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If you have sold all your shares in Jiangsu Expressway Company Limited, you should at once hand this circular and the accompanying form of proxy and confirmation slip to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

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江蘇寧滬高速公路股份有限公司
JIANGSU EXPRESSWAY COMPANY LIMITED

(Established in the People's Republic of China as a joint-stock limited company)

(Stock Code: 00177)

- (1) PROPOSED ISSUANCE OF ULTRA-SHORT-TERM NOTES**
(2) PROPOSED ISSUANCE OF MEDIUM-TERM NOTES
**(3) CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN
RESPECT OF LENDING TO A SUBSIDIARY**
**(4) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
AMENDMENTS OF RULES OF PROCEDURES OF MEETINGS
AND**
(5) NOTICE OF 2019 ANNUAL GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee and
the Wufengshan Loan Independent Shareholders**



A letter from the Board is set out on pages 1 to 26 of this circular and a letter from the Independent Board Committee is set out on pages 27 to 28 of this circular. A letter from the Independent Financial Adviser to the Wufengshan Loan Independent Shareholders, containing its advice to the Independent Board Committee and the Wufengshan Loan Independent Shareholders in relation to the terms of the Wufengshan Loan is set out on pages 29 to 43 of this circular.

A notice convening the 2019 Annual General Meeting to be held at 6 Xianlin Avenue, Nanjing, the P.R.C. on Tuesday, 23 June 2020 at 3:00 p.m. is set out on pages N-1 to N-8 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company or in case of holders of H shares of the Company, to Hong Kong Registrars Limited, the registrar of H shares of the Company, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and, in any event, not less than 24 hours before the time appointed for the holding of the Annual General Meeting (being no later than 3:00 p.m. on Monday, 22 June 2020 (Hong Kong/Beijing time)). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish, in which case you will be deemed to have withdrawn the proxy you have appointed.

7 May 2020

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DEFINITIONS

In this Circular, the following expressions have the meanings set out below unless the context requires otherwise:

“Amendments of Articles”	to make relevant amendments to the Articles 5.3, 6.1, 6.3, 7.8, 10.6, 10.7, 10.9, 10.11, 10.14, 10.35, 10.38, 11.6, 12.3, 12.5, 12.12, 15.2, 15.4, 16.7 of the Articles of Association, details of the proposed amendments are set out in Part A of Appendix 1
“Amendments of Rules of General Meetings”	to approve relevant amendments to the articles 1.2, 1.3, 3.2, 3.3, 4.1.2, 4.1.4, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.8, 4.4.1, 4.5.3, 4.5.4, 4.7.6, 5.3, 5.4, 6.2 and 6.5 of the Rules of Procedures of Shareholders’ General Meetings, a new article will be inserted after article 4.2.6, the numbering of the original article of the Rules of Procedures of Shareholders’ General Meetings after the insertion shall be re-numbered accordingly, details of the proposed amendments are set out in Part B of Appendix 1
“Amendments of Rules of Meetings of Board of Directors”	to approve relevant amendments to the articles 2.1.1, 2.1.4, 2.1.7, 2.1.9, 6.1.8, 6.3.2, 6.4.1 and 7.2 of the Rules of Procedures of Meetings of Board of Directors, a new article will be added after article 7.1, the numbering of the original article of Rules of Procedures of Meetings of Board of Directors after the insertion shall be re-numbered accordingly, details of the proposed amendments are set out in Part C of Appendix 1
“Amendments of Rules of Meetings of Supervisory Committee”	to approve relevant amendments to the articles 2.1.7, 2.1.11, 2.3.3, 3.2, 5.1.7, 5.4.1 and 6.2 of the Rules of Procedures of Meetings of Supervisory Committee, a new article will be added after Article 6.1, the numbering of the original article of Rules of Procedures of Meetings of Supervisory Committee after the insertion shall be renumbered accordingly, details of the proposed amendments are set out in Part D of Appendix 1
“Amendments of Rules of Procedures of Meetings”	the Amendments of Rules of General Meetings, the Amendments of Rules of Meetings of Board of Directors and Amendments of Rules of Meetings of Supervisory Committee
“Annual General Meeting”	the 2019 Annual general meeting of the Company to be held on 23 June 2020 to consider and, if thought fit, to approve the UST Notes Issuance, the MT Notes Issuance, the Loans, connected transaction and discloseable transaction in respect of lending to a subsidiary, the Amendment of Articles, the Amendment of Rules of Procedure of Meetings and other usual matters of annual general meeting

DEFINITIONS

“associates”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors of the Company
“China Merchants Expressway”	招商局公路網絡科技控股股份有限公司 (China Merchants Expressway Network & Technology Holdings Co., Ltd) (previously known as China Merchants Huajian Expressway Investment Co., Ltd. (招商局華建公路投資有限公司)), a limited liability company established in the PRC and a substantial shareholder of the Company, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 001965)
“Communications Holding”	江蘇交通控股有限公司 (Jiangsu Communications Holding Limited#), a wholly state-owned company established in the PRC with limited liability, the controlling shareholder of the Company
“Company”	江蘇寧滬高速公路股份有限公司 (Jiangsu Expressway Company Limited), a joint stock limited company established in the PRC with limited liability and whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 00177) and the Shanghai Stock Exchange (Stock Code: 600377) and traded in the form of American Depository Receipts on the OTC Markets Group Inc. in the United States (Ticker: JEXYY)
“Directors”	the directors of the Company
“Financing Products”	the MT Notes and/or UST Notes
“Group”	The Company and its subsidiaries
“Guangjing Xicheng Expressway Company”	江蘇廣靖錫澄高速公路有限責任公司 (Jiangsu Guangjing Xicheng Expressway Company Limited#), a limited liability company established in the PRC
“Guangjing Xicheng and Yichang Loan Independent Shareholders”	Shareholders other than China Merchants Expressway and its associates
“Guangjing Xicheng Loan”	the use of proceeds raised from MT Notes and UST Notes to be issued by the Company to provide loans to Guangjing Xicheng Company, with no more than RMB0.6 billion and RMB0.5 billion, respectively, pursuant to the conditional loan agreements dated 31 March 2020 entered into between the Company and Guangjing Xicheng Company

DEFINITIONS

“HK\$”	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 Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Shares”	overseas-listed foreign shares of RMB1.00 each, which are issued by the Company in Hong Kong, subscribed in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“H Shareholders”	holders of H Shares
“Independent Board Committee”	in respect of the Wufengshan Loan, an independent board committee comprises of all independent non-executive directors (ie Mr. Zhang Zhuting, Mr. Chen Liang, Mr. Lin Hui, Mr. Zhou Shudong and Mr. Liu Xiaoxing)
“Independent Financial Adviser”	Octal Capital Limited, a licensed corporation authorised to conduct Type 6 (advising on corporate finance) regulated activities under SFO, the independent financial adviser to the Independent Board Committee and the Wufengshan Loan Independent Shareholders in relation to the agreement in relation to the Wufengshan Loan and the transaction contemplated thereunder
“Listing Rules”	Hong Kong Listing Rules and Shanghai Listing Rules
“Latest Practicable Date”	29 April 2020 being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained in this Circular
“Loans”	the Wufengshan Loan, the Guangjing Xicheng Loan and the Yichang Loan
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Hong Kong Listing Rules

DEFINITIONS

“MT Notes”	the registration and issuance of medium-term notes of up to RMB9 billion
“MT Notes Issuance”	the registration and issuance of MT Notes of up to RMB9 billion by the Company, which will be issued once or in tranches within the validity period of the registration and to issue such MT Notes within two years commencing from the date of approval at the annual general meeting
“PRC”	the People’s Republic of China, which for the purpose of this Circular excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shanghai Listing Rules”	The Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“Shanghai Stock Exchange”	The Shanghai Stock Exchange
“Shareholders”	holders of shares of the Company
“Stock Exchange Letter”	the letter titled “Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies” issued by the Hong Kong Stock Exchange on 4 July 2011 (accompanied with a reply in Chinese from the State Administration of Taxation to the Hong Kong Inland Revenue Department issued on 28 June 2011)
“UST Notes”	the registration and issuance of ultra-short-term notes of up to RMB8 billion
“UST Notes Issuance”	the registration and issuance of UST Notes of up to RMB8 billion by the Company within the effective period on a rolling basis and to issue such UST Notes within two years commencing from the date of approval at the annual general meeting.

DEFINITIONS

“Wufengshan Loan”	the use of proceeds raised from MT Notes to be issued by the Company to provide loans to Wufengshan Toll Bridge Company, with no more than RMB1.8 billion, respectively, pursuant to the conditional loan agreements dated 31 March 2020 entered into between the Company and Wufengshan Toll Bridge Company, respectively
“Wufengshan Loan Independent Shareholders”	Shareholders other than Communications Holding and its associates
“Wufengshan Toll Bridge Company”	江蘇五峰山大橋有限公司 (Jiangsu Wufengshan Toll Bridge Company Limited#), a limited liability company established in the PRC
“Yichang Company”	江蘇宜長高速公路有限公司 (Jiangsu Yichang Expressway Co., Ltd.#), a limited liability company established in the PRC
“Yichang Loan”	the use of proceeds raised from MT Notes to be issued by the Company to provide loans to Yichang Company, with no more than RMB1 billion, pursuant to the conditional loan agreements dated 31 March 2020 entered into between the Company and Yichang Company, respectively
“%”	percentage

LETTER FROM THE BOARD



江蘇寧滬高速公路股份有限公司
JIANGSU EXPRESSWAY COMPANY LIMITED

(Established in the People's Republic of China as a joint-stock limited company)

(Stock Code: 00177)

Directors:

Sun Xibin
Cheng Xiaoguang
Yao Yongjia
Chen Yanli
Chen Yongbing
Wu Xinhua
Hu Yu
Ma Chung Lai, Lawrence
Zhang Zhuting*
Chen Liang*
Lin Hui*
Zhou Shudong*
Liu Xiaoxing*

* *Independent non-executive Directors*

PRC Registered Office:

6 Xianlin Avenue
Qixia District
Nanjing
Jiangsu Province
PRC

Hong Kong Registered Office:

17th Floor, One Island East
18 Westlands Road
Taikoo Place
Quarry Bay,
Hong Kong

7 May 2020

To shareholders of the Company

Dear Sir or Madam,

- (1) PROPOSED ISSUANCE OF ULTRA-SHORT-TERM NOTES**
(2) PROPOSED ISSUANCE OF MEDIUM-TERM NOTES
(3) CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN
RESPECT OF LENDING TO A SUBSIDIARY
(4) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION,
AND
AMENDMENTS OF RULES OF PROCEDURES OF MEETINGS
AND
(5) NOTICE OF 2019 ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

A. INTRODUCTION

The board of directors of the Company announced on 31 March 2020 that it has resolved to approve the Company's following proposals:

- (i) to approve the issuance of ultra-short-term notes of not more than RMB8 billion within two years from the date of approval at the 2019 annual general meeting;
- (ii) to issue medium-term notes of not more than RMB9 billion within two years from the date of the 2019 annual general meeting;
- (iii) The Company proposes to use proceeds raised from the issued MT Notes to provide Wufengshan Toll Bridge Company, a controlled subsidiary of the Company, with loans of no more than RMB1.8 billion; use proceeds raised from the issued MT Notes to provide Yichang Company, an indirect controlled subsidiary of the Company, with loans of no more than RMB1 billion; and use proceeds raised from the issued MT Notes and UST Notes to provide loans to Guangjing Xicheng Company, a controlled subsidiary of the Company, with loans of no more than RMB0.6 billion and RMB0.5 billion, respectively. The above loans shall be valid for two years from the date of the approval at the general meeting, with a term of three years. Interest of loans is calculated on the basis of the prevailing interest rates of the relevant Financing Products to be issued;
- (iv) to the Amendments of Articles and Amendments of Rules of Procedure of Meetings; and
- (v) to submit the above proposal (i), (ii), (iii) and (iv) to the AGM for consideration and approval.

The purpose of this circular is to provide, among other things, (i) details of the UST Notes Issuance; (ii) details of the MT Notes Issuance; (iii) details of the Loans; (iv) details of the proposed Amendments of Articles and Amendments of Rules of Procedures of Meetings; and (v) notice of the AGM, in accordance with Hong Kong Listing Rules.

B. PROPOSED UST NOTES ISSUANCE

On 31 March 2020, the Board announced that it has resolved to submit to the AGM to consider and approve by way of ordinary resolution the registration and issuance of the UST Notes not exceeding RMB8 billion during the two-year period commencing from the date of approval at the AGM and the registration effective period on a rolling basis. The UST Notes are not convertible into Company's shares.

LETTER FROM THE BOARD

Details of the approval of the issuance are as follows:

- (1) **Issue size and method:** The maximum issue size of the UST Notes to be issued shall not exceed RMB8 billion in aggregate, during the two-year period commencing from the date of approval at the AGM and the registration effective period on a rolling basis, the specific issue method is to be determined by any executive Director of the Company, with the lead underwriter having regards to the market conditions before the issue.
- (2) **Target subscribers and arrangement for placement to shareholders:** Target subscribers are investors in compliance with the requirements of relevant laws and regulations. The UST Notes shall not be placed to the existing shareholders on a preferential basis.
- (3) **Interest rate:** Actual interest rate is to be determined by any executive Director of the Company, with reference to the market conditions including but not limited to: the prevailing market rate(s) for similar financing instruments with similar term, credit rating and principal of the UST Notes, reference rate(s) from the People's Bank of China, at the time of issue.
- (4) **Maturity:** within 270 days from the date of issuance.
- (5) **Use of proceeds:** Replenishment of the Company's and/or its subsidiaries' working capital and capital expenditure, repayment of the Company's and/or its subsidiaries' debts and capital requirements for new projects, etc.
- (6) **Listing:** To be determined by any executive Director of the Company, with reference to the market conditions at the time of issue.
- (7) **Guarantee:** The specific type of guarantee (if necessary) is to be determined by any executive Director of the Company, with reference to the market conditions at the time of issue and approved within his authority.
- (8) **Validity period of the resolutions:** within the two years period commencing from the date on which the resolution is approved at the AGM and within the registration effective period of the UST Notes.

LETTER FROM THE BOARD

- (9) **Authorisation arrangement:** Any executive Director of the Company be generally and unconditionally authorised to determine, approve and handle the following matters according to the Company's needs and market conditions:
- 1) to determine the specific terms, conditions and related matters of the UST Notes to be issued, including but not limited to total principal amount, interest rate or its methods of determination, terms, credit rating, guarantee, protection measures for repayment, any repurchase or redemption terms, any placement arrangement and option to adjust nominal interest rate, etc.;
 - 2) to make all necessary and incidental arrangements for the UST Notes Issuance (including but not limited to obtaining approvals, engaging intermediaries, determination of underwriting arrangements, preparation and dissemination of relevant application documents to regulatory authorities, obtaining approvals from such regulatory authorities and execution of all requisite documents and disclosures of relevant information in accordance with applicable laws);
 - 3) in case of any changes in regulatory policies or market conditions, to adjust the specific issue proposals relating to the issue or other related matters according to the opinion of regulatory authorities; and
 - 4) upon completion of the issue, to determine and approve matters relating to the listing and lockup of exchange rate for the principal and interests of relevant UST Notes.

As set out in the preliminary announcement of the Company for the year ended 31 December 2019, the total gearing ratio (being liabilities/total assets) was 41.24%. It is anticipated that the issuance in full of the UST Notes in an orderly manner will have no material adverse effect on the gearing ratio of the Company. The Board considers that the UST Notes Issuance will be beneficial to the broadening of the financing channels of the Company, reduction of finance costs of the Company and its subsidiaries and improvement of the debt structure of the Company and therefore recommends the UST Notes Issuance in due course with reference to the market conditions subject to relevant approval. Upon being approved at the general meeting, the UST Notes Issuance is still subject to approval by relevant regulatory authorities. The Company intends to submit the relevant documents concerning the issuance of the UST Notes to the relevant regulatory authorities for their approval after the proposed UST Notes issuance is approved at the Annual General Meeting. Upon issue of the UST Notes by the Board as authorised by the general meeting, the Company will comply with its disclosure obligations in respect of the UST Notes Issuance in accordance with relevant provisions of the Hong Kong Listing Rules and the Listing Rules of the Shanghai Stock Exchange.

There is uncertainty as to whether the UST Notes Issuance will be finally executed. Shareholders and investors are advised to be cautious about the uncertainty.

LETTER FROM THE BOARD

C. PROPOSED MT NOTES ISSUANCE

On 31 March 2019, the Board announced that it has resolved to submit to the AGM to consider and approve by way of ordinary resolution the registration and issuance of MT Notes not exceeding RMB9 billion during the two years period commencing from the date of approval at the AGM and the registration effective period on a lump sum or installment. The MT Notes are not convertible into Company's shares.

Details of the approval of the issuance are as follows:

- (1) **Issue size and method:** The maximum issue size of the MT Notes to be issued shall not exceed RMB9 billion in aggregate during the two years period commencing from the date of approval at the AGM and the registration effective period on a lump sum or installment, the specific issue method is to be determined by any executive Director of the Company, with the lead underwriter having regards to the market conditions before the issue.
- (2) **Target subscribers and arrangement for placement to shareholders:** Target subscribers are investors in compliance with the requirements of relevant laws and regulations. The MT Notes shall not be placed to the existing shareholders on a preferential basis.
- (3) **Interest rate:** Actual interest rate is to be determined by any executive Director of the Company, with reference to the market conditions including but not limited to: the prevailing market rate(s) for similar financing instruments with similar term, credit rating and principal of the MT Notes, reference rate(s) from the People's Bank of China, at the time of issue.
- (4) **Maturity:** within 3 years to 5 years from the date of issuance.
- (5) **Use of proceeds:** Replenishment of the Company's and/or its subsidiaries' working capital and capital expenditure, repayment of the Company's and/or its subsidiaries' debts and capital requirements for new projects, etc.
- (6) **Listing:** To be determined by any executive Director of the Company, with reference to the market conditions at the time of issue.
- (7) **Guarantee:** The specific type of guarantee (if necessary) is to be determined by any executive Director of the Company, with reference to the market conditions at the time of issue and approved within his authority.
- (8) **Validity period of the resolutions:** within the two years period commencing from the date on which the resolution is approved at the AGM and within the registration effective period of the MT Notes.

LETTER FROM THE BOARD

- (9) **Authorisation arrangement:** Any executive Director of the Company, be generally and unconditionally authorised to determine, approve and handle the following matters according to the Company's needs and market conditions:
- 1) to determine the specific terms, conditions and related matters of the MT Notes to be issued, including but not limited to total principal amount, interest rate or its methods of determination, terms, credit rating, guarantee, protection measures for repayment, any repurchase or redemption terms, any placement arrangement and option to adjust nominal interest rate, etc.;
 - 2) to make all necessary and incidental arrangements for the MT Notes Issuance (including but not limited to obtaining approvals, engaging intermediaries, determination of underwriting arrangements, preparation and dissemination of relevant application documents to regulatory authorities, obtaining approvals from such regulatory authorities and execution of all requisite documents and disclosures of relevant information in accordance with applicable laws);
 - 3) in case of any changes in regulatory policies or market conditions, to adjust the specific issue proposals relating to the issue or other related matters according to the opinion of regulatory authorities; and
 - 4) upon completion of the issue, to determine and approve matters relating to the listing and lockup of exchange rate for the principal and interests of relevant MT Notes.

As set out in the preliminary announcement of the Company for the year ended 31 December 2019, the total gearing ratio (being liabilities/total assets) was 41.24%. It is anticipated that the issuance in full of the MT Notes in an orderly manner will have no material adverse effect on the gearing ratio of the Company. The Board considers that the MT Notes Issuance will be beneficial to the broadening of the financing channels of the Company, reduction of finance costs of the Company and its subsidiaries and improvement of the debt structure of the Company and therefore recommends the MT Notes Issuance in due course with reference to the market conditions subject to relevant approval. Upon being approved at the general meeting, the MT Notes Issuance is still subject to approval by relevant regulatory authorities. The Company intends to submit the relevant documents concerning the issuance of the MT Notes to the relevant regulatory authorities for their approval after the proposed MT Notes issuance is approved at the Annual General Meeting. Upon issue of the MT Notes by the Board as authorised by the general meeting, the Company will comply with its disclosure obligations in respect of the MT Notes Issuance in accordance with relevant provisions of the Hong Kong Listing Rules and the Listing Rules of the Shanghai Stock Exchange.

There is uncertainty as to whether the MT Notes Issuance will be finally executed. Shareholders and investors are advised to be cautious about the uncertainty.

LETTER FROM THE BOARD

D. SUMMARY OF THE CONNECTED TRANSACTION

The Company proposes to use proceeds raised from the issued MT Notes to provide Wufengshan Toll Bridge Company, a controlled subsidiary of the Company, with loans of no more than RMB1.8 billion, Wufengshan Loan shall be applied towards Wufengshan Toll Bridge Company's construction of Wufengshan Toll Bridge (a 2.877 km dual-four lane expressway being built across the Yangtze River) and the construction of its North-South Approach Expressways or the replacement of part of the late stage project loans which carry interest at the rates of 4.3% to 4.9% per annum. Wufengshan Toll Bridge and North-South Approach Expressways together form part of the Yangtze River Delta expressway network planned by the Ministry of Transport of the PRC and the expressway network of "Five Vertical, Nine Horizontal and Five Union" (五縱九橫五聯) planned by the government of the Jiangsu Province. The Company proposes to use proceeds raised from the issued MT notes to provide Yichang Company, an indirect controlled subsidiary of the Company, with loans of no more than RMB1 billion. Yichang Loan shall be applied towards Yichang Company's construction of Yichang Expressway. Yichang Expressway is a dual-three lane expressway with a full length of route of 25.672 km, and forms part of the Lianyungang-Nanjing-Yixing Expressway, an important part of the "Vertical Four (縱四)" line under the planning of Jiangsu Province expressway network, connecting Ninghang Expressway and Hangzhou-Changxing Expressway located on the border of Jiangsu and Zhejiang provinces. The Company proposes to use proceeds raised from the issued MT Notes and UST Notes to provide loans to Guangjing Xicheng Company, a controlled subsidiary of the Company, with no more than RMB0.6 billion and RMB0.5 billion, respectively, which shall be applied towards the repayment of due loans of Guangjing Xicheng Company. The above loans shall be valid for two years from the date of the approval at the general meeting, with a term of three years. Interest of loans is calculated on the basis of the prevailing interest rates of the Financing Products to be issued. The expenses in relation to the issuance of the Financing Products of the Company, and the repayment of the principal and interest shall be borne and paid by the above subsidiaries. The MT Notes Issuance and the UST Notes Issuance has been considered and approved by the Board, but not yet approved to be officially launched at general meeting, as such, the actual amount of loans provided by the Company will depend on the actual circumstances, subject to the above limits. On 31 March 2020, the Company entered into conditional loan agreements with each of Wufengshan Toll Bridge Company, Guangjing Xicheng Company and Yichang Company, respectively.

The Company provide loans to Wufengshan Toll Bridge Company, Guangjing Xicheng Company and Yichang Company, controlled subsidiaries of the Company, while other shareholders of the above subsidiaries will not provide financial assistance. The financial assistance provided by the Company which is greater than the proportion of its equity or investment to the company in which the Company coinvests with its related persons constitutes a related party transaction in accordance with Article 12 of the Implementation Guidelines for Related Party Transactions of Listed Companies on Shanghai Stock Exchange (《上海證券交易所上市公司關聯交易實施指引》); the transactions are subject to consideration at general meeting of the Company and related shareholders are required to abstain from voting thereon.

LETTER FROM THE BOARD

The related party transactions do not constitute a material asset restructuring under the Measures for Administration of Material Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》).

I. Information on related party/connected persons

(I) Information on the relationships with the related party/connected persons

Communications Holding, the controlling shareholder of the Company, holds 22.01% of the equity interest in Wufengshan Toll Bridge Company, (五峰山大橋公司). The Company unilaterally provides loans to Wufengshan Toll Bridge Company that constitutes a related party transaction pursuant to the Shanghai Listing Rules and is subject to the approval at general meeting.

China Merchants Expressway, the second largest shareholder of the Company, holds 15% of the equity interest in Guangjing Xicheng Company, in which the Company and the related party jointly invested. The Company unilaterally provides loans to Guangjing Xicheng Company that constitutes a related party transaction pursuant to the Shanghai Listing Rules and is subject to the approval at general meeting.

Guangjing Xicheng Company, a controlled subsidiary of the Company, holds 60% equity interest in Yichang Company; China Merchants Expressway, the second largest shareholder of the Company, holds 15% of the equity interest in Guangjing Xicheng Company. The Company unilaterally provides loans to Yichang Company which constitute related party transactions pursuant to the Shanghai Listing Rules and are subject to the approval at general meeting.

As Communications Holding, a connected person of the Company, holds 10% or more of the voting rights of Wufengshan Toll Bridge Company, Wufengshan Toll Bridge Company is a commonly held entity of the Company and its connected person, Communications Holding. As such, the financial assistance provided by the Company to Wufengshan Toll Bridge Company is a connected transaction under Rule 14A.26 of the Rules Governing the Listing of Securities on the Hong Kong Listing Rules. As the highest applicable percentage ratio as calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 5% but less than 25%, the Wufengshan Loan (aggregated with a loan of no more than RMB1.5 billion granted by the Company to Wufengshan Toll Bridge Company pursuant to a loan agreement dated 26 February 2020) also constitutes a discloseable transaction. Accordingly, the abovementioned transaction is subject to announcement, circular and independent shareholders' approval requirements under the Hong Kong Listing Rules.

LETTER FROM THE BOARD

According to Rules 14A.16(1) and 14A.16(2) of Hong Kong Listing Rules, as China Merchants Expressway, the second largest shareholder of the Company, holds 11.69% equity interest in the Company and 15% equity interest in Guangjing Xicheng Company, Guangjing Xicheng Company is a connected subsidiary of the Company. As Yichang Company is a subsidiary of the Company's connected subsidiary, Yichang Company is also a connected person of the Company. The financial assistance provided by the Company to Guangjing Xicheng Company and Yichang Company is a connected transaction. As the highest applicable percentage ratio calculated under Rule 14.07 of the Hong Kong Listing Rules is less than 5%, Guangjing Xicheng Loan and the Yichang Loan (aggregated with a loan of no more than RMB0.7 billion granted by the Company to Yichang Company pursuant to a loan agreement dated 26 February 2020) are only subject to announcement requirement under the Hong Kong Listing Rules.

(II) Basic information on related party/connected persons

Jiangsu Communications Holdings Company Limited

Registered office:	No. 291 Zhongshan East Road, Nanjing
Company Type:	Limited liability company (state-owned)
Legal representative:	Cai Renjie
Registered capital:	RMB16,800,000 thousand
Principal business:	Operation and management of state-owned assets (within the scope of authorization of the provincial government); investment, construction, operation and management of transport infrastructure, transportation and other related sectors; toll collection of highways; and industry investment and domestic trading. (Projects subject to the approval of the relevant departments shall be approved by the relevant departments before being carried out)
Total assets at the end of the latest accounting period (2018):	RMB454,026,662 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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Net assets at the end of the latest accounting period (2018):	RMB185,500,697 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2018):	RMB47,017,415 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2018):	RMB12,006,819 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)

China Merchants Expressway Network & Technology Holdings Co., Ltd.

Registered office:	Room 910, A3 Building, Dongjiang Business Center, 599 Ordos Road, Pilot Free Trade Zone (Dongjiang Bonded Port Area), Tianjin
Company Type:	Joint stock Company (listed)
Legal representative:	Wang Xiufeng
Registered capital:	RMB6,178,211.497 thousand
Principal business:	Investment, development, construction, and management of roads, bridges, docks, port and waterway infrastructure; investment management; transport infrastructure for the development of new technology, new products, new materials, development and product sales; architecture materials, electrical equipment, automobile and accessories, metals and electricity, daily provisions sales; economic information consultation and personnel training. (Projects subject to approval as required by laws shall only be conducted after approval by the competent authority)
Total assets at the end of the latest accounting period (2018):	RMB84,084,254 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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Net assets at the end of the latest accounting period (2018):	RMB45,462,650 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2018):	RMB6,759,340 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2018):	RMB3,910,057 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Jiangsu Expressway Company Limited

Registered office:	No. 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Company Type:	Joint-stock limited company
Legal representative:	Sun Xibin
Registered capital:	RMB5,037,747 thousand
Principal business:	Construction, management, maintenance and toll collection of toll roads and highways in Jiangsu Province
Total assets at the end of the latest accounting period (2019):	RMB55,625,048.63 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2019):	RMB32,682,837.14 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2019):	RMB10,078,181.22 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2019):	RMB4,300,484.71 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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II. Basic information on the loan borrowers

Jiangsu Wufengshan Toll Bridge Company Limited

Registered office:	No. 401 Gangnan Road, New District, Zhenjiang City
Company Type:	Limited liability company
Legal representative:	Yan Yun
Registered capital:	RMB4,826,350 thousand
Shareholders (Shareholding percentage):	Jiangsu Expressway Company Limited (64.5%) Jiangsu Communications Holding Company Limited (22.01%) Yangzhou Transportation Industry Group Co., Ltd. (13.49%) ^(Note)
Principal business:	Construction of road, tunnel, bridge, wire and pipeline engineering (excluding hazardous chemicals transportation), road management and maintenance, etc.
Total assets at the end of the latest accounting period (2019):	RMB9,228,360.38 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2019):	RMB4,828,808.97 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2019):	RMB0 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2019):	RMB1,757.52 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note: Based on public information available as of Latest Practicable Date, the Company understands that Yangzhou Transportation Industry Group Co., Ltd. is a wholly-owned subsidiary of Yangzhou Urban Construction State-owned Assets Holding (Group) Co., Ltd. (揚州市城建國有資產控股(集團)有限責任公司) which is in turn wholly-owned by Jiangsu Provincial Government.

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The principal business of Yangzhou Transportation Industry Group Co., Ltd. are: transportation infrastructure construction management; transportation, warehousing and logistics services; station operation management; trading, inspection and maintenance of automobiles and driver training; real estate development and leasing. (Projects that must be approved in accordance with law can only be operated after approval by the relevant authorities).

Jiangsu Guangjing Xicheng Expressway Co., Ltd.

Registered office:	No. 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Company Type:	Limited liability company
Legal representative:	Wu Shanggang
Registered capital:	RMB2,500,000 thousand
Shareholders (Shareholding percentage):	Jiangsu Expressway Company Limited (85%) China Merchants Expressway Network & Technology Holdings Co., Ltd. (15%)
Principal business:	Construction, management, maintenance and toll collection of highways
Total assets at the end of the latest accounting period (2019):	RMB12,123,786.13 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2019):	RMB6,834,415.40 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2019):	RMB1,380,995.50 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2019):	RMB680,603.95 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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Jiangsu Yichang Expressway Company Limited

Registered office:	No. 60 Jiefang East Road, Yicheng Street, Yixing City
Company Type:	Limited liability company
Legal representative:	Wu Shanggang
Registered capital:	RMB1,591,480.88 thousand
Shareholders (Shareholding percentage):	Jiangsu Guangjing Xicheng Expressway Co., Ltd. (60%) Yixing Transportation Industry Group Co., Ltd. (40%) ^(Note2)
Principal business:	Construction of road engineering, tunnel engineering, bridge engineering, wire engineering, pipeline engineering, road management and maintenance, etc.
Total assets at the end of the latest accounting period (2019):	RMB2,340,293.30 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2019):	RMB1,630,531.74 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2019):	RMB0 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2019):	RMB23,129.67 thousand (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note 1: the net profit mainly derived from interest income

Note 2: Based on public information available as of Latest Practicable Date, the Company understands that Yixing Industry Group Co., Ltd is wholly-owned by the State-owned Assets Supervision and Administration Office of Yixing Municipal Government (宜興市人民政府國有資產監督管理辦公室).

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The principal business of Yixing Industry Group Co., Ltd are: management and operation of municipal transportation-related state-owned assets, revenue management and operation of state-owned assets; operations of municipal collective transportation-related asset; investment in transportation and related industries; investment in the construction of transportation infrastructure and the management and operations of those assets; domestic trading; leasing of assets; real estate development and operation; processing and sales of stones. (Projects that must be approved in accordance with law can only be operated after approval by the relevant authorities).

III. The main contents and pricing policies of the related party/connected transaction

1. **Type of the related party/connected transactions:** Offer unilateral loan to the direct and indirect controlled subsidiaries.
2. The Company will provide loans to Wufengshan Toll Bridge Company, Guangjing Xicheng Company, the controlled subsidiaries, and Yichang Company, the indirect controlled subsidiary. The interest is to be calculated according to the prevailing interest rate of the Financing Products to be issued by the Company. The expenses in relation to the issuance of relevant Financing Products (or parts thereof), the repayment of the principal and interest of the issued Financing Products shall be borne and paid by the abovementioned subsidiaries.

IV. The main contents and performance arrangements of the related/connected transaction

(1) Key terms of the agreement on Wufengshan Loan

1. Loan Borrower: Jiangsu Wufengshan Toll Bridge Company Limited
Loan Lender: Jiangsu Expressway Company Limited;
2. Loan amount: Not more than RMB1.8 billion;
3. Loan term: Valid for the two-year period commencing from the date of approval at the general meeting, the loan shall be applied against road & bridge projects or subsequent project loan swap. The term of the loan is three years;
4. Interest rate of loan: the same interest rate of the relevant MT Notes to be issued by the Company;
5. Expense: the expenses in relation to the relevant MT Notes Issuance (or part thereof), the repayment of the principal and interest of the relevant MT Notes (or part thereof) shall be borne and paid by Wufengshan Toll Bridge Company;

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6. Payment of Interest and Repayment of Principal: annual interest shall be paid on the annual interest date of the MT Notes; on the maturity date of the loan, Wufengshan Toll Bridge Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period;
7. The Wufengshan Loan is subject to satisfaction of the following conditions precedent:
 - (i) The Wufengshan Loan Independent Shareholders having approved and agreed to the Wufengshan Loan at the general meeting; and
 - (ii) The Company having issued the MT Notes successfully.

(2) Key terms of the agreement on Guangjing Xicheng Loan

1. Loan Borrower: Jiangsu Guangjing Xicheng Expressway Limited
Loan Lender: Jiangsu Expressway Company Limited;
2. Loan amount: Not more than RMB1.1 billion;
3. Loan term: Valid for the two-year period commencing from the date of approval at the general meeting, the loan shall be used to repay the loan due by Guangjing Xicheng Company. The term of the loan is three years;
4. Interest rate of loan: the same interest rate of the same relevant MT Notes and UST Notes to be issued by the Company;
5. Expense: the expenses in relation to the issuance of the relevant Financial Products (or part thereof), the repayment of the principal and interest of the relevant Financial Products (or part thereof) shall be borne and paid by Guangjing Xicheng Company;
6. Payment of Interest and Repayment of Principal: annual interest shall be paid on the annual interest date of the Financial Products; on the maturity date of the loan, Guangjing Xicheng Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period;

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7. The Guangjing Xicheng Loan is subject to satisfaction of the following conditions precedent:
 - i. The Guangjing Xicheng and Yichang Loan Independent Shareholders having approved and agreed to the Guangjing Xicheng Loan at the general meeting; and
 - ii. The Company having issued the MT Notes and UST Notes successfully.

(3) Key terms of the loan agreements on the Yichang Loan

1. Loan borrowers: Jiangsu Yichang Expressway Company Limited
Loan lender: Jiangsu Expressway Company Limited;
2. Loan amount: Not more than RMB1 billion for Yichang Company;
3. Loan term: Valid for two-year period commencing from the date of approval at the general meeting, the loan shall be applied against road & bridge projects and shall be drawn in accordance with the progress of the projects. The term of the loans is three years from the relevant date of drawdown;
4. Interest rate of loan: the same interest rate of the MT Notes to be issued by the Company;
5. Expense: The expenses in relation to the relevant MT Notes Issuance (or part thereof), repayment of the principal and interest of the relevant MT Notes (or part thereof) shall be borne and paid by Yichang Company;
6. Payment of Interest and Repayment of Principal: annual interest shall be paid on the annual interest date of the MT Notes; on the maturity date of the loan, Yichang Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period;
7. The Yichang Loan is subject to satisfaction of the following conditions precedent:
 - i. The Guangjing Xicheng and Yichang Loan Independent Shareholders having approved and agreed to the Yichang Loan at the general meeting; and
 - ii. The Company having issued the MT Notes successfully.

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V. Purpose of the related party/connected transactions and their effects on the Company

1. Purpose of the transactions: To improve the use efficiency of funding and effectively reduce the funding cost of the controlled subsidiaries of the Company.
2. Effects on the Company: As the loan interest rate shall be the prevailing interest rate of the financing products to be issued by the Company, and given the funds raised from the Financing Products to be issued to provide to the controlled subsidiaries of the Company, the financing cost of the subsidiaries of the Company can be lowered.

As of the Latest Practicable Date, the expected date of completion of the Wufengshan Project and the Yichang Expressway are mid-2021 and mid-2021, respectively. As such, the relevant roads and bridges will have commenced commercial operation well ahead of the maturity dates of MT Notes to be issued by the Company to finance such construction. Given Wufengshan Toll Bridge Company, Guangjing Xicheng Company and Yichang Company are subsidiaries of the Company, the Company is fully aware of their respective financial conditions. Further, as at 31 December 2019, total gearing ratio of Wufengshan Toll Bridge Company, Guangjing Xicheng Company and Yichang Company were approximately 47.7%, 43.63% and 30.33%, respectively. Accordingly, the Board considers Wufengshan Toll Bridge Company, Guangjing Xicheng Company and Yichang Company shall be able to fulfill their respective obligation to repay the relevant loan interest and principal.

It is expected that the terms and conditions of the MT Notes and UST Notes to be issued by the Company shall be more favourable than the loan facilities which are accessible by Wufengshan Toll Bridge Company, Guangjing Xicheng Company and Yichang Company. As such, the financing costs of Wufengshan Toll Bridge Company, Guangjing Xicheng Company and Yichang Company and hence, the overall financing costs of the Group can be lowered by the Company providing the Loans from the proceeds raised by the Company's issue of MT Notes and/or UST Notes.

Based on the reasons stated above, the Board considers risks of the Loans are controllable and that the Loans are in the interest of the Company and all its shareholders as a whole.

The transactions are in the interest of the Company and all its shareholders as a whole. The Company provides loans to the controlled subsidiaries of the Company on the premise that it has sufficient funds to meet its own operating needs, and the risks of the loans are controllable. The Loans will not cause any negative impact on the Company's current and future financial condition and operation results.

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VI. The procedures for the consideration of the related party/connected transactions

The related party/connected transactions have been considered and approved at the eighteenth meeting of the ninth session of the Board of the Company. All the directors are of the view that the terms of the Loans were fair and reasonable, and were in the interest of the Company and its shareholders as a whole. When considering and approving the Resolution on the Provision of Loans to Wufengshan Toll Bridge Company with Funds Raised by the Company, Mr. Chen Yanli and Mr. Chen Yongbing, all being officers of Communications Holding, the controlling shareholder of the Company and therefore related directors, have abstained from voting. When considering and approving the Resolution on the Provision of Loans to Guangjing Xicheng Company with Funds Raised by the Company and the Resolution on the Provision of Loans to Yichang Company with Funds Raised by the Company, Mr. Wu Xinhua and Ms. Hu Yu, all being officers of China Merchant Expressway, a substantial shareholder of the Company and therefore related directors, have abstained from voting.

The above-mentioned related/connected party transactions are subject to consideration and approval at general meeting of the Company and relevant related/connected shareholders (i.e. in respect of the Wufengshan Loan, Communications Holding and its associates; and in respect of the Guangjing Xicheng Loan and the Yichang Loan, China Merchants Expressway and its associates) involved in the corresponding voting matters shall abstain from voting. The five independent directors of the Company agreed to submit the proposal for the above-mentioned related party transactions at the eighteenth meeting of the ninth session of the Board for consideration and expressed independent opinions as follows: transaction terms of the above transactions are fair and reasonable and are on normal commercial terms, and the transactions do not prejudice the interests of the Company and its unrelated/unconnected shareholders, especially the minority shareholders, and are in the interests of the Company and its shareholders as a whole.

The Audit Committee of the Board of the Company issued a written review opinion on this related party/connected transactions as follows:

The Company provides loans to Wufengshan Toll Bridge Company and Guangjing Xicheng Company, controlled subsidiaries of the Company and Yichang Company, an indirect controlled subsidiary, on the premise that it has sufficient funds to meet its own needs, which is conducive to advancing the projects construction of the subsidiaries, lowering the funding cost and further guaranteeing the future investment returns of the Company. The related party/connected transactions are in compliance with the principles of fairness, equity, voluntariness and sincerity, with the interest calculated based on the prevailing interest rate of the Financing Products issued by the Company and the pricing are fair, equitable and reasonable. The procedures for the consideration and voting of related party/connected

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transactions are in compliance with relevant laws and regulations and the Articles of Association, and there is no circumstance that the benefits of the minority shareholders and the Company are impaired.

The related party/connected transactions are not required to be subject to approval of relevant authorities.

VII. Information on historical related party transactions that need to be specified

Except for the loan agreements entered into between the Company and Wufengshan Toll Bridge Company and Yichang Company on 26 February 2020, which does not exceed RMB1.5 billion and RMB0.7 billion respectively, from the beginning of the year to the Latest Practicable Date, the Company has no related party transactions with Wufengshan Toll Bridge Company and Yichang Company. In addition, the Company provided a loan of RMB0.6 billion to Guangjing Xicheng Company, which was approved by independent Shareholders at the 2016 annual general meeting held on 22 June 2017. Similar transaction (excluding these transactions) between different related parties and the Company amounted to RMB0 million.

VIII. Recommendation

An Independent Board Committee has been appointed to consider the Wufengshan Loan pursuant to the Hong Kong Listing Rules. The Independent Financial Advisor has been appointed to advise the Independent Board Committee and the Wufengshan Loan Independent Shareholders on the fairness and reasonableness of the terms of the Wufengshan Loan. Your attention is drawn to (i) the letter of advice from the Independent Board Committee to Independent Shareholders in this circular; (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders on the terms of the Wufengshan Loan in this circular; and (iii) other additional information set out in other parts of this circular.

The Independent Board Committee has taken into account the advice of the Independent Financial Adviser, they recommend that independent Shareholders (excluding the Communications Holding and its associates) vote in favour of the ordinary resolution to be proposed at the AGM to approve the Wufengshan Loan. Directors (including non-executive Directors, they have taken into account the advice of the Independent Financial Advisor) considered that the Wufengshan Loan is conducted in the ordinary and usual course of business of the Company and Wufengshan Toll Bridge Company on normal commercial terms which are fair and reasonable so far as Wufengshan Loan Independent Shareholders are concerned, and is in the interest of the Company and its shareholders as a whole. We therefore recommend that Wufengshan Loan Independent Shareholders vote in favour of the ordinary resolution to be proposed at the AGM to approve the Wufengshan Loan.

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E. PROPOSED AMENDMENTS OF ARTICLES OF ASSOCIATION AND AMENDMENTS OF RULES OF PROCEDURES OF MEETINGS

1. Reasons for the Proposed Amendments of Articles of Association and Amendments of Rules of Procedures of Meetings

To further standardize our business operation and improve the level of corporate governance, the eighteenth meeting of the ninth session of the board of directors of the Company was held on 31 March 2020 to consider and approve the Resolution Regarding the Amendments to the Articles of Association. The Company will amend the Articles of Association in accordance with the Company Law, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies and other relevant laws and administrative regulations. The Amendments will come into effect after the consideration and approval at the AGM of the Company.

As the proposed amendments of articles of association involve the convening, notice and related matters of the general meeting of shareholders, it is necessary to make simultaneous Amendments of Rules of Procedures of Meetings.

Notwithstanding the Amendments of Articles and the Amendments of Rules of Procedures of Meetings, in case the Listing Rules impose stricter requirements, for example, in case of the convening of annual shareholders meeting or extraordinary general meeting, if the notice period under the Articles falls short of the requirements of the Hong Kong Listing Rules or the Shanghai Listing Rules, the stricter requirements under the Hong Kong Listing Rules or the Shanghai Listing Rules (as the case may be) will be complied with.

2. Summary of Amendments of Articles

Details of the Amendments of Articles are set out in the Appendix I Part A. Set out below a summary of the Amendments of Articles:

1. Article 5.3 – to increase the circumstances that the Company may repurchase shares of the Company and exceptions in accordance with the Article 142 of the Company Law.
2. Article 6.1 – to judge from the preceding and subsequent provisions, the provisions cited in Article 6.1 (iii) should be the situations described in Article 6.3.
3. Article 6.3 – to combine the content of the preceding and subsequent articles, the cited articles should be the situation described in Article 6.1.

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4. Article 7.8 – to adjust in accordance with the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies.
5. Article 10.6 – to adjust in accordance with the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies.
6. Article 10.7 – to delete the statement of subsequent proposal because of there are statements elsewhere.
7. Article 10.9 – to delete the whole Article in accordance with the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies.
8. Article 10.11 (which will be renumbered as 10.10) – to adjust in accordance with the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies.
9. Article 10.14 (which will be renumbered as 10.13) – to amend in accordance with the Article 57 of the Guidelines on the Bylaws of Listed Companies and the Article 19 of the Rules for the Shareholders’ Meetings of Listed Companies.
10. Article 10.35 (which will be renumbered as 10.34) – to change the order of (v) and (vi) due to the original statement in accordance with the Article 76 of the Guidelines on the Bylaws of Listed Companies.
11. Article 10.38 (which will be renumbered as 10.37) – to increase the customary provisions in the process of legislation and system formulation, which is conducive to the strictness of the provisions in accordance with the Article 77 of the Guidelines on the Bylaws of Listed Companies.
12. Article 11.6 – to adjust in accordance with the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies.
13. Article 12.3 (vii) – to replace shall not with could be and to delete without sake.
14. Article 12.5 (viii) – to delete (viii) of the Board meeting to decide on the setup of internal management organization of the Company and then the order of the articles shall be extended forward.

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15. Article 12.12 (i) and (ii) – to amend in accordance with the Article 76 of the Guidelines on the Bylaws of Listed Companies.
16. Article 15.2 – to increase persons assuming offices other than supervisors of the controlling shareholder and of the de facto controller of the Company shall not assume the offices of senior management of the Company.
17. Article 15.4 (iii) – to amend to draft plans for the establishment of the Company’s internal management structure to decide on the structure for enhancing the authority of the Company’s manager.
18. Article 16.7 (iii) – to increase such provision in accordance with the Article 2.1.11 of the Rules of Procedure for Supervisory Committees and the provisions of the Articles of Association on the board of supervisors should have such provisions.

Details of the proposed Amendments of Rules of General Meetings, the proposed Amendments of Rules of Meetings of Board of Directors and the proposed Amendments of Rules of Meetings of Supervisory Committee are set out in sections B, C and D of Appendix I, respectively.

F. BOOK CLOSURE FOR H SHARES

1. The AGM

According to the articles of association of the Company, registration of transfers of H shares will be suspended by the Company from 23 May 2020 to 23 June 2020 (both days inclusive). Holders of H shares of the Company who wish to be eligible to attend and vote at the AGM must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited, the registrar of H shares of the Company, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, **no later than 4:30 p.m. on Friday, 22 May 2020.**

2. Final dividend for the year ended 31 December 2019

The final dividend distribution proposal of the Company for 2019: the Company proposed to distribute final dividends of RMB0.46 (tax inclusive) per share in favour of the shareholders.

As required by the Hong Kong Listing Rules, the last day for trading in H shares of the Company with entitlement to final dividend for the year ended 31 December 2019 shall fall at least one trading day after the AGM. As such, the register of members of H shares of the Company will be closed from 1 July 2020 to 6 July 2020 (both days inclusive) and the record

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date of H shares of the Company for final dividend for the year ended 31 December 2019 shall be 6 July 2020. Holders of H shares of the Company who wish to be entitled to receive final dividend for the year ended 31 December 2019 must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited, the registrar of H shares of the Company, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, **no later than 4:30 p.m. on Tuesday, 30 June 2020**. The date of payment of final dividend for the year ended 31 December 2019 is expected to be on 31 August 2020.

As stipulated in the “Notice of the State Administration of Taxation on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Shareholders which are Overseas Non-resident Enterprises” (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), when Chinese resident enterprises distribute dividends to their H shareholders who are overseas non-resident enterprises, the enterprise income tax shall be withheld at a uniform rate of 10%. After receiving dividends, non-resident enterprises may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or by a person who has tax withholding or payment obligation and provide information to prove that it is an actual beneficiary under the requirement of taxation treaties (arrangement). After the relevant tax authorities have verified that there is no error, it shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the taxation treaties (arrangement).

Shareholders should note that the requirements under the “Circular on Some Policy Questions Concerning Individual Income Tax” (Cai Shui Zi [1994] No. 20) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]20號)) regarding the temporary exemption from individual income tax for dividends and bonuses received by foreign individuals from foreign investment enterprises have ceased to be effective since 2011.

Pursuant to the letter titled “Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies” issued by The Stock Exchange on 4 July 2011 (accompanied with a reply in Chinese from the State Administration of Taxation to the Hong Kong Inland Revenue Department issued on 28 June 2011), overseas resident individual shareholders of the stocks issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements entered into between the countries where they are residents and China or the tax arrangements between mainland China and Hong Kong/Macao.

LETTER FROM THE BOARD

The Company will withhold and arrange for the payment of the relevant tax pursuant to the Stock Exchange Letter and other relevant laws and regulations, including the “Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled to Non-residents under Tax Treaties (Tentative)” (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發“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)). The Company will determine the residence of the individual H shareholders based on their registered address as recorded in the register of members of the Company on the record date for the final dividend for the year ended 31 December 2019. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H shareholders and for any claims arising from any failure of or delay in or inaccurate determination of the tax status or tax treatment of the individual H shareholders or any disputes over the withholding mechanism or arrangements.

Pursuant to the “Notice on Tax Policies Concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets” (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)) and the “Notice on Tax Policies Concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets” (Cai Shui [2016] No. 127) (《關於深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[2016]127號)), for dividends derived by domestic individual investors from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, H share companies shall withhold individual income tax at a tax rate of 20% for the investors. For domestic securities investment funds that invest in shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the above rules also apply and individual income tax shall be levied on dividends derived therefrom. For domestic enterprise investors that invest in shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the H share companies will not withhold enterprise income tax in the distribution of dividends on their behalves, and the domestic enterprise investors shall report and pay the relevant taxes payable themselves. Any dividend received in respect of H shares which have been continuously held by a domestic enterprise investor for 12 months shall be exempted from enterprise income tax.

H shareholders are recommended to consult their tax advisers regarding the PRC, Hong Kong and other tax implications arising from their holding and disposal of H shares of the Company.

LETTER FROM THE BOARD

G. THE AGM

The AGM will be held at 6 Xianlin Avenue, Nanjing, the PRC on Tuesday, 23 June 2020 at 3:00 p.m.. A notice of the said meeting is set out on pages N-1 to N-8 of this circular. Ordinary resolutions will be proposed for approving the UST Notes Issuance, the MT Notes Issuance, the Wufengshan Toll Bridge Loan, the Guangjing Xicheng Loan, the Yichang Loan and other ordinary matters of annual general meeting. and special resolutions will be proposed for approving the Amendments of Articles, the Amendments of Rules of General Meetings, the Amendments of Rules of Meetings of Board of Directors and the Amendments of Rules of Meetings of Supervisory Committee.

As of the Latest Practicable Date, Communications Holdings and China Merchant Expressway held a 54.44% and 11.69% shareholding in the Company, respectively. Communications Holdings, China Merchant Expressway and their associates shall abstain from voting on the relevant ordinary resolution on the Loans as set out in the notice of meeting at the AGM.

The Board considers that the terms of the resolutions to be approved at the AGM are fair and reasonable, and recommends shareholders to vote in favour of such resolutions.

All resolutions will be voted by way of poll.

For H shareholders, whether or not you are able to attend the AGM, you are requested to (i) complete the accompanying confirmation slip in accordance with the instructions printed thereon and return the same to the Company no later than Wednesday, 3 June 2020, and to (ii) complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company not less than 24 hours before the time appointed for holding the AGM (being no later than 3:00 p.m. on Monday, 22 June 2020 (Hong Kong/Beijing time)). Completion and return of the form of proxy will not preclude H shareholders from attending and voting at the AGM. Under these circumstances, the H shareholders will be deemed to have withdrawn the appointment of the proxy.

The form of proxy for domestic shareholders will be published in China Securities Journal, Shanghai Securities News and the websites of the Company (www.jsexpressway.com), the Stock Exchange (www.hkexnews.hk) and the Shanghai Stock Exchange (www.sse.com.cn). Domestic shareholders are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company.

By order of the Board
Jiangsu Expressway Company Limited
Sun Xibin
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



江蘇寧滬高速公路股份有限公司
JIANGSU EXPRESSWAY COMPANY LIMITED

(Established in the People's Republic of China as a joint-stock limited company)

(Stock Code: 00177)

PRC Registered Address:

6 Xianlin Avenue,
Nanjing
the PRC

Hong Kong Registered Office:

17th Floor, One Island East
18 Westlands Road
Taikoo Place
Quarry Bay, Hong Kong

7 May 2020

To the shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION AND
DISCLOSEABLE TRANSACTION IN RESPECT OF
LENDING TO A SUBSIDIARY**

We have been appointed as members of the Independent Board Committee to advise you in respect of the Wufengshan Loan (as defined in the circular of the Company dated 7 May 2020) (“**Circular**”). We refer to the Circular of which this letter forms a part. Capitalised terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We wish to draw your attention to the letter from the Board as set out on pages 1 to 26 of the Circular which sets out, among other things, information on the Loans, the letter from the Independent Financial Adviser set out on pages 29 to 43 of the Circular which contains its advice to us and to you in relation to the Wufengshan Loan, as well as other additional information set out in other parts of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of the Independent Financial Adviser, we consider that the entering into of the Wufengshan Loan is not in the ordinary and usual course of business of the Company and Wufengshan Toll Bridge Company but on normal commercial terms which are fair and reasonable so far as Wufengshan Loan Independent Shareholders are concerned, and is in the interest of the Company and its shareholders as a whole. We therefore recommend that Wufengshan Loan Independent Shareholders vote in favour of the ordinary resolution to be proposed at the AGM to approve the Wufengshan Loan.

Yours faithfully,

Independent Board Committee

Zhang	Chen	Lin	Zhou	Liu
Zhuting	Liang	Hui	Shudong	Xiaoxing
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>non-executive</i>	<i>non-executive</i>	<i>non-executive</i>	<i>non-executive</i>	<i>non-executive</i>
<i>Director</i>	<i>Director</i>	<i>Director</i>	<i>Director</i>	<i>Director</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



Octal Capital Limited
801–805, 8/F, Nan Fung Tower,
88 Connaught Road Central,
Hong Kong

7 May 2020

To the Independent Board Committee and the Wufengshan Loan Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION LOAN TO WUFENGSHAN TOLL BRIDGE COMPANY

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Wufengshan Loan Independent Shareholders in respect of the Wufengshan Loan under the conditional loan agreement entered into among the Company and Wufengshan Toll Bridge Company dated 31 March 2020 and the transactions contemplated thereunder, particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 7 May 2020 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

At the eighteenth meeting of the ninth session of the Board of the Company held on 31 March 2020, “Resolution on the Provision of Loans to Wufengshan Toll Bridge Company with Funds Raised by the Company” was considered and approved. When considering and approving such resolution, Mr. Chen Yanli and Mr. Chen Yongbing, both being non-executive Directors and officers of Communications Holding, a controlling shareholder of the Company and therefore related directors, have abstained from voting. The Board announced on the same day that it has resolved to submit to the AGM to consider and approve by way of ordinary resolution the registration and issuance of MT Notes not exceeding RMB9.0 billion in aggregate during the two years period commencing from the date of approval at the AGM and the registration effective period and with a maturity period within three years from the date of issuance on a lump sum or installment, the MT Notes are not convertible into shares of the Company. Further, the Board proposed that the Company to use proceeds raised from the issued MT Notes to provide Wufengshan Toll Bridge Company, a controlled subsidiary of the Company, with loans of no more than RMB1.8 billion, which shall be applied towards road & bridge projects construction or the replacement of the late stage project loans. The issuance of MT Notes has not yet been approved to be officially launched at AGM, as such, the actual amount of loans provided by the Company will depend on the actual circumstances, subject to the above limit. On the same day, the Company entered into conditional loan agreement with Wufengshan Toll Bridge Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given that Communications Holding, the controlling shareholder of the Company, holds 22.01% of the equity interest in Wufengshan Toll Bridge Company, Wufengshan Toll Bridge Company is a commonly held entity of the Company and its connected person, Communications Holding. As such, the financial assistance provided by the Company to Wufengshan Toll Bridge Company is a connected transaction under Rule 14A.26 of the Hong Kong Listing Rules. As the highest applicable percentage ratio as calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 5% but less than 25%, the Wufengshan Loan (aggregated with a loan of no more than RMB1.5 billion granted by the Company to Wufengshan Toll Bridge Company pursuant to a loan agreement dated 26 February 2020) also constitutes a discloseable transaction. Accordingly, such transaction is subject to announcement, circular and independent shareholders' approval requirements under the Hong Kong Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise and give recommendation to the Wufengshan Loan Independent Shareholders on the conditional loan agreement dated 31 March 2020 entered into among the Company and Wufengshan Toll Bridge Company and the transactions contemplated thereunder. We, Octal Capital Limited, have been appointed as the independent financial adviser with the approval of the Independent Board Committee in accordance with the Hong Kong Listing Rules to advise the Independent Board Committee and the Wufengshan Loan Independent Shareholders in these regards and to give our opinion for the Independent Board Committee's consideration when making their recommendations to the Wufengshan Loan Independent Shareholders.

As at the Latest Practicable Date, we are not connected with the Directors, chief executive and substantial shareholders of the Company, Communications Holding, Wufengshan Toll Bridge Company or any of their respective subsidiaries or associates, and do not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and therefore are considered suitable to give independent advice to the Independent Board Committee and the Wufengshan Loan Independent Shareholders. During the last two years, there was no previous engagement between the Company, Communications Holding or any of their respective subsidiaries or associates and us. Apart from normal professional fees payable to us by the Company in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the directors, chief executive, substantial shareholders of the Company, the Group, Communications Holding or any of their respective subsidiaries or associates that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent to act as the independent financial advisor pursuant to Rule 13.84 of the Hong Kong Listing Rules.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also relied on our discussion with the Directors and management of the Company regarding the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Group, including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and management of the Company in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and management of the Company. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group and Wufengshan Toll Bridge Company and their respective subsidiaries or associates nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS TAKEN INTO CONSIDERATION

In arriving at our opinion regarding the Wufengshan Loan, we have considered the following principal factors and reasons:

1. Background of the Group

1.1 The Company, the Group and Wufengshan Toll Bridge Company

The Company is a joint-stock limited company established in the PRC and is principally engaged in the investment, construction, operation and management of toll roads and bridges in the Jiangsu Province and the development and operation of ancillary service areas (including refueling, catering, shopping and accommodation services, etc.) along highways.

Wufengshan Toll Bridge Company is a joint venture limited company established in the PRC and was owned as to 64.5%, 22.01% and 13.49% by the Company, Communications Holding and Yangzhou Transportation Industry Group Co., Ltd. (an independent third party) respectively as at the Latest Practicable Date. Its principal business is the construction of road, tunnel, bridge, wire and pipeline engineering (excluding hazardous chemicals transportation), road management and maintenance, etc.

Communications Holding is a wholly state-owned company established in the PRC and its principal business includes the operation and management of state-owned assets (within the scope of authorization of the provincial government); investment, construction, operation and management of transport infrastructure, transportation and other related sectors; toll collection of highways; and industry investment and domestic trading. As at the Latest Practicable Date, Communications Holding held a 54.44% equity interests in the Company, being the controlling shareholder of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Financial information of the Group

Set out below is a summary of the financial information of the Group as extracted from the annual report of the Company for the year ended 31 December 2018, and the final results announcement of the Company for the year ended 31 December 2019 (the “**Financial Reports**”), details of which are as follows:

	For the year ended 31 December		
	2019	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Toll road & bridge operations	7,833,075	7,460,486	7,104,364
Ancillary services business	1,347,754	1,441,955	1,780,145
Property sales business	825,217	1,004,454	509,752
Advertising and other businesses	72,135	62,116	61,419
Total operating revenue	10,078,181	9,969,011	9,455,680
Profit before taxation	<u>5,521,771</u>	<u>5,652,640</u>	<u>4,713,823</u>
Net profit attributable to owners of the Company	<u><u>4,199,704</u></u>	<u><u>4,376,604</u></u>	<u><u>3,587,862</u></u>

	For the year ended 31 December		
	2019	2018	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Total assets	55,625,049	48,162,729	42,532,491
Total equity	32,682,837	29,353,857	23,520,284
Net cash flow from operating activities	5,763,284	5,715,490	5,232,105
Cash and bank balances	<u>503,444</u>	<u>649,762</u>	<u>269,358</u>
Total gearing ratio (<i>Note</i>)	<u><u>41.24%</u></u>	<u><u>39.05%</u></u>	<u><u>39.12%</u></u>

Note: With reference to the Financial Reports, total gearing ratio is calculated as liabilities divided by total assets.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 31 December 2019

The Group recorded total operating revenue of approximately RMB10,078.2 million for the year ended 31 December 2019 (2018: approximately RMB9,969.0 million), representing an increase of approximately 1.1% as compared to the preceding year.

The Group recorded a net profit attributable to shareholders of the Company of approximately RMB4,199.7 million for the year ended 31 December 2019 (2018: approximately RMB4,376.6 million), representing a decrease of approximately 4.0% as compared to the preceding year. The decrease in net profit is mainly attributable to the recognition of one-off revaluation gain of approximately RMB430.5 million in the preceding year upon acquisition of Nanjing Hanwei Property Development Company Limited in accordance with the standards on business combination involving enterprises not under common control.

The total equity of the Group as at 31 December 2019 amounted to approximately RMB32,682.8 million, which represented an increase of approximately 11.3% as compared to approximately RMB29,353.9 million as at 31 December 2018.

The Group recorded a net cash flow from operating activities of approximately RMB5,763.3 million for the year ended 31 December 2019 (2018: approximately 5,715.5 million), representing an increase of approximately 0.8% as compared to the preceding year.

For the year ended 31 December 2018

The Group recorded total operating revenue of approximately RMB9,969.0 million for the year ended 31 December 2018 (2017: approximately RMB9,455.7 million), representing a decrease of approximately 5.4% as compared to the preceding year. The increase in revenue was mainly attributable to the stable growth in the traffic volume of passenger vehicles and trucks amongst the existing expressway and bridge projects operated by the Group during the year.

The Group recorded a net profit attributable to shareholders of the Company of approximately RMB4,376.6 million for the year ended 31 December 2018 (2017: approximately RMB3,587.9 million), representing an increase of approximately 22.0% as compared to the preceding. The increase in net profit is mainly attributable to the year-on-year increase in revenue from property sales by approximately 97.1%.

The total equity of the Group as at 31 December 2018 amounted to approximately RMB29,353.9 million, which represented an increase of approximately 24.8% as compared to approximately RMB23,520.3 million as at 31 December 2017.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded a net cash flow from operating activities of approximately RMB5,715.5 million for the year ended 31 December 2018 (2017: approximately 5,232.1 million), representing an increase of approximately 9.2% as compared to the preceding year. The increase was mainly due to an increase in revenue from property sales during the year.

2. REASONS FOR AND BENEFITS OF ENTERING INTO OF THE WUFENGSHAN LOAN

As stated in the Letter from the Board, the Board announced on 31 March 2020 that it has resolved to submit to the AGM to consider and approve by way of ordinary resolution the registration and issuance of MT Notes not exceeding RMB9.0 billion in aggregate during the two years period commencing from the date of approval at the AGM and the registration effective period and with a maturity period within three years from the date of issuance on a lump sum or installment basis for the purpose of replenishing the Company's and/or its subsidiaries' working capital and capital expenditure, repayment of the Company's and/or its subsidiaries' debts and capital requirements for new projects, etc. The Company proposes to use proceeds raised from the issued MT Notes to provide Wufengshan Toll Bridge Company, a controlled subsidiary of the Company, with loans of no more than RMB1.8 billion, which shall be applied towards road & bridge projects construction or the replacement of the late stage project loans.

On the same day, the Company entered into a conditional loan agreement with Wufengshan Toll Bridge Company in relation to the Wufengshan Loan. As advised by the Management, the purpose of the Wufengshan Loan is to serve as a stand-by credit facilities which can be used by Wufengshan Toll Bridge Company so as to improve the use efficiency of funding by the Company and effectively reduce the funding cost of Wufengshan Toll Bridge Company as and when required based on the progress of the Wufengshan Toll Bridge and North-South Approach Expressways Project (the “**Wufengshan Project**”) and the then external financing option which are cost-effective and available to Wufengshan Toll Bridge Company. Therefore, the Wufengshan Loan may or may not be drawn by Wufengshan Toll Bridge Company and the actual amount of loans provided by the Company will be at the sole discretion of the Company depend on the actual circumstances.

After considering: (i) the loan interest rate of the Wufengshan Loan shall be the same interest rate of the MT Notes to be issued by the Company with reference to the market conditions at the time of issue including but not limited to the prevailing market rate(s) for similar financing instruments with similar term, credit rating and principal of the MT Notes, reference rate(s) from the PRC; and (ii) given the low financing cost of the Company, the financing cost of the subsidiaries of the Company from external parties can be lowered. The Board considers such transaction to be in the interest of the Company and all its shareholders as a whole. Furthermore, the Board considers that the Company is fully aware of the financial conditions of Wufengshan Toll Bridge Company, being its controlled subsidiary, and accordingly consider that Wufengshan Toll Bridge Company shall be able to fulfill its obligation to repay the loan interest and principal of the Wufengshan Loan. Moreover, the Wufengshan Loan provided by the Company is on the premise that it has sufficient

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

funds to meet its own operating needs which is conducive to advancing the projects construction of the subsidiaries, lowering the funding cost and further guaranteeing the future investment returns of the Company, and therefore the risks of the Wufengshan Loan are controllable. Pursuant to the terms of the Wufengshan Loan, the expenses in relation to the issuance of MT Notes shall be borne and paid by Wufengshan Toll Bridge Company. Therefore, the Wufengshan Loan will not cause any negative impact on the Company's current and future financial condition and operation results.

Based on our discussion with the Management, we understand that the Wufengshan Loan is part of the capital allocation by the Group to its subsidiaries under the Group's financial arrangement. It is the Group's financial strategy to finance working capital through the issuance of Financing Products (including the medium-term notes and ultra short-term term notes) by the Company and re-allocate the necessary capital to the subsidiaries of the Group for their respective project investments and development (the "**Financing Arrangement**"). Pursuant to the Financial Reports of the Company, the Company has obtained fund of approximately RMB5.2 billion and RMB7.3 billion through direct financing during the two years ended 31 December 2018 and 2019 respectively. Among which a majority of the financing instruments issued by the Company were at lower interest rates than the then prevailing bank benchmark interest rates. Details of the major financing activities carried out by the Company during the aforementioned periods are extracted from the Financial Reports and announcements of the Company as follows:

Type of financing instruments	Date of issuance	Term (days)	Financing amount (RMB'000)	Interest rate of issuance (%)	Prevailing bank benchmark interest rate (Note) (%)
For the year ended 31 December 2018					
Super short-term commercial paper	10 Apr 2018	185	500,000	4.37	4.35
Super short-term commercial paper	5 Jun 2018	101	1,000,000	4.35	4.35
Super short-term commercial paper	6 Jul 2018	126	600,000	3.80	4.35
Super short-term commercial paper	6 Jul 2018	98	400,000	3.76	4.35
Super short-term commercial paper	20 Jul 2018	119	500,000	3.79	4.35
Super short-term commercial paper	26 Oct 2018	175	600,000	3.50	4.35
Super short-term commercial paper	31 Oct 2018	163	600,000	3.40	4.35
Super short-term commercial paper	7 Nov 2018	180	600,000	3.38	4.35
Super short-term commercial paper	14 Nov 2018	177	400,000	3.30	4.35
Average:				3.74	4.35
Average discount to benchmark interest rate:					14.0%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Type of financing instruments	Date of issuance	Term (days)	Financing amount (RMB'000)	Interest rate of issuance (%)	Prevailing bank benchmark interest rate (Note) (%)
For the year ended 31 December 2019					
Super short-term commercial paper	10 Apr 2019	191	500,000	2.70	4.35
Super short-term commercial paper	10 Apr 2019	170	200,000	2.68	4.35
Super short-term commercial paper	17 Apr 2019	270	500,000	3.10	4.35
Super short-term commercial paper	8 May 2019	184	600,000	3.00	4.35
Super short-term commercial paper	15 May 2019	177	400,000	3.00	4.35
Super short-term commercial paper	1 July 2019	193	500,000	2.70	4.35
Super short-term commercial paper	12 July 2019	98	600,000	2.50	4.35
Super short-term commercial paper	18 July 2019	180	700,000	2.80	4.35
Super short-term commercial paper	10 Oct 2019	176	200,000	2.59	4.35
Super short-term commercial paper	22 Oct 2019	178	500,000	2.45	4.35
Super short-term commercial paper	25 Oct 2019	203	400,000	2.45	4.35
Super short-term commercial paper	6 Nov 2019	198	500,000	2.35	4.35
Super short-term commercial paper	6 Nov 2019	184	500,000	2.40	4.35
Super short-term commercial paper	15 Nov 2019	190	400,000	2.30	4.35
Super short-term commercial paper	18 Nov 2019	179	600,000	2.45	4.35
Super short-term commercial paper	19 Dec 2019	27	160,000	2.20	4.35
Average:				2.44	4.35
Average discount to benchmark interest rate:					43.8%

In relation to the issuance of MT Notes	Date of issuance	Term (years)	Financing amount (RMB'000)	Interest rate of issuance (%)	Prevailing bank benchmark interest rate (%)
MT Notes	21 Jun 2013	5.0	500,000	4.98	6.40
MT Notes	25 Aug 2015	5.0	2,000,000	4.30	5.25
MT Notes	4 Dec 2015	5.0	1,000,000	3.69	4.75
MT Notes	15 Apr 2016	5.0	1,000,000	3.70	4.75
Average:				4.17	5.29
Average discount to benchmark interest rate:					21.2%

Note: The prevailing bank benchmark interest rates refer to the guiding interest rates for loans of financial institutions promulgated by the People's Bank of China to commercial banks in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the Management, the purpose of the Financing Arrangement is to leverage on the extensive business coverage, the consistent financial performances and the listing status of the Group to gain access to a wider spectrum of debt financing channels and relevant investors. Further, the Financing Arrangement conducted by the Company on behalf of the Group may also lower external financing costs of individual subsidiaries and benefit from the economies of scale of the Group in order to obtain debt financing in more favourable terms and conditions. Given that the total gearing ratios of the Group during the years ended 31 December 2017, 2018 and 2019 as extracted from the Financial Reports and final results announcement of the Company remained relatively stable at approximately 39–41% while maintaining a persistent growth in the net cash position generated from operating activities, we consider the Financial Arrangement as a consistent business strategy of the Group.

With reference to the announcement of the Company dated 27 March 2017 in relation to the Group's investment in the Wufengshan Project managed by Wufengshan Toll Bridge Company, the construction of the Wufengshan Project commenced in 2017 with an estimated total capital expenditure of approximately RMB11,617 million. With reference to the Financial Reports, approximately RMB9,007.3 million (representing 77.5% of the total capital expenditure) had been incurred as at 31 December 2019. It is expected that the remaining capital requirement for the Wufengshan Project of approximately RMB2,609.7 million, will be partly financed by the Wufengshan Loan and partly financed by other source of fundraising activities, including but not limited to, project loan financing from banks and further shareholder's loan from the Company. The financing options will be determined at the later stage, depending on (i) the timing of the financing needs of the Wufengshan Project and (ii) the terms and conditions of the financing options by the time the financing needs arise. As advised by the Management, the Wufengshan Project is expected to be completed and be operational in mid-2021. It is expected that Wufengshan Toll Bridge Company will have sufficient funding from the operation of the Wufengshan Bridge and the nearby connecting expressway to pay off the Wufengshan Loan after the first 24 months of its operation.

Pursuant to the terms of the Wufengshan Loan, the interest to be charged by the Group is calculated on the basis of the same interests rate of the MT Notes to be issued by the Company, whereas the expenses in relation to the issuance of the MT Notes of the Company, and the repayment of the principal and interest shall be borne and paid by Wufengshan Toll Bridge Company. We consider such back-to-back repayment arrangement between the medium-term note holders, the Company and Wufengshan Toll Bridge Company will not create any additional external financing cost to be incurred by the Company. Meanwhile, Wufengshan Toll Bridge Company can leverage on the solid financial position and the listing status of the Company and the Group in obtaining necessary capital financing for its project development in more favourable terms and conditions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Since the commencement of the Wufengshan Project in 2017, Wufengshan Toll Bridge Company has explored external financing in order to meet its financing needs for the investment and construction of the Wufengshan Project. Set out below are the abstracts of the existing loan facilities obtained by Wufengshan Toll Bridge Company for the Wufengshan Project:

Type of financing instruments	Date of borrowing	Term (years)	Financing amount (RMB'000)	Interest rate of issuance (%)	Prevailing bank benchmark interest rate (Note) (%)
For the year ended 31 December 2017					
Bank loans	Between July and November 2017	15–18 years	1,660,000	4.90	4.90
Discount to benchmark interest rate:				Nil	
For the year ended 31 December 2018					
Bank loans	Between February and November 2018	13–22 years	2,020,000	4.90	4.90
Discount to benchmark interest rate:				Nil	
For the year ended 31 December 2019					
Bank loans	Between January and October 2019	13–17 years	712,400	4.41 – 4.655	4.90
Discount to benchmark interest rate:				5% – 10%	
For the three months ended 31 March 2020					
Bank loans	Between January and March 2020	12–16 years	600,000	4.30 – 4.41	4.90
Discount to benchmark interest rate:				10.0% – 12.2%	

Note: The prevailing bank benchmark interest rates refer to the guiding interest rates for loans of financial institutions promulgated by the People's Bank of China to commercial banks in the PRC.

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Upon comparing the above tables with the financing activities carried out by the Company and Wufengshan Toll Bridge Company, we noted that the loan facilities obtained by the Company were of more favourable terms and conditions than the then prevailing benchmark market conditions as well as those obtained by Wufengshan Toll Bridge Company. As further enquired with the Management, we understood that due to (i) the relatively higher total gearing ratio of Wufengshan Toll Bridge Company of approximately 47.7% as compared to that of the Company of approximately 41.2% as at 31 December 2019 and (ii) the Wufengshan Project under construction and is not yet revenue-generating, the loan facilities which are accessed by Wufengshan Toll Bridge Company under its latest negotiations are of less favourable terms and conditions than the financing instruments issued by the Company.

Given that (i) toll road and bridge operations is the principal operating segment of the Group, amongst which, the Wufengshan Project conducted through Wufengshan Toll Bridge Company; (ii) the Wufengshan Toll Bridge Company has to obtain external finance for its capital expenditure requirements for the remaining investment and construction of the Wufengshan Project; (iii) the Wufengshan Loan is part of the Financing Arrangement which has been a consistent business strategy of the Group and (iv) the Company, leveraging on its solid financial position and the listing status of the Group, has been able to acquire debt financing in more favourable terms and conditions as compared to the then prevailing market terms and conditions and that as acquired by Wufengshan Toll Bridge Company on its own based on historical records, we consider that it is reasonable for the Company to deploy its financing ability and resources for the operations of Wufengshan Toll Bridge Company by entering into the Wufengshan Loan.

Having considered the above, we are of the view that the entering into of the Wufengshan Loan is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

3. MAJOR TERMS OF THE WUFENGSHAN LOAN

The major terms of the Wufengshan Loan are set out as below:

Parties	:	(i) The Company (as lender); and (ii) Wufengshan Toll Bridge Company (as borrower)
Loan amount	:	Not more than RMB1.8 billion
Use of proceeds of the Wufengshan Loan	:	To be applied against road & bridge projects or subsequent project loan swap

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- Loan term : Valid for the two-year period commencing from the date of approval at the AGM. The term of the loan is three years from the date of drawdown
- Interest rate of loan : The same interest rate of the relevant MT Notes to be issued by the Company
- Repayment obligation : The expenses in relation to the issuance of the relevant MT Notes or part thereof, the repayment of the principal and interest of the MT Notes or part thereof shall be borne and paid by Wufengshan Toll Bridge Company
- Repayment schedule : Annual interest shall be paid on the annual interest date of the MT Notes;
- On the maturity date of the Wufengshan Loan, Wufengshan Toll Bridge Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period
- Conditions precedent : The Wufengshan Loan is subject to satisfaction of the following conditions precedent:
- (i) The Wufengshan Loan Independent Shareholders having approved and agreed to the Wufengshan Loan at the AGM; and
 - (ii) The Company having issued the MT Notes successfully

As advised by the Management, the loan amount in respect of the Wufengshan Loan was determined after considering (i) sufficient funds in the MT Notes proceeds to satisfy working capital needs of the Company and (ii) the working capital requirement for advancing the investment and construction of the Wufengshan Project before other cost-effective and preferred financing option become available to Wufengshan Toll Bridge Company.

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3.1 Interest rate

Upon considering that the interest rate of the Wufengshan Loan shall be equivalent to the same interest rate of the MT Notes to be issued by the Company, we are of the view that the interest rate of the Wufengshan Loan is on normal commercial terms and is fair and reasonable.

3.2 Term to maturity

As advised by the Management, the duration of the Wufengshan Loan of three years is determined with reference to the expected date of completion of the Wufengshan Project by mid-2021 which will generate revenue from the Wufengshan Toll Bridge and connecting expressways and be sufficient for the repayment of the Wufengshan Loan after the first 24 months of its operation. Accordingly, we consider the terms of maturity of the Wufengshan Loan to be fair and reasonable.

3.3 Collateral/Guarantee

Pursuant to the Wufengshan Loan, the loan provided to Wufengshan Toll Bridge Company is unsecured.

Wufengshan Toll Bridge Company, being a controlled subsidiary, is owned as to 64.5% by the Company. In addition, pursuant to the articles of association of Wufengshan Toll Bridge Company, the legal representative and majority of the board composition of Wufengshan Toll Bridge Company are both assigned by the Company, therefore the Company has a material control over the directorship, management and equity interest of Wufengshan Toll Bridge Company such that the management of Wufengshan Toll Bridge Company and its repayment of the Wufengshan loan to the Company is under the control of the Company.

Accordingly, the Company can actively monitor the operation and management decision of Wufengshan Toll Bridge Company and exert control power over Wufengshan Toll Bridge Company so as to monitor and secure the usage of the Wufengshan Loan for the developments of the Wufengshan Project as well as to procure the revenue generated from the operation of the Wufengshan Bridge and the nearby connecting expressways to be used in repaying the interest and principal of the Wufengshan Loan under the designated terms.

It is the plan of the Company to finance the remaining capital requirement of approximately RMB2,609.7 million for the Wufengshan Project by the Wufengshan Loan and other source of fundraising activities, including but not limited to, project loan financing from banks and further shareholder's loan from the Company. It is expected that with the contribution of the remaining capital to the Wufengshan Project, the Wufengshan Toll Bridge and nearby

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connecting expressways will commence operation in mid-2021. As part of our due diligence, we have reviewed the operating forecast of Wufengshan Toll Bridge Company and we noted that the expected revenue derived by Wufengshan Toll Bridge Company after the first 24 months of its operation will be sufficient in fulfilling the interest and principal repayment obligations of the Wufengshan Loan. As explained in the section headed “Reasons for and benefits of entering into of the Wufengshan Loan” above, the Wufengshan Loan serves as a stand-by credit facilities which will only be used by Wufengshan Toll Bridge Company if Wufengshan Toll Bridge Company cannot obtain more favourable financing options from external parties, and the actual amount of loans provided by the Company will depend on the actual circumstances subject to the amount limit. As further advised by the Management, the Wufengshan Loan, if drawn by Wufengshan Toll Bridge Company, will be drawn in multiple tranches in accordance with the progress of the Wufengshan Project. Further, the releasing of any tranches of the Wufengshan Loan is subject to the Company’s assessment on the development progress of the Wufengshan Project and of the then and expected financial performance and position of Wufengshan Toll Bridge Company. As such, the Company can assess the default risk of Wufengshan Toll Bridge Company from time to time before releasing any Wufengshan Loan. As such, we concur with the Management’s view that the default risk of the Wufengshan Loan is controllable.

Furthermore, as disclosed in the Letter from the Board, the Guangjing Xicheng Loan and the Yichang Loan to be provided to Guangjing Xicheng Company and Yichang Company, both being controlled subsidiaries of the Company, are also unsecured with other terms largely comparable to the Wufengshan Loan. Given that the minority shareholder of Guangjing Xicheng Company (China Merchants Expressway) is the second largest shareholder of the Company whereas the minority shareholder of Yichang Company is an independent third party, we consider that the provision of the Wufengshan Loan without collateral or guarantee is an unified arrangement by the Company to its controlled subsidiaries which the exercise of control power by the Company over such controlled subsidiaries secure their repayment obligations and thereby allowing the controlled subsidiaries (which are also project companies for road & bridge projects) to make use of their key assets as collateral to obtain external financing from banks and/or other non-bank financing institutions.

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Considering that (i) the Company has control power over Wufengshan Toll Bridge Company which allows the Company to monitor its operation and management decisions and secure its usage of the Wufengshan Loan; and (ii) the releasing of any tranches of the Wufengshan Loan is subject to the Company's assessment on the development progress of the Wufengshan Project and of the then and expected financial performance and position of Wufengshan Toll Bridge Company so that the Company can assess the default risk of Wufengshan Toll Bridge Company from time to time before releasing any Wufengshan Loan; and (iii) the provision of the Wufengshan Loan without collateral or guarantee is an unified arrangement by the Company to its controlled subsidiaries, we consider the provision of the Wufengshan Loan without collateral or guarantee is in line with the normal market practices and is fair and reasonable.

RECOMMENDATION

Having considered the above principal factors and reasons, we consider that the entering into of the Wufengshan Loan is not in the ordinary and usual course of business of the Company and Wufengshan Toll Bridge Company but on normal commercial terms which are fair and reasonable so far as the Wufengshan Loan Independent Shareholders are concerned and is in the interest of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Wufengshan Loan Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the AGM for approving the Wufengshan Loan and the transactions contemplated thereunder.

Yours faithfully

For and on behalf of

Octal Capital Limited

Alan Fung

Louis Chan

Managing Director

Director

Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 24 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong. Mr. Louis Chan has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008. Mr. Chan has more than 17 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeover Code of listed companies in Hong Kong.

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

A. Set out below the proposed amendments to the Articles of Association of the Company:

No.	Original Articles	Amended Articles
1	<p>Article 5.3:</p> <p>In the following circumstances, the Company may repurchase its issued shares in accordance with the procedures provided in the Articles of Association and with the approval of relevant competent authorities of the State:</p> <p>(1) to cancel shares for the purpose of reducing the capital of the Company;</p> <p>(2) to merge with other companies which hold shares in the Company;</p> <p>(3) other circumstances as permitted by laws and administrative regulations;</p> <p>(4) to grant shares to employees of the Company as incentive; or</p> <p>(5) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company.</p>	<p>Article 5.3:</p> <p>In the following circumstances, the Company may repurchase its issued shares <u>of the Company</u> in accordance with <u>laws, administrative regulations, departmental rules and</u> the procedures provided in the Articles of Association and with the approval of relevant competent authorities of the State:</p> <p>:</p> <p>(1) to cancel shares for the purpose of reducing the capital of the Company;</p> <p>(2) to merge with other companies which hold shares in the Company;</p> <p>(3) other circumstances as permitted by laws and administrative regulations;</p> <p>(4) to grant <u>use the</u> shares to <u>for</u> employees <u>share scheme or for share award</u> of the Company as incentive; or</p> <p>(5) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;</p> <p>(5) to use the shares for the purpose of conversion by corporate bonds which are convertible into shares issued by the Company;</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
	<p>The Company shall not purchase or sell the Company’s shares save and except for the aforesaid conditions.</p> <p>Where the Company acquire its shares for reasons as set out in the foregoing items (1) to (4), it shall be approved by way of a resolution at the Company’s general meeting. Where the Company acquire its shares pursuant to the provisions of this Article, such shares shall be cancelled within ten days from the date of acquisition in case of the circumstances as stated in item (1); and the relevant shares shall be transferred or cancelled within six months in the case of items (2) and (5).</p> <p>Shares acquired by the Company pursuant to item (4) of this Article shall not exceed 5% of the total number of shares of the Company in issue. The acquisition shall be financed out of the Company’s after-tax profit and the shares acquired shall be transferred to its employees within one year.</p>	<p><u>(6) where it is necessary to safeguard the value of the Company and the interests of its shareholders;</u></p> <p><u>(7) other circumstances where the laws and administrative regulations so permit.</u></p> <p>The Company shall not purchase or sell <u>acquire</u> the Company’s shares save and except for the aforesaid conditions.</p> <p><u>Where the Company acquires its shares pursuant to the circumstances as stated in items (3), (5) and (6) of this Article, the repurchase shall be conducted through public and centralized trading.</u></p> <p>Where the Company acquires its shares for reasons as set out in the foregoing items <u>pursuant to the circumstances as stated in items (1) to (4) and (2) of this Article</u>, it shall be approved by way of a resolution at the Company’s general meeting. <u>Where the Company acquires its shares pursuant to circumstances as stated in items (3), (5) and (6) of this Article, it shall obtain approval of more than two-thirds of the directors present at the meeting of the Board by way of a resolution as stipulated in the Articles of Association or authorized by the general meeting.</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
		<p>Where the Company acquires its shares pursuant to the provisions of <u>in</u> this Article, such shares shall be cancelled within ten days from the date of acquisition in case of the circumstances as stated in item (1), (2) and (4); <u>and such shares shall be held by the entrusts other than the Company in case of the circumstance as stated in item (3); where the shares of the Company are held by the Company, such shares shall not exceed 10% of the Company's total issued shares</u> and the relevant shares <u>shall be transferred or cancelled within six months</u> three years in the case of items (2) and (5); <u>and all the repurchased shares shall be cancelled in case of the circumstances as stated in item (5) and item (6).</u></p> <p>Shares acquired by the Company pursuant to item (4) of this Article shall not exceed 5% of the total number of shares of the Company in issue. The acquisition shall be financed out of the Company's after-tax profit and the shares acquired shall be transferred to its employees within one year.</p> <p><u>The Company may, with the approval of the relevant competent authority of the State, repurchase Shares in one of the following manners:</u></p> <p><u>(1) making a general offer of repurchase of shares from all its shareholders on a pro rata basis;</u></p> <p><u>(2) repurchasing shares through public dealing on a stock exchange;</u></p> <p><u>(3) repurchasing through an off-market agreement.</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
2	<p>Article 6.1</p> <p>.....</p> <p>This provision does not apply to the circumstances as stated in Article 6.2 of this Chapter.</p>	<p>Article 6.1</p> <p>.....</p> <p>This provision does not apply to the circumstances as stated in Article 6.2 6.3 of this Chapter.</p>
3	<p>Article 6.3</p> <p>The following activities shall not be deemed to be activities as prohibited in Article 5.7:</p> <p>.....</p>	<p>Article 6.3</p> <p>The following activities shall not be deemed to be activities as prohibited in Article 5.7 6.1:</p> <p>.....</p>
4	<p>Article 7.8</p> <p>Transfers may not be entered in the register of shareholders within thirty days prior to the date of a shareholders’ general meeting or within five days before the record date set by the Company for the purpose of distribution of dividends.</p>	<p>Article 7.8</p> <p>Transfers may not be entered in the register of shareholders within thirty days prior to the date of a shareholders’ general meeting or within five days before the record date set by the Company for the purpose of distribution of dividends.</p> <p><u>If laws, administrative regulations, departmental rules, standard documents and stock exchanges or regulatory authority in the listing place of the Company’s shares stipulate the period of closure of the register of members prior to the holding of a shareholders’ general meeting or the record date set by the Company for the purpose of distribution of dividends, those provisions shall prevail.</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
5	<p>Article 10.6</p> <p>(1) A forty-five days' prior written notice for convening the shareholders' general meeting shall be given to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve their written replies on the Company twenty days prior to the date of the meeting.</p> <p>.....</p>	<p>Article 10.6</p> <p>(1) A forty-five twenty days' prior written notice for convening the shareholders' annual general meeting and a fifteen days' prior written notice for convening the extraordinary general meeting shall be given to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve their written replies on the Company twenty seven days prior to the date of the meeting.</p> <p>.....</p>
6	<p>Article 10.7</p> <p>The Company shall engage lawyers to issue legal opinions in respect of the following matters relating to the holding of shareholders' general meetings and make relevant announcements: whether the procedures relating to the convening and the holding of such meeting comply with laws, administrative regulations and the Articles of Association; the legality and validity of the qualifications of the attendees and the convener; the legality and validity of the voting procedures and voting results; the issuance of legal opinions on other related matters upon request by the Company.</p> <p>The contents of proposals shall be matters falling within the functions and powers of general meetings, set out specific matters for consideration and resolution, and comply with relevant requirements of laws, administrative regulations and the Articles of Association.</p>	<p>Article 10.7</p> <p>The Company shall engage lawyers to issue legal opinions in respect of the following matters relating to the holding of shareholders' general meetings and make relevant announcements: whether the procedures relating to the convening and the holding of such meeting comply with laws, administrative regulations and the Articles of Association; the legality and validity of the qualifications of the attendees and the convener; the legality and validity of the voting procedures and voting results; the issuance of legal opinions on other related matters upon request by the Company.</p> <p>The contents of proposals shall be matters falling within the functions and powers of general meetings, set out specific matters for consideration and resolution, and comply with relevant requirements of laws, administrative regulations and the Articles of Association.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
7	<p>Article 10.9</p> <p>The Company shall calculate the number of voting shares represented by shareholders who intend to attend the meeting, based on the written replies it has received from shareholders 20 days before the date of the shareholders’ meeting. In the event that the number of voting shares represented by shareholders who intend to attend the meeting is more than half of the total number of the voting shares of the Company, the Company may hold the shareholders’ meeting; Otherwise, the Company shall within 5 days notify the shareholders, by way of announcement, of the matters to be considered at, and the place and date for, the meeting. The Company may then proceed to hold the meeting.</p> <p>An extraordinary general meeting shall not decide on matters not stated in the notice of such meeting.</p>	<p>Article 10.9</p> <p>The Company shall calculate the number of voting shares represented by shareholders who intend to attend the meeting, based on the written replies it has received from shareholders 20 days before the date of the shareholders’ meeting. In the event that the number of voting shares represented by shareholders who intend to attend the meeting is more than half of the total number of the voting shares of the Company, the Company may hold the shareholders’ meeting; Otherwise, the Company shall within 5 days notify the shareholders, by way of announcement, of the matters to be considered at, and the place and date for, the meeting. The Company may then proceed to hold the meeting.</p> <p>An extraordinary general meeting shall not decide on matters not stated in the notice of such meeting.</p> <p>(This Article is deleted, the remaining articles of Articles 10 shall be re-numbered accordingly)</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
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No.	Original Articles	Amended Articles
8	<p>Article 10.11</p> <p>The notice of a general meeting shall be served on shareholders (regardless of whether they are entitled to vote at the general meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic-invested shares, such notice of the general meeting may also be given by way of announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council during a period from forty-five to fifty days prior to the date of the general meeting. Once such an announcement is published, all holders of the domestic-invested shares shall be deemed to have received the relevant notice of the general meeting.</p>	<p>Article 10.11 10.10</p> <p>The notice of a general meeting shall be served on registered shareholders (regardless of whether they are entitled to vote at the general meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic-invested shares, such notice of the general meeting may also be given by way of announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council during a period from forty-five to fifty days prior to the date of the general meeting. Once such an announcement is published, all holders of the domestic-invested shares shall be deemed to have received the relevant notice of the general meeting.</p>
9	<p>Article 10.14</p> <p>Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled and resolutions contained in the notice shall not be withdrawn without proper reasons. Where the meeting has to be postponed or cancelled, the convener shall make an announcement and give reasons therefor at least fourteen days prior to the original date of the meeting.</p>	<p>Article 10.14 10.13</p> <p>Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled and resolutions contained in the notice shall not be withdrawn without proper reasons. Where the meeting has to be postponed or cancelled, the convener shall make an announcement and give reasons therefor at least fourteen 2 business days prior to the original date of the meeting.</p>

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No.	Original Articles	Amended Articles
10	<p>Article 10.35</p> <p>.....</p> <p>(5) other matters other than those required by laws, administrative regulations or the Articles of Association to be approved by special resolutions.</p> <p>(6) the Company’s annual reports.</p> <p>.....</p>	<p>Article 10.35 <u>10.34</u></p> <p>.....</p> <p>(5) other matters other than those required by laws, administrative regulations or the Articles of Association to be approved by special resolutions. <u>the Company’s annual reports;</u></p> <p>(6) the Company’s annual reports <u>other matters other than those required by laws, administrative regulations or the Articles of Association to be approved by special resolutions.</u></p> <p>.....</p>
11	<p>Article 10.38</p> <p>.....</p> <p>(7) share incentive schemes.</p>	<p>Article 10.38 <u>10.37</u></p> <p>.....</p> <p>(7) share incentive schemes;</p> <p>(8) <u>other matters required by laws, administrative regulations or the Articles of Association, and those having material effects on the Company that require approval by way of special resolution.</u></p>

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No.	Original Articles	Amended Articles
12	<p>Article 11.6</p> <p>A 45 days’ written notice convening a class meeting shall be given, to notify shareholders whose names appear in the register of shareholders of such class of shares of the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply in respect thereof to the Company twenty (20) days prior to the date of the meeting.</p> <p>If the number of shares carrying the right to vote at the meeting represented by shareholders intending to attend the meeting is more than half of the total number of shares of such class that carry the right to vote at the meeting, the Company may convene the class meeting; otherwise, the Company shall, within five days, make another announcement informing the shareholders of the matters to be deliberated at the meeting as well as the date and place of the meeting. After giving the announcement, the Company may convene the class meeting.</p>	<p>Article 11.6</p> <p><u>Where the Company convenes a class meeting, the period for issuing a written notice thereof shall be the same as the period for issuing a written notice of the non-class meeting to be convened together with such class meeting.</u> A 45 days’ written notice convening a class meeting shall be given, to notify shareholders whose names appear in the register of shareholders of such class of shares of the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply in respect thereof to the Company twenty (20) seven (7) days prior to the date of the meeting.</p> <p>If the number of shares carrying the right to vote at the meeting represented by shareholders intending to attend the meeting is more than half of the total number of shares of such class that carry the right to vote at the meeting, the Company may convene the class meeting; otherwise, the Company shall, within five days, make another announcement informing the shareholders of the matters to be deliberated at the meeting as well as the date and place of the meeting. After giving the announcement, the Company may convene the class meeting.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
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No.	Original Articles	Amended Articles
13	<p>Article 12.3</p> <p>.....</p> <p>(7) Prior to the maturity of his term, a director shall not be removed without sake from his office by the general meeting. In the event that the terms of directors fall upon expiration whereas new members of the Board are not re-elected in time, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and rules of regulatory authorities and the Articles of Association until the re-elected directors assume their office;</p> <p>.....</p>	<p>Article 12.3</p> <p>.....</p> <p>(7) Prior to the maturity of his term, a director shall not could be removed without sake from his office by the general meeting. In the event that the terms of directors fall upon expiration whereas new members of the Board are not re-elected in time, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and rules of regulatory authorities and the Articles of Association until the re-elected directors assume their office;</p> <p>.....</p>
14	<p>Article 12.5</p> <p>(1) The Board meeting shall be accountable to the general meeting, and exercise the following functions and powers:</p> <p>.....</p> <p>(vii) drafting plans for the merger, division or dissolution of the Company;</p>	<p>Article 12.5</p> <p>(1) The Board meeting shall be accountable to the general meeting, and exercise the following functions and powers:</p> <p>.....</p> <p>(vii) drafting plans for the merger, division or dissolution of the Company;</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
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No.	Original Articles	Amended Articles
	<p>(viii) deciding on the setup of internal management organizations of the Company;</p> <p>(ix) appointment and removal of the manager of the Company, appointment and removal of the deputy manager and the responsible officers of financial affairs according to the manager’s nomination, and deciding on matters relating to their remunerations;</p> <p>.....</p>	<p>(viii) deciding on the setup of internal management organizations of the Company;</p> <p>(ix-viii) appointment and removal of the manager of the Company, appointment and removal of the deputy manager and the responsible officers of financial affairs according to the manager’s nomination, and deciding on matters relating to their remunerations;</p> <p>.....</p>
15	<p>Article 12.12</p> <p>(1) If the time and place of a regular Board meeting have been specified by the Board in advance, it can be convened without notice. If the time and venue of Board meetings have not been specified by the Board in advance, the Chairman shall order the Company Secretary to notify all directors and the chairman of the Supervisory Committee the meeting time and place by way of telex, telegram, fax, express mail, registered mail or by hand, no less than 10 days and no more than 30 days prior to such meeting.</p> <p>(2) When convening an extraordinary Board meeting for urgent matters, the Chairman shall instruct the Company Secretary to notify all directors, manager and the chairman of the Supervisory Committee the meeting time, venue and manner by way of telex, telegram, fax or by hand with no less than 2 days and no more than 10 days prior to the extraordinary Board meeting.</p> <p>.....</p>	<p>Article 12.12</p> <p>(1) If the time and place of a regular Board meeting have been specified by the Board in advance, it can be convened without notice. If the time and venue of Board meetings have not been specified by the Board in advance, the Chairman shall order the Company Secretary to notify all directors and the chairman of the Supervisory Committee <u>supervisors</u> the meeting time and place by way of telex, telegram, fax, express mail, registered mail or by hand, no less than 10 days and no more than 30 days prior to such meeting.</p> <p>(2) When convening an extraordinary Board meeting for urgent matters, the Chairman shall instruct the Company Secretary to notify all directors, manager and the chairman of the Supervisory Committee <u>supervisors</u> the meeting time, venue and manner by way of telex, telegram, fax or by hand with no less than 2 days and no more than 10 days prior to the extraordinary Board meeting.</p> <p>.....</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
16	<p>Article 15.2</p> <p>Persons assuming offices other than director of the controlling shareholder and of the de facto controller of the Company shall not assume the offices of senior management of the Company.</p>	<p>Article 15.2</p> <p>Persons assuming offices other than director and supervisor of the controlling shareholder and of the de facto controller of the Company shall not assume the offices of senior management of the Company.</p>
17	<p>Article 15.4</p> <p>The manager shall be accountable to the Board and exercise the following functions and powers:</p> <p>.....</p> <p>(3) to draft plans for the establishment of the Company's internal management structure;</p> <p>.....</p>	<p>Article 15.4</p> <p>The manager shall be accountable to the Board and exercise the following functions and powers:</p> <p>.....</p> <p>(3) to draft plans for decide on the establishment of the Company's internal management structure;</p> <p>.....</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
18	<p>Article 16.7</p> <p>(1) The quorum of meetings of the Supervisory Committee shall be all members of the committee. If, in special circumstances an extraordinary meeting of the Supervisory Committee is to be convened and certain supervisor(s) are not in the territories of the PRC, the quorum of the meeting may be reduced to two-thirds of all members of the Supervisory Committee.</p> <p>(2) Resolutions of the Supervisory Committee shall be passed by two-thirds or more of its members.</p>	<p>Article 16.7</p> <p>(1) The quorum of meetings of the Supervisory Committee shall be all members of the committee. If, in special circumstances, an extraordinary meeting of the Supervisory Committee is to be convened and certain supervisor(s) are not in the territories of the PRC, the quorum of the meeting may be reduced to two-thirds of all members of the Supervisory Committee.</p> <p>(2) Resolutions of the Supervisory Committee shall be passed by two-thirds or more of its members.</p> <p><u>(3) If any supervisor fails to attend meetings of the Supervisory Committee in person or by proxy as authorized in writing for two consecutive times, the said supervisor shall be deemed incapable of performing his duties, and the general meeting or employee representative meeting shall dismiss and replace the said supervisor.</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

B. Summary of the proposed amendments of Procedural Rules for the Shareholders Meetings

No.	Original Articles	Amended Articles
1	<p>1.2</p> <p>These Rules are formulated in accordance with the Company Law of the People’s Republic of China (“Company Law”), the Rules Governing Shareholders’ General Meetings of Listed Companies, the rules governing the listing of securities of the stock exchanges on which the securities of the Company are listed, the Articles of Association of Jiangsu Expressway Company Limited (the “Company”), and other relevant laws and regulations.</p>	<p>1.2</p> <p>These Rules are formulated in accordance with the Company Law of the People’s Republic of China (“Company Law”), <u>the Securities Law of the People’s Republic of China</u>, the Rules Governing Shareholders’ General Meetings of Listed Companies, the rules governing the listing of securities of the stock exchanges on which the securities of the Company are listed, the Articles of Association of Jiangsu Expressway Company Limited (the “Company”), and other relevant laws and regulations.</p>
2	<p>1.3</p> <p>The shareholders’ general meeting is comprised of the shareholders of the Company, and is the highest organ of authority of the Company. The shareholders’ general meeting exercises its authorities pursuant to the Articles of Association of the Company and these Rules. All directors of the Company shall owe fiduciary duties on the proper convening of shareholders’ general meeting, shall not hinder the shareholders’ general meeting’s exercise of power pursuant to law.</p>	<p>1.3</p> <p>The shareholders’ general meeting is comprised of the shareholders of the Company, and is the highest organ of authority of the Company. The shareholders’ general meeting exercises its authorities pursuant to the Articles of Association of the Company and these Rules. All directors of the Company shall owe fiduciary duties on the proper convening of shareholders’ general meeting, shall not hinder the shareholders’ general meeting’s exercise of powers pursuant to law <u>be diligent and responsible for ensuring the normal convening of the shareholders’ general meeting, and shall exercise its functions and powers pursuant to law.</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
3	<p>3.2</p> <p>The shareholders’ general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p>(13) other matters that laws, administrative regulations and the Articles of Association of the Company require to be resolved by the shareholders’ general meeting;</p> <p>(14) to consider and approve other matters raised by the Board at the shareholders’ general meeting.</p>	<p>3.2</p> <p>The shareholders’ general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p><u>(13) to consider motions put forward by shareholders with shareholding representing more than three per cent (inclusive of three per cent) of voting shares of the Company;</u></p> <p>(134) other matters that laws, administrative regulations and the Articles of Association of the Company require to be resolved by the shareholders’ general meeting;</p> <p>(145) to consider and approve other matters raised by the Board at the shareholders’ general meeting.</p>
4	<p>3.3</p> <p>Unless approved by shareholders’ general meeting in advance, the Company shall not enter into any contract with any party other than the directors, supervisors, managers and other senior management members pursuant to which such party shall be in charge of management of the whole or any substantial part of the Company’s business.</p>	<p>3.3</p> <p><u>Except for exceptional circumstances, such as the Company being in crisis, unless</u> Unless approved by <u>way of a special resolution at</u> shareholders’ general meeting in advance, the Company shall not enter into any contract with any party other than the directors, supervisors, managers and other senior management members pursuant to which such party shall be in charge of management of the whole or any substantial part of the Company’s business.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
5	<p>4.1.2</p> <p>Under any one of the following circumstances, the Board shall hold an extraordinary general meeting within two months:</p> <p>(1) the number of directors is less than the number required by the Company Law (five to nineteen people) or two thirds (seven people) of the number required by the Articles of Association (eleven people);</p> <p>(2) the accumulated losses of the Company amount to one third of the total amount of its share capital;</p> <p>.....</p> <p>(4) requested by the Board or two independent directors;</p> <p>(5) when the Supervisory Committee proposes to convene.</p> <p>.....</p>	<p>4.1.2</p> <p><u>Shareholders’ general meeting should be held once every year,</u> under any one of the following circumstances, the Board shall hold an extraordinary general meeting within two months:</p> <p>(1) the number of directors is less than the number required by the Company Law (five to nineteen people) or two thirds (seven people) of the number <u>of people</u> required by the Articles of Association (eleven people);</p> <p>(2) the accumulated losses of the Company amount to one third of the total amount of its <u>paid up</u> share capital;</p> <p>.....</p> <p>(4) requested by the Board or two independent directors<u>Supervisory Committee</u>;</p> <p>(5) when the Supervisory Committee proposes to convene.</p> <p><u>(5) such other circumstances as provided under the Articles of Association.</u></p> <p><u>If the Company is unable to hold an extraordinary general meeting within the above-mentioned period, it shall report to the local agency of the China Securities Regulatory Commission and the exchange where the Company’s shares are listed, explain the reasons and make an announcement.</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
6	<p>4.1.4</p> <p>The Company shall engage lawyers having securities qualification to attend the shareholders’ general meeting, to issue legal opinion in respect of the following matters and to make relevant announcement:</p> <p>(1) whether the procedures relating to the convening and the holding of such shareholders’ general meeting comply with requirements under laws and regulations and whether in compliant with the Articles of Association;</p> <p>(2) verify the legality and validity of the attendees;</p> <p>(3) verify the qualification of the shareholder who proposes new motion to the shareholders general meeting;</p> <p>(4) whether the voting procedure of the shareholders general meeting is legal and valid;</p> <p>(5) opine on such other queries upon request by the Company.</p> <p>.....</p>	<p>4.1.4</p> <p><u>For the purpose of shareholders’ general meeting, The the</u> Company shall engage lawyers having securities qualification to attend the shareholders’ general meeting, to issue legal opinion and make relevant announcements:</p> <p>(1) whether the procedures relating to the convening and the holding of such shareholder’s meeting comply with requirements under laws and, <u>administrative</u> regulations and whether in compliant with the Articles of Association;</p> <p>(2) verify the legality and validity of the attendees; <u>whether the qualifications of the attendees and the convener are legal and valid;</u></p> <p>(3) verify the qualification of the shareholder who proposes new motion to the shareholders general meeting;</p> <p>(34) whether the voting procedure of the shareholders general meeting, <u>the result of voting are</u> is legal and valid;</p> <p>(54) opine on such other <u>relevant</u> queries upon request by the Company.</p> <p>.....</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
7	<p>4.2.2</p> <p>When the Company convenes a shareholders' general meeting, it shall send a written notice 45 days before but not more than 60 days before the meeting to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. In calculating the notice period, the day of the meeting and the date of notification shall not be included.</p>	<p>4.2.2</p> <p>When the Company convenes a shareholders' <u>an annual</u> general meeting, it shall send a written notice 45 days before but not more than 60 <u>20</u> days before the meeting <u>and when the Company convenes an extraordinary general meeting, it shall send a written notice 15 days before the meeting,</u> to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. In calculating the notice period, the day of the meeting and the date of notification shall not be included. <u>The Company provides a network to facilitate shareholders' participation in the shareholders' general meeting. Shareholders participating in the shareholders' general meeting in the above manner are deemed to be present.</u></p>
8	<p>4.2.3</p> <p>No deferment or cancellation of the shareholders' general meeting is allowed after the board of directors issues the notice in relation to the resolution to convene the shareholders' general meeting. In the event that the Company has to delay or cancel the shareholders' general meeting for special reasons, a notice shall be issued five working days prior to the original date scheduled for the shareholders' general meeting with explanation of the reasons for deferral or cancellation. In the case of deferment, the notice shall also specify the date for the adjourned meeting.</p>	<p>4.2.3</p> <p>No deferment or cancellation of the shareholders' general meeting is allowed after the board of directors issues the notice in relation to the resolution to convene the shareholders' general meeting. In the event that the Company has to delay or cancel the shareholders' general meeting for special reasons, a notice <u>an announcement</u> shall be issued <u>at least two</u> five working days prior to the original date scheduled for the shareholders' general meeting with explanation of the reasons for deferral or cancellation. In the case of deferment, the notice <u>announcement</u> shall also specify the date for the adjourned meeting.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
9	<p>4.2.4</p> <p>Shareholders who intend to attend the shareholders' general meeting shall send a written reply to the Company 20 days before the meeting. The Company calculates the number of voting shares represented by shareholders who intend to attend the meeting based on the written replies received 20 days before the shareholders' general meeting. If the number of voting shares represented by the shareholders intending to attend the meeting reaches more than one-half of the total number of voting shares of the Company, the Company may convene a shareholders' general meeting; if it does not, the company shall, within five days, review the matters to be considered at the meeting The date and place of the meeting shall be notified to the shareholders again in the form of an announcement, and after the announcement, the company may convene a shareholders' general meeting.</p>	<p>4.2.4</p> <p>Shareholders who intend to attend the shareholders' general meeting shall send a written reply to the Company 20 days before the meeting. The Company calculates the number of voting shares represented by shareholders who intend to attend the meeting based on the written replies received 20 days before the shareholders' general meeting. If the number of voting shares represented by the shareholders intending to attend the meeting reaches more than one-half of the total number of voting shares of the Company, the Company may convene a shareholders' general meeting; if it does not, the company shall, within five days, review the matters to be considered at the meeting The date and place of the meeting shall be notified to the shareholders again in the form of an announcement, and after the announcement, the company may convene a shareholders' general meeting.</p> <p>(This Article is deleted, the remaining articles of Article 4 shall be renumbered accordingly.)</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
10	<p>4.2.5</p> <p>When the Company is to hold an annual general meeting, shareholders holding more than five per cent (including 5%) of voting shares of the Company shall have the right to propose new motions to the Company in writing. Matters within the scope of the responsibilities of the meeting are included in the agenda of the meeting.</p> <p>However, the motions proposed must be delivered to the Company within 30 days from the date of the aforementioned notice of meeting.</p>	<p>4.2.5<u>4.2.4</u></p> <p>When the Company is to hold an annual general meeting, <u>the board of directors, the Supervisory Committee and</u> shareholders <u>individually or jointly</u> holding more than five <u>three</u> per cent (including 5%) of voting shares of the Company shall have the right to propose new motions to the Company in writing. Matters within the scope of the responsibilities of the meeting are included in the agenda of the meeting. <u>Shareholders individually or jointly holding more than three per cent of voting shares of the Company shall have the right to put forward interim motions and submit the same in writing to the convener 10 days prior to the convening of shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting to announce the content of interim motions within two days upon receiving them.</u> However, the motions proposed must be delivered to the Company within 30 days from the date of the aforementioned notice of meeting.</p> <p><u>Except as stipulated above, following the issuance of the notice of shareholders' general meeting by the convener, no amendments shall be made to the motions listed in the notice of shareholders' general meeting and no new motions shall be added.</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
		<p><u>4.2.6</u></p> <p><u>Where election of directors or supervisors is to be considered at the shareholders’ general meeting, the notice of shareholders’ general meeting shall fully disclose the detailed information on the candidates for directors and supervisors in relation to at least the following aspects:</u></p> <p><u>(1) educational background, work experience, concurrent positions, and other personal information;</u></p> <p><u>(2) whether such candidate has any connected relationship with the Company or its controlling shareholder and actual controllers;</u></p> <p><u>(3) disclosure of the number of listed shares of the Company such candidate holds;</u></p> <p><u>(4) whether such candidate has been subjected to the punishment of China Securities Regulatory Commission or any other relevant departments or the reprimand of the stock exchange.</u></p> <p><u>Save for the directors or supervisors who are elected by way of cumulative voting system, each director candidate or supervisor candidate shall be proposed by way of single proposal.</u></p> <p>(this is a newly added article)</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
11	<p>4.2.8</p> <p>For holders of domestic shares, the notice of shareholders' general meeting may also be given by public announcement published in one or more newspapers designated by the securities regulatory authority of the State Council 45 days to 50 days prior to the date of meeting. Once the announcement is made, all holders of Domestic Shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>	<p>4.2.8</p> <p>For holders of domestic shares, the notice of shareholders' general meeting may also be given by public announcement published in one or more newspapers designated by the securities regulatory authority of the State Council 45 days to 50 days prior to the date of meeting. Once the announcement is made, all holders of Domestic Shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
12	<p>4.4.1</p> <p>The shareholders’ general meeting shall be convened by the board of directors and chaired by the chairman of the board of directors. Should the chairman be unable or fail to attend the meeting, the chairman of the board of directors may appoint a director of the Company to call a meeting on his behalf and to act as chairman of the meeting; If the chairman of the meeting is not appointed, the shareholders present at the meeting may elect a shareholder to be the chairman; if shareholders cannot elect a chairman, shareholders presented at the meeting can elect a person to act as chairman. If no chairman is elected by the shareholders for any reason, shareholders (or shareholders’ agent) holding the greatest number of voting shares attending such meeting shall chair the meeting.</p>	<p>4.4.1</p> <p><u>A shareholders’ general meeting shall be presided by the chairman of the meeting.</u></p> <p>The shareholders’ general meeting shall be convened by the board of directors <u>and presided over</u> chaired by the chairman of the board of directors. Should the chairman be unable or fail to attend the meeting, the chairman of the board of directors may appoint a director of the Company to call a meeting on his behalf and to act as chairman of the meeting; If the chairman of the meeting is not appointed, the shareholders present at the meeting may elect a shareholder to be the chairman; if shareholders cannot elect a chairman, shareholders presented at the meeting can elect a person to act as chairman. If no chairman is elected by the shareholders <u>perform his duties, the meetings shall be chaired by a director jointly recommended by more than half of the directors.</u> If no chairman is elected by the shareholders <u>director is elected to chair the meeting</u> for any reason, shareholders (or shareholders’ agent) holding the greatest number of voting shares attending such meeting shall chair the meeting.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
13	<p>4.5.3</p> <p>The board of directors shall not propose further motions not listed in the notice of meeting after it is issued. Any changes to the original motions shall be announced 15 days prior to the convening of the shareholders’ general meeting. Otherwise, the date of the meeting shall be postponed to ensure that there shall be an interval of at least 15 days.</p>	<p>4.5.3</p> <p>The board of directors shall not propose further motions not listed in the notice of meeting after it is issued. Any changes to the original motions shall be announced 15 <u>5</u> days prior to the convening of the shareholders’ general meeting. Otherwise, the date of the meeting shall be postponed to ensure that there shall be an interval of at least 15 <u>5</u> days.</p>
14	<p>4.5.4</p> <p>Shareholders, individually or jointly, holding an aggregate of five per cent or more of the Company’s total voting shares or Supervisory Committee are entitled to put forward interim motions at annual general meetings.</p> <p>If the proposed motions are not listed as new matters in the notice of the meeting of the board of directors and are issues which fall within the scope as set out in Article 3.2, the person making proposals shall submit such motions to the board of directors 10 days before the date of the shareholders’ general meeting for approval.</p> <p>.....</p>	<p>4.5.4</p> <p>Shareholders, individually or jointly, holding an aggregate of five three per cent or more of the Company’s total voting shares or Supervisory Committee are entitled to put forward interim motions at annual general meetings.</p> <p>If the proposed motions are not listed as new matters in the notice of the meeting of the board of directors and are issues which fall within the scope as set out in Article 16 3.2, the person making proposals shall submit such motions to the board of directors 10 days before the date of the shareholders’ general meeting for approval.</p> <p>.....</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
15	<p>4.7.6</p> <p>In the event that the shareholders’ general meeting amends the plans by the board of directors, or resolve on any issue apart from the plans by the board of directors, or there is any contingent matter in the course of the meeting making it impossible for the meeting to be convened, the Company shall explain the reasons to the stock exchanges on which the securities of the Company are listed, and publish an announcement accordingly.</p>	<p>4.7.6</p> <p>In the event that the shareholders’ general meeting amends the <u>motions proposed plans</u> by the board of directors, or resolve on any issue apart from the <u>motions proposed plans</u> by the board of directors, or there is any contingent matter in the course of the meeting making it impossible for the meeting to be convened, the Company shall explain the reasons to the stock exchanges on which the securities of the Company are listed, and publish an announcement accordingly.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
16	<p>5.3</p> <p>.....</p> <p>(IV) With respect to the extraordinary general meeting to be convened by the proposing shareholder on its own, the board of directors and the secretary to the board of directors shall duly perform their duties. The board of directors shall ensure the usual proceedings of the meeting. The Company shall assume reasonable expenses incurred by the meeting. The procedures for convening the meeting shall satisfy the following requirements:</p> <p>1. The meeting will be convened by the board of directors. The secretary to the board of directors must attend the meeting. Directors and supervisors shall attend the meeting. If there is any special reason that the Chairman of the board of directors fails to perform his duties, other directors shall chair the meeting;</p> <p>2. The convening procedures shall comply with the relevant provisions of these Rules.</p>	<p>5.3</p> <p>.....</p> <p>(IV) With respect to the extraordinary general meeting to be convened by the proposing shareholder on its own, the board of directors and the secretary to the board of directors shall duly perform their duties. The board of directors shall ensure the usual proceedings of the meeting. The Company shall assume reasonable expenses incurred by the meeting. The procedures for convening the meeting shall satisfy the following requirements:</p> <p>1. The meeting will be convened by the board of directors. The secretary to the board of directors must attend the meeting. Directors and supervisors shall attend the meeting. If there is any special reason that the Chairman of the board of directors fails to perform his duties, other directors shall chair the meeting;</p> <p><u>2. The board of directors shall engage lawyers to provide legal opinion in accordance with the provisions of Article 4.1.4 to these Rules;</u></p> <p>23. The convening procedures shall comply with the relevant provisions of these Rules.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
17	<p>5.4</p> <p>Extraordinary general meeting shall not decide on those matters not stated in the notice. In considering the resolutions to be proposed as set out in the notice for the extraordinary general meeting, no change shall be made to the content for the resolutions involving matters as set out in Article 16 of these Rules. Any changes thereto shall be deemed as a new resolution to be proposed, and shall not be voted in such shareholders' general meeting.</p>	<p>5.4</p> <p>Extraordinary general meeting shall not decide on those matters not stated in the notice. In considering the resolutions to be proposed as set out in the notice for the extraordinary general meeting, no change shall be made to the content for the resolutions involving matters as set out in Article 16 <u>3.2</u> of these Rules. Any changes thereto shall be deemed as a new resolution to be proposed, and shall not be voted in such shareholders' general meeting.</p>
18	<p>6.2</p> <p>If the Company intends to vary or abrogate the rights of the class shareholders, it shall do so only after the change or abrogation has been approved by way of a special resolution at a shareholders' general meeting and a separate shareholders' general meetings convened by affected class shareholders in accordance to Articles 80 to 86, respectively.</p>	<p>6.2</p> <p>If the Company intends to vary or abrogate the rights of the class shareholders, it shall do so only after the change or abrogation has been approved by way of a special resolution at a shareholders' general meeting and a separate shareholders' general meetings convened by affected class shareholders in accordance to Articles 80 <u>11.3</u> to 86 <u>11.7 of the Articles of Association of the Company</u>, respectively.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
19	<p>6.5</p> <p>When the Company is to hold a class meeting, the period for issuing a written notice shall be should be issued 45 days prior to the date of meeting. The written notice shall inform all the registered shareholders of that class about the matters proposed to be considered, the date and the place of the meeting. A shareholder who intends to attend the meeting shall have his written reply on meeting attendance served to the Company twenty days before the date of the meeting.</p> <p>If the number of shares carrying voting rights at the meeting represented by the shareholders who intend to attend the meeting reaches more than one half of the total number of shares of such class carrying voting rights at the meeting, the Company may hold the class meeting; if not, the Company shall within five days notify the shareholders, again by public announcement, of the matters to be considered, the date and the place for the class meeting. The Company may then convene the class meeting after publication of such announcement.</p>	<p>6.5</p> <p>When the Company is to hold a class meeting, the period for issuing a written notice shall be should be issued 45 days prior to the date of meeting. <u>the same as the written notice period for a non-class meeting to be convened together on the same day of such class meeting.</u> The written notice shall inform all the registered shareholders of that class about the matters proposed to be considered, the date and the place of the meeting. A shareholder who intends to attend the meeting shall have his written reply on meeting attendance served to the Company twenty <u>five</u> days before the date of the meeting.</p> <p>If the number of shares carrying voting rights at the meeting represented by the shareholders who intend to attend the meeting reaches more than one half of the total number of shares of such class carrying voting rights at the meeting, the Company may hold the class meeting; if not, the Company shall within five days notify the shareholders, again by public announcement, of the matters to be considered, the date and the place for the class meeting. The Company may then convene the class meeting after publication of such announcement.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

C. Summary of proposed amendment of Procedural Rules for the Board of Directors

No.	Original Rules	Amended Rules
1	<p>2.1.1</p> <p>The Company sets up the Board in accordance with law. The Board comprises eleven (11) members, four (4) of whom are independent directors.</p> <p>.....</p>	<p>2.1.1</p> <p>The Company sets up the Board in accordance with law. The Board comprises eleven (11) thirteen (13) members, four (4) five (5) of whom are independent directors. <u>The Board shall have a chairman.</u></p> <p>.....</p>
2	<p>2.1.4</p> <p>Any person being in the circumstances specified in Article 57 or 58 of the Company Law and being prohibited from serving as a market participant by China Securities Regulatory Commission and the Hong Kong Stock Exchange and such prohibition not having been lifted shall not serve as a director of the Company.</p>	<p>2.1.4</p> <p>Any person being in the circumstances specified in Article 57 or 58 146 of the Company Law and being prohibited from serving as a market participant by China Securities Regulatory Commission and the Hong Kong Stock Exchange and such prohibition not having been lifted shall not serve as a director of the Company.</p>
3	<p>2.1.7</p> <p>A director who fails to attend the board meetings in person nor authorize another director to attend the meetings on his behalf for two (2) consecutive times shall be deemed as not performing duties and the Board shall have the right to propose to the shareholders' general meeting for removing such director.</p>	<p>2.1.7</p> <p>A director who fails to attend the board meetings in person nor authorize another director to attend the meetings on his behalf for two (2) three (3) consecutive times shall be deemed as not performing duties and the Board shall have the right to propose to the shareholders' general meeting for removing such director.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Rules	Amended Rules
4	<p>2.1.9</p> <p>Directors may submit their resignation before their terms expire. The resigning directors shall submit a resignation report to the board of director in writing. The resignation report shall become effective forthwith without requiring the approval of the shareholders’ general meeting or the Board, save for the circumstances described as follows:</p> <p>.....</p>	<p>2.1.9</p> <p>Directors may submit their resignation before their terms expire. The resigning directors shall submit a resignation report to the board of director in writing. <u>The Board shall disclose the relevant circumstances within two (2) days.</u> The resignation report of a director shall become effective <u>forthwith upon submission to the Board</u> without requiring the approval of the shareholders’ general meeting or the Board, save for the circumstances described as follows:</p> <p>.....</p>
5	<p>6.1.8</p> <p>Where more than one third of the directors or at least two independent directors consider the information to be insufficient or arguably unclear, a joint proposal for postponing the Board meeting or postponing part of the business to be discussed can be made in writing, and the Board shall adopt.</p>	<p>6.1.8</p> <p>Where more than one third <u>a half</u> of the directors or at least two independent directors consider the information to be insufficient or arguably unclear, a joint proposal for postponing the Board meeting or postponing part of the business to be discussed can be made in writing, and the Board shall adopt.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Rules	Amended Rules
6	<p>6.3.2</p> <p>An extraordinary Board meeting may be held under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. when jointly proposed by more than one-third (inclusive of one-third) of the directors; 2. when proposed by the supervisory committee; 3. when proposed by the general manager. 	<p>6.3.2</p> <p>An extraordinary Board meeting may be held under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. when jointly proposed by more than one-third (inclusive of one-third) of the directors; 2. when proposed by the supervisory committee; 3. when proposed by the general manager.; <u>4. when proposed by more than one-half (inclusive of one-half) of the independent directors;</u> <u>5. shareholders holding more than 10% of the voting rights.</u>
7	<p>6.4.1</p> <p>Board meeting adopts voting by hand or in writing, and each director has one vote.</p>	<p>6.4.1</p> <p><u>Method of voting by</u> the Board meeting adopts: voting by hand or in writing. <u>Voting at extraordinary Board meeting may be conducted by way of circulating written resolution(s) provided that the directors are assured to have fully expressed their views and the directors attending the meeting shall sign accordingly.</u> and each director has one vote.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Rules	Amended Rules
8	<p>7.1</p> <p>Matters not mentioned in these Rules shall be handled in accordance with the Company Law, Articles of Association and other relevant laws and regulations.</p>	<p>7.1</p> <p>Matters not mentioned in these Rules shall be handled in accordance with the Company Law, Articles of Association and other relevant laws and regulations.</p> <p><u>In these Rules, the phrase “more than” shall be inclusive of the figure itself.</u></p>
9	<p>7.2</p> <p>These Rules shall become effective after being considered and approved by the shareholders’ general meeting of the Company. These Rules shall be interpreted and amended by the Board of the Company.</p>	<p>7.2</p> <p>This Rules, <u>as well as its amendments,</u> shall become effective after being considered and approved by the shareholders’ general meeting of the Company. These Rules shall be interpreted and amended by the Board of the Company.</p>

D. Summary of the proposed Amendments of Rules of Meetings of Supervisory Committee

No.	Original Articles	Amended Articles
1	<p>2.1.7</p> <p>After a supervisor has been elected, the supervisor shall sign and submit relevant Statements and Undertakings as required by the listing rules of the stock exchanges on which the securities of the Company are listed.</p>	<p>2.1.7</p> <p>After a supervisor has been elected, the supervisor shall sign and submit relevant Statements <u>statements</u> and Undertakings <u>undertakings</u> as required by the listing rules of the stock exchanges on which the securities of the Company are listed.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
2	<p>2.1.11</p> <p>A supervisor who fails to attend the meetings of the Supervisory Committee in person nor authorize another supervisor to attend the meetings in writing on his behalf for two (2) three (3) consecutive times shall be deemed as not performing duties and shall be replaced by shareholders’ meeting or workers representative assembly;</p>	<p>2.1.11</p> <p>A supervisor who fails to attend the meetings of the Supervisory Committee in person nor authorize another supervisor to attend the meetings in writing on his behalf for <u>two (2)</u> three (3) consecutive times shall be deemed as not performing duties and shall be replaced by shareholders’ meeting or workers representative assembly;</p>
3	<p>2.3.3</p> <p>In addition to obligations imposed by laws, administrative regulations or required by the stock exchanges on which the securities of the Company are listed, each of the supervisors of the Company shall owe the following obligations to each shareholder, in the exercise of the functions and powers conferred by the Company entrusted to each of them:</p> <p>.....</p> <p>(4) not to deprive the shareholders of their individual rights, including (but not limited to) rights to distribution and voting rights, except for a restructuring of the Company submitted to shareholders for approval in accordance with the Articles of Association.</p>	<p>2.3.3</p> <p>In addition to obligations imposed by laws, administrative regulations or required by the stock exchanges on which the securities of the Company are listed, each of the supervisors of the Company shall owe the following obligations to each shareholder, in the exercise of the functions and powers conferred by the Company entrusted to each of them:</p> <p>.....</p> <p>(4) not to deprive the shareholders of their personal interests, including (but not limited to) rights to distribution and voting rights, except for a restructuring plan of the Company submitted to shareholders for approval in accordance with the Articles of Association.</p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
4	<p>3.2</p> <p>Pursuant to the Articles of Association, the Supervisory Committee of the Company shall be comprised of five supervisors, of which four representatives of shareholders, who shall nominated by substantial shareholders and elected or removed by the shareholders’ general meeting and one representative of staff members who shall be elected or removed by democratic election of the staff members of the Company.</p>	<p>3.2</p> <p>Pursuant to the Articles of Association, the Supervisory Committee of the Company shall be comprised of five supervisors, of which four three representatives of shareholders, who shall nominated by substantial shareholders and elected or removed by the shareholders’ general meeting and one representative two representatives of staff members. <u>The representatives of shareholders shall be elected or removed by the shareholders’ general meeting. The representatives of staff members shall be elected or removed by democratic election of the staff members of the Company.</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
5	<p>5.1.7</p> <p>Meetings of the Supervisory Committee shall be held at least twice a year, convened and presided by the chairman of the Supervisory Committee</p>	<p>5.1.7</p> <p>Meetings of the Supervisory Committee shall be held at least twice a year, <u>are divided into regular meetings and extraordinary meetings to be</u> convened and presided by the chairman of the Supervisory Committee. <u>Regular meetings of the Supervisory Committee shall be held once every six (6) months. In case of any of the following circumstances, the Supervisory Committee shall convene an extraordinary meeting within ten (10) days:</u></p> <p><u>(1) if it is proposed by any supervisor to convene a meeting;</u></p> <p><u>(2) if a resolution in violation of laws, rules and regulations, the provisions and requirements of the regulatory departments, the Articles of Association and the resolutions of the general meeting and other relevant provisions is passed at a shareholders’ general meeting or at a meeting of the board of directors;</u></p> <p><u>(3) if the misconduct of a director and senior management may cause material damage to the Company or may have adverse impact on the market;</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
		<p><u>(4) if a shareholder files a legal action against the Company, a director, a supervisor or a senior management;</u></p> <p><u>(5) if the Company, a director, a supervisor or a senior management is penalized by the securities regulatory authorities or is subject to public censure by the Shanghai Stock Exchange;</u></p> <p><u>(6) if it is convened as required by the securities regulatory authorities;</u></p> <p><u>(7) other circumstances as specified in the Articles of Association.</u></p>
6	<p>5.4.1</p> <p>Written information such as the sign-in book, power-of-attorney, records, minutes, resolutions shall be maintained by the contact person.</p>	<p>5.4.1</p> <p>Written information such as the sign-in book, power-of-attorney, records, minutes, resolutions shall be maintained by the contact person. <u>The materials of the supervisory committee meetings shall be kept for more than ten (10) years.</u></p>
7	<p>6.1</p> <p>Matters not mentioned in these Rules shall be handled in accordance with the Company Law, Articles of Association and other relevant laws and regulations.</p>	<p>6.1</p> <p>Matters not mentioned in these Rules shall be handled in accordance with the Company Law, Articles of Association and other relevant laws and regulations.</p> <p><u>In these Rules, the phrase “more than” is inclusive of the figure itself.</u></p>

**APPENDIX I SUMMARY OF THE PROPOSED AMENDMENTS OF ARTICLES AND
AMENDMENTS OF RULES OF PROCEDURE OF MEETINGS**

No.	Original Articles	Amended Articles
8	<p>6.2</p> <p>These Rules shall become effective after being considered and approved by the shareholders' general meeting of the Company. These Rules shall be interpreted and amended by the Supervisory Committee of the Company.</p>	<p>6.2</p> <p>These Rules, <u>as well as its amendments,</u> shall become effective after being considered and approved by the shareholders' general meeting of the Company. These Rules shall be interpreted and amended by the Supervisory Committee of the Company.</p>

1. 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.

2. SHARE CAPITAL**Authorised and issued share capital**

As at the Latest Practicable Date, the authorised and issued share capital of the Company was as follows:

*RMB***Authorised share capital**

1,222,000,000 H Shares	1,222,000,000
3,815,747,500 Domestic Shares	<u>3,815,747,500</u>

5,037,747,500**Issued share capital**

1,222,000,000 H Shares	1,222,000,000
3,815,747,500 Domestic Shares	<u>3,815,747,500</u>

5,037,747,500

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, no Director or chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) to be entered in the register referred to therein; or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code set out in Appendix 10 to the Hong Kong Listing Rules, to be notified to the Company and the Stock Exchange.

4. DISCLOSURE OF INTEREST UNDER DIVISION 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Number of A Shares

Name of share holders	Capacity	Directly interested	Number of A shares	Percentage of A shares (total shares)
Jiangsu Communications Holding Company Limited	Other	Yes	2,742,578,825 (L)	71.88 % (54.44%) (L)
China Merchants Expressway Network & Technology Holdings Co., Ltd ⁽¹⁾	Other	Yes	589,059,077 (L)	15.44% (11.69%) (L)

Number of H Shares

Name of share holders	Capacity	Directly interested	Number of H shares	Percentage of H shares (total shares)
BlackRock, Inc.	Interest of controlled corporation ⁽³⁾	No	159,412,205(L)	13.05%(3.16%)(L)
			152,000(S)	0.01%(0.00%)(S)
Mitsubishi UFJ Financial Group, Inc.	Interest of controlled corporation ⁽²⁾	No	135,228,517(L)	11.06%(2.68%)(L)
JPMorgan Chase & Co.	Interest of controlled corporation/ investment manager/custodian – corporation/ approved lending agent ⁽⁴⁾	No	110,026,525(L)	9.00%(2.18%)(L)
			5,532,647(S)	0.45%(0.11%)(S)
			68,458,435(P)	5.60%(1.36%)(P)
Citigroup Inc.	Interest of controlled corporation/ approved lending agent/custodian – corporation ⁽⁵⁾	No	63,343,239(L)	5.18%(1.26%)(L)
			2,000(S)	0.00%(0.00%)(S)
			62,315,448(P)	5.09%(1.24%)(P)

Notes: (L) Long position; (S) Short position; (P) Lending pool

- (1) China Merchants Group Limited was deemed to be interested in the Company by virtue of its controlling interest in its subsidiary, China Merchants Expressway.
- (2) Mitsubishi UFJ Financial Group, Inc was deemed to be interested in the Company by virtue of its indirectly wholly-owned subsidiaries.
- (3) BlackRock, Inc. was deemed to be interested in the long position of a total of 159,412,205 H Shares of the Company and in the short position of 152,000 H Shares by virtue of its control over a number of corporations, which were indirectly wholly-owned by BlackRock, Inc., except the following:
 - (a) BlackRock Holdco 6, LLC was indirectly owned as to 90% by BlackRock, Inc. BlackRock Holdco 6, LLC held interests in the Company through its indirectly wholly-owned subsidiaries as follows:
 - (i) BlackRock Institutional Trust Company, National Association held 30,903,058 (long position) and 152,000 H Shares (short position) of the Company.
 - (ii) BlackRock Fund Advisors held 63,944,000 H Shares (long position) of the Company.

- (b) BR Jersey International Holdings L.P. was indirectly owned as to 86% by BlackRock, Inc. BR Jersey International Holdings L.P. held interests in the Company through its indirectly wholly-owned subsidiaries as follows:
- (i) BlackRock Japan Co., Ltd. held 2,797,393 H Shares (long position) of the Company.
 - (ii) BlackRock Asset Management Canada Limited held 1,752,000 H Shares (long position) of the Company.
 - (iii) BlackRock Investment Management (Australia) Limited held 620,000 H Shares (long position) of the Company.
 - (iv) BlackRock Asset Management North Asia Limited held 729,649 H Shares (long position) of the Company.
 - (v) BlackRock Investment Management (Taiwan) Limited held 54,000 H Shares (long position) of the Company.
 - (vi) BlackRock (Singapore) Limited held 212,000 H Shares of the Company.
- (c) BlackRock Group Limited was indirectly owned as to 90% by BR Jersey International Holdings L.P. (see note 3(b) above). BlackRock Group Limited held interests in the Company through its directly or indirectly wholly-owned subsidiaries as follows:
- (i) BlackRock (Netherlands) B.V. held 906,000 H Shares (long position) of the Company.
 - (ii) BlackRock Advisors (UK) Limited held 54,000 H Shares (long position) of the Company.
 - (iii) BlackRock International Limited held 164,000 H Shares (long position) of the Company.
 - (iv) BlackRock Asset Management Ireland Limited held 12,013,865 H Shares (long position) of the Company.
 - (v) BLACKROCK (Luxembourg) S.A. held 18,256,000 H Shares (long position) of the Company.
 - (vi) BlackRock Investment Management (UK) Limited held 8,489,529 H Shares (long position) of the Company.
 - (vii) BlackRock Fund Managers Limited held 2,756,658 H Shares (long position) of the Company.
 - (viii) BlackRock Asset Management (Schweiz) AG held 10,000 H Shares (long position) of the Company.
 - (ix) BlackRock (Singapore) Limited held 1,998,053 H Shares of the Company.

- (4) JPMorgan Chase & Co. was deemed to be interested in the long position of a total of 110,026,525 H Shares of the Company (of which 4,979,326 H Shares were held through cash settled (off exchange) derivatives) and the short position of 5,532,647 H Shares (of which 5,412,073 H Shares were held through cash settled (off exchange) derivatives). JPMorgan Chase & Co. held interests in the following capacities:

Capacity	Number of shares (long position)	Number of shares (short position)	Number of shares (lending pool)
Interest of controlled corporation	10,361,683	5,532,647	
Investment manager	30,275,000		
Person having a security interest in shares	931,407		
Approved lending agent			68,458,435

- (5) Citigroup Inc. was deemed to be interested in the long position of a total of 63,343,239 H Shares of the Company (of which 84,000 H Shares were held through cash settled (off exchange) derivatives) and the short position of 2,000 H Shares (of which 2,000 H Shares were held through cash settled (off exchange) derivatives). Citigroup Inc. held interests in the following capacities:

Capacity	Number of shares (long position)	Number of shares (short position)	Number of shares (lending pool)
Interest of controlled corporation	1,027,791	2,000	
Approved lending agent			62,315,448

Save as disclosed above, as far as the Company knows, as at the Latest Practicable Date, there is no any other person required to be disclosed pursuant to the SFO.

5. SERVICE CONTRACT

Apart from service contracts between the Company with the existing executive Directors, each of the other Directors and supervisors has entered into an appointment letter with the Company. The content of these contracts was primarily the same in all material respects. The term of these contracts commenced from the date of the 2018 Annual General Meeting (or the appointment date) until the date of the 2020 Annual General Meeting to be held. The Company, the Directors or the supervisors can terminate the contracts by giving not less than three months prior notice in writing to the other party. Save as the above- mentioned, none of the Directors or supervisors have entered into or have proposed to enter into any service contracts with the Company expiring or determinable by the employer within one year with payment of compensation (other than statutory compensation). The Company was not required to pay compensation to any director for the reason that the Directors intended to be re-elected in the next annual general meeting but their service contracts have not expired.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in businesses, which would be considered to compete or would likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Hong Kong Listing Rules.

7. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS CONTRACTS

Save as disclosed in this Circular, as at the Latest Practicable Date, none of the Directors of the Company had any interest in any assets which had been since 31 December 2019 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group. None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which would be significant in relation to the business of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited financial statements of the Group were made up.

9. QUALIFICATION AND CONSENT OF EXPERT

The qualification of the expert which has given opinion or advice contained in this circular are set out as follows:

Name	Qualification
Octal Capital Limited	a licensed corporation authorised to conduct Type 6 (advising on corporate finance) regulated activities under SFO

As at the date of this circular, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name and opinion in the form and context in which they appear in this circular. As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above expert did not have any interest in any assets which had since 31 December 2019 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The PRC registered office of the Company is at 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC. The Hong Kong registered office of the Company is at 17th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong.
- (b) The registrar and transfer office of H Shares of the company is Hong Kong Registrars Limited, Shop 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (c) The secretary to the Board of the Company is Mr. Yao Yongjia, an affiliated person of The Hong Kong Institute of Chartered Secretaries.

11. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at 17th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong during normal business hours on any business day from the date of this Circular until the date of the Extraordinary General Meeting:

- (a) loan agreements dated 26 February and 31 March 2020 entered into by the Company and Wufengshan Toll Bridge Company;
- (b) loan agreement dated 31 March 2020 entered into by the Company and Guangjing Xicheng Company;
- (c) loan agreements dated 26 February and 31 March 2020 entered into by the Company and Yichang Company;
- (d) the letter from the Independent Financial Adviser as set out in this circular;
- (e) the letter from the Independent Board Committee as set out in this circular; and
- (f) this Circular.

NOTICE OF 2019 ANNUAL GENERAL MEETING



江蘇寧滬高速公路股份有限公司
JIANGSU EXPRESSWAY COMPANY LIMITED

(Established in the People's Republic of China as a joint-stock limited company)

(Stock Code: 00177)

NOTICE OF 2019 ANNUAL GENERAL MEETING

Important Notice:

- Date of the AGM: 23 June 2020
- Online voting for the AGM: Shanghai Stock Exchange Online Voting System for Shareholders' Meetings.

NOTICE IS HEREBY GIVEN that the annual general meeting of Jiangsu Expressway Company Limited (the “**Company**”) convened by the board (the “**Board**”) of directors (the “**Directors**”) of the Company for the year 2019 (the “**AGM**”) will be held on Tuesday, 23 June 2020 at 3:00 p.m. at 6 Xianlin Avenue, Nanjing, Jiangsu Province, the People's Republic of China. Please note the following:

I. INFORMATION OF THE GENERAL MEETING

- (1) Type and Session of General Meeting: 2019 AGM
- (2) Convener: the Board
- (3) Voting method: voting on site and online voting (for holders of A shares of the Company)
- (4) Date, time and venue for on-site voting
 - Date and time: 23 June 2020 at 3:00 p.m.
 - Venue: 6 Xianlin Avenue, Nanjing, Jiangsu Province, the People's Republic of China

NOTICE OF 2019 ANNUAL GENERAL MEETING

- (5) System, commencement and ending time and date of online voting

Online voting system: Shanghai Stock Exchange Online Voting System for Shareholders' Meetings

Commencement and ending time of online voting: From 23 June 2020 to 23 June 2020

Voting period for online voting: via the voting platform of the trading system of Shanghai Stock Exchange Online Voting System: the trading hours on the date of the AGM, i.e. 9:15 a.m.–9:25 a.m., 9:30 a.m.–11:30 a.m. and 1:00 p.m.–3:00 p.m.

via internet platform: 9:15 a.m.–3:00 p.m. on the date of the AGM

- (6) Margin trading, short selling and refinancing[#], agreed repurchase accounts and Shanghai-Hong Kong Stock Connect Investors voting procedure: voting involving margin trading, short selling and refinancing, agreed repurchase accounts as well as by Shanghai-Hong Kong Stock Connect Investors should be conducted in accordance with regulations including the “Implementation Rules of Online Voting for Shareholders Meeting of Listed Companies” issued by the Shanghai Stock Exchange.

- (7) Regarding solicitation of voting rights from shareholders

Not applicable

[#] refer to the margin trading, short selling and refinancing activities under the “Pilot Measures for Supervision and Administration of Refinancing Business”

II. RESOLUTIONS TO BE CONSIDERED AT THE AGM

Resolutions by non-cumulative poll

The following resolutions shall be considered by way of ordinary resolutions:

1. to approve the work report of the Board of the Company for the year ended 31 December 2019;
2. to approve the work report of the supervisory committee of the Company for the year ended 31 December 2019;

NOTICE OF 2019 ANNUAL GENERAL MEETING

3. to approve the financial statements and audit report of the Company for the year ended 31 December 2019;
4. to approve the final accounting report of the Company for 2019;
5. to approve the financial budget report of the Company for 2020;
6. to approve the final dividend distribution proposal of the Company for 2019: the Company proposed to distribute final dividends of RMB0.46 (tax inclusive) per share in favour of the shareholders;
7. to approve the appointment of Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's auditors of the financial report and internal auditor for the year 2020 at a remuneration of RMB3.2 million per year;
8. to approve the registration and issuance of ultra-short-term notes of up to RMB8 billion (the "**UST Notes**") by the Company within the effective period on a rolling basis; to authorize any Executive Director of the Company, to deal with the subsequent matters such as the execution of contract and the approval of fund appropriation and to issue such ultra-short-term notes within two years commencing from the date of approval at the annual general meeting. (the "**UST Notes Issuance**");
9. to approve the registration and issuance of medium-term notes of up to RMB9 billion (the "**MT Notes**") by the Company, which will be issued once or in tranches within the validity period of the registration; to authorize any Executive Director of the Company, to deal with the subsequent related matters including the execution of contract and approval of fund appropriation; and to issue such medium-term notes within two years commencing from the date of approval at the annual general meeting. (the "**MT Notes Issuance**");
10. to approve the use of proceeds raised from the MT Notes to be issued by the Company to provide Jiangsu Wufengshan Toll Bridge Company Limited (the "**Wufengshan Toll Bridge Company**"), with a loan of no more than RMB1.8 billion which will be valid for three years from the date of approval at the general meeting, the interest of which shall be calculated based on the prevailing interest rate of the MT Notes to be issued by the Company, and the expenses in relation to the MT Notes Issuance, the repayment of the principal and the related interest of the issued notes shall be borne and paid by Wufengshan Toll Bridge Company (the "**Wufengshan Loan**"); and to authorise any Executive Director of the Company, to handle follow-up related matters including contract signing and approval of fund allocation. The above loan shall be valid for two years from the date of the approval at the general meeting;

NOTICE OF 2019 ANNUAL GENERAL MEETING

11. to approve the use of proceeds raised from the MT Notes to be issued by the Company to provide Jiangsu Yichang Company(the “**Yichang Company**”), with a loan no more than RMB1 billion, which will be valid for three years from the date of approval at the general meeting, the interest of which shall be calculated based on the prevailing interest rate of the MT Notes to be issued by the Company, and the expenses in relation to the MT Notes Issuance, the repayment of the principal and the related interest of the MT Notes Issuance shall be borne and paid by Yichang Company(the “**Yichang Loan**”); and to authorise any Executive Director of the Company, to handle follow-up related matters including contract signing and approval of fund allocation. The above loans shall be valid for two years from the date of the approval at the general meeting;

12. to approve the use of proceeds raised from MT Notes and UST Notes to be issued by the Company to provide loans to Jiangsu Guangjing Xicheng Expressway Limited (the “**Guangjing Xicheng Company**”), with no more than RMB0.6 billion and RMB0.5 billion, respectively, which will be valid for three years. The interest of which shall be calculated based on the prevailing interest rate of the MT Notes and UST Notes to be issued by the Company, and the expenses in relation to the MT Notes Issuance and UST Notes Issuance, the repayment of the principal and the related interest of the MT Notes Issuance and UST Notes Issuance shall be borne and paid by Guangjing Xicheng Company (the “**Guangjing Loan**”); and to authorise any Executive Director of the Company, to handle follow-up related matters including contract signing and approval of fund allocation. The above loans shall be valid for two years from the date of the approval at the general meeting;

The following resolutions shall be considered by way of special resolutions:

13. to approve relevant amendments to the Articles 5.3, 6.1, 6.3, 7.8, 10.6, 10.7, 10.9, 10.11, 10.14, 10.35, 10.38, 11.6, 12.3, 12.5, 12.12, 15.2, 15.4 and 16.7 of the Articles of Association (the “**Amendments of Articles**”);

14. to approve relevant amendments to the articles 1.2, 1.3, 3.2, 3.3, 4.1.2, 4.1.4, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.8, 4.4.1, 4.5.3, 4.5.4, 4.7.6, 5.3, 5.4, 6.2 and 6.5 of the Rules of Procedures of Shareholders’ General Meetings, a new article will be inserted after article 4.2.6, the numbering of the original article of the Rules of Procedures of Shareholders’ General Meetings after the insertion shall be re-numbered accordingly, (the “**Amendments of Rules of General Meetings**”);

15. to approve relevant amendments to the articles 2.1.1, 2.1.4, 2.1.7,2.1.9, 6.1.8, 6.3.2, 6.4.1 and 7.2 of the Rules of Procedures of Meetings of Board of Directors, a new article will be added after article 7.1, the numbering of the original article of Rules of Procedures of Meetings of Board of Directors after the insertion shall be re-numbered accordingly,(the “**Amendments of Rules of Meetings of Board of Directors**”);

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16. to approve relevant amendments to the articles 2.1.7, 2.1.11, 2.3.3, 3.2, 5.1.7, 5.4.1 and 6.2 of the Rules of Procedures of Meetings of Supervisory Committee, a new article will be added after Article 6.1, the numbering of the original article of Rules of Procedures of Meetings of Supervisory Committee after the insertion shall be re-numbered accordingly, (the **“Amendments of Rules of Meetings of Supervisory Committee”**)

Notes:

- (1) Dates and mediums of disclosure of the resolutions

For details of the UST Notes Issuance and MT Notes Issuance, please refer to the announcement of the Eighteenth Meeting of the Nine Session of the Board by the Company on 1 April 2020, respectively. For H Shareholders, please refer to the circular by the Company on 7 May 2020.

For details of the Wufengshan loan, Yichang Loan and Guangjing Xicheng Loan, please refer to the announcement of Related Party/Connected Transactions in respect of Lending to Controlled Subsidiaries by the Company on 1 April 2020, respectively. For H Shareholders, please refer to the circular by the Company on 7 May 2020.

For details of the Amendments of Articles, please refer to the announcement on the Amendment to the Articles of Association by the Company on 1 April 2020, respectively. For H Shareholders, please refer to the circular by the Company on 7 May 2020.

For details of the Amendments of Rules of General Meetings, Amendments of Rules of Meetings of Board of Directors and Amendments of Rules of Meetings of Supervisory Committee, please refer to the announcement of the Eighteenth Meeting of the Nine Session of the Board by the Company on 1 April 2020, respectively. For H Shareholders, please refer to the circular by the Company on 7 May 2020.

These announcements and information have been disclosed in China Securities Journal, Shanghai Securities News and the websites of the Company (www.jsexpressway.com), the Stock Exchange (www.hkexnews.hk) and the Shanghai Stock Exchange (www.sse.com.cn).

- (2) Special resolutions: 13, 14, 15 and 16
- (3) Resolution(s) with separate counting of votes from small and medium investors: 6, 7, 10,11,12, 13, 14, 15 and 16
- (4) Resolution(s) which interested shareholder(s) will abstain from voting: 10, 11 and 12

For resolution 10, the name(s) of the interested shareholder(s) to abstain from voting: Jiangsu Communications Holdings Company Limited and its associates

For resolutions 11 and 12, the name(s) of the interested shareholder(s) to abstain from voting: China Merchants Expressway Network & Technology Holdings Co., Ltd. and its associates

- (5) Resolution which holders of preference shares will vote on: nil.

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III. MATTERS OF CONCERN FOR VOTING AT THE AGM

1. Shareholders of the Company who would like to cast his or her vote through the Shanghai Stock Exchange Online Voting System for Shareholders' General Meetings may either log in the voting platform of the trading system (through the terminus of any specified securities trading company) or the internet voting platform (website: vote.sseinfo.com) to vote. Any investor who logs in the internet voting platform to vote for the first time is required to have his or her identity as a shareholder verified. For details, please refer to the instructions for the internet voting platform on the website.
2. Any shareholder of the Company holding more than one shareholder's account may vote using any of the said accounts through the Shanghai Stock Exchange Online Voting System for Shareholders' General Meetings. After voting, such a shareholder is deemed to have cast his or her votes in the same way in respect of all the ordinary or preference shares of the same class held under his or her said accounts.
3. In case the number of votes cast by a shareholder of the Company exceeds the number of votes that the shareholder is entitled to cast, or in case the number of votes cast outnumber the number of candidates to be elected in a competitive election, the votes for that particular resolution shall be deemed void.
4. If the same vote is cast more than once by way of voting in the physical meeting, via Shanghai Stock Exchange Online Voting System or otherwise, the vote first in time prevails.
5. Submission can only be made after the shareholder has voted on all the resolutions.

IV. ENTITLEMENT TO ATTENDANCE AND VOTING

1. Holders of A shares of the Company who are registered with the Shanghai Branch of China Securities Depository & Clearing Corporation Limited or the Caochangmen Outlet of Huatai Securities Co., Ltd. (the former Jiangsu Securities Depository Company (江蘇證券登記公司)) as at the close of trading of the afternoon session on 22 May 2020 (details as set out in the following table) and holders of H shares of the Company who are registered with Hong

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Kong Registrars Limited as at 4:30 p.m. on 22 May 2020 are entitled to attend the AGM after complying with the necessary registration procedures; and may appoint prox(ies) in writing to attend and vote at the AGM. Such prox(ies) need not be shareholder(s) of the the Company.

Class of shares	Stock Code	Stock Short Name	Record Date
A Shares	600377	寧滬高速	22 May 2020

2. Directors, supervisors and senior management of the Company;
3. lawyers engaged by the Company; and
4. other persons: auditors of the Company and other persons invited by the Board.

V. REGISTRATION FOR ATTENDING THE AGM

1. Shareholders of the Company who are registered with the Shanghai Branch of China Securities Depository & Clearing Corporation Limited or the Caochangmen Outlet of Huatai Securities Co., Ltd. (the former Jiangsu Securities Depository Company (江蘇證券登記公司)) as at the close of trading of the afternoon session on 22 May 2020, and shareholders of H shares of the Company who are registered with Hong Kong Registrars Limited as at 4:30 p.m. on 22 May 2020 are entitled to attend and vote at the AGM, provided that such shareholders shall complete and **return the confirmation slip to the Company before 3 June 2020 (Wednesday)**. Further details are set out in the confirmation slip.
2. Registration of transfers of H shares will be suspended by the Company from 24 May 2020 to 23 June 2020 (both days inclusive). Shareholders of H shares who wish to be eligible to attend and vote at the AGM must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited, the Registrar of H shares of the Company, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, **no later than 4:30 p.m. on Friday, 22 May 2020**.
3. A shareholder who has the right to attend and vote at the AGM is entitled to appoint a proxy (whether or not a shareholder) to attend and vote on his/her behalf. A shareholder (or his/her proxy) is entitled to cast one vote for each share he/she holds or represents. Upon completion and delivery of the form of proxy, a shareholder (or his/her proxy) may attend and vote at the AGM. Nevertheless, the appointment of the proxy will be deemed to have been revoked by the shareholder. A domestic shareholder (or his/her proxy) shall present his/her shareholder account number to attend the meeting. A domestic corporate shareholder shall present its shareholding confirmation if its shareholder account had not yet been changed.

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4. The instrument appointing a proxy must be in writing under the hand of the shareholder or his/her attorney duly authorised in writing. In the event that such instrument is signed by an attorney of the shareholder, an authorisation that authorised such signatory shall be notarised. To be valid, such notarised authorisation together with the form of proxy must be delivered to the Secretariat Office of the Board of the Company, or in case of holders of H shares of the Company, must be deposited at Hong Kong Registrars Limited, the Registrar of H shares of the Company, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time appointed for the holding of the AGM (being no later than 3:00 p.m. on Monday, 22 June 2020 (Hong Kong/Beijing time)).

VI. MISCELLANEOUS

1. The AGM will last for half a day. Shareholders and their proxies attending the AGM will be responsible for their own accommodation, travelling and other expenses.
2. Contact address: Secretariat Office of the Board, 6 Xianlin Avenue, Nanjing, Jiangsu Province, the People's Republic of China

Postal code: 210049

Telephone: (86) 25-8436 2700 ext. 301315 or (86) 25-8446 4303 (direct line)

Fax: (86) 25-8420 7788
3. The resolutions will be passed by way of poll.
4. In case during the electronic voting period for holders of A shares, there occurs any material event which affects the voting system, the proceedings of the AGM shall be conducted in accordance with notice published on such date.
5. The form of proxy and confirmation slip for the AGM will be despatched to holders of H Shares with the circular of the Company dated 7 May 2020.

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 7 May 2020