given;
- (5) the manner in which meetings is convened.

**Article 26** The notice of meeting shall be deemed to have given to a director if he or she is present at the meeting and does not raise the issue of non-receipt of such notice prior to or at the time of his or her arrival at the meeting.

Regular or extraordinary board meetings can be held by way of teleconference meeting or by virtue of other telecommunication device. In such meetings, so long as the attending directors can hear and communicate with each other, all attending directors are deemed as if they had participated in the meeting in person.

**Article 27** Changes to the notice of meeting

If, after written notice of a regular board meeting is given, it is necessary to change the time or venue of the meeting or to add, change or revoke proposals for the meeting, written notice of such change shall be given three days prior to the original date of the meeting, stating the circumstances and the contents of the new proposals and related materials. Where the notice of change is given in less than three days in advance, the date of the meeting shall be postponed accordingly or shall be convened as scheduled upon approval by all the attending directors.

If, after the notice of an extraordinary board meeting is given, it is necessary to change the time or venue of the meeting or to add, change or revoke proposals for the meeting, prior approval shall be obtained from all the attending directors and records shall be made accordingly.

Article 28 Convening of meetings

The board meeting may not be held unless more than half of the directors are present.

Supervisors may attend board meetings without voting rights; the general manager and the board secretary, if they are not concurrently acting as directors, shall attend board meetings without voting rights. The presider of the meeting may, where he or she deems necessary, notify other relevant persons to attend board meetings without voting rights.

Article 29 Attendance in person or by proxy

In principle, the directors shall attend board meetings in person. Where a director is unable to attend a meeting for any reason, he or she shall peruse the meeting documents in advance, form definite opinions, and appoint another director in writing to attend the meeting on his or her behalf.

The power of attorney shall specify:

- (1) the names and identification document number of the principal and proxy;
- (2) the summary opinions of the principal on respective proposals;
- (3) the principal's scope of authorization and instructions about voting intent in relation to respective proposals;
- (4) signature of the principal and proxy, date, etc.

Where any director signs the regular reports by proxy, the said director shall specify such authorization in the power of attorney.

The proxy director shall present the written power of attorney to the presider of the meeting, and explain proxy attendance in the attendance book.

Article 30 Restrictions on attendance by proxy

The appointment and attendance by proxy at board meetings shall follow the principles below:

(1) A director shall not give any other director carte blanche to attend the meeting and vote on his behalf without providing his own opinions on the proposals and voting intent, and the relevant director shall also not accept the carte blanche or any appointment not well defined.

(2) A director shall not accept appointment by more than two directors, and a director shall also not appoint any other director who has been appointed by two other directors to attend the meeting and vote on his behalf.

(3) Where related party transactions are considered, a non-related director shall not appoint a related director to attend the meeting on his behalf, and a related director shall also not accept the appointment of a non-related director.

Article 31 A director who is not present at a board meeting and does not appoint a proxy shall be deemed to have waived his or her right to vote at such meeting.

Article 32 Convening methods of the meetings

In principle, board meetings shall generally be held on-site. Whenever it is necessary, the board meetings may be convened through video, telephone, fax or email after agreement of the convener (the presider) and proposer provided that the directors can fully give their opinions. The board meetings may also be held on-site and off-site simultaneously.

Where a board meeting is held off-site, the number of the directors present is calculated according to the directors present in the video, the directors expressing opinions in the teleconference, the number of valid votes including faxes or emails received within the specified period, or the written confirmations submitted by the directors after the meetings.

Article 33 Proceedings of the meeting

The presider of the meeting shall ask the attending directors to provide definite opinions on respective proposals. The presider of the meeting shall promptly stop any director from interfering with the normal conduct of the meeting or affecting the speech of other directors.

The board meeting shall not vote on any proposal not included in the notice of the meeting unless with the unanimous consent of the attending directors. A director who acts as the proxy of other director(s) to attend a board meeting shall not vote on behalf of the other director(s) on a proposal not included in the notice of meeting.

Article 34 Any material matter requiring a decision by the Board of the Company must be notified to all directors in advance within the timeframe specified in the Articles of Association, with sufficient information provided at the same time, and in strict accordance with the prescribed procedures. The directors may request additional information, and if one fourth or more of the directors or two or more than two independent non-executive directors consider that the information and materials are insufficient or other matters make it impossible for them to make a judgment on the matter, they may jointly propose to suspend the board meeting or suspend part of the matters discussed by the Board, which shall be adopted by the Board.

A resolution of the Board in relation to a related party transaction of the Company must be signed by an independent non-executive director before it becomes effective.

**Article 35 Expression of opinions**

The directors shall carefully persue documents relating to the meeting and shall express well informed, independent and discreet opinions.

The directors may, before the meeting, learn and inquire about information needed for decision making from relevant persons or institutions such as the office of the Board, the convener of the meeting, the general manager and other senior management, specialized committees, the accounting firm and the law firm, or may, while the meeting is underway, suggest to the presider that the aforesaid persons or institutions appear at the meeting to make relevant explanations.

**Article 36 Voting at meeting**

After adequate discussion of each proposal, the presider shall ask the attending directors to vote on the proposals at an appropriate time.

Each attendant shall cast one vote, by way of, among others, show of hands or in writing.

The voting intent of a director may be for, against or abstention. Every attending director shall choose one out of the aforesaid intents. Where any director does not make any option or makes two or more options, the presider of the meeting shall require the said director to make an option again, otherwise the said director shall be deemed as having abstained from voting; any director who has left the meeting midway without returning back to the meeting and has not made any option shall be deemed as having abstained from voting.

**Article 37 Statistics of voting results**

After the attending directors have voted, ballots cast by the directors shall be collected promptly and such ballots shall be counted by the board secretary under the supervision of a supervisor.

Where the meeting is held on-site, the presider of the meeting shall announce the statistics on-site; in other circumstances, the presider of the meeting shall require the board secretary to announce the voting result within a workday after the prescribed voting deadline.

The ballots cast by directors after the presider of the meeting announces the voting result or after the prescribed voting deadline shall not be counted.

**Article 38 Forming of resolutions**

Saved as specified in Article 15 of these Rules of Procedure, adoption of or resolution on any proposal shall be subject to approval of more than half of all the directors of the Company. Where the relevant laws, administrative regulations and the Articles of Association have any provisions on approval by more directors, such provisions shall apply.

A written resolution passed by the Board without convening a meeting shall be circulated and signed by all the directors.

If different resolutions conflict with each other in contents and meanings, the resolutions formed later in time shall prevail.

**Article 39 Not acting beyond authority**

The directors shall act as authorized by the general meetings and the Articles of Association, and shall not make any resolution beyond authority.

**Article 40 Processing of proposals not passed**

Where any proposal is not passed, any board meeting shall not deliberate any proposal with the same contents within one month if relevant conditions and factors have not changed significantly.

**Article 41 Suspension of voting**

Where half or more of the attending directors consider that judgments on relevant issues could not be made due to the relevant proposal is not clear or specific or the meeting documents are inadequate, the presider of the meeting shall require the meeting to suspend voting on the said proposal.

The director proposing suspension of voting shall provide definite requirements for the conditions to be met for re-submitting the said proposal for deliberation.

**Article 42 Recordings of meetings**

Board meetings held on-site or via video or telephone may be recorded where necessary.



**Article 43 Meeting minutes**

The board secretary shall arrange a clerk of the office of the Board to record the minutes of the board meeting. The meeting minutes shall include the following information:

- (1) the date, venue and manner of holding the meeting and the name of the convener;
- (2) the delivery of meeting notice;
- (3) the convener and presider of the meeting;
- (4) the names of the attending directors and the names of the director(s) (acting as proxy(ies)) appointed by other director(s) to attend the board meeting;
- (5) the agenda of the meeting;
- (6) the proposals for consideration at the meeting, main points of directors, main points and opinions of each director on relevant matters;
- (7) the voting method for, and result of, each motion (the voting results shall state the numbers of votes for, votes against and abstention);
- (8) other issues that are deemed necessary by the attending directors to be included into the minutes.

**Article 44 Signatures of directors**

The attending directors shall sign the meeting minutes and minutes of resolutions in person or on behalf of the directors appointing them to attend the meeting. Where the directors disagree over the meeting minutes or minutes of regulations, they may attach written remarks when signing the same.

Where any director neither signs as per the preceding paragraph nor provides his or her different opinions in writing, the said director shall be deemed as agreeing with the meeting minutes or minutes of resolutions.

**Article 45 Implementation of resolutions**

The chairman of the Board shall urge relevant personnel to execute the resolutions of the Board, supervise such execution, and report at future board meetings how the resolutions are executed.

**Article 46 Keeping of meeting archives**

Archives of board meetings include meeting notices, meeting documents, attendance book, powers of attorney for proxy directors, meeting recordings, votes, meeting minutes signed by the attending directors, meeting summaries, minutes of resolutions, etc., which shall be kept by the board secretary.

Archives of board meetings shall be kept for at least ten years.

**Article 47** The Board may approve the written proposals in lieu of convening meetings of the Board, but the draft of such proposals shall be delivered to each director through personal delivery, post, fax or e-mail. Such proposal will be passed as a resolution of the Board, only after it has been delivered to all directors by the Board, and signed and approved by the required quorum of the directors for decision-making and the signed document for approving such proposal has been delivered to the board secretary by one of the aforesaid means. Such resolution shall be deemed to have the same legal effect as a resolution passed at a board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.

**Chapter 5 Board Secretary**

**Article 48** The Board shall have a board secretary. The board secretary shall be a senior management of the Company and accountable to the Board.

**Article 49** The board secretary shall possess the necessary financial, management and legal expertise to perform his or her duties, have good professional ethics and personal integrity, and obtain a certificate of qualification as board secretary issued by the stock exchange. A person shall not be the board secretary of a listed company if he or she:

- (1) is in any of the circumstances specified in Article 146 of the Company Law;
- (2) is subject to a recent administrative penalty imposed by the CSRC less than three years ago;
- (3) has been publicly reprimanded by the stock exchange or having received more than three notifications of criticism in the last three years;
- (4) is a current supervisor of the Company;
- (5) an accountant of accounting firms and a lawyer of law firms engaged by the Company shall not concurrently serve as board secretary;
- (6) the circumstances prescribed in the Articles of Association for not acting as a director of the Company shall apply to the board secretary.

Article 50 The board secretary shall perform the following duties:

- (1) responsible for the Company's information disclosures, coordinate the Company's information disclosure work, organize the formulation of the Company's information disclosure affairs management system, and supervise the Company and relevant persons with information disclosure obligations to comply with the relevant information disclosure requirements;
- (2) responsible for investor relations management and shareholder information management of the Company, and to coordinate information communication between the Company and securities regulators, shareholders and actual controllers, sponsors, securities service providers, media, etc.;
- (3) organize and prepare for board meetings and general meetings, attend general meetings, board meetings, supervisory committee meetings and relevant meetings of the senior management, take minutes and sign off on board meetings minutes;
- (4) responsible for the confidentiality of information disclosed by the Company and to make timely announcements in the event of leakage of material undisclosed information;
- (5) pay attention to media reports and take the initiative to seek confirmation of the true situation, and to urge the Board to respond to all enquiries from the stock exchange in a timely manner;
- (6) organize training for directors, supervisors and senior management on securities laws and regulations, relevant regulations in these Rules, and assist the aforementioned personnel in understanding their respective rights and obligations in information disclosure;
- (7) to supervise the directors, supervisors and senior management to comply with the laws, regulations, rules, regulatory documents, the regulations in these Rules, other relevant provisions of the stock exchange and the Articles of Association, and to honour the undertakings made by them in good faith; and to remind the Company to immediately and truthfully report to the stock exchange when they become aware of any resolution made or likely to be made by the Company in contravention of the relevant provisions;
- (8) other duties as required by the Company Law, the Securities Law, the CSRC and the stock exchange.

Article 51 The board secretary shall be nominated by the chairman of the Board and appointed or dismissed by the Board.

The board secretary may be a director or other senior management of the Company, except for those who are prohibited from acting as the board secretary under the laws and regulations, the Articles of Association and other regulatory documents.

Where a director or other senior management also acts as board secretary, the person acting as director or other senior management and the board secretary concurrently shall not act in a dual capacity if the act is to be performed by a director or other senior management and the board secretary respectively; and his or her specific capacity shall be determined by the chairman of the Board according to the nature of the act.

Article 52 The main duties of the board secretary include:

(1) to ensure that the Company has complete organizational documents and records; to maintain and manage shareholders' information; and to assist the directors with the day-to-day operation of the Board;

(2) to ensure that the register of members of the Company is properly maintained and that those entitled to such records and documents of the Company are provided with them in a timely manner;

(3) to act as the contact person of the Company with securities regulatory bodies, be responsible for organizing, preparing and submitting documents required by such regulatory bodies, and ensuring that the Company prepares and submits reports and documents required by the competent authorities in accordance with the law; accepting, organizing and completing tasks delegated by such regulatory bodies;

(4) to coordinate and organize board meetings and general meetings, prepare the relevant materials for the meetings, arrange matters relating to the meetings, be responsible for taking minutes and ensuring the accuracy of the minutes, preparing and keeping documents and minutes of the meetings, actively informing himself/herself of the implementation of relevant resolutions, reporting and providing recommendations to the board on material matters that are being implemented;

(5) to be responsible for coordinating and arranging for the information disclosure of the Company, putting in place an appropriate disclosure mechanism, participating in all meetings relating to information disclosure, be made aware of the Company's material operating decisions and all related information;

(6) to be responsible for keeping in confidence any price sensitive information of the Company, and put in place effective rules and systems for maintaining confidentiality of information. Where price sensitive information of the Company has been revealed to the public, take all necessary actions to rectify, explain and clarify and notify the securities regulatory authorities;

(7) handling and coordinating the Company's public relations with relevant regulatory authorities, intermediaries and the media;

(8) to coordinate the provision of necessary information to the Supervisory Committee of the Company and other auditing bodies in the performance of their supervisory functions, and to assist in the proper investigation of the performance of fiduciary duty by the financial controller, directors and general manager of the Company;

(9) to perform other duties and responsibilities as delegated by the Board and other duties and responsibilities as required by laws and regulations and the stock exchange where the shares of the Company are listed.

Article 53 The board secretary shall organize the relevant bodies and personnel of the Company to safeguard the exercise of the following powers and functions by the directors:

(1) to obtain an understanding of the operations and financial position of the Company in respect of its various businesses;

(2) to supervise other directors and senior management in the performance of their duties;

(3) to take appropriate measures to ensure the right to know of the directors and the truth and completeness of the information provided;

(4) to protect the rights of directors to participate in board meetings;

(5) to provide the working conditions necessary for the performance of the duties of a director.

When the directors exercise their powers and responsibilities, the relevant personnel of the Company shall cooperate positively and shall not refuse to act, hinder or conceal anything and shall not interfere with the exercise of powers and duties by the directors.

Article 54 The board secretary has a fiduciary duty and an obligation of diligence toward the Company and undertakes legal liabilities as a senior management member, and hence shall comply with the Articles of Association, faithfully perform his or her duties and safeguard the interests of the Company and shall not use his or her position and powers in the Company to seek private gains for himself or herself.

## **Chapter 6 Supplementary Provisions**

Article 55 Unless otherwise stated, terms used in these Rules of Procedure shall have the same meanings as in the Articles of Association.

Article 56 In the event of any matter not covered by these Rules of Procedure or any conflict with the provisions of the relevant regulations or the Articles of Association promulgated from time to time, the provisions of the relevant regulations or the Articles of Association shall prevail.

Article 57 Amendments to these Rules of Procedure shall be proposed by the Board for consideration and approval at a general meeting.

Article 58 The expressions of “above” and “within” referred to in these Rules of Procedure shall include the figure mentioned; the words “over”, “below” and “more than” shall not include the figure mentioned.

Article 59 These Rules of Procedure shall be subject to the interpretation of the Board.

Article 60 These Rules of Procedure shall take effect from the date of the initial public offering of the Company’s A Shares and their listing on the Main Board of the Shenzhen Stock Exchange.

---

**APPENDIX XII      FORMULATION OF THE RULES OF PROCEDURE OF  
THE SUPERVISORY COMMITTEE WHICH ARE  
APPLICABLE AFTER THE INITIAL PUBLIC  
OFFERING AND LISTING OF  
THE A SHARES BY THE COMPANY**

---

**JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED  
RULES OF PROCEDURE OF THE SUPERVISORY COMMITTEE**

**Chapter 1    General Provisions**

Article 1    These rules of procedure are established by Jilin Province Chuncheng Heating Company Limited (hereinafter referred to as the “Company”) in order to improve the supervision mechanism, clarify the authority and procedures of the Supervisory Committee and protect the legitimate rights and interests of shareholders, in accordance to the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules of the Hong Kong Stock Exchange”), the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (hereinafter referred to as the “Listing Rules”) and other relevant regulations as well as the Articles of Association of Jilin Province Chuncheng Heating Company Limited (the “Articles of Association”).

Article 2    With financial supervision as its core, the Supervisory Committee is the supervisory body of the Company and shall be accountable for all shareholders. In order to protect the legitimate rights and interests of the Company and its shareholders, the Supervisory Committee shall supervise the finance of the Company and the compliance of the directors, general managers and other senior management officers to the laws and regulations during the exercise of their authority in accordance with the Company Law and other relevant laws, regulations and regulatory documents as well as the Articles of Association.

Article 3    The supervisors shall comply to the relevant laws and regulations as well as the Articles of Association and shall fulfill their obligations with fidelity and diligence.

Article 4    The Supervisory Committee should be staffed and structured in such a way as to ensure that the Supervisory Committee is able to perform its duties independently and effectively. Supervisors shall appropriately possess the professional knowledge or work experience as well as the ability to perform their duties effectively.

Article 5    The Company shall adopt measures to protect the right to information of the supervisors provide the supervisors with necessary information and data in a timely manner so that the Supervisory Committee can effectively supervise, inspect and evaluate the financial position and operation and management of the Company. The reasonable expenses incurred by the supervisors in performing their duties shall be borne by the Company.

The general manager shall report to the Supervisory Committee on the signing and execution of material contracts, the use of funds and the profit and loss of the Company as required by the Supervisory Committee. The general manager shall ensure the truthfulness of such reports.

**Chapter 2    Composition and Office of the Supervisory Committee**

Article 6    The Supervisory Committee shall be composed of three to five supervisors, one of whom shall act as the chairman of the Supervisory Committee. The term of office of supervisors shall be three years, renewable upon re-election and re-appointment.

Article 7    The appointment and dismissal of the chairman of the Supervisory Committee shall be subject to the approval of more than two-thirds (inclusive) of its members by voting. Resolutions of the meeting of the Supervisory Committee shall be approved by more than two-thirds (inclusive) of the members of the Supervisory Committee.

---

**APPENDIX XII                      FORMULATION OF THE RULES OF PROCEDURE OF  
THE SUPERVISORY COMMITTEE WHICH ARE  
APPLICABLE AFTER THE INITIAL PUBLIC  
OFFERING AND LISTING OF  
THE A SHARES BY THE COMPANY**

---

Article 8 Members of the Supervisory Committee shall comprise of shareholder representatives and appropriate proportion of employee representatives of the Company, of which, the number of the employee representatives shall be no less than one-third. The employee representatives in the Supervisory Committee shall be elected by the employees of the Company through employee representatives' general meeting, employees' general meeting of the Company or other democratic ways.

Article 9 At least half of the members of the Supervisory Committee should be external supervisors (i.e. supervisors, including supervisors who are the representatives of shareholders, not holding any positions in the Company, same hereinafter), and external supervisors shall have authority to report separately to the shareholders' general meeting on the honesty and diligence of the senior management officers of the Company.

Article 10 A supervisor may resign before the expiration of his term of office. The supervisors who resign shall submit to the Supervisory Committee a written report in relation to their resignation.

In the event that the term of office of a supervisor expires but re-election is not made responsively, or the resignation of any supervisor during his term of office results in the number of members of the Supervisory Committee being less than the statutory minimum requirement, the said supervisors shall continue to perform their duties in accordance with laws, administrative regulations and these rules of procedure until the re-elected supervisors assume their office.

Article 11 A supervisor shall clear all transitional procedures with the Supervisory Committee on resignation or expiry of term and shall fulfil his fiduciary obligations against the Company and shareholders. The obligations shall not be automatically dismissed until the resignation report becomes effective, or during the reasonable period after the resignation report becomes effective and after the expiry of term. The duty of confidentiality in relation to trade secrets of the Company survives the termination of his term of office until such secret becomes public information. Other duties may continue for such period as the principle of fairness may require depending on the length of time which has lapsed between the occurrence of the matter in question and the termination of his term of office and the circumstances and the terms under which the relationships between him and the Company are terminated.

Article 12 The directors, the general manager and the senior management officers of the Company shall not act concurrently as supervisors.

Article 13 An officiating body responsible for the daily specific affairs of the Supervisory Committee is established by the Supervisory Committee.

**Chapter 3 The Functions and Powers of the Supervisory Committee**

Article 14 The Supervisory Committee shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers in accordance with laws:

(1) to monitor any acts of directors, the general manager and other senior management officers in their performance of duties that violate the laws, administrative regulations and the Articles of Association, and to propose dismissal of any directors and senior management officers who violate the laws, administrative regulations, the Articles of Association or any resolutions of shareholders' general meetings;



---

**APPENDIX XII                      FORMULATION OF THE RULES OF PROCEDURE OF  
THE SUPERVISORY COMMITTEE WHICH ARE  
APPLICABLE AFTER THE INITIAL PUBLIC  
OFFERING AND LISTING OF  
THE A SHARES BY THE COMPANY**

---

(2) to demand rectification from a director and other senior management officers when the acts of such persons prejudice the Company's interest;

(3) to examine the Company's financial affairs;

(4) to review financial information such as the financial reports, operation reports and profit distribution schemes to be submitted by the Board of Directors to the Shareholders' general meetings;

(5) to review the regular reports of the Company prepared by the Board of Directors and to submit written review opinions thereon;

(6) to propose to convene an extraordinary general meeting; and to convene and chair the general meeting in case the Board of Directors fails to fulfill the obligations prescribed by the Company Law to convene and chair the general meeting;

(7) to submit proposals to the shareholders' general meeting;

(8) to propose to convene an extraordinary meeting of the Board of Directors;

(9) to institute a suit against the directors or senior management officers according to Article 151 of the Company Law;

(10) to exercise other functions and powers specified in the laws, administrative regulations and the Articles of Association.

Any reasonable expenses incurred when the Supervisory Committee engages professionals, such as lawyers, certified public accountants, certified auditors, during the exercise of its functions and powers shall be borne by the Company.

Article 15 At the annual general meeting, the Board of Directors and the Supervisory Committee shall report to the general meeting on their work for the past year, and each independent director shall also make a report on his or her duties.

Article 16 In case that the Supervisory Committee discovers any unusual operation of the Company, the Supervisory Committee may investigate it and, when necessary, may engage professionals, such as accounting, lawyers firms, to assist in the work and such fees shall be borne by the Company.

**Chapter 4 Meeting System of the Supervisory Committee**

Article 17 The meetings of the Supervisory Committee are either regular or extraordinary.

Article 18 The Supervisory Committee shall convene at least one meeting every 6 months.

Article 19 An extraordinary meeting shall be convened in any of the following circumstances:

(1) when deemed necessary by the chairman of the Supervisory Committee;



---

<b>APPENDIX XII</b>	<b>FORMULATION OF THE RULES OF PROCEDURE OF THE SUPERVISORY COMMITTEE WHICH ARE APPLICABLE AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY</b>
---------------------	---

---

- (2) when proposed jointly by two-thirds or more of the supervisors;
- (3) when the Company has suffered or is suffering from a significant loss of assets and the shareholders' rights are being compromised;
- (4) when the directors, general managers and other senior management officers of the Company have violated the relevant regulations and the Articles of Association and have seriously damaged the interests of the Company;
- (5) when a suit is instituted by a shareholder against the Company, directors, supervisors, senior management officers.

Article 20 The Supervisory Committee shall convene a meeting regularly and, if necessary, shall convene an extraordinary meeting in a timely manner. If a meeting cannot be held as scheduled for any reason, the Supervisory Committee shall provide an explanation.

Article 21 A meeting of the Supervisory Committee can only be held with at least half of the supervisors present.

Article 22 A supervisor shall attend the meeting of the Supervisory Committee in person. If any supervisor fails to attend in person or appoint other supervisors as his representative to attend meetings of the Supervisory Committee for two consecutive times, such supervisor shall be deemed to have failed to perform his duties, and the shareholders' general meeting or the employee representatives' general meeting (or other bodies that elect employee representative supervisors) shall replace such supervisor.

Article 23 The Supervisory Committee may request the directors, general managers and other senior management officers of the Company, internal and external auditors to attend the meeting of the Supervisory Committee and provide answers to the questions of concern.

Article 24 The meeting of the Supervisory Committee can be held by way of on-site meeting or teleconference meeting, video-conference meeting and written proposals, among others.

The Supervisory Committee may approve the written proposals in lieu of convening meetings of the Supervisory Committee, but the draft of such proposals shall be delivered to each supervisor through personal delivery, post, fax or e-mail. Such proposal will be passed as a resolution of the Supervisory Committee, only after it has been delivered to all supervisors, and one or more drafts in the same form and content have been signed and approved by the required quorum of the supervisors for decision-making and the signed document for approving such proposal has been delivered to the secretary to the chairman of the Supervisory Committee by one of the aforesaid means.

#### **Chapter 5 Procedure of Meeting of the Supervisory Committee**

Article 25 A meeting of the Supervisory Committee is convened by the chairman of the Supervisory Committee and the notice of the meeting is signed by the chairman of the Supervisory Committee. The notice of the meeting shall include the date of the meeting, place and period of the meeting, agenda, reason, matter for consideration and related information, the date of notice, among others.

---

**APPENDIX XII                      FORMULATION OF THE RULES OF PROCEDURE OF  
THE SUPERVISORY COMMITTEE WHICH ARE  
APPLICABLE AFTER THE INITIAL PUBLIC  
OFFERING AND LISTING OF  
THE A SHARES BY THE COMPANY**

---

Article 26 In convening the regular or extraordinary meetings of Supervisory Committee, the staff member of the Supervisory Committee shall give a written notice of the meeting to all supervisors by hand, facsimile, email or other means within 10 days and 3 days in advance respectively. If a notice is not given by hand, a subsequent telephone call shall be made for confirmation and corresponding records shall be made.

In case of urgency and an extraordinary meeting of the Supervisory Committee is required to be convened as soon as possible, it is not subject to the above time limit of notification and the above manner limit of notification but a reasonable notice for the meeting shall be given thereafter. The notice of such meeting shall be given by telephone communication or other verbal means at any time provided that the convener of the meeting gives relevant explanation at the meeting.

Article 27 From the time when the notice of the meeting is issued to the time when the meeting is held, the officiating body of the Supervisory Committee is responsible for or organizes the communication and liaison with all Supervisors to obtain their views or suggestions on the relevant motions so as to improve the motions.

When two or more of supervisors consider that the materials of certain motion are insufficient or its discourse is unclear, they may jointly propose to postpone the motion and the Supervisory Committee shall adopt the relevant proposal.

Article 28 A notice of the meeting of the Supervisory Committee shall include the followings:

- (1) date of the meeting, place and period of the meeting;
- (2) reason and agenda;
- (3) the date of issue of the notice;
- (4) the convener and presider of the meeting, the proposer of the extraordinary meeting and his written proposal;
- (5) the materials for the meeting required for the voting of the supervisors;
- (6) contact person and contact information.

The notice of meeting shall be deemed to have issued to a supervisor if he is present at the meeting and does not raise the issue of non-receipt of such notice prior to or at the time of his arrival at the meeting.

Article 29 The meetings of the Supervisory Committee shall be convened and presided by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, one supervisor shall be elected jointly by half or more of the supervisors to convene and preside over the meeting of the Supervisory Committee.

---

**APPENDIX XII                      FORMULATION OF THE RULES OF PROCEDURE OF  
THE SUPERVISORY COMMITTEE WHICH ARE  
APPLICABLE AFTER THE INITIAL PUBLIC  
OFFERING AND LISTING OF  
THE A SHARES BY THE COMPANY**

---

Article 30 The presider of the meeting shall call the meeting to order at the scheduled time. After the meeting has formally commenced, the supervisors shall first agree on the agenda. After the supervisors have agreed on the agenda, each motion shall be considered by the presider of the meeting, one by one.

Article 31 At the meetings of the Supervisory Committee, when considering the relevant motions and reports, the directors, general managers and other senior management officers of the Company, internal and external auditors may be requested to attend the meetings to give necessary explanations on the matters and to answer questions of concern to the Supervisory Committee.

Article 32 The voting of the Supervisory Committee is conducted in the manner of open ballot. Each supervisor has one vote. A supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his/her intention by choosing one of the above. The presider of the meeting shall request each supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, refusal to do so shall be regarded as having abstained from voting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.

Article 33 The chairman of the Supervisory Committee announces the resolutions and the adoption of the report based on the results of the voting.

Article 34 Resolutions of the Supervisory Committee shall be passed by the affirmative votes of half or more of the members of the Supervisory Committee.

Article 35 The Supervisory Committee shall record the decisions on matters discussed in the minutes, which shall include the following content:

- (1) the time and place of the meeting and the name of the convener;
- (2) the names of the attending supervisors and the supervisors who have been appointed by others (proxy) to attend the meeting of the Supervisory Committee;
- (3) the agenda of the meeting;
- (4) the summary of the speech of supervisors;
- (5) the manner and result of the voting for each resolution (the result of the voting shall indicate the number of votes cast for, against or abstained from voting).

Article 36 Supervisors who attended the meeting, shall sign the minutes of the meeting. A supervisor is entitled to request for some descriptive record to be made with regard to his speech in the meeting.

---

**APPENDIX XII                      FORMULATION OF THE RULES OF PROCEDURE OF  
THE SUPERVISORY COMMITTEE WHICH ARE  
APPLICABLE AFTER THE INITIAL PUBLIC  
OFFERING AND LISTING OF  
THE A SHARES BY THE COMPANY**

---

Article 37 The minutes of the meeting of the Supervisory Committee shall be kept in the domicile of the company for no less than ten years.

Article 38 Any voting at the Supervisory Committee shall be made on a one-person-one-vote basis.

Article 39 When a listed company convenes a meeting of the Supervisory Committee, the resolution of the Supervisory Committee shall be reported to the institution for the record in a timely manner after the meeting and announced after registration by the institution. The resolution of the Supervisory Committee shall be confirmed by the signatures of the supervisors present at the meeting. Supervisors shall ensure that the content of the announcement of the resolution of the Supervisory Committee is true, accurate and complete, and that there are no false entries, misleading statements or material omissions.

Article 40 The notice of the resolution of the Supervisory Committee shall include the followings:

- (1) a description of the time, place and manner in which meetings are held and whether they comply with the relevant laws, administrative regulations, departmental rules, regulatory documents and the provisions of the Articles of Association;
- (2) the number of supervisors present and absent by proxy, their names, the reasons for their absence and the names of the supervisors so entrusted;
- (3) the number of affirmative, negative and abstention votes received for each motion, and the reasons for the supervisors concerned to object or abstain;
- (4) specific content of the items considered and the resolutions formed at the meeting.

**Chapter 6 Enforcement and Feedback of the Supervisory Committee Resolutions**

Article 41 The Supervisory Committee may make resolutions and recommendations to the Board of Directors and the shareholders' general meeting for implementation by the Board of Directors and the relevant departments.

Article 42 The office of the Supervisory Committee, under the leadership of the Supervisory Committee and the Chairman of the Supervisory Committee, shall proactively keep abreast of the implementation of the relevant resolutions and report and make recommendations to the Supervisory Committee and the Chairman of the Supervisory Committee in a timely manner.

Article 43 Resolutions made by the Supervisory Committee that involve proposing the convening of an extraordinary board meeting, an extraordinary general meeting or proposing an interim motion to the annual general meeting shall be submitted in writing to the Board of Directors within the prescribed time frame with a complete proposal on the subject and content of the meeting, and shall ensure that the content of the proposal complies with the relevant laws and regulations and the Articles of Association.

---

<b>APPENDIX XII</b>	<b>FORMULATION OF THE RULES OF PROCEDURE OF THE SUPERVISORY COMMITTEE WHICH ARE APPLICABLE AFTER THE INITIAL PUBLIC OFFERING AND LISTING OF THE A SHARES BY THE COMPANY</b>
---------------------	---

---

**Chapter 7   Supplementary Provisions**

Article 44   Unless otherwise stated, terms used in these Rules of Procedure shall have the same meanings as in the Articles of Association.

Article 45   In the event of any matter not covered by these Rules of Procedure or any conflict with the provisions of the relevant statutes or the Articles of Association promulgated from time to time, the provisions of the relevant statutes or the Articles of Association shall prevail.

Article 46   Amendments to these rules of procedure shall be proposed by the Supervisory Committee through draft amendments and submitted to the general meeting for consideration and approval.

Article 47   The terms “above” and “within” in these rules of procedure are inclusive; the terms “over”, “below” and “more than” are exclusive.

Article 48   These rules of procedure shall be interpreted by the Supervisory Committee.

Article 49   These rules of procedure shall come into effect from the date on which the Company makes the initial public offering of its A-Shares and the shares of the Company are listed on the main board of the Shenzhen Stock Exchange.

**JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED  
PROCEDURE ON MANAGEMENT OF EXTERNAL INVESTMENT****Chapter 1 General Provisions**

Article 1 To regulate the external investment of Jilin Province Chuncheng Heating Company Limited (the “Company”), to improve the investment efficiency, to minimise the investment risk, to use the capital effectively and reasonably, and to maximise the efficiency of the use of the capital, this procedure is formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”) and the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (the “Listing Rules”) as well as relevant laws, administrative regulations, regulatory documents and the Articles of Association of Jilin Province Chuncheng Heating Company Limited (the “Articles of Association”) and other relevant regulations.

Article 2 “External investment” in this scheme refers to all forms of external investment activities in which the Company invests a certain amount of monetary capital, equity, and appraised physical or intangible assets for the purpose of obtaining future income.

Article 3 According to the length of investment period, the Company’s external investments are classified into short-term and long-term investments. Short-term investments mainly refer to investments acquired by the Company that can be readily realised and held for a period of not more than one year (inclusive), including various stocks, bonds, funds and participating insurance;

Long-term investments mainly refer to investments with maturity of more than one year which cannot be readily realised or are not intended to be realised, including bond investments, equity investments and other investments. Including but not limited to the following:

- (1) enterprise or business projects solely financed by the Company;
- (2) the establishment of joint ventures, partnerships or development projects with other domestic or external independent legal entities or natural persons with the Company’s financing;
- (3) participation in other domestic or external independent legal entities;
- (4) operating assets that are leased, entrusted or jointly operated with others.

Article 4 The basic principles of investment management should be in line with the Company’s development strategy, the reasonable allocation of corporate resources, the promotion of the optimal combination of factors and the creation of beneficial economic benefits.

Article 5 This scheme applies to all external investment activities of the Company and its wholly-owned and controlled subsidiaries (“subsidiaries”).

Article 6 The Company’s external investments are under professional management and are subject to a tier-by-tier approval system.

Article 7 The approval of the Company’s external investments shall be carried out in strict accordance with the approval authority to perform procedure stipulated in the Company Law and other relevant laws and regulations, as well as the Articles of Association.

## **Chapter 2 External Investment Approval Authority and Organisational Management Institution**

Article 8 The general meeting and the board of directors of the Company are the decision-makers for the Company’s external investments and each makes decisions on the Company’s external investments within the scope of their authority, while no other department or individual has the authority to make decisions on external investments.

Article 9 The Company shall disclose in a timely manner any external investment that meets one of the following criteria:

- (1) where the total amount of assets involved in the transaction represents 10% or more of the Company’s latest audited total assets, if the total assets involved in the transaction have both a book value and an appraised value, the higher shall be used for calculation;
- (2) the relevant operating revenue of the subject of the transaction (such as equity interest) in the latest financial year represents 10% or more of the audited operating revenue of the Company in the latest financial year, and the absolute amount exceeds RMB10 million;
- (3) the relevant net profit of the subject of the transaction (such as equity interest) in the latest financial year represents 10% or more of the audited net profit of the Company in the latest financial year, and the absolute amount exceeds RMB1 million;
- (4) the amount of the transaction (including obligations and expenses incurred) represents 10% or more of the latest audited net assets of the listed company in the latest financial year, and the absolute amount exceeds RMB10 million;
- (5) The profit generated from the transaction represents 10% or more of the audited net profit of the Company for the latest financial year and the absolute amount exceeds RMB1 million.

If the data involved in the calculation of the above indicators are negative, the absolute values are taken into account.

Article 10 The Company shall submit to a general meeting for review any external investment that meets one of the following criteria:

- (1) where the total amount of assets involved in the transaction represents 50% or more of the listed company’s latest audited total assets, if the total assets involved in the transaction have both a book value and an appraised value, the higher shall be used for calculation;

(2) the relevant operating revenue of the subject of the transaction (such as equity interest) in the latest financial year represents 50% or more of the audited operating revenue of the listed company in the latest financial year, and the absolute amount exceeds RMB50 million;

(3) the relevant net profit of the subject of the transaction (such as equity interest) in the latest financial year represents 50% or more of the audited net profit of the listed company in the latest financial year, and the absolute amount exceeds RMB5 million;

(4) the amount of the transaction (including obligations and expenses incurred) represents 50% or more of the latest audited net assets of the listed company in the latest financial year, and the absolute amount exceeds RMB50 million;

(5) The profit generated from the transaction represents 50% or more of the audited net profit of the list company for the latest financial year and the absolute amount exceeds RMB5 million.

If the data involved in the calculation of the above indicators are negative, the absolute values are taken into account.

Article 11 The establishment of a limited liability company, a company limited by shares or other organisations by the listed company as its external investment shall be subject to the full amount of the agreed capital contribution, and the provisions of Articles 9 and 10 of this procedure shall apply.

Article 12 The general manager is the head of the Company's Investment Review Team and is the primarily responsible person for the implementation of the Company's external investments, and is mainly responsible for collecting and collating information and assessing the feasibility of new investment projects, establishing a project database after screening and making investment recommendations. Feasibility assessments include:

(1) Before setting up a project, the scale and scope of the Company's current business development, and the external investment project, industry, timing and expected investment return should be prioritised for consideration; secondly, it should conduct research on the investment project and collect relevant information; finally, the information collected should be analysed, discussed and investment proposals made and reported to the Board of Directors or the chairman of the Company for filing.

(2) After a project is established, an investment project appraisal team shall be set up to analyse and assess the feasibility of the established investment project, and at the same time qualified intermediaries may also be engaged to participate in the assessment. The assessment should take full account of the national regulations on external investment and ensure compliance with the Company's internal rules and regulations so that all external investment activities can be carried out in accordance with the lawful procedures.

Article 13 The General Manager's Office is the management and reporting department of the Company's external investments, and participates in the study and formulation of the Company's development strategies, and conducts efficiency assessments, deliberations and makes recommendations on major investment projects; and is responsible for the pre-selection, planning, demonstration and preparation of the Company's external infrastructure investment, production and operation investment, equity investment, leasing, property rights trading and asset restructuring projects.



Article 14 The Finance Department of the Company is responsible for the financial management of external investments and coordinating with relevant parties to handle the capital contribution procedures, business registration, tax registration, bank account opening and others. It is also responsible for the custody of various resolutions, contracts, agreements and certificates of entitlement in external investments formed in the course of the investment process, and the establishment of detailed records. Unauthorised personnel should not have access to the certificates of entitlement.

Article 15 The Finance Department conducts compliance reviews of the Company's external investment projects.

### **Chapter 3 Decision-making Management of External Investments**

#### **Section 1 Short-term Investments**

Article 16 The Company's short-term investment decision-making process:

(1) The General Manager's Office is responsible for pre-selecting investment opportunities and investment targets for random investment recommendations and the preparation of short-term investment plans based on the profitability of the investment targets;

(2) The Finance Department is responsible for the Company's position of capital flow;

(3) Short-term investment plans are implemented after following the approval process in accordance with the approval authority.

Article 17 The Finance Department is responsible for the timely recording of short-term investments by type, quantity, unit price, accrued interest, date of purchase and other aspects, and for the relevant accounting treatment.

Article 18 Where securities investments are involved, strict joint controls must be implemented, that is, at least two persons must operate together, and the securities investment operators must be separate from the fund and financial management staff with mutual control, so that no one person may have sole access to the investment assets, and any deposit or withdrawal of investment assets must be signed jointly by two persons with mutual control.

Article 19 Short-term marketable securities acquired by the Company must be recorded in the name of the Company on the date of acquisition.

Article 20 The Finance Department of the Company is responsible for reconciling the usage and balance of securities investment funds with the Management Centre on a regular basis. Interest and dividends received should be recorded in a timely manner.

### **Section 2 Long-term Investments**

Article 21 The General Manager's Office conducts preliminary assessment of timely investment projects and makes investment recommendations for preliminary review by the Board of Directors.

Article 22 Upon the preliminary examination approval, the General Manager's Office will be responsible for conducting research and discussion on the project in accordance with the investment proposal, preparing a feasibility study report and a letter of intent on cooperation, and submitting them to the Board of Directors of the Company for discussion and approval.

Article 23 The Board of Directors shall carry out the approval procedures for the feasibility study report and the relevant cooperation agreement in accordance with the relevant approval authority. The ones exceed the authority of the Board shall be submitted to the general meeting for consideration.

Article 24 The Board of Directors shall authorise the relevant departments of the Company to be responsible for the implementation of approved external investment projects.

Article 25 The General Manager of the Company is responsible for overseeing the operation of the project and its management.

Article 26 Long-term investment projects shall require investment contracts or agreements with the investee. The long-term investment contract or agreement shall be reviewed by the Company's legal advisers and approved by the authorised decision-making organisations before it is formally signed externally.

Article 27 The Finance Department of the Company is responsible for coordinating with authorised departments and personnel to invest cash, tangible objects or intangible assets in accordance with long-term investment contracts or agreements. Investment by way of tangible objects must undergo physical handover procedures and shall be approved by the departments using that tangible objects and the management.

Article 28 For major investment projects, experts or intermediaries can be engaged to conduct feasibility analysis and demonstration.

Article 29 The General Manager's Office prepares and implements investment construction and development plans in accordance with the investment projects confirmed by the Company, provides guidance, supervision and control over the implementation of the projects, participates in the audit, termination of liquidation and handover of the investment projects, and conducts investment evaluation and conclusion.

Article 30 The General Manager of the Company is responsible for the supervision, inspection and evaluation of all investment projects throughout their implementation and operation. The General Manager or assistants will prepare quarterly reports on aspects including the progress of investment projects, the execution and use of investment budgets, the status of the parties involved, the status of operations, problems and recommendations, and report to the Company's management in a timely manner. In the course of investment and construction, the investment budget may be reasonably adjusted in accordance with changes in the implementation of the project, and the adjustment of the investment budget is subject to the approval of the original investment approval authority.

Article 31 The Supervisory Committee and the Finance Department of the Company shall supervise the investment projects in accordance with their duties and responsibilities, provide timely advice on the rectification of non-compliance and submit special reports on major issues for discussion and handling by the project investment approval authority.

Article 32 A comprehensive filing management system shall be established for investment projects, and the General Manager's Office shall be responsible for filing information from project pre-selection to project completion and handover (including project suspension).

#### **Chapter 4 Transfer and recovery of investments**

Article 33 The Company may recover an external investment if any of the following occurs or arises:

- (1) the investment project (enterprise) has expired in accordance with the Articles of Association;
- (2) bankruptcy as a result of the investment project (enterprise) failing to repay its debts as they fall due, in accordance with the law;
- (3) the project (enterprise) is unable to continue to operate due to the occurrence of force majeure;
- (4) upon the occurrence or happening of other circumstances where the contract provides for the termination of the investment.

Article 34 The Company may transfer an external investment if one of the following circumstances occurs or arises:

- (1) the investment has become clearly contrary to the direction of the Company's operations;
- (2) where the investment project has experienced continuous losses with no prospect of recovery and no market prospect;
- (3) where there is an urgent need to replenish funds due to a shortage of own operating capital;
- (4) other circumstances as deemed necessary by the Company.

Article 35 Transfers of investments should be made in strict accordance with the Company Law and other laws and regulations relating to the transfer of investments. The disposal of external investments must comply with the relevant national laws and regulations.

Article 36 The procedure and authority for approving the disposal of external investments shall be the same as those for approving the implementation of external investments.

Article 37 The General Manager shall be responsible for the appropriate valuation of assets for the recovery and transfer of investments to prevent the loss of the Company's assets.

**Chapter 5 Personnel Management of External Investments**

Article 38 Where a company invests externally in the formation of a cooperative or joint venture company, directors and supervisors elected through legal procedures shall be appointed to the newly established company to participate in and oversee decisions affecting the operation of the newly established company.

Article 39 For subsidiaries established by external investment, the Company shall appoint a chairman elected through legal procedures and corresponding management personnel (including a chief financial officer) to play an important role in the operation and decision-making of the holding company.

Article 40 The personnel appointed shall perform their duties in accordance with the provisions of the Company Law and the articles of association of the investee company, safeguard the interests of the Company in the operation and management activities of the newly established company, and realise the preservation and appreciation of the Company's investment. The personnel appointed by the Company to act as a director of the investee shall take care to obtain more information about the investee by attending meetings such as board meetings, and shall report to the Company on the investment in a timely manner.

Article 41 The appointed personnel shall sign a responsibility letter with the Company every year, accept the assessment targets given by the Company, submit an annual report to the Company and be inspected by the Company.

**Chapter 6 Financial Management and Audit of External Investments**

Article 42 The Finance Department of the Company shall keep comprehensive and complete financial records of the Company's external investment activities, carry out detailed accounting, establish separate detailed books of accounts for each investment and record relevant information in detail.

Article 43 The accounting methods for external investments shall be in accordance with the accounting standards and accounting regulations.

Article 44 The financial management of long-term external investments shall be the responsibility of the Company's Finance Department, which shall obtain financial reports of the investee in accordance with the needs of analysis and management in order to analyse the financial position of the investee, safeguard the Company's interests, and ensure that the Company's interests are not jeopardized.

Article 45 The Company shall carry out a comprehensive inspection of its long-term and short-term investments at the end of each year; it shall carry out regular or special audits of its subsidiaries.

Article 46 The accounting methods, accounting policies and accounting estimates and changes adopted in the financial management of the Company's subsidiaries shall be in accordance with the relevant provisions of the Company's accounting regulations.

Article 47 The subsidiaries of the Company shall submit financial accounting statements to the Finance Centre of the Company on a monthly basis, and shall submit accounting statements and provide accounting information in a timely manner in accordance with the requirements of the Company for the preparation of consolidated statements and the external disclosure of accounting information.

Article 48 The Company may appoint a chief financial officer to a subsidiary, who shall supervise the truthfulness and legality of the financial position of such company.

Article 49 All investment assets of the Company shall be inventoried regularly by internal auditors or other personnel not involved in investment business or verified with the custodian entrusted to check whether they are owned by the Company, and the inventory records shall be checked against the book records to confirm the consistency of the accounts.

### **Chapter 7 Reporting and Disclosure of Significant Events**

Article 50 The Company shall fulfil its information disclosure obligations in strict accordance with the Company Law and other relevant laws, administrative regulations, regulatory documents and the Articles of Association.

Article 51 After the implementation of the Company's external investment projects, the department responsible for the management of the Company's external investment shall follow up and evaluate the effectiveness of the investment. The department of the Company responsible for the management of external investments shall report in writing to the Board of Directors of the Company at least once a year for three years after the implementation of the project, including but not limited to: whether the direction of the investment is correct, whether the investment amount is up to standard, whether it is in line with the budget, whether there is any change in the shareholding ratio, whether there is any change in the policy governing investment environment, whether there is any material difference from that stated in the feasibility study report and others; and to advise the Board of Directors of the Company on the disposition of any problems or operational anomalies identified.

Article 52 The Supervisory Committee and the internal audit department of the Company shall exercise the right of supervision and inspection of external investment activities.

Article 53 The supervision and inspection of external investment activities conducted by the internal audit department shall mainly include:

(1) The establishment of positions and personnel related to the investment business. This focuses on checking whether there are two or more incompatible duties performed by one person at the same time.

(2) The implementation of the investment authorisation system. This focuses on checking whether the authorisation and approval procedures for external investment business are healthy and whether there is any transgression of approval authority.

(3) The legality of the investment plan. This focuses on checking whether there is any illegal external investment.

(4) The custody of relevant legal documents such as approval documents, contracts and agreements for investment activities.

(5) Accounting for investment projects. This focuses on checking whether the original certificates are true, legal, accurate and complete, whether the accounting entries are correctly applied and whether the accounting is accurate and complete.

(6) Use of investment funds. This focuses on checking whether funds are used in accordance with planned and budgeted purposes, and whether there is any waste, misappropriation or squandering of funds in the process.

(7) Custody of investment assets. This focuses on checking for discrepancies in the accounts.

(8) Disposal of investments. This focuses on checking whether the approval process for investment disposals is correct and whether the process is genuine and legal.

Article 54 Subsidiaries shall comply with the Company's information disclosure regulations. The Company has the right to be informed all information about its subsidiaries.

Article 55 Information provided by subsidiaries shall be true, accurate, complete and reported to the Company in the first instance to facilitate timely external disclosure by the office of the Board of Directors.

Article 56 A subsidiary shall promptly report to the Finance Department of the Company and the Secretary of the Board of Directors on the following significant events:

- (1) Acquisition and disposal of assets;
- (2) External investment activities;
- (3) Major litigation and arbitration;
- (4) The signing, variation and termination of significant contracts (borrowing, entrustment, entrustment of finance, gifts, contracts, leases and others);
- (5) Significant bank refunds;
- (6) Significant operating or non-operating losses;
- (7) Suffering a significant loss;
- (8) Major administrative penalties.

**Chapter 8 Supplementary Provisions**

Article 57 The terms “above” and “within” in this procedure are inclusive; the terms “over”, “below” and “more than” are exclusive.

Article 58 Subjects not covered by this procedure shall be carried out in accordance with the relevant national laws, administrative regulations, regulatory documents and the relevant provisions of the Articles of Association.

Article 59 In the event that this procedure is inconsistent with the Company Law and other laws, administrative regulations, regulatory documents and the Articles of Association, it shall be implemented in accordance with the provisions of the laws, administrative regulations, regulatory documents and the Articles of Association.

Article 60 Amendments to this procedure shall be proposed by the Board of Directors and submitted to the general meeting for consideration and approval.

Article 61 This procedure shall be interpreted by the Board of Directors of the Company.

Article 62 This procedure shall be approved at a general meeting of the Company and shall come into effect on the date of the Company’s initial public offering of A shares and listing on the Main Board of the Shenzhen Stock Exchange.

## **JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED PROCEDURE ON MANAGEMENT OF EXTERNAL GUARANTEE**

### **Chapter 1 General Provisions**

Article 1 In order to regulate the activities of external guarantees of Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as “the Company”), to effectively control the risks of guarantees and to protect the legitimate interests of shareholders and other stakeholders, this procedure is formulated in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》) (hereinafter referred to as the “Listing Rules”) and the Guidelines on the Regulation of the Operation of Listed Companies on the Shenzhen Stock Exchange (《深圳證券交易所上市公司規範運作指引》) (hereinafter referred to as the “Guidelines on the Regulation of Listing”), the Notice on the Regulation of External Guarantees by Listed Companies (《關於規範上市公司對外擔保行為的通知》) (hereinafter referred to as the “Notice”), the Notice on the Regulation of Capital Transactions between Listed Companies and Related Parties and Certain Issues of External Guarantees by Listed Companies (《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》) (hereinafter referred to as the “Notice”) and other relevant laws, administrative regulations and regulatory documents and the relevant provisions of the Articles of Association of Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as the “Articles of Association”).

Article 2 The Company’s external guarantees shall be managed in a unified manner and no person shall have the right to sign contracts, agreements or other similar legal documents in the name of the Company in respect of external guarantees without approval by the Board of Directors or the general meeting of the Company.

Article 3 An external guarantee referred to in this procedure means the act of the Company and its controlled subsidiaries providing guarantee for the debtor in the capacity of a third party for the debt obligations incurred by the debtor, and when the debtor fails to perform the obligations, the Company shall perform the obligations or assume the liabilities in accordance with the agreement.

Article 4 This procedure shall apply to all external guarantees of the Company and its wholly-owned and controlled subsidiaries (hereinafter referred to as “subsidiaries”, the same hereinafter).

### **Chapter 2 Situations in which guarantees are provided**

Article 5 The Company may provide guarantees for an enterprise that qualifies as an independent legal entity and meets any of the following criteria:

- (1) it is a mutually dependent enterprise of the Company due to business requirement;
- (2) it is an enterprises with which the Company has a significant business relationship;



- (3) it is an enterprise with which the Company has a potentially significant business relationship;
- (4) it is a controlled subsidiary of the Company or other enterprises in which the Company has a controlling relationship;
- (5) the guarantee is provided by the Company as capital construction loans to a participating subsidiary in proportion to capital contributions.

The above enterprises must also be solvent and must comply with the relevant provisions of this procedure.

Article 6 Although not meeting the conditions listed in Article 5 of this procedure, the Company may provide guarantees to the applicants who are deemed necessary to develop business dealings and cooperative relationships with the Company and whose risks are relatively low, with the consent of 2/3 or more of the Directors present at the Board meeting and after consideration and approval by Shareholders in general meeting.

Article 7 The types of guarantees provided by the Company include, but are not limited to, bank loans from domestic banks, letters of credit issued by banks, promissory notes issued by banks, and letters of guarantee, etc.

### **Chapter 3 Vetting Authority and Procedures**

#### **Section 1 Vetting Authority**

Article 8 The following external guarantees of the Company shall be considered and approved by shareholders in general meeting:

- (1) a single guarantee with an amount which exceeds 10% of the company's latest audited net assets;
- (2) any guarantee provided by the Company and its controlled subsidiaries after the total amount of their external guarantees exceeds 50% of the Company's latest audited net assets;
- (3) guarantees provided to a guaranteed enterprise with a gearing ratio exceeding 70%;
- (4) the amount of guarantee exceeds 50% of the Company's latest audited net assets for a continuous period of 12 months and the absolute amount exceeds RMB50 million;
- (5) guarantees in excess of 30% of the Company's latest audited total assets for a period of 12 consecutive months;
- (6) guarantees to shareholders, de facto controller and their related/connected parties;
- (7) other circumstances as provided by the Shenzhen Stock Exchange or the Articles of Association.

For guarantees that should be submitted to the general meeting for consideration, the higher of the guarantor's most recent year's audited financial statements or the most recent period's financial statements shall be used to determine whether the guarantor's gearing ratio exceeds 70%.

When the general meeting considers the guarantee under item (5) of paragraph 1 of this Article, it must be approved by at least two-thirds of the votes held by the Shareholders present at the meeting.

When a general meeting considers a resolution to provide a guarantee for a shareholder, a de facto controller and their related parties, such shareholder or shareholders at the disposal of such de facto controller shall not participate in such vote. The resolution shall be approved by at least half of the voting rights held by other shareholders present at the general meeting of shareholders.

When the Company provides guarantees to a wholly-owned subsidiary, or a controlled subsidiary with the other shareholders of the controlled subsidiary providing guarantees in the same proportion as their equity interests, they fall within items (1) to (4) of paragraph 1 of this Article. In such cases, the submission to a general meeting for consideration may be waived, except as otherwise provided in the Articles of Association.

Article 9 Within its scope of authorization, the general meeting decides on the Company's risky investments, pledges of assets and other guarantees; considers other external guarantees other than Article 8 and makes timely disclosures.

Article 10 The external guarantees considered and approved by the board of directors or general meeting of a listed company shall be disclosed in a timely manner in the information disclosure newspaper and periodicals designated by the CSRC. The disclosure shall include the resolutions of the board meetings or general meetings, the total amount of external guarantees provided by the listed company and its controlled subsidiaries as at the date of information disclosure, and the total amount of guarantees provided by the listed company to its controlled subsidiaries.

Article 11 In respect of disclosed guarantees, the listed company shall disclose in a timely manner when one of the following circumstances arises:

- (1) the guaranteed party fails to meet the repayment obligation within 15 trading days after the debt has become due;
- (2) the guaranteed party is in bankruptcy, liquidation or other circumstances that seriously affect the ability to repay.

Article 12 Transactions between the listed company and its controlled subsidiaries within the scope of merger or between the said controlled subsidiaries may be exempted from disclosure and corresponding procedures in accordance with the provisions of this section unless otherwise provided by the CSRC or in this Chapter.

Article 13 The board of directors of the listed company shall, before considering a proposal to provide a guarantee, fully investigate the operation and creditworthiness of the guaranteed party, seriously consider and analyze the financial position, operation, creditworthiness and industry prospect of the guaranteed party, and make a prudent decision in accordance with the law. The Company may, if necessary, engage external professional institutions to assess the risk of the guarantee as a basis for the Board of Directors or the general meeting to make decisions.

Article 14 The independent directors, the sponsor or the independent financial adviser (if applicable) of the listed company shall express their independent views on the legality and compliance, impact on the company and the risks involved when the board of directors considers the provision of guarantees (except for the provision of guarantees to subsidiaries within the scope of merger), and if necessary, may engage an accountant to review the status of cumulative and current provision of guarantees by the Company. If abnormalities are found, they should be reported to the Board and the stock exchange and announced in a timely manner.

Article 15 Where the listed company provides guarantees for its controlled subsidiaries, if a large number of guarantee agreements are required to be entered into each year and it is difficult to submit each agreement to the board of directors or the general meeting for consideration, the listed company may estimate the total amount of new guarantees for the next twelve months for each of the two types of subsidiaries, i.e. with a gearing ratio of 70% or more and a gearing ratio of less than 70%, and submit them to the general meeting for consideration.

When the aforementioned guarantees actually occur, the listed company shall disclose them in a timely manner, and the balance of the guarantees at any point in time shall not exceed the amount of the guarantees approved by the general meeting. The balance of the guarantee shall not exceed the amount of the guarantee approved at the general meeting.

Article 16 In the event that the listed company changes the scope of its consolidated financial statements as a result of a transaction or related party transaction, if the original guarantee forms a guarantee for a related party after the completion of the transaction, it shall promptly comply with the corresponding review procedures and disclosure obligations in respect of the relevant related party guarantee. If the Board of Directors or the general meeting does not consider and approve the above-mentioned related party guarantees, the parties to the transaction shall take effective measures such as early termination of the guarantee or cancellation of the relevant transaction or related party transactions to avoid non-compliant related party guarantees.

Article 17 Strictly control the funds of the listed company being occupied by related parties in settlement of non-cash assets. The funds of the listed company to be occupied by a related party in settlement of non-cash assets shall be subject to the following requirements:

(1) The assets used for offsetting must belong to the same business nature of the listed company and be conducive to enhancing the independence and core competitiveness of the listed company and reducing related party transactions, and must not be assets that have not been put into use or assets without objective and definite net book value.

(2) The listed company shall engage intermediaries qualified in securities and futures-related businesses to conduct appraisals of the assets eligible for offsetting the credit facility and use the appraised value of the assets or the audited net book value as the basis for pricing the assets for offsetting the credit facility, provided that the final pricing shall not be detrimental to the interests of the listed company and that the present value of the capital employed shall be fully considered and discounted. The audit report and valuation report shall be disclosed to the public.

(3) The independent directors shall express their independent opinions on the listed company's proposal of offsetting debts with assets or engage an intermediary qualified in securities and futures-related businesses to issue an independent financial advisory report.

(4) The proposal of offsetting debts with assets by the related parties of the listed company shall be considered and approved in general meeting, and the shareholders of the related parties shall abstain from voting.

Article 18 Where a controlled subsidiary of the listed company provides guarantees for legal persons or other organisations within the scope of the listed company's consolidated statements, the listed company shall disclose the same in a timely manner after the controlled subsidiary has fulfilled the deliberation procedures

If a controlled subsidiary of the listed company provides a guarantee for an entity other than the one specified in the preceding paragraph, it shall be deemed to be a guarantee provided by the listed company and shall comply with the relevant provisions of this section.

## **Section 2 Approval process**

Article 19 The external guarantee shall be reviewed by the general manager, engaging relevant departments of the Company, in accordance with the relevant laws, administrative regulations, regulatory documents, the Articles of Association and this procedure, and shall be submitted by the general manager to the board of directors for consideration in the form of a motion after the review is approved.

Article 20 The guaranteed party shall submit to the financial controller and its subordinate Finance Department an application for guarantee with accompanying documents at least 15 working days in advance. The guarantee application shall include at least the following:

- (1) general information about the guaranteed party;
- (2) a description of the principal debt to be guaranteed;
- (3) the type and duration of the guarantee;
- (4) the main terms of a guarantee agreement;
- (5) the guaranteed party's description of the payment plan for the guaranteed debt and the sources of such payment;
- (6) a counter-guarantee scheme.

Article 21 The Finance Department shall be responsible for the prior review of external guarantees and shall issue an express review opinion, which shall include but not be limited to:

- (1) the background information of the guaranteed enterprise (business license, articles of association, historical background, principal business, as well as the operating results and financial statements of the last three years);
- (2) the resolution of the board of directors or general meeting of the guaranteed enterprise and the application for guarantee;
- (3) the feasibility report on the investment of the borrowed funds of the guaranteed enterprise.;
- (4) information on the credit analysis and assessment of the guaranteed enterprises by the relevant intermediaries;
- (5) the relevant documents of the creditor bank of the guaranteed enterprise approving the loan, the loan contract, the guarantee contract and other information;
- (6) the title documents such as certificates of ownership of the property and rights used as physical mortgage or pledge by the guaranteed enterprise;
- (7) other documents and information relating to the external guarantees.

Article 22 According to the review opinions of Finance Department, the Company's general manager's office will discuss and propose a resolution which will be submitted to the Company's Board of Directors for approval.

Article 23 When the Board of Directors reviews the external guarantees, the approval of at least 2/3 of all the members of the Board shall be required for valid passage.

Article 24 In the event that the external guarantee quota approved by the shareholders at general meetings or the Board of Directors needs to be implemented in stages, the Chairman of the Company may be authorised to sign the guarantee documents within the approved guarantee quota.

Article 25 When a subsidiary controlled by the Company provides a guarantee to an external party, it shall report the guarantee proposal to the Board of Directors of the Company for consideration and approval, and then the board of directors of the subsidiary shall make a decision and implement.

**Chapter 4 Management control during the guarantee period**

Article 26 The Finance Department shall be responsible for monitoring the performance of the external guarantee contracts. The Finance Department shall designate a person who sets up a special account to manage the external guarantees, keeps track of the economic operation of the guaranteed party in a timely manner, and report to the General Manager and the Chairman of the Board on a monthly basis on the implementation of the external guarantees. Specifically, these include:

- (1) keep abreast of the operation of the guaranteed enterprises and the use and recovery of funds;
- (2) regularly check with the guaranteed enterprises and their creditors on the status of debt repayments;
- (3) collect financial information from the guaranteed enterprises on a regular basis, conduct various financial analyses on a regular basis and accurately grasp the basic financial positions of the guaranteed enterprises;
- (4) in the event that the financial situation or operation of a guaranteed enterprise is found to be in a situation where the business condition of the guaranteed enterprise has seriously deteriorated, its debts are overdue, it is insolvent, bankrupt, in liquidation or other circumstances that seriously affect its repayment ability, inform the Board of Directors who shall take effective measures to minimise the loss in a timely manner;
- (5) in the event that the guaranteed enterprise is found to have transferred its property or involved in other acts of debt avoidance, promptly report to the general manager and the Chairman of the Board of Directors and provide recommendations on countermeasures; and if necessary, report to the Board of Directors of the Company;
- (6) notify the guaranteed enterprise 2 months prior to the maturity of the guaranteed debts (or 1 month prior to the maturity of the debts if the term of maturity is half a year).

Upon the maturity of the guaranteed debt, the Company shall urge the guaranteed party to fulfill the debt repayment obligations within a limited period of time. If the guaranteed party fails to meet its obligations on time, the Company shall take necessary remedial measures in a timely manner.

If the debt guaranteed by the listed company needs to be extended after maturity and continues to be guaranteed by the company, it should be considered as a new provision of guarantee with compliance to relevant review procedures and information disclosure obligations.

Article 27 The General Manager shall make a written report to the Board of Directors on a quarterly basis on the implementation of the external guarantee.

Article 28 When a guaranteed party fails to meet its repayment obligations when its debts are due or faces significant litigation, arbitration, proposed bankruptcy or liquidation, or other circumstances that may affect its ability to meet its repayment obligations, the Finance Department shall promptly review the details, immediately report to the Chairman and General Manager, and notify the secretary of the Board in writing. Upon receipt of such information, the Chairman of the Board shall immediately coordinate with the relevant departments to come up with a response plan.

Article 29 After the approval of the external guarantee, the Finance Department shall be responsible for supervising the guaranteed party in the registration of the subject matter of the counter-guarantee.

Article 30 The Finance Department shall be responsible for keeping all the documents and information related to the guarantee after the signing of the contract of external guarantee, checking with banks and other related institutions regularly, ensuring the completeness, accuracy and validity of the information on file, and paying attention to the timeliness and duration of the guarantee; and informing the secretary of the Board in writing.

Article 31 During the process of contract management, the Company shall report to the Board of Directors and the Supervisory Committee and announce any abnormal guarantee contract that has not been approved by the Board of Directors or shareholders at the General Meeting.

### **Chapter 5 Supplementary Provisions**

Article 32 The terms “above” and “within” in this procedure include the present number; the terms “over”, “below” and “more than” do not include the present number.

Article 33 Matters not covered by this procedure shall be carried out in accordance with the relevant laws and administrative regulations of the PRC and the relevant provisions of the Articles of Association of the Company.

Article 34 In the event that this procedure is inconsistent with the Company Law and other laws, administrative regulations, regulatory documents, and the Articles of Association, it shall be implemented in accordance with the laws, administrative regulations, regulatory documents and the Articles of Association, and the procedure shall be amended accordingly in a timely manner.

Article 35 This procedure shall be interpreted by the Board of Directors of the Company.

Article 36 This procedure shall be approved at a General Meeting of the Company and shall come into effect on the date of the Company’s initial public offering of A shares and listing on the main board of the Shenzhen Stock Exchange.

## **JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED PROCEDURE ON MANAGEMENT OF RELATED PARTY TRANSACTION**

### **Chapter 1 General Provisions**

Article 1 To strengthen the management of related party transactions of Jilin Province Chuncheng Heating Company Limited (the “Company”), regulate the conduct of related party transactions, effectively prevent and control operational risks, ensure the legality, fairness and reasonableness of related party transactions and to safeguard the legitimate interests of the Company and all shareholders of the Company, this procedure is formulated in accordance with the Company Law of the People’s Republic of China, the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (the “Listing Rules”), the Guidelines for the Regulation of the Operation of Listed Companies on the Shenzhen Stock Exchange, 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 and regulatory documents, as well as the Articles of Association of Jilin Province Chuncheng Heating Company Limited (the “Articles of Association”).

Article 2 The Rules shall apply to the Company and to the branches and subsidiaries included in the Company’s consolidated accounting statements.

Article 3 The Rules shall be binding on the shareholders, directors, supervisors and senior management of the Company and shall be observed by the shareholders, directors, supervisors and senior management of the Company.

Article 4 The Company shall follow the principles of fairness, equity and openness in its related party transaction activities and enter into written agreements. The agreement should be entered into in accordance with the principles of equality, voluntariness, equivalence and compensation, and its contents should be clear and specific and comply with the relevant legal requirements such as the relevant listing rules of the place where the Company is listed.

Article 5 The listed company shall take effective measures to prevent related parties from interfering with the operation of the Company in such a way as to monopolise procurement or sales channels to the detriment of the interests of the Company. Related party transactions should be commercially substantial, fairly priced and, in principle, not deviate from the prices or charges of independent third parties in the market and other transaction conditions.

Article 6 The listed company and its related parties shall not use related party transactions to transfer benefits or adjust profits, and shall not conceal the connected relationship in any way.

### **Chapter 2 Identification of Related Parties and Related Party Transactions**

Article 7 Related parties of the listed company include related legal persons and related natural persons.

Article 8 A legal person or other organisation is an associated legal person of the listed company if it has one of the following circumstances:



- (1) a legal person or other organisation that directly or indirectly controls the listed company;
- (2) legal persons or other organisations, other than the listed company and its controlled subsidiaries, which are directly or indirectly controlled by the legal persons referred to in the above;
- (3) legal persons or other organisations, other than the listed company and their controlled subsidiaries, which are directly or indirectly controlled by natural persons affiliated to the Company, or which are directors or senior management;
- (4) legal persons or other organisations holding 5% or more of the shares of the listed company and its concert parties;
- (5) the CSRC, the Shenzhen Stock Exchange or legal persons or other organisations which have a special relationship with the listed company as determined by the listed company in accordance with the principle of substance over form, which may result in or has resulted in a bias in favour of the interests of the listed company.

Article 9 A natural person is a related natural person of a listed company if the natural person is one of the following:

- (1) natural persons who directly or indirectly hold 5% or more of the shares of the listed company;
- (2) directors, supervisors and senior management of the listed company;
- (3) directors, supervisors and senior management of the related legal persons listed in Article 8 of the Rules;
- (4) family members closely related to the persons referred to in (1) and (2) of this Article, including spouses, parents and parents of spouses, siblings and their spouses, children who have reached the age of 18 years and their spouses, siblings of spouses and parents of spouses of children;
- (5) the CSRC, the Shenzhen Stock Exchange or natural persons which has a special relationship with the listed company as determined by the listed company in accordance with the principle of substance over form, which may result in a bias in favour of the interests of the listed company.

Article 10 A legal or natural person who has one of the following circumstances shall be deemed to be a related party of a listed company:

- (1) if, as a result of entering into an agreement or making an arrangement with the listed company or its related party, after the agreement or arrangement has taken effect, or within the next twelve months, it has one of the circumstances stipulated in Articles 8 and 9 of the Rules;
- (2) if, within the past twelve months, it has one of the circumstances stipulated in Articles 8 and 9 of the Rules.

Article 11 Directors, supervisors, senior management, shareholders holding 5% or more of the shares of a listed company and their concert parties and de facto controllers shall inform the listed company in a timely manner of the existence of their affiliations with them.

Article 12 In addition to the above, a related person shall include any natural and legal person identified as a related person in accordance with the rules of the Shenzhen Stock Exchange (hereinafter referred to as the “Shenzhen Stock Exchange”) as in force from time to time thereafter.

Article 13 A related party transaction of the Company is a related party transaction of the listed company, which is a transfer of resources or obligations between the listed company or its controlled subsidiary and a related person of the listed company, including:

- (1) purchase or disposal of assets;
- (2) external investments (including entrusted financial management, entrusted loans, financial assistance for investments in subsidiaries and others);
- (3) provision of financial assistance;
- (4) provision of guarantees;
- (5) leased-in or leased-out assets;
- (6) contracts for management (including gifts or gifts of assets such as entrustment, trusteeship and others);
- (7) donating or receiving assets;
- (8) debt or debt restructuring;
- (9) transfer of research and development projects;
- (10) execution of a licence agreement;
- (11) waiver of rights (including waiver of pre-emptive rights, pre-emptive rights to subscribe for capital and others);
- (12) purchase of raw materials, fuel, power;
- (13) sale of products and merchandise;
- (14) providing or accepting labour;
- (15) commissioned or entrusted sales;
- (16) deposits and loans with related party finance companies;

- (17) co-investment with related persons;
- (18) other matters that may result in a transfer of resources or obligations by contract.

### **Chapter 3 Management of Related Party Transactions**

Article 14 The general meeting of the Company shall be responsible for the approval of related party transactions, which shall be decided by the general meeting as stipulated by laws and regulations and the securities regulatory authorities.

The Board of Directors shall be responsible for the approval of related party transactions other than those specified in the above, which shall be approved by the Board of Directors and for the approval of other related party transactions as prescribed by the securities regulatory authorities.

The Audit Committee of the Company's Board of Directors is responsible for the identification of the Company's list of related persons, the overall review of related party transactions and the periodic review of the Company's related party transactions in general. Specifically, it includes verifying the decision-making and performance of the Company's related party transactions within 10 days after the end of each interim period, and reviews the Company's related party transactions in general within 30 days after the end of each year, and forms an opinion on the review and reports to the Board of Directors and the Supervisory Committee of the Company.

The Supervisory Board is responsible for overseeing the consideration, voting, disclosure and performance of related party transactions. The Company's General Manager's Office will consider decisions on related party transactions within its authority.

Article 15 The office of the Board is responsible for the management of related parties, the compilation and dynamic maintenance of the directory of related persons, the organisation of the decision-making process of the Company's general meetings and Board of Directors in relation to related party transactions, the disclosure of information on related party transactions and the application for disclosure waivers.

The finance management department is responsible for the accounting records, accounting, reporting and statistical analysis of related party transactions, which are reported to the office of the Board for record on a quarterly basis.

The legal affairs department is responsible for the identification and review of related parties and related party transactions, verification of related party transaction agreements, and reporting to the office of the Board for filing on a quarterly basis.

The relevant functional departments of the Company are responsible for the preparation of proposals for related party transactions, the signing of related party transaction agreements and the supervision and reporting of the progress of related party transactions within their scope of responsibility.

Article 16 The relevant functional departments of the Company shall report each transaction to the office of the Board of Directors prior to its occurrence, and the office of the Board shall organise the following departments to review and sign the contract for the transaction, specifically including:

(1) the legal department is responsible for reviewing the background of the counterparty, identifying whether the transaction is a related party transaction and identifying the relationship between the related person and the Company on a layer-by-layer basis;

(2) the finance management department, which is responsible for verifying transaction-related data and conducting ratio tests;

(3) the office of the Board, which is responsible for checking the list of related person, determining whether the counterparty is a related person included in the list and whether there are potential related persons and updating the list of related persons, and determining whether the transaction requires disclosure.

The results of the audit of related party transactions shall be reported to the office of the Board for the record, and the office of the Board shall organise the decision-making process for related party transactions. No agreement or transaction shall be entered into in respect of a related party transaction until the decision-making process has been completed.

Article 17 Each branch or subsidiary of the Company shall be responsible for coordinating the management of the related party transactions conducted by the Company, carrying out the audit process of the related party transactions in accordance with the relevant regulations of the Company and reporting the audit results of the related party transactions to the office of the Board of the Company.

Article 18 Each functional department of the Company shall specify the personnel in charge of the management of related persons and related party transactions in the department, and each branch or subsidiary of the Company shall specify the department and personnel in charge of the management of related persons and related party transactions in the Company and report the same to the office of the Board of the Company for the record.

#### **Chapter 4 Reporting of Related Persons**

Article 19 The basic related persons of the Company shall inform the office of the Board of Directors of the Company of the existence of their connection with the Company in a timely manner; they shall also inform the office of the Board of the Company of any changes in the information of the related persons in a timely manner.

All departments, branches and subsidiaries of the Company shall submit to the office of the Board of the Company in a timely manner information on related persons of the Company arising from their direct trading activities; when there is a change in the information on related persons, the change shall be submitted to the office of the Board of Directors in a timely manner.

Article 20 The office of the Board of the Company shall issue a confirmation letter to the basic related persons of the Company every year, summarise and update the changes in the related persons (if necessary), and submit the summarised and updated list of related persons to the Audit Committee of the Board of Directors for review, and send to all departments and branches and subsidiaries of the Company for reference. The Audit Committee of the Board of Directors shall report to the Board of Directors and the Supervisory Committee in a timely manner upon confirmation of the list of related persons of the Company.

Article 21 Information on related persons of the Company required to be filed includes:

- (1) the name and organisation code of the legal person for a legal person, and the name and identity card number of the natural person for a natural person;
- (2) description of the relationship with the Company and others.

### **Chapter 5 Decision-making in Relation to Related Party Transactions**

Article 22 Where the Company or each of its branches or subsidiaries intends to enter into a related party transaction with a related person, it shall do so only after completing the decision-making process in accordance with the provisions of this Chapter.

A proposal for a related party transaction submitted to a meeting for decision should provide the specific details of the transaction, the pricing policy, the necessity and feasibility of the transaction and a detailed description of the impact on the interests of the Company and its shareholders.

Article 23 The following related party transactions (other than the provision of guarantees) shall be considered and approved by the Chairman of the Company.

- (1) Related party transactions between the Company and related natural persons where the transaction amount is less than RMB300,000;
- (2) The related party transactions between the Company and related legal persons with an amount less than RMB3 million or less than 0.5% of the Company's latest audited net assets.

Article 24 The following related party transactions (other than the provision of guarantees and financial assistance) shall be submitted to the Board of Directors for approval and become effective, and shall be disclosed in a timely manner:

- (1) Related party transactions in which the transaction amount of the company and the related natural persons amount to more than RMB300,000, but which have not yet met the standards for consideration by the general meeting as stipulated in Article 19;
- (2) A related party transaction between the Company and a related legal person with a transaction amounting to RMB3 million or more and accounting for 0.5% or more of the Company's latest audited net assets, but which has not yet met the criteria for consideration at a general meeting as stipulated in Article 25.

Article 25 For material related party transactions (other than the provision of guarantees) between the Company and its related persons with a transaction amounting to more than RMB30 million and accounting for 5% or more of the Company's latest audited net assets, the Company shall, in addition to timely disclosure, provide an audit or evaluation report on the subject of the transaction issued by a securities service provider qualified to carry out securities or futures-related business and submit the transaction to the general meeting for consideration.

The Audit Committee shall, at the same time, conduct an audit of the related party transaction, form a written opinion, submit it to the Board for consideration and report to the Supervisory Committee. The Audit Committee may engage an independent financial adviser to issue a report to form the basis of its judgement.

Article 26 The following related party transactions by the Company or each of its branches or subsidiaries shall be calculated in accordance with the principle of aggregation over a period of 12 consecutive months and the provisions of this Chapter shall then apply accordingly.

- (1) transactions with the same related person;
- (2) transactions with different related persons relating to the same subject matter of the transaction.

The same related person as mentioned above includes a legal or other organisation with which the related person is directly or indirectly controlled by the same legal or other organisation or natural person, or in which there is a mutual relationship of shareholding control; and a legal or other organisation in which the same related natural person is a director or senior management.

If the decision-making process at a general meeting has been carried out in accordance with the principle of cumulative calculation, it is no longer included in the scope of relevant cumulative calculation.

Article 27 When the Board of Directors considers the related party transactions, the related directors shall abstain from voting and shall not exercise their voting rights on behalf of other directors.

Such Board meeting shall be held in the presence of a majority of the non-related Directors and a resolution at a Board meeting shall be passed by a majority of the non-related Directors. If the number of non-related directors present at such Board meeting is less than three, the transaction shall be submitted to the general meeting for consideration.

A related director includes a director who is either:

- (1) the counterparty;
- (2) has direct or indirect control of the counterparty;
- (3) working for a counterparty, or for a legal person or other organisation that has direct or indirect control over the counterparty, or a legal person or other organisation directly or indirectly controlled by the counterparty;

- (4) a close family members of the counterparty or its direct or indirect controller;
- (5) a close family member of a director, supervisor or senior management of the counterparty or its direct or indirect controller;
- (6) directors whose independent business judgments may be affected by the CSRC, Shenzhen Stock Exchange or the Company based on the principle of substance over form.

Article 28 When the Company's general meeting considers related party transactions, related shareholders shall abstain from voting, and shall not act on behalf of other shareholders to exercise voting rights. The number of voting shares represented by related shareholders is not included in the total number of voting shares that must be counted for related resolutions.

A related shareholder includes a shareholder who is either:

- (1) the counterparty;
- (2) has direct or indirect control of the counterparty;
- (3) directly or indirectly controlled by the counterparty;
- (4) directly or indirectly controlled by the same legal or natural person as the counterparty;
- (5) working for a counterparty, or working for a legal entity that can directly or indirectly control the counterparty or a legal entity directly or indirectly controlled by the counterparty (applicable where the shareholder is a natural person);
- (6) the voting rights are restricted or affected by the existence of an outstanding equity transfer agreement or other agreement with the counterparty or its related parties;
- (7) a legal or natural person who may cause a listed company to favour its interests as determined by the CSRC or the Hong Kong Stock Exchange.

Article 29 For related party transactions that meet the conditions for exemption from disclosure, the Board of Directors may apply to the Shenzhen Stock Exchange for exemption in accordance with the relevant regulations.

**Chapter 6 Special Provisions for Continuing Related Party Transactions**

Article 30 Where the Company or each of its branches or subsidiaries enters into continuing related party transactions with related parties, it shall comply with the corresponding decision-making procedures and disclosure obligations in accordance with the provisions of this Chapter respectively:

(1) For continuing related party transactions that occur for the first time, the company and the related person shall enter into a written agreement, submit the total annual transaction amount involved in accordance with the agreement to the Board of Directors or General Meeting for consideration and disclose the details of the transaction in a timely manner; if the actual implementation of the company thereafter exceeds the estimated total amount, the Company shall resubmit it to the Board of Directors or the general meeting for consideration and disclose based on the excess amount;

(2) If there is no material change in the main provisions of the implementation of the continuing related party transaction agreement that has been reviewed and approved by the general meeting or the Board of Directors, the Company shall disclose the actual performance of the agreements as required in the annual report and indicate whether it complies with the provisions of the agreement. If there are material changes to the main provisions in the course of execution of the agreement or the agreement expires and needs to be renewed, the Company shall resubmit the newly amended or renewed continuing related party transaction agreement to the Board of Directors or the general meeting for consideration based on the total annual transaction amount involved in the agreement;

(3) The budget for the total annual transactions of each ongoing related party transaction shall be carried out by the responsible relevant functional departments and financial management department;

(4) At the beginning of each accounting year, the office of the Board of the Company conducts a statistical survey of continuing related party transactions and determines the upper limit of each type of continuing related party transaction for the year, and informs the relevant functional departments in a timely manner.

(5) If the office of the Board of the Company estimates, after compiling statistics, that the annual transaction amount of a continuing related party transaction will exceed the pre-approved annual cap, the office of the Board should promptly consolidate and organise the corresponding decision-making process in accordance with the new annual cap and disclose details of the transaction in a timely manner.

(6) No related party transaction in excess of the pre-approved annual cap can be implemented without the required decision-making process.

Article 31 A continuing related party transaction agreement between a company and a related party should include:

- (1) pricing policy and basis;
- (2) the transaction price;
- (3) the total volume of transactions in each year and the basis for determination;



- (4) time and method of payment;
- (5) other key provisions that should be disclosed.

Article 32 The term of continuous related-party transaction agreements signed by the Company and related persons shall generally be limited to three years or less; for such continuous related-party transaction agreements of three years or less, if they exceed three years, the Company shall still re-perform relevant decision-making procedures and disclosure obligations every three years in accordance with regulations.

Article 33 The Company's independent directors shall review the ongoing related party transactions on an annual basis and express their views on the continuing related party transactions of the Company, its branches and subsidiaries in the annual report.

Article 34 The external auditor of the Company shall issue an annual letter to the Board of Directors of the Company expressing opinions on the continuing related party transactions of the Company and its subsidiaries. The Company should allow the external auditor to verify the accounts so that the external auditor can express opinions on them.

Article 35 The Company shall disclose in its annual report details of each continuing related party transaction, including the date, parties, substance, purpose, amount and principal terms of each related party transaction as well as the nature and extent of the interests of the related parties in the transaction.

### **Chapter 7 Disclosure of Related Party Transactions**

Article 36 In respect of related party transactions which are required to be disclosed under the Hong Kong Listing Rules and Stock Listing Rules, the Company shall disclose the execution, modification, termination and performance of such related party transaction agreements in accordance with the relevant requirements.

Article 37 Any guarantee given by the Company in favour of a related party, irrespective of the amount, shall be submitted to the General Meeting for consideration after approval by the Board.

Article 38 Where a listed company provides guarantees for controlling shareholders, beneficial owners and their related parties, the controlling shareholders, beneficial owners and their related parties should provide counter-guarantees.

Article 39 A listed company that intends to carry out a related party transaction that is required to be considered at the General Meeting should obtain the prior approval of the independent directors before submitting it to the Board for consideration.

The prior approval of the independent directors should be obtained from more than half of all independent directors and disclosed in the announcement of the related party transaction.

Article 40 A circular relating to related party transactions shall disclose, inter alia, the following:

- (1) the full contents disclosed in the corresponding related party transaction announcement;
- (2) whether any of the associated shareholders are required to abstain from voting at the General Meeting;
- (3) written opinions from the independent directors;
- (4) written opinions from the independent financial adviser;
- (5) basic information about the Company;
- (6) such other contents as may be required under the Hong Kong Listing Rules.

Article 41 When the related party transactions of the Company involve “providing financial support” and “entrusting financial management” etc, the amount of occurrence shall be taken as the calculation standard, and the cumulative calculation shall be made within twelve consecutive months according to the type of transaction, and if the cumulative calculation reaches Articles 23, 24 and 25, the corresponding procedures shall be followed in accordance with the Rules.

Those who have fulfilled their relevant obligations in accordance with the provisions of the Rules will no longer be included in the relevant cumulative calculation.

Article 42 The day-to-day related party transaction agreement should at least include the transaction price, pricing principles and basis, transaction volume or its determination method, payment method and other major terms. If the agreement does not determine the specific transaction price but only states the reference market price, the Company shall disclose the actual transaction price, the market price and its determination method, and the reasons for the difference between the two prices when performing the disclosure obligation.

Article 43 If the Company enters into a day-to-day related party transaction agreement with a related party for a period of more than three years, the Company should renew its review procedures and disclosure obligations every three years.

Article 44 The following related party transactions between a company and a related party are exempt from consideration and disclosure in the same manner as related party transactions:

- (1) any transaction in which one party subscribes in cash for stocks, corporate bonds or enterprise bonds, convertible bonds or other derivatives publicly issued by the other party;
- (2) any transaction in which one party, as a member of an underwriting group, underwrites stocks, corporate bonds or enterprise bonds, convertible bonds or other derivatives publicly issued by the other party;

(3) any transaction in which one party thereto receives dividends, bonuses or remuneration in accordance with the resolutions of the General Meeting of the other party;

(4) any transaction in which one party participates in the open tendering or auction of the other party, except as it is impossible for the open tendering or auction to produce a fair price;

(5) any transaction in which the listed company is unilaterally benefited, including receipt of cash donation, relief of debts, receipt of guarantee and financial assistance, etc;

(6) any transaction the price of which is prescribed by the government;

(7) any transaction in which the related party provides funds to the listed company at an interest rate not higher than the benchmark interest rate for applicable loans as set by the People's Bank of China and without any corresponding guarantee therefor from the listed company;

(8) any transaction in which the listed company provides products and services to its director, supervisor or senior management on terms and conditions equal to those for non-related parties;

(9) other transactions as identified by the Shenzhen Stock Exchange.

Article 45 During the negotiation of the related party transactions, if the Company's stock price fluctuates significantly due to market rumours or reports on the related party transaction, the company shall issue a clarification announcement as appropriate in accordance with relevant regulations.

## **Chapter 8 Accountability**

Article 46 A related party of the Company shall not use his connection to prejudice the interests of the Company. In case of a breach which results in damage to the Company, it shall be liable to compensate.

Article 47 In the event that a related party misappropriates the Company's assets to the detriment of the Company and its shareholders, the Company has the right to take effective measures to require the related party to cease the infringement and to apply to the People's Court for a judicial freeze on the Company's assets misappropriated by the related party and the Company's shares held by the related party (if any).

Article 48 If any director, supervisor or senior management of the Company violates the laws, regulations or the Rules, assist or connive at the misappropriation of the Company's assets by any related party to damage the interests of the Company, the Board of Directors may, depending on the severity of the case, impose sanctions on those directly responsible and remove the director, supervisor or senior management who are seriously responsible, and shall have the right to demand appropriate compensation from them according to the extent of the loss suffered by the Company; if an offence is committed, the Company shall be referred to the judicial authorities for action.

Article 49 If there is any dereliction of duty or malfeasance of duty on the part of the management body of the related party transactions at all levels and the relevant personnel in the course of handling related party transactions, resulting in the Company being affected or suffering losses, the Company shall have the right to punish the person directly responsible, including criticism, warning and up to dismissal from office, depending on the severity of the case.

Article 50 In the event that a shareholder of the Company suffers financial loss as a result of an act committed by a related party that is detrimental to the interests of the Company and other shareholders and brings a civil action for compensation in accordance with the law, the Company is obliged to provide relevant information in compliance with the laws, regulations and the Articles of Association of the Company.

Article 51 The term “insignificant subsidiary company” in the Rules refers to a subsidiary of the Company that meets one of the following conditions:

- (1) The value of the ratio test based on the total asset value, income and profit of the past three fiscal years is less than 10%;
- (2) The value of the ratio test based on the total asset value, income and profit of the past fiscal year is less than 5%.

Article 52 In the event of matters not covered by the Rules shall be enforced in accordance with the relevant provisions of national laws, regulations, regulatory documents, the Hong Kong Listing Rules and the Articles of Association. In the event of any inconsistency between the Rules and the above provisions, the provisions of the relevant national laws, regulations, regulatory documents, the Hong Kong Listing Rules and the Articles of Association shall apply.

Article 53 Unless otherwise stated, terms used in the Rules shall have the same meanings as in the Articles of Association or the Hong Kong Listing Rules.

Article 54 The right to interpret the Rules shall belong to the Board of Directors. The office of Board shall update and modify the Rules in a timely manner in accordance with the latest requirements on related party transactions issued by the Hong Kong Stock Exchange and inform the relevant departments.

Article 55 The Rules shall be approved at the General Meeting and shall come into effect on the date of the Company’s initial public offering of A shares and listing on the Main Board of the Shenzhen Stock Exchange.

## **JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED WORKING RULES OF BOARD SECRETARY**

### **Chapter I General Provisions**

Article 1 In order to further regulate the Secretary of the Board of Directors of Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as “the Company”), and ensure that the Secretary effectively perform his/her duties, these working rules are formulated in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “Company Law”), the Rules Governing the Qualifications of Secretaries of Boards of Directors and Securities Representatives of Listed Companies on the Shenzhen Stock Exchange (《深圳證券交易所上市公司董事會秘書及證券事務代表資格管理辦法》), the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》) (“Listing Rules”), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) and other relevant laws, administrative regulations and regulatory documents and the Articles of Association of Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as the “Articles of Association”).

Article 2 The Board of Directors shall have a Secretary of the Board of Directors. The Secretary of the Board shall be a senior management of the Company, responsible to the Board of Directors of the Company, and shall be the designated contact person between the Company and the competent securities regulatory authorities. The Secretary of the Board shall be responsible to the Company and the Board of Directors, and shall assume the obligations required of the senior management of the Company by laws, regulations and the Articles of Association, and shall be entitled to the corresponding duties and responsibilities and receive corresponding remuneration.

Article 3 Upon the formal appointment of the Secretary of the Board of Directors and the securities representative by the Board of Directors of the listed Company, an announcement shall be made timely and the following information shall be submitted to the Shenzhen Stock Exchange in a timely manner:

(i) A letter of appointment of the Secretary of the Board of Directors and of the securities representative or a relevant resolution of the Board of Directors;

(ii) The means of communication of the Secretary of the Board and the securities representative, including office telephone, home telephone, mobile telephone, fax, postal address and dedicated e-mail address, etc.;

(iii) The means of communication of the Chairman of the Company, including office telephone, mobile telephone, facsimile, postal address and dedicated e-mail address, etc.

Article 4 The relevant provisions of the relevant laws and regulations of the place where the Company is listed, the Listing Rules and the Articles of Association of the Company regarding senior management shall be applicable to the Secretary of the Board.

### **Chapter II Eligibility**

Article 5 The Secretary of the Board of Directors of the Company shall have the following qualifications:

- (i) good work ethics and personal integrity;
- (ii) the necessary financial, managerial and legal expertise to perform his/her duties;
- (iii) the necessary working experience to perform his/her duties;
- (iv) a certificate of qualification for the secretary of the board of directors recognised by the stock exchange where the Company is listed.

Article 6 A person shall not be appointed as the Secretary of the Board of the Company if he/she:

- (i) is in any of the circumstances specified in Article 146 of the Company Law;
- (ii) has been determined by the CSRC to be market debarred and whose debarment has not been lifted;
- (iii) is subject to a recent administrative penalty imposed by the CSRC less than three years ago;
- (iv) has been publicly reprimanded by the stock exchange or having received more than three notifications of criticism in the last three years;
- (v) has been publicly recognised by the stock exchange as unsuitable to act as secretary to the board of directors of a listed company;
- (vi) is a current supervisor of the Company;
- (vii) is deemed unsuitable to act as secretary to the board of directors by the stock exchange where the company is listed;
- (viii) other circumstances as provided for by law, administrative regulations or departmental rules.

### **Chapter III Appointment, tenure and duties.**

Article 7 The Secretary of the Board shall be nominated by the Chairman of the Board and appointed or dismissed by the Board.

Article 8 The term of office of the Secretary of the Board shall be the same as the term of office of the current Board and shall commence from the date of appointment to the expiration of the term of office of the current Board.

Article 9 The secretary of the Board shall be responsible to the Board of Directors, and his/her main duties are to improve the standard of governance of the Company and to effectively disclose company information and manage investor relations of the Company. Its main duties include:

- (i) responsible for the Company's information disclosures, coordinate the Company's information disclosure work, organise the formulation of the Company's information disclosure affairs management system, and supervise the Company and relevant persons with information disclosure obligations to comply with the relevant information disclosure requirements;
- (ii) responsible for investor relations management and shareholder information management of the Company, and to coordinate information communication between the Company and securities regulators, shareholders and actual controllers, sponsors, securities service providers, media, etc.;
- (iii) organise and prepare for board meetings and general meetings, attend general meetings, board meetings, supervisory committee meetings and relevant meetings of the senior management, take minutes and sign off on board meetings;

(iv) responsible for the confidentiality of information disclosed by the company and to make timely announcements in the event of leakage of material undisclosed information;

(v) pay attention to media reports and take the initiative to seek confirmation of the true situation, and to urge the Board to respond to all enquiries from the Shenzhen Stock Exchange in a timely manner;

(vi) organise training for directors, supervisors and senior management on securities laws and regulations, relevant regulations in this Working Rules, and assist the aforementioned personnel in understanding their respective rights and obligations in information disclosure;

(vii) to supervise the directors, supervisors and senior management to comply with the laws, regulations, rules, regulatory documents, the regulations in this Working Rules, other relevant provisions of the Shenzhen Stock Exchange and the Articles of Association, and to honour the undertakings made by them in good faith; and to remind the Company to immediately and truthfully report to the Shenzhen Stock Exchange when they become aware of any resolution made or likely to be made by the Company in contravention of the relevant provisions;

(viii) other duties as required by the Company Law, the Securities Law, the CSRC and the Shenzhen Stock Exchange.

Article 10 The Secretary of the Board shall, for the purpose of discharging his duties, have the right to understand the financial and operating conditions of the Company, to attend relevant meetings involving the disclosure of information, to inspect all documents involving the disclosure of information, and to request the relevant departments and personnel of the Company to provide relevant materials and information in a timely manner.

Article 11 The Company shall provide facilities for the Secretary of the Board to perform his/her duties, and the Directors, Supervisors, other senior management and relevant staff shall support and cooperate with the Secretary of the Board in his/her work.

Article 12 The listed Company shall appoint a Secretary to its Board of Directors within three months after the listing of its initial public offering shares or within three months after the departure of the original Secretary of the Board of Directors.

Article 13 A listed company shall report the relevant materials of the secretary of the board of directors to the Shenzhen Stock Exchange five trading days prior to the meeting of the proposed appointment of the secretary of the board of directors, and if the Shenzhen Stock Exchange does not raise objection within five trading days from the date of receipt of the relevant materials, the board of directors may appoint such secretary of the board.

Article 14 Before appointing the Secretary of the Board of Directors, the listed Company shall report the following information to the Shenzhen Stock Exchange:

(i) a letter of recommendation from the Board of Directors, including a description of the candidate's qualifications for office under these Working Rules, his/her duties, performance and personal integrity;

(ii) the candidate's personal history and academic proof of the nominee (photocopy);

(iii) the certificate of qualification of board secretary obtained by the candidate (photocopy).

Article 15 Secretary of the Board may report directly to the Board if he or she is unduly hindered or seriously obstructed in the course of performing his or her duties.

Article 16 The secretary of the Board shall not hold any positions other than that of a director under a controlling shareholder (including the de facto controller).

Article 17 Directors shall comply with laws, administrative regulations and the Articles of Association and shall have the following obligations of fidelity to the Company:

(i) not to take advantage of his/her official positions and accept bribes or solicit other illegal income, or to appropriate the property of the company;

(ii) no misappropriation of company funds;

(iii) no assets or funds of the company shall be kept in an account in its personal name or in the name of another individual;

(iv) not to lend the Company's funds to others or provide guarantees for others with the Company's property without the consent of the General Meeting or the Board of Directors in contravention of the provisions of the rules in this Working Rules;

(v) no contract or transaction with the Company shall be entered into in contravention of the rules in this Working Rules or without the consent of the General Meeting;

(vi) not to use the convenience of his/her office to obtain for himself/herself or others business opportunities that should belong to the Company and to carry on for himself/herself or for others a business similar to that of the Company without the consent of the General Meeting;

(vii) no commission shall be accepted for his own benefit in respect of dealings with the company;

(viii) no unauthorised disclosure of corporate secrets;

(ix) not to use his/her affiliation to the detriment of the Company;

(x) other obligations of fidelity as provided by laws, administrative regulations, departmental rules and these Working Rules.

Any income derived by a director from a breach of this Article shall belong to the Company; the director shall be liable for any loss caused to the Company.



Article 18 Directors shall comply with laws, administrative regulations and the Articles of Association and shall perform the following duties of diligence to the Company:

(i) exercise the rights conferred by the Company in a prudent, conscientious and diligent manner so as to ensure that the Company's business conduct complies with the requirements of national laws, administrative regulations and various national economic policies and that the Company's business activities do not exceed the scope of business as stipulated in its business licence;

(ii) all shareholders should be treated equally;

(iii) keep abreast of the management of the Company's business operations;

(iv) sign written confirmation of the company's periodic reports; ensure that the information disclosed by the Company is true, accurate and complete;

(v) truthfully provide the Supervisory Committee with relevant information and circumstances and shall not obstruct the Supervisory Committee or the Supervisors in the exercise of their powers and functions;

(vi) other duties of diligence as provided for in the laws, administrative regulations, departmental rules and these Working Rules.

Article 19 The Directors, Supervisors and senior management of the Company shall report to the Company the shares (including preferred shares) held by them in the Company and the subsequent changes therein. In each year of their employment, the shares transferred shall not exceed 25% of the total number of shares of the same class held by them in the Company; the shares held by them in the Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The shares held by the Company shall not be transferred within one year from the date of listing and trading of the Company's shares. No transfer of shares in the Company held by such persons shall be permitted within six months of his/her leaving office.

Article 20 If a director, supervisor, senior management, or shareholder holding 5% or more of the Company's shares disposes of the Company's shares held by him/her within 6 months of purchase, or purchases them again within 6 months of disposal, the proceeds thereof shall belong to the Company, and the Board of Directors of the Company shall recover the proceeds thereof. However, if a securities company holds 5% or more of the shares as a result of underwriting the remaining shares after sale, the disposal of such shares is not subject to the six-month time limit.

If the Board of Directors of the Company does not enforce the provisions of the preceding paragraph, the Shareholders shall have the right to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to enforce the same within the aforesaid period, the shareholder shall have the right to bring a lawsuit directly to the People's Court in his own name for the benefit of the Company.

Article 21 The Board of Directors may, in accordance with the performance of the duties of the Secretary of the Board of Directors, make the reward and punishment decisions.

Article 22 The listed company shall have sufficient reasons for the dismissal of the Secretary of the Board of Directors and shall not dismiss him/her without cause. When the Secretary of the Board is dismissed or resigns, the company shall promptly state the reasons and make an announcement. The secretary of the Board shall have the right to submit a personal statement to the Shenzhen Stock Exchange regarding the circumstances of his or her improper dismissal or resignation by the Company.

Article 23 The listed company shall dismiss the Secretary of the Board of Directors within one month from the date of occurrence of the fact if the Secretary of the Board of Directors:

- (i) is found to be in any of the circumstances set forth in Article 6 of these Working Rules;
- (ii) is unable to perform his/her duties for more than three consecutive months;
- (iii) has committed material errors or omissions in the performance of his/her duties, causing substantial losses to investors;
- (iv) has violated any laws, administrative regulations, departmental rules, regulatory documents, the Working Rules, other relevant provisions of the Shenzhen Stock Exchange or the Articles of Association of the Company, causing significant losses to investors.

Article 24 When the secretary of the Board is vacant, the Company shall promptly designate a director or senior management personnel to act as the secretary of the Board and report to the Shenzhen Stock Exchange for the record, and at the same time confirm the selection of the secretary of the Board as soon as possible. Until the Company designates a person to act as the secretary of the Board, the chairman of the Board shall designate a person to act as the secretary of the Board. After the period of vacancy of the Secretary of the Board exceeds 3 months, the Chairman of the Board shall act as the Secretary of the Board until the Company formally appoints a Secretary of the Board.

Article 25 The listed company shall enter into a confidentiality agreement with the Secretary of the Board of Directors at the time of appointment, requiring his/her undertaking to continue to fulfill his/her confidentiality obligations during his/her term of office and after his/her departure from office until the disclosure of the relevant information, except for the information relating to the company's violation of laws and regulations. Before leaving office, the Secretary of the Board of Directors shall be subject to an exit examination by the Board of Directors and the Supervisory Committee, and shall hand over the relevant files and documents and matters in process or pending under the supervision of the supervisory committee of the company.

#### **Chapter IV Supplementary Provisions**

Article 26 The "terms "above" and "within" in these Working Rules shall include the present number; the word "over" shall not include the present number.

Article 27 Matters not covered by these Working Rules shall be dealt with in accordance with the relevant national laws, administrative regulations and regulatory documents as well as the Articles of Association.

Article 28 Where these Working Rules are inconsistent with the Company Law and other laws, administrative regulations, regulatory documents and the Articles of Association, they shall be enforced in accordance with the laws, administrative regulations, regulatory documents and the Articles of Association, and amendments to these Working Rules shall be made in a timely manner.

Article 29 Amendments to these Working Rules shall be proposed by the Board for consideration and approval at a General Meeting.

Article 30 These Working Rules shall be interpreted by the Board of Directors of the Company.

These Working rules were approved at a General Meeting of the Company and shall come into effect on the date of the Company's initial public offering of A shares and listing on the Main Board of the Shenzhen Stock Exchange.

## **JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED WORK PROCEDURE OF INDEPENDENT DIRECTORS**

### **Chapter I   General Provisions**

Article 1 In order to optimise the governance structure of Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as “the Company”), promote the regulated operation of the Company and to safeguard the interests of the Company and its shareholders, this Work Procedure is formulated in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “Company Law”), Guiding Opinions on the Establishment of an Independent Director System in Listed Companies (the “Guiding Opinions”) (《關於在上市公司建立獨立董事制度的指導意見》), Guidelines on the Performance of Independent Directors of Listed Companies (《上市公司獨立董事履職指引》), the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》) (hereinafter referred to as the “Listing Rules”), Guidelines on the Regulation of the Operation of Listed Companies on the Shenzhen Stock Exchange (hereinafter referred to as the “Guidelines on the Regulation of Listing”) (《深圳證券交易所上市公司規範運作指引》), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant laws and regulations, regulatory documents and the provisions of the Articles of Association of Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as the “Articles of Association”), combined with considerations of the Company’s actual situation. In the event of any inconsistency or conflict between the provisions of this mechanism and the aforesaid laws and regulations, any other relevant laws and regulations or the Articles of Association, the most stringent provisions shall be enforced in accordance with the principle of the strictest compliance.

Article 2 An Independent Director is a director who does not hold any position other than director in the Company and does not have any relationship with the Company and its major shareholders that may hinder his or her exercise of independent and objective judgment. The qualifications of independent directors shall be subject to the requirements of the relevant independent director regulations of the listed exchange and approval by the relevant supervisory authority.

Article 3 Independent Directors shall have a duty of honesty and diligence to the Company and all shareholders. Independent Directors shall faithfully perform their duties in accordance with the relevant laws, administrative regulations, the Articles of Association and the requirements of this work procedure, and safeguard the interests of the Company, with particular attention to ensuring that the legitimate interests of the public shareholders are not jeopardized and that the interests of all shareholders are adequately represented. The Independent Directors are required to contribute positively to the formulation of strategies and policies of the Company by providing independent, constructive and informed advices.

Article 4 Independent Directors shall perform their duties independently and shall not be subject to the influence of major shareholders, de facto controller or other entities or individuals who have an interest in the Company. An independent director shall not concurrently hold any position in the listed Company other than that of a member of a special committee of the Board of Directors.

Article 5 If an Independent Director finds that there is a situation that affects his/her independence of the matter under consideration, he/she shall declare the situation to the Company and excuse himself/herself from dealing with such matters. In the event that the independence is obviously affected during his or her term of office, he or she shall promptly notify the Company and propose measures, including resignation (if necessary) to resolve the situation.

Article 6 Independent Directors shall ensure that they have sufficient time and energy to carry out their duties as Independent Directors effectively. Independent Directors shall work for the Company for not less than 15 working days per year, serve as an independent director in up to five listed companies (including the Company) concurrently, and ensure sufficient time and energy to effectively perform the duties of an independent director.

Article 7 The Board of Directors of the Company shall include at least 1/3 (and at least 3) of the Independent Directors. At least one of the Company's Independent Directors shall include an accounting professional. A person nominated as a candidate for Independent Director in the capacity of an accounting professional shall have more accounting expertise and experience and meet at least one of the following conditions.

- (i) is qualified to practise as a certified public accountant;
- (ii) holds a senior position, an associate professorship or a doctoral degree in accounting, auditing or financial management;
- (iii) holds a senior position in economic management with at least five years of full-time working experience in a professional position in accounting, auditing or financial management.

Article 8 In the event that an Independent Director fails to meet the independence requirements or is otherwise unfit to perform the duties of an Independent Director, as a result of which the number of Independent Directors of the Company does not reach a quorum, the Company shall make up the number of Independent Directors in accordance with the provisions.

Article 9 Independent Directors and persons who intend to act as Independent Directors shall attend training(s) as required and approved by the China Securities Regulatory Commission (hereinafter referred to as "CSRC") and other competent authorities, relevant legal requirements of the stock exchange(s) and other laws and regulations.

## **Chapter II    Qualifications for Independent Directorship**

Article 10 A person serving as an Independent Director of the Company shall have the following basic qualifications:

- (i) is qualified to be a company's director in accordance with the laws, regulations, other regulatory documents, the Listing Rules, the Guidelines on the Regulation of Listing, the Hong Kong Listing Rules and other relevant requirements;
- (ii) possesses the independence as required by the Guiding Opinions, the Listing Rules, the Guidelines on the Regulation of Listing issued by the CSRC and the Hong Kong Listing Rules;
- (iii) possess the basic knowledge of the operation of listed companies and familiar with relevant laws, administrative rules, regulations and rules;
- (iv) have at least five years of legal, economic or other work experience necessary to perform the duties of an independent director;
- (v) other conditions as stipulated in the Articles of Association, the Listing Rules, the Guidelines on the Regulation of Listing and the Hong Kong Listing Rules.

Article 11 Independent Directors must be independent and the following persons shall not serve as Independent Directors:

(i) a person who holds directly or indirectly more than 1% of the total issued share capital of the Company or is a natural person shareholder among the top ten shareholders of the Company or an immediate family member thereof;

(ii) a person who has acquired an interest in any securities of the Company (other than as permitted under the Hong Kong Listing Rules) by way of a gift or other financial assistance from a core connected person or the Company itself;

(iii) a person who is a director, partner or principal of a professional adviser (including financial, legal, advisory, etc. services), providing, or has provided during the two years prior to the appointment, services to the following company/persons, or an employee of the professional adviser who is then involved, or has been involved during the same period, in providing such services to the following company/persons:

1. the Company, its holding company or any of their respective subsidiaries or core connected persons; or
2. any person who has been a controlling shareholder of the Company or, if the company does not have a controlling shareholder, any person who has been a chief executive or director (other than an independent director) of the Company, or any of their close associates, during the year immediately preceding the date on which such person is proposed to be appointed as an independent director;

(iv) a person who has or had a material interest in any principal business activity of the Company, its holding company or its respective subsidiaries, or is involved in a material business transaction with the Company, its holding company or any of their respective subsidiaries or with any core connected person of the company, either now or within one year prior to the date of his proposed appointment as an Independent Non-executive Director;

(v) a person who serves on the Board for the purpose of protecting an entity whose interests are different from those of the shareholders as a whole;

(vi) a person who has a relationship with a director, chief executive or substantial shareholder of the Company as defined in the Hong Kong Listing Rules at the time or within two years prior to the date of the proposed appointment as an Independent Director;

(vii) a person who is (or has been within two years prior to the date of his proposed appointment as a Director) an executive officer or Director (other than an Independent Non-executive Director) of the Company, its holding company or any of their respective subsidiaries or any core connected person of the Company;

(viii) a person who is financially dependent on the Company, its holding company or any of their respective subsidiaries or a core connected person of the Company;

(ix) a person working for the Company or the Company's subsidiaries, their immediate family members and major social relationships (immediate family members refer to spouses, parents, children, etc.; major social relationships refer to siblings, parents-in-law, daughters-in-law and sons-in-law, spouses of siblings, siblings of spouses, etc.).

(x) a persons who works for a shareholder entity that directly or indirectly holds 5% or more of the issued shares of the Company or for the top five shareholders of the Company and their immediate family members;

(xi) a person who has had the circumstances listed in (i), (ix) and (x) within the past one year;

(xii) other persons as provided for in the Articles of Association;

(xiii) other persons recognised by the CSRC or other regulatory authorities where the shares of the Company are listed.

Article 12 After taking office, an Independent Director shall notify the Company and the Exchange as soon as possible of any changes that may affect his/her independence and shall confirm his or her independence to the Company on an annual basis. The Company shall disclose in its annual report the receipt of such confirmation from the Independent Directors and state whether it still considers such Independent Directors to be truly independent officers.

### **Chapter III Nomination, election and replacement of independent directors**

Article 13 The Board of Directors, the Supervisory Committee, and shareholders who individually or collectively hold 1% or more of the issued shares of the Company (hereinafter referred to as "nominators") may propose candidates for independent directorship and have them elected by the shareholders in General Meetings.

Article 14 When disclosing the notice of General Meeting convened for the election of Independent Directors, the Company shall report the relevant materials of all Independent Director candidates (including but not limited to the declaration of the nominator, the declaration of the candidates and the curriculum vitae of the Independent Directors) to the Shenzhen Stock Exchange for record. In the event that the board of directors of the Company disagrees with the relevant information of the Independent Director candidates, the Board's written opinion shall be submitted at the same time.

---

## **APPENDIX XVII      WORK PROCEDURE OF INDEPENDENT DIRECTORS**

---

Article 15 The Company shall, at the latest, report to the Shenzhen Stock Exchange the relevant materials (including but not limited to the Declaration of Independent Director Nominee, Declaration of Independent Director Candidate, Curriculum Vitae of Independent Director Candidate and Certificate of Qualification of Independent Director) of the proposed independent directors, through the business section of the Listed Company (SME Board Business Zone or GEM Business Zone) and disclose the relevant announcement when it publishes the notice of the General Meeting for the election of independent directors. The format of the “Declaration of Independent Director Nominee” and “Declaration of Independent Director Candidate” shall be separately issued by the Shenzhen Stock Exchange.

Article 16 The nominator of an Independent Director shall obtain the consent of the nominee prior to nomination. The nominator shall fully understand the nominee’s occupation, education, title, detailed work experience, all part-time positions, etc., and express his/her opinion on his/her qualifications and independence to serve as an independent director. The nominee shall make a public statement regarding the absence of any relationship between himself/herself and the Company that would affect his/her independent and objective judgment. Prior to the General Meeting for the election of Independent Directors, the Board of Directors of the Company shall announce the above in accordance with the regulations.

Article 17 After the General Meeting of Shareholders has considered and approved the proposal for the election of Independent Directors, the Independent Directors shall submit the written and electronic documents of the “Declaration and Undertaking of Directors” to the Shenzhen Stock Exchange within one month, and report to the Stock Exchange of Hong Kong on the “Declaration and Undertaking of Directors Form H” and related written documents. If prior approval from the relevant state authorities is required for the appointment of Independent Directors, the obligations under the preceding paragraph shall be fulfilled from the date of obtaining such approval.

Article 18 The term of office of Independent Directors shall be the same as that of other Directors, and upon expiration of the term of office, they may be re-elected for a second term, provided that the term of office shall not exceed six years.

Article 19 An Independent Director who fails to attend three consecutive Board meetings in person shall be removed by the Board of Directors at a General Meeting.

Unless there are any of the above circumstances or other circumstances stipulated by the Company Law, the Listing Rules and other laws that prohibits a person from acting as an Independent Director, an independent director shall not be removed from office without cause before the expiration of his/her term of office. In case of early removal, the Company shall make announcement as a special disclosure, and the removed Independent Director may make a public statement if he/she considers that the Company’s reasons for removal are improper.

Article 20 An Independent Director may resign before the expiration of his or her term of office. An Independent Director who resigns shall submit a written resignation report to the Board one month from the date of such resignation, with clarification of any matters relating to his or her resignation or the circumstances of which he/she considers that need to be brought to the attention of the Company’s Shareholders and creditors.

If a resignation is not submitted as requested, the Board of Directors of the listed Company shall convene a Board Meeting after the expiration of the one-month period, to consider the matter of proposing to the General Meeting of Shareholders to replace the Independent Director and complete the by-election of the Independent Director within two months.



Article 21 If for reasons of resignation or removal of an Independent Director or otherwise, the number of Independent Directors on the Board of Directors of the Company does not meet the minimum number required under the Listing Rules, the Board of Directors shall immediately notify the Shenzhen Stock Exchange and the Hong Kong Stock Exchange and issue an announcement disclosing the details and reasons therefor, and shall appoint a sufficient number of Independent Directors within three months after such requirement is not met. The resignation of such Independent Director shall take effect when the next Independent Director fills the vacancy or in such other circumstances as required by the regulatory rules of the place where the shares of the Company are listed.

Except for the circumstances set forth in the preceding paragraph, the resignation of an Independent Director shall be effective upon the delivery of the resignation report to the Board.

#### **Chapter IV   Rights and obligations of independent directors**

Article 22 In addition to the powers and functions conferred on Directors by the Company Law and other relevant laws and regulations, Independent Directors shall have the following special rights:

(i) related party transactions that are required to be submitted to the General Meeting for consideration shall be concurred by Independent Directors and submitted to the Board of Directors for discussion. The Independent Directors may engage an intermediary to issue an ad hoc report before making their judgment;

(ii) propose to the Board the appointment or termination of an accounting firm;

(iii) propose to the Board the convening of an Extraordinary General Meeting;

(iv) solicit the views of minority shareholders, make proposals for profit distribution and submit them directly to the Board for consideration;

(v) propose the convening of a Board Meeting;

(vi) independent engagement of external auditors or advisory bodies;

(vii) publicly solicit votes from shareholders prior to a General Meeting but not by way of remuneration or disguised remuneration.

An Independent Director shall obtain the consent of at least 1/2 of all Independent Directors to exercise the above mentioned powers and functions.

Article 23 Independent Directors, as members of the Board of Directors, shall enjoy the same status as other Directors. The Company shall provide the working conditions necessary for the Independent Directors to perform their duties and ensure that the Independent Directors enjoy the same right to information as other Directors, and that the secretary of the Board of Directors and other relevant personnel of the Company shall actively cooperate with the Independent Directors in the exercise of their duties and responsibilities.

---

## **APPENDIX XVII      WORK PROCEDURE OF INDEPENDENT DIRECTORS**

---

To ensure the effective exercise of the powers and functions of the Independent Directors, the company shall provide the Independent Directors with the necessary conditions:

(i) The Company shall ensure that Independent Directors enjoy the same right to information as other directors. The Company shall notify the Independent Directors in advance of any matter requiring a decision by the Board of Directors in accordance with the statutory time limit and provide sufficient information at the same time. If the Independent Directors consider that the information is insufficient, they may require additional information. When two or more Independent Directors consider that the information is insufficient or the justifications are unclear, they may jointly propose in writing to the Board of Directors to adjourn a meeting of the Board of Directors or to postpone the consideration of the matter, and the Board of Directors shall adopt the proposal. Information provided by the Company to the Independent Directors shall be retained by the Company and the Independent Directors themselves for at least five years;

(ii) The Company shall provide the necessary working conditions for the Independent Directors to perform their duties. The Secretary of the Board of Directors shall actively provide assistance to the Independent Directors in the performance of their duties, such as explaining the situation and providing information. Where independent opinions, proposals and written explanations issued by Independent Directors should be announced, the Secretary of the Board shall promptly make the announcement with the stock exchange where the Company is listed;

(iii) When an Independent Director exercises his or her powers and responsibilities, the relevant personnel of the Company shall actively cooperate and shall not refuse, obstruct or conceal them, nor interfere with the Independent Director in exercise of his/her independent powers and responsibilities;

(iv) The fees of intermediaries engaged by the Independent Directors and other expenses incurred in the exercise of their duties and responsibilities shall be borne by the Company;

(v) The Company shall provide appropriate allowances to the Independent Directors. The criteria for the allowances shall be formulated by the Board of Directors, considered and approved by the shareholders in General Meeting and disclosed in the annual report of the Company. In addition to the above allowances, Independent Directors should not receive additional, undisclosed benefits from the Company, its major shareholders or interested organisations and personnel.

If necessary, the Company may establish an insurance system for the liability of Independent Directors to reduce the risks that may arise from the normal performance of the duties of Independent Directors.

Article 24 Independent Directors shall constitute half or more of the remuneration, audit, nomination and other relevant committees established under the Board of Directors of the Company and shall serve as conveners. The audit committee and remuneration committee must be chaired by Independent Directors.

---

## **APPENDIX XVII      WORK PROCEDURE OF INDEPENDENT DIRECTORS**

---

Article 25 Independent Directors shall perform their duties independently and shall not be influenced by the major shareholders or de facto controllers of the Company, or associates who have an interest in the Company and its major shareholders or de facto controllers.

Article 26 The Independent Directors shall attend the General Meetings of shareholders and have an impartial understanding of the views of the shareholders of the Company.

Article 27 The Independent Directors shall attend the meetings of the Board of Directors and the special committees of the Board of Directors of which they are members on a regular and timely basis, and actively participate in the meetings, read the meeting documents carefully, take the initiative to investigate and obtain the circumstances and information necessary for making decisions, express clear opinions on the matters under consideration in a normal, reasonable and prudent manner with diligent actions, and contribute to the Company through their professional knowledge, skills and backgrounds. If the Board considers that a substantial shareholder or Director has a material conflict of interest in a matter to be considered by the Board, the matter should be resolved by holding an on-site meeting of the Board (rather than a written resolution). If neither the Independent Directors nor their close associates have a material interest in the transaction, they should attend the board meeting.

Article 28 If for any reason an independent director is unable to attend a Board Meeting in person, he or she shall prudently select a trustee and appoint in writing another Independent Director to attend on his/her behalf. The trustee shall independently assume legal responsibility.

Article 29 Independent Directors shall read carefully the Company's various business and financial reports and public media reports about the Company, keep abreast of and pay continuous attention to the Company's operation and management as well as significant events that have occurred or may occur in the Company and their impact, and report to the Board of Directors in a timely manner on problems in the Company's operation and activities, and shall not shirk their responsibilities on the grounds that they are not directly involved in the operation and management of the Company or are not aware of the relevant problems and circumstances.

Article 30 Independent Directors shall express an objective and impartial independent opinion on matters to be discussed at General Meetings or Board Meetings of the Company and, in particular, shall express their views to the Board of Directors, Board Committees or General Meetings on the following matters.

- (i) nomination, appointment and removal of directors;
- (ii) the appointment or dismissal of senior management personnel;
- (iii) fix or adjust the remuneration of the Directors and senior management of the Company;
- (iv) the formulation, adjustment, decision-making procedures, implementation and disclosure of the Company's cash dividend policy, and whether the profit distribution policy is detrimental to the legitimate interests of small and medium investors;
- (v) total amount of existing or newly incurred loans or other financial transactions by the Company's shareholders, de facto controllers and their affiliates of more than \$3 million or more than 5% of the company's most recent audited net asset value, and whether the company has taken effective measures to recover the amounts owed;

---

## **APPENDIX XVII      WORK PROCEDURE OF INDEPENDENT DIRECTORS**

---

(vi) profit distribution proposals including cash dividends not proposed by the annual Board Meeting despite the company's profitability for the year;

(vii) significant matters such as related party transactions which require disclosure, external guarantees, entrusted financial management, external financial assistance, changes in the use of proceeds, investments in equities and their derivatives;

(viii) major asset restructuring plans, share incentive schemes, employee share award schemes, share buy-back plans;

(ix) the Company's intention to decide that its shares will no longer be traded on the Shenzhen Stock Exchange or to apply for trading or transfer on other trading venues;

(x) related party transactions requiring review and/or comments by Independent Directors under the Listing Rules and the Hong Kong Listing Rules;

(xi) other significant transactions that require review and/or comments by Independent Directors under the Listing Rules and the Hong Kong Listing Rules;

(xii) matters which, in the opinion of the Independent Directors, may prejudice the rights and interests of small and medium shareholders;

(xiii) matters which, in the opinion of the Independent Directors, may cause significant losses to the Company;

(xiv) other matters required by laws, regulations, regulatory documents, the Hong Kong Listing Rules, the securities supervisory authority where the Company's shares are listed or the Articles of Association.

Article 31 Independent Directors shall expressly indicate the following opinions on the above matters:

- (i) agree;
- (ii) qualified opinion and reasons therefor;
- (iii) negative opinion and reasons therefor;
- (iv) unable to form an opinion and the impairments to doing so.

The views expressed by the independent directors to the Board shall be set out in the minutes of the Board Meetings.

Article 32 The independent opinion issued by the Independent Directors on significant matters shall include at least the following:

- (i) basic information on material matters;
- (ii) basis of the opinion, including the procedures performed, the documents verified and the contents of on-site inspection, etc.;

- (iii) the legality and compliance of material matters;
- (iv) the impact on the interests of the listed Company and the minority Shareholders, the possible risks involved and the effectiveness of the measures taken by the Company;
- (v) expression of concluding opinions. When qualified opinion, negative opinion or inability to form an opinion on a material matter are expressed, the relevant Independent Director shall clearly state the reasons.

Article 33 The Independent Directors shall sign to confirm the independent opinions issued and report the said opinions to the Board in a timely manner and disclose them together with the relevant announcements of the Company.

Article 34 If it is a matter requiring disclosure, the Company shall announce the opinions of the Independent Directors. In the event that the Independent Directors are unable to reach agreement on the differences in their opinions, the Board shall disclose the opinions of each Independent Director separately.

Article 35 The Independent Directors of the Company shall attend the meetings of the Board of Directors on a regular basis, understand the production, operation and functioning of the Company, take the initiative to investigate and obtain the circumstances and information necessary for making decisions, and the Independent Directors shall submit an annual duty report to the General Meeting of the Company to demonstrate the performance of their duties.

The Independent Directors shall actively perform their due diligence obligations and, if necessary, engage an intermediary to conduct a special investigation when they discover the following circumstances:

- (i) failure to submit important matters to the Board of Directors or General Meeting for consideration in accordance with the regulations;
- (ii) failure to comply with information disclosure obligations in a timely manner;
- (iii) misrepresentation, misleading statements or material omissions in publicly disclosed information;
- (iv) other circumstances in which there are suspected violation of law or damage of the rights and interests of Shareholders.

Article 36 In addition to attending meetings of the Board, the Independent Directors shall ensure that reasonable time is allocated for on-site inspection of the production and operation conditions, the construction and implementation of management and internal control systems and the implementation of resolutions of the Board of Directors of the listed Company. If the on-site inspection reveals any abnormalities, they shall be reported to the Board of Directors of the Company and the Shenzhen Stock Exchange in a timely manner.

Article 37 Independent Directors shall perform their duties as Directors in accordance with the law, fully understand the operation of the listed Company and the contents of Board Meetings, and safeguard the interests of the Company and all Shareholders, with particular attention to the protection of the legitimate interests of the small and medium shareholders.

In the event of a conflict between Shareholders or Directors of the Company that has a significant impact on the management of the Company, the Independent Directors shall proactively perform their duties to protect the interests of the Company as a whole.

The Shenzhen Stock Exchange encourages Independent Directors to publish their correspondence addresses or e-mail addresses to communicate with investors, to accept investor inquiries and complaints, to take the initiative to investigate situations that undermine the legitimate rights and interests of the Company and small and medium investors, and to respond to investors in a timely manner with the results of their investigations.

Article 38 When Independent Directors engage external auditors and consulting organisations, they shall submit in writing to the Board of Directors the intermediaries to be engaged, the contents of their work, etc., and shall seek the approval of the Board of Directors. The reasonable expenses required shall be borne by the Company.

Article 39 An Independent Director shall make a public statement if any of the following circumstances occur:

- (i) he/she who is removed from office by the Company considers the reasons for his/her removal to be improper;
- (ii) resignation of an Independent Director due to the existence of circumstances that impede the exercise of his/her powers and functions in accordance with the law;
- (iii) when the information for a Board meeting is insufficient, the written requests of two or more Independent Directors to adjourn a Board Meeting or to postpone the consideration of relevant matters are not adopted;
- (iv) failure of the Board of Directors to take effective measures after reporting to the Board of Directors of suspected violations of laws and regulations by the Company;
- (v) other circumstances that seriously impede the performance of the duties of an Independent Director.

Article 40 The Independent Directors shall submit a duty report to the Annual General Meeting of the Company to explain the performance of their duties. The duty report shall report on the following:

- (i) the number of Board Meetings and General Meetings attended by Independent Directors and their voting information during the year, and the number of General Meetings attended by the Independent Directors;
- (ii) the expression of independent opinions;
- (iii) proposing the convening of Board Meetings, the engagement or dismissal of accounting firms, independently engaging external auditors and advisory bodies, conducting on-site reviews and inspections, etc.;
- (iv) on-site inspections;
- (v) work done to protect the legitimate interests of Shareholders.

---

## **APPENDIX XVII      WORK PROCEDURE OF INDEPENDENT DIRECTORS**

---

Article 41 The Independent Directors shall report to the Shenzhen Stock Exchange in a timely manner if one of the following circumstances occurs:

(i) if he/she is dismissed from the Company and considers the reasons for dismissal to be improper;

(ii) the resignation of an Independent Director due to the existence of circumstances that impede the exercise of his or her powers and functions in accordance with the law;

(iii) insufficient information or supportive evidence at Board Meetings, or written requests from two or more Independent Directors for adjournment of Board Meetings or adjournment of consideration of the relevant matters are not adopted;

(iv) the Board fails to take effective measures after reporting to the Board of Directors any suspected illegal or unlawful conduct of the Company or its Directors, Supervisors or senior management;

(v) any other circumstances that seriously impede the performance of the duties of an Independent Director.

Article 42 The Company shall pay remuneration and allowances to the Independent Directors. The payment standards shall be formulated by the Board of Directors or the Remuneration Committee and considered and approved at the General Meeting of Shareholders. In addition to the aforesaid remuneration and allowances, the Independent Directors shall not obtain additional and undisclosed benefits from the Company, its controlling shareholders, the de facto controller or other organisations and personnel with which the Company is affiliated.

Article 43 During their service, Independent Directors shall participate in the follow-up training for Independent Directors approved by the Shenzhen Stock Exchange in accordance with the relevant provisions.

Article 44 An Independent Director who resigns or whose term of office expires is not automatically relieved of his/her obligations to the Company and its shareholders for a reasonable period of time before or after the resignation report becomes effective and for a reasonable period of time after the end of his term of office, and his obligation to maintain the confidentiality of the Company's trade secrets shall remain in effect after the end of his term of office until such secrets become public information. The duration of other obligations shall be determined on an equitable basis, depending on the length of time between the occurrence of the event and the departure and the circumstances and terms under which the relationship with the Company ends.

### **Chapter V Supplementary Provisions**

Article 45 All references to "above" in this Work Procedure include the present number; references to "more than" and "less than" do not include the present number.

Article 46 This Work Procedure shall be prepared by the Board of Directors of the Company, considered and approved at the General Meeting of the Company and shall come into effect on the date of the initial public offering of A shares of the Company and listing on the Main Board of the Shenzhen Stock Exchange.

---

**APPENDIX XVII      WORK PROCEDURE OF INDEPENDENT DIRECTORS**

---

Article 47 Any matters not covered by this Work Procedure or in conflict with the provisions of laws, regulations, the Listing Rules or the Articles of Association promulgated or amended after the effective date of this Work Procedure shall be enforced in accordance with the provisions of laws, regulations, the Listing Rules and the Articles of Association.

Article 48 This Work Procedure shall be formulated and explained by the Board of Directors of the Company.



**JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED  
PROCEDURE ON MANAGEMENT OF PROCEEDS**

**Chapter I General Provisions**

Article 1 In order to regulate the management and application of the funds raised by Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as “the Company”) and to protect the legitimate rights and interests of investors, in particular those of small and medium investors, this procedure is formulated in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》), Securities Law of the People’s Republic of China (《中華人民共和國證券法》), Rules Governing the Issuance of Securities by Listed Companies The Rules Governing the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》), the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), (hereinafter referred to as the “Listing Rules”), Guidelines on the Regulation of the Operation of Listed Companies on the Shenzhen Stock Exchange (hereinafter referred to as the “Guidelines on the Regulation of Listing”) (《深圳證券交易所上市公司規範運作指引》), Supervisory Guidelines for Listed Companies No. 2 – Supervisory Requirements for the Management and Use of Funds Raised by Listed Companies (《上市公司監管指引第2 號—上市公司募集資金管理和使用的監管要求》), Regulations Governing the Issue of Securities by Listed Companies (《上市公司證券發行管理辦法》) and the Articles of Association of Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as the “Articles of Association”) and other relevant laws and regulations, departmental rules and business rules, with consideration of the actual situation of the Company.

Article 2 The funds raised under this procedure shall mean funds raised by the Company from investors through public offerings of securities (including initial public offerings of shares, share placements, rights issues, issues of convertible bonds, separately traded convertible bonds, warrants, etc.) and non-public offerings of securities and used for specific purposes, but excluding funds raised by listed companies through the implementation of equity incentive plans.

Article 3 Where the fund raising involves information disclosure matters, it shall be carried out in accordance with the relevant laws and regulations and the Information Disclosure Management Regulations of Jilin Province Chuncheng Heating Company Limited\* (《吉林省春城熱力股份有限公司信息披露管理辦法》).

Article 4 The Directors, Supervisors and senior management of the Company shall exercise due diligence, supervise the Company’s regulated use of the proceeds and consciously safeguard the safety of the Company’s assets, and shall not participate in, assist or connive at the Company’s unauthorised or disguised change in the use of the proceeds.

Article 5 The Company shall use the proceeds prudently and ensure that the use of the proceeds is consistent with the undertakings in the share offer prospectus or the fundraising prospectus, and shall not arbitrarily change the use of the proceeds.

The Company shall make true, accurate and complete disclosure of the actual use of the proceeds and shall engage an accounting firm to certify the deposit and use of the proceeds in conjunction with the annual audit.

Article 6 The sponsor institution shall, during the period of continuous supervision, perform the sponsorship duties on the management of the listed Company's proceeds of fundraising and carry out the continuous supervision on the management of the Company's proceeds of fundraising, in accordance with the Measures for the Management of Sponsorship Business of Securities Issuance and Listing (《證券發行上市保薦業務管理辦法》), Guidelines for Sponsorship Work of Listed Companies on Shenzhen Stock Exchange (《深圳證券交易所上市公司保薦工作指引》) and Guidelines on the Regulation of Listing (《規範運作指引》).

Article 7 This procedure shall apply if the investment projects of the funds raised are implemented through subsidiaries of the Company or other enterprises controlled by the Company.

## **Chapter II Deposit of Funds Raised**

Article 8 In the deposit of raised funds, the Company shall adhere to the principle of centralised deposit and convenient supervision and management.

Article 9 The Company shall carefully select a commercial bank and open an account for the funds raised (hereinafter referred to as "Special Account"), and the funds raised shall be deposited in the Special Account decided by the Board of Directors for centralised management, and the Special Account shall not be used to deposit funds other than raised funds or for other purposes.

If the Company has more than two financing activities, separate Special Accounts for fundraising shall be set up.

Any excess of the actual net proceeds over the planned amount of proceeds (hereinafter referred to as "Excess Proceeds") shall also be deposited in Special Account for the management of proceeds.

Article 10 The Company shall sign a tripartite supervision agreement with the sponsor institution and the commercial bank (hereinafter referred to as "Commercial Bank") where the raised fund is deposited within one month after the proceeds of fundraising are available. The agreement shall include contents of at least the following:

- (i) that the Company shall deposit the funds raised centrally in a Special Account;
- (ii) the account number of the Special Account for the raised funds, the items of raised funds involved in the Special Account, and the amount deposited;
- (iii) that the Company and the Commercial Bank shall promptly notify the sponsor institution if the Company withdraws from the Special Account at one time or within a 12-month period an amount exceeding RMB50 million or 20% of the net amount of the total issue proceeds after deducting the issue expenses ("Net Proceeds");
- (iv) that the Commercial Bank shall issue monthly reconciliations to the Company with a copy to the sponsor institution;

(v) that the sponsor institution shall be able to check the information of the Special Account at any time at the Commercial Bank;

(vi) the supervisory duties of the sponsor institution, the duties of the Commercial Bank to inform and cooperate, and the manner in which the sponsor institution and the Commercial Bank supervise the use of the company's funds raised;

(vii) the rights, obligations and liabilities of the Company, the Commercial Bank and the sponsor institution for breach of contract;

(viii) that the Company may terminate the agreement and cancel the Special Account for the issue proceeds if the Commercial Bank fails to issue statements or notify the sponsor institution of large withdrawals from the Special Account in a timely manner on three occasions, or fails to cooperate with the sponsor institution in its inquiries and investigations of the Special Account.

If the Company implements the fundraising project through its controlled subsidiary, the Company, the holding subsidiary that implements the fund-raising project, the Commercial Bank and the sponsor institution shall jointly sign a tripartite supervision agreement, and the Company and its controlled subsidiary shall be deemed to be a common party.

The Company shall report to the Shenzhen Stock Exchange for record and make announcement of the major contents of the agreement in a timely manner after all parties have signed the agreement.

If the above mentioned agreement is terminated before the expiry date, the Company shall enter into a new agreement with the relevant parties within one month from the date of termination of the agreement and promptly report the same to the Shenzhen Stock Exchange and make an announcement.

### **Chapter III Use of Funds Raised**

Article 11 The Company shall use the proceeds in accordance with the investment plan of the proceeds as undertaken in the issue application documents. In the event of any circumstances that seriously affect the normal conduct of the investment plan of the proceeds, the Company shall promptly report to the Shenzhen Stock Exchange and make an announcement.

Article 12 The amount and use of funds raised by the listed company shall comply with the following provisions:

(i) the amount of funds to be raised shall not exceed the amount required for the project;

(ii) the use of the funds raised shall be in line with the State's industrial policies and the provisions of laws and administrative regulations relating to environmental protection and land management;

(iii) except for financial enterprises, the proceeds shall not be used for financial investments such as hold-for-trading financial assets and available-for-sale financial assets, lending to others, entrusting financial management, etc., or for direct or indirect investments in companies whose principal business is trading in marketable securities;

(iv) after implementation, the investment project shall not compete with the controlling shareholder or the de facto controller or affect the independence of the production and operation of the Company;

(v) a special deposit system shall be established for the funds raised and the funds raised must be deposited in a Special Account as determined by the Board of Directors of the Company.

Article 13 Funds raised by the Company shall be used in accordance with the purpose set forth in the share offer prospectus or fundraising prospectus. If the Company changes the use of the funds listed in the share offer prospectus or the fundraising prospectus, a resolution must be made by a General Meeting.

Article 14 Funds raised by the Company shall, in principle, be used for its principal business. The fundraising projects shall not be financial investments such as hold-for-trading financial assets and available-for-sale financial assets, lending to others, entrusting financial management, as well as high-risk investments such as investments in securities and derivatives, or direct or indirect investment in companies whose principal business is the trading in marketable securities.

The Company shall not use the proceeds for pledging, entrusting loans or other investments that may be a disguised change of use of the proceeds.

Article 15 The Company shall ensure the truthfulness and fairness of the use of the proceeds, prevent the appropriation or misappropriation of the proceeds by the controlling shareholder, the de facto controller and other related parties, and take effective measures to prevent related parties from using the proceeds to obtain improper benefits.

Article 16 The Board of Directors of the Company shall fully verify the progress of fundraising projects every six months.

If the difference between the actual annual use of the proceeds of an investment project and the intended use of the proceeds of the latest disclosed investment plan for the year exceeds 30%, the Company shall adjust the investment plan of the proceeds and disclose in the special report on the annual deposit and use of the proceeds, the latest annual investment plan of the proceeds, the actual investment progress, the estimated annual investment plan after adjustment and the reasons for the change in the investment plan.

Article 17 The Company shall re-examine the feasibility and estimated income of the project and decide whether to continue to implement the project if the following circumstances arise in relation to the fundraising project:

- (i) significant changes in the market environment involved in the fundraising project;
- (ii) the shelving of the fundraising project for more than one year;
- (iii) the deadline for completion of the latest fundraising investment plan has expired and the amount of funds raised has not reached 50% of the amount for the relevant plan;
- (iv) other unusual circumstances of the fund-raising project.

The Company shall disclose in the latest periodic report the progress of the project, the reasons for any abnormality and the investment plan of the proceeds after adjustment (if any). If the investment plan of the proceeds needs to be adjusted, the adjusted investment plan of the proceeds shall be disclosed at the same time.

Article 18 When the Company uses the proceeds for the following purposes, it shall be considered and approved by the Board of Directors, with definite consents given by the Independent Directors, the Supervisory Committee and the sponsor institution or independent financial adviser:

- (i) replacement of previously self-financing funds invested in the fundraising project with the raised funds;
- (ii) use of temporarily idle raised funds for cash management;
- (iii) use of temporarily idle proceeds to temporarily replenish working capital;
- (iv) change of use of funds raised;
- (v) change of location for project implementation for which the funds were raised;
- (vi) use of remaining balance of funds raised.

Changes in the use of funds raised by the Company shall also be subject to the approval of the General Meeting.

Article 19 The Company shall select a new investment project with supporting evidence as soon as possible if it decides to terminate the original fundraising project.

Article 20 If the Company replaces the previously self-financing funds invested in the fundraising project with the funds raised, it shall be approved by the Board of Directors of the Company, with an assurance report issued by an accounting firm, and the replacement shall be implemented only

after definite consents have been given by the Independent Directors, the Supervisory Committee and the sponsor institution, and the information disclosure obligations have been fulfilled. The replacement shall take place within six months from the time when the raised funds are received.

If the Company has disclosed in the issue application documents that it intends to replace the previously self-financing funds invested in the fundraising project with the funds raised, and the self-financing amount is confirmed, a public announcement shall be made before the implementation of the replacement.

Article 21 If the Company changes the location or implementation method of the fundraising project, it shall be considered and approved by the Board of Directors of the Company. Report shall be made to the Shenzhen Stock Exchange within two trading days and announce made in respect of the change, the reasons, the impact on the implementation of the fundraising project and the opinion issued by the sponsor institution.

Article 22 Where the Company uses idle proceeds to temporarily replenish its working capital, it shall be considered and approved by the Board of Directors, and definite consents shall be given by the Independent Directors, the Supervisory Committee and the sponsor institution with information disclosure of the same. The use shall be restricted to production and operation related to its principal business and shall comply with the following conditions:

(i) no disguised change in the use of the funds raised nor impact on the normal conduct of the investment plan of the funds raised;

(ii) raised funds previously used for temporary replenishment of working capital (if applicable) have been returned;

(iii) the duration of a single replenishment of working capital shall not exceed twelve months;

(iv) idle proceeds shall not be used directly or indirectly for securities investment, derivatives trading and other high-risk investments.

When idle funds are used to replenish working capital, they shall be used only for production and operation related to the Company's principal business, and shall not be used directly or indirectly for placing of new shares, subscription or trading of stocks and their derivatives, convertible bonds, etc.

Article 23 Where the Company uses idle proceeds to temporarily replenish its working capital, the matter shall be considered and approved by the Board of Directors of the Company and the following shall be announced within two trading days:

(i) general information of the fundraising, including the timing of the fundraising, the amount of funds raised, the net amount of funds raised and the investment plan, etc;

- (ii) the use of proceeds, the status of idleness and the reasons therefor;
- (iii) the amount and the duration of the idle proceeds to replenish working capital;
- (iv) the amount of financial costs expected to be saved by replenishing working capital with idle proceeds, the reasons for the shortage of working capital, whether there is any disguised change in the investment of the proceeds and measures to ensure that the normal conduct of the projects with the proceeds will not be affected;
- (v) opinions issued by Independent Directors, Supervisory Committee and sponsor institution;
- (vi) other contents as required by the Shenzhen Stock Exchange.

Before the expiry date of the working capital replenishment, the Company shall return such funds to the Special Account for the funds raised and make an announcement within two trading days after the funds have been fully returned. If the Company anticipates that it will not be able to return the funds to the Special Account of raised funds as scheduled, it shall follow the review procedures and make a timely announcement in accordance with the preceding paragraph before the expiry date.

Article 24 If the amount of the Company's raised funds reaches or exceeds the planned amount of capital raised, the Company shall, in accordance with the Company's development plan and actual production and operation needs, properly arrange the plan for the additional raised funds and submit it to the Board for consideration and approval and disclose it in a timely manner.

The Independent Directors and the sponsor institution shall express their independent opinions on the reasonableness and necessity of the plan for the use of the additional raised funds, which shall be disclosed at the same time as the relevant announcement of the Company. If necessary, relevant matters shall be submitted to the General Meeting for consideration.

Article 25 If the Company plans to use the additional raised funds to repay bank loans or to replenish its working capital, in addition to satisfying the requirements of the preceding paragraph, it shall also comply with the following requirements and disclose the following in the announcement:

- (i) the amount of additional raised funds to be used for permanent replenishment of working capital and for the repayment of bank loans shall not exceed 30% of the total additional raised funds in aggregate for each 12-month period;

(ii) the Company has not used its own funds for financial investments such as hold-for trading financial assets and available-for-sale financial assets, lending to others, entrusting financial management (except for cash management) or engaging in high-risk investments such as securities investment, derivatives investment or venture capital investment within the last 12 months;

(iii) the Company undertakes not to make high-risk investments (including financial investments) or provide financial assistance to others within 12 months after repayment of bank loans or replenishment of working capital;

(iv) the additional raised funds shall be used with the consent of at least two-thirds of all the Directors of the Board and all the Independent Directors, and after consideration and approval by the Shareholders at a General Meeting of the Company;

(v) the sponsor institution verifies the compliance of the plan for the use of the additional raised funds with the aforesaid conditions, and expressly agrees to the plan.

Article 26 Additional raised funds used to temporarily replenish working capital are deemed idle raised funds used to temporarily replenish working capital.

Article 27 The Company may carry out cash management for the temporarily idle funds raised (including additional raised funds). The products in which the funds are invested shall not exceed 12 months and must meet the following conditions:

(i) the investment products shall be highly safe and satisfy the requirement of capital protection. The issuer of the product shall be able to provide guarantee of capital protection;

(ii) the investment products shall be of high liquidity and shall not affect the normal implementation of the investment plan of proceeds.

The investment products shall not be pledged and the designated settlement account for the products (if applicable) shall not be used to maintain any funds other than the raised funds or for any other purposes. The Company shall promptly file with the Shenzhen Stock Exchange and make an announcement when a product-designated settlement account is set up or cancelled.

Article 28 The uses of idle proceeds of raised funds for investment products by the Company shall be considered and approved by the Board of Directors of the Company, with expressed consents given by the Independent Directors, the Supervisory Committee and the sponsor institution.

The Company shall announce the following within two trading days of the Board Meeting:



(i) general information of the fundraising, including the timing of the fundraising, the amount of funds raised, the net proceeds of the funds raised and the investment plan, etc.;

(ii) the use of proceeds and the reasons for the idling of proceeds;

(iii) reasons for the idling of proceeds, whether there is any disguised change in the use of the funds raised, and measures to ensure that the normal conduct of the fundraising projects will not be affected;

(iv) method of income distribution, investment scope, capital protection commitment provided by the product issuer and security analysis of the investment products;

(v) opinions issued by the Independent Directors, the Supervisory Committee and the sponsor institution.

The Company shall promptly disclose a risk alert announcement and explain the risk control measures taken by the Company to ensure the security of its funds in the event that the financial position of the product issuer deteriorates or the product in which it invests is exposed to material risks such as loss.

#### **Chapter IV Change of Use of Proceeds**

Article 29 The Company shall be deemed to have changed the use of proceeds of the raised funds if the following circumstances exist:

(i) cancellation of original fundraising projects and implementation of new projects;

(ii) change of the entity implementing the fundraising project (except when the entity implementing the project changes from the Company to its wholly-owned subsidiary or from its wholly-owned subsidiary to the Company);

(iii) change of the way in which the fundraising project is implemented;

(iv) other circumstances as determined by the Shenzhen Stock Exchange as a change in the use of the proceeds.

Article 30 The Company shall only change the use of the proceeds of the raised funds after a Board Meeting and a General Meeting have been convened to consider and approve a proposed resolution to change the use of the proceeds.

Article 31 If the Company changes the place of implementation of the investment project of the raised funds, an announcement shall be made within two trading days after the approval by the Board of Directors, stating the change, the reasons, the impact on the implementation of the investment project of the raised funds and the opinions issued by the sponsor institution or independent financial adviser.

Article 32 In the event that part of the proceeds is used to permanently replenish working capital before the completion of all of fundraising projects due to the termination of some of the fundraising projects or the emergence of surplus funds after the completion of some of the fundraising projects, the Company shall comply with the following requirements:

- (i) the funds raised have been available for more than one year;
- (ii) the use does not affect the implementation of other fundraising projects;
- (iii) the approval procedures and information disclosure obligations are fulfilled in accordance with the requirements for changes in the use of proceeds of raised funds.

Article 33 The Board of Directors of the Company shall prudently conduct feasibility analysis of the proposed changed new fundraising projects to ensure that the investment projects have better market prospects and profitability, effectively prevent investment risks and improve the efficiency of the use of the raised funds.

The changed use of the proceeds of the Company shall be invested in the Company's principal business.

Article 34 Where the Company intends to change the use of the funds raised, it shall report to the Shenzhen Stock Exchange within 2 trading days after submission to the Board of Directors for consideration and announce the following:

- (i) the basic information on the original project and the specific reasons for the change;
- (ii) the basic information on the new project, feasibility analysis, economic benefit analysis and risk alerts;
- (iii) an investment plan for the new project;
- (iv) a statement that the new project has been approved or is pending approval by the competent authority (if applicable);
- (v) the views of the Independent Directors, the Supervisory Committee and the sponsor institution on the change of use of the proceeds;
- (vi) a statement that the change in the fundraising project will be submitted to the General Meeting of Shareholders for consideration;
- (vii) other contents as required by the Shenzhen Stock Exchange.

If the new project involves related party transactions, purchase of assets or external investments, disclosures shall also be made in accordance with the relevant rules.

Article 35 In the event that the Company intends to change the implementation of the investment project into a joint venture, it shall, on the basis of a full understanding of the basic conditions of the joint venture parties, carefully consider the necessity of the joint venture, and the Company shall hold a controlling stake to ensure effective control over the investment project.

Article 36 In respect of any change of use of proceeds for the acquisition of assets (including equity interests) of a controlling shareholder or de facto controller, the Company shall ensure that, subsequent to the acquisition, competition between competing businesses is effectively avoided and related party transactions are minimised.

The Company shall disclose the reasons for the transaction with the controlling shareholder or the de facto controller, the pricing policy and the basis of pricing of the related party transactions, the impact of the related party transaction on the Company and the measures to resolve the relevant issues.

Article 37 If the remaining balance of funds raised (including interest income) is less than RMB1 million or less than 1% of the committed investment amount of the funds raised for a single project or all projects, the procedures in the preceding paragraph may be waived and the use thereof shall be disclosed in the annual report.

Article 38 If, after the completion of a single or all of the investment projects with the raised funds, the remaining balance of raised funds (including interest income) reaches or exceeds 10% of the net proceeds of the project, the Company shall perform the corresponding procedures in accordance with paragraph 1 of Article 35 for the use of the remaining balance of raised funds.

If the remaining balance of raised funds (including interest income) reaches or exceeds 10% of the net proceeds of the project, the use of the remaining balance of raised funds by the Company shall also be considered and approved by the Shareholders in a General Meeting.

If the remaining balance of raised funds (including interest income) is less than RMB5 million or less than 1% of the net proceeds of the fundraising project, the aforementioned procedures may be waived and their use thereof shall be disclosed in the annual report.

### **Chapter V Management and Supervision of Raised Funds**

Article 39 The accounting department of the Company shall set up a ledger on the use of the proceeds and record in detail the expenditure of the raised funds and the investments made for the fundraising projects.

The internal audit department of the Company shall inspect the deposit and use of the proceeds at least once every quarter and report the results of the inspection to the Board of Directors in a timely manner.

Article 40 If the Company uses any raised funds in the current year, the Board shall issue half-yearly and annual special reports on the deposit and use of the funds raised, and shall engage an accounting firm to issue an assurance report on the deposit and use of the raised funds in the year.

The Company shall explain in details if there is a discrepancy between the actual investment progress of the investment projects with the investment plan. If the difference between the actual annual use of the proceeds and the estimated use of the proceeds disclosed in the latest investment plan exceeds 30%, the Company shall adjust the investment plan of the proceeds and disclose the latest annual investment plan of the proceeds, the actual investment progress, the adjusted estimated annual investment plan and the reasons for the change in the investment plan, in the special report on the deposit and use of the proceeds and in the periodic report.

The accounting firm shall make a reasonable assurance as to whether the special report of the Board of Directors has been prepared in accordance with the Guidelines on the Regulation of Listing and the relevant format guidelines, and whether it has faithfully reflected the actual deposit and use of the proceeds of the raised funds for the year, and make an assurance conclusion.

If the assurance conclusion is “qualified conclusion”, “negative conclusion” or “unable to form a conclusion”, the Board of Directors of the Company should analyse the reasons for the accounting firm’s conclusion in the assurance report, propose corrective measures and disclose such conclusion in the annual report.

Article 41 The Independent Directors of the Company shall pay attention to whether there is any material difference between the actual use of the proceeds and the information disclosed by the Company. With the consent of more than one-half of the Independent Directors, the Independent Directors may engage an accounting firm to issue an assurance report on the deposit and use of the proceeds. The Company shall actively cooperate and bear the necessary expenses.

Article 42 The sponsor institution shall conduct on-site inspection on the deposit and use of the raised funds of the Company at least once every six months. After the end of each financial year, the sponsor institution shall issue a special verification report on the deposit and use of the Company’s raised funds for the year and disclose the same. If the information disclosed in the periodic reports of the Company involves material matters of the raised funds, the sponsor institution shall express its opinion in accordance with the relevant regulations of the CSRC and Shenzhen Stock Exchange and make disclosure together with the relevant announcement of the Company.

If an accounting firm has issued a “qualified conclusion”, “negative conclusion” or “unable to form a conclusion” in respect of the deposit and use of proceeds, the sponsor institution shall seriously analyse in its verification report the reasons for the aforesaid verification conclusion issued by the accounting firm and provide a clear verification opinion.

Article 43 The sponsor institution shall promptly report to the Shenzhen Stock Exchange if it finds any major irregularities or significant risks in the management of the Company’s raised funds during on-site inspection.

### **Chapter VI Supplementary Provisions**

Article 44 The terms “above” and “within” in this procedure include the present number; the term “below” does not include the present number.

Article 45 In the event that there are matters not covered in this procedure or conflict with the provisions of laws, regulations, the Listing Rules, the Guidelines on the Regulation of Listing or the Articles of Association, promulgated or amended after this procedure takes effect, they shall be enforced in accordance with the laws, regulations, the Listing Rules, the Guidelines on the Regulation of Listing and the Articles of Association.

Article 46 The Board of Directors shall propose any amendments to this procedure for consideration and approval at a General Meeting.

Article 47 The right to interpret this procedure shall be vested in the Board of Directors.

Article 48 This procedure shall be approved at a General Meeting of the Company and shall come into effect on the date of the Company’s initial public offering of A shares and listing on the Main Board of the Shenzhen Stock Exchange.

**JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED  
PROCEDURE ON GOVERNING FUND TRANSFER  
WITH RELATED PARTIES**

**Chapter I General Provisions**

Article 1 In order to regulate the fund transfer transactions between Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as the “Company”) and its controlling shareholder, de facto controller and other related parties to avoid the possession of the Company’s funds by its controlling shareholder, de facto controller and other related parties and to protect the interests of investors to the greatest extent possible, this procedure is formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”) (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), (hereinafter referred to as the “Listing Rules”), the Notice of the China Securities Regulatory Commission and the State-owned Assets Supervision and Administration Commission of the State Council on Certain Issues Relating to the Regulation of Capital Transactions between Listed Companies and Related Parties and External Guarantees by Listed Companies (《中國證券監督管理委員會、國務院國有資產監督管理委員會關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》), the Guidelines on the Regulation of the Operation of Listed Companies on the Shenzhen Stock Exchange (《深圳證券交易所上市公司規範運作指引》) and the Articles of Association of Jilin Province Chuncheng Heating Company Limited\* (hereinafter referred to as the “Articles of Association”) and other relevant laws, regulations and regulatory documents, this procedure is formulated.

Article 2 This procedure shall apply to fund transfer transactions between subsidiaries included in the scope of the Company’s consolidated accounting statements and the related parties of the Company.

Article 3 The term “related party” in this procedure shall have the same meaning as related party as defined in the Listing Rules currently in effect. A controlling shareholder as referred to in this procedure shall have the same meaning as defined in the Company Law currently in force and shall mean a shareholder who possesses one of the following conditions: (1) a shareholder directly holding more than 50% of the total share capital of the Company; (2) a shareholder who, although holding less than 50% of the shares, is entitled to voting rights sufficient to exercise significant influence on the resolution of the General Meeting based on the shares held by him/her.

Article 4 The possession of funds referred to in this procedure includes, but is not limited to, the following:

1. Operating capital appropriation: This refers to the appropriation of the Company’s capital by the Company’s related parties through related party transactions in production and operation such as procurement and sales.

2. Non-operating fund appropriation: This refers to the company's advancement of wages, benefits, insurance, advertising and other expenses for the Company's related parties, payment of funds on behalf of related parties to repay debts, paid or unpaid, directly or indirectly, debt obligations incurred to secure the obligations of the Company's affiliated parties, and other funds that are provided to the Company's related parties without the provision of goods and services.

Article 5 The controlling shareholder shall exercise the rights of the capital contributor strictly in accordance with the law. The controlling shareholder shall not use profit distribution, asset reorganisation, external investment, capital appropriation, borrowing, repayment of debts, loans and advances, guarantees, etc. to impair the legitimate rights and interests of the Company and the shareholders of public shares, and shall not use its controlling position to impair the interests of the Company and the shareholders of public shares.

Article 6 Related parties of the Company shall not use their relationship to harm the interests of the Company. Those who violate the regulations and cause losses to the Company shall be liable for compensation. The Directors, Supervisors and senior management of the Company shall have the legal obligation to safeguard the safety of the Company's funds.

## **Chapter II Regulation on Fund Transfer Transactions with Related Parties**

Article 7 Fund transfer transactions between the Company and the related parties shall be based on genuine and fair transactions, and the use of operating funds to cover up the non-operating funds shall be prohibited. The related party transactions between the Company and the related parties shall be conducted in compliance with the relevant laws, regulations and regulatory documents, and in accordance with the decision-making procedures stipulated in the Articles of Association and the Procedure on Management of Related Party Transaction of Jilin Province Chuncheng Heating Company Limited\*, and fulfil the reporting and information disclosure obligations as stipulated under the Listing Rules and the Information Disclosure Management Regulations of Jilin Province Chuncheng Heating Company Limited\*.

Article 8 The directors, supervisors, senior management and the chairman and general manager of each subsidiary of the Company shall have a legal obligation to safeguard the safety of the Company's funds, use the proceeds in a regulated manner, consciously safeguard the safety of the Company's proceeds, and shall not participate in, assist or connive at the Company's unauthorized or disguised change in the use of the proceeds, and shall perform their duties diligently and conscientiously in accordance with the relevant laws and regulations and the Articles of Association of the Company.

Article 9 The Company shall strictly restrict the related parties' possession of the Company's funds in the operating capital transactions with the related parties. The Company shall not advance wages, benefits, insurance, advertising and other expenses for the related parties, nor shall it bear costs and other expenses for each other.

Article 10 Controlling shareholders, de facto controllers and their related parties shall not possess funds of the listed company in the following manner:

(i) require the Company to advance, bear the wages, benefits, insurance, advertising and other fees, costs and other expenses on its behalf;

(ii) require the Company to pay its debts on its behalf;

(iii) require the Company to lend funds to it, either for compensation or without compensation, directly or indirectly;

(iv) require the Company to provide entrusted loans to them through banks or non-bank financial institutions;

(v) request the Company to entrust it with investment activities;

(vi) request the Company to issue a commercial promissory note for them without a genuine transaction background;

(vii) require the Company to provide funds to it in other ways without consideration for goods and services;

(viii) failure to repay debts incurred by the Company in respect of its guarantee obligations to it;

(ix) other circumstances as determined by the CSRC and the Exchange.

Article 11 No department or officer of the Company shall directly or indirectly provide the Company's fund to related parties for use in the following manners:

(i) lend the company's funds to related parties, with or without compensation;

(ii) entrust loans to related parties through banks or non-bank financial institutions;

(iii) entrust related parties to carry out investment activities;

(iv) issue commercial promissory notes for related parties without a genuine transaction background;

(v) repay debts on behalf of related parties;

(vi) such other manners as may be determined by the CSRC and the Shenzhen Stock Exchange.



**Chapter III Management and Responsibilities of Fund Transfer Transactions**

Article 12 The Company shall strictly prevent non-operating capital appropriation by related parties and establish a long-term mechanism to prevent non-operating capital appropriation by related parties.

Article 13 The finance department of the Company shall carefully account for and compile statistics on the financial transactions between the Company and the Company's related parties, through the establishment of special financial records.

Article 14 Directors, Supervisors and senior management of the Company shall, in accordance with relevant laws, regulations and the Articles of Association, perform their duties faithfully and diligently, safeguard the Company's capital and property, and shall not use the convenience of their duties to assist or connive at the appropriation of the Company's assets by the controlling shareholder and its related parties, or to infringe upon the Company's interests by means of non-compliant guarantees or non-fair related party transactions.

Article 15 The Chairman of the Company shall be the first person responsible for regulating the fund transfer transactions with related parties, preventing the appropriation of funds and the clearing of appropriated funds; the general manager shall be the direct responsible person; the head of finance shall be the business responsible person; and the Independent Directors shall express independent opinions on the related party transactions.

Article 16 The Company shall conduct regular inspections of the Company and its subsidiaries, and continuously regulate the management of capital transactions between the Company and its subsidiaries and its affiliated parties, so as to eliminate the occurrence of non-operational appropriation of funds by affiliated parties. At the same time, the finance department of the Company shall focus on the capital business transactions between the controlling shareholder and its related parties and the Company, report irregularities in a timely manner, and report to the office of the Board of Directors on a monthly basis the statistics of capital transactions between the Company and the controlling shareholder and its related parties and the status of external guarantees.

The audit department of the Company shall conduct regular internal audits on the possession of funds by related parties, supervise and inspect the implementation of operating activities and internal controls, evaluate the objects and contents of each inspection, make recommendations for improvement and opinions on handling, and make written reports to the Audit Committee of the Board of Directors of the Company.

Article 17 When auditing the annual financial report of the Company, the certified public accountant engaged by the Company shall conduct a special audit on the appropriation of funds by related parties and issue a special description, which shall be publicly disclosed by the Company in the annual report.

**Chapter IV Procedures for the Disbursement of Funds**

Article 18 The Company shall strictly follow the annual cap of related party transactions approved by the General Meeting as well as the approval authority and procedures stipulated in the Procedures on Governing Fund Transfer with Related Parties of Jilin Province Chuncheng Heating Company Limited\*.

Article 19 When the Company or a subsidiary enters into a purchase, sale or other operating related party transaction with a related party, it must enter into a commercial contract with a genuine transaction background. If a signed contract cannot be executed as scheduled due to market reasons, the Company or its subsidiaries shall explain in detail the actual circumstances under which the contract cannot be fulfilled and cancel the contract after negotiation between the contracting parties, as a basis for the refund.

Article 20 When providing funds to a related party as a result of a related party transaction, the Company shall, in accordance with the fund approval and payment process, enforce the related party transaction agreement and the relevant regulations on fund management, and take the relevant agreements, contracts and other documents as the basis for payment, and if necessary, examine whether the matters constituting the basis for payment comply with the decision-making procedures stipulated in the Articles of Association and other internal systems of the Company. In the case of material related party transactions that require consideration by the Board of Directors and General Meeting of the Company, the resolution of the Board of Directors and the resolution of the General Meeting of the Company shall also be used as the basis for payment to avoid abnormal appropriation of operating funds.

Article 21 In the event that a related party of the Company encroaches on the assets of the Company and damages the interests of the Company and the public shareholders, the Board of Directors of the Company shall take effective measures to require the related party to stop the infringement and compensate for the losses. If the related party refuses to rectify the situation, the Board of Directors of the Company shall promptly report to the securities regulatory authorities and, if necessary, institute legal proceedings against the related party and apply for judicial freezing of the shares of the Company held by the related party. If the related party is unable to settle the encroached assets in cash, the Company shall actively take measures to repay the encroached assets of the Company by realising the shares of the Company held by the related party to protect the legitimate rights and interests of the Company and the public shareholders. The Supervisory Committee of the Company shall supervise the Board of Directors of the Company in the performance of the aforesaid duties, and when the Board of Directors fails to perform its duties, the Supervisory Committee may perform such duties on its behalf.

Article 22 In the event of abnormal appropriation of funds, the Company shall strictly control the implementation of “offsetting debts with shares” or “offsetting debts with capital”, and increase supervision to prevent acts that are detrimental to the rights and interests of the Company and its small and medium-sized shareholders, such as the use of substandard shares for repayment.

A related party who intends to use non-cash assets to settle an encumbered company fund shall comply with the following requirements:

(i) Assets used to offset debts must belong to the same business system of the Company and be conducive to enhancing the independence and core competitiveness of the Company and reducing related party transactions, and must not be assets that have not been put into use or assets without objective and definite net book value;

(ii) The Company shall engage intermediaries qualified in securities and futures-related businesses to conduct appraisals of the assets eligible for offsetting debts and use the appraised value of the assets or the audited net book value as the basis for pricing the assets for offsetting the debts, and that the present value of the capital employed shall be fully considered and discounted. The audit report and valuation report shall be disclosed to the public;

(iii) The Independent Directors shall express their independent opinions on the Company's related party's capital offsets proposal, or engage an intermediary qualified in securities and futures-related businesses to issue an independent financial advisory report;

(iv) The proposal of capital offsets by related parties of the Company shall be considered and approved by the Shareholders in a General Meeting, and the shareholders of the related parties shall abstain from voting;

(v) The proposal of the Company's related party to offset its debts with capital shall be reported to the CSRC for approval.

Article 23 If a related party of the Company commits an act of appropriation of the Company's funds, the Company shall formulate a plan to settle the arrears in accordance with the law and report and announce to the securities regulatory authorities and the Shenzhen Stock Exchange in a timely manner in accordance with the requirements.

## **Chapter V Accountability and Penalties**

Article 24 Where the controlling shareholder, the de facto controller and their related parties violate the provisions of this procedure and damage the interests of the Company causing losses to the Company, they shall bear the responsibility for compensation and the relevant responsible persons shall bear the responsibility.

Article 25 The Directors, Supervisors and senior management of the Company and its controlled subsidiaries shall have the obligation to protect the Company's funds from being occupied by the Company's related parties. If any Director, Supervisor or senior management personnel of the Company is found to have assisted or connived in the appropriation of the Company's assets by a related party of the Company and caused losses to the Company, they shall compensate to the Company. If the losses incurred are relatively serious, the Company shall also remove such persons from office through corresponding procedures. If they should be held legally responsible, the Company shall pursue their civil liability or report to the relevant administrative or judicial authorities in a timely manner.

Article 26 If a related party of the Company violates the relevant laws, administrative regulations, departmental rules and regulatory documents through abnormal appropriation of the Company's funds, the Company shall promptly issue reminders and assert its rights in accordance with the law. Where losses are caused to the Company, the Company shall promptly demand compensation and, if necessary, claim compensation through legal channels such as litigation.

**Chapter VI Supplementary Provisions**

Article 27 In the event of any matters not covered by this procedure or conflict with the laws, regulations, regulatory documents or the provisions of the Articles of Association promulgated after this procedure has come into effect, the provisions of the relevant state laws, regulations, regulatory documents and the Articles of Association shall prevail.

Article 28 In the event of any amendment to this procedure, the Board of Directors shall propose an amendment and submit it to the General Meeting of Shareholders for consideration and approval.

Article 29 The right to interpret and amend this procedure shall be vested in the Board of Directors of the Company.

Article 30 This procedure shall be approved at a General Meeting of the Company and shall come into effect on the date of the Company's initial public offering of A shares and listing on the Main Board of the Shenzhen Stock Exchange.

**Jilin Province Chuncheng Heating Company Limited\*****吉林省春城熱力股份有限公司**

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

**(Stock code: 1853)**

**NOTICE OF THE THIRD EGM OF 2021**

**NOTICE IS HEREBY GIVEN** that the third EGM of 2021 (the “EGM”) of Jilin Province Chuncheng Heating Company Limited\* (the “**Company**”) will be held at Conference Room 907, Chuncheng Heating, No. 998 Nanhu Road, Nanguan District, Changchun City, Jilin Province, the PRC, at 9:00 a.m. on Friday, 17 December 2021, for the purposes of considering and, if thought fit, passing the following resolutions:

**SPECIAL RESOLUTIONS**

1. To consider and pass each of the sub-resolutions under the resolution regarding application for initial public offering and listing of the A Shares on the main board of the Shenzhen Stock Exchange by the Company:
  - 1.1 Type and par value of the Shares to be issued;
  - 1.2 Offering size;
  - 1.3 Target subscribers of the Offering;
  - 1.4 Method of issuance;
  - 1.5 Method of pricing;
  - 1.6 Method of underwriting;
  - 1.7 Proposed place of listing;
  - 1.8 Timing for the Offering and listing; and
  - 1.9 Effective period of the resolution;

2. To consider and pass the resolution regarding investment projects to be financed by the initial public offering of the A Shares by the Company and its feasibility;
3. To consider and pass the resolution regarding proposal for distribution of accumulated profits prior to the initial public offering and listing of the A Shares by the Company;
4. To consider and pass the resolution regarding share price stabilisation plan for the A Shares within three years after the initial public offering and listing of the A Shares by the Company;
5. To consider and pass the resolution regarding dividend distribution plan for the Shareholders for the next three years after the initial public offering and listing of the A Shares by the Company;
6. To consider and pass the resolution regarding analysis of dilution impact on immediate returns and the relevant measures to recover such returns in relation to the initial public offering of the A Shares by the Company;
7. To consider and pass the resolution regarding report on the use of funds raised from previous fund raising activities of the Company;
8. To consider and pass the resolution regarding grant of authorisation to the Board and its authorised persons at the general meeting of the Company to deal, at their full discretion, with matters relating to the initial public offering and listing of A Shares on the main board of the Shenzhen Stock Exchange by the Company;
9. To consider and pass the resolution regarding formulation of Articles of Association (draft) which are applicable after the initial public offering and listing of the A Shares by the Company;

#### **ORDINARY RESOLUTIONS**

10. To consider and pass the resolution regarding confirmation of related party transactions of the Company during the reporting period;
11. To consider and pass the resolution regarding provision of relevant undertakings by the Company for the initial public offering and listing of the A Shares;
12. To consider and pass the resolution regarding formulation of rules of procedure for general meeting (draft) which are applicable after the initial public offering and listing of the A Shares by the Company;
13. To consider and pass the resolution regarding formulation of rules of procedure of the Board (draft) which are applicable after the initial public offering and listing of the A Shares by the Company;
14. To consider and pass the resolution regarding formulation of rules of procedure of the Supervisory Committee (draft) which are applicable after the initial public offering and listing of the A Shares by the Company;
15. To consider and pass the resolution regarding addition or modification to the relevant governance procedures of the Company for the purpose of the initial public offering and listing of the A Shares by the Company; and

16. To consider and pass the resolution regarding engagement of an audit firm for the initial public offering and listing of the A Shares by the Company.

By order of the board of directors  
**Jilin Province Chuncheng Heating Company Limited\***  
**Liu Changchun**  
Chairman

Jilin, the PRC, 2 December 2021

*As at the date of this notice, the non-executive Director is Mr. Liu Changchun (Chairman); the executive Directors are Mr. Yang Zhongshi, Mr. Shi Mingjun, Mr. Xu Chungang and Mr. Li Yeji; and the independent non-executive Directors are Mr. Wang Yuguo, Mr. Fu Yachen and Mr. Poon Pok Man.*

*\* For identification purpose only*

*Notes:*

1. The register of members of the Company will be closed from Tuesday, 14 December 2021 to Friday, 17 December 2021 (both days inclusive), during which period no transfer of shares of the Company can be registered. Shareholders who wish to attend and vote at the EGM must lodge all transfer documents accompanied by the relevant share certificates to (in case of H Shareholders) the 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, or (in case of Domestic Shareholders) the head office of the Company in the PRC at No. 28, Block B Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC no later than 4:30 p.m. on Monday, 13 December 2021.
2. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy needs not to be a Shareholder.
3. In order to be valid, the Shareholders' form of proxy for the EGM must be deposited by hand or by post to (in case of H Shareholders) the H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or (in case of Domestic Shareholders) the head office of the Company in the PRC at No. 28, Block B Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof. 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 the Shareholders from attending and voting in person at the EGM or any adjourned meetings thereof should they so wish.
4. Shareholders or their proxies must produce proof of identity when attending the EGM. In case of a corporate Shareholder, its proxy or other person authorised by a resolution passed by the board of directors or other decision-making bodies of which he/she is a member, should provide a copy of such resolution appointing him/her to attend the meeting.
5. In case of joint holders, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint Shareholder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.

6. The EGM is expected to take less than half a day. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.
7. The address of the head office of the Company in the PRC is No. 28, Block B Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC.
8. Taking into account of the recent development of the novel coronavirus pneumonia (COVID-19) epidemic, the Company will implement the following epidemic prevention and control measures at the EGM to protect the Shareholders from risk of infection: (i) compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue; (ii) every Shareholder or proxy is required to wear surgical face mask throughout the meeting; and (iii) no refreshment will be served.

Furthermore, the Company wishes to advise the Shareholders, particularly those who are subject to quarantine in relation to novel coronavirus pneumonia, that they may appoint any person or the chairman of the EGM as a proxy to vote on the resolutions instead of attending the EGM in person.

9. Unless otherwise defined, all capitalised terms in this notice shall have the same meaning as defined in the circular of the Company dated 2 December 2021.





**Jilin Province Chuncheng Heating Company Limited\***

**吉林省春城熱力股份有限公司**

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

**(Stock code: 1853)**

**NOTICE OF THE FIRST H SHAREHOLDERS' CLASS MEETING OF 2021**

**NOTICE IS HEREBY GIVEN** that the first H shareholders' class meeting of 2021 (the "**H Shareholders' Class Meeting**") of Jilin Province Chuncheng Heating Company Limited\* (the "**Company**") will be held at Conference Room 907, Chuncheng Heating, No. 998 Nanhu Road, Nanguan District, Changchun City, Jilin Province, the PRC, immediately following the conclusion of the EGM or any adjournment thereof (whichever is the later) on Friday, 17 December 2021, for the purposes of considering and, if thought fit, passing the following resolutions:

**SPECIAL RESOLUTIONS**

1. To consider and pass each of the sub-resolutions under the resolution regarding application for initial public offering and listing of the A Shares on the main board of the Shenzhen Stock Exchange by the Company:
  - 1.1 Type and par value of the Shares to be issued;
  - 1.2 Offering size;
  - 1.3 Target subscribers of the Offering;
  - 1.4 Method of issuance;
  - 1.5 Method of pricing;
  - 1.6 Method of underwriting;
  - 1.7 Proposed place of listing;
  - 1.8 Timing for the Offering and listing; and
  - 1.9 Effective period of the resolution;

2. To consider and pass the resolution regarding investment projects to be financed by the initial public offering of the A Shares by the Company and its feasibility;
3. To consider and pass the resolution regarding proposal for distribution of accumulated profits prior to the initial public offering and listing of the A Shares by the Company;
4. To consider and pass the resolution regarding share price stabilisation plan for the A Shares within three years after the initial public offering and listing of the A Shares by the Company;
5. To consider and pass the resolution regarding dividend distribution plan for the Shareholders for the next three years after the initial public offering and listing of the A Shares by the Company;
6. To consider and pass the resolution regarding analysis of dilution impact on immediate returns and the relevant measures to recover such returns in relation to the initial public offering of the A Shares by the Company;
7. To consider and pass the resolution regarding report on the use of funds raised from previous fund raising activities of the Company;
8. To consider and pass the resolution regarding grant of authorisation to the Board and its authorised persons at the general meeting of the Company to deal, at their full discretion, with matters relating to the initial public offering and listing of A Shares on the main board of the Shenzhen Stock Exchange by the Company;
9. To consider and pass the resolution regarding formulation of Articles of Association (draft) which are applicable after the initial public offering and listing of the A Shares by the Company;

#### **ORDINARY RESOLUTIONS**

10. To consider and pass the resolution regarding provision of relevant undertakings by the Company for the initial public offering and listing of the A Shares; and
11. To consider and pass the resolution regarding formulation of rules of procedure for general meeting (draft) which are applicable after the initial public offering and listing of the A Shares by the Company.

By order of the board of directors  
**Jilin Province Chuncheng Heating Company Limited\***  
**Liu Changchun**  
*Chairman*

Jilin, the PRC, 2 December 2021

*As at the date of this notice, the non-executive Director is Mr. Liu Changchun (Chairman); the executive Directors are Mr. Yang Zhongshi, Mr. Shi Mingjun, Mr. Xu Chungang and Mr. Li Yeji; and the independent non-executive Directors are Mr. Wang Yuguo, Mr. Fu Yachen and Mr. Poon Pok Man.*

\* For identification purpose only

Notes:

1. The register of members of the Company will be closed from Tuesday, 14 December 2021 to Friday, 17 December 2021 (both days inclusive), during which period no transfer of shares of the Company can be registered. H Shareholders who wish to attend and vote at the H Shareholders' Class Meeting must lodge all transfer documents accompanied by the relevant share certificates to the 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 no later than 4:30 p.m. on Monday, 13 December 2021.
2. H Shareholders who are entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalf. A proxy needs not to be an H Shareholder.
3. In order to be valid, the H Shareholders' form of proxy for the H Shareholders' Class Meeting must be deposited by hand or by post to the H Share Registrar, 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 fixed for holding the H Shareholders' Class Meeting or any adjournment thereof. 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 the H Shareholders from attending and voting in person at the H Shareholders' Class Meeting or any adjourned meetings thereof should they so wish.
4. H Shareholders or their proxies must produce proof of identity when attending the H Shareholders' Class Meeting. In case of a corporate H Shareholder, its proxy or other person authorised by a resolution passed by the board of directors or other decision-making bodies of which he/she is a member, should provide a copy of such resolution appointing him/her to attend the meeting.
5. In case of joint holders, the vote of the senior joint H Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint Shareholder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. The H Shareholders' Class Meeting is expected to take less than half a day. H Shareholders attending the H Shareholders' Class Meeting shall be responsible for their own travel and accommodation expenses.
7. The address of the head office of the Company in the PRC is No. 28, Block B Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC.
8. Taking into account of the recent development of the novel coronavirus pneumonia (COVID-19) epidemic, the Company will implement the following epidemic prevention and control measures at the H Shareholders' Class Meeting to protect the H Shareholders from risk of infection: (i) compulsory body temperature check will be conducted for every H Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue; (ii) every H Shareholder or proxy is required to wear surgical face mask throughout the meeting; and (iii) no refreshment will be served.  
  
Furthermore, the Company wishes to advise the H Shareholders, particularly those who are subject to quarantine in relation to novel coronavirus pneumonia, that they may appoint any person or the chairman of the H Shareholders' Class Meeting as a proxy to vote on the resolutions instead of attending the H Shareholders' Class Meeting in person.
9. Unless other defined, all capitalised terms in this notice shall have the same meaning as defined in the circular of the Company dated 2 December 2021.



**Jilin Province Chuncheng Heating Company Limited\***

**吉林省春城热力股份有限公司**

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

**(Stock code: 1853)**

**NOTICE OF THE FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING OF 2021**

**NOTICE IS HEREBY GIVEN** that the first domestic shareholders' class meeting of 2021 (the **"Domestic Shareholders' Class Meeting"**) of Jilin Province Chuncheng Heating Company Limited\* (the **"Company"**) will be held at Conference Room 907, Chuncheng Heating, No. 998 Nanhu Road, Nanguan District, Changchun City, Jilin Province, the PRC, immediately following the conclusion of the EGM and the H Shareholders' Class Meeting or any adjournment thereof (whichever is the later) on Friday, 17 December 2021, for the purposes of considering and, if thought fit, passing the following resolutions:

**SPECIAL RESOLUTIONS**

1. To consider and pass each of the sub-resolutions under the resolution regarding application for initial public offering and listing of the A Shares on the main board of the Shenzhen Stock Exchange by the Company:
  - 1.1 Type and par value of the Shares to be issued;
  - 1.2 Offering size;
  - 1.3 Target subscribers of the Offering;
  - 1.4 Method of issuance;
  - 1.5 Method of pricing;
  - 1.6 Method of underwriting;
  - 1.7 Proposed place of listing;
  - 1.8 Timing for the Offering and listing; and
  - 1.9 Effective period of the resolution;

2. To consider and pass the resolution regarding investment projects to be financed by the initial public offering of the A Shares by the Company and its feasibility;
3. To consider and pass the resolution regarding proposal for distribution of accumulated profits prior to the initial public offering and listing of the A Shares by the Company;
4. To consider and pass the resolution regarding share price stabilisation plan for the A Shares within three years after the initial public offering and listing of the A Shares by the Company;
5. To consider and pass the resolution regarding dividend distribution plan for the Shareholders for the next three years after the initial public offering and listing of the A Shares by the Company;
6. To consider and pass the resolution regarding analysis of dilution impact on immediate returns and the relevant measures to recover such returns in relation to the initial public offering of the A Shares by the Company;
7. To consider and pass the resolution regarding report on the use of funds raised from previous fund raising activities of the Company;
8. To consider and pass the resolution regarding grant of authorisation to the Board and its authorised persons at the general meeting of the Company to deal, at their full discretion, with matters relating to the initial public offering and listing of A Shares on the main board of the Shenzhen Stock Exchange by the Company;
9. To consider and pass the resolution regarding formulation of Articles of Association (draft) which are applicable after the initial public offering and listing of the A Shares by the Company;

#### **ORDINARY RESOLUTIONS**

10. To consider and pass the resolution regarding provision of relevant undertakings by the Company for the initial public offering and listing of the A Shares; and
11. To consider and pass the resolution regarding formulation of rules of procedure for general meeting (draft) which are applicable after the initial public offering and listing of the A Shares by the Company.

By order of the board of directors  
**Jilin Province Chuncheng Heating Company Limited\***  
**Liu Changchun**  
*Chairman*

Jilin, the PRC, 2 December 2021

*As at the date of this notice, the non-executive Director is Mr. Liu Changchun (Chairman); the executive Directors are Mr. Yang Zhongshi, Mr. Shi Mingjun, Mr. Xu Chungang and Mr. Li Yeji; and the independent non-executive Directors are Mr. Wang Yuguo, Mr. Fu Yachen and Mr. Poon Pok Man.*

\* For identification purpose only

Notes:

1. The register of members of the Company will be closed from Tuesday, 14 December 2021 to Friday, 17 December 2021 (both days inclusive), during which period no transfer of shares of the Company can be registered. Domestic Shareholders who wish to attend and vote at the Domestic Shareholders' Class Meeting must lodge all transfer documents accompanied by the relevant share certificates to the head office of the Company in the PRC at No. 28, Block B Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC no later than 4:30 p.m. on Monday, 13 December 2021.
2. Domestic Shareholders who are entitled to attend and vote at the Domestic Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalf. A proxy needs not to be a Domestic Shareholder.
3. In order to be valid, the Domestic Shareholders' form of proxy for the Domestic Shareholders' Class Meeting must be deposited by hand or by post to the head office of the Company in the PRC at No. 28, Block B Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC not less than 24 hours before the time fixed for holding the Domestic Shareholders' Class Meeting or any adjournment thereof. 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 the Domestic Shareholders from attending and voting in person at the Domestic Shareholders' Class Meeting or any adjourned meetings thereof should they so wish.
4. Domestic Shareholders or their proxies must produce proof of identity when attending the Domestic Shareholders' Class Meeting. In case of a corporate Domestic Shareholder, its proxy or other person authorised by a resolution passed by the board of directors or other decision-making bodies of which he/she is a member, should provide a copy of such resolution appointing him/her to attend the meeting.
5. In case of joint holders, the vote of the senior joint Domestic Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint Shareholder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. The Domestic Shareholders' Class Meeting is expected to take less than half a day. Domestic Shareholders attending the Domestic Shareholders' Class Meeting shall be responsible for their own travel and accommodation expenses.
7. The address of the head office of the Company in the PRC is No. 28, Block B Nanhu Road Community, No. 998 Nanhu Road, Nangan District, Changchun City, Jilin Province, the PRC.
8. Taking into account of the recent development of the novel coronavirus pneumonia (COVID-19) epidemic, the Company will implement the following epidemic prevention and control measures at the Domestic Shareholders' Class Meeting to protect the Domestic Shareholders from risk of infection: (i) compulsory body temperature check will be conducted for every Domestic Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue; (ii) every Domestic Shareholder or proxy is required to wear surgical face mask throughout the meeting; and (iii) no refreshment will be served.

Furthermore, the Company wishes to advise the Domestic Shareholders, particularly those who are subject to quarantine in relation to novel coronavirus pneumonia, that they may appoint any person or the chairman of the Domestic Shareholders' Class Meeting as a proxy to vote on the resolutions instead of attending the Domestic Shareholders' Class Meeting in person.

9. Unless otherwise defined, all capitalised terms in this notice shall have the same meaning as defined in the circular of the Company dated 2 December 2021.