

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 **Shanghai Dazhong Public Utilities (Group) Co., Ltd.***, you should at once hand this circular, together with the enclosed proxy form, to the purchaser(s) or 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 transferee(s).

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上海大眾公用事業(集團)股份有限公司
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*

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

(Stock Code: 1635)

WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2021
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2021
FINAL FINANCIAL REPORT FOR THE YEAR 2021 AND FINANCIAL BUDGET REPORT FOR THE
YEAR 2022 OF THE COMPANY
PROFIT DISTRIBUTION PROPOSAL OF THE COMPANY FOR THE YEAR 2021
RESOLUTION ON THE ESTIMATED ONGOING ORDINARY RELATED PARTY TRANSACTIONS
OF THE COMPANY FOR THE YEAR 2022
RESOLUTION ON THE APPLICATION OF BANK CREDIT FACILITIES OF THE COMPANY FOR
THE YEAR 2022
RESOLUTION ON THE PROVISION OF GUARANTEE BY THE COMPANY FOR CONTROLLED
SUBSIDIARIES WITH RESPECT TO EXTERNAL FINANCING FOR THE YEAR 2022
RESOLUTION ON THE USE OF IDLE FUND FOR CASH MANAGEMENT OF THE COMPANY
RESOLUTION ON THE RE-APPOINTMENT OF DOMESTIC AUDIT FIRM AND INTERNAL
CONTROL AUDIT FIRM OF THE COMPANY FOR THE YEAR 2022
RESOLUTION ON THE RE-APPOINTMENT OF OVERSEAS AUDIT FIRM OF THE COMPANY
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RESOLUTION ON THE NOMINATION OF THE CANDIDATES FOR
NON-EXECUTIVE DIRECTOR AND
INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY
RESOLUTION ON THE ADJUSTMENT OF ALLOWANCE FOR INDEPENDENT
NON-EXECUTIVE DIRECTORS
RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE
CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION
AND
RESOLUTION ON THE AMENDMENTS TO THE RULES OF PROCEDURES
FOR THE GENERAL MEETING

A letter from the Board is set out on pages 4 to 11 of this circular. A notice convening the AGM to be held at 3/F, Dazhong Building, 1515 Zhongshan West Road, Shanghai, PRC on Friday, 27 May 2022 at 2:00 p.m. was published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>). The proxy form for use at the AGM was also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

Whether or not you are able to attend the AGM, you are reminded to complete, sign and return the proxy form in accordance with the instructions printed thereon. The form of proxy shall be lodged at the Company's 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 for holding the AGM (being Thursday, 26 May 2022 at 2:00 p.m.) or any adjournment thereof (as the case may be) in person or by mail. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM if you so wish.

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DEFINITIONS

Unless the context otherwise requires, the following expressions in this circular shall have the following meanings:

“A Share(s)”	the domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange
“AGM” or “2021 AGM”	the annual general meeting of the Company to be held at 3/F, Dazhong Building, 1515 Zhongshan West Road, Shanghai, PRC on Friday, 27 May 2022 at 2:00 p.m. or any adjournment thereof
“Articles of Association” or “Articles”	the articles of association of the Company as amended or supplemented from time to time
“Board”	the board of Directors of the Company
“Company” or “Dazhong Public Utilities”	Shanghai Dazhong Public Utilities (Group) Co., Ltd.*, a joint stock company incorporated in the PRC with limited liability, which H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Company Law”	the Company Law of the PRC as amended, supplemented or otherwise modified from time to time
“Dazhong Business Management”	Shanghai Dazhong Business Management Co., Ltd.* (上海大眾企業管理有限公司), a limited liability company incorporated in the PRC on 10 March 1995 and owned as to 90% by Shanghai Dazhong Business Management Employee Share Ownership Committee* (上海大眾企業管理有限公司職工持股會) and 10% by three individual shareholders who are Independent Third Parties
“Dazhong Commerce”	Shanghai Dazhong Transportation Commerce Co., Ltd.* (上海大眾交通商務有限公司), a limited liability company incorporated in the PRC on 25 June 2008
“Dazhong Commercial Factoring”	Shanghai Dazhong Commercial Factoring Co., Ltd.* (上海大眾商業保理有限公司), a limited liability company incorporated in the PRC on 3 December 2021, and wholly-owned by the Company
“Dazhong Financial Leasing”	Shanghai Dazhong Financial Leasing Co., Ltd.* (上海大眾融資租賃有限公司), a limited liability company incorporated in the PRC on 19 September 2004

DEFINITIONS

“Dazhong Hebin”	Shanghai Dazhong Hebin Hotel Operation Management Co., Ltd.* (上海大眾河濱酒店經營管理有限責任公司), a limited liability company incorporated in the PRC on 18 July 2003, and wholly-owned by Dazhong Business Management
“Dazhong Run”	Shanghai Dazhong Run Logistics Shares Co., Ltd.* (上海大眾運行物流股份有限公司), a limited liability company incorporated in the PRC on 19 March 1999
“Dazhong Transportation”	Dazhong Transportation (Group) Co., Ltd.* (大眾交通(集團)股份有限公司), a joint stock company with limited liability incorporated in the PRC on 6 June 1994, whose A shares (Stock Code: 600611.SH) and B shares (Stock Code: 900903.SH) have been listed on the Shanghai Stock Exchange since 7 August 1992 and 22 July 1992 respectively
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IPO”	initial public offerings
“LNG”	liquefied petroleum gas
“Nantong Dazhong Gas”	Nantong Dazhong Gas Co., Ltd.* (南通大眾燃氣有限公司), a limited liability company incorporated in the PRC on 11 December 2003

DEFINITIONS

“PRC” or “China”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“Reporting Period”	the year from 1 January 2021 to 31 December 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	Securities Law of the PRC
“Shanghai Dazhong Gas”	Shanghai Dazhong Gas Co., Ltd.* (上海大眾燃氣有限公司) (formerly known as South Shanghai Gas Co., Ltd.* (上海燃氣市南銷售有限公司)), a limited liability company incorporated in the PRC on 3 January, 2001
“Shanghai Gas”	Shanghai Gas Co., Ltd.* (上海燃氣有限公司), a limited liability company incorporated in the PRC on 17 December 2018, and wholly-owned by Shenergy (Group) Co., Ltd.* (申能(集團)有限公司)
“Shanghai Stock Exchange” or “SSE”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	the share(s) of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Suchuang Gas”	Suchuang Gas Corporation Limited* (蘇創燃氣股份有限公司) (Stock Code: 1430.HK), a company listed on the Main Board of the Hong Kong Stock Exchange
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee” or “Board of Supervisors”	the supervisory committee of the Company
“US\$” or “USD”	United States Dollars, the lawful currency of the United States
“Yuan” and “ten thousand Yuan” and “one hundred million Yuan”	RMB, RMB10 thousand, and RMB100 million

* For identification purposes only

LETTER FROM THE BOARD



上海大眾公用事業(集團)股份有限公司
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1635)

Executive Directors:

Mr. YANG Guoping (*Chairman of the Board*)
Mr. LIANG Jiawei (*Chief Executive Officer*)
Mr. WANG Baoping
Mr. YANG Weibiao

Registered Office:

518 Shangcheng Road
Pudong New Area
Shanghai
PRC

Non-executive Directors:

Ms. QU Jia
Mr. JIN Yongsheng

Principal Place of Business in Hong Kong:

Room 8204B, 82/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Independent Non-executive Directors:

Mr. WANG Kaiguo
Mr. CHOW Siu Lui
Mr. LIU Zhengdong

Principal Place of Business in the PRC:

8/F, Dazhong Building
1515 Zhongshan West Road
Shanghai
PRC

26 April 2022

To the Shareholders

Dear Sir or Madam,

WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2021
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2021
FINAL FINANCIAL REPORT FOR THE YEAR 2021 AND FINANCIAL BUDGET REPORT FOR THE
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RESOLUTION ON THE AMENDMENTS TO THE RULES OF PROCEDURES FOR
THE GENERAL MEETING

* For identification purpose only

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with information regarding certain ordinary resolutions to be proposed at the AGM relating to (including) the following matters to enable you to make informed decisions on whether to vote for or against the proposed resolutions at the AGM:

At the AGM, resolutions will be proposed to approve, among others:

- (1) Work report of the Board of Directors for the year 2021;
- (2) Work report of the Supervisory Committee for the year 2021;
- (3) Final financial report for the year 2021 and financial budget report for the year 2022 of the Company;
- (4) Profit distribution proposal of the Company for the year 2021;
- (5) Resolution on the estimated ongoing ordinary related party transactions of the Company for the year 2022;
- (6) Resolution on the application of bank credit facilities of the Company for the year 2022;
- (7) Resolution on the provision of guarantee by the Company for controlled subsidiaries with respect to external financing for the year 2022;
- (8) Resolution on the use of idle funds for cash management of the Company;
- (9) Resolution on the re-appointment of the domestic audit firm and internal control audit firm of the Company for the year 2022;
- (10) Resolution on the re-appointment of the overseas audit firm of the Company for the year 2022;
- (11) Resolution on the nomination of the candidates for non-executive director and independent non-executive directors of the Company;
- (12) Resolution on the adjustment of allowance for independent non-executive directors;
- (13) Resolution on the amendments to the Articles of Association and the change on industrial and commercial registration;
- (14) Resolution on the amendments to the Rules of Procedures for the General Meeting; and

The Shareholders will listen to the work report of the independent directors for the year 2021 at the AGM.

LETTER FROM THE BOARD

Details of the Resolutions

(1) *Work Report of the Board of Directors for the year 2021*

An ordinary resolution will be proposed at the AGM to pass the work report of the Board of Directors of the Company for the year 2021. Full text of the work report of the Board of Directors 2021 to be passed is set out in Appendix I to this circular.

(2) *Work Report of the Supervisory Committee for the year 2021*

An ordinary resolution will be proposed at the AGM to pass the work report of the Supervisory Committee for the year 2021. Full text of the work report of the Supervisory Committee 2021 to be passed is set out in Appendix II to this circular.

(3) *Final Financial Report for the year 2021 and Financial Budget Report for the year 2022*

An ordinary resolution will be proposed at the AGM to pass the final financial report for the year 2021 and the financial budget report for the year 2022 of the Company. Full text of the final financial report 2021 and financial budget report 2022 of the Company to be passed is set out in Appendix III to this circular.

(4) *Profit Distribution Proposal of the Company for the year 2021*

In 2021, the Company attained a consolidated net profit attributable to owners of the parent company of RMB303,356,000. The parent company's profit after tax amounted to RMB207,642,000. According to the Company Law and the Articles of Association, the Company's distribution plan is as follows:

Based on the net profit of the parent company in 2021, a 10% statutory reserve in the amount of RMB20,764,000 is provided, with the addition of the undistributed profit of the parent company carried over from 2020 in the amount of RMB1,589,427,000, less the distributed amount of RMB162,384,000 in 2020, the total distributable profits amounted to RMB1,613,921,000. Based on the total share capital of 2,952,434,675 Shares as at the end of 2021, a proposed cash dividend of RMB0.5 (tax inclusive) for every 10 Shares or a total profit of RMB147,622,000 will be distributed. The undistributed profit of RMB1,466,299,000 shall be outstanding for distribution next year.

LETTER FROM THE BOARD

The aforementioned distribution plan was considered and approved at the fourteenth meeting of the eleventh session of the Board, to which the independent non-executive Directors have given their independent consent, and will be put forward for Shareholders' approval at the AGM as an ordinary resolution. If approved, the Company will further announce the arrangement for the distribution of the final dividend, including the record date for distribution of the dividend, the closure of the register of members and other relevant matters.

An ordinary resolution will be proposed at the AGM to pass the profit distribution proposal of the Company for the year 2021. Full text of the profit distribution proposal for the year 2021 is set out in Appendix IV to this circular.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China effective on 1 January 2008 and the relevant implementation rules, the Company has the obligation to withhold and pay the enterprise income tax at a rate of 10% of the final dividend for 2020 payable to the non-resident enterprise Shareholders. Any H Shares registered under the names of non-individual Shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organizations and groups are deemed to be held by non-resident enterprise Shareholders. The Company will distribute the final dividend to such non-individual Shareholders after withholding the enterprise income tax at a rate of 10%.

According to Guo Shui Han [2011] No. 348 issued by the State Administration of Taxation, the Company shall withhold and pay the individual income tax for dividend payable to the individual H Shareholders. The individual H Shareholders are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements between the countries where they are residents and China or the tax arrangements between mainland China and Hong Kong (Macau). If the individual H Shareholders are Hong Kong or Macau residents or residents of the countries having an agreed dividend tax rate of 10% with China, the Company shall withhold and pay the individual income tax at a rate of 10%. Should the individual H Shareholders be residents of the countries having an agreed dividend tax rate of less than 10% with China, the Company would apply for entitlement of the relevant agreed preferential treatment on their behalf in accordance with the Announcement on the issuance of the Administrative Measures on the Preferential Treatment Entitled by Non-resident Taxpayers under Tax Treaties (State Administration of Taxation [2015] No. 60) (《關於發佈〈非居民納稅人享受稅收協定待遇管理辦法〉的公告》(國家稅務總局公告[2015]第60號)). Should the individual H Shareholders be residents of the countries having an agreed dividend tax rate exceeding 10% but lower than 20% with China, the Company shall withhold and pay the individual income tax at the actual agreed rate. In the case that the individual H Shareholders are residents of the countries having not entered into any tax agreement with China, or having an agreed dividend tax rate with China of 20% or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

LETTER FROM THE BOARD

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves. The Company assumes no liability whatsoever in respect of any request arising from any delay in, or inaccurate determination of, the status of the Shareholders, or any disputes over the mechanism of withholding and payment.

(5) *Estimated Ongoing Ordinary Related Party Transactions*

An ordinary resolution will be proposed at the AGM to pass the resolution on the estimated ongoing ordinary related party transactions of the Company for the year 2022, full text of which is set out in Appendix V to this circular.

(6) *Bank Credit Facilities Application*

An ordinary resolution will be proposed at the AGM to pass the resolution on the application of bank credit facilities of the Company and its subsidiaries, full text of which is set out in Appendix VI to this circular.

(7) *Provision of Guarantee*

An ordinary resolution will be proposed at the AGM to pass the resolution on the provision of guarantee for controlled subsidiaries with respect to their external financing, full text of which is set out in Appendix VII to this circular.

(8) *Idle Fund For Cash Management*

An ordinary resolution will be proposed at the AGM to pass the resolution for the Company and its subsidiaries to use idle funds for cash management, full text of which is set out in Appendix VIII to this circular.

(9) *Re-appointment of Domestic Audit Firm and Internal Control Audit Firm*

An ordinary resolution will be proposed at the AGM to pass the resolution on re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the domestic audit firm and internal control audit firm for the Company for the year 2022, full text of which is set out in Appendix IX to this circular.

LETTER FROM THE BOARD

(10) Re-appointment of Overseas Audit Firm

An ordinary resolution will be proposed at the AGM to pass the resolution on re-appointment of BDO Limited as the overseas audit firm for the Company for the year 2022, full text of which is set out in Appendix X to this circular.

(11) Nomination of the candidates for non-executive director and independent non-executive directors

An ordinary resolution will be proposed at the AGM to pass the resolution on the nomination of the candidates for non-executive director and independent non-executive directors, full text of which is set out in Appendix XI to this circular.

(12) Adjustment of allowance for independent non-executive directors

An ordinary resolution will be proposed at the AGM to pass the resolution on the adjustment of allowance for independent non-executive directors, full text of which is set out in Appendix XII to this circular.

(13) The Amendments to the Articles of Association and the Change on Industrial and Commercial Registration

The Company decided to make amendments to the Articles of Association in accordance with the Guidelines for the Articles of Association of Listed Companies (2022 Revision) (《上市公司章程指引(2022年修訂)》) and the business development needs of the Company. The resolution on the amendments to the Articles of Association has been passed in the fourteenth meeting of the eleventh session of the Board.

A special resolution will be proposed at the AGM to pass the proposed amendments to the Articles of Association, full text of which is set out in Appendix XIII to this circular. Upon the amendments made to the Articles of Association, the sequential numbers of other original articles and those referred to in cross references should be adjusted accordingly. Save for the proposed amendments to the Articles of Association set out in Appendix XIII, other provisions in the Articles of Association remain unchanged.

(14) The Amendments to the Rules of Procedures for the General Meeting

In order to further strengthen the construction of the corporate governance system, the Company/Board decided to make amendments to the Rules of Procedures for the General Meeting in accordance with the relevant provisions of the Company Law, the Securities Law, the Articles of Association, and the actual situation of the Company. The resolution on the amendments to the Rules of Procedures for the General Meeting has been passed in the fourteenth meeting of the eleventh session of the Board.

LETTER FROM THE BOARD

A special resolution will be proposed at the AGM to pass the proposed amendments to the Rules of Procedures for the General Meeting, full text of which is set out in Appendix XIV to this circular. Upon the amendments made to the Rules of Procedures for the General Meeting, the sequential numbers of other original articles and those referred to in cross references should be adjusted accordingly. Save for the proposed amendments to the Rules of Procedures for the General Meeting in Appendix XIV, other provisions in the Rules of Procedures for the General Meeting remain unchanged.

Work report of the independent directors for the year 2021

The Shareholders will listen to the work report of the independent directors for the year 2021 at the AGM. Full text of the work report of the independent directors for the year 2021 set out in Appendix XV to this circular.

II. AGM

A notice convening the AGM to be held at 3/F, Dazhong Building, 1515 Zhongshan West Road, Shanghai, PRC on Friday, 27 May 2022 at 2:00 p.m. was published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>). The proxy form for use at the AGM was also published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the proxy form in accordance with the instructions printed thereon not less than 24 hours before the time for holding the AGM (being Thursday, 26 May 2022 at 2:00 p.m.). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM if you so wish.

III. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of shareholders for H Shares to attend and vote at the Company's AGM, the register of members of the Company for H Shares will be closed from Tuesday, 24 May 2022 to Friday, 27 May 2022, both days inclusive, during which no transfer of shares will be registered. Only Shareholders whose names appear on the register of members of the Company on Friday, 27 May 2022 or their proxies or duly authorised corporate representatives are entitled to attend the AGM. In order to qualify for attending and voting at the AGM, all properly completed transfer documents accompanied with relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 May 2022.

LETTER FROM THE BOARD

IV. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all resolutions put forward at the AGM will be voted on by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results will be announced by the Company by means set out in Rule 13.39(5) of the Hong Kong Listing Rules after the AGM.

V. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong 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 other matters the omission of which would make any statement herein or this circular misleading.

VI. RECOMMENDATIONS

The Board considers that all resolutions set out in the notice of AGM are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that the Shareholders to vote in favour of such resolutions.

VII. FURTHER INFORMATION

Your attention is drawn to other sections of and appendices to this circular.

By order of the Board
Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
YANG Guoping
Chairman of the Board

* For identification purpose only

The major works of the Board for the year ended 31 December 2021 and the 2022 annual work plan are reported as follows:

2021 is the historical intersection of the “Two Centenary Goals” and marks the start of the “14th Five-Year Plan”. In the face of profound changes in the external environment and the new situation of economic development, all employees of the Company, under the leadership of the Board, overcame many adverse factors such as the global spread of COVID-19 and the complex and changeable market environment, unswervingly adhered to the development strategy of “simultaneous development of public utility and financial investment”, actively responded to the risks and challenges in operation, strengthened corporate governance and strove for progress while maintaining stability, aiming to continuously improve the quality of the listed company, while steadily promote sustainable development of the Company. The work in the past year is reported as follows:

I. MAIN WORKS OF THE BOARD FOR THE YEAR

1. Adhered to scientific pandemic prevention and control, maintained stable operation of various businesses.

In 2021, the Company continued to focus on pandemic prevention and control with the aim of ensuring the safety and health of employees and guaranteeing the stable operation of principal business segments. Based on the successful experience of effective pandemic prevention in the early stage, the Company set up an organizational structure for prevention and control in accordance with the concept of full-process and comprehensive pandemic prevention and control and continued to supervise and guide the subordinate companies and employees to prevent and control the pandemic, with a focus on the implementation of the overall national and local pandemic prevention arrangements. During the Reporting Period, the Company had no pandemic cases and its production and operation were stable.

2. Upheld a conscientious and diligent attitude towards duty performance and actively and effectively exercised its functions and powers.

In 2021, all members of the Board dedicated to their duties conscientiously and fulfilled their duties diligently. Particularly, they paid active attention to the Company’s operation and management information, financial position and major issues, discussed all the proposals submitted to the Board for deliberation in depth and expressed their own opinions, provided suggestions for the Company’s operation and development, fully considered the interests and demands of small and medium shareholders when making decisions, and effectively enhanced the scientific decision-makings of the Board, so as to promote the continuous, stable and healthy development of the daily operation of the Company.

3. Performed the obligation of information disclosure in accordance with laws and regulations, and strengthened investor relationship management.

In 2021, the Board organized relevant trainings and further strictly implemented the information disclosure system in accordance with the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Hong Kong Listing Rules. While making proper disclosure of regular reports, the Company organized annual performance explanation meetings and investor explanation meetings to interpret annual report data and concerns for investors. At the same time, the Company made timely and detailed disclosure of matters to be disclosed temporarily to ensure the quality of information disclosure without false statements, misleading information or material omissions, so that the investors can timely and accurately obtain company information, so as to better protect the rights and interests of small and medium shareholders.

4. Continuously strengthen internal control and improved risk management.

In 2021, the Board continued to improve the risk-oriented internal control management system covering the Company, continuously strengthened the construction of the internal control system, improved the internal control mechanism, optimized business operation procedures and perfected risk control measures. Besides, the Board gave full play to the Audit Committee under the Board, the Secretary Office of the Board, internal control and internal audit and external audit institutions to carry out internal control inspections on major issues, operation management of subsidiaries and key areas on a regular or irregular basis, in order to identify operation and management risks and effectively prevent risks.

5. Strive to open a new chapter by making efforts to development for 30 years

2021 marks the 30th anniversary of the founding of Dazhong Public Utilities. The Company has developed from a transportation enterprise, the first one listed in the industry, with the development and opening up of Shanghai Pudong, into an investment holding enterprise driven by public utilities and financial venture capital. In the future, Dazhong Public Utilities has a clear development goal, that is, based on the mission of “Dazhong” brand service, the Company will adapt to the development trend of its subordinate industries, deepen its innovation and development, and become an investment holding group company with strong market competitiveness, brand influence, asset operation power and leading urban public utilities services in the industry. “Braving the wind and the waves for 30 years, setting sail on a new journey”, Dazhong Public Utilities will continue to go with the times, remain true to the original aspiration, courageously climb the peak, and struggle for the next 30 years in a more uplifting posture.

II. MAJOR DAILY WORKS OF THE BOARD FOR THE YEAR 2021

(I) Board meetings and resolutions

In 2021, the Company convened 8 Board meetings in total, which respectively discussed and decided significant matters including the Company's regular reports, financial budget and final financial report, profit distribution, outward investment and related party transactions. The Directors participated in the Board meetings on time, devoted to the interests of the Company and its Shareholders, diligently performed their duties and actively safeguarded the interests of the Company and its Shareholders.

1. The sixth meeting of the eleventh session of the Board was held on 30 March 2021 by means of on-site and communication. 9 Directors shall attend the meeting for voting and 9 Directors were present for voting. All Supervisors and senior management of the Company attended the meeting. The meeting was presided over by Mr. Yang Guoping, Chairman of the Board, and complied with the relevant provisions of the Company Law and the Articles of Association. The meeting was lawful and valid. The meeting considered and approved the Work Report of the Board of Directors for the Year 2020, Operational Work Report for 2020, Work Report of the Independent Directors for the Year 2020, Final Financial Report for the Year 2020 and the Financial Budget Report for the Year 2021, Profit Distribution Proposal of the Company for the Year 2020, Full Text and Summary of 2020 Annual Report, Report on Internal Control Evaluation of the Company for 2020, Report on Performance of Audit Committee of the Board of Directors for 2020, Corporate Social Responsibility Report for 2020, Environmental, Social and Governance (ESG) Report of the Company for 2020, Resolution on the Estimated Ongoing Ordinary Related Party Transactions of the Company for the Year 2021, Resolution on the Application of Credit Facilities of the Company for 2021, Resolution on the Provision of Guarantee by the Company for Controlled Subsidiaries with Respect to External Financing for the Year 2021, Resolution on the Proposal for the Company to Use Idle Funds for Cash Management, Resolution on the Re-Appointment of Domestic Audit Firm and Internal Control Audit Firm of the Company for the Year 2021, Resolution on the Re-Appointment of Overseas Audit Firm of the Company for the Year 2021, Resolution on the Proposed Registration and Issuance of Super-short-term Commercial Papers and Short-term Commercial Papers of the Company, Resolution on the Proposed Registration and Issuance of Medium-term Notes of the Company, Resolution on Provision for Asset Impairment and Assets Write-off of the Company for 2020 and Resolution on Convening the Annual General Meeting for the Year 2020.

2. The seventh meeting of the eleventh session of the Board was held on 29 April 2021 by means of communication voting. The meeting considered and approved the 2021 First Quarterly Report of Dazhong Public Utilities.
3. The eighth meeting of the eleventh session of the Board was held on 18 June 2021 by means of communication voting. The meeting considered and approved the Resolution on the Commencement of Sale-leaseback Finance Leasing Business of Holding Subsidiary and Related Parties.
4. The ninth meeting of the eleventh session of the Board was held on 25 June 2021 by means of communication voting. The meeting considered and approved the Resolution on the Establishment of the Management System for the Information Disclosure of Debt Financing Instruments in the Inter-bank Bond Market.
5. The tenth meeting of the eleventh session of the Board was held on 11 August 2021 by means of communication voting. The meeting considered and approved the Resolution on the Related Party Transactions in Joint External Investment of the Company and Related Parties.
6. The eleventh meeting of the eleventh session of the Board was held on 30 August 2021 by means of on-site and communication. 9 Directors shall attend the meeting for voting and 9 Directors were present for voting. All Supervisors and senior management of the Company attended the meeting. The meeting was presided over by Mr. Yang Guoping, Chairman of the Board, and complied with the relevant provisions of the Company Law and the Articles of Association. The meeting was lawful and valid. The meeting considered and approved the Operational Work Report of the Company for the First Half of 2021, Report and Summary of 2021 Interim Report of the Company, and Resolution on the Amendments to the Rules for Selection and Appointment of Directors, Supervisors, Senior Managements and Members of the Management Team of the Company.
7. The twelfth meeting of the eleventh session of the Board was held on 29 October 2021 by means of communication voting. The meeting considered and approved the 2021 Third Quarterly Report of Dazhong Public Utilities.
8. The thirteenth meeting of the eleventh session of the Board was held on 10 November 2021 by means of communication voting. The meeting considered and approved the Resolution on the Subsequent Subscription of Capital Contribution after Transferral of Equity Participation Fund by the Company to Related Parties and the Resolution on the Related Party Transactions in Joint External Investment of the Company and Related Parties.

(II) Implementation of resolutions of general meetings by the Board

During the Reporting Period, in strict accordance with the relevant provisions of laws and regulations and the Articles of Association, the Board earnestly fulfilled the responsibility of the convener of the general meeting, and convened one annual general meeting.

The Company convened 2020 annual general meeting on 18 June 2021, which considered and approved, through voting, the Work Report of the Board of Directors for the Year 2020, Work Report of the Supervisory Committee for the Year 2020, Final Financial Report for the Year 2020 and the Financial Budget Report for the Year 2021, Profit Distribution Proposal of the Company for the Year 2020, Resolution on the Estimated Ongoing Ordinary Related Party Transactions of the Company for the Year 2021, Resolution on the Application of Bank Credit Facilities of the Company for the Year 2021, Resolution on the Provision of Guarantee by the Company for Controlled Subsidiaries with Respect to External Financing for the Year 2021, Resolution on the Proposal for the Company to Use Idle Funds for Cash Management, Resolution on the Re-Appointment of Domestic Audit Firm and Internal Control Audit Firm of the Company for the Year 2021, Resolution on the Re-Appointment of Overseas Audit Firm of the Company for the Year 2021, Resolution on the Proposed Registration and Issuance of Super-short-term Commercial Papers and Short-term Commercial Papers of the Company and Resolution on the Proposed Registration and Issuance of Medium-term Notes of the Company.

During the Reporting Period, the Board of the Company strictly and comprehensively implemented various resolutions considered and approved at general meetings.

III. WORK DIRECTION OF THE BOARD FOR THE YEAR 2022

In 2022, the Board will further strengthen its self-building and give full play to its central role in corporate governance. In compliance with the latest requirements of capital market supervision and industrial supervision rules, and based on the management needs of the Company in the new development stage, the Company will start with the implementation of strategies for corporate governance, strategic management, internal control, risk prevention, system and mechanism reform, and strives to promote the implementation of strategic planning according to the established business objectives and development direction. The Board of the Company must fully estimate the complexity and severity of economic situations at home and abroad, continue to maintain a sound business style, and continuously increase the proportion of investment in major projects related to the principle business of public utilities and explore new performance growth points to ensure the steady development of the Company's business operations.

In 2022, the Company will focus on the following aspects:

1. *Continuing down-to-earth and meticulous domestic pandemic prevention and maintaining stable operation of principle business.*

In 2022, the Company will make overall efforts in pandemic prevention and control and economic development, adhere to the overall thinking of “making progress while maintaining stability”, maintain strategic determination, make careful plans and take effective measures. In addition, the Company will implement the operation and management objectives of each business segment at different levels and take multiple measures to ensure the sustainable and healthy development of all business operations of the Company.

2. *Further optimizing the corporate governance structure and improving the Company's compliance management system.*

The Company will, in strict compliance with the laws, regulations and normative documents of domestic and overseas listing places, strictly meet the high requirements of corporate governance and the high standards of supervision in both places, continuously regulate corporate governance, improve and enhance the legal operation and scientific decision-making procedures of the Board, the Board of Supervisors, the General Meeting of Shareholders and the Management, perfect the system and process construction, strengthen the guidance on the Company's internal control system construction, make decisions and optimize the Company's strategic planning and consolidate the foundation for the Company's sustainable development, so as to ensure the Company's sustainable and healthy development.

3. *Continuously improving the quality of information disclosure and investor relationship management.*

The Board will continue to do a good job in information disclosure in accordance with relevant requirements of domestic and overseas listing places for information disclosure, prepare and disclose regular reports and interim reports of the Company in a timely manner, to ensure that the information disclosed by the Company is true, accurate and complete.

The Board will strengthen the protection of investors' rights and interests, strictly manage the confidentiality of inside information, and particularly strengthen the management of internal information reports and the personnel knowing inside information. Besides, the Company will strengthen communication with shareholders and investors, pay close attention to the hot spots of the industry and market, master the operation and management dynamics of the Company, and establish effective interaction with the market. The Company will also pay attention to investors' needs and characteristics, innovate in the management methods of investor relationship, enhance the Company's image and brand influence in the capital market from multiple dimensions, and safeguard the legitimate rights and interests of shareholders.

4. *Strengthening the sense of responsibility of directors, supervisors and senior executives and constantly improving their duty performance abilities.*

In 2022, the Company will actively arrange its directors, supervisors and senior executives to participate in relevant trainings and meetings held by securities regulatory bureaus, stock exchanges and associations of listed companies. At the same time, the Company will organize directors, supervisors, senior executives and relevant personnel to learn the latest laws, regulations and rules, and share regulatory information with them from time to time through on-line meetings and by e-mail, to improve their duty performance ability and sense of responsibility.

5. *Improving the construction of talent team and doing a good job in talent reserve.*

In order to ensure the realization of the Company's medium and long-term strategic goals and meet our requirements for continuous business expansion and sustainable development, the Company will continue to introduce technical and management talents through various channels, increase the talent reserve for important positions in various business segments, design and implement diversified incentive mechanisms, and improve the team performance. Meanwhile, the Company will continuously strengthen the development of internal training system, explore internal potential talents and strengthen professional training on employees, so as to build a professional talent team suitable for the Company.

The year 2022 marks the holding of the 20th National Congress of the Communist Party of China, and the beginning to march forward to the second centenary goal. The Company will actively respond to the uncertainties brought by COVID-19 and economic environment at home and abroad. According to the 14th Five-Year strategic development plan, the Company will adhere to the corporate development strategy of "simultaneous development of public utility and financial investment", to seize the opportunity and fight, so as to promote the high-quality development of the Company with the spirit of truthfulness and pragmatism, develop the Company into a listed company with more focused major business, more prominent core competence and more profitable assets, and reward the shareholders and the society with practical actions and excellent performance.

The work report of the Supervisory Committee for the year ended 31 December 2021 is as follows:

In 2021, in strict compliance with laws and regulations such as the Securities Law, the Company Law, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Corporate Governance Code as set out in Appendix 14 of the Main Board Listing Rules under the Rules Listing on the Hong Kong Stock Exchange, the Articles of Association and the Rules of Procedures for the Supervisory Committee of the Company, with an aim to protect the interests of the Company and Shareholders in a diligent manner, all members of the Supervisory Committee of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (the “Company”) continuously tracked on and effectively supervised the legal and compliant operation, major business decision-making procedures, business, financial position and internal management mechanism of the Company, as well as the performance of duties by the Directors and senior management of the Company by convening meetings of the Supervisory Committee, and attending the Board meetings and Shareholders’ general meetings, which effectively safeguarded the interests of the Company and Shareholders as a whole. The report on the major works of the Supervisory Committee during the Reporting Period is as follows:

I. OPERATION OF THE COMPANY ACCORDING TO LAW

In 2021, the Supervisory Committee of the Company gave full play to its role of supervision and inspection. During the Reporting Period, it earnestly performed the supervisory duty, conducted comprehensive supervision and inspection on the operation, management and financial reports of the Company, as well as the legal compliance of the performance of duties by the Board of Directors and senior management. The Supervisory Committee of the Company played an active role in promoting the standardized operation and healthy development of the Company, and effectively protected the legitimate rights and interests of the Company and its Shareholders and employees.

The Supervisory Committee believed that, during the Reporting Period, in accordance with laws and regulations, such as the Securities Law and the Company Law, as well as the Rules of Procedures for the Supervisory Committee and the Articles of Association, the Company established a sound internal management and internal control mechanism with legitimate and effective major business decision-making procedures and regulated operation. The decision-making procedures for the convening, holding, submitting proposal and voting of the Board and general meeting of the Company were in compliance with the relevant provisions.

The Board earnestly implemented various resolutions of the shareholders' general meetings with the standard operation and legitimate decision-making procedures, and safeguarded fundamental interests of Shareholders and the Company during the decision-making on material issues. In 2021, the Directors and senior management of the Company worked in a prudent and compliance manner, and made unremitting endeavors to the sustainable and healthy development of the Company. During the Reporting Period, the Board was able to earnestly fulfill its information disclosure obligations, with timely, regulated, true, accurate and complete information disclosures free from false information, serious misleading statements or major omissions, and no leakage of inside information occurred. The Supervisory Committee found no violations of the Company Law, the Securities Law, the Articles of Association and the Rules of Procedures of the Supervisory Committee, or actions that were detrimental to the interests of the Company and its Shareholders by the Directors or senior management during the performance of duties.

II. MEETINGS OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

During the Reporting Period, the Supervisory Committee held 7 meetings in total. The main subjects for the meetings were:

1. The sixth meeting of the eleventh session of the Supervisory Committee was held at meeting room 903, 9/F, 1515 Zhongshan West Road, Shanghai on 30 March 2021. The meeting was presided over by Mr. Zhuang Jianhao, the Chairman of the Supervisory Committee and all three eligible Supervisors attended the meeting in person. The meeting considered and approved the Work Report of the Supervisory Committee for the Year 2020, Final Financial Report for the Year 2020 and the Financial Budget Report for the Year 2021, Full Text and Summary of 2020 Annual Report, Profit Distribution Plan for the Year 2020, Report on Internal Control Evaluation of the Company for the Year 2020, Resolution on the 2021 Daily Related Party Transactions of the Company, Resolution on the Application of Credit Facilities of the Company for the Year 2021, Resolution on the Provision of Guarantees of Controlled Subsidiaries by the Company for the Year 2021 with respect to their External Financing, Resolution on the Use of Idle Fund for Cash Management of the Company, Resolution on the Re-appointment of the Domestic Audit Firm and Internal Control Audit Firm for the Company for the Year 2021, Resolution on the Re-appointment of the Overseas Audit Firm for the Company for the Year 2021, Resolution on the Proposed Registration and Issuance of Super-Short-Term Commercial Papers and Short-Term Commercial Papers of the Company, and Resolution on the Proposed Registration and Issuance of Medium-Term Notes of the Company.
2. The seventh meeting of the eleventh session of the Supervisory Committee was held on 30 April 2021 by way of communication voting, which considered and approved the 2021 First Quarterly Report of the Company.

3. The eighth meeting of the eleventh session of the Supervisory Committee was held on 18 June 2021 by way of communication voting, which considered and approved the Resolution on the Commencement of Sale-leaseback Finance Leasing Business of Holding Subsidiary and Related Parties.
4. The ninth meeting of the eleventh session of the Supervisory Committee was held on 11 August 2021 by way of communication voting, which considered and approved the Resolution on the Related Party Transactions in Joint External Investment of the Company and Related Parties.
5. The tenth meeting of the eleventh session of the Supervisory Committee was held on 30 August 2021 by way of communication voting, which considered and approved the Operational Work Report of the Company for the First Half of 2021 and Full Text and Summary of 2021 Interim Report of the Company.
6. The eleventh meeting of the eleventh session of the Supervisory Committee was held on 30 September 2021 by way of communication voting, which considered and approved the 2021 Third Quarterly Report of the Company.
7. The twelfth meeting of the eleventh session of the Supervisory Committee was held on 10 November 2021 by way of communication voting, which considered and approved the Resolution on the Transfer of the Company's Partial Subscription Amount in the Shareholding Company to Related Parties and Resolution on the Related Party Transactions in Joint External Investment of the Company and Related Parties.

III. SUPERVISION ON FINANCIAL ACTIVITIES

In 2021, the Supervisory Committee proactively performed the duties of supervision and inspection on the financial operation by convening meetings, and reviewed regular reports and audit reports issued by the accounting firm. The Supervisory Committee believed that, the Company had complete internal financial management system and good financial conditions, strictly implemented the national accounting rules, accounting standards, accounting system and relevant regulatory requirements, and guaranteed the legal compliance of the operation of the financial system of the Company. All the financial reports of the Company reflected the financial position and operating results in an objective and authentic manner without false representations, misleading statements, material omissions, or any violation of confidentiality regulations by the staff participating in the formulation and deliberation of regular reports.

During the Reporting Period, BDO China Shu Lun Pan Certified Public Accountants LLP issued 2020 "standard unqualified" audit report and reflected the financial conditions and operating results of the Company for the year 2020 in an objective, fair, true and just manner.

IV. OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY FOR THE YEAR 2021**1. Acquisition and sale of assets by the Company**

In 2021, the Board of Supervisors supervised and inspected the acquisition and sale of assets by the Company. The Board of Supervisors deemed that, during the Reporting Period, the acquisition and sale of assets by the Company complied with relevant laws, rules of the Company Law and the Securities Law, as well as requirements of the Articles of Association, which were in line with the demands of the Company's development strategy and production and operation development with fair transaction price and legitimate decision-making procedures without any insider trading or behavior that impairs the rights and interests of certain Shareholders or causes loss of assets of the Company.

2. External guarantee by the Company

In 2021, relevant resolutions on the external guarantee were implemented upon consideration and approval by the Board of Directors and Shareholders in the general meeting in accordance with relevant laws, regulations and the Articles of Association. During the Reporting Period, the decision-making procedures for accumulative and current external guarantee of the Company complied with relevant laws, regulations, rules and the Articles of Association with adequate and complete information disclosure without any behavior that would impair the interests of the listed company and its Shareholders. The Company strictly controlled risks in the external guarantee without any possibility of contingent joint liability for external guarantee, nor violation of provisions of Zheng Jian Fa [2003] No.56, Zheng Jian Fa [2005] No.120, the stock listing rules, and etc..

3. Connected transactions of the Company

In 2021, the Board of Supervisors of the Company supervised and inspected the significant connected transactions of the Company during the Reporting Period. The Board of Supervisors deemed that, during the Reporting Period, connected transactions between the Company and connected parties complied with the market-oriented principle with adequate basis for pricing and fair price, and all the connected transactions followed deliberation and disclosure procedures in line with the principle of "fairness, justice and openness". The information was disclosed in a prompt and adequate manner in compliance with the relevant laws, regulations and the Articles of Association without any behavior that would impair the interests of the Company and its shareholders.

4. Appointment of domestic and foreign audit firms

The Board of Supervisors agreed to engage BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) as the Company's domestic auditor for 2021, and BDO Limited as the overseas auditor of the Company for 2021. The two auditors have strong professional competence and diligence in duty performance. The standard audit reports with unqualified opinion issued by the two auditors are objective and fair, supporting that the financial reports of the Company can give a true and accurate view of the Company's financial position and operating results.

5. Appointment of internal control audit firm for the Company

The Board of Supervisors agreed to appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the internal control audit firm for the Company for the year 2021. BDO China Shu Lun Pan Certified Public Accountants LLP holds audit qualification for securities and futures-related businesses. It currently provides financial audit services for the Company, and understands the operating status and financial condition of the Company. BDO China Shu Lun Pan Certified Public Accountants LLP fulfilled effectively the responsibilities that the auditors should perform, and completed their internal control audit for the Company for 2021 independently, objectively and impartially.

6. Implementation of resolutions of general meetings

In 2021, the Board of Supervisors supervised the implementation of resolutions of general meetings. The Board of Supervisors deemed that the Board of Directors could earnestly fulfill the relevant resolutions of the general meetings. The Company has a comprehensive and independent business and self-operation capability. The controlling shareholders of the Company have highly regulated their acts in capacity of shareholder and exercised their rights as investors at the general meeting, and have not directly or indirectly interfered with the decision making and business activities of the Company beyond the general meeting.

7. Information disclosure of the Company

In 2021, the Board of Supervisors continuously supervised the internal approval procedures of information disclosure of the Company. The Board of Supervisors considered that the Company attached great importance to the standardization of information disclosure. In strict accordance with the regulatory provisions of China and Hong Kong and the requirements of the Articles of Association, Administrative Measure on Information Disclosure and Insider Registration Management and Confidentiality System on Inside Information, the secretary of the Board and the Board office of the Company are responsible for the disclosure of information and management of investor relations. The Company provided timely, accurate, true, complete and fair information for investors, so that

investors could have a more objective and comprehensive understanding on the Company, which was conducive to improving the reputation and image of the Company in the capital market, and guaranteeing the timeliness and consistency of information disclosure at A+H listing places.

8. Internal control of the Company

The Board of Supervisors supervised and inspected the Self-appraisal Report on Internal Control and the development and operation of the internal control system of the Company for 2021 in a prudent manner, and deemed that the Company had established and effectively implemented complete internal control system. The Self-appraisal Report on Internal Control of the Company gave an authentic and objective reflection of the development and operation of the internal control system of the Company. The internal control system of the Company effectively enhanced the management level and risk prevention capability of the Company, and ensured the legal compliance of operation and management, asset safety, and authenticity, accuracy and integrity of financial reports and relevant information.

V. WORK PROSPECTS FOR 2022

In 2022, the Board of Supervisors of the Company will fulfill the duty of supervision in a faithful and diligent manner in strict accordance with requirements of the Securities Law, the Company Law, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, Corporate Governance Code contained in Appendix 14 to Hong Kong Stock Exchange Main Board Listing Rules, and the Articles of Association and the Rules of Procedures for the Board of Supervisors of the Company, in order to further enhance the standardized operation of the Company. The Board of Supervisors will be present at the Board meetings, general meetings and relevant office meetings, promptly master the legal compliance of significant decisions and various decision-making procedures, regularly carry out financial inspection, protected and maintained the interests of the Company and its shareholders. Meanwhile, it will continue to strengthen self-study, keep abreast of the requirements of the latest regulatory rules by attending relevant training organized by regulatory authorities and the Company, gave full play to the functions of supervision and inspection of the Board of Supervisors, and established long-term mechanism for standardized governance.

The final financial report for the year 2021 and the financial budget report for the year 2022 of the Company are as follows:

I. KEY FINANCIAL INDICATORS FOR 2021

Indicator	Unit	2021	2020	Changes (%)
Revenue	RMB'000	5,587,531	4,952,510	12.82
Total profit	RMB'000	493,920	778,447	36.55)
Net profit	RMB'000	392,175	594,342	(34.02)
Net profit attributable to owners of the parent company	RMB'000	303,356	515,231	(41.12)
Weighted average return on net assets	%	3.97	6.25	Decreased by 2.28 percentage points
Net assets per share	RMB	2.93	2.91	0.69
Earnings per share	RMB	0.1027	0.1745	(41.15)
Net cash flows from operating activities per share	RMB	0.1958	0.1424	37.50

II. FINANCIAL CONDITION OF THE COMPANY IN 2021

1. Asset structure of the Company

As of 31 December 2021, total assets of the Company amounted to RMB23,674,116,000, representing an increase of RMB410,908,000 as compared with RMB23,263,208,000 at the beginning of the year. Among the total assets of the Company, current assets amounted to RMB9,027,764,000, representing an increase of RMB293,629,000 as compared with RMB8,734,135,000 at the beginning of the year, in which trade and bill receivables increased by RMB722,858,000, lease receivables decreased by RMB484,649,000, prepayments and other receivables decreased by RMB42,847,000, amounts due from grantee increased by RMB36,632,000, financial assets at fair value through profit or loss increased by RMB64,520,000, financial assets at amortised cost increased by RMB104,166,000, cash and cash equivalents decreased by RMB101,027,000 as compared with that at the beginning of the year. Current assets accounted for 38.13% of the total assets, increased 0.59 percentage points as compared with 37.54% at the beginning of the year. Non-current assets amounted to RMB14,646,352,000, representing an increase of RMB117,279,000 as compared with RMB14,529,073,000 at the beginning of the year, in which property, plant and equipment increased by RMB166,472,000, investment property increased by RMB36,101,000, intangible assets decreased by RMB761,158,000, investments in joint ventures increased by RMB20,565,000, investments in associates increased by RMB241,799,000, financial assets at fair value through other comprehensive income increased by RMB15,730,000, financial assets at amortised cost increased by RMB148,285,000, trade and bill receivables increased by RMB6,495,000, lease

receivables decreased by RMB56,012,000, amounts due from grantee increased by RMB326,858,000 and right-of-use assets decreased by RMB11,897,000 as compared with that at the beginning of the year. Non-current assets amounted for 61.87% of the total assets, decreased 0.59 percentage points as compared with 62.46% at the beginning of the year.

In the industry distribution of long-term investment of RMB11,061,040,000 of the parent in 2021, transportation industry amounted to RMB2,043,366,000, accounted for 18.47% of total investments of the Company; gas industry assets amounted to RMB2,360,675,000, accounted for 21.34% of total investments of the Company; municipal and environmental amounted to RMB612,600,000, accounted for 5.54% of total investments of the Company; financial investment amounted to RMB5,916,179,000, accounted for 53.49% of total investments of the Company; other investments amounted to RMB128,220,000, accounted for 1.16% of total investments of the Company.

2. Assets and liabilities and solvency

As of 31 December 2021, total liabilities of the Company amounted to RMB13,714,084,000, representing an increase of RMB270,775,000 as compared with RMB13,443,309,000 at the beginning of the year. Gearing ratio was 85.56%, representing an increase of 0.02 percentage point as compared with 85.54% of the previous year. Guarantees for controlled subsidiaries amounted to RMB1,419,772,000, accounted for 16.40% of net assets of the Company.

3. Asset profitability

In 2021, the Company's return on net assets was 3.97%, representing a decrease of 2.28 percentage point as compared with 6.25% of the corresponding period of the previous year.

4. Operating results of the Company

In 2021, the Company recorded a total revenue of RMB5,587,531,000, representing an increase of 12.82% as compared with RMB4,952,510,000 of the corresponding period of the previous year. Consolidated total profit amounted to RM493,920,000; consolidated net profit amounted to RMB392,175,000; and net profit attributable to owners of the parent company amounted to RMB303,356,000, representing a decrease of 36.55%, 34.02% and 41.12%, respectively, as compared with that of the corresponding period of the previous year.

5. The operation of major investment segments of the Company is as follows:

(1) Transportation sector

In 2021, Dazhong Transportation overcame the pressure of complex and changeable external environment and the transformation of internal industries, optimized the organizational structure and consolidated the system construction as the starting point, adhered to scientific and technological innovation and resource optimization, and took the improvement of efficiency as the focus of work. On the one hand, the company organized public welfare activities, fulfilled social responsibilities, and fought against the pandemic. On the other hand, it optimized the organizational structure, adhered to the empowerment of science and technology, promoted digital transformation, strengthened internal control and management, and made coordinated development of various industrial groups. In 2021, it recorded total revenue of RMB2,345,956,000.

In 2021, adhering to the basic principle of “maintaining basic hematopoietic functions in traditional industries, and waiting for opportunities in emerging fields”, Dazhong Run actively explored the profit return model of license plus finance capitalizing on the advantages of BH license. The company cultivated liquefied gas distribution business and gradually expanded citywide LPG market. By adjusting the “Small move field” and developing “Boutique moving field” business, the market competitiveness was improved. It achieved a revenue of RMB131,078,000 in 2021.

(2) Gas sector

In 2021, Shanghai Dazhong Gas accelerated the pace of market-oriented and professional-oriented reform, coordinated the key work such as safety supply, market expansion, service optimization, strengthening control, and construction of information system, taking safety standardization construction as the starting point to continuously tap regional potential and upgrade the business environment, so as to accomplish the annual tasks better. It achieved a revenue of RMB3,616,691,000 in 2021.

In 2021, while doing a good job in pandemic prevention and control, Nantong Dazhong Gas made in-depth analysis of the industry situation, actively responded to the difficulties faced by the company, vigorously promoted high-quality development, and made new achievements in safety supply, smart gas construction, engineering construction and external services. It achieved a revenue of RMB1,271,240,000 in 2021.

In 2021, Suchuang Gas proactively increased the market share, explored the gas supply potential in the operating area, coordinate the upstream suppliers, purchased LNG at a high price for gasification supplementation, in order to ensure the smooth and orderly natural gas supply in Taicang city in winter. At the same time, the company accelerated the project construction, strengthened the gas pipeline patrol and maintenance, and made constant efforts to ensure production safety.

(3) *Municipal and environmental sector*

In 2021, Dazhong Jiading paid close attention to safety production to ensure that the water outflows met the standards. During the year, the phase II of sludge drying project was almost completed, realizing the sludge “Not fall on the ground” during transportation. The company actively promoted the construction of the phase IV, organized and completed a number of phase IV plans, and continued to strengthen the safety production management, equipment maintenance management, information system management, engineering archives management and other key works. In 2021, a total of 65.8889 million tons was disposed with average of 180,500 tons per day.

In 2021, Jiangsu Dazhong intensified efforts to improve internal management, based on the requirements of comprehensive reform and the goal of stable operation and development, to preliminarily achieve the cost control. While ensuring safety production and meeting emission standards, it strengthened the operation management, adjusted process operation parameters in time, and implemented safety production responsibility and training to ensure the normal operation of sewage treatment facilities. In 2021, a total of 87.1635 million tons was disposed with average of 238,800 tons per day.

Xiangyin Road Tunnel, a municipal project invested in and constructed by the Company saw safe daily operation and stable franchise income. In 2021, a supplementary agreement has been formally signed with the Transportation Commission, pursuant to which, the franchise subsidy until the end of the franchise period will be paid in advance.

(4) *Financial investment sector*

In 2021, Dazhong Hong Kong continued to pay close attention to the development of the epidemic and international economic trends. Specifically, it actively responded to the epidemic to reduce its impact on operations, and explored more investment opportunities in due course. The Company subscribed for the IPO shares of SciClone Pharmaceuticals listed on Hong Kong Stock Exchange and invested in the Xingsheng Selected Project. At the end of the year, the Company obtained the repurchase funds from Supercell and added external debt investment. At this stage, Dazhong Hong Kong is actively carrying out due diligence work on the Fuchun Project.

In 2021, Dazhong Financial Leasing continued to focus on the two key areas of “consumer finance and platform finance” to expand its business. Its businesses of mobile phone installment and vehicle installment have been developing steadily. As for its business of “platform finance” that has been fully launched, it conducted in-depth negotiations with multiple platforms, with some projects gaining trial orders. At the same time, it continuously explored the way of “building a whole process system for TO C business” to gradually establish an independent risk control system. It achieved a revenue of RMB119,096,000 in 2021.

In 2021, Dazhong Commerce reduced costs and increased efficiency to develop its business. It continued to optimize the structure of offline merchants, enriched online scenarios, and established a response mechanism for App problems. Moreover, it successfully completed the renewal of licenses, laying a foundation for the Company to continue to operate steadily. As always, the Company has strengthened its compliance in policy implementation, technology development and system security, which has been affirmed by the management organization.

In 2021, Shenzhen Capital Group Co., Ltd., in which the Company has participated, ranked first in the domestic venture capital industry in terms of the number of enterprises and the number of listed enterprises invested by Shenzhen Capital. As of the end of 2021, Shenzhen Capital has invested in 1,406 projects with a total investment of approximately RMB80.5 billion. Among them, 206 companies have been listed in 17 capital markets around the world. And it has withdrawn 399 projects (including IPOs).

In 2021, the projects invested by Huacan Fund, such as Century Huatong, Taihe Water, Kede Education and Qianfang Technology, which the Company joined, continued to operate in an orderly manner. The Huahai Qingke Co., Ltd. invested in by Dacheng Huicai (Shenzhen) Industry Partnership (Limited Partnership) in which the Company held a stake, has been approved for IPO. The Jiangyin Runma Electric Materials Co., Ltd. has entered into the stage of listing tutoring. Aowei Technology has started the work related to listing. The Tiancheng Huifeng Fund, in which the Company held a stake, actively carried out refinancing business of listed companies, including private placement, rights issue and convertible bonds, and successively subscribed private placement from Highly, Sdec and Zhongji InnoLight.

III. FINANCIAL BUDGET OF THE COMPANY FOR THE YEAR 2022

In 2022, Dazhong Public Utilities will continue to strengthen the corporate development strategy of “simultaneous development of public utility and financial investment” and closely follow the strategic goals and tasks of the Group’s 14th Five-Year Plan. It will not only keep making progress while maintaining stability and develop steadily, but also enhance its sense of urgency and take precautionary measures to continuously improve the Group’s comprehensive income, market competitiveness and influence, so as to ensure the achievement of the annual operation target.

1. Operation target

The principal business and profit of the Company in 2022 are to maintain steady growth.

The main operation targets for each sector are as follows:

(1) *Transportation*

In 2022, Dazhong transportation will adapt to market changes, move forward with the trend, and focus on reform, digital mass, service improvement and brand leading. On the one hand, it will break through the traditional operation mode to improve the profitability of the industry; on the other hand, it will strive to expand market and increase business volume. It will continue to uphold the core thought of “customer-centered and promoting development through reform” and devote itself to change, innovation and development, so as to capture the work keynote of seeking progress while maintaining stability.

(2) *Gas sector*

In 2022, on the basis of further stabilizing the existing gas business, the gas sector will actively seek opportunities for mergers and acquisitions in the gas industry and integrate gas resources based on its own conditions to effectively leverage the synergies among the gas industries. Moreover, with the upstream and downstream and domestic and international extension of its main business, it will expand the gas industry chain to continuously improve the core competitiveness of the Group’s gas business, so as to enhance the sustainable development and profitability of the gas sector.

(3) *Municipal and environmental sector*

In 2022, the municipal and environmental sector will continue to follow the national green development strategy and the Yangtze River Delta integration strategy. With a focus on water investment and operation, the Company will expand its business scope through upgrading and transformation as well as alteration and expansion to continuously improve its operation and management scale and capability. Meanwhile, our subsidiaries Dazhong Jiading and Jiangsu Dazhong further leveraged on their complementary advantages and shared resources to improve quality and efficiency and create value through synergies. As to Xiangyin Road tunnel, the Company will continue to complete the daily operation and management and security guarantee.

(4) *Financial investment sector*

In 2022, with respect to proprietary finance industry, Dazhong Financial Leasing will continue to expand its business around the two principles of “consumer finance and platform finance” and do a good job in the interconnection and interaction between factoring and leasing business. Dazhong Commerce will further optimize the merchant structure, enhance the online payment experience, and study and promote new business model of converged payment. In terms of investment business, the Company will continue to strengthen the post-investment management of platform enterprises and equity funds, promote the invested projects to land in the capital market as soon as possible, and improve the ability of investment team and optimize various investment systems to improve the profitability.

2. Financing target

In 2022, the Company will carry out the main credit rating and bond credit rating and maintenance, gain immediate insight into the dynamics of the financial industry and strictly control financial risks. At the same time, the Company will flexibly apply various financing tools to further reduce financing costs and optimize its debt structure while meeting the needs of the Company in terms of short-term turnover, debt repayment, and allocation of funds for key investment projects. The Company will continue to strengthen the operation of its capital pool and improve the efficiency of capital use through dynamic management of its liquidity and other measures.

3. Investment target

In 2022, the Company will continue to strengthen the foundation with the two main businesses of gas and sewage as the core and constantly improve the quality and efficiency by actively following top enterprises in the industry. At the same time, the Company will proactively optimize the industrial structure, increase the investment proportion in public utilities, and expand the investment and acquisition opportunities of high-quality projects, including gas engineering, sewage treatment, garbage and solid waste treatment, or upstream and downstream industrial chain extension.

In 2022, the Company will actively respond to the uncertainties brought by COVID-19 and economic environment at home and abroad. According to the “14th Five Year” strategic development plan, the Company will adhere to the corporate development strategy of “simultaneous development of public utility and financial investment”, to seize the opportunity and fight, so as to reward the shareholders and the society with good business performance.

The profit distribution proposal of the Company for the year 2021 is as follows:

In 2021, the Company realized the net profit attributable to owners of the parent company in the consolidated statement of RMB303,356 thousand, and the parent company realized the after-tax profit of RMB207,642 thousand. According to the Company Law and the Articles of Association, the Company shall make distribution and the profit distribution proposal is as follows:

The total distributable profit of the parent company for 2021 amounts to RMB1,613,921 thousand after appropriating to the statutory reserve of RMB20,764 thousand based on 10% of net profit of the parent company, adding the undistributed profit of parent company of RMB1,589,427 thousand in 2020 and subtracting the distributed profit of RMB162,384 thousand in 2021. Based on the total share capital of 2,952,434,675 shares at the end of 2021, cash dividends of RMB0.50 (including tax) will be distributed for every 10 Shares, with a total distributed profit of RMB147,622 thousand, and the remaining undistributed profit of RMB1,466,299 thousand will be retained for future distribution.

Pursuant to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Guidelines for the Implementation of Related Party Transactions of Companies Listed on the Shanghai Stock Exchange (《上海證券交易所上市公司關聯交易實施指引》), and taken into consideration of the operating requirements of the Company, the ordinary related party transactions of the Company and its subsidiaries for 2022 are expected as follows:

I. BASIC INFORMATION OF THE ORDINARY RELATED PARTY TRANSACTIONS

(I) Consideration procedures of the performance of ordinary related party transactions

1. On March 30, 2022, the fourteenth meeting of the eleventh session of the Board considered and passed the resolution on the estimated ongoing ordinary related party transactions of the Company for 2022 and agreed the following estimated ongoing ordinary related party transactions of the Company for 2022:

- (1) the estimated ongoing ordinary related party transactions that Shanghai Dazhong Gas, Nantong Dazhong Gas and other subsidiaries of the Company purchased natural gas and LNG, and conducted construction work from Shanghai Gas Co., Ltd, which holds more than 10% shares of Shanghai Dazhong Gas, a subsidiary has significant influence over listed company due to needs of daily operation;
- (2) the estimated ongoing ordinary related party transactions that Shanghai Dazhong Gas, a subsidiary of the Company leased office space from Shanghai Gas Co., Ltd. which holds more than 10% shares of Shanghai Dazhong Gas, a subsidiary has significant influence over listed company due to needs of daily operation;
- (3) the estimated ongoing ordinary related party transactions that the Company and its subsidiaries leased office space and purchased goods and services from the subsidiary Dazhong Transportation and its controlling subsidiaries due to operational needs;
- (4) the estimated ongoing ordinary related party transactions that the Company's subsidiary Dazhong Transportation and its controlling subsidiaries leased office space and purchased goods and services from the Company due to needs of daily operation;

- (5) the estimated ongoing ordinary related party transactions that the Company commissioned Dazhong Business Management and Dazhong Hebin to provide operational, management and services to the Company's properties and their users, and Dazhong Hebin leased properties to the Company and provided management to the Company due to needs of daily operation;
- (6) the estimated ongoing ordinary related party transactions that the Company's wholly-owned subsidiary, Dazhong Commercial Factoring and Dazhong Transportation (Group) Co., Ltd. and its controlling subsidiaries carried out the receivables factoring business due to needs of daily operation;
- (7) the estimated ongoing ordinary related party transactions that the Company's wholly-owned subsidiary, Dazhong Commercial Factoring and Shanghai Dazhong Business Management Co., Ltd. and its controlling subsidiaries carried out the receivables factoring business due to needs of daily operation;
- (8) the estimated ongoing ordinary related party transactions that the Company's subsidiary, Dazhong Financial Leasing and Shanghai Dazhong Business Management Co., Ltd. and its controlling subsidiaries carried out the sale and leaseback financial leasing business due to needs of daily operation.

APPENDIX V
**RESOLUTION ON THE ESTIMATED ONGOING
ORDINARY RELATED PARTY TRANSACTIONS OF
THE COMPANY FOR THE YEAR 2022**
**II. ESTIMATED AMOUNT AND TYPES OF ORDINARY RELATED PARTY
TRANSACTIONS**

Type of currency: RMB Unit: RMB10 thousand

Name of connected parties	Type of connected transactions	Contents of connected transactions	Pricing mode of connected transactions	Estimated amount for 2022 (Tax-exclusive)	Incurred amount for 2021
Shanghai Gas Co., Ltd. * (上海燃氣有限公司)	Purchase of raw materials from connected parties	Purchase of natural gas, LNG and the construction work	Government pricing	350,000.00	290,416.65 (Tax-inclusive)
Shanghai Gas Co., Ltd. * (上海燃氣有限公司)	Lease of assets from connected parties	Lease of office space	Fair market value	600.00	472.38 (Tax-exclusive)
Dazhong Transportation (Group) Co., Ltd.* (大眾交通(集團)股份 有限公司) and its controlled subsidiaries	Lease of assets from connected parties	Lease of office space and purchase of goods and services	Fair market value	1,200.00	851.64 (Tax-exclusive)
Dazhong Transportation (Group) Co., Ltd.* (大眾交通(集團)股份 有限公司) and its controlled subsidiaries	Lease of assets to connected parties	Lease of office space and purchase of goods and services	Fair market value	500.00	0
Shanghai Dazhong Business Management Co., Ltd. * (上海大眾企業管理有限公司) and Shanghai Dazhong Hebin Hotel Operation Management Co., Ltd. * (上海大眾河濱酒店經營管理 有限責任公司)	Commissioned to manage the assets and business of connected parties	Provision of operational, management and services to the Company's properties and their users, and the lease of buildings and management services provided by Dazhong Hebin to the Company	Fair market value	800.00	291.24 (Tax-exclusive)

APPENDIX V	RESOLUTION ON THE ESTIMATED ONGOING ORDINARY RELATED PARTY TRANSACTIONS OF THE COMPANY FOR THE YEAR 2022
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Name of connected parties	Type of connected transactions	Contents of connected transactions	Pricing mode of connected transactions	Estimated amount for 2022 (Tax-exclusive)	Incurred amount for 2021
Shanghai Dazhong Business Management Co., Ltd. * (上海大眾企業管理有限公司) and its controlled subsidiaries	Commissioned to manage the assets and business of connected parties	Factoring business related to receivables	Fair market value	5,000.00	0
Dazhong Transportation (Group) Co., Ltd.* (大眾交通(集團)股份 有限公司) and its controlled subsidiaries	Commissioned to manage the assets and business of connected parties	Factoring business related to receivables	Fair market value	10,000.00	0
Shanghai Dazhong Business Management Co., Ltd. * (上海大眾企業管理有限公司) and its controlled subsidiaries	Lease of assets to connected parties	Financial leasing business such as leaseback	Fair market value	15,000.00	664.80 (Tax-exclusive)

III. BACKGROUND OF AND RELATIONSHIP WITH RELATED PARTY

(I) Background of related party

Related party one — Shanghai Gas Co., Ltd.

1. Company name: Shanghai Gas Co., Ltd.
2. Nature of company: Limited liability company (foreign investment enterprise and non-wholly owned enterprise)
3. Legal representative: Wang Zhehong (王者洪)
4. Registered capital: RMB1,333,333,333
5. Substantial shareholder: Shenergy (Group) Company Limited and Towngas China Company Limited

APPENDIX V	RESOLUTION ON THE ESTIMATED ONGOING ORDINARY RELATED PARTY TRANSACTIONS OF THE COMPANY FOR THE YEAR 2022
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6. Main business: Gas operation, construction, operation and management of gas infrastructure, gas equipment, gas appliances, etc.
7. Date of establishment: 27 December 2018
8. Address: Room 1009, 958 Lu Jia Zui Ring Road, China (Shanghai) Pilot Free Trade Zone
9. As of 31 December 2021, the total asset was RMB21,562,360,000, the net asset was RMB10,930,695,000. The revenue from principal business was RMB26,593,491,400 and the net profit was RMB-499,825,000 (all of which are unaudited data and on a consolidated basis).

Related party two – Shanghai Dazhong Business Management Co., Ltd.

1. Company name: Shanghai Dazhong Business Management Co., Ltd.
2. Type of company: Other limited liability company
3. Legal representative: Zhao Siyuan (趙思淵)
4. Registered capital: RMB159 million
5. Substantial shareholder(s): Shanghai Dazhong Business Management Employee Share Ownership Committee
6. Main business: operation management and business management of taxi companies and related companies.
7. Date of establishment: 10 March 1995
8. Address: Room 182, Block S, Level 1, Building 3, No.7, Jiayi Industrial Zone, Qingpu Industrial Park Area, Shanghai
9. As of 31 December 2021, the total asset was RMB1,994,290,500, the net asset was RMB725,442,700. The revenue from principal business was RMB21,248,600 and the net profit was RMB22,403,300 (all of which are unaudited data).

<p>APPENDIX V RESOLUTION ON THE ESTIMATED ONGOING ORDINARY RELATED PARTY TRANSACTIONS OF THE COMPANY FOR THE YEAR 2022</p>
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Related party three — Shanghai Dazhong Hebin Hotel Operation Management Co., Ltd.

1. Company name: Shanghai Dazhong Hebin Hotel Operation Management Co., Ltd.
2. Type of company: Limited liability company
3. Legal representative: Mao Yisong (毛一鬆)
4. Registered capital: RMB2 million
5. Substantial shareholder(s): wholly-owned subsidiaries of Shanghai Dazhong Business Management Co., Ltd.
6. Main business: Hotel management (other than hotel operation), property management, etc..
7. Date of establishment: 18 July 2003
8. Address: Room 102, Building 3, 888 Changshou Road, Putuo District, Shanghai
9. As of 31 December 2021, the total asset was RMB5,932,000, the net asset was RMB4,368,900. The revenue from principal business was RMB3,555,200 and the net profit was RMB159,400 (all of which are unaudited data)

Related party four — Dazhong Transportation (Group) Co., Ltd.

1. Company name: Dazhong Transportation (Group) Co., Ltd.
2. Type of company: Joint stock limited company (Sino-foreign joint venture, listed)
3. Registered address: Floor 12, 1515 Zhongshan West Road, Xuhui District, Shanghai
4. Office address: Floor 22, 1515 Zhongshan West Road, Xuhui District, Shanghai
5. Substantial shareholder(s): Shanghai Dazhong Public Utilities (Group) Co., Ltd.

6. Legal representative: Yang Guoping (楊國平)
7. Registered capital: RMB2,364,122,864
8. Main business: Business management consultation, modern logistics, transportation (taxi, inter-provincial charter passenger transport), related vehicle maintenance (branch operation only), etc..
9. As of 31 December 2021, the total asset was RMB19,289,641,000, the net asset was RMB9,655,716,300. The revenue from principal business was RMB2,069,019,100 and the net profit was RMB328,446,400 (all of which are audited data).

(II) RELATIONSHIP WITH RELATED PARTY

1. As Shanghai Dazhong Gas is a subsidiary of significant importance to the Company and each of the Company and Shanghai Gas holds 50% of its shares, respectively, Shanghai gas is a legal person holding more than 10% of the shares of a subsidiary of significant importance to a listed company, pursuant to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the purchase of natural gas, LNG and construction services by Shanghai Dazhong Gas and Nantong Dazhong Gas, both of which are subsidiaries of the Company, from Shanghai Gas and other parties, and the lease of office premises by Shanghai Dazhong Gas, a subsidiary of the Company, from Shanghai Gas constitute ordinary related party transactions.
2. As Mr. Yang Guoping, being the Chairman of the Board, Mr. Liang Jiawei, being a Director, and Ms. Zhao Siyuan, being a Supervisor, are also directors of Dazhong Transportation (Group) Co., Ltd., and the Company is the largest shareholder of Dazhong Transportation (Group) Co., Ltd., pursuant to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the lease of office premises and purchase of goods and services by the Company and its subsidiaries from Dazhong Transportation, a subsidiary of the Company, and its controlled subsidiaries, and the lease of office premises and purchase of goods and services and others by Dazhong Transportation, a subsidiary of the Company, and its controlled subsidiaries from the Company constitute ordinary related party transactions.

3. As Mr. Yang Guoping, being the Chairman of the Board, Mr. Liang Jiawei, being a Director, and Ms. Zhao Siyuan, being a Supervisor, are also directors of Dazhong Business Management, Dazhong Business Management is the largest shareholder of the Company. Pursuant to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the engagement of Shanghai Dazhong Business Management Co., Ltd and Shanghai Dazhong Hebin Hotel Operation Management Co., Ltd. by the Company to operate, manage and offer services to the property assets of the Company and the users thereof as well as the lease of property and provision of management by Dazhong Hebin to the Company constitute ordinary related party transactions.
4. As Mr. Yang Guoping, being the Chairman of the Board, Mr. Liang Jiawei, being a Director, and Ms. Zhao Siyuan, being a Supervisor, are also directors of Dazhong Business Management, Dazhong Business Management is the largest shareholder of the Company. Pursuant to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the factoring services regarding to receivable balances and others provided by Dazhong Commercial Factoring, a wholly-owned subsidiary of the Company, to Dazhong Business Management and its controlled subsidiaries constitute ordinary related party transactions.
5. As Mr. Yang Guoping, being the Chairman of the Board, Mr. Liang Jiawei, being a Director, and Ms. Zhao Siyuan, being a Supervisor, are also directors of Dazhong Transportation (Group) Co., Ltd., and the Company is the largest shareholder of Dazhong Transportation (Group) Co., Ltd., pursuant to the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the factoring services regarding to receivable balances and others provided by Dazhong Commercial Factoring, a wholly-owned subsidiary of the Company, to Dazhong Transportation and its controlled subsidiaries constitute ordinary related party transactions.

6. As Mr. Yang Guoping, being the Chairman of the Board, Mr. Liang Jiawei, being a Director, and Ms. Zhao Siyuan, being a Supervisor, are also directors of Dazhong Business Management, Dazhong Business Management is the largest shareholder of the Company, and the engagement of sales and leaseback and other financial leasing businesses by Dazhong Financial Leasing, a subsidiary of the Company, to Dazhong Business Management and its controlled subsidiaries constitutes ordinary related party transactions.

IV. PRICING POLICIES FOR RELATED PARTY TRANSACTIONS

All of the transactions between the Company and its subsidiaries with related party were fair, honest and reasonable and were conducted as per the state pricing (if any) or the market fair value. The details are as follows:

1. The parties to the ordinary related party transactions regarding the purchase of natural gas, LNG and construction services by the subsidiaries of the Company including Shanghai Dazhong Gas and Nantong Dazhong Gas from Shanghai Gas and other parties shall determine the purchase and sale prices in accordance with the relevant regulations of the state and guidance of government authorities;
2. The parties to the ordinary related party transactions regarding the lease of office premises by Shanghai Dazhong Gas, a subsidiary of the Company, from Shanghai Gas shall determine the rent in accordance with market fair value;
3. The parties to the ordinary related party transactions regarding the lease of office premises and purchase of goods and services for office needs by the Company and its subsidiary, from Dazhong Transportation, a subsidiary of the Company, and the controlled subsidiary of Dazhong Transportation shall determine the rent in accordance with market fair value;
4. The parties to the ordinary related party transactions regarding the lease of office premises and purchase of goods and services by Dazhong Transportation, a subsidiary of the Company, and the controlled subsidiary of Dazhong Transportation, from the Company shall determine the rent in accordance with market fair value;
5. The parties to the ordinary related party transactions regarding the engagement of Shanghai Dazhong Business Management Co., Ltd. and Dazhong Hebin by the Company to operate, manage and offer services to the property assets of the Company and the users thereof as well as the lease of property and provision of management by Dazhong Hebin to the Company shall determine the service fee in accordance with market fair value;

6. The parties to the ordinary related party transactions regarding the factoring business of trade receivables by Dazhong Commercial Factoring, a wholly-owned subsidiaries of the Company, with Dazhong Transportation (Group) Co., Ltd., and its controlled subsidiary shall determine the amount of transaction in accordance with market fair value;
7. The parties to the ordinary related party transactions regarding the factoring business of trade receivables by Dazhong Commercial Factoring, a wholly-owned subsidiaries of the Company, with Shanghai Dazhong Business Management Co., Ltd., and its controlled subsidiary shall determine the amount of transaction in accordance with market fair value;
8. The parties to the ordinary related party transactions regarding the sales and leaseback business by Dazhong Financial Leasing, a subsidiaries of the Company, with Shanghai Dazhong Business Management Co., Ltd. and its controlled subsidiary shall determine the amount of transaction in accordance with market fair value.

V. PURPOSE OF RELATED PARTY TRANSACTIONS AND IMPACT ON THE COMPANY

The above related party transactions are all undertaken for normal operation requirements, and the sustainable and stable operation of the Company and its subsidiaries can be assured. The transactions will not jeopardise the interests of the Company and have no adverse impact on the current and future financial conditions, operating results and the independence of the Company. The Board proposes to the general meeting to agree to authorize the management of the Company and its relevant subsidiaries to be responsible for the signing of agreements and other transaction-related work.

The details of the resolution on the application of bank credit facilities of the Company and its subsidiaries of 2021 are as follows:

Pursuant to the capital requirements for business development of the Company in 2022, the Company and its subsidiaries plan to apply for a total consolidated credit facility in the amount of not more than RMB18 billion (cumulative amount) (including foreign currency translation) from banks and other financial institutions in 2022, subject to the actual credit facilities approved by each financial institution in the end. The validity period shall begin from the date on which the resolution is considered and approved at the 2021 AGM to the date on which the next annual general meeting of the Company is held.

The types of consolidated credit facilities include but not limited to short-term working capital loans, medium and long-term borrowings, bank acceptance bills, guarantees, letters of credit, project loans and mortgage loans etc.. Conditions such as specific credit limits, financing amount, terms, interest rates and guarantee methods are subject to the final contract or agreement signed between the Company and the relevant financial institutions.

It is proposed to the general meeting by the Board to approve the Board to authorize the management of the Company to divide and adjust the credit limits for the applications to banks and other financial institutions within the aforesaid limits in accordance with the requirements for business development, determine the specific conditions for the application of credit facilities, such as cooperative financial institutions, interest rates and terms, and execute relevant agreements and other documents.

Pursuant to the relevant provisions of the Company Law and the Notice on the Regulation of External Guarantees by Listed Companies (CSRC [2005] No. 120) jointly issued by the China Securities Regulatory Commission and China Banking Regulatory Commission, taken into consideration of the asset position of the Company as at the end of 2021 and the actual demands for operation in 2022 and the future development of all controlled subsidiaries, adhering to the principle of “reasonable allocation and effective use”, the Company proposed following resolutions regarding to the external guarantees in 2022 is as follows:

I. OVERVIEW OF GUARANTEES

Guarantees' names: the Company will provide guarantees for the businesses of Shanghai Dazhong Municipal Development Co., Ltd. (上海大眾市政發展有限公司), Shanghai Xiangyin Road Tunnel Construction Development Co., Ltd. (上海翔殷路隧道建設發展有限公司), Shanghai Dazhong Environment Industry Co., Ltd. (上海大眾環境產業有限公司), Shanghai Dazhong Jiading Sewage Co., Ltd. (上海大眾嘉定污水處理有限公司), Jiangsu Dazhong Water Group Co., Ltd. (江蘇大眾水務集團有限公司), Xuzhou Fountainhead Sewage Co., Ltd. (徐州源泉污水處理有限公司), Peixian Fountainhead Water Operation Co., Ltd. (沛縣源泉水務運營有限公司), Lianyungang West Lake Sewage Co., Ltd. (連雲港西湖污水處理有限公司), Pizhou Fountainhead Water Operation Co., Ltd. (邳州源泉水務運營有限公司), Xuzhou Dazhong Water Operation Co., Ltd. (徐州大眾水務運營有限公司), Xuzhou Jiawang Dazhong Water Operation Co., Ltd. (徐州市賈汪大眾水務運營有限公司), Shanghai Dazhong Gas Co., Ltd. (上海大眾燃氣有限公司), Shanghai Dazhong Gas Investment Developing Co., Ltd. (上海大眾燃氣投資發展有限公司), Nantong Dazhong Gas Co., Ltd. (南通大眾燃氣有限公司), Shanghai Dazhong Group Capital Equity Investment Co., Ltd. (上海大眾集團資本股權投資有限公司), Shanghai Dazhong Assets Management Co., Ltd. (上海大眾資產管理有限公司), Shanghai Dazhong Financial Leasing Co., Ltd. (上海大眾融資租賃有限公司), Shanghai Dazhong Transportation Commerce Co., Ltd. (上海大眾交通商務有限公司), Shanghai Zhonggong Information Service Co., Ltd. (上海眾貢信息服務有限公司), Dazhong (Hong Kong) International Corporation Limited (大眾(香港)國際有限公司), Dazhong (Vietnam) International Co., Ltd. (大眾(越南)國際有限公司), Shanghai Dazhong Run Logistics Shares Co., Ltd. (上海大眾運行物流股份有限公司), Shanghai Ruyu Energy Investment Co., Ltd. (上海儒馭能源投資有限公司), Xuzhou Qingshanquan Dazhong Water Operation Co., Ltd. (徐州青山泉大眾水務運營有限公司), Shanghai Dazhong Run Supply Chain Management Co., Ltd. (上海大眾運行供應鏈管理有限公司), Fretum Construction & Engineering Enterprise Limited, Galaxy Building & Development Corporation Limited, Ace Best Investing Management Corporation Limited, Interstellar Capital Investment CO., Limited, Allpay (International) Finance Service Corporation Limited, Platinum Capital Investment Corporation Limited, Ultra Partner Limited, Century Charm Limited, Jiangsu Dazhong Environment Governance Co., Ltd. (江蘇大眾環境治理有限公司), Shanghai Dazhong Gas Pipeline Engineering Co., Ltd. (上海大眾燃氣管道工程有限公司), Shanghai Zhongju Equipment Leasing Co., Ltd. (上海眾聚設備租賃有限公司), Lianyungang Dazhong Environment Governance Co., Ltd. (連雲港大眾環境治理有限公司), Shanghai Dazhong Commercial Factoring Co., Ltd. (上海大眾商業保理有限公司) and new controlling subsidiaries during the year, with a maximum total guarantee amount of RMB10 billion (including foreign currency translation) and maximum guarantee balance of RMB5 billion (including foreign currency translation). The date and place of signing the guarantee agreement are determined in accordance with the requirements of the guaranteed party.

As the agreement has not yet been signed, the above approved limit of guarantee is only an estimate of the Company. The major terms of the specific guarantee agreement will be determined by mutual agreement between the Company and the guaranteed subsidiaries and the bank.

Where the guarantors are the same party, their guarantees to the guaranteed parties as stipulated in the guarantee proposal can be transferred to each other within the total amount of guarantee.

Where the guarantor is the same party, it may provide guarantee to parties other than the guaranteed party as stipulated in the guarantee proposal within the total guarantee amount for wholly-owned and controlled subsidiaries of the Company whose gearing ratio does not exceed 70%. The guarantees to Shanghai Dazhong Financial Leasing Co., Ltd. and its subsidiaries, Shanghai Dazhong Gas Co., Ltd., Nantong Dazhong Gas Co., Ltd., Jiangsu Dazhong Water Group Co., Ltd. and its subsidiaries, Jiangsu Dazhong Environment Governance Co., Ltd., Shanghai Dazhong Jiading Sewage Co., Ltd., Shanghai Zhonggong Information Service Co., Ltd., Shanghai Dazhong Run Logistics Shares Co., Ltd. and its subsidiaries, Dazhong (Hong Kong) International Corporation Limited and its subsidiaries are not subject to the restriction of not exceeding 70% of gearing ratio under this paragraph.

The above limit adjustment can be carried out between wholly-owned subsidiaries or controlled subsidiaries. The guarantee amount of the Company can be adjusted between wholly-owned subsidiaries and controlled subsidiaries.

II. BASIC INFORMATION OF GUARANTEED PARTIES

(i) Shanghai Dazhong Municipal Development Co., Ltd.

1. Company name: Shanghai Dazhong Municipal Development Co., Ltd.
2. Registered address: Room 2122, 29 Kangshi Road, Kangqiao Town, Pudong New Area, Shanghai
3. Legal representative: Jin Bo (金波)
4. Business scope: Investment in municipal infrastructure projects such as various urban roads, highways, tunnels, bridges and airport runways, and the relevant ancillary facilities.
5. As of 31 December 2021: Total assets of RMB163,205,100, total current liabilities of RMB68,000, total liabilities of RMB68,000, and net assets of RMB163,137,100; for the year 2021: operating revenue of nil, and net profit of RMB51,700.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(ii) Shanghai Xiangyin Road Tunnel Construction Development Co., Ltd.

1. Company name: Shanghai Xiangyin Road Tunnel Construction Development Co., Ltd.
2. Registered address: Room 2120, 29 Kangshi Road, Kangqiao Town, Pudong New Area, Shanghai
3. Legal representative: Jin Bo (金波)
4. Business scope: Development of relevant industries for tunnels and operation of tunnels.
5. As of 31 December 2021: Total assets of RMB852,997,100, total non-current liabilities due within one year of RMB422,300, total current liabilities of RMB257,135,700, and total liabilities of RMB399,966,000, net assets of RMB453,031,100; for the year 2021: operating revenue of RMB19,142,500, and net profit of RMB64,233,000.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(iii) Shanghai Dazhong Environment Industry Co., Ltd.

1. Company name: Shanghai Dazhong Environment Industry Co., Ltd.
2. Registered address: Room 2121, 29 Kangshi Road, Kangqiao Town, Pudong New Area, Shanghai
3. Legal representative: Jin Bo (金波)
4. Business scope: Investment in urban tap water supply and sewage treatment projects, investment in infrastructure of solid waste treatment projects, etc.
5. As of 31 December 2021: Total assets of RMB684,208,000, total current liabilities of RMB130,300, total liabilities of RMB478,400, and net assets of RMB683,729,600; for the year 2021: operating revenue of RMB58,200, and net profit of RMB66,595,000.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(iv) Shanghai Dazhong Jiading Sewage Treatment Co., Ltd.

1. Company name: Shanghai Dazhong Jiading Sewage Treatment Co., Ltd.
2. Registered address: 1720 Jialuo Road, Jiading District, Shanghai
3. Legal representative: Jin Bo (金波)
4. Business scope: Collection and treatment of domestic sewage and industrial wastewater, etc.
5. As of 31 December 2021: Total assets of RMB739,904,800, total non-current liabilities due within one year of RMB73,104,300, total current liabilities of RMB103,236,000, total long-term borrowings of RMB138,690,200, total liabilities of RMB351,080,300, and net assets of RMB388,824,500; for the year 2021: operating revenue of RMB203,980,700, and net profit of RMB106,593,900.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(v) Jiangsu Dazhong Water Group Co., Ltd.

1. Company name: Jiangsu Dazhong Water Group Co., Ltd.
2. Registered address: Sanbahe, Qiaojiahu Village, Xuzhou
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: Design and construction of environmental engineering and water treatment engineering; operational management services; technical consultation; production and sales of recycled water, sales of construction materials and chemical products; operation of non-financial assets; construction, operation and management of photovoltaic power stations; property leasing; site leasing.
5. As of 31 December 2021: Total assets of RMB441,628,300, total short-term borrowings of RMB35,046,200, total current liabilities of RMB96,213,300, total liabilities of RMB162,450,300, and net assets of RMB279,178,000; for the year 2021: operating revenue of RMB142,273,700, and net profit of RMB34,099,400.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(vi) Xuzhou Fountainhead Sewage Co., Ltd.

1. Company name: Xuzhou Fountainhead Sewage Co., Ltd.
2. Registered address: Xuzhou Industrial Park (100 meters south of the intersection of National Highway 310 and National Highway 206)
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: Collection, treatment and deep purification of sewage, operation services for sewage treatment and recycling of sewage.
5. As of 31 December 2021: Total assets of RMB32,712,400, total current liabilities of RMB9,307,900, total liabilities of RMB14,465,700, and net assets of RMB18,246,700; for the year 2021: operating revenue of RMB9,407,900, and net profit of RMB2,862,000.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(vii) Peixian Fountainhead Water Operation Co., Ltd.

1. Company name: Peixian Fountainhead Water Operation Co., Ltd.
2. Registered address: West of East Ring Road, Pei County, south of Yanhe Bridge
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: Collection, treatment and deep purification of sewage.
5. As of 31 December 2021: Total assets of RMB86,401,400, total current liabilities of RMB36,015,700, total long-term borrowings of RMB3,000,000, total liabilities of RMB49,998,400, and net assets of RMB36,402,900; for the year 2021: operating revenue of RMB17,763,200, and net profit of RMB5,966,500.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(viii) Lianyungang West Lake Sewage Co., Ltd.

1. Company name: Lianyungang West Lake Sewage Co., Ltd.
2. Registered address: Southwest side of West Area, Donghai County Economic Development Zone
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: Sewage treatment and recycling.
5. As of 31 December 2021: Total assets of RMB35,947,000, total current liabilities of RMB9,734,300, total liabilities of RMB15,448,000, and net assets of RMB20,499,000; for the year 2021: operating revenue of RMB8,367,300, and net profit of RMB3,481,900.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(ix) Xuzhou Dazhong Water Operation Co., Ltd.

1. Company name: Xuzhou Dazhong Water Operation Co., Ltd.
2. Registered address: Sanbahe Sewage Treatment Plant, Qiaojiahu Village, Xuzhou
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: Collection, treatment and deep purification of sewage, operation services for sewage treatment and recycling of sewage, development, transfer, consultation and services of environmental protection technology.
5. As of 31 December 2021: Total assets of RMB86,396,400, total current liabilities of RMB2,836,500, total liabilities of RMB11,818,500, and net assets of RMB74,577,900; for the year 2021: operating revenue of RMB20,153,700, and net profit of RMB6,645,600.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(x) Xuzhou Jiawang Dazhong Water Operation Co., Ltd.

1. Company name: Xuzhou Jiawang Dazhong Water Operation Co., Ltd.
2. Registered address: Xuzhou Industrial Park (100 meters south of the intersection of National Highway 310 and National Highway 206), Jiangsu province, the PRC
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: Collection, treatment and deep purification of sewage, operation services for sewage treatment and recycling of sewage.
5. As of 31 December 2021: Total assets of RMB56,011,900, total non-current liabilities due within one year of RMB nil, total current liabilities of RMB25,155,000, total liabilities of RMB28,079,900, and net assets of RMB27,932,000; for the year 2021: operating revenue of RMB10,665,200, and net profit of RMB6,475,000.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(xi) Pizhou Fountainhead Water Operation Co., Ltd.

1. Company name: Pizhou Fountainhead Water Operation Co., Ltd.
2. Registered address: 500 meters east of Zhendong Village, Yunhe Town, Pizhou, the PRC
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: Sewage treatment and operation.
5. As of 31 December 2021: Total assets of RMB60,214,900, total non-current liabilities due within one year of RMB nil, total current liabilities of RMB11,934,800, total liabilities of RMB22,291,700, and net assets of RMB37,923,200; for the year 2021: operating revenue of RMB15,744,700, and net profit of RMB7,157,900.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(xii) Shanghai Dazhong Gas Co., Ltd.

1. Company name: Shanghai Dazhong Gas Co., Ltd.
2. Registered address: 309 Fushan Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC
3. Legal representative: Liang Jiawei (梁嘉璋)
4. Business scope: Gas, natural gas, gas meters, gas equipment appliances, gas kitchen equipments, gas distribution, planning, design and construction of gas projects, construction of municipal public construction projects, professional construction of pipeline construction projects.
5. As of 31 December 2021: Total assets of RMB5,502,177,500, total short-term borrowings of RMB500,489,400, total current liabilities of RMB3,088,350,700, total liabilities of RMB3,813,595,500, and net assets of RMB1,688,582,000; for the year 2021: operating revenue of RMB3,616,691,400, and net profit of RMB58,222,000.
6. Associated relationship or other relationships with the listed company: Controlled subsidiary

(xiii) Shanghai Dazhong Gas Investment Developing Co., Ltd.

1. Company name: Shanghai Dazhong Gas Investment Developing Co., Ltd.
2. Registered address: Room 1226, 2575 Hunan Road, Kangqiao Town, Pudong New Area (Kangqiao), Shanghai, the PRC
3. Legal representative: Liang Jiawei (梁嘉璋)
4. Business scope: Asset management, corporate management, domestic commerce, asset restructuring, asset custody and relevant business consultation, economic and trade information consultation, investment in urban public utilities such as gas, transportation, water and environmental protection, industrial investment.
5. As of 31 December 2021: Total assets of RMB187,774,000, total current liabilities of RMB156,900, total liabilities of RMB156,900, and net assets of RMB187,617,200; for the year 2021: operating revenue of RMB nil, and net profit of RMB15,136,300.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(xiv) Nantong Dazhong Gas Co., Ltd.

1. Company name: Nantong Dazhong Gas Co., Ltd.
2. Registered address: No.59, Gongnong North Road, Nantong city, the PRC
3. Legal representative: Zhuang Jianhao (莊建浩)
4. Business scope: Production, distribution and supply of pipeline gas, supply of CNG, supply of liquefied petroleum gas, etc..
5. As of 31 December 2021: Total assets of RMB1,600,662,000, total current liabilities of RMB324,085,500, total liabilities of RMB1,104,118,900, and net assets of RMB496,543,000; for the year 2021: operating revenue of RMB1,271,239,600, and net profit of RMB78,274,300.
6. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xv) Shanghai Dazhong Group Capital Equity Investment Co., Ltd.

1. Company name: Shanghai Dazhong Group Capital Equity Investment Co., Ltd.
2. Registered address: Room 24A01, 518 Shangcheng Road, Pudong New Area, Shanghai, the PRC
3. Legal representative: Yang Guoping (楊國平)
4. Business scope: Equity investment, equity investment management, investment consultation, industrial investment, and asset management.
5. As of 31 December 2021: Total assets of RMB512,544,200, total liabilities of RMB27,562,400, and net assets of RMB484,981,700; for the year 2021: operating revenue of RMB nil, and net profit of RMB-8,770,400.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(xvi) Shanghai Dazhong Assets Management Co., Ltd.

1. Company name: Shanghai Dazhong Assets Management Co., Ltd.
2. Registered address: Room 906, Building A, 169 Taigu Road, China (Shanghai) Pilot Free Trade Zone
3. Legal representative: Yang Guoping (楊國平)
4. Business scope: Asset management, investment management, equity investment management, investment consultation, etc.
5. As of 31 December 2021: Total assets of RMB71,812,400, total current liabilities of RMB nil, total liabilities of RMB nil, and net assets of RMB71,812,400; for the year 2021: operating revenue of RMB nil, and net profit of RMB-1,747,300.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(xvii) Shanghai Dazhong Financial Leasing Co., Ltd.

1. Company name: Shanghai Dazhong Financial Leasing Co., Ltd.
2. Registered address: Room 108, 26 Jiafeng Road, China (Shanghai) Pilot Free Trade Zone
3. Legal representative: Yang Guoping (楊國平)
4. Business scope: Financial leasing business, leasing business, purchase of domestic and overseas leased property, treatment and maintenance of residual value of leased property, consultation and provision of guarantee for leasing transactions, engagement in commercial factoring business in relation to its main business.
5. As of 31 December 2021: Total assets of RMB1,784,792,600, total non-current liabilities due within one year of RMB608,016,500, total current liabilities of RMB806,473,800, total long-term borrowings of RMB299,096,500, total liabilities of RMB1,212,285,500, and net assets of RMB572,507,200; for the year 2021: operating revenue of RMB119,096,100, and net profit of RMB51,776,700.
6. Associated relationship or other relationships with the listed company: Controlled subsidiary

(xviii) Shanghai Dazhong Transportation Commerce Co., Ltd.

1. Company name: Shanghai Dazhong Transportation Commerce Co., Ltd.
2. Registered address: Room 1112, 1515 Zhongshan West Road, Xuhui District, Shanghai
3. Legal representative: Li Weitao (李偉濤)
4. Business scope: Provision of corporate management consultation and planning and business information consultation through the membership card system of the Group, provision of a variety of management, planning, consultation and agent services in relation to employee benefits to units of the enterprise through the employee service card system, etc.
5. As of 31 December 2021: Total assets of RMB125,791,100, total current liabilities of RMB25,421,900, total liabilities of RMB25,421,900, and net assets of RMB100,369,200; for the year 2021: operating revenue of RMB1,553,100, and net profit of RMB-640,200.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(xix) Shanghai Zhonggong Information Service Co., Ltd.

1. Company name: Shanghai Zhonggong Information Service Co., Ltd.
2. Registered address: Room A1-5932, 58 Fuminzhi Road, Hengsha Township, Chongming County, Shanghai (Shanghai Hengtai Economic Development Zone)
3. Legal representative: Chen Jiami (陳佳敕)
4. Business scope: Business consultation, business management consultation, marketing planning, corporate image planning, exhibition services, financial consultation, translation services, market information consultation and survey, etc.
5. As of 31 December 2021: Total assets of RMB12,842,000, total current liabilities of RMB475,900, total liabilities of RMB972,200, and net assets of RMB11,869,800; for the year 2021: operating revenue of RMB105,800, and net profit of RMB10,800.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(xx) Dazhong (Hong Kong) International Corporation Limited

1. Company name: Dazhong (Hong Kong) International Corporation Limited
2. Registered address: FLAT/RM 8204B, 82/F, International Commerce Centre, 1 Austin Road West, KL
3. Business scope: Passenger transportation services of rental cars, business and investment in relation to freight transport.
4. As of 31 December 2021: Total assets of RMB2,233,479,600, total short-term borrowings of RMB164,964,500, total current liabilities of RMB893,280,700, total liabilities of RMB893,863,200, and net assets of RMB1,339,616,300; for the year 2021: operating revenue of RMB nil, and net profit of RMB-180,627,200.
5. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(xxi) Xuzhou Qingshanquan Dazhong Water Operation Co., Ltd.

1. Company name: Xuzhou Qingshanquan Dazhong Water Operation Co., Ltd.
2. Registered address: Textile Industry Park, Qingshanquan Town, Jiawang District, Xuzhou, the PRC
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: Sewage treatment and recycling and operation services.
5. As of 31 December 2021: Total assets of RMB43,875,000, total current liabilities of RMB15,868,300, total long-term borrowings of RMB7,487,500, total liabilities of RMB26,093,900, and net assets of RMB17,781,100; for the year 2021: operating revenue of RMB7,746,500, and net profit of RMB3,116,400.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(xxii) Shanghai Dazhong Run Logistics Shares Co., Ltd.

1. Company name: Shanghai Dazhong Run Logistics Shares Co., Ltd.
2. Registered address: No. 451, Wenshui Road, Jing'an District, Shanghai, the PRC
3. Legal representative: Zhang Rongzheng (張榮浬)
4. Business scope: General cargo transportation, general cargo transportation (freight leasing), general cargo transportation (field moving transportation), cargo-specific transportation (refrigeration), road transport of dangerous goods (Class II (flammable gas)), road general cargo transportation (truck brokerage), domestic freight forwarding agent, sea/land/air international freight forwarding agent and packaging services.
5. As of 31 December 2021: Total assets of RMB188,877,800, total current liabilities of RMB54,157,000, total liabilities of RMB70,946,800, and net assets of RMB118,192,000; for the year 2021: operating revenue of RMB131,078,000 and net profit of RMB12,866,200.
6. Associated relationship or other relationships with the listed company: Controlled subsidiary

(xxiii) Shanghai Ruyu Energy Investment Co., Ltd.

1. Company name: Shanghai Ruyu Energy Investment Co., Ltd.
2. Registered address: Room G1016, Building 10, No. 1021, Sanshuang Road, Gangxi Town, Chongming District, Shanghai, the PRC
3. Legal representative: Liang Jiawei (梁嘉偉)
4. Business scope: Technology development, technology consulting, technology transfer and technical services in energy technology area.
5. As of 31 December 2021: Total assets of RMB1,383,417,400, total current liabilities of RMB nil, total liabilities of RMB31,999,000, and net assets of RMB1,351,418,500; for the year 2021: operating revenue of RMB nil, and net profit of RMB46,238,300.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(xxiv) Shanghai Dazhong Run Supply Chain Management Co., Ltd.

1. Company name: Shanghai Dazhong Run Supply Chain Management Co., Ltd.
2. Registered address: No. 56 Suide Road, Putuo District, Shanghai, the PRC
3. Legal representative: He Zhou (何洲)
4. Business scope: Uploading and unloading services, supply chain management, road cargo transportation, domestic freight forwarding agent, etc.
5. As of 31 December 2021: Total assets of RMB31,902,000, total current liabilities of RMB7,736,900, total liabilities of RMB11,162,100, and net assets of RMB20,739,800; for the year 2021: operating revenue of RMB45,136,300, and net profit of RMB6,655,900.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(xxv) Platinum Capital Investment Corporational Limited

1. Company name: Platinum Capital Investment Corporational Limited
2. As of 31 December 2021: Total assets of USD200, total current liabilities of USD16,300, total liabilities of USD16,300, and net assets of USD-16,100; for the year 2021: operating revenue of USD nil, and net profit of USD-4,700.
3. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xxvi) CENTURY CHARM LIMITED

1. Company name: CENTURY CHARM LIMITED
2. As of 31 December 2021: Total assets of USD100, total current liabilities of USD20,000, total liabilities of 20,000, and net assets of USD-19,900; for the year 2021: operating revenue of USD nil, and net profit of USD-3,700.
3. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xxvii) ULTRA PARTNER LIMITED

1. Company name: ULTRA PARTNER LIMITED
2. As of 31 December 2021: Total assets of USD100, total current liabilities of USD20,000, total liabilities of USD20,000, and net assets of USD-19,900; for the year 2021: operating revenue of USD nil, and net profit of USD-3,700.
3. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xxviii) Fretum Construction & Engineering Enterprise Limited

1. Company name: Fretum Construction & Engineering Enterprise Limited
2. Registered address: FLAT/RM 8204B, 82/F, International Commerce Centre, 1 Austin Road West, KL
3. Business scope: CORP
4. As of 31 December 2021: Total assets of USD52,672,400, total current liabilities of USD6,592,800, total liabilities of USD6,592,800, and net assets of USD46,079,600; for the year 2021: operating revenue of USD nil, and net profit of USD-107,200.
5. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xxix) Galaxy Building & Development Corporation Limited

1. Company name: Galaxy Building & Development Corporation Limited
2. Registered address: FLAT/RM 8204B, 82/F, International Commerce Centre, 1 Austin Road West, KL
3. Business scope: CORP
4. As of 31 December 2021: Total assets of USD2,850,400, total current liabilities of USD12,800, total liabilities of USD12,800, and net assets of USD2,837,500; for the year 2021: operating revenue of USD nil, and net profit of USD-1,200.
5. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xxx) Ace Best Investing Management Corporation Limited

1. Company name: Ace Best Investing Management Corporation Limited
2. Registered address: FLAT/RM 8204B, 82/F, International Commerce Centre, 1 Austin Road West, KL
3. Business scope: CORP
4. As of 31 December 2021: Total assets of USD4,989,300, total current liabilities of USD nil, total liabilities of USD nil, and net assets of USD4,989,300; for the year 2021: operating revenue of USD nil, and net profit of USD-1,300.
5. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xxxi) Interstellar Capital Investment CO., Limited

1. Company name: Interstellar Capital Investment CO., Limited
2. Registered address: FLAT/RM 8204B, 82/F, International Commerce Centre, 1 Austin Road West, KL
3. Business scope: CORP
4. As of 31 December 2021: Total assets of RMB376,644,200, total current liabilities of RMB81,800, total liabilities of RMB81,800, and net assets of RMB376,562,400; for the year 2021: operating revenue of RMB nil, and net profit of RMB-63,200.
5. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xxxii) Allpay (International) Finance Service Corporation Limited

1. Company name: Allpay (International) Finance Service Corporation Limited
2. Registered address: Suites 3011, 30th Floor, Tower 6 the Gateway, 1 Canton Road, Kowloon, Hong Kong
3. Business scope: CORP
4. As of 31 December 2021: Total assets of USD6,577,900, total current liabilities of USD nil, total liabilities of USD nil, and net assets of USD6,577,900; for the year 2021: operating revenue of USD nil, and net profit of USD-39,800.
5. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xxxiii) Dazhong (Vietnam) International Co., Ltd.

1. Company name: Dazhong (Vietnam) International Co., Ltd.
2. Registered address: Ho Chi Minh City, Vietnam
3. Legal representative: Zhuang Ziguó (莊自國)
4. Business scope: Management consultation
5. As of 31 December 2021: Total assets of USD5,027,900, total current liabilities of USD50,900, total liabilities of USD50,900, and net assets of USD4,977,000; for the year 2021: operating revenue of USD nil, and net profit of USD230,000.
6. Associated relationship or other relationships with the listed company: Subsidiary of a wholly-owned subsidiary

(xxxiv) **Jiangsu Dazhong Environmental Governance Co., Ltd.**

1. Company name: Jiangsu Dazhong Environmental Governance Co., Ltd.
2. Registered address: Sanbahe Sewage Treatment Plant, Qiaojiahu Village, Yunlong District, Xuzhou, the PRC
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: Environmental control and management services; water pollution control services; design and construction of environmental engineering, water treatment works, hydraulic engineering, waterproofing engineering, municipal engineering, pipeline engineering design, construction, technology consulting and technical services; sales of construction materials and chemical products (excluding hazardous products); construction, operation and management of photovoltaic power stations; municipal waste disposal services; car park management services; water services. (Projects subject to approval according to law may not commence business until they are approved by relevant departments)
5. As of 31 December 2021: Total assets of RMB nil, total current liabilities of RMB nil, total liabilities of RMB nil, and net assets of RMB nil; for the year 2021: operating revenue of RMB nil, and net profit of RMB nil.
6. Associated relationship or other relationships with the listed company: Wholly-owned subsidiary

(xxxv) **Shanghai Dazhong Gas Pipeline Engineering Co., Ltd.**

1. Company name: Shanghai Dazhong Gas Pipeline Engineering Co., Ltd.
2. Registered address: Room 3008, Floor 3, Building 1, No. 999 Jinzha Road, Fengxian District, Shanghai, the PRC
3. Legal representative: Yan Dafeng (顏達峰)
4. Business scope: Professional construction of pipeline construction engineering and testing of gas equipment. Engagement in technology development, technology consulting, technical services and technology transfer in the technical field of gas pipeline engineering. Construction of municipal public construction projects, and wholesale and retail of gas alarm devices, stainless steel kitchen equipment and gas equipment. Installation and maintenance of gas cookers. Gas operation, and water and electricity installation. (Projects subject to approval according to law may not commence business until they are approved by relevant departments)
5. As of 31 December 2021: Total assets of RMB48,830,000, total current liabilities of RMB37,489,700, total liabilities of RMB37,489,700, and net assets of RMB11,340,300; for the year 2021: operating revenue of RMB78,671,600, and net profit of RMB1,179,500.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(xxxvi) Shanghai Zhongju Equipment Leasing Co., Ltd.

1. Company name: Shanghai Zhongju Equipment Leasing Co., Ltd.
2. Registered address: Room 333, Floor 3, Part 4, Building 1, No. 2001 Yanggao North Road, China (Shanghai) Pilot Free Trade Zone
3. Legal representative: Liang Jiawei (梁嘉璋)
4. Business scope: Finance leasing business of machinery and equipment (only SPV), leasing business, purchase of overseas leased property, and treatment of residual value of leased property. (Projects subject to approval according to law may not commence business until they are approved by relevant departments)
5. As of 31 December 2021: Total assets of RMB16,951,500, total current liabilities of RMB14,045,100, total liabilities of RMB16,037,300, and net assets of RMB914,200; for the year 2021: operating revenue of RMB 1,564,600, and net profit of RMB816,400.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(xxxvii) Lianyungang Dazhong Environmental Governance Co., Ltd.

1. Company name: Lianyungang Dazhong Environmental Governance Co., Ltd.
2. Registered address: No.9 Guangming Road, West Economic Development Zone, Donghai County, Lianyungang, the PRC
3. Legal representative: Lu Qiyu (陸綺俞)
4. Business scope: General projects: sewage treatment and recycling (save for projects which are subject to approval according to law, operating activities can be carried out based on the business license according to law).
5. As of 31 December 2021: Total assets of RMB59,440,600, total current liabilities of RMB23,948,700, total liabilities of RMB32,360,800, and net assets of RMB27,079,800; for the year 2021: operating revenue of RMB54,117,700, and net profit of RMB100,000.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(xxxviii) **Shanghai Dazhong Commercial Factoring Co., Ltd.**

1. Company name: Shanghai Dazhong Commercial Factoring Co., Ltd.
2. Registered address: Unit 110, Building 1, No. 451, Wenshui Road, Jing'an District, Shanghai
3. Legal representative: Li Weitao (李偉濤)
4. Business scope: Permitted projects: factoring financing, (classified) account management of sales sub-accounts, collection of accounts receivables, non-commercial bad debt guarantees, customer credit investigations and evaluations, and consultation services related to commercial factoring, etc. (For projects that are subject to approval as provided for by laws, any business activity is only after approval from relevant departments. The specific business projects shall be subject to approval documents or licenses of relevant departments)
5. As of 31 December 2021: Total assets of RMB993,900, total current liabilities of RMB2,400, total liabilities of RMB2,400, and net assets of RMB991,400; for the year 2021: operating revenue of RMB nil, and net profit of RMB-8,600.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

(xxxix) **Shanghai Zhongzhu Information Technology Co., Ltd. (上海眾鑄信息科技有限公司)**

1. Company name: Shanghai Zhongzhu Information Technology Co., Ltd.
2. Registered address: No. 2050 Honghai Highway, Miao Town, Chongming District, Shanghai (Shanghai Miao Town Economic Development Zone)
3. Legal representative: Li Weitao (李偉濤)
4. Business scope: General projects: technology development, technology transfer and technology consultation in professional areas of information, computer and Internet technology; software development; project planning and public relation services; business management; marketing planning; cultural and artistic exchange planning; corporate image planning; market research; conference and exhibition services; financial consulting; translation services; health consulting services; ticketing agency services; parking services; car rental; sales of cosmetics, general merchandise, bags, leather products, electronic products, general labor protection supplies, construction materials, office equipment, toys, arts and crafts and collectibles; advertising design, agency and production.
5. Total assets of RMB40,762,700, total current liabilities of RMB37,364,900, total liabilities of RMB37,364,900, and net assets of RMB3,397,800; for the year 2021: operating revenue of RMB5,450,100, and net profit of RMB3,397,800.
6. Associated relationship or other relationships with the listed company: Subsidiary of a controlled subsidiary

The above guaranteed parties are not shareholders, de facto controllers of shareholders and controlled subsidiaries and affiliates of the Company, and are not individuals.

III. MAIN SUBJECT OF GUARANTEE AGREEMENT

The Company provides credit guarantees, and the term and amount of which are determined in accordance with the business requirements of the guaranteed party.

IV. AGGREGATE AMOUNT OF EXTERNAL GUARANTEES AND AGGREGATE AMOUNT OF OVERDUE GUARANTEES

In 2021, the aggregate amount of guarantees provided by the Company for its controlled subsidiaries and subsidiaries of its controlled subsidiaries (including subsidiaries with a gearing ratio of more than 70%) amounted to RMB2,051,873,510.34 (foreign currency inclusive).

As of 31 December 2021, the balance of guarantees provided by the Company for its controlled subsidiaries and subsidiaries of its controlled subsidiaries (including subsidiaries with a gearing ratio of more than 70%) amounted to RMB1,419,772,050.57 (foreign currency inclusive), which accounted for 16.4% of net assets of the Company. The Company has not provided any guarantee for its controlling shareholders and related parties, and there is no overdue guarantee.

It is proposed to the 2021 AGM to grant approval to the Board to authorize the management to perform specific operations regarding the above composite credit facilities and external guarantees. The authorization period shall begin from the date on which the resolution is approved at the 2021 AGM to the date on which the next annual general meeting is held.

The details of the resolution on the proposal for the Company and its subsidiaries to use self-owned idle funds for entrusted financing in 2021 are as follows:

I. OVERVIEW OF CASH MANAGEMENT

(1) Purpose of cash management

In order to continuously enhance the efficiency of the use of the funds of the Company and its subsidiaries and reasonably utilize the idle funds, the Company and its subsidiaries intend to use self-owned idle funds for cash management with a limit shared by the Company and its subsidiaries on a revolving basis, and authorize the management of the Company to carry out related specific issues, provided that liquidity requirements for the ordinary course of operation of the Company and its subsidiaries are securely met.

(2) Capital source

Self-owned idle funds of the Company and its subsidiaries.

(3) Amount of cash management

A maximum balance of RMB1.5 billion (foreign currency translation inclusive) per day. Such limit can be used on a cyclical and revolving basis.

(4) Term of cash management

From the date on which the resolution is passed at the 2021 AGM of the Company to the date on which the annual general meeting for the year 2022 of the Company is held.

(5) Internal control of the Company over the risks associated with cash management

The Company has established sound procedures for the consideration and approval and implementation of the use of funds to ensure the effective application and regulated use of funds. In order to control investment risks, the self-owned idle funds are utilized to purchase wealth management products with high security and strong liquidity. During the period of cash management, the Company will timely analyze and track the operation of the wealth managed funds, and will adopt appropriate measures promptly if any risk factors that may affect the security of funds of the Company are identified. Meanwhile, in accordance with the relevant requirements of the China Securities Regulatory Commission and Shanghai Stock Exchange, the Company will disclose the condition of wealth management products during the reporting period in regular reports.

II. DETAILS OF SUCH CASH MANAGEMENT

In order to enhance the efficiency of the use of the self-owned funds of the Company and reasonably utilize the self-owned idle funds, subject to the ordinary production, operation and the safety of funds with risk under control, the Company used self-owned idle funds of a maximum of RMB1.5 billion for cash management to purchase cash management products for the term of no more than 12 months. Subject to such limit and term, the funds can be used on a cyclical and revolving basis. The investment period of single wealth product is within one year and the specific terms are subject to the related agreements of actual purchase of cash management products.

III. INFORMATION ON THE TRUSTEES OF CASH MANAGEMENT

The counterparties of the Company's cash management are financial institutions with legal business qualifications such as commercial banks, with high credit ratings and strong performance capabilities. There is no relationship between the Company and the trustees in terms of property rights, business, assets, bonds and debts, staff, etc.

IV. IMPACT ON THE DAILY OPERATION OF THE COMPANY

The Company's use of self-owned idle funds to purchase wealth management products is subject to ordinary operation of the Company. Through the timely and moderate cash management of its self-owned idle funds, the Company can obtain certain investment income, which is conducive to realizing the preservation and appreciation of the Company's cash assets and fully protecting the interests of the Company and the Shareholders.

V. CAUTION ON RISKS

Although the wealth management products the Company intends to purchase are short-term cash management products with controllable risks, the returns on investment could be affected by factors such as market volatile and changes in macro financial policies.

VII. INFORMATION ON CASH MANAGEMENT WITH SELF-OWNED FUNDS BY
THE COMPANY DURING LATEST TWELVE MONTHS UP TO THE DATE OF
THIS ANNOUNCEMENT*Unit: RMB10 thousand*

No.	Type of Wealth Management Products	Actual Investment Amount	Actual Principle Amount Recovered	Actual Return	Outstanding Principle Amount
1	Bank Wealth Management Products	120,556.00	101,356.00	1,035.74	19,200.00
Total		120,556.00	101,356.00	1,035.74	19,200.00
Maximum investment amount per day during latest twelve months					63,410.00
Maximum investment amount per day during latest twelve months/net assets for the past year (%)					7.28%
Cumulative returns on entrusted wealth management during latest twelve months/net profits for the past year (%)					3.41%
Wealth management limit already utilized					19,200.00
Outstanding wealth management limit					130,800.00
Maximum wealth management limit					150,000.00

The details of the resolution on the re-appointment of the domestic audit firm and internal control audit firm for the Group for the year 2022 are as follows:

As the domestic audit firm and internal control audit firm appointed by the Company for the year 2021, BDO China Shu Lun Pan Certified Public Accountants LLP (“BDO”), in the course of audit for 2021, complied with the Chinese Auditing Standards for Certified Public Accountants, performed the necessary audit procedures, collected appropriate and sufficient audit evidence, and the audit conclusion was in line with the actual situation of the Company. BDO acted diligently and conscientiously during the audit of the Company, and followed the professional standards of independence, objectivity and impartiality. In 2021, the service fee for audit business paid by the Company to BDO China Shu Lun Pan Certified Public Accountants LLP amounted to RMB1.5 million, and the service fee for internal control audit business amounted to RMB0.4 million.

Since BDO has the professional competence, investor protection ability, independence and good credibility to complete the audit work of the Company, and followed the professional standards of independence, objectivity and impartiality in the course of audit. On the recommendation of the Audit Committee of the Board, the Company proposes to re-appoint BDO as the domestic audit firm and internal control audit firm for the Company for the year 2022 to conduct audit on the annual financial statements of the Company for the year 2022 and issue audit reports, and to conduct audit on the effectiveness of internal control of the Company and issue internal control audit reports. The term of the appointment shall be one year, and audit fees shall be paid in accordance with the standard paid schedule.

The details of the resolution on the appointment of the overseas audit firm for the Company for the year 2022 are as follows:

As the overseas audit firm appointed by the Company for the year 2021, BDO Limited, in the course of audit on the Company, strictly adhered to the independent, objective and fair practice standards, earnestly performed the duties of audit firms, issued audit reports objectively and fairly reflect the Company's financial status, operating results and cash flows, and completed the audit on the Company on time. In 2021, the fee for audit services paid by the Company to BDO Limited amounted to HK\$1.3 million.

In order to ensure the continuity and stability of audit work and meet the requirement of external audit work of the Company, as recommended by the Audit Committee of the Board of the Company, the Company proposes to re-appoint BDO Limited as the overseas audit firm for the Company for the year 2022. The term of appointment shall be one year, and audit fees shall be paid in accordance with the standard paid schedule.

I. NOMINATION OF CANDIDATE FOR NON-EXECUTIVE DIRECTOR

The Company received a letter dated January 17, 2022 from Shanghai Gas (Group) Co., Ltd. (上海燃氣(集團)有限公司), a shareholder of the Company. Given the work accommodation of Ms. Qu Jia, a non-executive Director, Mr. Shi Pingyang (史平洋) is recommended to replace Ms. Qu Jia as a Director of the Eleventh Session of the Board. In accordance with the Company Law and other laws and regulations, as well as the relevant provisions of the Articles of Association and the Rules of Procedures of the Nomination Committee under the Board, Mr. Shi Pingyang is nominated as the candidate for non-executive Director of the Eleventh Session of the Board for a term commencing from the date of consideration and approval at the general meeting to the expiry of the term of office of the Eleventh Session of the Board, after careful examination on his qualifications and job requirements by the Nomination Committee of the Board. The above nomination of non-executive director is subject to the consideration at the 2021 AGM of the Company.

II. NOMINATION OF CANDIDATE FOR INDEPENDENT NON-EXECUTIVE DIRECTOR

- (1) In view of the recent amendments made by the Hong Kong Stock Exchange to certain parts of the Listing Rules with requirement that the board of directors of a listed company shall not be of a single gender under the section of board diversity (Rule 13.92 of the Main Board Listing Rules), the Board of Directors of the Company nominates Ms. Li Yingqi (李穎琦) as the candidate for independent non-executive Director of the Eleventh Session of the Board of Directors of the Company for a term commencing from the date of consideration and approval at the general meeting to the expiry of the term of office of the Eleventh Session of the Board, after careful examination on her qualifications and job requirements by the Nomination Committee of the Board of Directors. Ms. Li Yingqi has obtained the qualification certificate of independent directors.
- (2) Mr. Chow Siu Lui has tendered resignation as the independent non-executive Director of Shanghai Dazhong Public Utilities (Group) Co., Ltd. and the chairman of the Audit Committee of the Board of Public Utilities due to other work commitments.
- (3) Mr. Liu Zhengdong has tendered resignation as the independent non-executive Director of Shanghai Dazhong Public Utilities (Group) Co., Ltd. and the chairman of the Nomination Committee, the member of the Audit Committee and the member of the Remuneration and Appraisal Committee of the Board of Public Utilities for his own personal reasons.

In accordance with the Company Law, the Rules for Independent Directors of Listed Companies and other laws and regulations, as well as the relevant provisions of the Articles of Association, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Nomination Committee of the Board of Directors of the Company, the Board of Directors nominates Mr. Yang Ping (楊平) and Mr. Liu Feng (劉峰) as the candidates for independent non-executive Directors of the Eleventh Session of the Board for a term commencing from the date of consideration and approval at the general meeting to the expiry of the term of office of the Eleventh Session of the Board, after careful examination on their qualifications and job requirements by the Nomination Committee of the Board. Mr. Liu Feng has obtained the qualification certificate of independent directors, while Mr. Yang Ping has not yet. Mr. Yang Ping has undertaken to attend the latest independent director qualification training organized by the Shanghai Stock Exchange and obtain the qualification certificate of independent directors after nomination.

BIOGRAPHICAL DETAILS OF CANDIDATES FOR NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS ARE SET OUT AS FOLLOWS:

(i) Mr. Shi Pingyang (史平洋) – Non-Executive Director

Mr. Shi Pingyang, aged 47, currently serves as the deputy party secretary and deputy vice president of Shanghai Gas Co., Ltd.* (上海燃氣有限公司) and deputy general manager of Shanghai Gas (Group) Co., Ltd.* (上海燃氣(集團)有限公司). Mr. Shi served at various positions of Shenergy (Group) Company Limited* (申能(集團)有限公司) from July 2007 to November 2013 and from July 2018 to December 2021 including general manager of investment management department. From July 2014 to July 2018, he served at various positions of Huaibei Shenwan Power Generation Co., Ltd* (淮北申皖發電有限公司)* including deputy general manager. From November 2013 to July 2014, he served as an assistant to director of the preparatory department of Anhui Huaibei Pingshan Power Plant* (安徽淮北平山電廠). Mr. Shi received his bachelor degree in boiler major from Xi'an Jiaotong University (西安交通大學) in 1996.

As of the date of this circular, save as disclosed above, Mr. Shi confirmed that (i) he does not hold any position in the Group; (ii) he did not hold any directorship in any other listed companies during the past three years; (iii) he has no relationship with any Director, supervisor, senior management member, substantial Shareholder or controlling Shareholder of the Company; and (iv) he has not owned any interest as defined in Part XV of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) in the shares of the Company.

(ii) Ms. Li Yingqi (李穎琦) – Independent Non-Executive Director

Ms. Li Yingqi, aged 45, currently serves as a professor and doctoral supervisor of Shanghai National Accounting Institute (上海國家會計學院). Ms. Li is enjoying special government allowances from the State Council. She also serves as a consultant expert of the internal control standards committee of the Ministry of Finance* (財政部內部控制標準委員會). Ms. Li is currently an independent director of Shanghai International Airport Co., Ltd.* (上海國際機場股份有限公司) (stock code: 600009), Shanghai Haohai Biological Technology Co., Ltd.* (上海昊海生物科技股份有限公司) (stock code: 688366) and Eastern Air Logistics Co., Ltd.* (東方航空物流股份有限公司) (stock code: 601156). Ms. Li received her doctoral degree in management from Fudan University (復旦大學) in June 2009. She is a senior member of the Chinese Institute of Certified Public Accountants (non-practicing). She also holds the qualification certificate for independent directors issued by the Shenzhen Stock Exchange.

As of the date of this circular, save as disclosed above, Ms. Li confirmed that (i) she does not hold any position in the Group; (ii) she did not hold any directorship in any other listed companies during the past three years; (iii) she has no relationship with any Director, supervisor, senior management member, substantial Shareholder or controlling Shareholder of the Company; and (iv) she has not owned any interest as defined in Part XV of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) in the shares of the Company.

(iii) Mr. Yang Ping (楊平) – Independent Non-Executive Director

Mr. Yang Ping, aged 53, is currently the chief executive officer and president of Sailing Capital Management Co., Ltd.* (賽領資本管理有限公司), the chairman of the board of directors of Hong Kong Sailing Capital Holdings Co., Ltd.* (香港賽領資本控股有限公司) and serving as the chairman of the board of directors of Shanghai Sailing Capital Management Co., Ltd.* (上海賽領資本管理有限公司). Mr. Yang has been the chairman of the board and non-executive director of Kinergy Corporation Ltd. (光控精技有限公司*) (stock code: 3302) since November 2019. He was the chief investment officer of Everbright Limited (中國光大控股有限公司) (stock code: 165) from November 2007 to February 2021. Mr. Yang is a member of China Asset Management 30 Forum* (中國資產管理30人) and a member of China Industrial Internet 100 Association* (中國工業互聯網百人會). Mr. Yang obtained his doctoral degree in economics from Shanghai Academy of Social Sciences (上海社會科學院) in July 2005.

As of the date of this circular, save as disclosed above, Mr. Yang confirmed that (i) he does not hold any position in the Group; (ii) he did not hold any directorship in any other listed companies during the past three years; (iii) he has no relationship with any Director, supervisor, senior management member, substantial Shareholder or controlling Shareholder of the Company; and (iv) he has not owned any interest as defined in Part XV of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) in the shares of the Company.

(ii) Mr. Liu Feng (劉峰) – Independent Non-Executive Director

Mr. Liu Feng, aged 54, is currently a senior partner of Beijing Dacheng (Shanghai) Law Firm* (北京大成(上海)律師事務所). Mr. Liu serves as an independent director of Shanghai Jiaoda Onlly Co., Ltd.* (上海交大昂立股份有限公司) (stock code: 600530), Shanghai Jiaoda Withub Information Industrial Co., Ltd.* (上海交大慧谷信息產業股份有限公司) (stock code: 8205) and China Post Technology Co., Ltd.* (中郵科技股份有限公司). He was a senior partner of Shanghai Shenda Law Firm* (上海市申達律師事務所) from October 2003 to June 2016. Mr. Liu is a civil and administrative consulting expert of the Supreme People's Procuratorate* (最高人民檢察院民事行政諮詢專家), legal counsel of People's Government of Fengxian District* (奉賢區人民政府法律顧問), director of Intellectual Property Business Committee of Shanghai Lawyers Association* (上海市律師協會知識產權業務委員會), member of Shanghai Intellectual Property Service Industry Association* (上海市知識產權服務行業協會理事), member of High-tech and project financing consultant of Shanghai Science and Technology Commission, member of Intellectual Property Research Association of Shanghai Law Society* (上海市法學會知識產權研究會), mediator of Shanghai Economic and Trade Mediation Center* (上海經貿商事調解中心), member of Intellectual Property Association of China (Shanghai) Pilot Free Trade Zone* (中國(上海)自由貿易試驗區知識產權協會). Mr. Liu received his master degree of business administration from Shanghai Jiaotong University* (上海交通大學) in July 2000. He has been a qualified lawyer in the PRC since 1996. He also holds the qualification certificate for independent directors issued by the Shanghai Stock Exchange.

As of the date of this circular, save as disclosed above, Mr. Liu confirmed that (i) he does not hold any position in the Group; (ii) he did not hold any directorship in any other listed companies during the past three years; (iii) he has no relationship with any Director, supervisor, senior management member, substantial Shareholder or controlling Shareholder of the Company; and (iv) he has not owned any interest as defined in Part XV of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) in the shares of the Company.

APPENDIX XII RESOLUTION ON THE ADJUSTMENT OF ALLOWANCE FOR INDEPENDENT NON-EXECUTIVE DIRECTORS
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In accordance with the Rules for Independent Directors of Listed Companies of the China Securities Regulatory Commission, the Articles of Association and relevant internal regulations, based on the actual operation of the Company and the level of industry development as well as the important role of independent non-executive Directors in the standardized operation of the Company, and with reference to the average level of allowances for independent non-executive directors of A+H listed companies, as recommended by the Remuneration and Appraisal Committee of the Board, the Company proposes to adjust the allowance standard for independent non-executive Directors of the Company from RMB150,000 per person per annum (before tax) to RMB200,000 per person per annum (before tax). Such allowance standard is pre-tax amount, and the related taxes and fees payable by the individuals involved shall be uniformly withheld and paid by the Company. The adjusted allowances for independent non-executive Directors will take effect from the date of approval at the 2021 AGM.

APPENDIX XIII	RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION
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The Company proposed to amend certain articles of the Articles of Association in accordance with the new requirements of relevant laws, regulations and regulatory rules and in order to meet the business development needs of the Company. The details of the amendments are as follows:

Existing Articles	Revised Articles
Article 2 The Company is a limited liability company by shares established in accordance with the Company Law, the Regulations of the People's Republic of China on Company Registration, the Special Regulations and other relevant regulations (the "Company").	Article 2 The Company is a limited liability company by shares established in accordance with the Company Law, the Regulations of the People's Republic of China on Company Registration, the Special Regulations and other relevant regulations (the "Company").
The Company was approved by document Hufuban [1991] No. 105 of the General Office of Shanghai Municipal People's Government and was incorporated by public subscription on 4 September 1991; it registered with the Shanghai Administration for Industry and Commerce and obtained a business license on 1 January 1992. Pursuant to the relevant provisions, the Company has been standardized in accordance with the Company Laws and fulfilled the re-registration procedure according to the law.	The Company was approved by document Hufuban [1991] No. 105 of the General Office of Shanghai Municipal People's Government and was incorporated by public subscription on 4 September 1991; it registered with the Shanghai Administration for Industry and Commerce <u>Shanghai Administration for Market Regulation</u> and obtained a business license on 1 January 1992. Pursuant to the relevant provisions, the Company has been standardized in accordance with the Company Laws and fulfilled the re-registration procedure according to the law.
The unified social credit code of the Company: 91310000132208778G	The unified social credit code of the Company: 91310000132208778G
The promoters of the Company: Shanghai Dazhong Taxi Company, Shanghai Coalgas Company, Bank of Communications, Shanghai Pudong Branch and Shanghai Shenhua Electrician Union Company	The promoters of the Company: Shanghai Dazhong Taxi Company, Shanghai Coalgas Company, Bank of Communications, Shanghai Pudong Branch and Shanghai Shenhua Electrician Union Company

APPENDIX XIII	RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION
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Existing Articles	Revised Articles
<p>Article 10 Commencing from the date when it becomes effective, the Articles of Association shall constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations of the Company and each shareholder and among the shareholders. The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors and senior officers. Pursuant to the Articles of Association, a shareholder may take action against another shareholder, any directors, supervisors, managers and other senior officers of the Company. A shareholder may also take action against the Company, whilst the Company may take action against any of its shareholders.</p> <p>The actions referred to in the preceding paragraph include court proceedings and arbitrations submitted to arbitration institutions.</p>	<p>Article 10 Commencing from the date when it becomes effective, the Articles of Association shall constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations of the Company and each shareholder and among the shareholders. The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors and senior officers. Pursuant to the Articles of Association, a shareholder may take action against another shareholder, any directors, supervisors, managers and other senior officers of the Company. A shareholder may also take action against the Company, whilst the Company may take action against any of its shareholders, <u>directors, supervisors, managers and other senior officers.</u></p> <p>The actions referred to in the preceding paragraph include court proceedings and arbitrations submitted to arbitration institutions.</p>
None.	<p><u>Article 13 The Company shall establish Communist Party of China (“CPC”) organization and conduct Party-related activities in accordance with the provisions in the Constitution of the CPC. The Company shall provide necessary conditions for the activities of the Party organization.</u></p>

APPENDIX XIII	RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION
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Existing Articles	Revised Articles
<p>Article 30 The Company may repurchase its shares issued by any of the following means:</p> <ol style="list-style-type: none"> (1) making a general offer of repurchase to all shareholders in the same proportion; (2) repurchasing shares through public dealing on a stock exchange; (3) repurchasing shares by an off-market agreement; (4) other means approved by laws, administrative regulations, relevant competent authorities and the securities regulatory authority where the Company's shares are listed. <p>If the Company repurchases the shares under any of the circumstances stipulated in paragraph (1), (3), (5) or (6) of Article 29 hereof, it shall be conducted through public dealing.</p>	<p>Article 30 <u>Article 31</u> The Company may repurchase its shares issued by any of the following means:</p> <ol style="list-style-type: none"> (1) making a general offer of repurchase to all shareholders in the same proportion; (2) repurchasing shares through public dealing on a stock exchange; (3) repurchasing shares by an off-market agreement; (4) other means approved by laws, administrative regulations, relevant competent authorities and the securities regulatory authority where the Company's shares are listed. <p>If the Company repurchases the shares under any of the circumstances stipulated in paragraph (1), (3), (5) or (6) of Article 29 <u>Article 30</u> hereof, it shall be conducted through public dealing.</p>

Existing Articles	Revised Articles
<p>Article 31 If the Company acquires its own shares for reasons of paragraphs (1) or (2) of Article 29 of the Articles of Association, the proposed resolution shall be passed at the general meeting. If the Company acquires its own shares for reasons of paragraph (3), (5) or (6) of Article 29 of the Articles of Association, a resolution of the Company's board of directors shall be made by a two-third majority of directors attending the meeting.</p> <p>Upon the acquisition of its own shares by the Company pursuant to item 1 of Article 29, in the case of paragraph (1), the acquired shares shall be cancelled within ten days from the date of acquisition; in the case of paragraphs (2) and (4), the acquired shares shall be transferred or cancelled within six months; in the case of paragraphs (3), (5) or (6), the shares held in total by the Company after repurchasing shall not exceed 10% of the Company's total outstanding shares, and shall be transferred or cancelled within three years.</p> <p>The Company's general meeting of shareholders may authorize the board of directors or the board of directors may authorize the relevant parties to determine the specific implementation plan for the Company to repurchase the shares of the Company in the circumstances of Article 29 hereof.</p> <p>Upon the acquisition of its own shares, the Company shall perform their obligation of information disclosure according to the provisions of the Securities Law of the People's Republic of China and Hong Kong Listing Rules.</p>	<p>Article 31<u>Article 32</u> If the Company acquires its own shares for reasons of paragraphs (1) or (2) of Article 29<u>Article 30</u> of the Articles of Association, the proposed resolution shall be passed at the general meeting. If the Company acquires its own shares for reasons of paragraph (3), (5) or (6) of Article 30 of the Articles of Association, a resolution of the Company's board of directors shall be made by a two-third majority of directors attending the meeting.</p> <p>Upon the acquisition of its own shares by the Company pursuant to item 1 of Article 29<u>Article 30</u>, in the case of paragraph (1), the acquired shares shall be cancelled within ten days from the date of acquisition; in the case of paragraphs (2) and (4), the acquired shares shall be transferred or cancelled within six months; in the case of paragraphs (3), (5) or (6), the shares held in total by the Company after repurchasing shall not exceed 10% of the Company's total outstanding shares, and shall be transferred or cancelled within three years.</p> <p>The Company's general meeting of shareholders may authorize the board of directors or the board of directors may authorize the relevant parties to determine the specific implementation plan for the Company to repurchase the shares of the Company in the circumstances of Article 29<u>Article 30</u> hereof.</p> <p>Upon the acquisition of its own shares, the Company shall perform their obligation of information disclosure according to the provisions of the Securities Law of the People's Republic of China and Hong Kong Listing Rules.</p>

Existing Articles	Revised Articles
<p>Article 38 When any director, supervisor, senior officer of the Company or any shareholder of the Company holding more than 5% of the Company's shares disposes of his/her/its shares in the Company within six months of purchase, or purchases shares in the Company again within six months of disposal, the proceeds derived therefrom shall be retained for the benefit of the Company. However, the disposals by brokerage companies holding more than 5% of the shares in the Company due to the fact that their underwritten shares remain unsubscribed shall not be subject to the six-month period restriction.</p> <p>If the Board of Directors fails to comply with the provisions of the preceding paragraph, the shareholders shall have the right to require the Board of Directors to comply with the provisions within thirty (30) days. If the Board of Directors fails to comply with the provisions within the prescribed period, the shareholders shall, for the benefit of the Company and in their own names, have the right to institute legal proceedings directly at a People's Court. The provisions of Article 267 of this Articles of Association are applicable to the shareholders of foreign shares.</p> <p>If the Board of Directors of the Company does not comply with the provisions of the first paragraph set out above, the responsible directors shall bear joint and several liabilities legally accordingly.</p>	<p>Article 38 <u>Article 39</u> When any shareholder, director, supervisor, manager or senior officer of the Company <u>holding more than 5% of the Company's shares disposes of his/her/its shares in the Company or other securities with the nature of stock rights</u> within six months of purchase, or purchases shares in the Company again within six months of disposal, the proceeds derived therefrom shall be retained for the benefit of the Company, except the disposals by brokerage companies holding more than 5% of the shares in the Company due to the fact that their underwritten shares remain unsubscribed shall not be subject to the six-month period restriction <u>and other circumstances as stipulated by China Securities Regulatory Commission.</u></p> <p><u>The shares or other securities with the nature of stock rights held by the aforesaid director, supervisor, manager, senior officer or natural-person shareholder include the shares or other securities with the nature of stock rights held by their spouse, parents and children or in the name of other's account.</u></p> <p>If the Board of Directors fails to comply with the provisions of the first paragraph <u>hereof</u>, the shareholders shall have the right to require the Board of Directors to comply with the provisions within thirty (30) days. If the Board of Directors fails to comply with the provisions within the prescribed period, the shareholders shall, for the benefit of the Company and in their own names, have the right to institute legal proceedings directly at a People's Court. The provisions of Article 267 of this Articles of Association are applicable to the shareholders of foreign shares.</p> <p>If the Board of Directors of the Company does not comply with the provisions of the first paragraph <u>hereof</u>, the responsible directors shall bear joint and several liabilities legally accordingly.</p>

APPENDIX XIII	RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION
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Existing Articles	Revised Articles
<p>Article 39 The Company or our subsidiaries shall not provide any financial assistance at any time or in any manner to a person that acquires or plans to acquire our shares. The aforesaid acquirer of shares of the Company includes a person who assumes obligations, directly or indirectly, from acquiring the shares of the Company.</p> <p>The Company or our subsidiaries shall not provide the aforesaid obligator with financial aid at any time or in any manner to mitigate or exempt the obligations of that person.</p> <p>The provisions of the Articles of Association shall not apply to the circumstances described in Article 41 of the Articles of Association.</p>	<p>Article 39Article 40 The Company or our subsidiaries <u>(including affiliated enterprises)</u> shall not provide any financial assistance at any time or in any manner <u>including gift, advance funds, guarantee, compensation or loans</u> to a person that acquires or plans to acquire our shares. The aforesaid acquirer of shares of the Company includes a person who assumes obligations, directly or indirectly, from acquiring the shares of the Company.</p> <p>The Company or our subsidiaries shall not provide the aforesaid obligator with financial aid at any time or in any manner to mitigate or exempt the obligations of that person.</p> <p>The provisions of the Articles of Association shall not apply to the circumstances described in Article 41Article 42 of the Articles of Association.</p>

APPENDIX XIII RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION
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Existing Articles	Revised Articles
<p>Article 41 The following activities shall not be deemed to be prohibited activities under Article 39 of the Articles of Association:</p> <ol style="list-style-type: none"> (1) financial aid provided by the Company which is in good faith in our interest and the main purpose of the financial aid is not to acquire our shares or is an incidental part of a master plan of the Company; (2) lawful distribution of our properties by way of dividend; (3) distribution of dividends in the form of shares; (4) reduction of the registered capital, repurchase of the shares or adjustment of the equity structure pursuant to the Articles of Association; (5) the Company grants loans within our scope of business and in the ordinary course of our business, provided that such loans shall not result in reduction in the net assets of the Company or even if the net assets are reduced, this financial aid is paid from the profit available for distribution of the Company; (6) the Company provides the employee stock ownership plan with fund, provided that such loans shall not result in reduction in the net assets of the Company or, even if the net assets are reduced, this financial aid is paid from the profit available for distribution of the Company. 	<p>Article 41<u>Article 42</u> The following activities shall not be deemed to be prohibited activities under Article 39<u>Article 40</u> of the Articles of Association:</p> <ol style="list-style-type: none"> (1) financial aid provided by the Company which is in good faith in our interest and the main purpose of the financial aid is not to acquire our shares or is an incidental part of a master plan of the Company; (2) lawful distribution of our properties by way of dividend; (3) distribution of dividends in the form of shares; (4) reduction of the registered capital, repurchase of the shares or adjustment of the equity structure pursuant to the Articles of Association; (5) the Company grants loans within our scope of business and in the ordinary course of our business, provided that such loans shall not result in reduction in the net assets of the Company or even if the net assets are reduced, this financial aid is paid from the profit available for distribution of the Company; (6) the Company provides the employee stock ownership plan with fund, provided that such loans shall not result in reduction in the net assets of the Company or, even if the net assets are reduced, this financial aid is paid from the profit available for distribution of the Company.

APPENDIX XIII RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION
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Existing Articles	Revised Articles
<p>Article 55 The holders of ordinary shares of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none"> (1) to receive dividends and other forms of profit distribution on the basis of the number of shares held by them; (2) to request, convene, hold or participate in or to appoint proxies to participate in the shareholders' general meetings and exercise corresponding voting rights in accordance with the laws; (3) to supervise the operation of the Company, and to make suggestions and raise queries; (4) to transfer shares in accordance with the provisions of laws, administrative regulations, and the Articles of Association; (5) to obtain relevant information in accordance with the provisions of the Articles of Association, including: <ol style="list-style-type: none"> 1. to receive the Articles of Association upon payment of charges at cost; 2. being entitled to access and make copies, upon payment of reasonable charges, of: <ol style="list-style-type: none"> (1) all parts of the registers of shareholders; 	<p>Article 55Article 56 The holders of ordinary shares of the Company shall enjoy the following rights:</p> <ol style="list-style-type: none"> (1) to receive dividends and other forms of profit distribution on the basis of the number of shares held by them; (2) to request, convene, hold or participate in or to appoint proxies to participate in the shareholders' general meetings and exercise corresponding voting rights in accordance with the laws; (3) to supervise the operation of the Company, and to make suggestions and raise queries; (4) to transfer, <u>give or pledge</u> shares in accordance with the provisions of laws, administrative regulations, and the Articles of Association; (5) to obtain relevant information in accordance with the provisions of the Articles of Association, including: <ol style="list-style-type: none"> 1. to receive the Articles of Association upon payment of charges at cost; 2. being entitled to access and make copies, upon payment of reasonable charges, of: <ol style="list-style-type: none"> (1) all parts of the registers of shareholders;

APPENDIX XIII RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION
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Existing Articles	Revised Articles
<p>(2) personal information of the directors, supervisors, managers and other senior officers of the Company, including:</p> <p style="margin-left: 40px;">a. current and previous names and aliases;</p> <p style="margin-left: 40px;">b. main address (residential);</p> <p style="margin-left: 40px;">c. nationality;</p> <p style="margin-left: 40px;">d. full-time and all other part-time occupations and duties;</p> <p style="margin-left: 40px;">e. identification documents and their numbers.</p> <p>3. the status of the Company's share capital;</p> <p>4. reports of the aggregate par value, number of shares, and highest and lowest prices of each class of shares repurchased by the Company since the last fiscal year as well as all the expenses paid by the Company therefor;</p> <p>5. the minutes of shareholders' meetings.</p>	<p>(2) personal information of the directors, supervisors, managers and other senior officers of the Company, including:</p> <p style="margin-left: 40px;">a. current and previous names and aliases;</p> <p style="margin-left: 40px;">b. main address (residential);</p> <p style="margin-left: 40px;">c. nationality;</p> <p style="margin-left: 40px;">d. full-time and all other part-time occupations and duties;</p> <p style="margin-left: 40px;">e. identification documents and their numbers.</p> <p>3. the status of the Company's share capital;</p> <p>4. reports of the aggregate par value, number of shares, and highest and lowest prices of each class of shares repurchased by the Company since the last fiscal year as well as all the expenses paid by the Company therefor;</p> <p>5. the minutes of shareholders' meetings.</p> <p>(5) <u>to inquire the Articles of Association, registers of shareholders, stubs of company bonds, the minutes of shareholders' meetings, resolutions of the board meetings, resolutions of the meetings of the Supervisory Committee and the financial accounting reports;</u></p>

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Existing Articles	Revised Articles
<p>(6) participate in the distribution of the residual property of the Company on the basis of the number of shares held by them when the Company is terminated or liquidated;</p> <p>(7) request the Company to buy back his shares if a shareholder opposes the merger or division of the Company at the shareholders' general meeting;</p> <p>(8) other rights stipulated by laws, administrative regulations and the Articles of Association.</p> <p>If a person who directly or indirectly owns the rights and interests of the shares fails to disclose his rights and interests to the Company, the Company shall not freeze or in any way damage any rights or interests attached to his/her shares solely because of this.</p>	<p>(6) participate in the distribution of the residual property of the Company on the basis of the number of shares held by them when the Company is terminated or liquidated;</p> <p>(7) request the Company to buy back his shares if a shareholder opposes the merger or division of the Company at the shareholders' general meeting;</p> <p>(8) other rights stipulated by laws, administrative regulations and the Articles of Association.</p> <p>If a person who directly or indirectly owns the rights and interests of the shares fails to disclose his rights and interests to the Company, the Company shall not freeze or in any way damage any rights or interests attached to his/her shares solely because of this.</p>
<p>Article 60 The provisions of Article 267 hereof shall be applicable if shareholders of foreign shares are involved in the contents listed in Article 57 to Article 59.</p>	<p>Article 60Article 61 The provisions of Article 267 hereof shall be applicable if shareholders of foreign shares are involved in the contents listed in Article 57Article 58 to Article 59Article 60.</p>

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Existing Articles	Revised Articles
<p>Article 66 The general meeting is the organ of power of the Company and shall exercise the following powers:</p> <ol style="list-style-type: none"> (1) deciding on the business policies and investment plans of the Company; (2) electing and replacing Directors and supervisors who are appointed from amongst representatives of the shareholders and deciding on matters relating to the remuneration of the Directors and supervisors; (3) examining and approving reports of the Board of Directors; (4) examining and approving reports of the Supervisory Committee; (5) examining and approving the Company's annual financial budget and final account proposals; (6) examining and approving the Company's plans for profit distribution and loss make-up; (7) adopting resolutions on the increase or reduction of the Company's registered capital; (8) adopting resolutions on plans for issuance of bonds of the Company; (9) adopting resolutions on matters such as merger, division, dissolution, liquidation and change of corporate form of the Company; 	<p>Article 66Article 67 The general meeting is the organ of power of the Company and shall exercise the following powers:</p> <ol style="list-style-type: none"> (1) deciding on the business policies and investment plans of the Company; (2) electing and replacing Directors and supervisors who are appointed from amongst representatives of the shareholders <u>Directors and supervisors who are not appointed from amongst representatives of the employees</u> and deciding on matters relating to the remuneration of the Directors and supervisors; (3) examining and approving reports of the Board of Directors; (4) examining and approving reports of the Supervisory Committee; (5) examining and approving the Company's annual financial budget and final account proposals; (6) examining and approving the Company's plans for profit distribution and loss make-up; (7) adopting resolutions on the increase or reduction of the Company's registered capital; (8) adopting resolutions on plans for issuance of bonds of the Company; (9) adopting resolutions on matters such as merger, division, dissolution, liquidation and change of corporate form of the Company;

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Existing Articles	Revised Articles
(10) amending the Articles of Association;	(10) amending the Articles of Association;
(11) adopting resolutions on the engagement or removal or discontinuation of engagement of accounting firms by the Company;	(11) adopting resolutions on the engagement or removal or discontinuation of engagement of accounting firms by the Company;
(12) examining and approving guarantees required in Article 67;	(12) examining and approving guarantees required in Article 67 <u>Article 68</u> ;
(13) examining proposals on matters relating to the purchase or sale by the Bank of material assets exceeding 30% of the latest audited total assets of the Company within one year;	(13) examining proposals on matters relating to the purchase or sale by the Bank of material assets exceeding 30% of the latest audited total assets of the Company within one year <u>examining and approving financial assistance required in Article 69</u> ;
(14) examining proposals on changes in the use of proceeds;	(13) <u>(14)</u> examining proposals on matters relating to the purchase or sale by the Bank of material assets exceeding 30% of the latest audited total assets of the Company within one year;
(15) examining share incentive plans;	(14) <u>(15)</u> examining proposals on changes in the use of proceeds;
(16) considering proposals from shareholders representing 3% (inclusive) or more of the shares in the Company with voting rights;	(15) <u>(16)</u> examining share incentive plans <u>and employee stock ownership plans</u> ;
(17) adopting resolutions on acquisition of shares of the Company as stipulated in paragraph (1) or (2) of Article 29 hereof;	(16) <u>(17)</u> considering proposals from shareholders representing 3% (inclusive) or more of the shares in the Company with voting rights;
(18) considering other matters which are to be decided by the shareholders in general meetings according to the laws, administrative regulations, departmental rules or required in the Articles of Association.	(17) <u>(18)</u> adopting resolutions on acquisition of shares of the Company as stipulated in paragraph (1) or (2) of <u>Article 30</u> hereof;
	(18) <u>(19)</u> considering other matters which are to be decided by the shareholders in general meetings according to the laws, administrative regulations, departmental rules or required in the Articles of Association.

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Existing Articles	Revised Articles
<p>Article 67 The following external guarantees to be provided by the Company shall be considered and approved by the general meeting.</p> <p>(1) Any provision of guarantee, where the total amount of external guarantees provided by the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited total assets;</p> <p>(2) Any provision of guarantee, where the total amount of external guarantees provided by the Company reaches or exceeds 30% of the latest audited total assets;</p> <p>(3) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;</p> <p>(4) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets;</p> <p>(5) Provision of guarantee to shareholders, de facto controllers and their connected parties.</p>	<p>Article 67<u>Article 68</u> The following external guarantees to be provided by the Company shall be considered and approved by the general meeting. The guarantees to be provided by the Company shall be subject to the examination and approval by a majority of all the Directors as well as more than 2/3 of the Directors present at the board meeting and disclosed promptly. The following external guarantees to be provided by the Company shall be considered and approved by the general meeting upon examination and approval by the Board of Directors:</p> <p>(1) Any provision of guarantee, where the total amount of external guarantees provided by the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited total assets;</p> <p>(2) Any provision of guarantee, where the total amount of external guarantees provided by <u>the Company and its controlled subsidiaries</u> reaches or exceeds 30% of the latest audited total assets;</p> <p>(3) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;</p> <p>(4) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets;</p> <p>(5) Provision of guarantee to shareholders, de facto controllers and their connected parties;</p> <p>(6) <u>Provision of guarantee whose the accumulative amount in 12 consecutive months exceeds 30% of the latest audited total assets;</u></p> <p>(7) <u>Other circumstances as provided by laws, administrative regulations, departmental rules or the Articles of Association.</u></p> <p><u>A resolution concerning the aforesaid guarantee in (6) considered at the general meeting shall be passed with the approval of more than two thirds of the voting rights held or represented by the shareholders attending the meeting.</u></p>

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Existing Articles	Revised Articles
None.	<p><u>Article 69 The financial assistance of the Company shall be promptly disclosed upon examination and approval by a majority of all the Directors as well as more than 2/3 of the Directors present at the meeting of the Board of Directors. The following financial assistance shall be considered and approved by the general meeting upon examination and approval by the Board of Directors.</u></p> <p>(1) <u>Provision of a single financial assistance the amount of which exceeds 10% of the latest audited net assets;</u></p> <p>(2) <u>Provision of financial assistance to anyone whose liability – asset ratio exceeds 70% according to its latest financial statements;</u></p> <p>(3) <u>Provision of financial assistance the accumulative amount of which for the recent 12 months exceeds 10% of the Company’s latest audited net assets;</u></p> <p><u>Other circumstances as provided by laws, administrative regulations, departmental rules or the Articles of Association.</u></p> <p><u>Unless otherwise stipulated by laws, administrative regulations and departmental rules, the target of the assistance may be exempted from the preceding two paragraphs in case it is a controlled subsidiary within the scope of the consolidated statements of the Company, and the other shareholders of such controlled subsidiary exclude the controlling shareholders, de facto controllers and connected parties of the Company.</u></p>

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Existing Articles	Revised Articles
<p>Article 72 The specific place for each annual general meeting or extraordinary general meeting shall be determined by the Board of Directors and announced in accordance with the Articles of Association.</p> <p>The venue for a physical general meeting to be held shall be arranged. The Company shall provide internet voting for the convenience of shareholders attending the meetings. Shareholders attending a general meeting through the above means shall be deemed attending.</p>	<p>Article 72Article 73 The specific place for each annual general meeting or extraordinary general meeting shall be determined by the Board of Directors and announced in accordance with the Articles of Association.</p> <p>The venue for a physical general meeting to be held shall be arranged. The Company shall provide internet <u>voting</u> for the convenience of shareholders attending the meetings. Shareholders attending a general meeting through the above means shall be deemed attending.</p>
None.	<p><u>Article 78 Where the Supervisory Committee or shareholders decide to convene the shareholders' general meeting, it shall be notified to the Board of Directors in writing and filed with stock exchanges.</u></p> <p><u>Prior to the announcement of the resolution of the general meeting, the shareholders that convene the meeting shall hold no less than 10% of the shares.</u></p> <p><u>The Supervisory Committee or shareholders that convene the general meeting shall submit relevant certificates to the stock exchanges when issuing a notice of general meeting or a resolution of a general meeting.</u></p>

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Existing Articles	Revised Articles
<p>Article 80 The notice of a general meeting shall include the followings:</p> <ol style="list-style-type: none"> (1) being in written form; (2) the time, venue and duration of the meeting; (3) the matters and proposals submitted for consideration at the meeting; (4) providing the shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed. This means that when the following matters which shall include, but shall not be limited to: any merger, share repurchase, share capital reorganization or other restructuring proposals are involved, the detailed terms of the proposed transaction, the proposed agreement (if any) and detailed explanation as to the cause and effect of such proposed transaction shall be provided; (5) containing a disclosure of the nature and extent of the material interests of any Director, supervisor, manager or other senior officer in relation to the matters to be discussed and an explanation of the effect of the matters to be discussed on them in their capacity as shareholders so far as it is different from the effect on the interest of shareholders of the same class; (6) containing the full text of any special resolution to be proposed and approved at the meeting; 	<p>Article 80<u>Article 82</u> The notice of a general meeting shall include the followings:</p> <ol style="list-style-type: none"> (1) being in written form; (2) the time, venue and duration of the meeting; (3) the matters and proposals submitted for consideration at the meeting; (4) providing the shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed. This means that when the following matters which shall include, but shall not be limited to: any merger, share repurchase, share capital reorganization or other restructuring proposals are involved, the detailed terms of the proposed transaction, the proposed agreement (if any) and detailed explanation as to the cause and effect of such proposed transaction shall be provided; (5) containing a disclosure of the nature and extent of the material interests of any Director, supervisor, manager or other senior officer in relation to the matters to be discussed and an explanation of the effect of the matters to be discussed on them in their capacity as shareholders so far as it is different from the effect on the interest of shareholders of the same class; (6) containing the full text of any special resolution to be proposed and approved at the meeting;

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Existing Articles	Revised Articles
<p>(7) a clear explanation in writing indicating that all shareholders are entitled to attend and vote at the general meeting, or to appoint one or more proxies in writing to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily shareholders of the Company;</p> <p>(8) specified delivery time and place of the power of attorney for proxy voting at the meeting;</p> <p>(9) specified record date for shareholders entitled to attend the general meeting;</p> <p>(10) name and telephone number of the contact person for the meeting.</p> <p>Details of all proposals shall be disclosed on a full and complete basis in the notice and supplementary notice of general meeting. Where opinions from independent non-executive directors are required on any matters to be discussed, such opinions and reasons from independent non-executive directors shall be disclosed in the notice or supplementary notice of general meeting.</p>	<p>(7) a clear explanation in writing indicating that all shareholders are entitled to attend and vote at the general meeting, or to appoint one or more proxies in writing to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily shareholders of the Company;</p> <p>(8) specified delivery time and place of the power of attorney for proxy voting at the meeting;</p> <p>(9) specified record date for shareholders entitled to attend the general meeting;</p> <p>(10) name and telephone number of the contact person for the meeting;</p> <p>(11) <u>time and procedures of the voting on line or by any other means.</u></p> <p>Details of all proposals shall be disclosed on a full and complete basis in the notice and supplementary notice of general meeting. Where opinions from independent non-executive directors are required on any matters to be discussed, such opinions and reasons from independent non-executive directors shall be disclosed in the notice or supplementary notice of general meeting.</p>

Existing Articles	Revised Articles
<p>Where a general meeting is held online or by any other means, the notice of general meeting shall specify the time and procedures of the voting online or by any other means. The voting online or by any other means shall be started not earlier than 3:00 p.m. on the day before the on-the-spot general meeting is held and not later than 9:30 a.m. on the day when the on-the-spot general meeting is held, and shall be concluded not earlier than 3:00 p.m. on the day when the on-the-spot general meeting end</p>	<p>Where a general meeting is held online or by any other means, the notice of general meeting shall specify the time and procedures of the voting online or by any other means. The voting online or by any other means shall be started not earlier than 3:00 p.m. on the day before the on-the-spot general meeting is held and not later than 9:30 a.m. on the day when the on-the-spot general meeting is held, and shall be concluded not earlier than 3:00 p.m. on the day when the on-the-spot general meeting ends.</p> <p><u>The interval between the date of record and date of meeting shall be no more than seven working days. The date of record shall not be changed once confirmed.</u></p>
<p>Article 94 Where a general meeting is convened, all of the Company's Directors, supervisors and the Secretary to the Board shall attend the meeting, and managers and other senior officers shall be present to observe the meeting.</p>	<p>Article 94<u>Article 96</u> Where a general meeting is convened, all of the Company's Directors, supervisors and the Secretary to the Board shall attend the meeting, and managers and other senior officers shall be present to observe the meeting. <u>Where the aforesaid persons are unable to attend the meeting, they may appoint another director or supervisor to attend the meeting on his/her behalf.</u></p>

Existing Articles	Revised Articles
<p>Article 95 The general meeting shall be convened by the Board of Directors and presided over by the chairman on the Board of Directors. Where the chairman of the Board of Directors is unable to discharge or fails to discharge his/her duties, the meeting shall be convened and presided over by the vice chairman of the Board of Directors (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside over the meeting). In the event that both the chairman and vice chairman are unable to attend the meeting, a director selected by the Board of Directors shall convene and preside over the meeting. In the event that no such designation is made, one shareholder as elected from the attending shareholders may preside over the meeting. If, for any reason, the attending shareholders fail to elect one to be the presider, the attending shareholder who holds the most voting shares shall preside over the meeting.</p> <p>For the general meetings convened by shareholders, the conveners shall nominate a representative to preside over the meeting.</p> <p>In the event that the presider of the meeting violates the rules of procedures which results in the general meeting being unable to continue, upon approval by the shareholders representing more than half of the voting rights present at the meeting, a person may be elected to preside over the general meeting and the meeting shall continue.</p>	<p>Article 95Article 97 The general meeting shall be convened by the Board of Directors and presided over by the chairman on the Board of Directors. Where the chairman of the Board of Directors is unable to discharge or fails to discharge his/her duties, the meeting shall be convened and presided over by the vice chairman of the Board of Directors (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside over the meeting). In the event that both the chairman and vice chairman are unable to attend the meeting, a director selected by the Board of Directors shall convene and preside over the meeting. In the event that no such designation is made, one shareholder as elected from the attending shareholders may preside over the meeting. If, for any reason, the attending shareholders fail to elect one to be the presider, the attending shareholder who holds the most voting shares shall preside over the meeting.</p> <p><u>The general meetings convened by the Supervisory Committee shall be presided over by the Chairman of the Supervisory Committee. Should the Chairman be unable to perform or fail to perform the duties, it shall be presided over by a supervisor elected by a majority of the supervisors.</u></p> <p>For the general meetings convened by shareholders, the conveners shall nominate a representative to preside over the meeting.</p> <p>In the event that the presider of the meeting violates the rules of procedures which results in the general meeting being unable to continue, upon approval by the shareholders representing more than half of the voting rights present at the meeting, a person may be elected to preside over the general meeting and the meeting shall continue.</p>

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Existing Articles	Revised Articles
<p>Article 105 The following matters shall be adopted by way of special resolutions at shareholders' general meetings:</p> <ol style="list-style-type: none"> (1) increase or reduction in the registered capital and issue of shares of any class, stock warrants and other similar securities; (2) issue of corporate bonds; (3) the division, merger, dissolution, liquidation and change of corporate form of the Company; (4) amendments to the Articles of Association; (5) the purchases and disposals of material assets or guarantees within one year, which exceed 30% of the latest audited total assets of the Company; (6) adjustments to the profit distribution policy; (7) equity incentive plans; (8) acquisition of shares of the Company as stipulated in paragraph (1) or (2) of Article 29 hereof; (9) any other matters required by the laws, administrative regulations or the Articles of Association, and matters considered in an ordinary resolution adopted at a shareholders' general meeting having a material impact on the Company, and thus in need of approval by a special resolution. 	<p>Article 105Article 107 The following matters shall be adopted by way of special resolutions at shareholders' general meetings:</p> <ol style="list-style-type: none"> (1) increase or reduction in the registered capital and issue of shares of any class, stock warrants and other similar securities; (2) issue of corporate bonds; (3) the division, <u>split</u>, merger, dissolution, liquidation and change of corporate form of the Company; (4) amendments to the Articles of Association; (5) the purchases and disposals of material assets or guarantees within one year, which exceed 30% of the latest audited total assets of the Company; (6) adjustments to the profit distribution policy; (7) equity incentive plans; (8) acquisition of shares of the Company as stipulated in paragraph (1) or (2) of Article 29Article 30 hereof; (9) any other matters required by the laws, administrative regulations or the Articles of Association, and matters considered in an ordinary resolution adopted at a shareholders' general meeting having a material impact on the Company, and thus in need of approval by a special resolution.

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Existing Articles	Revised Articles
<p>Article 106 Shareholders (including proxies) shall exercise their voting rights according to the number of shares carrying voting rights they represent, with one vote for each share.</p> <p>Shares of the Company held by the Company itself do not carry any voting rights, and shall not be counted in the total number of shares carrying voting rights represented by shareholders attending a Shareholders' General Meeting.</p>	<p>Article 106Article 108 Shareholders (including proxies) shall exercise their voting rights according to the number of shares carrying voting rights they represent, with one vote for each share.</p> <p><u>Where the significant matters influencing the interests of small and medium investors are considered at the general meeting, the voting by small and medium investors shall be independently counted. The independent counting results shall be promptly disclosed.</u></p> <p>Shares of the Company held by the Company itself do not carry any voting rights, and shall not be counted in the total number of shares carrying voting rights represented by shareholders attending a Shareholders' General Meeting.</p> <p><u>In case shareholders purchase shares carrying voting rights of the Company in violation of the first and second paragraph of Article 63 of the Securities Law, the voting rights over the shares exceeding the stipulated proportion shall not be exercised within 36 months after purchase, and such shares shall not be included into the total shares carrying voting rights at the general meeting.</u></p>

APPENDIX XIII	RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION
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Existing Articles	Revised Articles
<p>The Board, independent non-executive Directors and shareholders who meet the relevant requirements are entitled to solicit shareholders' voting rights. Information including the specific voting intention shall be fully disclosed to shareholders from whom voting rights are being solicited. It is prohibited to solicit voting rights from shareholders by offering consideration or consideration in disguised form. The Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights.</p>	<p>The Board <u>of Directors of the Company</u>, independent non-executive Directors and shareholders who meet the relevant requirements <u>and shareholders who meet the relevant requirements</u>, as well as the investor protection agencies established in accordance with laws, administrative regulations or the provisions of <u>China Securities Regulatory Commission</u> are entitled to solicit shareholders' voting rights. Information including the specific voting intention shall be fully disclosed to shareholders from whom voting rights are being solicited. It is prohibited to solicit voting rights from shareholders by offering consideration or consideration in disguised form. The Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights <u>except the statutory conditions</u>.</p>
<p>Article 108 Subject to ensuring the legitimacy and effectiveness of the general meeting, the Company shall provide convenience to the shareholders to attend the shareholders' general meeting through various methods and ways, including modern information technologies such as providing network voting platform, etc.</p>	<p>This Article is deleted.</p>

Existing Articles	Revised Articles
<p>Article 114 Voting is conducted by open ballot at the Shareholders' General Meeting.</p> <p>Voting at a Shareholders' General Meeting shall be in the form of a show of hands unless a poll is (before or after any vote by show of hands) demanded by the following persons:</p> <ol style="list-style-type: none"> (1) the presider of the meeting; (2) at least two shareholders or proxies entitled to vote; (3) one or certain shareholders (including proxies) individually or jointly holding 10% or more of all shares carrying voting rights at the meeting. <p>Unless a poll is demanded by any person, the presider of the meeting shall declare whether a resolution has been passed based on a show of hands and record the result in the minutes of meeting as the conclusive evidence. There is no need to provide evidence of the number or percentage of votes in favour of or against such resolution.</p> <p>The demand for a poll may be withdrawn by the person who makes such demand.</p> <p>In case of any contradiction of this Article with the Hong Kong Listing Rules, the Hong Kong Listing Rules shall prevail.</p>	<p>Article 114Article 115 Voting is conducted by open ballot at the Shareholders' General Meeting.</p> <p>Voting at a Shareholders' General Meeting shall be in the form of a show of hands unless a poll is (before or after any vote by show of hands) demanded by the following persons:</p> <ol style="list-style-type: none"> (1) the presider of the meeting; (2) at least two shareholders or proxies entitled to vote; (3) one or certain shareholders (including proxies) individually or jointly holding 10% or more of all shares carrying voting rights at the meeting. <p>Unless a poll is demanded by any person, the presider of the meeting shall declare whether a resolution has been passed based on a show of hands and record the result in the minutes of meeting as the conclusive evidence. There is no need to provide evidence of the number or percentage of votes in favour of or against such resolution.</p> <p>The demand for a poll may be withdrawn by the person who makes such demand.</p> <p>In case of any contradiction of this Article with the Hong Kong Listing Rules, the Hong Kong Listing Rules shall prevail.</p>

<p>APPENDIX XIII</p>	<p>RESOLUTION ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION</p>
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Existing Articles	Revised Articles
Article 115 A poll demanded on such matters as the election of presider of the meeting or the suspension of the meeting, shall be taken forthwith; A poll demanded on any other matters shall be taken at such time as the presider of the meeting may decide, and the meeting may proceed to discuss other matters, while the outcome of the poll shall still be deemed to be a resolution of that meeting.	This Article is deleted.
Article 117 In case of an equality of votes, whether on a show of hands or on a poll, the presider of the meeting shall have a casting vote.	This Article is deleted.

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Existing Articles	Revised Articles
<p>Article 118 Before the relevant proposal is voted on at a shareholders' general meeting, two representatives of the shareholders shall be elected for counting the votes and scrutinizing the poll. Any shareholder who is interested in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the poll.</p> <p>When the proposal is being voted on at the shareholders' general meeting, lawyers, the representatives of shareholders and representatives of supervisors shall be jointly responsible for counting the votes and scrutinizing the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting. Auditors of the Company, share registrars or external accountants who are qualified to act as auditors of the Company may act as the vote counters and the scrutineers.</p> <p>Shareholders of the listed company or their proxies, who have cast their votes by network voting or by other means, have the right to check their voting results through the respective voting system.</p>	<p>Article 118<u>Article 117</u> Before the relevant proposal is voted on at a shareholders' general meeting, two representatives of the shareholders shall be elected <u>appointed</u> for counting the votes and scrutinizing the poll. Any shareholder who is interested in <u>related to</u> the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the poll.</p> <p>When the proposal is being voted on at the shareholders' general meeting, lawyers, the representatives of shareholders and representatives of supervisors shall be jointly responsible for counting the votes and scrutinizing the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting. Auditors of the Company, share registrars or external accountants who are qualified to act as auditors of the Company may act as the vote counters and the scrutineers.</p> <p>Shareholders of the listed company or their proxies, who have cast their votes by network voting or by other means, have the right to check their voting results through the respective voting system.</p>

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Existing Articles	Revised Articles
<p>Article 120 Shareholders who attend the general meeting shall take one of the following stances when a proposal is put forward for voting: to vote for, vote against or abstain from voting.</p> <p>Any votes which are uncompleted, erroneously completed or illegible, or uncast votes shall be considered as an abstention of voting rights by the voter and the outcome of votes carried with the shares held by such voter shall be counted as “abstain from voting”.</p>	<p>Article 120Article 119 Shareholders who attend the general meeting shall take one of the following stances when a proposal is put forward for voting: to vote for, vote against or abstain from voting.</p> <p><u>It is an exception when the securities registration and clearing institution makes declaration according to the will of the de facto controller as the nominal shareholder of the trading interconnection mechanism between China Mainland and Hong Kong.</u></p> <p>Any votes which are uncompleted, erroneously completed or illegible, or uncast votes shall be considered as an abstention of voting rights by the voter and the outcome of votes carried with the shares held by such voter shall be counted as “abstain from voting”.</p>
<p>Article 129 Any variation or abrogation of the rights of any class shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected class shareholders at a separate meeting convened in accordance with Articles 131 to 135.</p>	<p>Article 129Article 128 Any variation or abrogation of the rights of any class shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a general meeting and approval by the affected class shareholders at a separate meeting convened in accordance with Articles 131Articles 130 to 135134.</p>

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Existing Articles	Revised Articles
<p>Article 131 Shareholders of the affected class, whether or not having the right to vote at the general meetings, shall nevertheless have the right to vote at class meetings on matters referred to in clauses (2) to (8) and (11) to (12) of Article 130, but interested shareholders shall not be entitled to vote at class meetings.</p> <p>The interested shareholders referred to in the preceding paragraph have the following meanings:</p> <p>(1) In the case of a repurchase of its own shares by the Company by making repurchase offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 30 of the Articles of Association, “interested shareholder” shall refer to the controlling shareholder as defined in Article 65 of the Articles of Association;</p> <p>(2) In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 30 of the Articles of Association, “interested shareholder” shall refer to the shareholder in relation to the agreement;</p> <p>(3) In the case of a restructuring of the Company, “interested shareholder” shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.</p>	<p>Article 131<u>Article 130</u> Shareholders of the affected class, whether or not having the right to vote at the general meetings, shall nevertheless have the right to vote at class meetings on matters referred to in clauses (2) to (8) and (11) to (12) of Article 130<u>Article 129</u>, but interested shareholders shall not be entitled to vote at class meetings.</p> <p>The interested shareholders referred to in the preceding paragraph have the following meanings:</p> <p>(1) In the case of a repurchase of its own shares by the Company by making repurchase offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 30<u>Article 31</u> of the Articles of Association, “interested shareholder” shall refer to the controlling shareholder as defined in Article 65<u>Article 66</u> of the Articles of Association;</p> <p>(2) In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 30<u>Article 31</u> of the Articles of Association, “interested shareholder” shall refer to the shareholder in relation to the agreement;</p> <p>(3) In the case of a restructuring of the Company, “interested shareholder” shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.</p>
<p>Article 132 A resolution of a class meeting shall only be passed in accordance with Article 131 by shareholders present at the class meeting who represent more than two-thirds of voting rights.</p>	<p>Article 132<u>Article 131</u> A resolution of a class meeting shall only be passed in accordance with Article 131<u>Article 130</u> by shareholders present at the class meeting who represent more than two-thirds of voting rights.</p>

Existing Articles	Revised Articles
<p>Article 137 Directors shall be elected or replaced at a general meeting. The term of office of the Directors shall be three years. Upon expiry of the current term of office, a Director shall be eligible to offer himself for reelection and re-appointment. Before expiry of the current term of office, a Director shall not be dismissed without cause by the general meeting. The general meeting may, by an ordinary resolution, dismiss any Director before the expiry of his term of office (but without prejudice to such Director's right to claim damages based on any contract) on the condition that all the relevant laws and administrative regulations are fully complied with.</p> <p>Written notices of intent to nominate candidates for Directors and indication of consent to such nomination shall be given to the Company 7 days prior to the general meeting. The Company shall permit no less than 7 days (commencing from the next day of the date of the general meeting notice) for relevant nominators and nominees to submit the aforesaid notice and document.</p> <p>Save for independent non-executive Directors and staff representative Directors, the proportion of Directors to be replaced at each term of the Board of Directors shall not exceed one fifth of the total number of members of the Board of Directors.</p> <p>The tenure of a Director shall start from the date on which the said Director assumes office until the expiration of the term of the incumbent Board. In the event that re-election of Directors is not conducted on a timely manner upon expiration of the term of service of a Director, the incumbent Directors shall continue to perform their duties of Directors in accordance with laws, administrative regulations, department rules and requirements of the Article of Associations until incoming director assumes his office.</p>	<p>Article 137 <u>Article 136</u> Directors shall be elected or replaced at a general meeting. The term of office of the Directors shall be three years. Upon expiry of the current term of office, a Director shall be eligible to offer himself for reelection and re-appointment. Before expiry of the current term of office, a Director shall not be dismissed without cause by the general meeting. The general meeting may, by an ordinary resolution, dismiss any Director before the expiry of his term of office (but without prejudice to such Director's right to claim damages based on any contract) on the condition that all the relevant laws and administrative regulations are fully complied with.</p> <p>Written notices of intent to nominate candidates for Directors and indication of consent to such nomination shall be given to the Company 7 days prior to the general meeting. The Company shall permit no less than 7 days (commencing from the next day of the date of the general meeting notice) for relevant nominators and nominees to submit the aforesaid notice and document.</p> <p>Save for independent non-executive Directors and staff representative Directors, the proportion of Directors to be replaced at each term of the Board of Directors shall not exceed one fifth of the total number of members of the Board of Directors.</p> <p>The tenure of a Director shall start from the date on which the said Director assumes office until the expiration of the term of the incumbent Board. In the event that re-election of Directors is not conducted on a timely manner upon expiration of the term of service of a Director, the incumbent Directors shall continue to perform their duties of Directors in accordance with laws, administrative regulations, department rules and requirements of the Article of Associations until incoming director assumes his office.</p>

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Existing Articles	Revised Articles
<p>Article 148 The Board of Directors exercises the following functions and powers:</p> <ol style="list-style-type: none"> (1) to convene the shareholders' general meeting and to report on its work to the shareholders in general meetings; (2) to implement the resolutions adopted by the shareholders in general meetings; (3) to determine the Company's business plans and investment proposals; (4) to formulate the Company's preliminary and final annual financial budgets; (5) to formulate the Company's profit distribution proposal and loss recovery proposal; (6) to formulate proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures or other securities and listing; (7) to formulate plans for important mergers and acquisition of the shares of the Company as stipulated in paragraph (1) of Article 29 hereof, consolidation, division, dissolution or change of the form of the Company; (8) to determine, to the extent authorized by the shareholders' general meeting, on such matters as the external investments, purchase or sale of assets, assets pledge, external guarantee, entrusted banking and connected transactions of the Company; 	<p>Article 148<u>Article 147</u> The Board of Directors exercises the following functions and powers:</p> <ol style="list-style-type: none"> (1) to convene the shareholders' general meeting and to report on its work to the shareholders in general meetings; (2) to implement the resolutions adopted by the shareholders in general meetings; (3) to determine the Company's business plans and investment proposals; (4) to formulate the Company's preliminary and final annual financial budgets; (5) to formulate the Company's profit distribution proposal and loss recovery proposal; (6) to formulate proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures or other securities and listing; (7) to formulate plans for important mergers and acquisition of the shares of the Company as stipulated in paragraph (1) of Article 29<u>Article 30</u> hereof, consolidation, division, dissolution or change of the form of the Company; (8) to determine, to the extent authorized by the shareholders' general meeting, on such matters as the external investments, purchase or sale of assets, assets pledge, external guarantee, entrusted banking, <u>connected transactions and external donations</u> of the Company;

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Existing Articles	Revised Articles
(9) to decide on the Company's internal management structure;	(9) to decide on the Company's internal management structure;
(10) to appoint or remove the Company's manager or secretary to the board, and, based on the recommendations of the manager, to appoint or remove the vice manager(s) and other senior officers such as CFO and decide on their remuneration;	(10) to <u>decide</u> on the appointment or removal of the Company's manager, Secretary to the Board of Directors, securities representatives authorized by the Board of Directors and, based on the recommendations of the manager, to <u>decide</u> on the appointment or removal of the vice manager(s) and other senior officers such as CFO, and decide on their remuneration, rewards and punishment;
(11) to formulate the Company's basic management system;	(11) to formulate the Company's basic management system;
(12) to formulate proposals for any amendment of the Articles of Association;	(12) to formulate proposals for any amendment of the Articles of Association;
(13) to manage the information disclosure of the Company;	(13) to manage the information disclosure of the Company;
(14) to propose to the shareholders' general meeting for employment or replacement of the accountancy firm that does auditing for the Company;	(14) to propose to the shareholders' general meeting for employment or replacement of the accountancy firm that does auditing for the Company;
(15) to hear reporting from the Company's manager and inspect the performance of the manager;	(15) to hear reporting from the Company's manager and inspect the performance of the manager;
(16) to make plans on acquisition of shares of the Company as stipulated in paragraph (3), (5) or (6) of Article 29 hereof;	(16) to make plans on acquisition of shares of the Company as stipulated in paragraph (3), (5) or (6) of Article 29 <u>Article 30</u> hereof;

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Existing Articles	Revised Articles
<p>(17) to exercise any other powers conferred by the laws, administrative regulations, department rules, the Articles of Association.</p> <p>Other than the Board of Directors' resolutions in respect of the matters specified in items (6), (7) and (12) of this Article which shall be passed by the affirmative vote of more than two-thirds of all Directors as provided by laws, administrative regulations and the Company's Articles of Association, the Board of Directors' resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of all the Directors.</p>	<p>(17) to exercise any other powers conferred by the laws, administrative regulations, department rules, the Articles of Association.</p> <p>Other than the Board of Directors' resolutions in respect of the matters specified in items (6), (7) and (12) of this Article which shall be passed by the affirmative vote of more than two-thirds of all Directors as provided by laws, administrative regulations and the Company's Articles of Association, the Board of Directors' resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of all the Directors.</p>
<p>Article 158 The meeting of the Board of Directors can only be convened when more than half of the Directors attend. Each Director shall have one (1) vote. An ordinary resolution of the Board of directors shall be passed by more than half of the members of the Board of Directors. Special resolutions of the Board of Directors and those under Article 148 of the Articles of Association shall be passed by more than two thirds of all Directors.</p> <p>Where there is an equality of votes cast both for and against a resolution, the chairman of the Board of Directors shall have another casting vote.</p>	<p>Article 158<u>Article 157</u> The meeting of the Board of Directors can only be convened when more than half of the Directors attend. Each Director shall have one (1) vote. An ordinary resolution of the Board of directors shall be passed by more than half of the members of the Board of Directors. Special resolutions of the Board of Directors and those under Article 148<u>Article 147</u> of the Articles of Association shall be passed by more than two thirds of all Directors.</p> <p>Where there is an equality of votes cast both for and against a resolution, the chairman of the Board of Directors shall have another casting vote.</p>

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Existing Articles	Revised Articles
<p>Article 162 Resolutions to be adopted at the meeting of the Board of Directors shall be voted by open ballot. Each Director shall have one (1) vote.</p> <p>Extraordinary meeting of the board of Directors may, under the premise that Directors will be guaranteed to have their opinions fully and thoroughly expressed, be conducted via facsimile and resolutions may be passed thereat, and Directors present shall sign.</p>	<p>Article 162Article 161 Resolutions to be adopted at the meeting of the Board of Directors shall be voted by open ballot. Each Director shall have one (1) vote.</p> <p>Extraordinary meeting of the <u>Board</u> of Directors may, under the premise that Directors will be guaranteed to have their opinions fully and thoroughly expressed, be conducted via facsimile <u>email</u> and resolutions may be passed thereat, and Directors present shall sign, <u>with the original to be reserved by the Company.</u></p>
<p>Article 167 Secretary to the Board of Directors shall have the requisite professional knowledge and experiences, who is appointed by the Board of Directors. The secretary to the Board of Directors shall comply with the Articles of Association, assume related legal liabilities to be borne by a senior officer of the Company, have the obligation of good faith and due diligence to the Company and shall not seek illegitimate benefits for himself/herself or others by using his/her powers and position.</p>	<p>Article 167Article 166 Secretary to the Board of Directors shall have have the requisite professional knowledge and experiences, <u>the requisite professional knowledge on finance, management and laws for fulfilling his/her duty, good professional ethics and personal quality</u>, who is appointed by the Board of Directors. The secretary to the Board of Directors shall comply with the Articles of Association, assume related legal liabilities to be borne by a senior officer of the Company, have the obligation of good faith and due diligence to the Company and shall not seek illegitimate benefits for himself/herself or others by using his/her powers and position.</p>

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Existing Articles	Revised Articles
<p>Article 168 The responsibilities of the secretary to the Board of Directors are to:</p> <p>(1) ensure the Company to keep complete organizational documents and records;</p> <p>(2) ensure that the Company prepare and deliver, in accordance with law, the reports and documents required by competent authorities;</p> <p>(3) ensure proper establishment of the register of shareholders of the Company, and ensure persons entitled to obtain related records and documents of the Company timely obtain such records and documents;</p>	<p>Article 168Article 167 The responsibilities of the secretary to the Board of Directors are to:</p> <p>(1) ensure the Company to keep complete organizational documents and records <u>manage the information disclosure matters of the Company, coordinate the information disclosure of the Company, organize the formulation of the information disclosure management system, and urge the Company and relevant persons responsible for information disclosure to abide by the relevant provisions on information disclosure;</u></p> <p>(2) ensure that the Company prepare and deliver, in accordance with law, the reports and documents required by competent authorities <u>responsible for the management of investor relationship, and coordinate the information communication between the Company and securities regulatory organs, investors, de facto controllers, intermediary organs and media;</u></p> <p>(3) ensure proper establishment of the register of shareholders of the Company, and ensure persons entitled to obtain related records and documents of the Company timely obtain such records and documents <u>prepare for the organization of meetings of the Board of Directors and shareholders' general meetings, participate in shareholders' general meetings, meetings of the Board of Directors and Supervisory Committee and relevant meetings of senior officers, record minutes of the meetings of the Board of Directors and affix signatures;</u></p>

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Existing Articles	Revised Articles
<p>(4) prepare meetings of the Board of Directors and Shareholders' General Meetings, responsible for the minutes of the meetings and the custody of documents and minutes of the meetings;</p> <p>(5) administer the information disclosure matters of the Company, urge the Company to develop and implement a system of information disclosure and an internal reporting system of material information in order to facilitate the Company and the related parties in carrying out their information disclosure obligations according to the relevant laws, and do regular disclosure and periodic reports of the Company in accordance with relevant regulations so as to ensure timely, accurate, legal, truthful and complete information disclosure of the Company;</p> <p>(6) responsible for the management of investor relationship, establish a sound investor relation management system, coordinate the relationship between the Company and investors, receive investor consultation, and provide investors with the information disclosed by the company;</p>	<p>(4) prepare meetings of the Board of Directors and Shareholders' General Meetings, responsible for the minutes of the meetings and the custody of documents and minutes of the meetings <u>administer the confidentiality of the disclosure of information, and forthwith report to SEHK and make disclosure when undisclosed significant information is divulged;</u></p> <p>(5) administer the information disclosure matters of the Company, urge the Company to develop and implement a system of information disclosure and an internal reporting system of material information in order to facilitate the Company and the related parties in carrying out their information disclosure obligations according to the relevant laws, and do regular disclosure and periodic reports of the Company in accordance with relevant regulations so as to ensure timely, accurate, legal, truthful and complete information disclosure of the Company <u>follow media coverage and seek for confirmation, and urge relevant entities including companies to make prompt replies to SEHK;</u></p> <p>(6) responsible for the management of investor relationship, establish a sound investor relation management system, coordinate the relationship between the Company and investors, receive investor consultation, and provide investors with the information disclosed by the company <u>organize the trainings on relevant laws, regulations and relevant provisions of SEHK for directors, supervisors and senior officers of the Company, and provide assistance for aforesaid personnel in understanding their duties in the information disclosure;</u></p>

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Existing Articles	Revised Articles
<p>(7) provide consultation or suggestions for major decisions of the Company;</p> <p>(8) administer the confidentiality of the disclosure of information, formulate security measures, when inside information is disclosed, timely take remedial measures to explain and clarify, timely report to Shanghai Stock Exchange and China Securities Regulatory Commission;</p> <p>(9) remind Directors to be diligent, prompt the Board of Directors to legally perform its functions and powers, ensure the Company operating normally;</p> <p>(10) other powers conferred by the Articles of Association and the listing rules of stock exchanges where the shares of the Company are listed.</p>	<p>(7) provide consultation or suggestions for major decisions of the Company <u>urge and supervise directors, supervisors and senior officers to abide by laws, regulations, relevant provisions of SEHK and the Articles of Association, and faithfully fulfill their commitments; remind the Company, directors, supervisors and senior officers of their existing or possible resolutions in violation of relevant provisions, and forthwith report to SEHK in a faithful manner;</u></p> <p>(8) administer the confidentiality of the disclosure of information, formulate security measures, when inside information is disclosed, timely take remedial measures to explain and clarify, timely report to Shanghai Stock Exchange and China Securities Regulatory Commission <u>manage the change of the Company's shares and their derived varieties;</u></p> <p>(9) remind Directors to be diligent, prompt the Board of Directors to legally perform its functions and powers, ensure the Company operating normally;</p> <p>(10) (9) other powers conferred <u>required</u> by the Articles of Association and the listing rules of stock exchanges where the shares of the Company are listed.</p>

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Existing Articles	Revised Articles
<p>Article 171 The Company shall have one (1) manager, a number of vice managers, who shall be appointed or dismissed by the Board of Directors.</p> <p>Vice manager, secretary to the Board of Directors and Chief Financial Officer shall serve as senior officers of the Company.</p> <p>The provisions of Article 138 of the Articles of Association concerning loyalty to directors and the provisions of Articles 139 (4) to (6) on diligence shall be applicable to managers and other senior officers.</p>	<p>Article 171Article 170 The Company shall have one (1) manager, a number of vice managers, who shall be appointed or dismissed by the Board of Directors.</p> <p>Vice manager, secretary to the Board of Directors and Chief Financial Officer shall serve as senior officers of the Company.</p> <p>The provisions of Article 138Article 137 of the Articles of Association concerning loyalty to directors and the provisions of Articles 139Articles 138 (4) to (6) on diligence shall be applicable to managers and other senior officers.</p>
<p>Article 173 The manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:</p> <p>(1) to be in charge of the Company’s production, operation and management, and to organize the implementation of the resolutions of the Board of Directors and report on works to the Board of Directors;</p> <p>(2) to organize the implementation of the Company’s annual business plan and investment proposals;</p> <p>(3) to draft plans for the establishment of the Company’s internal management structure;</p> <p>(4) to draft the Company’s basic management system;</p> <p>(5) to formulate basic rules and regulations for the Company;</p> <p>(6) to propose the appointment or dismissal by the Board of Directors of the Company’s vice manager and Chief Financial Officer;</p>	<p>Article 173 The manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:</p> <p>(1) to be in charge of the Company’s production, operation and management, and to organize the implementation of the resolutions of the Board of Directors and report on works to the Board of Directors;</p> <p>(2) to organize the implementation of the Company’s annual business plan and investment proposals;</p> <p>(3) to draft plans for the establishment of the Company’s internal management structure;</p> <p>(4) to draft the Company’s basic management system;</p> <p>(5) to formulate basic rules and regulations for the Company;</p> <p>(6) to propose the appointment or dismissal by the Board of Directors of the Company’s vice manager and Chief Financial Officer;</p>

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Existing Articles	Revised Articles
<p>(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;</p> <p>(8) to working out regulations for the salary, welfare, rewards and punishments concerning to the Company's employees and to decide on the hiring or dismissing of the Company's employees;</p> <p>(9) the manager has the right to decide not to exceed 20% (inclusive) of the net assets of the Company's single foreign investment projects, the right to decide the individual amount of less than RMB1 billion (inclusive) of bank loans. The above matters shall be conducted in accordance with the decision-making process developed by the Company, but not including foreign investment projects that need to be examined and approved by the general meeting of shareholders according to the laws, regulations, regulatory documents and the relevant provisions of the securities regulatory authorities and stock exchanges where the shares of the company are listed;</p> <p>(10) other powers conferred by the Articles of Association or the Board of Directors.</p> <p>The manager shall attend meetings of the Board of Directors. A manager who is not a Director shall not have any voting rights at board meetings.</p>	<p>(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;</p> <p>(8) to working out regulations for the salary, welfare, rewards and punishments concerning to the Company's employees and to decide on the hiring or dismissing of the Company's employees;</p> <p>(9) the manager has the right to decide not to exceed 20% (inclusive) of the net assets of the Company's single foreign investment projects, the right to decide the individual amount of less than RMB1 billion (inclusive) of bank loans, <u>and the right to decide the external donations less than 1% (inclusive) of the Company's net assets.</u> The above matters shall be conducted in accordance with the decision-making process developed by the Company, but not including foreign investment projects that need to be examined and approved by the general meeting of shareholders according to the laws, regulations, regulatory documents and the relevant provisions of the securities regulatory authorities and stock exchanges where the shares of the company are listed;</p> <p>(10) other powers conferred by the Articles of Association or the Board of Directors.</p> <p>The manager shall attend meetings of the Board of Directors. A manager who is not a Director shall not have any voting rights at board meetings.</p>

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Existing Articles	Revised Articles
None.	<u>Article 178 The senior officers of the Company shall fulfill their duties faithfully, and maintain the maximum benefits of the Company and all the shareholders. Should the senior officers of the Company fail to faithfully fulfill their duties or violate the fiduciary duty, causing damage to the Company and the public shareholders, they shall bear the liability for compensation in accordance with the laws.</u>
Article 183 A supervisor shall ensure that information disclosed by the Company is true, accurate and complete.	Article 183 A supervisor shall ensure that information disclosed by the Company is true, accurate and complete, <u>and sign the written confirmation opinions on the regular reports.</u>

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Existing Articles	Revised Articles
<p>Article 187 The Company shall have a Supervisory Committee. The Supervisory Committee shall be composed of three (3) supervisors. One of the members of the Supervisory Committee shall act as the chairman and one can be the vice chairman. Each supervisor shall serve for a term of three (3) years and may serve consecutive terms if re-elected.</p> <p>The election or removal of the chairman of the Supervisory Committee shall be determined by two-thirds or more of the members of the Supervisory Committee. Vice chairman shall be elected by half of the members of the Supervisory Committee.</p> <p>The meetings of the Supervisory Committee convened by the chairman of Supervisory Committee shall be presided over and chaired by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, he/she should appoint one supervisor to convene and chair the meeting. If the chairman did not appoint any one, such meeting shall be convened and presided over by a supervisor nominated by more than half of the supervisors.</p> <p>The Supervisory Committee shall comprise supervisors who represent the shareholders and a proper proportion of supervisors who represent the employees, and the proportion accounted for by the later shall be 1/3 or more. Shareholders' representatives shall be elected and dismissed by the shareholders' general meeting. The supervisors who represent the employees shall be democratically elected and removed by employees of the Company via the workers conference, general membership meeting or other means.</p>	<p>Article 187 The Company shall have a Supervisory Committee. The Supervisory Committee shall be composed of three (3) supervisors. One of the members of the Supervisory Committee shall act as the chairman and one can be the vice chairman. Each supervisor shall serve for a term of three (3) years and may serve consecutive terms if re-elected.</p> <p>The election or removal of the chairman of the Supervisory Committee shall be determined by two-thirds or more of the members of the Supervisory Committee. Vice chairman shall be elected by half of the members of the Supervisory Committee.</p> <p>The meetings of the Supervisory Committee convened by the chairman of Supervisory Committee shall be presided over and chaired by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, he/she should appoint one supervisor to convene and chair the meeting. If the chairman did not appoint any one, such meeting shall be convened and presided over by a supervisor nominated by more than half of the supervisors.</p> <p>The Supervisory Committee shall comprise supervisors who represent the shareholders and a proper proportion of supervisors who represent the employees, and the proportion accounted for by the later shall be 1/3 or more. Shareholders' representatives shall be elected and dismissed by the shareholders' general meeting. The supervisors who represent the employees shall be democratically elected and removed by employees of the Company via the workers conference, general membership meeting or other means.</p>

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Existing Articles	Revised Articles
<p>Article 193 No one shall be a Director, supervisor, manager or other senior officer of the Company if subject to any of the following circumstances:</p> <p>(1) being without civil capacity or having limited civil capacity;</p> <p>(2) having been penalized or sentenced due to an offence of corruption, bribery, encroachment on property, misappropriation of property or disruption of the socialist market economy, or having been deprived of political rights due to the committing of any crime, and in each case, five (5) years not having elapsed since the completion of the relevant penalty, sentence or deprivation;</p> <p>(3) having been a former Director, factory director or manager of a company or enterprise which had been bankrupt and liquidated whereby such person was personally liable for the bankruptcy of such company or enterprise, and three (3) years not having elapsed since the date of completion of the liquidation of the company or enterprise;</p> <p>(4) having been the legal representative of a company or enterprise whose business license was revoked due to violation of laws whereby such person was personally liable, and three (3) years not having elapsed since the date of revocation of the business license of the company or enterprise;</p> <p>(5) being a debtor personally liable for a relatively large debt which has not been paid as it fell due;</p>	<p>Article 193 No one shall be a Director, supervisor, manager or other senior officer of the Company if subject to any of the following circumstances:</p> <p>(1) being without civil capacity or having limited civil capacity;</p> <p>(2) having been penalized or sentenced due to an offence of corruption, bribery, encroachment on property, misappropriation of property or disruption of the socialist market economy, or having been deprived of political rights due to the committing of any crime, and in each case, five (5) years not having elapsed since the completion of the relevant penalty, sentence or deprivation;</p> <p>(3) having been a former Director, factory director or manager of a company or enterprise which had been bankrupt and liquidated whereby such person was personally liable for the bankruptcy of such company or enterprise, and three (3) years not having elapsed since the date of completion of the liquidation of the company or enterprise;</p> <p>(4) having been the legal representative of a company or enterprise whose business license was revoked due to violation of laws whereby such person was personally liable, and three (3) years not having elapsed since the date of revocation of the business license of the company or enterprise;</p> <p>(5) being a debtor personally liable for a relatively large debt which has not been paid as it fell due;</p>

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Existing Articles	Revised Articles
<p>(6) having been banned from entering the market by financial regulators, and five (5) years not having elapsed since the last date of the ban;</p> <p>(7) having been subject to an investigation by judicial authorities for criminal offences, and such investigation not having come to an end;</p> <p>(8) being banned from being senior officer of enterprises by laws and regulations;</p> <p>(9) being a non-natural person;</p> <p>(10) having been adjudged by the relevant competent authorities of violations of relevant securities laws which involves fraud or dishonesty, and five (5) years not having elapsed since the date of the judgment;</p> <p>(11) such other matters of law, administrative regulations or departmental rules and regulations.</p> <p>If the election or appointment of a Director, supervisor, manager and other senior officer, violates the provisions of the Articles of Association, such election, appointment or engagement shall be deemed invalid. Where a circumstance prescribed in this article occurs during the term of office of a Director, supervisor, manager and other senior officer, the Company shall remove such person.</p>	<p>(6) having been banned from entering the market by financial regulators, and five (5) years not having elapsed since the last date of the ban <u>having been banned from entering the market by China Securities Regulatory Commission, and such period not having elapsed;</u></p> <p>(7) having been subject to an investigation by judicial authorities for criminal offences, and such investigation not having come to an end;</p> <p>(8) being banned from being senior officer of enterprises by laws and regulations;</p> <p>(9) being a non-natural person;</p> <p>(10) having been adjudged by the relevant competent authorities of violations of relevant securities laws which involves fraud or dishonesty, and five (5) years not having elapsed since the date of the judgment;</p> <p>(11) such other matters of law, administrative regulations or departmental rules and regulations.</p> <p>If the election or appointment of a Director, supervisor, manager and other senior officer, violates the provisions of the Articles of Association, such election, appointment or engagement shall be deemed invalid. Where a circumstance prescribed in this article occurs during the term of office of a Director, supervisor, manager and other senior officer, the Company shall remove such person.</p>

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Existing Articles	Revised Articles
Article 200 Except for the circumstances prescribed in Article 64 here of or otherwise provided by the laws and administrative regulations, each director, supervisor, manager and any other senior officers of the Company may be relieved of liability for specific breaches of his duties by the consent of informed shareholders at a general meeting.	Article 200 Except for the circumstances prescribed in Article 64 <u>Article 65</u> hereof or otherwise provided by the laws and administrative regulations, each director, supervisor, manager and any other senior officers of the Company may be relieved of liability for specific breaches of his duties by the consent of informed shareholders at a general meeting.
<p>Article 210 The contract concerning the emoluments between the Company and its director(s) or supervisor(s) should provide that in the event of a takeover of the Company, the Company’s director(s) and supervisor(s) shall, subject to prior approval at a general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A takeover of the Company referred to of the preceding paragraph means any of the following circumstances:</p> <p>(1) a takeover offer made by any person to all the shareholders;</p> <p>(2) a takeover offer made by any person with a view to have the offerer becoming a controlling shareholder, which shall have the same meaning as ascribed to it in Article 65 of the Articles of Association.</p> <p>Where the relevant director(s) or supervisor(s) is in breach of this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the acceptance of the said offer. The expenses incurred in distributing that sum pro rata shall be borne by the relevant director(s) or supervisor(s) and shall not be deductible from that sum.</p>	<p>Article 210 The contract concerning the emoluments between the Company and its director(s) or supervisor(s) should provide that in the event of a takeover of the Company, the Company’s director(s) and supervisor(s) shall, subject to prior approval at a general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A takeover of the Company referred to of the preceding paragraph means any of the following circumstances:</p> <p>(1) a takeover offer made by any person to all the shareholders;</p> <p>(2) a takeover offer made by any person with a view to have the offerer becoming a controlling shareholder, which shall have the same meaning as ascribed to it in Article 65<u>Article 66</u> of the Articles of Association.</p> <p>Where the relevant director(s) or supervisor(s) is in breach of this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the acceptance of the said offer. The expenses incurred in distributing that sum pro rata shall be borne by the relevant director(s) or supervisor(s) and shall not be deductible from that sum.</p>

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Existing Articles	Revised Articles
<p>Article 213 The Company shall submit its annual financial accounting reports to China Securities Regulatory Commission and the stock exchange(s) within 4 months from the ending date of each accounting year, its interim financial accounting reports to the local office of China Securities Regulatory Commission and the stock exchange(s) within 2 months from the ending date of the first 6 months of each accounting year, and the quarterly financial accounting reports to the local office of China Securities Regulatory Commission and the stock exchange(s) within 1 month from the ending dates of the first 3 and first 9 months of each accounting year respectively.</p> <p>The aforementioned financial accounting reports shall be prepared in accordance with relevant laws, administrative regulations as well as the departmental rules, and announced according to the requirement of the securities regulatory authority of the place which the Company's shares listed.</p>	<p>Article 213 The Company shall submit <u>and disclose</u> its annual financial accounting reports to China Securities Regulatory Commission and the stock exchange(s) within 4 months from the ending date of each accounting year, <u>and</u> its interim financial accounting reports to the local office of China Securities Regulatory Commission and the stock exchange(s) within 2 months from the ending date of the first 6 months of each accounting year, and the quarterly financial accounting reports to the local office of China Securities Regulatory Commission and the stock exchange(s) within 1 month from the ending dates of the first 3 and first 9 months of each accounting year respectively.</p> <p>The aforementioned <u>annual and interim</u> financial independent accounting reports shall be prepared in accordance with relevant laws, administrative regulations as well as the departmental rules, and announced according to the requirement of the securities regulatory authority of the place which the Company's shares listed <u>stipulations of China Securities Regulatory Commission and stock exchange(s).</u></p>
<p>Article 226 The Company shall engage an independent accounting firm, which has obtained "qualification of engagement in securities related businesses" to conduct audit on the annual financial statement of the Company and to audit accounting reports, verify on net assets, review other financial reports of the Company and to provide other related advisory services. The engagement lasts 1 year and is renewable.</p>	<p>Article 226 The Company shall engage an independent accounting firm firm, which has obtained "qualification of engagement in securities related businesses" <u>in conformity with the provisions in the Securities Law</u> to conduct audit on the annual financial statement of the Company and to audit accounting reports, verify net assets, review other financial reports of the Company and to provide other related advisory services. The engagement lasts 1 year and is renewable.</p>

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Existing Articles	Revised Articles
<p>Article 268 Definitions</p> <p>(1) Controlling shareholders shall refer to the shareholders as defined in Article 65 of these Articles of Association.</p> <p>(2) De facto controller shall refer to that although such controller is not a shareholder of the Company, he/she is a person who can actually dominate the Company's actions through investment, agreements or other arrangements.</p> <p>(3) Connected relations shall refer to the relationship between the Company's controlling shareholders, de facto controller, directors, supervisors, senior officers and those enterprises which are directly or indirectly controlled by the foregoing parties and such other relationship which may cause the interests of the Company to be transferred. However, the state-controlled enterprises do not have connected relations with each other merely because they are all being controlled by the State.</p> <p>(4) Additional gratuities shall refer to the one-off compensation paid to the leaving officers at medium level or above of the Company by the shareholders separately or jointly holding above 10% of the shares of the Company for the resignation or dismissal of such officers caused by the fact that such shareholders further acquire the Company's shares and become de facto controllers.</p>	<p>Article 268 Definitions</p> <p>(1) Controlling shareholders shall refer to the shareholders as defined in Article 65<u>Article 66</u> of these Articles of Association.</p> <p>(2) De facto controller shall refer to that although such controller is not a shareholder of the Company, he/she is a person who can actually dominate the Company's actions through investment, agreements or other arrangements.</p> <p>(3) Connected relations shall refer to the relationship between the Company's controlling shareholders, de facto controller, directors, supervisors, senior officers and those enterprises which are directly or indirectly controlled by the foregoing parties and such other relationship which may cause the interests of the Company to be transferred. However, the state-controlled enterprises do not have connected relations with each other merely because they are all being controlled by the State.</p> <p>(4) Additional gratuities shall refer to the one-off compensation paid to the leaving officers at medium level or above of the Company by the shareholders separately or jointly holding above 10% of the shares of the Company for the resignation or dismissal of such officers caused by the fact that such shareholders further acquire the Company's shares and become de facto controllers.</p>

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Existing Articles	Revised Articles
<p>Management personnel at medium level or above shall refer to management personnel in the position of assistant to department manager of the Company or above, including the directors and supervisors of the Company entitled to remuneration from the Company and its controlling subsidiaries.</p> <p>The calculation of the additional gratuities is as follows:</p> $P=S \times A \times (1+Q1+Q2+Q3) \times 300\%$ <p>P represents additional gratuities;</p> <p>S represents the sum of total annual salary before tax, additional wages, bonus, benefits and market value of the incentive shares of the leaving personnel for the year of leaving the Company;</p> <p>A represents the difference between the years of age of the leaving personnel and the retiring age (60 years of age for male and 55 years of age for female). If the difference is less than five years, it shall be deemed as five years;</p> <p>Q1 represents the absolute value of the accumulative price inflation index for the last three consecutive years of Shanghai published by Shanghai Municipal Bureau of Statistics;</p>	<p>Management personnel at medium level or above shall refer to management personnel in the position of assistant to department manager of the Company or above, including the directors and supervisors of the Company entitled to remuneration from the Company and its controlling subsidiaries.</p> <p>The calculation of the additional gratuities is as follows:</p> $P=S \times A \times (1+Q1+Q2+Q3) \times 300\%$ <p>P represents additional gratuities;</p> <p>S represents the sum of total annual salary before tax, additional wages, bonus, benefits and market value of the incentive shares of the leaving personnel for the year of leaving the Company;</p> <p>A represents the difference between the years of age of the leaving personnel and the retiring age (60 years of age for male and 55 years of age for female). If the difference is less than five years, it shall be deemed as five years;</p> <p>Q1 represents the absolute value of the accumulative price inflation index for the last three consecutive years of Shanghai published by Shanghai Municipal Bureau of Statistics;</p>

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Existing Articles	Revised Articles
<p>Q2 represents the absolute value of the accumulative interest rate increase index for the last three consecutive years published by the People's Bank of China;</p> <p>Q3 represents the absolute value of the growth rate of per capita disposable income for the last three consecutive years of Shanghai published by Shanghai Municipal Bureau of Statistics.</p>	<p>Q2 represents the absolute value of the accumulative interest rate increase index for the last three consecutive years published by the People's Bank of China;</p> <p>Q3 represents the absolute value of the growth rate of per capita disposable income for the last three consecutive years of Shanghai published by Shanghai Municipal Bureau of Statistics.</p>
<p>Article 270 These Articles of Association are written in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language or of different version, the latest Chinese version of these Articles of Association approved by and registered with the Shanghai Administration for Industry and Commerce shall prevail.</p>	<p>Article 270 These Articles of Association are written in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language or of different version, the latest Chinese version of these Articles of Association approved by and registered with the Shanghai Administration for Industry and Commerce <u>Shanghai Administration for Market Regulation</u> shall prevail.</p>

The effectiveness of aforementioned amendments to the Articles of Association is subject to the consideration and approval at the 2021 AGM. The Board of the Company proposes to the general meeting to authorize the management to be responsible for all relevant registration procedures required for the change of the above matters of the Company to the industrial and commercial registration authority (which will be subject to the review and approval by the Industrial and Commercial Bureau). The above amendments shall have legal effect on the Company.

Note: The Articles of Association and its amendments were originally drafted in Chinese and there was no official English version. Therefore, any English translation is for reference only. In case of any discrepancies, the Chinese version shall prevail.

In order to comply with the requirements of the revised Securities Law, improve the governance structure of the Company and enhance the standard of its operations, the Company proposed to make amendments to the Rules of Procedures for the General Meeting in accordance with the amendments to relevant articles of the Articles of Association and the actual conditions and needs of the Company. The details of the amendments are as follows:

Existing Articles	Revised Articles
<p>Article 1 The Rules of Procedures are hereby formulated in accordance with the Company Law of the People's Republic of China ("the Company Law"), Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas ("Mandatory Provisions"), Letter about Suggestions on Amendment to Articles of Association of Companies to be Listed in Hong Kong, Rules on Shareholders' General Meetings of Listed Companies (ZJHGG [2016] No.22) issued by China Securities Regulatory Commission ("CSRC"), Opinions on Further Standardizing Operations and Reform of Companies Listed outside the PRC (the "Opinions"), Guidance for the Articles of Association of Listed Companies ("Guidance for the Articles of Association"), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), other relevant laws, administrative regulations, rules and normative documents of the People's Republic of China ("China", for the purpose of the Rules, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan), the Articles of Association of Shanghai Dazhong Public Utilities (Group) Co., Ltd. ("Articles of Association"), as well as other relevant laws and regulations, for the purpose of regulating the acts of shareholders' general meetings of Shanghai Dazhong Public Utilities (Group) Co., Ltd. ("the Company"), guaranteeing functions and powers exercised by the shareholders' general meetings of the Company in accordance with the law, and protecting the interests of the Company and its shareholders.</p>	<p>Article 1 The Rules of Procedures are hereby formulated in accordance with the Company Law of the People's Republic of China ("the Company Law"), Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas ("Mandatory Provisions"), Letter about Suggestions on Amendment to Articles of Association of Companies to be Listed in Hong Kong, Rules on Shareholders' General Meetings of Listed Companies (ZJHGG [2016] No.22) issued by China Securities Regulatory Commission ("CSRC"), Opinions on Further Standardizing Operations and Reform of Companies Listed outside the PRC (the "Opinions"), Guidance for the Articles of Association of Listed Companies ("Guidance for the Articles of Association"), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), other relevant laws, administrative regulations, rules and normative documents of the People's Republic of China ("China", for the purpose of the Rules, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan), the Articles of Association of Shanghai Dazhong Public Utilities (Group) Co., Ltd. ("Articles of Association"), as well as other relevant laws and regulations, for the purpose of regulating the acts of shareholders' general meetings of Shanghai Dazhong Public Utilities (Group) Co., Ltd. ("the Company"), guaranteeing functions and powers exercised by the shareholders' general meetings of the Company in accordance with the law, and protecting the interests of the Company and its shareholders.</p>

Existing Articles	Revised Articles
Article 5 The general meeting is the organ of power of the Company and shall exercise the following functions and powers:	Article 5 The general meeting is the organ of power of the Company and shall exercise the following functions and powers:
(I) Deciding on the business policies and investment plans of the Company;	(I) Deciding on the business policies and investment plans of the Company;
(II) Electing and replacing directors and supervisors who are appointed from amongst representatives of the shareholders and deciding on matters relating to the remuneration of the directors and supervisors;	(II) Electing and replacing directors and supervisors who are appointed from amongst representatives of the shareholders <u>directors and supervisors not assumed by employee representatives</u> , and deciding on matters <u>concerning</u> the remuneration of <u>such</u> directors and supervisors;
(III) Examining and approving reports of the Board of Directors;	(III) Examining and approving reports of the Board of Directors;
(IV) Examining and approving reports of the Supervisory Committee;	(IV) Examining and approving reports of the Supervisory Committee;
(V) Examining and approving the Company's annual financial budget and final account proposals;	(V) Examining and approving the Company's annual financial budget and final account proposals;
(VI) Examining and approving the Company's plans for profit distribution and loss make-up;	(VI) Examining and approving the Company's plans for profit distribution and loss make-up;
(VII) Adopting resolutions on the increase or reduction of the Company's registered capital;	(VII) Adopting resolutions on the increase or reduction of the Company's registered capital;
(VIII) Adopting resolutions on plans for issuance of bonds of the Company;	(VIII) Adopting resolutions on plans for issuance of bonds of the Company;

Existing Articles	Revised Articles
(IX) Adopting resolutions on matters such as merger, division, dissolution, liquidation and change of corporate form of the Company;	(IX) Adopting resolutions on matters such as merger, division, dissolution, liquidation and change of corporate form of the Company;
(X) Amending the Articles of Association of the Company;	(X) Amending the Articles of Association of the Company;
(XI) Making a resolution on the Company's employment, dismissal, or non-reappointment of an accounting firm;	(XI) Making a resolution on the Company's employment, dismissal, or non-reappointment of an accounting firm;
(XII) Considering and approving the guarantee matters stipulated in Article 67 of the Company's Articles of Association;	(XII) Considering and approving the guarantee matters stipulated in Article 67 Article 68 of the Company's Articles of Association;
(XIII) Examining proposals on matters relating to the purchase or sale of material assets exceeding 30% of the latest audited total assets of the Company within one year;	(XIII) <u>Considering and approving the financial assistance matters stipulated in Article 69 of the Company's Articles of Association;</u>
(XIV) Examining proposals on changes in the use of proceeds;	(XIII) (XIV) Examining proposals on matters relating to the purchase or sale of material assets exceeding 30% of the latest audited total assets of the Company within one year;
(XV) Examining share incentive plans;	(XIV) (XV) Examining proposals on changes in the use of proceeds;
(XVI) Considering proposals from shareholders representing 3% (inclusive) or more of the shares in the Company with voting rights;	(XV) (XVI) Examining share incentive plans <u>and employee stock ownership plans;</u>
(XVII) Making a resolution on the Company's acquisition of the Company's shares due to the circumstances specified in Article 29 (1) and (2) of the Articles of Association;	(XVI) (XVII) Considering proposals from shareholders representing 3% (inclusive) or more of the shares in the Company with voting rights;
	(XVII) (XVIII) Making a resolution on the Company's acquisition of the Company's shares due to the circumstances specified in Article 29 <u>Article 30</u> (1) and (2) of the Articles of Association;

Existing Articles	Revised Articles
(XVIII) Considering other matters which are to be decided by the shareholders' general meetings according to the laws, administrative regulations, departmental rules, regulatory requirements of the regulatory authorities and stock exchange of the place where the Company's securities are listed, or provisions of the Articles of Association.	(XVIII) (XIX) Considering other matters which are to be decided by the shareholders' general meetings according to the laws, administrative regulations, departmental rules, regulatory requirements of the regulatory authorities and stock exchange of the place where the Company's securities are listed, or provisions of the Articles of Association.
<p>Article 6 The following external guarantees of the Company shall be reviewed and approved by the shareholders' general meeting.</p> <p>(I) Any guarantee provided after the total amount of external guarantees of the Company and the Company's holding subsidiaries reaches or exceeds 50% of the latest audited net assets;</p>	<p>Article 6 The following external guarantees of the Company shall be reviewed and approved by the shareholders' general meeting. <u>The provision of guarantee by the Company shall not only be reviewed and approved by more than half of all directors, but also be reviewed and approved by more than 2/3 of the directors present at the meeting of the Board of Directors, and shall be disclosed in a timely manner. If the guarantee matter falls under any of the following circumstances, it shall also be submitted to the general meeting of shareholders for consideration and approval after reviewed and approved by the Board of Directors.</u></p> <p>(I) Any guarantee provided after the total amount of external guarantees of the Company and the Company's holding subsidiaries reaches or exceeds 50% of the latest audited net assets;</p>

Existing Articles	Revised Articles
(II) Any guarantee provided after the total amount of the Company's external guarantee reaches or exceeds 30% of the latest audited total assets;	(II) Any guarantee provided after the total amount of the Company's <u>Company and its controlled subsidiaries</u> external guarantee reaches or exceeds 30% of the latest audited total assets;
(III) Guarantees provided for the guarantee object with an asset-liability ratio exceeding 70%;	(III) Guarantees provided for the guarantee object with an asset-liability ratio exceeding 70%;
(IV) Guarantees where the single guarantee amount exceeds 10% of the latest audited net assets;	(IV) Guarantees where the single guarantee amount exceeds 10% of the latest audited net assets;
(V) Guarantees provided to shareholders, actual controllers and their related parties.	(V) Guarantees provided to shareholders, actual controllers and their related parties;
	(VI) <u>Guarantees exceeding 30% of the Company's latest audited total assets in accordance with the principle of cumulative calculation of the guarantee amount within 12 consecutive months;</u>
	(VII) <u>Other circumstances as provided by laws, administrative regulations, departmental rules or the Articles of Association.</u>
	<u>When the Company's general meeting of shareholders considers the guarantee mentioned in (VI) above, it shall be approved by more than two-thirds of the voting shareholders present at the meeting.</u>

Existing Articles	Revised Articles
None.	<p data-bbox="815 300 1350 704"><u>Article 7 The financial assistance matters of the Company shall not only be reviewed and approved by more than half of all directors, but also be reviewed and approved by more than 2/3 of the directors present at the meeting of the Board of Directors, and shall be disclosed in a timely manner. If the financial assistance matter falls under any of the following circumstances, it shall also be submitted to the general meeting of shareholders for consideration and approval after being reviewed and approved by the Board of Directors.</u></p> <p data-bbox="815 746 1350 853">(I) <u>The amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;</u></p> <p data-bbox="815 895 1350 1002">(II) <u>The latest financial statement data of the funded target shows that the asset-liability ratio exceeds 70%;</u></p> <p data-bbox="815 1044 1350 1151">(III) <u>The cumulative amount of financial assistance in the last 12 months exceeds 10% of the Company's latest audited net assets;</u></p> <p data-bbox="815 1193 1350 1300">(IV) <u>Other circumstances as provided by laws, administrative regulations, departmental rules, or the Articles of Association.</u></p> <p data-bbox="815 1342 1350 1672"><u>Unless otherwise stipulated by laws, administrative regulations and departmental rules, if the funding target is a controlled subsidiary within the scope of the Company's consolidated financial statements, and the other shareholders of such controlled subsidiary do not include the controlling shareholder, actual controller and its related parties, the provisions of the preceding two paragraphs may be exempted.</u></p>

Existing Articles	Revised Articles
None.	<p><u>Article 13 If the Board of Supervisors or shareholders decide to convene a general meeting of shareholders on their own, in addition to performing the aforesaid procedures, they shall file with the stock exchange at the same time.</u></p> <p><u>Before the resolution of the general meeting of shareholders is announced, the shareholding ratio of the convening shareholders shall not be less than 10%.</u></p> <p><u>The Board of Supervisors or the convening shareholders shall submit relevant certification materials to the stock exchange when issuing the notice of the general meeting and the announcement of the resolutions of the general meeting.</u></p>
Article 12 If a shareholder decides to convene a general meeting of shareholders on his own, in addition to performing the aforesaid procedures, he/she shall file with the local office of China Securities Regulatory Commission and the stock exchange where the Company is located.	This Article is deleted.
Article 16 When holding an annual general meeting of shareholders, the Company shall issue a written notice 20 business days before the meeting; and when holding an extraordinary general meeting, the Company shall issue a written notice 15 days and not less than 10 business days before the meeting, informing all shareholders of the matters to be considered at the meeting as well as the date and place of the meeting.	Article 16 <u>Article 17</u> When holding an annual general meeting of shareholders, the Company shall issue a written notice 20 business days before the meeting; and when holding an extraordinary general meeting, the Company shall issue a written notice 15 days and not less than 10 business days <u>(whichever is longer)</u> before the meeting, informing all shareholders of the matters to be considered at the meeting as well as the date and place of the meeting.
Article 18 An extraordinary general meeting shall not decide on any matter not stated in the notice of the meeting.	Article 18 <u>Article 19</u> An extraordinary A general meeting shall not decide on any matter not stated in the notice of the meeting.

Existing Articles	Revised Articles
<p>Article 20 The notice of a general meeting shall include the followings:</p> <p>(I) Being in written form;</p> <p>(II) The time, venue and duration of the meeting;</p> <p>(III) The matters and proposals submitted for consideration at the meeting;</p> <p>(IV) Providing the shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed. This means that when the following matters which shall include, but shall not be limited to: any merger, share repurchase, share capital reorganization or other restructuring proposals are involved, the detailed terms of the proposed transaction, the proposed agreement (if any) and detailed explanation as to the cause and effect of such proposed transaction shall be provided;</p> <p>(V) Containing a disclosure of the nature and extent of the material interests of any director, supervisor, manager, or other senior officers in relation to the matters to be discussed and an explanation of the effect of the matters to be discussed on them in their capacity as shareholders so far as it is different from the effect on the interest of shareholders of the same class;</p> <p>(VI) Containing the full text of any special resolution to be proposed and approved at the meeting;</p>	<p>Article 20 Article 21 The notice of a general meeting shall include the followings:</p> <p>(I) Being in written form;</p> <p>(II) The time, venue and duration of the meeting;</p> <p>(III) The matters and proposals submitted for consideration at the meeting;</p> <p>(IV) Providing the shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed. This means that when the following matters which shall include, but shall not be limited to: any merger, share repurchase, share capital reorganization or other restructuring proposals are involved, the detailed terms of the proposed transaction, the proposed agreement (if any) and detailed explanation as to the cause and effect of such proposed transaction shall be provided;</p> <p>(V) Containing a disclosure of the nature and extent of the material interests of any director, supervisor, manager, or other senior officers in relation to the matters to be discussed and an explanation of the effect of the matters to be discussed on them in their capacity as shareholders so far as it is different from the effect on the interest of shareholders of the same class;</p> <p>(VI) Containing the full text of any special resolution to be proposed and approved at the meeting;</p>

Existing Articles	Revised Articles
<p>(VII) A clear explanation in writing indicating that all shareholders are entitled to attend and vote at the general meeting, or to appoint one or more proxies in writing to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily shareholders of the Company;</p> <p>(VIII) Specified delivery time and place of the power of attorney for proxy voting at the meeting;</p> <p>(IX) Specified record date for shareholders entitled to attend the general meeting;</p> <p>(X) Name and telephone number of the contact person for the meeting.</p> <p>Details of all proposals shall be disclosed on a full and complete basis in the notice and supplementary notice of general meeting. Where opinions from non-executive independent directors are required on any matters to be discussed, such opinions and reasons from non-executive independent directors shall be disclosed in the notice or supplementary notice of general meeting.</p>	<p>(VII) A clear explanation in writing indicating that all shareholders are entitled to attend and vote at the general meeting, or to appoint one or more proxies in writing to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily shareholders of the Company;</p> <p>(VIII) Specified delivery time and place of the power of attorney for proxy voting at the meeting;</p> <p>(IX) Specified record date for shareholders entitled to attend the general meeting;</p> <p>(X) Name and telephone number of the contact person for the meeting;</p> <p>(XI) <u>Voting time and voting procedures by internet or other means.</u></p> <p>Details of all proposals shall be disclosed on a full and complete basis in the notice and supplementary notice of general meeting. Where opinions from non-executive independent directors are required on any matters to be discussed, such opinions and reasons from non-executive independent directors shall be disclosed in the notice or supplementary notice of general meeting.</p>

Existing Articles	Revised Articles
<p>Where a general meeting is held online or by any other means, the notice of the general meeting shall specify the time and procedures of the voting online or by any other means. The voting online or by any other means shall be started not earlier than 3:00 p.m. on the day before the on-the-spot general meeting is held and not later than 9:30 a.m. on the day when the on-the-spot general meeting is held, and shall be concluded not earlier than 3:00 p.m. on the day when the on-the-spot general meeting ends.</p>	<p>Where a general meeting is held online or by any other means, the notice of the general meeting shall specify the time and procedures of the voting online or by any other means. The voting online or by any other means shall be started not earlier than 3:00 p.m. on the day before the on-the-spot general meeting is held and not later than 9:30 a.m. on the day when the on-the-spot general meeting is held, and shall be concluded not earlier than 3:00 p.m. on the day when the on-the-spot general meeting ends.</p> <p><u>The interval between the share registration date and the meeting date should be no more than seven working days. Once the shareholding record date is confirmed, it cannot be changed.</u></p>
<p>Article 23 After the notice of the general meeting of shareholders is issued, the general meeting of shareholders shall not be postponed or cancelled without justifiable reasons, the proposals listed in the notice of the general meeting of shareholders shall not be cancelled and the venue of the on-site meeting shall not be changed. In case of delay, cancellation or changes of on-site meetings, the convener shall make an announcement giving reasons at least 2 working days before the date when the meeting is convened.</p>	<p>Article 23 <u>Article 24</u> After the notice of the general meeting of shareholders is issued, the general meeting of shareholders shall not be postponed or cancelled without justifiable reasons, the proposals listed in the notice of the general meeting of shareholders shall not be cancelled and the venue of the on-site meeting shall not be changed. In case of delay or cancellation or changes of on-site meetings, the convener shall make an announcement giving reasons at least 2 working days before the date when the meeting is convene.</p>
<p>Article 35 When the general meeting of shareholders is held, all directors, supervisors, and secretary of the Board of Directors of the Company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as non-voting delegates.</p>	<p>Article 35 <u>Article 36</u> When the general meeting of shareholders is held, all directors, supervisors, and secretary of the Board of Directors of the Company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as non-voting delegates. <u>If they cannot attend in person, they shall entrust other directors and supervisors to attend.</u></p>

Existing Articles	Revised Articles
<p>Article 36 The general meeting shall be convened by the Board of Directors and presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable to discharge or fails to discharge his/her duties, the meeting shall be convened and presided over by the vice chairman of the Board of Directors (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside over the meeting). In the event that both the chairman and vice chairman are unable to attend the meeting, a director selected by the Board of Directors shall convene and preside over the meeting. In the event that no such designation is made, one shareholder as elected from the attending shareholders may preside over the meeting. If, for any reason, the attending shareholders fail to elect one to be the presider, the attending shareholder who holds the most voting shares shall preside over the meeting.</p> <p>For the general meetings convened by shareholders, the conveners shall nominate a representative to preside over the meeting.</p> <p>In the event that the presider of the meeting violates the rules of procedures which results in the general meeting being unable to continue, upon approval by the shareholders representing more than half of the voting rights present at the meeting, a person may be elected to preside over the general meeting and the meeting shall continue.</p>	<p>Article 36 <u>Article 37</u> The general meeting shall be convened by the Board of Directors and presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable to discharge or fails to discharge his/her duties, the meeting shall be convened and presided over by the vice chairman of the Board of Directors (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside over the meeting). In the event that both the chairman and vice chairman are unable to attend the meeting, a director selected by the Board of Directors shall convene and preside over the meeting. In the event that no such designation is made, one shareholder as elected from the attending shareholders may preside over the meeting. If, for any reason, the attending shareholders fail to elect one to be the presider, the attending shareholder who holds the most voting shares shall preside over the meeting.</p> <p><u>The general meeting of shareholders convened by the Board of Supervisors shall be presided over by the chairman of the Board of Supervisors. When the chairman of the Board of Supervisors is unable to perform his/her duties or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting.</u></p> <p>For the general meetings convened by shareholders, the conveners shall nominate a representative to preside over the meeting.</p> <p>In the event that the presider of the meeting violates the rules of procedures, which results in the general meeting being unable to continue, upon approval by the shareholders representing more than half of the voting rights present at the meeting, a person may be elected to preside over the general meeting and the meeting shall continue.</p>

Existing Articles	Revised Articles
<p>Article 46 Following matters shall be adopted by way of special resolutions at general meetings:</p> <p>(I) Increase or reduction in the registered capital and issue of shares of any class, stock warrants and other similar securities;</p> <p>(II) Issue of corporate bonds;</p> <p>(III) The division, merger, dissolution, liquidation and change of corporate form of the Company;</p> <p>(IV) Amendments to the Articles of Association;</p> <p>(V) The purchases and disposals of material assets or guarantees within one year, which exceed 30% of the latest audited total assets of the Company;</p> <p>(VI) Adjustments to the profit distribution policy;</p> <p>(VII) Equity incentive plans;</p> <p>(VIII) The Company acquires shares of the Company due to the circumstances specified in Article 29(1) and (2) of the Articles of Association;</p> <p>(IX) Any other matters required by the laws, administrative regulations or the Articles of Association, and matters considered in an ordinary resolution adopted at a shareholders' general meeting having a material impact on the Company, and thus in need of approval by a special resolution.</p>	<p>Article 46 <u>Article 47</u> Following matters shall be adopted by way of special resolutions at general meetings:</p> <p>(I) Increase or reduction in the registered capital and issue of shares of any class, stock warrants and other similar securities;</p> <p>(II) Issue of corporate bonds;</p> <p>(III) The division, <u>split</u>, merger, dissolution, liquidation and change of corporate form of the Company;</p> <p>(IV) Amendments to the Articles of Association;</p> <p>(V) The purchases and disposals of material assets or guarantees within one year, which exceed 30% of the latest audited total assets of the Company;</p> <p>(VI) Adjustments to the profit distribution policy;</p> <p>(VII) Equity incentive plans;</p> <p>(VIII) The Company acquires shares of the Company due to the circumstances specified in Article 29 <u>Article 30</u>(1) and (2) of the Articles of Association;</p> <p>(IX) Any other matters required by the laws, administrative regulations or the Articles of Association, and matters considered in an ordinary resolution adopted at a shareholders' general meeting having a material impact on the Company, and thus in need of approval by a special resolution.</p>

Existing Articles	Revised Articles
<p>Article 47 Shareholders (including proxies) shall exercise their voting rights according to the number of shares carrying voting rights they represent, with one vote for each share.</p> <p>Shares of the Company held by the Company itself don't carry any voting rights, and shall not be counted in the total number of shares carrying voting rights represented by shareholders attending a shareholders' general meeting.</p> <p>The Board of Directors, non-executive independent directors and shareholders who meet the relevant requirements are entitled to solicit shareholders' voting rights. Information including the specific voting intention shall be fully disclosed to shareholders from whom voting rights are being solicited. It is prohibited to solicit voting rights from shareholders by offering consideration or consideration in disguised form. The Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights.</p>	<p>Article 47 Article 48 Shareholders (including proxies) shall exercise their voting rights according to the number of shares carrying voting rights they represent, with one vote for each share.</p> <p><u>When the shareholders' general meeting considers major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of individual vote counting shall be disclosed to the public in a timely manner.</u></p> <p>Shares of the Company held by the Company itself don't carry any voting rights, and shall not be counted in the total number of shares carrying voting rights represented by shareholders attending a shareholders' general meeting.</p> <p><u>If a shareholder buys the voting shares of the Company in violation of the provisions of Paragraphs 1 and 2 of Article 63 of the Securities Law, such shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after the purchase, and shall not be counted as part of the total number of voting shares present at the shareholders' general meeting.</u></p>

Existing Articles	Revised Articles
	<p>The <u>Company's</u> Board of Directors, independent non-executive directors and <u>shareholders</u> who meet the relevant requirements <u>and investor protection institutions established in accordance with laws, administrative regulations, or the provisions of the China Securities Regulatory Commission</u> may solicit shareholders' voting rights. Information including the specific voting intention shall be fully disclosed to shareholders from whom voting rights are being solicited. It is prohibited to solicit voting rights from shareholders by offering consideration or consideration in disguised form. <u>Unless otherwise provided by laws, the</u> Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights.</p>
<p>Article 49 The Company shall, on the premise of ensuring the legality and effectiveness of the general meeting of shareholders, provide convenience for shareholders to participate in the general meeting of shareholders through various ways and means, including the provision of online voting platforms and other modern information technology means.</p>	<p>This Article is deleted.</p>

Existing Articles	Revised Articles
<p>Article 56 Unless the following persons request voting by poll before or after a show of hands, the shareholders' general meeting shall vote by a show of hands:</p> <p>(I) Presider of the Meeting;</p> <p>(II) At least two shareholders with voting rights or proxies of shareholders with voting rights;</p> <p>(III) One or more shareholders (including shareholders' proxies) holding, individually or in combination, more than 10% (including 10%) of the shares of the shareholders entitled to vote at such meeting.</p> <p>Unless a vote by ballot is proposed, the presider of the meeting announces the approval of the proposal according to the result of a show of hands, and records this in the minutes of the meeting as the final basis, without certifying the number of votes for or against the resolution adopted at that meeting or the percentage thereof.</p> <p>A request to vote by ballot may be withdrawn by the proposer.</p> <p>In the event of a conflict between the provisions of this Article and the Hong Kong Listing Rules, the Hong Kong Listing Rules shall prevail.</p>	<p>This Article is deleted.</p>

Existing Articles	Revised Articles
Article 57 A poll demanded on such matters as the election of presider of the meeting or the suspension of the meeting, shall be taken forthwith; A poll demanded on any other matters shall be taken at such time as the presider of the meeting may decide, and the meeting may proceed to discuss other matters, while the outcome of the poll shall still be deemed to be a resolution of that meeting.	This Article is deleted.
Article 59 When the votes against and for are equal, whether by a show of hands or a ballot, the presider of the meeting is entitled to one more vote.	This Article is deleted.

Existing Articles	Revised Articles
<p>Article 60 Before the relevant proposal is voted on at a shareholders' general meeting, two representatives of the shareholders shall be elected for counting the votes and scrutinizing the poll. Any shareholder who is interested in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the poll.</p> <p>When the proposal is being voted on at the shareholders' general meeting, lawyers, the representatives of shareholders and representatives of supervisors shall be jointly responsible for counting the votes and scrutinizing the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting. Auditors of the Company, share registrars or external accountants who are qualified to act as auditors of the Company may act as the vote counters and the watchers.</p> <p>Shareholders of the listed company or their proxies, who have cast their votes by network voting or by other means, have the right to check their voting results through the respective voting system.</p>	<p>Article 60 <u>Article 57</u> Before the relevant proposal is voted on at a shareholders' general meeting, two representatives of the shareholders shall be <u>appointed</u> for counting the votes and scrutinizing the poll. Any shareholder who is interested in <u>related to</u> the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the poll.</p> <p>When the proposal is being voted on at the shareholders' general meeting, lawyers, the representatives of shareholders and representatives of supervisors shall be jointly responsible for counting the votes and scrutinizing the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting. Auditors of the Company, share registrars or external accountants who are qualified to act as auditors of the Company may act as the vote counters and the watchers.</p> <p>Shareholders of the listed company or their proxies, who have cast their votes by network voting or by other means, have the right to check their voting results through the respective voting system.</p>

Existing Articles	Revised Articles
<p>Article 62 Shareholders attending the general meeting shall express one of the following opinions on the proposals submitted for voting: approval, opposition or abstention.</p> <p>Voting ballots that are not filled in, incorrectly filled in, illegible, or blank shall be deemed as abstention by the voter, and the voting result of the number of shares held shall be counted as “abstention”.</p>	<p>Article 62 <u>Article 59</u> Shareholders attending the general meeting shall express one of the following opinions on the proposals submitted for voting: approval, opposition, or abstention. <u>Except where the securities registration and settlement institution, as the notional holder of the shares traded under the interconnection mechanism between the Mainland and Hong Kong stock markets, makes the declaration in accordance with the intention of the actual holder.</u></p> <p>Voting ballots that are not filled in, incorrectly filled in, illegible, or blank shall be deemed as abstention by the voter, and the voting result of the number of shares held shall be counted as “abstention”.</p>
<p>Article 71 The proposed change or abrogation of the rights of a class of shareholders by the Company shall be made only by a special resolution passed at a general meeting of shareholders and approved by the affected class of shareholders at a meeting of shareholders convened in accordance with Articles 73 to 77, respectively.</p>	<p>Article 71 <u>Article 68</u> The proposed change or abrogation of the rights of a class of shareholders by the Company shall be made only by a special resolution passed at a general meeting of shareholders and approved by the affected class of shareholders at a meeting of shareholders convened in accordance with Articles 73 <u>Articles 70 to 77</u> 74, respectively.</p>

Existing Articles	Revised Articles
<p>Article 73 Shareholders of the affected class, whether or not having the right to vote at the general meetings, shall nevertheless have the right to vote at class meetings on matters referred to in clauses (2) to (8), (11), and (12) of Article 72, but interested shareholders shall not be entitled to vote at class meetings.</p> <p>The interested shareholders referred to in the preceding paragraph have the following meanings:</p> <p>(I) In the case of a repurchase of its own shares by the Company by making repurchase offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 30 of the Articles of Association, “interested shareholder” shall refer to the controlling shareholder as defined in Article 65 of the Articles of Association;</p> <p>(II) In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 30 of the Articles of Association, “interested shareholder” shall refer to the shareholder in relation to the agreement;</p> <p>(III) In the case of a restructuring of the Company, “interested shareholder” shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.</p> <p>Article 74 The resolution of the class shareholders meeting shall be passed by the shareholders with more than 2/3 of the voting rights attending the class shareholders meeting according to Article 73.</p>	<p>Article 73 <u>Article 70</u> Shareholders of the affected class, whether or not having the right to vote at the general meetings, shall nevertheless have the right to vote at class meetings on matters referred to in clauses (2) to (8), (11), and (12) of Article 72 <u>Article 69</u>, but interested shareholders shall not be entitled to vote at class meetings.</p> <p>The interested shareholders referred to in the preceding paragraph have the following meanings:</p> <p>(I) In the case of a repurchase of its own shares by the Company by making repurchase offers to all shareholders on a same pro-rata basis or through public dealing on a stock exchange in accordance with Article 30 <u>Article 31</u> of the Articles of Association, “interested shareholder” shall refer to the controlling shareholder as defined in Article 65 <u>Article 66</u> of the Articles of Association;</p> <p>(II) In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 30 <u>Article 31</u> of the Articles of Association, “interested shareholder” shall refer to the shareholder in relation to the agreement;</p> <p>(III) In the case of a restructuring of the Company, “interested shareholder” shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.</p> <p>Article 74 <u>Article 71</u> The resolution of the class shareholders meeting shall be passed by the shareholders with more than 2/3 of the voting rights attending the class shareholders meeting according to Article 73 <u>Article 70</u>.</p>

Note: The Rules of Procedures for the General Meeting and its amendments were originally drafted in Chinese and there was no official English version. Therefore, any English translation is for reference only. In case of any discrepancies, the Chinese version shall prevail.

Dear Shareholders,

As an independent director of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (the “Company”), we have performed our duties diligently as an independent director in strict accordance with the Company Law, the Code of Corporate Governance for Listed Companies, the Guidelines for the Establishment of the System of Independent Directors in Listed Companies and other relevant laws and regulations, as well as the provisions and requirements of the Articles of Association, the System of Independent Directors and the Working System of Independent Directors for Annual Report of Shanghai Dazhong Public Utilities (Group) Co., Ltd. We fully exercised the functions and powers of independent directors, expressed independent, objective and fair opinions on the consideration of relevant matters, diligently performed our duties, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of all shareholders. Now I will report our performance of duties in 2021 as follows:

I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTORS

(I) Personal working experiences, professional background and part-time situation

There are 9 directors in the board of directors of the Company, among which there are 3 independent directors. The basic information of independent directors is as follows:

Wang Kaiguo (王開國): an independent non-executive director of the Company, male, born in 1958. He is currently an independent non-executive Director of the Company and serves as the chairman of Shanghai Zhongping Guoyu Asset Management Co., Ltd. (上海中平國瑀資產管理有限公司), the independent director of Caitong Fund Management Co., Ltd. (財通基金管理有限公司), the independent director of Zhongliang Holdings Group Co., Ltd. (中梁控股集團有限公司), the independent director of Anxin Trust Co., Ltd. (安信信託股份有限公司), the independent director of Shanghai Rural Commercial Bank Co., Ltd. (上海農村商業銀行股份有限公司), the independent director of Greenland Holding Group Co., Ltd., the vice president of China Productivity Society (中國生產力學會), and the president of PE Association of Shanghai (上海股權投資協會). He was the chairman of board of directors and secretary of Party committee (黨委書記) of Haitong Securities (海通證券), the deputy director of Research Institute of Administrative Bureau of State-owned Property (國家國有資產管理局科研所), the vice president of the Securities Association of China (中國證券業協會).

Chow Siu Lui (鄒小磊) (resigned): formerly an independent non-executive director of the Company, male, born in 1960, certified legal accountant, chartered certified accountant. He is currently a partner of VMS Investment Group Limited (鼎佩投資集團有限公司) and the independent non-executive director of AGTech Holdings Limited, Genertec Universal Medical Group Co., Ltd., China Tobacco International (HK) Company Limited, Futong Technology Development Holdings Limited, China Everbright Greentech Limited and Global Cord Blood Corporation, respectively, and the non-executive director of Renrui Human Resources Technology Holdings Limited. He was a member of the investment management committee of the HKICS and the chairman of the mainland development strategies advisory panel the HKICPA.

Mr. Chow Siu Lui has resigned as an independent non-executive director and the chairman of the Audit Committee of the Board of the Company on December 30, 2021.

Liu Zhengdong (劉正東): an independent non-executive director of the Company, male, born in 1970, master in international economic laws from East China Academy of Political Science and Law. He is currently a partner of Shanghai Junhe Law Firm (君合律師事務所上海分所) Shanghai branch, the independent director of Wuhu Changxin Technology Co., Ltd. and the independent supervisor of Sinopharm Group Co. Ltd., a deputy to the 15th Shanghai Municipal People's Congress, a member of All China Lawyers Association (全國律協), the president of Shanghai Bankruptcy Administrator Association, the vice president of Shanghai Chamber of Commerce, a member of the legal expert database of Shanghai Municipal Party Committee of the Communist Party of China and an arbitrator of China International Economic and Trade Arbitration Commission, Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) and Shanghai Arbitration Commission, respectively.

(II) Explanations on independence

Neither ourselves nor our immediate families and principal social connections have assumed any position in the Company or any of its subsidiaries, or directly or indirectly hold 1% or more of the issued shares in the Company, or are among the top ten shareholders of the Company, or have assumed any position in any entity which directly or indirectly holds 5% or more of the issued shares of the Company or any entity which is among the top five shareholders of the Company.

We do not provide any financial, legal, management consultancy or technological consultancy services to the Company or any of its subsidiaries, and do not obtain any other benefit from the Company, its significant shareholders or other connected companies or personnel which is not disclosed.

Therefore, there is no circumstance that may affect independence.

II. PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS IN THE YEAR 2021**(I) Attendance of meetings**

As an independent director, we attended the board meeting on time and perform our responsibilities diligently. During the reporting period, the Company held 8 board meetings and 1 annual general meeting. The attendance of meetings is as follows:

Name of director	Due attendance of the year time(s)	Attendance in person time(s)	Attendance by way of		Absence time(s)	Failure to attend in person for two consecutive meetings time(s)
			communication time(s)	Attendance by proxy time(s)		
Wang Kaiguo	8	8	6	0	0	No
Chow Siu Lui	8	8	6	0	0	No
Liu Zhengdong	8	8	6	0	0	No

As an independent director, before the board meeting, we took the initiative to obtain and understand the relevant information and materials of the meeting, and have a detailed understanding of the Company's production and operation, making full preparations for the major decisions of the board of directors. At the meeting, we carefully considered each resolution, actively participated in the discussion and put forward reasonable suggestions, which played a positive role in making scientific decisions for the board of directors of the Company. We have established an effective communication mechanism with the Company to keep abreast of the Company's business operations and regulatory policies and regulations, thus ensuring the right to know.

(II) Prior approval and independent opinion

In 2021, in strict accordance with the relevant regulations of the independent director system, we seriously considered the resolutions of the board meeting of the Company, expressed independent opinions on the Company's profit distribution, external guarantee, re-appointment of audit firm and other important matters during the reporting period, and earnestly performed the duties of the independent director.

1. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the profit distribution proposal of the Company for 2020, and we expressed independent opinions on the proposal;

2. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the resolution on the estimated ongoing ordinary related party transactions of the Company for 2021, and we issued prior approval opinions and expressed independent opinions on the resolution;
3. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the resolution on the proposal of the provision of guarantee for its controlled subsidiaries with respect to their external financing for 2021, and we expressed independent opinions on the proposal;
4. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the resolution on the proposal for the Company and its subsidiaries to use idle funds for entrusted financing for 2021, and we expressed independent opinions on the resolution;
5. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the resolution on the re-appointment of the domestic audit firm and internal control audit firm of the Company for 2021, and we issued prior approval opinions and expressed independent opinions on the resolution;
6. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the resolution on the re-appointment of the overseas audit firm of the Company for 2021 and we issued prior approval opinions and expressed independent opinions on the resolution;
7. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the resolution on the application of comprehensive credit facilities of the Company for 2021 and we expressed independent opinions on the resolution;
8. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the resolution on the self-assessment of internal control of the Company for 2020 and we expressed independent opinions on the resolution;

9. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the resolution on the proposed registration and issuance of super-short-term commercial papers and super-short-term commercial papers of the Company, and we expressed independent opinions on the resolution;
10. On March 30, 2021, the sixth meeting of the tenth session of the board of directors of the Company considered the resolution on the proposed registration and issuance of medium-term notes of the Company, and we expressed independent opinions on the resolution;
11. On March 30, 2021, the sixth meeting of the eleventh session of the board of directors of the Company considered the resolution on the provision for impairment of assets and assets written-off for 2020, and we expressed independent opinions on the resolution;
12. On June 18, 2021, the eighth meeting of the eleventh session of the board of directors of the Company considered the resolution on the sales and leaseback financing release business between the controlled subsidiary and related party, and we expressed independent opinions on the resolution;
13. On August 11, 2021, the tenth meeting of the eleventh session of the board of directors of the Company considered the resolution on the related transactions regarding to the external investment jointly made by the Company and related party, and we expressed independent opinions on the resolution;
14. On November 10, 2021, the thirteenth meeting of the eleventh session of the board of directors of the Company considered the resolution on the transfer of subsequent commitment to the investee companies to related party by the Company, and we expressed independent opinions on the resolution;
15. On November 10, 2021, the thirteenth meeting of the eleventh session of the board of directors of the Company considered the resolution on the related transactions regarding to the external investment jointly made by the Company and related party, and we expressed independent opinions on the resolution.

(III) The Operations of the Board and Its Special Committees

The four special committees of the Board of the Company include the Nomination Committee, the Remuneration and Appraisal Committee, the Audit Committee, and the Strategic Development Committee. In 2021, we held successively 1 meeting of the Nomination Committee, 1 meeting of the Strategic Development Committee, 1 meeting of the Remuneration and Appraisal Committee, and 7 meetings of the Audit Committee in accordance of their respective rules of procedures, at which we considered matters including the internal control, financial budget and final accounts, regular report, related-party transactions, performance-based remuneration, and external investments of the Company to form opinions and submit proposals to the Board. The operations of all committees are in compliance with laws. Details are as follows:

1. *During the Reporting Period, the Audit Committee held 7 meetings*

Date of meeting	Content of meeting	Important comments and suggestions
18 January 2021	Reviewed the Company's 2020 Financial Statements (Preliminary Draft)	The Audit Committee strictly observed the law and relevant regulations to carry out the work with a duty of due diligence and reviewed the "Company's 2020 Financial Statements (Preliminary Draft)".
3 February 2021	Preliminary Schedule and Work Plan of the Company for 2020	The Audit Committee requested the relevant personnel of the Company to carefully study the spirit of the document "Notice on the Work of the 2020 Annual Report of Listed Companies" issued by the Shanghai Stock Exchange to ensure the authenticity, accuracy, completeness and timeliness of the Company's 2020 annual report; at the same time, it was also required to actively cooperate with the audit work of the annual auditing certified public accountants so as to ensure the smooth progress of the audit work.

Date of meeting	Content of meeting	Important comments and suggestions
26 March 2021	Preliminary opinion on the annual audit of the 2020 annual report and the work of the audit	The Audit Committee agreed with the preliminary opinions on the Company's 2020 annual audit made by the certified public accountants of BDO China Shu Lun Pan Certified Public Accountants LLP, and would vote on the official annual audit report at the meeting of the Audit Committee of the Company's Board of Directors after it is issued by BDO China Shu Lun Pan Certified Public Accountants LLP.
30 March 2021	Final Financial Report for 2020, Financial Budget Report for 2021, Financial Statements of the Company for 2020, Internal Control Evaluation Report for 2020, Performance Report of the Audit Committee for 2020, Audit Work Summary of BDO China Shu Lun Pan Certified Public Accountants LLP and BDO Limited, Reappointment of Domestic Audit firm and Internal Control Audit firm for 2021, Reappointment of Overseas Audit firm and the review of daily related-party transactions for 2021.	The Audit Committee strictly observed the law and relevant regulations to carry out the work with a duty of due diligence. After full communication and discussion, it was unanimously agreed to submit the proposal to the Board of Directors of the Company for deliberation.
29 April 2021	Reviewed the Company's 2021 First Quarterly Report	The Audit Committee strictly observed the law and relevant regulations to carry out the work with a duty of due diligence. After full communication and discussion, it was unanimously agreed to submit the Company's 2021 First Quarterly Report to the Company's Board of Directors for deliberation.

Date of meeting	Content of meeting	Important comments and suggestions
30 August 2021	Reviewed the Full Text and Summary of the Company's 2021 Semi-annual Report	The Audit Committee strictly observed the law and relevant regulations to carry out the work with a duty of due diligence. After full communication and discussion, it was unanimously agreed to submit the Full Text and Summary of the Company's 2021 Semi-annual Report to the Company's Board of Directors for deliberation.
29 October 2021	Reviewed the Company's 2021 Third Quarterly Report	The Audit Committee strictly observed the law and relevant regulations to carry out the work with a duty of due diligence. After full communication and discussion, it was unanimously agreed to submit the Full Text and Summary of the Company's 2021 Third Quarterly Report to the Company's Board of Directors for deliberation.

2. *During the Reporting Period, the Nomination Committee held 1 meeting*

Date of meeting	Content of meeting	Important comments and suggestions
30 March 2021	Review and revision of the Board Diversity Policy	The Nomination Committee considered that the level of diversity of board members is appropriate for the knowledge, experience and skills of the Directors. The Nomination Committee will continue to obey the Board Diversity Policy and consider potential candidates in accordance with the criteria set out in the Policy with a view to increasing the Board diversity.

3. *During the Reporting Period, the Remuneration and Appraisal Committee held 1 meeting*

Date of meeting	Content of meeting	Important comments and suggestions
30 March 2021	Performance Appraisal Scheme of Senior Management Team in 2020, Performance Appraisal Scheme of Senior Management Team in 2021	The Remuneration and Appraisal Committee strictly observed the law and relevant regulations to carry out the work with a duty of due diligence. After full communication and discussion, it is agreed that in 2020, under the correct leadership of the Board of Directors and the joint efforts of all employees, the Company overcame the impact of the pandemic, the main business developed steadily, the key projects were promoted in an orderly manner, the self-funding financial business developed stably, and the investment projects were managed elaborately, which fully exceeded all kinds of budget in 2020. The Remuneration and Appraisal Committee agreed with the term of Performance Appraisal Scheme of Senior Management Team in 2020. At the same time, in order to further promote the more sustainable and healthy development of the Company and implement the assessment mechanism linking the payoff of the senior management team with the corporate performance, the Remuneration and Appraisal Committee agreed to the Performance Appraisal Scheme of Senior Management Team in 2021 from the perspective of standardizing the remuneration mechanism, and established an incentive mechanism with regard to the combination of responsibilities, power and interests of the senior management team and a long-term mechanism with rational distribution structure.

4. *During the Reporting Period, the Strategic Development Committee held 1 meeting*

Date of meeting	Content of meeting	Important comments and suggestions
30 March 2021	The Company's Development Planning during the Period of "The 14th Five-Year Plan" (2021-2025) (Initial Draft)	After rounds of full communication and discussion, the Strategic Development Committee unanimously adopted the Company's Development Planning during the Period of "The 14th Five-Year Plan" (2021-2025) (Initial Draft), which envisions the Company's vision for the period of "The 14th Five-Year Plan", clarifies relevant strategic guidelines and principles and entails relevant overall objectives in conjunction with the external situation and internal task.

III. MAJOR CONCERNS ARISEN FROM THE PERFORMANCE DURING THE YEAR

(I) Related-party Transactions

In 2021, the ordinary related-party transactions of the Company are all necessary for the Company's normal operations. In accordance with the requirements under the Listing Rules of Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association, and the Management Measures for Related-party Transactions, we reviewed the related-party transactions during the Reporting Period in terms of their necessity, fairness, and compliance, and expressed independent opinions. The related-party transactions of the Company during 2021 were on the estimated annual transactions, followed decision-making procedures compliant with requirements, entered into on fair and reasonable transaction terms, adopted trading behaviors in an open, fair, and reasonable manner with the principles of market economy, at reasonable and fair trading prices, caused no harm to the benefits of the Company and non-related Shareholders, and had no impact on the independence of the Company.

(II) External Guarantee and Occupation of Funds

In 2021, in accordance with the spirits in the Notice on Several Issues concerning Regulating Fund Transactions between Listed Companies and Their Related Parties and the External Guarantees of Listed Companies (Zheng Jian Fa [2003] No. 56) promulgated by China Securities Regulatory Commission and the State-owned Assets supervision and Administration Commission, we carefully checked the external guarantee of the Company during 2020 and concluded that in accordance with the 2020 Audit Report on Shanghai Dazhong Public Utilities (Group) Co., Ltd. from BDO China Shu Lun Pan Certified Public Accountants LLP and the actual situation of the Company, the Company has established relatively sound consideration and approval procedures in respect of external guarantee and has dully fulfilled its information disclosure obligation in relation to external guarantee and related guarantee. All external guarantees of the Company are in compliance with the requirements under relevant laws, regulations, and the Articles of Association, and it has performed approval procedures in accordance with laws and regulations. The Company provided no guarantee to controlling Shareholder, actual controller and its related parties, any unincorporated body or individual, and had no guarantee overdue. None of the controlling Shareholders of the Company and its related parties occupied the funds of the Company for non-operating needs.

(III) Remuneration of Senior Management

The Company confirms the appraisal on its senior management in strict accordance with the Remuneration and Appraisal Plan for Senior Management developed by the Board, and determines the performance-based remuneration of senior management based on the Company's actual operating condition.

We are of the view that the remuneration of the senior management of the Company is in line with the requirements in relation to the performance appraisal and relevant remuneration systems of the Company and the review procedures for the resolutions are in line with the requirements under relevant laws and regulations and the Articles of Association, causing no harm to the benefits of the Company and its small and medium Shareholders. Therefore, we agree with the matter.

(IV) Dividend in Cash and Other Returns to Shareholders

The Company considered and approved the 2020 Preplan for the Profit Distribution of the Company at the 2020 annual general meeting, and implemented the distribution of profits in August 2021. We made specific explanation and expressed our opinions on the Company's 2020 Preplan for the Profit Distribution and its dividend in cash. After examination, we concluded that the policies on dividend in cash developed by the Company can deliver reasonable investment returns to investors, have regard for the sustainability of the Company, are in line with the actual development of the Company and the industry in which it operates, can guarantee the benefits of small and medium Shareholders, and are beneficial to the Company's continuous, steady and healthy development. The decision-making procedures in respect of dividend in cash of the Company is in compliance with the requirements under relevant laws and regulations and the Articles of Association, and cause no harm to the benefits of the Company and its Shareholders as a whole, especially small and medium Shareholders.

(V) Implementation of Internal Control

In 2021, the Company implemented internal controls in strict accordance with the Basic Standards for Corporate Internal Control, the Guidance on Corporate Internal Control Evaluation and the Manual of the Internal Control System of the Company. As independent directors, we make the Audit Committee our main regulatory body to regularly listen to the reports on the Company. Based on the Internal Control Evaluation Report of the Company and the audit by our internal control audit institution, the present internal control system can meet and fulfill the requirements under relevant national laws and regulations and the relevant requirements of regulatory authorities, and the internal control system and its mechanisms of the Company have no major defects in completeness, reasonableness and effectiveness and have no major deviations during actual implementation. Therefore, they are sufficient and effective in guaranteeing the safety of the Company's assets and the Company's normal conduct of operating and management activities.

(VI) The performance of the undertakings of the Company and Shareholders

In strict accordance with relevant laws, regulations and regulatory requirements, we have checked the performance of undertakings by Shareholders, related parties, the Company and the directors, supervisors, and senior executives of the Company. According to the Announcement of Dazhong Transportation (Group) Co., Ltd. on the Company's Repurchase of Its A-Shares Through Centralized Bidding Trading disclosed on March 30, 2019, Dazhong Public Utilities undertook not to reduce its holdings of A shares or B shares of Dazhong Transportation in the next 3 months and the next 6 months. Within the statutory commitment period, the Company and parties acting in concert strictly performed their undertakings. During the Reporting Period, the Company, Shareholders, and related parties did not violate public commitments.

(VII) Performance in relation to information disclosure

During the Reporting Period, the Company fulfilled its obligations in relation to information disclosure in strict accordance with relevant laws and regulations and the Management System for Information Disclosure Affairs of the Company. In 2021, the Company published a total of 4 periodic reports and 42 temporary announcements on the Shanghai Stock Exchange; it also disclosed documents in total of 162 times on the Hong Kong Stock Exchange. The Company has not violated the stock listing rules and the articles of association and other laws and regulations of the two places, and has fulfilled the relevant obligation related to information disclosure well. During the Reporting Period, we continued to pay attention to and supervise the information disclosure of the Company. We believe that the information disclosure system of the Company is sound, and the Company can perform its disclosure obligations in strict accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other regulations and the Management System for Information Disclosure Affairs of the Company. In 2021, the information disclosed by the Company is true, accurate, timely and complete, and there are no false records, misleading statements or material omissions.

(VIII) Engagement of accounting firms

In 2021, the Company continued to engage BDO China Shu Lun Pan Certified Public Accountants LLP as the domestic audit firm and the internal control audit firm for the Company, and continued to engage BDO Limited as the overseas audit firm for the Company. The above-mentioned accounting firms are in compliance with the relevant regulations of the China Securities Regulatory Commission and the Hong Kong Stock Exchange in terms of qualifications for engaging in securities business. They can adhere to the principle of independent audit in providing financial reporting and internal control audit services to the Company, and completed various audit services agreed with the Company in an independent, objective, fair and timely manner.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

In 2021, as independent directors of the Company, we participated in the decision-making of major issues of the Company in accordance with the regulations and requirements of relevant laws and the Company's systems in an objective, fair and independent manner. We have provided suggestions for the management and decisions of the Company based on our relevant professional knowledge and experience, and made due efforts to promote the improvement and optimization of the Company's governance structure, and to safeguard the overall interests of the Company and the legitimate rights and interests of minority shareholders.

In 2022, we will continue to strengthen the study of new regulations, prudently, conscientiously, diligently and faithfully perform the duties of independent directors in accordance with the requirements of relevant laws and regulations and the Articles of Association for independent directors. We will participate in corporate governance adhering to the principles of independent, objective and prudent judgment, gain an in-depth understanding of the Company's production and operation, and strengthen communication with members of the board of directors, board of supervisors and the management of the Company. We endeavor to further improve the Company's decision-making and business performance, effectively safeguard the overall interests of the Company, and ensure that the legitimate rights and interests of all shareholders, especially minority shareholders, are not infringed, so as to promote the sustainable, healthy and high-quality development of the Company.