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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, 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.\* (the “**Company**”), you should at once hand this circular together with the proxy form and reply slip to the purchaser or transferee or to the bank, or a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2016;  
PROPOSED ELECTION OF DIRECTORS OF THE TENTH SESSION OF  
THE BOARD OF DIRECTORS;  
PROPOSED ELECTION OF SUPERVISORS OF THE TENTH SESSION  
OF THE SUPERVISORY COMMITTEE; AND  
PROPOSED AMENDMENTS ON THE ARTICLES OF ASSOCIATION  
AND CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION**

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A notice convening the AGM to be held at Multi-Function Hall, 3/F, Jimao Hotel, 1525 Zhongshan West Road, Shanghai, PRC at 1:30 p.m. on Thursday, May 25, 2017 were published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).

A reply slip and a proxy form to be used at the AGM were also published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). If you are eligible and intend to attend the AGM, please complete and return the reply slip in accordance with the instructions printed thereon on or before Friday, May 5, 2017. 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 fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the AGM or any adjournment thereof and voting in person if you so wish.

\* For identification purpose only

## CONTENTS

	<i>Page</i>
<b>DEFINITIONS .....</b>	<b>1</b>
<b>LETTER FROM THE BOARD .....</b>	<b>3</b>
<b>APPENDIX I — BIOGRAPHICAL DETAILS OF THE CANDIDATES FOR DIRECTORS OF THE TENTH SESSION OF THE BOARD .....</b>	<b>10</b>
<b>APPENDIX II — BIOGRAPHICAL DETAILS OF THE PROPOSED SUPERVISORS OF THE TENTH SESSION OF THE SUPERVISORY COMMITTEE .....</b>	<b>14</b>
<b>APPENDIX III — PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION .....</b>	<b>15</b>

## DEFINITIONS

*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“A Share(s)”	means the domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“A Shareholder(s)”	means holder(s) of A Share(s)
“AGM”	means the 2016 annual general meeting of the Company to be held at Multi-Function Hall, 3/F, Jimao Hotel, 1525 Zhongshan West Road, Shanghai, PRC at 1:30 p.m. on Thursday, May 25, 2017
“Articles of Association”	means the Articles of Association of Shanghai Dazhong Public Utilities (Group) Co., Ltd.*
“Board”	means the board of Directors of the Company
“Company”	means 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”	means the Company Law of the PRC
“CSRC”	means China Securities Regulatory Commission
“Directors”	means the directors of the Company
“H Share(s)”	means the overseas listed foreign share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	means holder(s) of H Share(s)
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited

## DEFINITIONS

“PRC”	means the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan region
“RMB”	means Renminbi, the lawful currency of the PRC
“Share(s)”	means the share(s) of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	means the shareholder(s) of the Company, including A Shareholder(s) and H Shareholder(s)
“Supervisor(s)”	means the supervisor(s) of the Company
“Supervisory Committee”	means the supervisory committee of the Company
“%”	means percentage



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*Directors:*

*Executive Directors:*

Yang Guoping  
Zhong Jinxing  
Liang Jiawei  
Yu Min  
Yang Jicai  
Zhuang Jianhao

*Non-executive Director:*

Li Songhua

*Independent non-executive Directors:*

Cai Jianmin  
Chow Siu Lui  
Yan Xuehai  
Yao Cho Fai Andrew

*Registered office:*

518 Shangcheng Road  
Pudong New Area  
Shanghai  
PRC

*Principal place of business  
in Hong Kong:*

3011, Tower 6, The Gateway  
1 Canton Road  
Tsim Sha Tsui  
Hong Kong

April 20, 2017

*To H Shareholders*

Dear Sir or Madam,

**PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2016;  
PROPOSED ELECTION OF DIRECTORS OF THE TENTH SESSION OF  
THE BOARD OF DIRECTORS;  
PROPOSED ELECTION OF SUPERVISORS OF THE TENTH SESSION  
OF THE SUPERVISORY COMMITTEE; AND  
PROPOSED AMENDMENTS ON THE ARTICLES OF ASSOCIATION  
AND CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION**

**INTRODUCTION**

The purpose of this circular is to set out the details of (1) the proposed profit distribution plan for the year 2016; (2) election of Directors of the tenth session of the Board; (3) election of Supervisors of the tenth session of the Supervisory Committee; and (4) the proposed amendments on the Articles of Association and change on industrial and commercial registration.

\* For identification purpose only

## LETTER FROM THE BOARD

The above resolution (4) will be resolved by way of special resolution and the remaining resolutions will be resolved by way of ordinary resolutions.

### 1. PROPOSED PROFIT DISTRIBUTION PLAN FOR THE YEAR 2016

The net profit attributable to owners of the Company of 2016 amounted to RMB547,642,000. The parent company's profit after tax amounted to RMB342,759,000. 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 2016, a 10% statutory reserve in the amount of RMB34,276,000 is provided, with the addition of the undistributed profit carried over from 2015 in the amount of RMB384,585,000, less the distributed amount of RMB148,038,000 in 2016, the total distributable profits amounted to RMB545,030,000. Based on the total share capital of 2,952,434,675 shares as at January 9, 2017, a proposed cash dividend of RMB0.60 (tax inclusive) for every 10 shares or a total profit of RMB177,146,000 will be distributed. The undistributed portion of RMB367,884,000 shall be outstanding for distribution to the next year.

The aforementioned distribution plan was considered and approved at the twenty-fifth meeting of the ninth session of the Board, to which the independent 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.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China effective on January 1, 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 2016 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 Notice of the State Administration of Taxation in Relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關

## LETTER FROM THE BOARD

於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》(國稅發[2009]124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%.

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.

## **2. ELECTION OF DIRECTORS OF THE TENTH SESSION OF THE BOARD OF DIRECTORS**

The Board proposed (a) the re-election of Mr. Yang Guoping, Mr. Liang Jiawei, Ms. Yu Min and Mr. Zhuang Jianhao as executive Directors of the tenth session of the Board; (b) the re-election of Mr. Li Songhua as non-executive Director of the tenth session of the Board; (c) the re-election of Mr. Yao Cho Fai Andrew and Mr. Chow Siu Lui as independent non-executive Directors of the tenth session of the Board.

The Board also proposed (a) the appointment of Mr. Yang Weibiao (Supervisor of the ninth session of the Supervisory Committee) as an executive Director of the tenth session of the Board; (b) the appointment of Mr. Chan Wing Kin and Mr. Cheung Yip Sang as non-executive Directors of the tenth session of the Board; (c) the appointment of Mr. Wang Kaiguo, Mr. Wang Hongxiang and Mr. Liu Zhengdong as independent non-executive Directors of the tenth session of the Board.

Mr. Zhong Jinxing and Mr. Yang Jicai will retire from their current positions both as executive Director and they will not seek re-election at the AGM. Mr. Cai Jianmin will retire from his current position as independent non-executive Director, and the position as Chairman of Audit Committee and member of the Remuneration and Appraisal Committee and Nomination Committee and will not seek re-election at the AGM. Mr. Yan Xuehai has resigned from his current position as independent non-executive Director and the position as member of the Audit Committee with effect from election of a new independent non-executive

## LETTER FROM THE BOARD

at the AGM. Each of Mr. Zhong Jinxing, Mr. Yang Jicai, Mr. Cai Jianmin and Mr. Yan Xuehai confirmed that he has no disagreement with the Company and there is no matter relating to his retirement or resignation that needs to be brought to the attention of Shareholders.

Biographical details of the candidates for Directors of the tenth session of the Board are set out in **Appendix I** to this circular.

The term of office of all Directors of the tenth session of the Board will be three years commencing from the date of election at the AGM. The elected tenth session of the Board will take effect after the conclusion of the AGM, before which, all Directors of the ninth session of the Board shall continue to perform their duties as Directors pursuant to the relevant requirements of the Articles of Association. Upon the re-election and appointment of the proposed Directors being effective and approved by the Shareholders, the Company will enter into service contracts with such Directors. Their remuneration as Directors will be determined based on relevant remuneration policies of the Company.

Mr. WANG Kaiguo, Mr. YAO Cho Fai Andrew, Mr. CHOW Siu Lui, Mr. WANG Hongxiang and Mr. LIU Zhengdong have confirmed that they are qualified for all the independence requirements set out in Rule 3.13 of the Hong Kong Listing Rules. The Company considered Mr. WANG Kaiguo, Mr. YAO Cho Fai Andrew, Mr. CHOW Siu Lui, Mr. WANG Hongxiang and Mr. LIU Zhengdong as independent persons in accordance with all of the guidelines of independence set out in the Hong Kong Listing Rules.

Save as disclosed in this circular, each of the candidates for Directors confirmed that (1) he does not hold any position in the Company or any of the subsidiaries of the Company, or hold any director or supervisor position in any other listed public companies during last three years; (2) he does not have any relationship with any other Directors, Supervisors, senior managements or substantial shareholders or controlling shareholders of the Company or any of its subsidiaries; and (3) he does not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance as at the date of this circular.

In addition, there is no other information in relation to the above candidates for Directors which is disclosable pursuant to any of the requirements as set out in Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules and there are no other matters which need to be brought to the attention of the Shareholders of the Company in respect of the proposed appointments of the Directors.



## LETTER FROM THE BOARD

Upon approval by the Shareholders of the relevant resolutions at the AGM, the composition of the proposed tenth session of the Board shall be as follows:

<b>Executive Directors</b>	<b>Non-executive Directors</b>	<b>Independent non-executive Directors</b>
Mr. Yang Guoping	Mr. Chan Wing Kin	Mr. Wang Kaiguo
Mr. Liang Jiawei	Mr. Li Songhua	Mr. Yao Cho Fai Andrew
Ms. Yu Min	Mr. Cheung Yip Sang	Mr. Chow Siu Lui
Mr. Zhuang Jianhao		Mr. Wang Hongxiang
Mr. Yang Weibiao		Mr. Liu Zhengdong

### 3. ELECTION OF SUPERVISORS OF THE TENTH SESSION OF THE SUPERVISORY COMMITTEE

The Supervisory Committee proposed the re-election of Ms. Zhao Siyuan as Supervisor of the tenth session of the Supervisory Committee.

The Supervisory Committee also proposed the appointment of Mr. Yang Jicai (executive Director of the ninth session of the Board) as Supervisor of the tenth session of the Supervisory Committee.

Ms. Cao Yongqin will retire from her current position as Supervisor and will not seek re-election at the AGM. She confirmed that she has no disagreement with the Company and there is no matter relating to her retirement that needs to be brought to the attention of Shareholders.

The employee congress of the Company has elected Ms. Zhao Fei as the employee representative Supervisor of the tenth session of the Supervisory Committee to replace the current employee representative Supervisor Mr. Yang Weibiao. According to the Articles of Association, 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.

Biographical details of the proposed supervisors of the tenth session of the Supervisory Committee are set out in **Appendix II** to this circular.

The term of office of Supervisors of the tenth session of the Supervisory Committee will be three years commencing from the date of the AGM. Upon the re-election and appointment of Supervisors, the Company will enter into service contracts with such Supervisors. Their remuneration as Supervisors will be determined based on relevant remuneration policies of the Company.

Save as disclosed in this circular, each of the consolidates for Supervisors confirmed that (1) he/she does not hold any position in the Company or any of the subsidiaries of the Company, or hold any director or supervisor position in any other listed public companies during last three years; (2) he/she does not have any relationship with any other Directors, Supervisors or senior managements or substantial shareholders or controlling shareholders of

## LETTER FROM THE BOARD

the Company or any of its subsidiaries; and (3) he/she does not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance as at the date of this circular.

In addition, there is no other information in relation to the proposed Supervisors which is disclosable pursuant to any of the requirements as set out in Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules and there are no other matters which need to be brought to the attention of the Shareholders in respect of the proposed appointment and employee congress election of the Supervisors.

The tenth session of the Supervisory Committee will consist of Mr. Yang Jicai, Ms. Zhao Siyuan and Ms. Zhao Fei as employee representative supervisor elected at the employee congress of the Company.

#### **4. PROPOSED AMENDMENTS ON THE ARTICLES OF ASSOCIATION AND CHANGE ON INDUSTRIAL AND COMMERCIAL REGISTRATION**

Taking into account the proposed appointments of members of the tenth session of the Board and change of share capital, the Board proposes to make amendments to the Articles of Association regarding composition of the Board and share capital. Details of the amendments are set out in **Appendix III**.

Save for the proposed amendments to the Articles of Association set out in Appendix III, other provisions in the Articles of Association remain unchanged.

The resolution in relation to the amendments to the Articles of Association was considered and approved at the twenty-fifth meeting of the ninth session of the Board, and will be submitted to the AGM for approval by Shareholders by way of a special resolution.

#### **5. AGM**

A notice convening the AGM to be held at Multi-Function Hall, 3/F, Jimao Hotel, 1525 Zhongshan West Road, Shanghai, PRC at 1:30 p.m. on Thursday, May 25, 2017 were published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).

A reply slip and a proxy form to be used at the AGM were also published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). If you are eligible and intend to attend the AGM, please complete and return the reply slip in accordance with the instructions printed thereon on or before Friday, May 5, 2017. 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 fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the AGM or any adjournment thereof and voting in person if you so wish.

## LETTER FROM THE BOARD

The H Share register of members of the Company will be closed from Tuesday, April 25, 2017 to Thursday, May 25, 2017, both days inclusive, during which no transfer of shares will be registered. Only Shareholders of the Company whose names appear on the register of members of the Company on Friday, May 12, 2017 or their proxies or duly authorized 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, April 24, 2017.

### 6. RECOMMENDATIONS

The Directors consider that all of the aforesaid resolutions are in the interests of the Company and the Shareholders as a whole and accordingly recommend you to vote in favor of all of the said resolutions to be proposed at the AGM.

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

Biographical details of the candidates for Directors of the tenth session of the Board:

**(i) Mr. Yang Weibiao — Executive Director**

Mr. Yang Weibiao 楊衛標 (“**Mr. Yang WB**”), aged 48, joined the Company in March 2004 and is currently the employee representative Supervisor of the ninth session Supervisory Committee. He served in various positions and was appointed as the assistant to chief executive officer of the Company in May 2014. He was further appointed as employee representative Supervisor on July 10, 2015. Mr. Yang WB was the assistant manager of investment and development department of Dazhong Transportation (Group) Co., Ltd.\* (大眾交通(集團)股份有限公司) from November 2000 to February 2004. Mr. Yang WB obtained a bachelor degree in politics and administration from Fudan University\* (復旦大學) in July 1992 and a master degree in economics from Fudan University\* (復旦大學) in July 1999.

As at the date of this circular, by virtue of the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, Mr. Yang WB is deemed to be directly interested in a total of 54,000 A Shares.

**(ii) Mr. Chan Wing Kin — Non-executive Director**

Mr. Chan Wing Kin, Alfred 陳永堅 (“**Mr. Chan**”), B.B.S., C.Eng., F.H.K.I.E., F.I. Mech.E., F.I.G.E.M., F.E.I., M.Sc. (Eng), B.Sc. (Eng), aged 66, has been the managing director of The Hong Kong and China Gas Company Limited (“**HKCG**”), a company listed on the Hong Kong Stock Exchange (stock code: 0003) since May 1997, the vice chairman of Shenzhen Gas Corporation Ltd.\* (深圳市燃氣集團股份有限公司), a company listed on the Shanghai Stock Exchange (the “**SH Exchange**”) (stock code: 601139) since April 2004, and the chairman and an executive director of Towngas China Co. Ltd., a company listed on the Hong Kong Stock Exchange (stock code: 1083) since 1 March 2007. Mr. Chan holds directorships in various subsidiaries of HKCG. One of the shareholders of the Company, Investstar Limited, is a wholly-owned subsidiary of HKCG.

Mr. Chan was the Chairman of The Hong Kong Management Association from July 2014 to July 2016. And he is a vice chairman of China Gas Association\* (中國城市燃氣協會) since November 2008, and a honorary chairman of Hong Kong Management Association since July 2016. He was appointed as a Member of the Standing Committee on Judicial Salaries and Conditions of Service by the Government of the Hong Kong Special Administrative Region for two years with effect from 1 January 2016.

Mr. Chan obtained a bachelor’s degree in mechanical engineering from Hong Kong University in 1974, and a master’s degree in industrial engineering from the same university in 1983. He was conferred as an Honorary Fellowship by The Hong Kong Institute of Education in April 2016. Mr. Chan is a Chartered Engineer, Fellow of

The Hong Kong Institution of Engineers; Fellow of The Institution of Mechanical Engineers, Fellow of the Institution of Gas Engineers & Managers and Fellow of The Energy Institute of the United Kingdom.

Mr. Chan received the Executive Award under the DHL/SCMP Hong Kong Business Awards in December 2005, the Director of the Year Awards — Listed Companies (SEHK — Hang Seng Index Constituents) Executive Directors from The Hong Kong Institute of Directors in November 2006, the Leadership Award in Gas Industry Award 2015 from the Institution of Gas Engineers & Managers and the Energy and Utilities Alliance of the United Kingdom. In October 2015 and October 2016, Mr. Chan was continuously named as one of the 100 Best-Performing CEOs in the World in 2015 and in 2016 by Harvard Business Review. In December 2015, Mr. Chan was honored with the Hall of Fame presented by The Hong Kong Institution of Engineers for his outstanding contributions to the engineering profession and the community.

**(iii) Mr. Cheung Yip Sang — Non-executive Director**

Mr. Cheung Yip Sang 張葉生 (“**Mr. Cheung**”), aged 51, is the vice chairman of ENN Energy Holdings Limited (“**ENN**”), a company listed on the Hong Kong Stock Exchange (stock code: 2688) since March 2014. Mr. Cheung joined the group of ENN in 1998, was appointed as an executive director since April 2002 and chief executive officer since March 2010.

Mr. Cheung graduated from The Chinese People’s Armed Police Force Academy with a bachelor’s degree in Legal Studies and received an executive master’s degree in business administration from the Peking University in 2006.

Mr. Cheung was named as one of the “Asia’s Best CEOs (energy area)” by Institutional Investor in July 2012. He was also accredited as one of the “Excellent Private Entrepreneurs of Hebei Province in the year of 2013\* (2013年度河北省優秀民營企業家)” in May 2014.

**(iv) Mr. Wang Kaiguo — Independent Non-executive Director**

Mr. Wang Kaiguo 王開國 (“**Mr. Wang KG**”), aged 58, worked successively as deputy head of application department\* (應用科室), chief of division of politics and laws, department of policies and regulations\* (政策法規司政法處) and deputy director of Research Institute of Administrative Bureau of State-owned Property\* (國家國有資產管理局科研所) from July 1990 to February 1995. He also served successively and/or simultaneously as deputy general manager, general manager, chairman of board of directors, secretary of party group\* (黨組書記) and secretary of party committee\* (黨委書記) of Haitong Securities Limited\* (海通證券有限公司) from February 1995 to December 2001. Mr. Wang KG served as chairman of board of directors and secretary of party committee\* (黨委書記) of Haitong Securities Company Limited\* (海通證券股份有限公司) from December 2001 to July 2016. Mr.

Wang KG served as an independent director of Shanghai Chlor-Alkali Chemical Co., Ltd.\* (上海氯鹼化工股份有限公司), a company listed on SH Exchange (stock code: 600618) from December 2009 to December 2014.

Mr. Wang KG obtained a bachelor's degree in economics from Jilin University\* (吉林大學) in July 1984 and a master's degree in economics from the same university in July 1987. Mr. Wang KG received his PH.D. in economics from Xiamen University\* (廈門大學) in May 1992.

Mr. Wang KG was granted the title of senior economist by Bank of Communications Ltd. Expertise Qualification Review Committee, Economic and Accounting Series\* (交通銀行經濟會計系列高級專業技術服務評審委員會) in December 1997.

Mr. Wang KG was selected as “the Best Head of Listed Company\* (最佳上市公司掌門人)” by the ninth Hexun.com China Financial Billboard\* (和訊網中國財經風雲榜) in January 2012, won the title of “the Most Influential Leader\* (最具影響力領袖)” in China Securities Golden Bauhinia Award held by Ta Kung Pao in November 2012. He was also awarded as “Top 100 Business Leader of China Listed Company\* (中國上市公司百強企業領袖獎)” by China Business Top 100\* (中國上市公司百強高峰論壇) in September 2014, and “the Most Strategic Chairman\* (最具戰略眼光董事長)” of Round Table Award\* (金圓桌獎) held by *Directors & Boards Magazine\** (《董事會》雜誌) in November 2014.

**(v) Mr. Wang Hongxiang — Independent Non-executive Director**

Mr. Wang Hongxiang 王鴻祥 (“**Mr. Wang HX**”), aged 61, was a teacher of Department of Accounting, Shanghai University of Finance and Economics\* (上海財經大學) from August 1983 to November 1998, and the deputy chief accountant of Shenergy (Group) Company Limited\* (申能(集團)有限公司) from December 1998 to October 2016. Mr. Wang HX has served as a director of Haitong Securities Company Limited\* (海通證券股份有限公司), a company listed on SH Exchange (stock code: 600837) since May 2011, an independent director of Goldenmax International Technology Ltd.\* (金安國紀科技股份有限公司), a company listed on the Shenzhen Stock Exchange (“**SZ Exchange**”) (stock code: 002636) since December 2014, an independent director of Apple Flavor & Fragrance Group Co., Ltd.\* (愛普香料集團股份有限公司), a company listed on SH Exchange (stock code: 603020) since September 2016, an independent director of Shanghai Beite Technology Co., Ltd.\* (上海北特科技股份有限公司), a company listed on SH Exchange (stock code: 603009) since October 2016, and an independent director of Shanghai Yuyuan Tourist Mart Co., Ltd.\* (上海豫園旅游商城股份有限公司), a company listed on SH Exchange (stock code: 600655) since December 2016.

Mr. Wang HX obtained a bachelor's degree in accounting from Xiamen University (廈門大學) in July 1983. He received his executive master of business administration from Shanghai University of Finance and Economics\* (上海財經大學) in March 2006.



Mr. Wang HX was accredited as a non-practising member by Shanghai Institute of Certified Public Accountants\* (上海市註冊會計師協會) in August 1995. And he was granted the title of senior accountant by Shanghai Expertise Qualification Review Committee, Accounting Series\* (上海市會計系列高級專業技術職務任職資格評審委員會) in October 2015.

**(vi) Mr. Liu Zhengdong — Independent Non-executive Director**

Mr. Liu Zhengdong 劉正東 (“**Mr. Liu**”), aged 47, is currently the managing partner of Shanghai Junyue Law Firm\* (上海市君悅律師事務所). Mr. Liu had served as an independent director of Shanghai Liangxin Electrical Co., Ltd.\* (上海良信電器股份有限公司), a company listed on the SZ Exchange (stock code: 002706) from April 2011 to April 2017. He has been an independent director of Jiangsu Jintongling Fluid Machinery Technology Co., Ltd.\* (江蘇金靈通流體機械科技股份有限公司), a company listed on the SZ Exchange (stock code: 300091) since September 2014, an independent director of Hualing Xingma Automobile (Group) Co., Ltd.\* (華菱星馬汽車(集團)股份有限公司), a company listed on the SH Exchange (stock code: 600375) since January 2016, an independent director of Anhui Huaxin International Holdings Co., Ltd.\* (安徽華信國際控股股份有限公司), a company listed on the SZ Exchange (stock code: 002018) since February 2016, and an independent director of Shanghai Jiao Da Onlly Co., Ltd.\* (上海交大昂立股份有限公司), a company listed on SH Exchange (stock code: 600530) since April 2016.

Mr. Liu obtained a bachelor’s degree in laws from East China University of Political Science and Law (華東政法大學) (formerly known as East China Academy of Political Science and Law (華東政法學院)) in July 1991, and a master’s degree in international economic laws from the same university in June 2002. He obtained independent director qualification certificate which authorized by CSRC in March 2002.

Mr. Liu has been named as “Shanghai Outstanding Non-litigation Lawyer\* (上海市優秀非訴律師)” by Shanghai Lawyers Association\* (上海市律師協會) in December 2004, the “National Outstanding Lawyer\* (全國優秀律師)” by All China Lawyers Association\* (中華全國律師協會) in June 2005, and “Shanghai Leader Talent\* (上海市領軍人物)” by Organization Department of CPC Shanghai Committee\* (中共上海市委組織部) and Shanghai Municipal Bureau of Human Resources and Social Security\* (上海市人力資源和社會保障局) in January 2010. Mr. Liu has been selected as a member of expert advisor panel of Shanghai Municipal People’s Congress House Judiciary Committee\* (上海市人民代表大會內務司法委員會) since April 2014, a member of Shanghai Press Ethics Committee\* (上海市新聞道德委員會) since May 2013, and a people supervisor\* (人民監督員) of Shanghai People’s Procuratorate\* (上海市檢察院) since February 2017.

Biographical details of the proposed Supervisors of the tenth session of the Supervisory Committee are as follows:

**(i) Mr. Yang Jicai — Supervisor**

Mr. Yang Jicai 楊繼才 (“**Mr. Yang JC**”), aged 59, joined the Company in May 2004 and is currently an executive Director of the ninth session of the Board appointed on May 19, 2011. He served as assistant to chief executive officer of the Company from May 2004 to May 2005 and has been the vice general manager of the Company since August 2005. Mr. Yang JC served as director of China United Travel Company Limited (國旅聯合股份有限公司) (Shanghai A share listed; stock code: 600358) from December 1998 to April 2005. He graduated from Shanghai Medical Devices College\* (上海醫療器械工業專科學校) (currently known as Shanghai Health Medical College\* (上海健康醫學院)) in July 1981, majoring in machinery. Mr. Yang JC graduated from Shanghai Administrative Management Leader College\* (上海市行政管理幹部學院) (currently known as Shanghai Administrative College\* (上海行政學院)) in July 1990, majoring in administrative management. He completed the master course in international economy and trade and investment environment from East China Normal University (華東師範大學) and graduated in July 1997.

As at the date of this circular, by virtue of the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, Mr. Yang JC is deemed to be directly interested in a total of 500,306 A Shares.

**(ii) Ms. Zhao Fei — Employee Representative Supervisor**

Ms. Zhao Fei 趙飛 (“**Ms. Zhao**”), aged 38, joined our company in February 2004 and was appointed as secretary to the Board in June 2015. She is currently a joint company secretary of the Company. She has been a legal staff of the Company and has been the manager of our legal department since March 2014. She was further promoted as secretary to the Board on June 18, 2015. Ms. Zhao was the in-house legal assistant of Dazhong Transportation (Group) Co., Ltd.\* (大眾交通(集團)股份有限公司) from July 2000 to December 2003. Ms. Zhao passed the PRC judicial exam and received the qualification of legal profession (法律職業資格證) by Ministry of Justice of the People’s Republic of China (中華人民共和國司法部) in February 2007. Ms. Zhao obtained a bachelor degree in law from Shanghai University of Finance and Economics (上海財經大學) in July 2000 and a master degree in law from Fudan University (復旦大學) in January 2011.

As at the date of this circular, by virtue of the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, Ms. Zhao is deemed to be directly interested in a total of 50,000 A Shares.



Details of the proposed amendments to the Articles of Association\* are as follows:

Article 6:

**Current Article 6**

The registered capital of the Company is RMB[●].

**Proposed Amended Article 6**

The registered capital of the Company is RMB2,952,434,675.

Article 24:

**Current Article 24**

Upon the issuance of H shares and before the exercise of the over-allotment option, the share capital structure of the Company was the total number of issued ordinary shares was 2,902,704,675 shares, among which: Shanghai Dazhong Business Management (the largest shareholder) held 495,143,859 shares; Shanghai Gas Group (the second largest shareholder) held 158,674,147 shares; the remaining domestic shareholders held 1,769,946,669 shares; the number of overseas-listed foreign shares was 478,940,000 shares. Upon the full exercise of the over-allotment option, the share capital structure of the Company was: the total number of issued ordinary shares was 2,968,014,675 shares, among which: Shanghai Dazhong Business Management (the largest shareholder) held 495,143,859 shares; Shanghai Gas Group (the second largest shareholder) held 152,315,961 shares; the remaining domestic shareholders held 1,769,773,855 shares; the number of overseas-listed foreign shares was 550,781,000 shares.

**Proposed Amended Article 24**

After the partial exercise of the over-allotment option of the Company, the share structure of the Company is a total number of 2,952,434,675 issued ordinary shares, of which 2,418,791,675 shares are domestic shares (A shares) and 533,643,000 shares are foreign shares (H shares).

Article 148:

**Current Article 148**

The Board of Directors shall be composed of 11 Directors and shall have one (1) chairman and four (4) independent directors. One (1) to two (2) vice chairmen can be appointed.

**Proposed Amended Article 148**

The Board of Directors shall be composed of 13 Directors and shall have one (1) chairman and five (5) independent directors. One (1) vice chairman can be appointed.

*\* 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.*