

Terms of Reference and Rules of Procedures of the Strategy Committee under the Board of Jilin Province Chuncheng Heating Company Limited*¹

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to facilitate the strategic development of Jilin Province Chuncheng Heating Company Limited (hereinafter referred to as the “Company”), strengthen the core competitiveness of the Company, improve its investment decision-making procedures, enhance the reasonable decision-making, improve the quality of decision-making and the corporate governance structure, the Company has established the strategy committee under the board of directors and formulated these terms of reference in accordance with the Company Law of the People’s Republic of China, Code of Corporate Governance for Listed Companies, the Articles of Association of Jilin Province Chuncheng Heating Company Limited (hereinafter referred to as the “Articles”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) and other provisions under applicable laws, administrative regulations, departmental rules and regulations and regulative documents.

Article 2 The strategy committee (the “Committee”) is a special committee established by the board of directors pursuant to the Articles and its main duties are to carry out studies on the long-term development strategy and major investment decision of the Company and make recommendation to the board of directors.

CHAPTER 2 COMPOSITION

Article 3 The Committee shall comprise three directors.

Article 4 The members of the Committee shall be nominated by the chairman of the board of directors, not less than half of the independent directors or not less than one-third of all directors for election by the board of directors.

Article 5 The Committee shall have one chairman who shall be the chairman of the board of directors of the Company, and be in charge of the work of the Committee.

Article 6 The term of office of the members of the Committee shall be the same as that of the directors. A member of the Committee may serve consecutive terms if re-elected upon the expiry of his/her term of office. If any member ceases to be a director of the Company during his/her term of office, he/she shall automatically cease to be a member of the Committee. The vacancy shall be filled up by the board of directors in accordance with the Article 3 to Article 5 above.

¹Note: this document has Chinese and English versions and the Chinese version shall prevail.

* for identification purpose only

Article 7 The Committee shall have a strategic investment working team which is responsible for liaison and organization of committee meetings. The strategic investment working team shall have a head and deputy head acted by the persons who are nominated by the chairman of the board of directors of the Company. Responsible persons of the business planning and development department, securities affairs department, finance department, information management department and risk management and legal department of the Company shall be ex-officio members of the strategic investment working team, while persons in charge of matters relating to the business department of the Company shall be contractual members of the strategic investment working team for a certain period.

CHAPTER 3 POWERS AND DUTIES

Article 8 The main powers and duties of the Committee include:

- (1) to study and make recommendation on the strategy plans for long-term development of the Company;
- (2) to study and make recommendations on the major investment and financing proposals which are subject to the approval of the board of directors as stipulated in the Articles;
- (3) to study and make recommendations on the major capital operation and assets management which are subject to the approval of the board of directors as stipulated in the Articles;
- (4) to study and make recommendation on other significant matters which may have effect on the development of the Company;
- (5) to carry out inspection on the implementation of above-mentioned issues;
- (6) to make decisions on foreign investment project of the Company (including its subsidiaries) with individual investment amount no more than RMB20 million and accumulated investment amount within 12 months accounting for less than 1% of absolute value of the latest audited net assets of the Company.
- (7) other matters as authorized by of the board of directors.

Article 9 The Committee shall be accountable to the board of directors. Any proposals of the Committee shall be submitted to the board of directors for consideration and approval.

All cases, materials and information considered and discussed by the Committee shall be made available to the board of directors for its study and decision in the form of report, recommendation and summary.

CHAPTER 4 WORKING PROCEDURES

Article 10 The strategic investment working team shall be responsible for the preparation and provision of relevant information of the Company for the decision-making of the Committee. Specific procedures are as follows:

- (1) the relevant departments or subsidiaries (or affiliated companies) of the Company shall submit information regarding the intention, preliminary feasibility research reports and the general information of the counterparties for any major investment and financing, capital operation and asset management projects;
- (2) the strategic investment working team shall carry out initial review and issue a written opinion on the approval of the project, which shall be submitted to the Committee for record;
- (3) the relevant departments of or subsidiaries (or affiliated companies) of the Company shall negotiate with external parties in respects of agreements, contracts, constitutive documents (including their draft) and feasibility research report, and shall report to the strategic investment working team; and
- (4) the strategic investment working team shall review the above matters and issue written opinions, and submit a formal proposal to the Committee.

Article 11 The Committee shall convene a meeting to discuss the proposal submitted by the strategic investment working team. The results of discussion shall be submitted to the board of directors and provided to the strategic investment working team.

Article 12 The Committee may engage intermediary firms to provide professional advices on its decisions where necessary at the expense of the Company.

CHAPTER 5 RULES OF PROCEDURES

Article 13 The Committee shall at least hold two meetings each year. A notice shall be given to all members of the Committee three days prior to the convening of a meeting, and notices of the meeting shall contain the date, place, reasons and topics for discussion of the meeting. Meetings shall be convened and presided over by the chairman of the Committee. In the event that the chairman of the Committee is unable to perform such duties, he/she shall designate another member of the Committee to act on his/her behalf.

Article 14 A meeting of the Committee shall not be held unless attended by more than two-thirds of its members (including members who entrust other members to attend such meeting in writing). Each member shall have one vote and the resolutions passed at the meeting must be approved by a majority of all members of the Committee.

Article 15 The voting of the Committee shall be taken by registered vote. Extraordinary meeting may be convened by way of voting by correspondence.

Article 16 Members of strategy investment working team may attend the meetings of the Committee. Directors, supervisors and senior management of the Company may be invited by the Committee to attend such meetings when necessary.

Article 17 The procedures for convening a meeting of the Committee, the voting method and the resolutions passed at such meeting shall be in compliance with the provisions of relevant laws, administrative regulations, other regulatory documents, the Articles, the Listing Rules and these terms of reference.

Article 18 The meetings of the Committee shall have complete minutes. Members of the Committee who attend the meetings shall sign their names on the minutes. The secretary to the board of directors of the Company shall keep the minutes of the Committee meetings.

Article 19 Resolutions passed at the meeting of the Committee and any vote results shall be reported to the board of directors of the Company in writing.

Article 20 Members of the Committee and persons attending the meeting shall undertake confidentiality obligations for all items discussed at the meeting and shall not disclose any relevant information without permission.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 21 Unless otherwise specified, the terms used herein shall have the same meaning ascribed thereto under the Articles.

Article 22 These terms of reference were considered and approved by the board of directors of the Company and shall become effective on the date of the listing of overseas listed foreign shares (H shares) issued by the Company on The Stock Exchange of Hong Kong Limited.

Article 23 Any matters not covered by these terms of reference shall be dealt with in accordance with the relevant provisions of the laws, administrative regulations, other regulatory documents and the Articles. In the event that these terms of reference are inconsistent with relevant laws, administrative regulations, other regulatory documents or the Articles promulgated in the future or the Listing Rules as amended from time to time, such laws, administrative regulations, other regulatory documents, the Articles and the Listing Rules shall prevail and these term of reference shall be amended forthwith and submitted to the board of directors of for approval.

Article 24 In these terms of reference, the meaning of “no less than” and “at least” includes the number itself, while “less than” and “more than” excludes the number itself.

Article 25 These terms of reference shall be formulated and amended by the board of directors, the interpretation of which shall be vested in the board of directors.