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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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)**

**CONTINUING CONNECTED TRANSACTIONS – PROPOSED LOANS TO  
CONNECTED SUBSIDIARIES,  
PROPOSED ISSUANCE OF ULTRA-SHORT-TERM NOTES AND  
CORPORATE BONDS,  
PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR,  
PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION AND  
RULES OF PROCEDURES OF MEETINGS,  
NOTICE OF 2022 ANNUAL GENERAL MEETING,  
NOTICE OF THE 2023 FIRST A SHAREHOLDERS MEETING  
AND  
NOTICE OF THE 2023 FIRST H SHAREHOLDERS MEETING**

**INDEPENDENT FINANCIAL ADVISOR  
to the Independent Board Committee and Independent Shareholders  
in respect of the proposed loans to connected subsidiaries**



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A letter from the Board is set out on pages 1 to 38 of this circular and a letter from the Independent Board Committee is set out on pages 39 to 40 of this circular. A letter from Zhongtai International Capital Limited, the Independent Financial advisor to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Transaction is set out on pages 41 to 65 of this circular.

The 2022 Annual General Meeting, the 2023 First A Shareholders Meeting and the 2023 First H Shareholders Meeting will be held at 3:00 p.m., 3:20 p.m. (or as soon as after conclusion of the 2022 Annual General Meeting) and 3:30 p.m. (or as soon as after conclusion of the 2023 First A Shareholders Meeting) on Tuesday, 20 June 2023 at 6 Xianlin Avenue, Nanjing, the PRC and the notice of meeting are set out on pages N-1 to N-8, pages AN-1 to AN-6 and HN-1 to HN-3, respectively.

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, not less than 24 hours before the time appointed for the holding of the relevant meeting. A Shareholders should deliver the proxy form for the 2022 Annual General Meeting and the 2023 First A Shareholders Meeting no later than 3:00 p.m. and 3:20 p.m. on Monday, 19 June 2023 (Beijing time) to the Office of the Secretary to the Board of the Company, respectively. H Shareholders should deliver the **WHITE** proxy form for the 2022 Annual General Meeting no later than 3:00 p.m. on Monday, 19 June 2023 (Beijing/Hong Kong time) and the **PINK** proxy form for the 2023 First H Shareholders Meeting no later than 3:30 p.m. on Monday, 19 June 2023 (Beijing/Hong Kong time) 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, respectively. 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.

19 May 2023

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## DEFINITIONS

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

“2023 First A Shareholders Meeting”	the class meeting of holders of domestic shares of the Company to be held on 20 June 2023 at 3:20 p.m. (as soon as after conclusion of the AGM) to consider and, if thought fit, to approve the Amendments to Articles and Amendments to the Rules of Meetings
“2023 First H Shareholders Meeting”	the class meeting of holders of overseas-listed shares of the Company to be held on 20 June 2023 at 3:30 p.m. (as soon as after conclusion of the 2023 First A Shareholders Meeting) to consider and, if thought fit, to approve the Amendments to Articles and Amendments to the Rules of Meetings
“A Share(s)”	the domestic share(s) of the Company which are subscribed in RMB and listed on Shanghai Stock Exchange, with nominal value of RMB1.00 per share
“A Shareholder(s)”	holder(s) of A Share(s)
“Amendments to Articles”	the proposed amendments to the articles of association of the Company, as summarized in Part A of Appendix I
“Amendments to Board Meetings Rules”	the proposed amendments to the Rules of Procedures of Board Meetings of the Company, as summarized in Part B of Appendix I
“Amendments to Rules of Meetings”	the Amendments to Board Meetings Rules, the Amendments of Supervisory Committee Meeting Rules, and the Amendments of Shareholders Meeting Rules
“Amendments to Shareholders Meetings Rules”	the proposed amendments to the Rules of Procedures of Shareholders Meetings of the Company, as summarized in Part D of Appendix I
“Amendments to Supervisory Committee Meetings Rules”	the proposed amendments to the Rules of Procedures of Supervisory Committee Meetings of the Company, as summarized in Part C of Appendix I

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## DEFINITIONS

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“Annual General Meeting” or “AGM”	the 2022 annual general meeting of the Company to be held at 3:00 p.m. 20 June 2023 to consider and, if thought fit, to approve the Loans to Connected Subsidiaries, the UST Notes Issuance, the Corporate Bonds Issuance, the Election of Non-executive Directors, the Amendments to Articles and the Amendments to Rules of Meetings Procedures and other usual matters of an annual general meeting
“associates”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors of the Company
“Changyi Agreement”	the conditional agreement dated 24 March 2023 between the Company (as lender) and Changyi Company (as borrower) in respect of the Changyi Loans
“Changyi Company”	江蘇常宜高速公路有限公司(Jiangsu Changyi Expressway Co., Ltd. <sup>#</sup> ), a limited liability company established in the PRC
“Changyi Loans”	the loans with funding balance of up to RMB0.7 billion to be provided to Changyi Company pursuant to the Changyi Agreement for a term of 3 years commencing from 1 October 2023, revolving during the validity period
“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, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 001965)
“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 Depositary Receipts on the OTC Markets Group Inc. in the United States (Ticker: JEXYY)
“Connected Subsidiaries”	Changyi Company, Guangjing Xicheng Company, Wufengshan Toll Bridge Company and/or Yichang Company

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## DEFINITIONS

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“Corporate Bonds”	the corporate bonds of not more than RMB8 billion by the Company
“Corporate Bonds Issuance”	the proposed registration and issuance of Corporate Bonds, in one issuance or in tranches within the validity period of registration
“Director(s)”	the director(s) of the Company
“Financing Products”	UST Notes and/or Corporate Bonds
“Group”	the Company and its subsidiaries
“Guangjing Xicheng Agreement”	the conditional agreement dated 24 March 2023 between the Company (as lender) and Guangjing Xicheng Company (as borrower) in respect of the Guangjing Xicheng Loans
“Guangjing Xicheng 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 Independent Shareholders”	Shareholders other than China Merchants Expressway and its associates
“Guangjing Xicheng Loans”	the loans with funding balance of up to RMB1.5 billion to be provided to Guangjing Xicheng Company pursuant to the Guangjing Xicheng Agreement for a term of 3 years commencing from 1 July 2023, revolving during the validity period
“Guidelines”	Guidelines for Articles of Association of Listed Companies (2022 Revision) (China Securities Regulatory Commission Announcement [2022] No.2) 《上市公司章程指引(2022年修訂)》(中國證券監督管理委員會公告[2022]2號)
“H Share(s)”	the overseas-listed share(s) of the Company which are subscribed in HK\$ and listed on HKEx, with nominal value of RMB1.00 per share
“H Shareholder(s)”	holder(s) of H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“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
“Independent Board Committee”	the independent committee of the Board comprises of all independent non-executive Directors of the Company, namely Mr. Zhou Shudong, Mr. Liu Xiaoxing, Mr. Yu Mingyuan, Mr. Xu Guanghua and Mr. Ge Yang
“Independent Financial Advisor”	Zhongtai International Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Independent Shareholders”	the Guangjing Xicheng Independent Shareholders and/or the Wufengshan Independent Shareholders
“Jiangsu Communications Holding”	江蘇交通控股有限公司(Jiangsu Communications Holding Limited <sup>#</sup> ), a wholly state-owned company established in the PRC with limited liability
“Latest Practicable Date”	15 May 2023 being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained in this Circular
“Listing Rules”	the Hong Kong Listing Rules and/or the Shanghai Listing Rules
“Loan(s) to Connected Subsidiaries”	the Changyi Loans, the Guangjing Xicheng Loans, the Wufengshan Loans and/or the Yichang Loans
“Mandatory Provisions”	the Mandatory Provisions for Companies Listing Overseas in Zheng Wei Fa (1994) No. 21 (《到境外上市公司章程必備條款》(證委發(1994)21號文件)) issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System
“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

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## DEFINITIONS

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“PRC”	the People’s Republic of China, which for the purpose of this Circular excludes Hong Kong, the Macao Special Administrative Region 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”	Shanghai Stock Exchange (上海證券交易所)
“Shareholder(s)”	holders of share(s) of the Company
“Special Regulations”	the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) issued by the State Council of the PRC on 4 August 1994, as amended, supplemented or otherwise modified from time to time
“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 corporate bonds of not more than RMB8 billion by the Company
“UST Notes Issuance”	the proposed registration and issuance of UST Notes, in one issuance or in tranches within the validity period of registration
“Wufengshan Agreement”	the conditional agreement dated 24 March 2023 between the Company (as lender) and Wufengshan Toll Bridge Company (as borrower) in respect of the Wufengshan Loans
“Wufengshan Toll Bridge Company”	江蘇五峰山大橋有限公司(Jiangsu Wufengshan Toll Bridge Company Limited <sup>#</sup> ), a limited liability company established in the PRC

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## DEFINITIONS

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“Wufengshan Independent Shareholders”	Shareholders other than Jiangsu Communications Holding and its associates
“Wufengshan Loans”	the loans with funding balance of up to RMB1.8 billion to be provided to Wufengshan Toll Bridge Company pursuant to the Wufengshan Agreement for a term of 3 years commencing from 15 December 2023, revolving during the validity period
“Yichang Agreement”	the conditional agreement dated 24 March 2023 between the Company (as lender) and Yichang Company (as borrower) in respect of the Yichang Loans
“Yichang Company”	江蘇宜長高速公路有限公司(Jiangsu Yichang Expressway Co., Ltd. <sup>#</sup> ), a limited liability company established in the PRC
“Yichang Loans”	the loans with funding balance of up to RMB0.5 billion to be provided to Yichang Company pursuant to the Yichang Agreement for a term of 3 years commencing from 1 October 2023, revolving during the validity period
“%”	percentage

<sup>#</sup> *The English names set out herein are for identification purpose only.*



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## LETTER FROM THE BOARD

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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)**

*Directors:*

Chen Yunjiang (*Chairman*)

Wang Yingjian

Wang Feng (*General Manager*)

Yao Yongjia (*Company Secretary*)

Wu Xinhua

Li Xiaoyan

Ma Chung Lai, Lawrence

Zhou Shudong\*

Liu Xiaoxing\*

Yu Mingyuan\*

Xu Guanghua\*

Ge Yang\*

*PRC Registered Office:*

6 Xianlin Avenue

Nanjing

Jiangsu Province

PRC

*Hong Kong Registered Office:*

17th Floor, One Island East

18 Westlands Road

Taikoo Place

Quarry Bay,

Hong Kong

\* *Independent non-executive Directors*

19 May 2023

*To shareholders of the Company*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS – PROPOSED LOANS TO  
CONNECTED SUBSIDIARIES,  
PROPOSED ISSUANCE OF ULTRA-SHORT-TERM NOTES AND  
CORPORATE BONDS,  
PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR,  
PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION AND  
RULES OF PROCEDURES OF MEETINGS,  
NOTICE OF 2022 ANNUAL GENERAL MEETING,  
NOTICE OF THE 2023 FIRST A SHAREHOLDERS MEETING  
AND  
NOTICE OF THE 2023 FIRST H SHAREHOLDERS MEETING**

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## LETTER FROM THE BOARD

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### A. INTRODUCTION

The Board of the Company announced on 27 March 2023 that it has resolved to approve the Company's following proposals:

- (i) the issuance of ultra-short-term notes of not more than RMB8 billion which will be one issuance or in tranches within the validity period of the registration;
- (ii) the public issuance of corporate bonds of not more than RMB8 billion which will be one issuance or in tranches within the validity period of the registration;
- (iii) the continuing connected transactions of lending to Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company, connected subsidiaries of the Company, loans with funding balance not exceeding RMB1.8 billion, RMB1.5 billion, RMB0.5 billion and RMB0.7 billion, respectively for terms of 3 years revolving during the validity period;
- (iv) the nomination of Mr. Xu Haibei as a non-executive Director to the Tenth Session of the Board of Directors of the Company; and
- (v) submit the above proposals to the AGM for consideration and approval.

The Board of the Company announced on 28 April 2023 that in view of the abolition of the Mandatory Provision from 31 March 2023, it is proposed that provisions required by the Mandatory Provision in the Company's articles of association be removed and replaced by relevant provisions under PRC Company Law and the insertion of core shareholders protection provisions as required under Appendix 3 of the Hong Kong Listing Rules and the related amendments be made to the Rules of Meetings of the Company and submit the proposal for Shareholder's consideration and approval.

The purpose of this circular is to provide, among other things, (i) details of the Loans to Connected Subsidiaries; (ii) details of the proposed UST Notes Issuance and the proposed Corporate Bonds Issuance; (iii) information of the nominated Director; (iv) information on the proposed Amendments to Articles and the Amendments to Rules of Procedures of Meetings; and (v) notices of the AGM, the First 2023 A Shareholders Meeting and the First 2023 H Shareholders Meeting and other related information.

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## LETTER FROM THE BOARD

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### B. PROPOSED LOANS TO CONNECTED SUBSIDIARIES

On 27 March 2023, the Board announced that it has resolved to submit to the AGM to consider and approve by Independent Shareholders by way of ordinary resolutions loans to Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company, all being connected persons of the Company, with funding balance not exceeding RMB1.8 billion, RMB1.5 billion, RMB0.5 billion and RMB0.7 billion, respectively for terms of 3 years and to submit the proposals to the AGM for approval. No guarantee or collaterals will be provided by these Connected Subsidiaries or their respective shareholders.

#### 1. Key terms of the Wufengshan Agreement

- |     |   |   |    |   |     |  |
|-----|---|---|----|---|-----|--|
| (1) | Date of agreement:  | 24 March 2023   |    |   |     |  |
| (2) | Borrower:   | Wufengshan Toll Bridge Company  |    |   |     |  |
|     | Lender:   | the Company   |    |   |     |  |
| (3) | Loan amount:  | up to RMB1.8 billion, revolving during the loan term;   |    |   |     |  |
| (4) | Loan term:  | three years from 15 December 2023   |    |   |     |  |
| (5) | Interest rate of loan:  | the prevailing interest rate of the financing products issued by the Company  |    |   |     |  |
| (6) | Expense:  | the expenses in relation to the issuance of financing products and the repayment of the principal and interest shall be borne and paid by Wufengshan Toll Bridge Company  |    |   |     |  |
| (7) | Payment of Interest and Repayment of Principal:   | interest for the period shall be paid on the interest date per period of the financing products; 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 |    |   |     |  |
| (8) | Conditions precedent:   | <table border="0"><tr><td>i.</td><td>relevant independent shareholders of the Company having approved and agreed to the Wufengshan Loans at the AGM; and</td></tr><tr><td>ii.</td><td>the Company having issued the financing products successfully.</td></tr></table>                    | i. | relevant independent shareholders of the Company having approved and agreed to the Wufengshan Loans at the AGM; and | ii. | the Company having issued the financing products successfully. |
| i.  | relevant independent shareholders of the Company having approved and agreed to the Wufengshan Loans at the AGM; and |   |    |   |     |  |
| ii. | the Company having issued the financing products successfully.  |   |    |   |     |  |

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## LETTER FROM THE BOARD

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### 2. Key terms of the Guangjing Xicheng Agreement

- |     |   |  |
|-----|---|--|
| (1) | Date of agreement:                              | 24 March 2023  |
| (2) | Borrower:                                       | Guangjing Xicheng Company  |
|     | Lender:   | the Company  |
| (3) | Loan amount:                                    | up to RMB1.5 billion, revolving during the loan term   |
| (4) | Loan term:                                      | three years from 1 July 2023   |
| (5) | Interest rate of loan:                          | the prevailing interest rate of the financing products issued by the Company   |
| (6) | Expense:  | the expenses in relation to the issuance of financing products and the repayment of the principal and interest shall be borne and paid by Guangjing Xicheng Company  |
| (7) | Payment of Interest and Repayment of Principal: | interest for the period shall be paid on the interest date per period of the financing 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 |
| (8) | Conditions precedent:                           | <ul style="list-style-type: none"><li>i. relevant independent shareholders of the Company having approved and agreed to the Guangjing Xicheng Loans at the AGM; and</li><li>ii. the Company having issued the financing products successfully.</li></ul>                             |

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## LETTER FROM THE BOARD

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### 3. Key terms of the Yichang Agreement

- |     |  |  |    |  |     |  |
|-----|--|--|----|--|-----|--|
| (1) | Date of agreement:   | 24 March 2023  |    |  |     |  |
| (2) | Borrower:  | Yichang Company  |    |  |     |  |
|     | Lender:  | the Company  |    |  |     |  |
| (3) | Loan amount:   | up to RMB0.5 billion, revolving during the loan term   |    |  |     |  |
| (4) | Loan term:   | three years from 1 October 2023  |    |  |     |  |
| (5) | Interest rate of loan:   | the prevailing interest rate of the financing products issued by the Company   |    |  |     |  |
| (6) | Expense:   | the expenses in relation to the issuance of financing products and the repayment of the principal and interest shall be borne and paid by Yichang Company  |    |  |     |  |
| (7) | Payment of Interest and Repayment of Principal:  | interest for the period shall be paid on the interest date per period of the financing products; 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 |    |  |     |  |
| (8) | Conditions precedent:  | <table border="0"><tr><td>i.</td><td>relevant independent shareholders of the Company having approved and agreed to the Yichang Loans at the AGM; and</td></tr><tr><td>ii.</td><td>the Company having issued the financing products successfully.</td></tr></table>        | i. | relevant independent shareholders of the Company having approved and agreed to the Yichang Loans at the AGM; and | ii. | the Company having issued the financing products successfully. |
| i.  | relevant independent shareholders of the Company having approved and agreed to the Yichang Loans at the AGM; and |  |    |  |     |  |
| ii. | the Company having issued the financing products successfully.   |  |    |  |     |  |

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## LETTER FROM THE BOARD

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### 4. Key terms of the Changyi Agreement

- |     |  |  |    |  |     |  |
|-----|--|--|----|--|-----|--|
| (1) | Date of agreement:   | 24 March 2023  |    |  |     |  |
| (2) | Borrower:  | Changyi Company  |    |  |     |  |
|     | Lender:  | the Company  |    |  |     |  |
| (3) | Loan amount:   | up to RMB0.7 billion, revolving during the loan term   |    |  |     |  |
| (4) | Loan term:   | three years from 1 October 2023  |    |  |     |  |
| (5) | Interest rate of loan:   | the prevailing interest rate of the financing products issued by the Company   |    |  |     |  |
| (6) | Expense:   | the expenses in relation to the issuance of financing products and the repayment of the principal and interest shall be borne and paid by Changyi Company  |    |  |     |  |
| (7) | Payment of Interest and Repayment of Principal:  | interest for the period shall be paid on the interest date per period of the financing products; on the maturity date of the loan, Changyi Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period |    |  |     |  |
| (8) | Conditions precedent:  | <table border="0"><tr><td>i.</td><td>relevant independent shareholders of the Company having approved and agreed to the Changyi Loans at the AGM; and</td></tr><tr><td>ii.</td><td>the Company having issued the financing products successfully.</td></tr></table>        | i. | relevant independent shareholders of the Company having approved and agreed to the Changyi Loans at the AGM; and | ii. | the Company having issued the financing products successfully. |
| i.  | relevant independent shareholders of the Company having approved and agreed to the Changyi Loans at the AGM; and |  |    |  |     |  |
| ii. | the Company having issued the financing products successfully.   |  |    |  |     |  |

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## LETTER FROM THE BOARD

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### **Listing Rules Implication**

As Jiangsu Communications Holding, the controlling shareholder of the Company, holds more than 10% of the voting rights of Wufengshan Toll Bridge Company, Wufengshan Toll Bridge Company is a connected subsidiary of the Company under Rule 14A.16(1) of the Hong Kong Listing Rules, and Wufengshan Loans, being financial assistance provided by the Company to Wufengshan Toll Bridge Company, constitutes continuing connected transactions. During the past 12 months, the Company provided one-off loans totalling RMB1 billion to Wufengshan Toll Bridge Company though these loans have been approved by independent shareholders, these loans did not trigger independent shareholders approval requirements under the Hong Kong Listing Rules. As such, these one-off loans shall be aggregated in determining the percentage ratios of Wufengshan Loans. As one of the highest applicable percentage ratio calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 5% but less than 25%, the transaction shall be subject to announcement, circular and Wufengshan Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules but does not constitute a discloseable transaction under Rule 14.04(1)(e)(ii) of the Hong Kong Listing Rules. Jiangsu Communications Holding and its associates are required to abstain from voting.

As China Merchants Expressway, the second largest shareholder of the Company, holds 11.69% equity interest in the Company and more than 10% of the voting rights of Guangjing Xicheng Company, Guangjing Xicheng Company is a connected subsidiary of the Company. As Yichang Company and Changyi Company are subsidiaries of Guangjing Xicheng Company (a connected subsidiary), Yichang Company and Changyi Company are also connected persons of the Company under Rules 14A.16(1) and 14A.16(2) of the Hong Kong Listing Rules. The Guangjing Xicheng Loans, the Yichang Loans and the Changyi Loans, being financial assistance provided by the Company to Guangjing Xicheng Company, Yichang Company and Changyi Company, constitute continuing connected transactions and shall be aggregated according to Rule 14A.81 of the Hong Kong Listing Rules. During the past 12 months, the Company provided one-off loans totalling RMB0.8 billion to Guangjing Xicheng Company. Though these loans have been approved by independent shareholders, these loans did not trigger independent shareholders approval requirements under the Hong Kong Listing Rules. As such, these one-off loans shall be aggregated in determining the percentage ratios of Wufengshan Loans. As one of the highest applicable percentage ratio calculated under Rule 14.07 of the Hong Kong Listing Rules in respect of the aggregate of the Guangjing Xicheng Loans, the Yichang Loans and the Changyi Loans and the one-off loans is more than 5% but less than 25%, these transactions shall be subject to announcement, circular and Guangjing Xicheng Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules but do not constitute discloseable transactions under Rule 14.04(1)(e)(ii) of the Hong Kong Listing Rules. China Merchants Expressway and its associates are required to abstain from voting.

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## LETTER FROM THE BOARD

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Pursuant to Rule 6.1.9 of the Shanghai Listing Rules, the unilateral provisions of financial assistance to jointly invested entities with Jiangsu Communications Holdings, the controlling shareholders of the Company, together with other financial assistances within 12 months which aggregate sum represented more than 10% of the latest audited net asset value of the Company shall be subject to disclosure, directors and shareholders approval in general meeting. Based on prudent principle, Guangjing Xicheng Company, Yichang Company and Changyi Company are regarded as related parties and the unilateral provisions of loans to them are regarded as related party transactions.

The related-party transactions do not constitute 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》).

### Basic Information of Related Parties/Connected Persons

#### *Jiangsu Communications Holding Company Limited* <sup>(Note 1)</sup>

Registered office:	No. 291 Zhongshan Eastern Road, Nanjing City/A2/F, Zijin Finance Zone, No. 399 Jiangdong Central Road, Nanjing City
Company type:	Limited liability company (wholly state-owned)
Legal representative:	Cai Renjie
Registered capital:	RMB16,800,000,000
Principal business:	Engaged in 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; collection of tolls from vehicles; and industry investment and domestic trading.
Total assets at the end of the latest accounting period (2022):	RMB779,408,849,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB299,683,764,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB93,171,065,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB11,620,621,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)



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## LETTER FROM THE BOARD

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***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 Xiutao
Registered capital:	RMB6,178,211,497,000
Principal business:	Investment, development, construction, and management of roads, bridges, docks, ports and waterway infrastructure; investment management; development, research and manufacturing of new technologies, new products and new materials for transportation infrastructure, and sales of products; sales of construction materials, electrical equipment, automobiles and accessories, hardware and electrical equipment and daily provisions; 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 (2022)	RMB114,930,280,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022)	RMB60,535,028,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022)	RMB8,297,090,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022)	RMB4,860,696,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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## LETTER FROM THE BOARD

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### *Jiangsu Expressway Company Limited*

Registered office:	No. 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Company type:	Joint-stock limited company
Legal representative:	Chen Yunjiang
Registered capital:	RMB5,037,747,000
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 (2022):	RMB78,458,345,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB37,950,332,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB13,255,603,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB3,747,989,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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## LETTER FROM THE BOARD

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### Basic Information of Borrower and Subject of the Transaction

#### *Jiangsu Wufengshan Toll Bridge Company Limited*

Registered office:	No. 401 Gangnan Road, New District, Zhenjiang City
Company type:	Limited company
Legal representative:	Wang Feng
Registered capital:	RMB4,826,350,000
Shareholders (Shareholding percentage):	Jiangsu Expressway Company Limited (64.5%) Jiangsu Communications Holding Company Limited (22.01%) <i>(Note 1)</i> Yangzhou Transportation Industry Group Co., Ltd. (13.49%) <i>(Note 2)</i>
Principal business:	Construction of road, tunnel, bridge, wire and pipeline engineering (excluding hazardous chemicals transportation), road management and maintenance, municipal facilities management
Total assets at the end of the latest accounting period (2022):	RMB12,390,295,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB4,535,385,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB395,562,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB-166,571,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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## LETTER FROM THE BOARD

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***Jiangsu Guangjing Xicheng Expressway Co., Ltd.***

Registered office:	No. 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Company type:	Limited liability company
Legal representative:	Lou Jun
Registered capital:	RMB2,500,000,000
Shareholders (Shareholding percentage):	Jiangsu Expressway Company Limited (85%) China Merchants Expressway Network & Technology Holdings Co., Ltd. (15%) <sup>(Note 3)</sup>
Principal business:	Construction, management, maintenance and toll collection of highways
Total assets at the end of the latest accounting period (2022):	RMB15,300,614,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB8,443,024,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB1,967,808,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB748,619,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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## LETTER FROM THE BOARD

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### *Jiangsu Yichang Expressway Company Limited*

Registered office:	Room 108, Building 1, No. 1800, Tongjiang Avenue, Dongbeitang Street, Xishan District, Wuxi City
Company type:	Limited liability company
Legal representative:	Lou Jun
Registered capital:	RMB1,591,481,000
Shareholders (Shareholding percentage):	Jiangsu Guangjing Xicheng Expressway Co., Ltd. (60%)  Yixing Transportation Industry Group Co., Ltd. (40%) <sup>(Note 4)</sup>
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 (2022):	RMB3,797,547,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB1,457,056,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB135,501,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB-63,248,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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## LETTER FROM THE BOARD

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### *Jiangsu Changyi Expressway Company Limited*

Registered office:	No. 52, Area 1, Furun Huayuan, Hudai Town, Binhu District, Wuxi City
Company type:	Limited liability company
Legal representative:	Lou Jun
Registered capital:	RMB1,519,846,000
Shareholders (Shareholding percentage):	Jiangsu Guangjing Xicheng Expressway Co., Ltd. (60%)  Yixing Transportation Industry Group Co., Ltd. (13.8%) <sup>(Note 4)</sup>  Changzhou Expressway Investment Development Co., Ltd. (26.2%) <sup>(Note 5)</sup>
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 (2022):	RMB3,671,813,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2022):	RMB1,352,746,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2022):	RMB99,110,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2022):	RMB-83,235,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

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## LETTER FROM THE BOARD

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- Note 1:* Ultimate beneficial owner: Jiangsu Communications Holding Company Limited is a company under the State-owned Assets Supervision and Administration Commission of the Jiangsu Provincial Government.
- Note 2:* Yangzhou Transportation Industry Group Co., Ltd. is under the State-owned Assets Supervision and Administration Commission of the Yangzhou Municipal People's Government.
- Note 3:* China Merchants Expressway Network & Technology Holdings Co., Ltd. is listed on the Shenzhen Stock Exchange (stock code: 001965).
- Note 4:* The ultimate beneficial owner is the State-owned Assets Supervision and Administration Office of Yixing Municipal People's Government.
- Note 5:* Ultimate beneficial owner: the State-owned Assets Supervision and Administration Commission of Changzhou Municipal People's Government.

The Company is mainly engaged in the construction, management, maintenance and toll collection of toll roads and expressways in Jiangsu province.

### **Annual Caps and Pricing Policies**

During the 3-year loan periods, the Loans to Connected Subsidiaries are revolving. Among them, the Company will provide loans of not more than RMB1.8 billion to Wufengshan Toll Bridge Company, for construction of the Wufengshan projects, replacement of project loans, replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations; provide loans of not more than RMB1.5 billion to Guangjing Xicheng Company, loans of not more than RMB0.5 billion to Yichang Company and loans of not more than RMB0.7 billion to Changyi Company, for the replacement of project loans of Yichang Company and Changyi Company and for the replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations of the above three companies.

As the one-off loans to Wufengshan Toll Bridge Company and Guangjing Xicheng Company would mature prior to the commencement of the relevant loan periods and there were no loans to Yichang Company and Changyi Company, the annual balance for each of the 3-year loan terms and the balance at any time during the 3-year period owed to the Company will not exceed RMB1.8 billion (inclusive of interest accrued and other relevant expenses), RMB1.5 billion (inclusive of interest accrued and other relevant expenses), RMB0.5 billion (inclusive of interest accrued and other relevant expenses) and RMB0.7 billion (inclusive of interest accrued and other relevant expenses) from Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company, respectively. As such, the annual caps in respect of loans to Wufengshan Toll Bridge Company for 2023, 2024, 2025 and 2026 will be RMB1.8 billion, the annual caps in respect of loans to Guangjing Xicheng Company for 2023, 2024, 2025 and 2026 will be RMB1.5 billion, the annual caps in respect of loans to Yichang Company for 2023, 2024, 2025 and 2026 will be RMB0.5 billion, and the annual caps in respect of loans to Changyi Company for 2023, 2024, 2025 and 2026 will be RMB0.7 billion.

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## LETTER FROM THE BOARD

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Since the Connected Subsidiaries are not listed companies and their respective credit rating are not as good as that of the Company, it is more difficult for them to issue ultra-short-term notes and corporate bonds and obtain more favourable interest rates than the ultra-short-term notes and corporate bonds issued by the Company. In general, all Connected Subsidiaries may obtain funding through commercial bank loans. However, the interest rates of such loans are higher than those of the Company's commercial bank loans, and the negotiation time is usually longer than the time required for issuing ultra-short-term notes or corporate bonds. Nevertheless, in order to ensure that the cost of funding is the most beneficial to the Group, when a Connected Subsidiary has funding needs, it will obtain the relevant terms of bank loans from third-party commercial banks and the Company will liaise with relevant sponsor(s) of the market on the terms of ultra-short-term notes and corporate bonds for relevant loan for the related connected subsidiary. Only when the interest rates of ultra-short-term notes or corporate bonds to be issued by the Company with more favourable interest rate terms than the Company and the relevant Connected Subsidiary will determine that the Company will directly use the proceeds from its issuance of ultra-short-term notes or corporate bonds to provide loans to the Connected Subsidiary.

Drawdowns of the loans will depend on the funding needs of these borrowing Connected Subsidiaries and the timing of the Company's issuance of financing products (which may include ultra-short term notes and corporate bonds). The lending period of each drawdown will be the same as the tenure of the ultra-short-term notes and corporate bonds and the repayment by borrowing Connected Subsidiaries will be used to repay the holders of the financing products. The last repayment date will fall within the above mentioned 3-year period. The rate of interest payable by borrowing Connected Subsidiaries to the Company will be equal to the prevailing interest rate of the financing products to be issued by the Company. Repayment of the principal and related interest expense are to be borne by the borrowing Connected Subsidiaries and shall be paid on the maturity date of the relevant financing products to be issued by the Company. Based on the interest rate of the ultra-short-term notes recently issued by the Company and taking into account of potential increase in lending rate, assuming at all time of the loan periods, the loans outstanding balance equals to the annual caps, it is expected that the annual interest expenses of Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company will not exceed RMB72 million, RMB60 million, RMB20 million and RMB28 million, respectively.

### **Purpose of the Transactions and the Effects on the Company**

The purpose of provisions of the loans by the Company is to improve the capital efficiency and effectively reduce the funding cost of the Connected Subsidiaries of the Company and the Group as a whole.



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## LETTER FROM THE BOARD

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In respect of the effects on the Company, the interest rates of loans are calculated on the basis of the prevailing interest rates of the Financing Products to be issued by the Company, and to provide loans to the subsidiaries of the Company by the funds raised from the Financing Products to be issued can lower the financing cost for these subsidiaries, which is in the interest of the Company and all its shareholders as a whole. Since (1) capital expenditure or use of funds reaching a certain amount, the annual budget and all use of borrowed funds by the Connected Subsidiaries have to be approved by their respective board of directors which are controlled by the Company, the directors of the Connected Subsidiaries nominated by the Company will only approve the relevant proposals after the Company having evaluated the viability of the project and the reasonableness of the use of funds, and (2) all Connected Subsidiaries must provide regular management accounts and quarterly financial statements (including cash flow statements) to the Company, the Company will be fully aware of the financial position, operating prospects and cash flow of the Connected Subsidiaries, (3) the Company provides loans to these connected subsidiaries on the premise that it has sufficient funds to meet its own operating needs, the risks of the Loans to Connected Subsidiaries are controllable. The loans will not cause any negative impact on the Company's current and future financial condition and operation results.

### **Approval Procedures**

Each of Wufengshan Loans, Guangjing Xicheng Loans, Yichang Loans and Changyi Loans had been considered and approved at the sixteenth meeting of the tenth session of the Board of the Company. All the directors are of the view that the terms of the transactions are fair and reasonable, and are in the interest of the Company and its shareholders as a whole. When considering the Sub-resolution on Provision of Loans by the Company to Wufengshan Toll Bridge Company, Mr. Wang Yingjian, being an employee of Jiangsu Communications Holding and a related/connected director, has abstained from voting. When considering the Sub-resolutions on the provision of loans by the Company to Guangjing Xicheng Company, Yichang Company and Changyi Company, Mr. Wu Xinhua and Ms. Li Xiaoyan, both being employees of China Merchant Expressway and related/connected directors, have abstained from voting.

The five independent directors of the Company agreed to submit the proposal for the above-mentioned related-party transactions to the sixteenth meeting of the tenth session of the Board for consideration and expressed independent opinions as follows: transaction terms of the abovementioned transactions are fair and reasonable and are on normal commercial terms, and the transactions will not prejudice the interests of the Company and its unrelated 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 the related-party transaction as follows:

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## LETTER FROM THE BOARD

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The Company provides loans to the controlled subsidiaries on the premise that such actions will not affect the normal business operation, 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 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 is fair, equitable and reasonable. The procedures for consideration of and voting on the related-party transactions are in compliance with relevant laws and regulations and the Articles of Association, without prejudice to the interests of the minority shareholders and the Company.

At the AGM, Jiangsu Communications Holding and its associates shall abstain from voting on the ordinary resolution on the approval of the Wufengshan Loans and China Merchants Expressway and its associates shall abstain from voting on the ordinary resolution on the approval of the Guangjing Xicheng Loans, Yichang Loans and Changyi Loans.

### **Analysis of the Ability of the Connected Persons to Perform the Agreement**

Based on the past records, Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company (being Connected Subsidiaries) have repaid financial assistance granted to them on time.

Given that Wufengshan Toll Bridge Company, Guangjing Xicheng Company are direct subsidiaries of the Company and Yichang Company and Changyi Company are direct subsidiaries of Guangjing Xicheng Company, which financial statements are consolidated with the Company's financial statements, the Company considers that there will be no risk of non-performance associated with the signing of the loan agreements. The entering of the loan agreements allows the Company, being a majority shareholder holding 64.5% of Wufengshan Toll Bridge Company and 85% of Guangjing Xicheng Company, to provide the necessary funding to them in accordance with the overall development of the Company and its direct subsidiaries and indirect Subsidiaries (Yichang Company and Changyi Company, being direct subsidiaries of Guangjing Xicheng Company).

### **Recommendation**

The Independent Board Committee (comprising all independent non-executive Directors, namely, Mr. Zhou Shudong, Mr. Liu Xiaoxing, Mr. Yu Mingyuan, Mr. Xu Guanghua and Mr. Ge Yang) has been appointed to consider the Loans to Connected Subsidiaries. Zhongtai International Capital Limited has been appointed as the Independent Financial Advisor to advise the Independent Board Committee and Independent Shareholders on the fairness and reasonableness of the terms of Loans to Connected Subsidiaries. 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 Advisor to the Independent Board Committee and Independent Shareholders on the terms of the Transaction in this circular; and (iii) other additional information set out in other parts of this circular.

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## LETTER FROM THE BOARD

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Having considered the reasons set out in this circular, the Directors, including the independent non-executive Directors (having considered the advice of the Independent Financial Advisor), are of the opinion that:

- (i) the provision of Wufengshan Loans is conducted in the ordinary and usual course of business of the Company on normal commercial terms which are fair and reasonable, and is in the interest of the Company and its shareholders as a whole. Accordingly, the Directors recommend the Wufengshan Independent Shareholders (being shareholders of the Company excluding Jiangsu Communications Holding and its associates) to vote in favour of the ordinary resolution to approve the Wufengshan Loans; and
- (ii) the provisions of Guangjing Xicheng Loans, Yichang Loans and Changyi Loans are conducted in the ordinary and usual course of business of the Company on normal commercial terms which are fair and reasonable, and is in the interest of the Company and its shareholders as a whole. Accordingly, the Directors recommend the Guangjing Xicheng Independent Shareholders (being shareholders of the Company excluding China Merchants Expressway and its associates) to vote in favour of the ordinary resolution to approve Guangjing Xicheng Loans, Yichang Loans and Changyi Loans.

### C. PROPOSED ISSUANCE OF ULTRA-SHORT TERM NOTES AND CORPORATE BONDS

On 24 March 2023, the Board announced that it has resolved to submit to the AGM to consider and approve by way of ordinary resolutions the registration and issuance of ultra-short-term notes and corporate bonds, both not exceeding RMB8 billion, in one issuance or in tranches during the validity period of the registration and authorize the Board and the executive director(s) authorized by the Board to handle follow-up related matters including but not limited to contract signing and approval of fund allocation.

#### 1. Proposed UST Notes Issuance

Details of the proposed UST Notes 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, 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 the Board and the executive director(s) authorized by the Board, with reference to the market conditions at the time of issue.

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## LETTER FROM THE BOARD

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- (4) **Term:** within 270 days of issuance.
- (5) **Use of proceeds:** replenishment of the Company's and/or its subsidiaries' working capital and repayment of the Company's and/or its subsidiaries' debts, etc., as may be allowed under the relevant national law, regulations and policies for corporate operating activities.
- (6) **Listing:** to be determined by the Board and the executive director(s) authorized by the Board, 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 the Board and the executive director(s) authorized by the Board, with reference to the market conditions at the time of issue and approved within his authority.
- (8) **Validity period of the resolutions:** the period commencing from the date on which the resolution is approved at the AGM to the date of expiration of the registration validity period.
- (9) **Authorisation arrangement:** the Board and the executive director(s) authorized by the Board, 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.

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## LETTER FROM THE BOARD

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### 2. Proposed Corporate Bonds Issuance

As the Company complies with all requirements on the conditions for public issuance of corporate bonds under the prevailing laws, regulations and normative documents and is qualified for the public issuance of corporate bonds in accordance with the provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for Issuance and Trading of Corporate Bonds and other relevant laws, regulations and normative documents, the Board proposes that the executive directors be authorised to deal with the subsequent related matters including the execution of contracts and approval of fund appropriation during the validity of registration, and resolution be submitted to the AGM for shareholders' consideration and approval.

#### *Approval the Company's public issuance of Corporate Bonds item by item*

In order to satisfy the operation and business development needs of the Company, further broaden financing channels and reduce financing costs, the Company proposes to issue Corporate Bonds publicly to professional investors. Details of the issue proposal are as follows:

- (1) **Issuance Scale:** The size of Corporate Bonds to be issued publicly shall not be more than RMB8 billion (inclusive). The Board be authorized at the AGM to determine the specific issue size within the abovementioned scope in accordance with the Company's capital needs and the market conditions at the time of issuance.
- (2) **Face Value and Issue Price of Corporate Bonds:** The par value of each Corporate Bond to be issued publicly is RMB100, and the Corporate Bonds are to be issued at par value.
- (3) **Issuance Method:** The Corporate Bonds shall be issued publicly to professional investors who meet the requirements of the Administrative Measures for Issuance and Trading of Corporate Bonds. The Corporate Bonds shall be issued, in one issuance or in tranches according to the actual capital needs within the validity period of registration. The Board be authorized at the AGM to determine the specific tranches in accordance with the Company's capital needs and the market conditions at the time of issuance.
- (4) **Maturity and Type of Corporate Bonds:** Term of maturity of the Corporate Bonds to be issued publicly shall not exceed ten years (inclusive), which may be issued in mixed categories with one maturity term or different maturity terms. The Board be authorized at the AGM to determine the specific term of maturity and issue size of the category of the Corporate Bonds to be issued publicly in accordance with the Company's capital needs and the market conditions at the time of issuance.

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## LETTER FROM THE BOARD

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- (5) **Coupon Rate of Corporate Bonds:** The coupon rate of the Corporate Bonds to be issued publicly shall not exceed the interest rate prescribed by the State Council and other government authorities<sup>(Note1)</sup>, and shall be determined by the Board as authorized at the AGM in accordance with the market conditions and the Company's needs.
- (6) **Repayment of Principal and Interest:** The interest of the corporate bonds shall be accrued at simple interest annually instead of compound interest. No other interest shall be accrued for overdue. Interest shall be paid once a year, and the principal will be repaid upon maturity together with the last instalment of interest. The Board be authorized at the AGM to determine the specific method of repayment of principal and interest in accordance with the Company's capital needs and the market conditions at the time of issuance.
- (7) **Placing Arrangement for Shareholders of the Company:** The public issuance of Corporate Bonds may be placed to shareholders of the Company. The Board be authorized at the AGM to determine whether to make the placement and the specific placement arrangements (including the placement proportion) in accordance with the market conditions and specific matters of issuance.
- (8) **Redemption or Repurchase Terms:** The Board be authorized at the AGM to determine whether the issuance of Corporate Bonds involves redemption terms or repurchase terms and the relevant terms in accordance with relevant provisions and the market conditions.
- (9) **Guarantee Terms:** The Corporate Bonds shall not be guaranteed.
- (10) **Use of Proceeds:** The proceeds from the public issuance of Corporate Bonds are proposed to be used to mergers and acquisitions, capital increase of subsidiaries, repayment of interest-bearing debts, replenishment of working capital, project construction and other purposes as permitted by laws and regulations. The Board be authorized at the AGM to determine the specific use of proceeds in accordance with the Company's capital needs and the financial structure at the time of issuance.
- (11) **Way of Underwriting:** The lead underwriter of the issuance of corporate bonds shall be responsible for the establishment of an underwriting syndicate to conduct underwriting by way of standby commitment underwriting.
- (12) **Trading and Exchange Markets:** Upon approval of the resolution on the public issuance of Corporate Bonds, the Company shall apply to the Shanghai Stock Exchange and the China Securities Regulatory Commission for the listing and trading of corporate bonds. The Board be authorized at the AGM to deal with the listing and trading matters in accordance with relevant requirements of the Shanghai Stock Exchange and the China Securities Regulatory Commission.

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## LETTER FROM THE BOARD

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- (13) **Protective Measures for Repayment:** The Company be authorised to take at least the following measures in the circumstances of any anticipated failure to pay any amount of the principal or interest of the Corporate Bonds as scheduled or any failure to pay any amount of the principal or interest of the Corporate Bonds as scheduled when they fall due during the term of the Corporate Bonds, and the Board will be authorized at the AGM to deal with all the matters in relation to the following measures:
- (i) not to distribute any profit to the shareholders;
  - (ii) to postpone the implementation of capital expenditure projects such as material external investment, merger or acquisition;
  - (iii) to reduce or discontinue the payment of salaries and bonuses of Directors and members of senior management;
  - (iv) not to approve any transfer or secondment of the key persons in charge.
- (14) **Validity Period of the Resolutions:** The resolutions in relation to the public issuance of Corporate Bonds shall be effective within the period commencing from the date of approval at the AGM of the Company and ending on the expiry date of the approval document.

**The authorization proposed to be granted to the Board and persons authorized by the Board at the AGM to proceed with the management of relevant matters in relation to the public issuance of Corporate Bonds at their full discretion:** In order to ensure that the public issuance of Corporate Bonds will be conducted in an orderly and efficient manner, the Board and persons authorized by the Board be authorized at the AGM to proceed with the management of all matters in relation to the public issuance of corporate bonds at their full discretion to the extent permitted by relevant laws and regulations, after taking into account the prevailing market conditions and on the basis of maximizing the interests of shareholders of the Company.

*Note 1:* According to Article 16(5) of the PRC Securities Law 《中華人民共和國證券法》 (2014 approved version), the interest rate of public issuance of corporate bonds should not exceed the interest rate level set by the State Council. According to the provisions of Article 44 of the Administrative Regulations on the Issue and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), the price or interest rate of public issuance of corporate bonds shall be determined by market-oriented methods such as quotation or public bidding. Corporate bonds issue pricing deviates from a reasonable market level and disrupts market order will attract special attention and may even attract punishment from the China Securities Regulatory Commission and the Shanghai Stock Exchange. Reference of such interest rate level is made to the “Provisions of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Private Lending Cases” (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》) as not to exceed four times the one-year lending prime rate as announced monthly by the National Interbank Funding Center authorized by the People’s Bank of China. Although Article 16(5) has been repealed, the Company, out of self-discipline, has considered to continue to adopt such requirement.



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## LETTER FROM THE BOARD

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As set out in the annual report of the Company for the year ended 31 December 2022, the total gearing ratio (being liabilities/total assets) was 51.63%. It is anticipated that the issuance in full of the UST Notes and the Corporate Bonds 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 and the Corporate Bonds Issuance will be beneficial to the broadening of the financing channels of the Company, reduction of finance costs of the Company and improvement of the debt structure of the Company and therefore recommends the UST Notes Issuance and the Corporate Bonds Issuance in due course with reference to the market conditions subject to relevant approval. After obtaining the approval of the AGM, the issuance of the UST Notes and the Corporate Bonds will be subject to the approval of the relevant regulatory authorities. The Company intends to submit the documents related to the issuance of debt financing products to the relevant regulatory authorities after the issuance of the UST Notes and the Corporate Bonds is approved at the AGM. Upon issue of the UST Notes and the Corporate Bonds as authorised at the AGM, the Company will comply with its disclosure obligations in respect of the UST Notes Issuance and the Corporate Bonds Issuance in accordance with relevant provisions of the Listing Rules.

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

### **D. PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR**

On 24 March 2023, the Board announced that it has resolved the nomination of Mr. Xu Haibei as a director of the Tenth Session of the Board of Director of the Company and to approve the entering into of an appointment letter with Mr. Xu and to submit to the appointment to the AGM for approval.

In accordance with the Company Law and the articles of association of the Company, the tenure of the new non-executive Director will commence on the date of the AGM and will expire on the date of the annual general meeting to be convened for the year 2024. The Company will enter into an appointment letter with the non-executive Director. As Mr. Xu is an officer of Jiangsu Communications Holding, Mr. Xu will not receive from the Company any Director's remuneration.



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## LETTER FROM THE BOARD

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### **Bibliography of Director Candidate**

XU Haibei, male, Han tribe, born in July 1964, member of the Communist Party of China, holder of university degree and master's degree, senior economist and engineer. From January 2009 to June 2015, he served as a member of the Party Committee and a deputy general manager of Jiangsu Fenguan Expressway Management Co., Ltd.; from December 2010 to June 2015, he served as a member of the Party Committee and a deputy director of Jiangsu Provincial Expressway Operation and Management Center; from June 2015 to March 2017, he served as Party Secretary and general manager of Jiangsu Ningjingyan Expressway Co., Ltd.; from March 2017 to March 2018, he served as Party Secretary and Chairman of Jiangsu Ningjingyan Expressway Co., Ltd.; from March 2018 to March 2022, he served consecutively as the head of the operation safety department, assistant to the general manager, safety director, head of the operation business department, and head of the emergency safety department of Jiangsu Communications Holding; since March 2022, he has served as the assistant to the general manager, safety director, head of the operation business department, and head of the emergency safety department of Jiangsu Communications Holding, Party Secretary and Chairman of Jiangsu Expressway Network Operation Management Co., Ltd., Director of Jiangsu Provincial Expressway Network Operation Management Center, and the Dean of Jiangsu Expressway Operation Management Research Institute. Mr. Xu has been engaged in enterprise management for a long time and has extensive experience in enterprise management.

### **Confirmation**

Save as disclosed above, the above Director candidate has confirmed that, he (i) is not related to any Directors, Supervisors, senior management, substantial or controlling shareholders of the members of the Group; (ii) does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iii) has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, or other major appointments and professional qualifications.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Company's shareholders; and there is no other information required to be disclosed pursuant to Rule 13.51(2)(h)–13.51(2)(w) of the Hong Kong Listing Rules.

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## LETTER FROM THE BOARD

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### **E. PROPOSED AMENDMENTS TO THE ARTICLES AND RULES OF MEETINGS**

On 17 February 2023, the State Council of the PRC issued the “Decision of the State Council to Repeal Certain Administrative Regulations and Documents” and the China Securities Regulatory Commission issued the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” which shall take effect from 31 March 2023. On the same date as these new PRC regulations take effect, the Special Regulations and the Mandatory Provisions were repealed. PRC issuers shall formulate their articles of association in line with the PRC Guidelines on Articles of Association in place of the Mandatory Provisions. The Hong Kong Stock Exchange has issued a consultation on amendments of the Hong Kong Listing Rules. In particular, the Hong Kong Stock Exchange proposes to (a) modify the other Listing Rules that address issues arising from A Shares and H Shares being treated as different classes and remove the class meeting and related requirements for the issue of new shares by PRC issuers; (b) repeal Appendix 13D to the Hong Kong Listing Rules, which requires PRC issuers’ articles of association to include the Mandatory Provisions and other ancillary requirements; (c) amend the Hong Kong Listing Rules in Chapters 9 and 19A to reflect the CSRC record filing regime; and (d) remove the arbitration clause for disputes involving H shareholders as required under the Mandatory Provisions. As such, PRC issuers are also required to amend the articles of association pursuant to the proposed amendments of Hong Kong Listing Rules as set out in the consultation paper of the Hong Kong Stock Exchange, which effective date will be announced by the Hong Kong Stock Exchange in due course.

Further, the Company is required under the Hong Kong Listing Rules to amend its articles of association to ensure Core Shareholder Protection Standards as required under Appendix 3 of the Hong Kong Listing Rules.

The key amendments of the Articles of Association in response to the repeal of the Mandatory Provision are as follows:

1. Article 1.8 – to clarify the definition of “other senior management” does not include the manager.
2. Article 1.12 – to clarify that in addition to the Company, a shareholder may also take action against directors, supervisors, managers and other senior management.
3. Article 3.5 – to reflect the current PRC filing and registration requirement for issue of shares.
4. Article 3.15 (as renumbered as 3.13) – to stipulate that any increase of share capital and the method of issue shall be approved by shareholders at general meeting.
5. Article 4.1 – to stipulate that members of party committee to become board members or senior management should comply with the relevant legal procedures.

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6. Chapter 5 – to remove duplicated provisions on reduction of capital (see reduction of capital provisions in Chapter 22) and to stipulate time limits for cancellation of shares under various scenario of repurchase of shares.
7. Chapter 6 – to further clarify the prohibited circumstances and types of financial assistance to acquirer of the Company’s shares.
8. Article 7.8 – to shorten the book close period from 30 days prior to a general meeting to 20 days.
9. Article 8.3 – to clarify the type of documents which may be inspected by shareholders (note: due to the relevant law on protection of individual privacy data, personal particulars of directors, supervisors, managers and other senior management are no longer available for inspection).
10. Article 8.5 – to clarify that holders of ordinary shares shall, in addition to abide by the Articles of Associations, comply with laws and administrative regulations.
11. Article 9.2 – the definition of “controlling shareholder” is replaced, a shareholder holding less than 50% voting shares may still be regarded as a controlling shareholder on having sufficient voting rights to pose a significant influence on the resolutions of general meetings of shareholders.
12. Article 10.2 – to remove duplicated functions of general meetings of shareholders (items 2 and 3 on election of non-employee directors and supervisors and determination of their remuneration) which are covered under item 15 of this article and to include approval of employee share ownership plans as a function or power of general meeting.
13. Article 10.3 – to include guarantee amount provided by the Company within one year exceeds 30% of the Company’s latest audited total assets be subject to shareholders approval at general meeting.
14. Article 10.6 – to align the duration of notice of annual general meeting to 21 days with the Hong Kong general requirement (the Guidelines only requires 20 days).
15. Article 10.9 – to update the information to be included in a notice of general meeting and to shorten the time gap between the record date for meeting and the meeting date to no more than 7 working days.
16. Article 10.10 – to include the service of notice of general meeting by means as permitted by stock exchanges where the shares of the Company are listed.
17. Article 10.14 – to remove show of hand voting by proxy (see item 20 below on voting by registered poll).

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18. Article 10.15 – to deem legal representative or proxy of legal person shareholder attending the meeting as such shareholder attending in person.
19. Article 10.25 – to clarify the percentage threshold (1%) of voting shares a shareholder needs to hold in order to publicly solicit voting rights of other shareholders (Existing articles provide meeting relevant conditions, including statutory conditions).
20. Articles 10.26 to 10.29 – to clarify that all voting at general meetings have to be taken by registered poll and remove existing articles relating to different type of demanding poll.
21. Article 10.32 (renumbered as 10.29) – to provide that all proposals be voted by separate resolutions.
22. Article 10.33 (renumbered as 10.30) – to provide that no shares (i) held by the Company or (ii) held by purchaser in violation of PRC securities law be counted among total number of voted shares.
23. Article 10.35 – to remove matters which should be approved by shareholders at general meeting by online voting platform (all resolutions may be voted on via online voting platform by holders of A shares); the related matters are included in Articles 3.3, 10.2(15) and 10.32(6).
24. Articles 11.2, 11.3, 11.8 and 11.9 – in view of the repeal of the Mandatory Provisions, A Shares and H Shares, which are ordinary shares of the Company, are no longer treated as separate classes of shares, the deeming provision of A Shares and H Shares as separate classes of shares is deleted and the original provision on matters which are not applicable to class meeting approval is removed.\*
25. Article 12.5 – (i) to include the power of the Board to (1) appoint Secretary to the Board, manager, and other senior management and fix their respective remuneration, (2) to formulate proposals for increase or reduction of capital and issue of debentures or other securities for listing and for purchase of shares or alteration of corporate form of the Company, and (3) to approve external donation and (ii) to reduce two-thirds board approval requirement to simple majority on fund raising and exercise of borrowing power, disposal of assets of Company and authorisation of or delegation of power to the manager.
26. Article 12.10 – instead of the Chairman designating a director to exercise his power, such director shall be decided by more than half of the board members.
27. Article 12.11 – (i) to remove the requisition by half of the independent directors or the manager for an extraordinary directors meeting, and (ii) to provide the convening of such extraordinary board meeting within 10 days of receipt of the proposal by the Chairman.
28. Article 12.13 – to remove casting vote of the Chairman at board meetings.

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29. Article 15.2 – to prohibit the payment of remuneration to senior management by controlling shareholders.
30. Article 16.2 – (i) to clarify that a supervisor should remain in office until a replacement is elected and (ii) to lower the voting threshold from two-thirds to half of the members of the supervisory committee to appoint and remove its chairman.
31. Article 16.7 – to lower the voting threshold for passing resolution of supervisory committee from two-thirds to half of the members of the supervisory committee.
32. Articles 17.8 to 17.18 – to remove detailed procedure of handling director or supervisor's interest in transactions or arrangement of the Company, in practice, interested director or supervisor will abstain from voting.
33. Article 19.6 – (i) to remove duplicated special resolution requirement for capitalization of reserve and (ii) to restrict capital reserve from off-setting losses of the Company.
34. Article 19.7 – to require the Board to provide reasons for not making profit distribution when there is profit for a reporting period and there is accumulated undistributed profit.
35. Article 19.8 – to impose a time limit of 2 months to complete distribution of dividend after approval at general meetings.
36. Article 20.3 – to impose a requirement on the Company to provide true and complete documents to auditors.
37. Article 20.4 – to remove the right of the Board to appoint auditors.
38. Article 20.6 – to remove the right of the Board to fix remuneration of auditors.
39. Article 20.7 – to clarify that the Board only has the right to nominate auditors.
40. Article 22.2 – to define the various forms of merger and to minimize the number of newspaper announcement to one and to provide creditor's proof-of-debt to be submitted within 45 days of the announcement date (if no notice is received).
41. Article 22.3 – to minimize the number of newspaper announcement of division of the Company to one and to remove the provision on bearing of losses by agreement.
42. Article 22.6 – to minimize the number of newspaper announcement of reduction of capital of the Company to one.

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43. Article 23.1 – (i) to remove inability to pay debt which is due as one of the circumstances for declaration of the liquidation of the Company and (ii) to include revocation of business licence and deregistration of the Company as circumstances for liquidation of the Company.
44. Article 23.2 – to remove the duplicate shareholders meeting approval procedure (which is provided in Article 23.1) and to consolidate all related procedural for liquidation.
45. Article 23.3 – to remove the procedure to be followed by the Board to rebut the inability of the Company to pay its debt and to provide for special resolution of shareholders at general meeting to amend articles of association of the Company to allow the Company to continue to exist after expiration of term or to remove circumstances provided under the Articles of Association for the liquidation of the Company.
46. Article 23.4 – (i) to align the number of announcement and limitation period for proof of debt by the creditors as set out in Article 22.2, and (ii) to prohibit settlement of any claim during the proof of debt period.
47. Article 23.5 – to allow the liquidation committee to settle taxes incurred during the liquidation process.
48. Article 23.6 – to clarify the people’s court as the competent authorities to approve the liquidation report of the liquidation committee.
49. Article 23.8 – to clarify the status of the Company during the liquidation process and to prohibit the distribution of assets of the Company to shareholders prior to repayment of the Company’s debt in full.
50. Article 23.11 – to tie with Article 23.6 submission of liquidation report arrangement and to provide for deregistration and announcement procedure.
51. Articles 24.2-24.4 – to stipulate (1) where any amendment to the Articles of Association resolved by the shareholders’ general meeting is subject to review by competent authorities, the amendment shall be submitted to the competent authorities for approval before coming effective; if the amendment of articles relates to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws; (ii) the board of directors shall amend the Articles of Association in accordance with the resolution approved at the shareholders’ general meeting and the opinions from the competent authorities; and (3) if the amendments relate to matters legally required to be announced, should be announced as required.
52. Article 25.1 – to provide for the method of announcement by the Company.

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53. Chapter 26 – to remove the whole chapter on settlement of disputes between the Company and its shareholders, directors, supervisors, manager or other senior management by arbitration (this chapter was previously required by the Mandatory Provision, the revised Article 1.12 provides that a shareholder may take action against the Company and its directors, supervisors, manager or other senior management, without limitation of the forum).\*

\* *Shareholders should note that these provisions will be repealed with effective from the date as announced by Hong Kong Stock Exchange on the effective date of amendments of Hong Kong Listing Rules.*

A summary of the Amendments to the Articles is set out in Part A of Appendix I.

The relevant provisions of the Rules of Meetings Procedures will also be amended to reflect the new provisions of articles of association of the Company. Summaries of the Amendments to Board Meetings Rules, the Amendments to Supervisory Committee Meetings Rules and the Amendments to Shareholders Meeting Rules are set out in Part B, Part C and Part D, respectively.

Shareholders may notice from the summary of Amendments to the Articles as set out in Part A of Appendix 1 that these amendments to the Articles of Association will not have a material adverse effect on the rights and interests of H Shareholders:

1. Although the Amendments to the Articles proposes to delete the entire Chapter 26 concerning settlement of disputes by way of arbitration, the amended Article 1.12 stipulates the rights of Shareholders to take action against the Company, and its directors, supervisors, managers and other senior management, and there is no restriction on the venue of the proceedings. It is noted from the consultation paper of the Hong Kong Stock Exchange that the Hong Kong Stock Exchange considers the arbitration requirements unnecessary and the removal of such requirements will align with the Hong Kong Listing Rules applicable to overseas issuers which do not provide similar arbitration requirements. After the removal of the arbitration clauses, shareholders of a PRC issuer may enforce their rights under the articles of association in the same approach as shareholders of other overseas issuers. In particular, they may, as with shareholders of an overseas issuer, seek to enforce their rights through commencing legal proceedings in a court of the issuer's place of incorporation or a Hong Kong court.
2. With the repeal of Mandatory Provisions, A Shares and H Shares are no longer treated as different classes of Shares. As such, the deeming provision of A Shares and H Shares as separate class of shares is deleted and the original provision on matters which are not applicable to class meeting approval is removed. Nevertheless, general provisions of class meetings are retained and the exhaustive deeming provision on changes of class rights has now been proposed as non-exhaustive. In the event any securities regulatory bodies requires A Shares and H Shares be treated as separate classes of shares, the relevant class meeting procedures will be followed.

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## LETTER FROM THE BOARD

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One example of such requirements has been announced by the Securities and Futures Commission that in the event of the withdrawal of listing of H Shares by way of scheme of arrangement as provided under the Hong Kong Code on Takeovers and Mergers, relevant approval at the class meeting of holders of H Shares is required in accordance with the requirements of the Hong Kong Code on Takeovers and Mergers. According to the consultation paper, the removal of the class meeting requirement would not compromise protection of holders of H shares, and such removal is also consistent with the current arrangement for non-PRC issuers with a dual listing on the PRC exchange and the Hong Kong Stock Exchange which the PRC regulations and the Hong Kong Listing Rules do not require shares listed on the different exchanges to be treated as different classes of shares.

The Company is of the view that the proposed removal of the class meeting requirement from the Articles of Association following the repeal of the Mandatory Provisions will not compromise protection of the H Shareholders as A Shares and H Shares are one class of ordinary shares under PRC law, and the substantive rights attached to A Shares and H Shares (including voting rights, dividends and asset distribution upon liquidation) are the same.

3. While the right of independent directors and managers to convene an extraordinary board meeting has been revoked according to the Guidelines, the right of Shareholders to request for convening extraordinary board meetings has not been revoked and extraordinary board meetings should be held within 10 days upon receipt of such request by the Chairman. Given the advances in communication technology and taking into account H shares are held through brokerage participant accounts in CCASS, the gap between the record date of the general meeting and the date of the general meeting will be significantly reduced from 30 days to 7 business days, and the share transfer book close period for the determination of right to attend general meetings will be reduced from 30 days (in accordance with the Mandatory Provisions) to 20 days (in accordance with the Company Law of the People's Republic of China).



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## LETTER FROM THE BOARD

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4. In addition to Amendments to the Articles, Shareholders may notice from the summary of amendments as set out in Part D of Appendix I that the Company's Procedural Rules for the Shareholders' General Meeting of have introduced the followings in accordance with the Guidelines: (i) Shareholders holding 10% or more of the voting rights seeking to convene an extraordinary general meeting must be holding such shares for at least 90 days, (ii) the time required for the board of directors to reply upon receiving Shareholder's request is shortened from 15 days to 10 days and if the board of directors agree to convene an extraordinary general meeting and the time required for a notice of general meeting to be issued is shortened from 30 days after the receipt of the request by the board of directors to 5 days after such reply, and (iii) if the board of directors object to convene an extraordinary general meeting, Shareholders shall have the right to request the Supervisory Committee to convene an extraordinary general meeting and if the Supervisory Committee refuses to convene an extraordinary general meeting or fails to issue a notice of general meeting within 5 days upon receipt of such request, the requesting Shareholders shall then have the right to convene an extraordinary general meeting. However, it is worth to note that the process may be slightly lengthened by the manner in which the relevant Shareholder submitted such request to the Supervisory Committee in the circumstance when the board of directors objects to such request, nevertheless, (1) Supervisory Committee regards such matter as an urgent matter and shall convene a meeting to consider the matter within 2 working days upon receipt of such request from such Shareholder who include "urgent" on the request fax message or on the envelope of the request letter, (2) the requesting Shareholder needs not make a decision on whether to convene a meeting within 15 days after the board of directors object to such request nor convene such extraordinary general meeting within 4 months after the board of directors received such request, (3) although the office of the secretary to the Board will provide the necessary assistance in convening the extraordinary general meeting, the requesting Shareholder can avoid the cumbersome procedures of convening an extraordinary general meeting themselves by requesting the Supervisory Committee to convene an extraordinary general meeting and (4) compared with the original Articles 5.1 to 5.3, the requesting Shareholder can generally expedite the convening of an extraordinary general meeting.

Shareholders are recommended to vote in favour the special resolutions on the Amendments to Articles and Amendments to Rules of Meetings at the AGM to bring it up-to-date with the latest requirements of the China Securities Regulatory Commission and HKEx. A Shareholders are recommended to vote in favour of the special resolutions on the Amendments to Articles and Amendments to Rules of Meetings at the 2023 First A Shareholders Meeting. H Shareholders are recommended to vote in favour of the special resolutions on the Amendments to Articles and Amendments to Rules of Meetings at the 2023 First H Shareholders Meeting.

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## LETTER FROM THE BOARD

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### **F. BOOK CLOSURE FOR H SHARES**

#### **1. The AGM and the 2023 First H Shareholders Meeting**

According to the articles of association of the Company, registration of transfers of H shares will be suspended by the Company from 20 May 2023 to 20 June 2023 (both days inclusive). Holders of H shares of the Company who wish to be eligible to attend and vote at the AGM and the 2023 First H Shareholders Meeting 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, 19 May 2023.

#### **2. Final Dividend for the Year Ended 31 December 2022**

The final dividend distribution proposal of the Company for 2022: 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 2022 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 28 June 2023 to 3 July 2023 (both days inclusive) and the record date of H shares of the Company for final dividend for the year ended 31 December 2022 shall be 3 July 2023. Holders of H shares of the Company who wish to be entitled to receive final dividend for the year ended 31 December 2022 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, 27 June 2023. The date of payment of final dividend for the year ended 31 December 2022 is expected to be 26 July 2023.

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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 HKEx 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.

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 2022. 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.

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## LETTER FROM THE BOARD

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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 advisors regarding the PRC, Hong Kong and other tax implications arising from their holding and disposal of H shares of the Company.

### **G. THE AGM, THE 2023 FIRST A SHAREHOLDERS MEETING AND THE 2023 FIRST H SHAREHOLDERS MEETING**

#### **The AGM**

The AGM will be held at 6 Xianlin Avenue, Nanjing, the PRC on Tuesday, 20 June 2023 at 3:00 p.m.. A notice of the said meeting is set out on pages N-1 to N-8 of this circular. Separate ordinary resolutions will be proposed for approving each of the UST Notes Issuance, the Issuance of Corporate Bonds, the Wufengshan Loans, Guangjing Xicheng Loans, Yichang Loans and Changyi Loans, the appointment of Mr. Xu Haibei as a non-executive Director, special resolutions will be proposed for the Amendments to Articles, the Amendments of Board Meetings Rules, the Amendments to Supervisory Committee Meetings Rules, and the Amendments to Shareholders Meetings Rules, and ordinary resolutions will be proposed for the other businesses to be considered at the AGM in general. Except for the ordinary resolution on the appointment of non-executive Director which will be by way of cumulative poll, the other resolutions will be by way of non-cumulative poll.

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## LETTER FROM THE BOARD

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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 respective 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 Thursday, 15 June 2023, 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, 19 June 2023 (Hong Kong/Beijing time)). Completion and return of the **WHITE** form of proxy will not preclude H shareholders from attending and voting at the AGM. Nevertheless, under such 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, Securities Times, Shanghai Securities News and the websites of the Company ([www.jsexpressway.com](http://www.jsexpressway.com)), the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Shanghai Stock Exchange ([www.sse.com.cn](http://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 office of the Secretary to the Board of the Company.

### **The 2023 First A Shareholders Meeting**

The 2023 First A Shareholders Class Meeting will be held at 6 Xianlin Avenue, Nanjing, the PRC on Tuesday, 20 June 2023 3:20 p.m. (or as soon as after conclusion of the 2022 Annual General Meeting). A notice of the said meeting is set out on pages AN-1 to AN-6 of this circular to approve the Amendments to Articles and the Amendments to Rules of Meetings by the A Shareholders. The special resolutions will be voted by way of poll.

The form of proxy for domestic shareholders will be published in China Securities Journal, Securities Times, Shanghai Securities News and the websites of the Company ([www.jsexpressway.com](http://www.jsexpressway.com)), the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Shanghai Stock Exchange ([www.sse.com.cn](http://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 office of the Secretary to the Board of the Company.

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## LETTER FROM THE BOARD

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### **The 2023 First H Shareholders Meeting**

The 2023 First H Shareholders Class Meeting will be held at 6 Xianlin Avenue, Nanjing, the PRC on Tuesday, 20 June 2023 at 3:30 p.m. (or as soon as after the conclusion of the 2023 First A Shareholders Meeting). A notice of the said meeting is set out on pages HN-1 to HN-3 of this circular to approve the Amendments to Articles and the Amendments to Rules of Meetings by the H Shareholders. The special resolutions will be voted by way of poll.

For H shareholders, whether or not you are able to attend the said meeting, you are requested to (i) complete the accompanying **PINK** confirmation slip in accordance with the instructions printed thereon and return the same to the Company no later than Thursday, 15 June 2023, and to (ii) complete the accompanying form of **PINK** proxy and return the same in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the meeting (being no later than 3:30 p.m. on Monday, 19 June 2023 (Hong Kong/Beijing time)). Completion and return of the form of proxy will not preclude H shareholders from attending and voting at the said meeting. Nevertheless, under such circumstances, the H shareholders will be deemed to have withdrawn the appointment of the proxy.

By order of the Board  
**Jiangsu Expressway Company Limited**  
**Chen Yunjiang**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of a letter from the Independent Board Committee setting out its recommendation to the respective Independent Shareholders in relation to the Wufengshan Loans, Guangjing Xicheng Loans, Yichang Loans and Changyi Loans.*



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)**

19 May 2023

*To Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF WUFENGSHAN LOANS,  
GUANGJING XICHENG LOANS, YICHANG LOANS AND CHANGYI LOANS**

We refer to the circular dated 19 May 2023 (the “**Circular**”) to the shareholders of the Company of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed to form the Independent Board Committee to advise the relevant Independent Shareholders in respect of the Wufengshan Agreement, the Guangjing Xicheng Agreement, the Yichang Agreement and the Changyi Agreement and the continuing connected transactions contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the Circular. Zhongtai International Capital Limited has been appointed to advise the Independent Shareholders and us in this regard.

Details of the advice and the principal factors and reasons Zhongtai International Capital Limited has taken into consideration in giving such advice, are set out in the “Letter from the Independent Financial Advisor” in the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendices thereto.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having taken into account the terms of the Wufengshan Agreement, the Guangjing Xicheng Agreement, the Yichang Agreement and the Changyi Agreement and the continuing connected transactions contemplated thereunder and the advice of Zhongtai International Capital Limited, we are of the opinion that the Loans are in not the ordinary and usual course of business of the Company, the provision of loans to subsidiaries to meet their respective fund requirements is conducive to the Company's long-term development and is in line with the Company's overall interests, the terms of the Wufengshan Agreement, the Guangjing Xicheng Agreement, the Yichang Agreement and the Changyi Agreement are fair and reasonable so far as the Shareholders (including the relevant Independent Shareholders) are concerned, and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

We, therefore, recommend

- (i) the Wufengshan Independent Shareholders (being shareholders of the Company other than Jiangsu Communications Holding and its associates) to vote in favour of the resolution to be proposed at the AGM to approve the Wufengshan Agreement and the Wufengshan Loans, being a continuing connected transaction, contemplated thereunder.
- (ii) the Guangjing Xicheng Independent Shareholders (being shareholders of the Company other than China Merchants Expressway and its associates) to vote in favour of the resolution to be proposed at the AGM to approve, the Guangjing Xicheng Agreement, the Yichang Agreement and the Changyi Agreement and the Guangjing Xicheng Loans, the Yichang Loans and the Changyi Loans, being continuing connected transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

**Independent Board Committee**

**Zhou Shudong**

**Liu Xiaoxing**

**Yu Mingyuan**

**Xu Guanghua**

**Ge Yang**

*Independent Non-executive Directors*



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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*Set out below is the text of a letter received from Zhongtai International Capital Limited, the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders in respect of the discloseable and continuing connected transactions and proposed annual cap in relation thereto, which have been prepared for the purpose of inclusion in this Circular.*



19th Floor  
Li Po Chun Chambers  
189 Des Voeux Road Central  
Hong Kong

19 May 2023

*To the Independent Board Committee and the Independent Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS – PROPOSED LOANS TO CONNECTED SUBSIDIARIES**

#### **INTRODUCTION**

We refer to our engagement as the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders in respect of the loans to (i) Wufengshan Toll Bridge Company; (ii) Guangjing Xicheng Company; (iii) Yichang Company; and (iv) Changyi Company, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company (the “**Circular**”) to the shareholders of the Company (“**Shareholders**”) dated 19 May 2023, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires. On 27 March 2023, the Board announced that it has resolved to approve the Company’s proposal to enter into loan agreement with each of Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company, all being subsidiaries of the Company, pursuant to which the Company will provide loan totalling not more than RMB4.5 billion from the proceeds raised from direct financing for terms of three years, and that the loans are revolving in nature within the period, at an interest rate equal to the prevailing interest rate of the Financing Products to be issued by the Company (the “**Loans**”).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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Jiangsu Communications Holding, the controlling shareholder of the Company, holds more than 10% of the voting rights of Wufengshan Toll Bridge Company, therefore Wufengshan Toll Bridge Company is a connected subsidiary of the Company under Rule 14A.16(1) of the Hong Kong Listing Rules, and the Wufengshan Loans, being financial assistance provided by the Company to Wufengshan Toll Bridge Company, constitutes continuing connected transactions. During the past 12 months, the Company provided one-off loans totalling RMB1.0 billion to Wufengshan Toll Bridge Company, though these loans have been approved by the Independent Shareholders, the loans did not trigger Independent Shareholders' approval requirements under the Hong Kong Listing Rules. As such, these one-off loans shall be aggregated in determining the percentage ratios of Wufengshan Loan. As one of the highest applicable percentage ratio calculated under Rule 14.07 of the Hong Kong Listing Rules is more than 5% but less than 25%, the transaction also constitutes a discloseable transaction of the Company and shall be subject to announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules. Jiangsu Communications Holding and its associates are required to abstain from voting.

China Merchants Expressway, the second largest shareholder of the Company, holds 11.69% equity interest in the Company and more than 10% of the voting rights of Guangjing Xicheng Company, therefore Guangjing Xicheng Company is a connected subsidiary of the Company. As Yichang Company and Changyi Company are subsidiaries of Guangjing Xicheng Company (a connected subsidiary), Yichang Company and Changyi Company are also connected persons of the Company under Rules 14A.16(1) and 14A.16(2) of the Hong Kong Listing Rules. The Guangjing Xicheng Loans, the Yichang Loans and the Changyi Loans, being financial assistance provided by the Company to Guangjing Xicheng Company, Yichang Company and Changyi Company, constitute continuing connected transactions and shall be aggregated according to Rule 14A.81 of the Hong Kong Listing Rules. During the past 12 months, the Company provided one-off loans totalling RMB0.8 billion to Guangjing Xicheng Company, though these loans have been approved by independent shareholders, the loans did not trigger Independent Shareholders' approval requirements under the Hong Kong Listing Rules. As such, these one-off loans shall be aggregated in determining the percentage ratios of Guangjing Xicheng Loan. As one of the highest applicable percentage ratio calculated under Rule 14.07 of the Hong Kong Listing Rules in respect of the aggregate of the Guangjing Xicheng Loans, the Yichang Loans and the Changyi Loans and the one-off loans is more than 5% but less than 25%, these transactions also constitute a discloseable transaction of the Company and shall be subject to announcement, circular and Guangjing Xicheng Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules. China Merchants Expressway and its associates are required to abstain from voting.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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The Independent Board Committee comprising all of the independent non-executive Directors has been established to advise and provide recommendation to the Independent Shareholders on the terms and the proposed annual caps of the Loans to Connected Subsidiaries. We, Zhongtai International Capital Limited, have been appointed as the Independent Financial Advisor with the approval of the Independent Board Committee in accordance with the Hong Kong Listing Rules to advise the Independent Board Committee and the Independent Shareholders in this respect.

### INDEPENDENCE

As at the Latest Practicable Date, we were not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and we did 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. Apart from the normal professional fees payable to us in connection with the present appointment as the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. During the past two years immediately preceding the Latest Practicable Date, we were not engaged by the Group as an independent financial advisor. As at the Latest Practicable Date, we were not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Hong Kong Listing Rules to act as the Independence Financial Advisor to the Independent Board Committee and the Independent Shareholders in respect of the discloseable and continuing connected transactions and the proposed annual caps in relation thereto. Accordingly, we consider that we are eligible to give independent advice and recommendations on the terms and the proposed annual caps of the Loans to Connect Subsidiaries.

### BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

The Directors have declared in a responsibility statement set out in the appendix to the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors and the senior management of the Company as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the AGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and the senior management of the Company and believe that no material facts have been omitted from the Circular in relation to the Loans.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company or any of their respective subsidiaries or associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice in respect of the Loans to Connected Subsidiaries, we have considered the following principal factors and reasons:

**A. Background and financial information of the Group, Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company**

***The Group***

The Group is a joint-stock limited company established in the PRC and was owned as to 54.44% and 11.69% by the Jiangsu Communications Holding and China Merchants Expressway, respectively as at the Latest Practicable Date. The Group is principally engaged in the investment, construction, operation and management of toll roads and bridges in Jiangsu Province of the PRC and the development of service areas along expressways. According to National Bureau of Statistics of the PRC, the gross domestic product of Jiangsu Province ranked second among 34 provincial-level units in the PRC in 2022, and Jiangsu Province has always been playing an important and supportive role in the overall development of the PRC. The Group is the only listed expressway company in Jiangsu Province, focusing on the continuous integration of high-quality road and bridge projects in the road network of southern Jiangsu Province. The roads operated by the Group occupied a dominant position in the expressway network of southern Jiangsu Province.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Set out below is a summary of the balance sheet of the Group prepared in accordance with the Accounting Standards for Business Enterprises of the PRC as at 31 December 2021 and 2022, as extracted from its annual report for the year ended 31 December 2022:

### *Balance Sheet*

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>
<b>Current assets</b>	9,385,805	9,103,941
– Cash and cash equivalent	932,931	623,637
– Financial assets held for trading	3,474,620	2,646,519
– Inventories	2,585,018	3,889,500
<b>Non-current assets</b>	69,072,540	65,142,891
– Intangible assets	39,160,902	37,144,248
– Fixed assets	8,045,979	7,645,934
<b>Current liabilities</b>	(13,644,761)	(14,042,000)
– Accounts payables	(2,813,442)	(3,217,553)
– Short-term loans	(2,434,124)	(1,077,145)
– Current portion of long-term loans	(1,815,209)	(808,116)
– Other current liabilities	(5,539,728)	(7,671,966)
<b>Non-current liabilities</b>	(26,863,253)	(22,567,248)
– Long-term loans	(16,053,597)	(16,167,776)
<b>Net assets</b>	37,950,332	37,637,584

The Group's current assets mainly comprise cash and cash equivalent, financial assets held for trading and inventories, its current assets accounted for approximately 12.26% and 11.96% of its total assets as at 31 December 2021 and 2022, respectively. Its non-current assets mainly represent intangible assets (i.e. the operation rights of bridges and roads) and the fixed assets (i.e. the erections and equipment installed on the bridges and roads). Its current liabilities comprise mainly other current liabilities, accounts payables, short-term loans and current portion of long-term loans. Other current liabilities mainly include ultra-short-term notes. The short-term loans mainly include short-term loans from financial institutions. The accounts payables mainly include the construction payables of the bridges and roads. Its non-current liabilities represent the long-term loans which are mainly the loans obtained from financial institutions.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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Set out below is a summary of the income statement and cashflow statement of the Group prepared in accordance with the Accounting Standards for Business Enterprises of the PRC for the year ended 31 December 2021 and 31 December 2022 as extracted from its annual report for the year ended 31 December 2022:

*Income Statement and Cashflow Statement*

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	13,255,603	14,260,533
Operating costs	(8,841,449)	(8,998,606)
Net profit for the year	3,747,989	4,276,739
Net cash inflow from operating activities	5,527,921	5,702,769
Net cash (outflow) from investing activities	(6,426,645)	(8,020,315)
Net cash inflow from financing activities	1,206,430	2,307,943

The Group's revenue mainly represents the toll generated from bridges and roads. Its operating costs mainly comprise amortisation of the road operation rights, which is a non-cash expense, and repair and maintenance expenses of the bridges and roads. The Group recorded a net profit for the recent two years, however, the decrease in the net profit for the year ended 31 December 2022 was mainly due to the decrease in toll road income as a result of decrease traffic volume of road network and the toll waiver for trucks in the fourth quarter of 2022, and the decrease in real estate income as a result of decrease in the scale of housing delivery as compared to 2021. The management of the Company advised that the Group's financial performance is highly linked to the economy of Jiangsu Province, since the demand for the use of the roads and bridges is generally related to the economic activities in the province. The economy of Jiangsu Province has shown a sustained recovery, stabilisation and improvement after the outbreak of COVID-19, which is a favourable driving force to enhance the Group's profitability.

The Group generated strong net cash inflow from operating activities in the recent two years, mainly attributable to the receipt of toll road income, contributing to a stable operating cash flow. It experienced a net cash outflow from investing activities in the recent two years, mainly due to the significant amount of external investment. The Group recorded a net cash inflow from financing activities for both 2021 and 2022, mainly due to the significant amount of cash obtained from the issuance of debentures and borrowings to raise funds to support the investment.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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### *Wufengshan Toll Bridge Company*

Wufengshan Toll Bridge Company is a limited company established in the PRC and is owned as to 64.50%, 22.01% and 13.49% by the Company, Jiangsu Communications Holding and Yangzhou Transportation Industry Group Co., Ltd., respectively as at the Latest Practicable Date. Wufengshan Toll Bridge Company is principally engaged in construction of road, tunnel, bridge, wire and pipeline engineering (excluding hazardous chemicals transportation), road management and maintenance, municipal facilities management. Its major assets are the operation rights of Wufengshan Toll Bridge and North-South Connection Expressway. Wufengshan Toll Bridge has a total length of approximately 2.877 kilometers, and North-South Connection Expressway has a total length of approximately 33.005 kilometers, both Wufengshan Toll Bridge and North-South Connection Expressway commenced operation in June 2021.

Set out below is a summary of the balance sheet of Wufengshan Toll Bridge Company prepared in accordance with the Accounting Standards for Business Enterprises of the PRC as at 31 December 2021 and 2022 as extracted from its audited accounts:

### *Balance Sheet*

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current assets</b>	381,439	115,352
– Cash and cash equivalent	20,033	60,684
– Financial assets held for trading	350,000	–
<b>Non-current assets</b>	12,008,856	12,061,026
– Intangible assets	11,370,354	11,509,821
– Fixed assets	637,544	668,143
<b>Current liabilities</b>	(537,415)	(498,026)
– Accounts payables	(274,696)	(244,857)
– Current portion of long-term loans	(255,512)	(218,850)
<b>Non-current liabilities</b>	(7,317,495)	(7,516,396)
– Long-term loans	(7,317,495)	(7,516,396)
<b>Net assets</b>	4,535,385	4,701,956

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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Wufengshan Toll Bridge Company's current assets mainly comprise cash and cash equivalent and financial assets held for trading, its current assets accounted for approximately 0.91% and 3.08% of its total assets as at 31 December 2021 and 2022, respectively. Its non-current assets mainly represent intangible assets (i.e. the operation rights of Wufengshan Toll Bridge and North-South Connection Expressway) and the fixed assets (i.e. the erections and equipment installed on the bridges and expressways). Its current liabilities mainly comprise accounts payables and current portion of long-term loans. The accounts payables mainly include the construction payables in relation to Wufengshan Toll Bridge and North-South Connection Expressway. Its non-current liabilities represent the long-term loans which are mainly the loans from commercial banks and the Company for the constructions and operations of the bridge and expressway.

Set out below is a summary of the income statement and cashflow statement of Wufengshan Toll Bridge Company prepared in accordance with the Accounting Standards for Business Enterprises of the PRC for the year ended 31 December 2021 and 2022 as extracted from its audited accounts:

### *Income Statement and Cashflow Statement*

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	395,502	1,352,159
Operating costs	(266,372)	(1,316,511)
Net loss for the year	(166,571)	(127,062)
Net cash inflow from operating activities	807,547	171,301
Net cash (outflow) from investing activities	(355,790)	(1,048,263)
Net cash (outflow)/inflow from financing activities	(492,408)	805,268

Wufengshan Toll Bridge Company's revenue mainly represents the toll income generated from Wufengshan Toll Bridge and North-South Connection Expressway. Its operating costs mainly comprise amortisation of the road operation rights, which is a non-cash expense, and repair and maintenance expenses of the bridge and expressway. As advised by the management of the Company, the revenue and operating costs decreased significantly in 2022, mainly due to the fact that Wufengshan Toll Bridge Company recognised a significant construction income and related costs upon commencement of Wufengshan Toll Bridge and North-South Connection Expressway in 2021 in accordance with Interpretation No. 14 on Accounting Standards for Business Enterprise, however, no such construction income and costs were recognised in 2022. Wufengshan Toll Bridge



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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Company recorded a net loss for the recent two years, since the operating costs (with a particular those expenses in fixed nature) and finance costs exceeded the toll income collected during the years. Wufengshan Toll Bridge and North-South Connection Expressway commenced operation in June 2021, their initial traffic volume were relatively low during the early stage of operation resulting in low toll income. The Directors believed that once the drivers become aware of Wufengshan Toll Bridge and North-South Connection Expressway and adjust their driving patterns accordingly, the profitability of Wufengshan Toll Bridge Company will be improved significantly.

While Wufengshan Toll Bridge Company recorded a net loss during the recent two years, it could still generate strong net cash inflow from operating activities, since amortisation of operation rights of bridge and expressway, which is non-cash expense, and does not affect its cashflow. As advised by the management of the Company, Wufengshan Toll Bridge Company experienced a net cash outflow from investing activities in the recent two years, due to the investment in the construction of the bridge and expressway. Wufengshan Toll Bridge Company recorded a net cash inflow from financing activities in 2021, whereas it recorded a net cash outflow from financing activities in 2022, it was because Wufengshan Toll Bridge Company needed to raise funds for the construction of bridge and expressway and payment of interest expenses in 2021. In 2022, the bridge and expressway were put into use, the funding needs of Wufengshan Toll Bridge Company became less significant and started to repay its debts.

### ***Guangjing Xicheng Company***

Guangjing Xicheng Company is a limited liability company established in the PRC and is owned as to 85.00% and 15.00% by the Company and China Merchants Expressway, respectively as at the Latest Practicable Date. Guangjing Xicheng Company is principally engaged in construction, management, maintenance and toll collection of highways. Its major assets are (i) the equity investment in Yichang Company and Changyi Company (Please refer to the following paragraphs for the details of Yichang Company and Changyi Company); and (ii) the operation rights of Guangjing Expressway, Xicheng Expressway, Xiyi Expressway, Luma Highway, Huantaihu Expressway, which have a total length of approximately 17.12 kilometers, 34.99 kilometers, 63.79 kilometers, 11.11 kilometers and 19.36 kilometers, respectively.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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Set out below is a summary of the balance sheet of Guangjing Xicheng Company prepared in accordance with the Accounting Standards for Business Enterprises of the PRC as at 31 December 2021 and 2022 as extracted from its audited accounts (excluding subsidiaries):

*Balance Sheet*

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current assets</b>	51,154	66,028
– Cash and cash equivalent	13,357	15,279
– Accounts receivable	34,313	46,758
<b>Non-current assets</b>	9,643,236	8,774,754
– Intangible assets	2,611,559	2,260,751
– Long-term equity investment	4,948,551	4,505,757
<b>Current liabilities</b>	1,567,938	1,276,875
– Accounts payables	85,827	127,597
– Short-term loans	1,052,381	808,345
– Current portion of long-term loans	408,811	315,916
<b>Non-current liabilities</b>	635,591	911,283
– Long-term loans	355,000	655,000
<b>Net assets</b>	7,490,860	6,652,625

Guangjing Xicheng Company's current assets mainly comprise cash and cash equivalent and accounts receivable, its current assets accounted for approximately 0.75% and 0.53% of its total assets as at 31 December 2021 and 2022, respectively. Its non-current assets mainly represent intangible assets (i.e. the operation rights of the abovementioned expressways and highways) and its equity investment in Yichang Company and Changyi Company. Yichang Company and Changyi Company in turn hold the operation rights of Yichang Expressway and Changyi Expressway, respectively. Its current liabilities mainly comprise accounts payables, short-term loans and current portion of long-term loans. The accounts payables mainly include the construction payables in relation to the abovementioned expressways and highways and the short-term loans represent the short-term borrowings from the Company and Jiangsu Communications Holding. Its non-current liabilities mainly represent the long-term loans which are mainly the loans from banks and from the Company for the constructions and operations of the expressways and highways.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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Set out below is a summary of the income statement and cashflow statement of Guangjing Xicheng Company prepared in accordance with the Accounting Standards for Business Enterprises of the PRC for the year ended 31 December 2021 and 2022 as extracted from its audited accounts (excluding subsidiaries):

*Income Statement and Cashflow Statement*

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(Audited)</i> <i>RMB'000</i>	<i>(Audited)</i> <i>RMB'000</i>
Revenue	1,730,221	1,395,300
Operating costs	(1,218,211)	(726,239)
Net profit for the year	893,373	772,393
Net cash inflow from operating activities	605,741	838,304
Net cash (outflow) from investing activities	(459,085)	(319,585)
Net cash (outflow) from financing activities	(148,578)	(513,082)

Guangjing Xicheng Company's revenue mainly represents the toll generated from its expressways and highways. Its operating costs mainly comprise amortisation of the road operation rights, which is a non-cash expense, and repair and maintenance expenses of the expressway. Guangjing Xicheng Company recorded a net profit for the recent two years. The Directors believed that the profitability of Guangjing Xicheng Company is relatively stable, as its expressways and highways commenced operation for over 15 years, generating stable toll income for Guangjing Xicheng Company.

Guangjing Xicheng Company generated a strong net cash inflow from operating activities which was generally in line with its profitability. As advised by the management of the Company, Guangjing Xicheng Company experienced a net cash outflow from investing activities in the recent two years, due to the investment in the construction of the expressways. Guangjing Xicheng Company recorded a net cash outflow from financing activities in the recent two years, due to the large amount of repayment of debts, interest and dividend paid.

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### ***Yichang Company***

Yichang Company is a limited liability company established in the PRC and is owned as to 60.00% and 40.00% by Guangjing Xicheng Company and Yixing Transportation Industry Group Co., Ltd., respectively as at the Latest Practicable Date. Yichang Company is principally engaged in the construction of road engineering, tunnel engineering, bridge engineering, wire engineering, pipeline engineering, road management and maintenance, etc. Its major assets are the operation rights of Yichang Expressway. Yichang Expressway has a total length of approximately 25.46 kilometers and commenced operation in January 2021.

Set out below is a summary of the balance sheet of Yichang Company prepared in accordance with the Accounting Standards for Business Enterprises of the PRC as at 31 December 2021 and 2022 as extracted from its audited accounts:

### ***Balance Sheet***

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current assets</b>	38,854	45,812
– Cash and cash equivalent	34,995	15,924
– Accounts receivable	3,665	4,293
– Other current assets	–	25,391
<b>Non-current assets</b>	3,758,693	3,855,762
– Intangible assets	3,626,919	3,713,062
– Fixed assets	131,774	142,700
<b>Current liabilities</b>	(822,711)	(591,030)
– Accounts payables	(502,996)	(567,932)
– Current portion of long-term loans	(316,900)	(19,345)
<b>Non-current liabilities</b>	(1,517,780)	(1,790,240)
– Long-term loans	(1,517,780)	(1,790,240)
<b>Net assets</b>	1,457,056	1,520,304

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Yichang Company's current assets mainly comprise cash and cash equivalent, accounts receivable and other current assets, its current assets accounted for approximately 1.17% and 1.02% of its total assets as at 31 December 2021 and 2022, respectively. Its cash position remained relatively low was mainly due to the fact that cash inflow was relatively weak in early stage of Yichang Expressway's operation. Its non-current assets mainly represent intangible assets (i.e. the operation rights of Yichang Expressway) and the fixed assets (i.e. the erections and equipment installed on the expressway). Its current liabilities comprise mainly accounts payables and current portion of long-term loans. The accounts payables mainly include the construction payables in relation to the Yichang Expressway. Its non-current liabilities represent the long-term loans which are mainly the loans from bank and from the Company for the construction and operation of the expressway.

Set out below is a summary of the income statement and cashflow statement of Yichang Company prepared in accordance with the Accounting Standards for Business Enterprises of the PRC for the year ended 31 December 2021 and 2022 as extracted from its audited accounts:

### *Income Statement and Cashflow Statement*

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	135,501	1,228,438
Operating costs	(127,641)	(1,278,723)
Net loss for the year	(63,248)	(112,230)
Net cash inflow from operating activities	269,575	43,075
Net cash (outflow) from investing activities	(204,173)	(560,966)
Net cash (outflow)/inflow from financing activities	(46,331)	487,373

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Yichang Company's revenue mainly represents the toll generated from Yichang Expressway. Its operating costs mainly comprise amortisation of the road operation rights, which is a non-cash expense, and repair and maintenance expenses of the expressway. As advised by the management of the Company, the revenue and operating costs decreased significantly in 2022, mainly due to the fact that Yichang Company recognised a significant construction income and related costs upon commencement of Yichang Expressway in 2021 in accordance with Interpretation No. 14 on Accounting Standards for Business Enterprise, however, no such construction income and costs were recognised in 2022. Yichang Company recorded a net loss for the recent two years, since the operating costs (with a particular those expenses in fixed nature) and finance costs exceeded the toll income received during the years. Yichang Expressway commenced its operation in January 2021, its initial traffic volume was relatively low during the early stages of its operations which resulted in low toll income. The Directors believed that once the drivers become aware of Yichang Expressway and adjust their driving patterns accordingly, the profitability of Yichang Expressway will be significantly improved.

While Yichang Expressway recorded a net loss during the recent two years, it could still generate strong net cash inflow from operating activities, since amortisation of operation rights of expressway, which is non-cash expense, does not affect its cashflow. As advised by the management of the Company, Yichang Company experienced a net cash outflow from investing activities in the recent two years, due to the investment in the construction of the expressway. Yichang Company recorded a net cash inflow from financing activities in 2021, whereas it recorded a net cash outflow from financing activities in 2022, which was due to the fact that Yichang Company needed to raise funds for the construction and maintenance of expressway and payment of interest expenses in 2021. In 2022, the funding needs of Yichang Company became less significant and started to repay its debts.

### ***Changyi Company***

Changyi Company is a limited liability company established in the PRC and is owned as to 60.00%, 13.80% and 26.20% by Guangjing Xicheng Company, Yixing Transportation Industry Group Co., Ltd. and Changzhou Expressway Investment Development Co., Ltd., respectively as at the Latest Practicable Date. Changyi Company is principally engaged in the construction of road, tunnel, bridge, wire and pipeline engineering (excluding hazardous chemicals transportation), road management and maintenance, etc. Its major assets are the operation rights of Changyi Expressway. Changyi Expressway has a total length of approximately 17.71 kilometers and commenced operation in December 2020.

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Set out below is a summary of the balance sheet of Changyi Company prepared in accordance with the Accounting Standards for Business Enterprises of the PRC as at 31 December 2021 and 2022 as extracted from its audited accounts:

### *Balance Sheet*

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current assets</b>	21,010	52,326
– Cash and cash equivalent	18,941	11,380
– Accounts receivable	1,850	2,481
<b>Non-current assets</b>	3,650,803	3,728,288
– Intangible assets	3,602,157	3,674,922
– Fixed assets	48,445	53,366
<b>Current liabilities</b>	(822,045)	(290,473)
– Accounts payables	(286,944)	(263,250)
– Current portion of long-term loans	(534,209)	(27,003)
<b>Non-current liabilities</b>	(1,497,023)	(2,054,160)
– Long-term loans	(1,497,023)	(2,054,160)
<b>Net assets</b>	1,352,746	1,435,981

Changyi Company's current assets mainly comprise cash and cash equivalent and accounts receivable, its current assets accounted for approximately 1.38% and 0.57% of its total assets as at 31 December 2021 and 2022, respectively. Its non-current assets mainly represent intangible assets (i.e. the operation rights of Changyi Expressway) and the fixed assets (i.e. the erections and equipment installed on the expressway). Its current liabilities comprise mainly accounts payables and current portion of long-term loans. The accounts payables mainly include the construction payables in relation to the Changyi Expressway. Its non-current liabilities represent the long-term loans which are mainly the loans from banks and the Company for the construction and operation of expressway.

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Set out below is a summary of the income statement and cashflow statement of Changyi Company prepared in accordance with the Accounting Standards for Business Enterprises of the PRC for the year ended 31 December 2021 and 31 December 2022 as extracted from its audited accounts:

*Income Statement and Cashflow Statement*

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	99,110	85,931
Operating costs	(99,606)	(100,523)
Net loss for the year	(83,235)	(100,866)
Net cash inflow from operating activities	140,763	114,062
Net cash (outflow) from investing activities	(117)	(196,818)
Net cash (outflow)/inflow from financing activities	(133,085)	45,957

Changyi Company's revenue mainly represents the toll generated from Changyi Expressway. Its operating costs mainly comprise amortisation of the road operation rights, which is a non-cash expense, and repair and maintenance expenses of the expressway. Changyi Company recorded a net loss for the recent two years, since the operating costs (expenses in fixed nature in particular) and finance costs exceeded the toll income received during the years. Changyi Expressway commenced its operation in December 2020, its initial traffic volume was relatively low during the early stages of its operations which resulted in low toll income. The Directors believed that once the drivers become aware of Changyi Expressway and adjust their driving patterns accordingly, the profitability of Changyi Expressway will be significantly improved.

While Changyi Expressway recorded a net loss during the recent two years, it could still generate strong net cash inflow from operating activities, since amortisation of operation rights of expressway, which is non-cash expense, does not affect its cashflow. As advised by the management of the Company, Changyi Company experienced a net cash outflow from investing activities in 2021, due to the investment in the construction of the expressway. In 2022, its net cash outflow from investing activities became insignificant, it was because significant part of the construction costs had been settled in the previous years. Changyi Company recorded a net cash inflow from financing activities in 2021, whereas it recorded a net cash outflow from financing activities in 2022, it was because Changyi Company needed to raise funds settlement of the construction cost of the expressway and payment of interest expenses in 2021. In 2022, the funding needs for investment of Changyi Company became less significant and started to repay its debts.



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### **B. Reasons for and benefits of the Loans to Connected Subsidiaries**

As stated in the Letter from the Board, the Board announced on 24 March 2023 that the resolutions on the provision of loans by the Company to Wufengshan Toll Bridge Company, Guangjing Xicheng Company, Yichang Company and Changyi Company were considered and approved. The Company proposes to use proceeds raised from the Financing Products to provide loans totalling not more than RMB4.5 billion to the Connected Subsidiaries for terms of three years, and that the loans are revolving in nature within the period.

#### ***B.1 Rationale of the Loans to Connected Subsidiaries***

Based on our discussion with the management of the Company, we understand that the Company's financial strategy is to use its high creditworthiness to raise funds by issuing Financing Products, such as ultra-short-term notes and corporate bonds, at a more favourable interest rate and allocate the necessary funds to its subsidiaries for corporate development, project investment and replacement of existing project loans. The provision of loans to the Connected Subsidiaries are part of the Group's financial arrangement to allocate capital to its Connected Subsidiaries.

Being a controlling shareholder of the Connected Subsidiaries who manages and controls the operations of the Connected Subsidiaries, we consider it is fair for the Company to financially support the business and future development of the Subsidiaries through the Loans to Connected Subsidiaries for the following reasons:

- i) Companies with newly opened toll roads (or undertaken expansion project) such as the Connected Subsidiaries, may face financial difficulties in their early years of opening as the traffic volumes may not yet have reached their full potential resulting in the inability to generate stable and sufficient revenue from the collection of tolls. Moreover, considering that ongoing maintenance and operations are costly alongside the burden of debt repayment obligations incurred during the construction phase, financial assistance from the Company may be needed to ensure the success of the tolls roads during their early years to minimise the risks of operational failures due to the lack of accessible and favourable financing options and the serious consequences arising from default in their debt obligations;

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- ii) The Company can leverage its high creditworthiness to issue Financing Products, the interest rate charged thereon will make 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 terms, credit rating and principal in the PRC. Due to the high creditworthiness of the Company, the interest rate of the Financing Products to be issued by the Company will generally be more favourable than the interest rate charged on the loans obtained by the Connected Subsidiaries. The loan interest rate under the Loan Agreements shall be the same interest rate of the Financing Products to be issued by the Company, the lowering funding costs of the Connected Subsidiaries will have a positive impact on the financial performance of the Group; and
- iii) Obtaining a loan from the Company may be administratively more efficient and effective as the Company is well aware and more familiar of the business, financial conditions and future development plan of the Connected Subsidiaries as compared to third parties such as the banks. This can reduce the time and effort required to secure the funds from various financial institutions. Especially when in nature, the Company is invested in the success of the business.

### ***B.2 Planned use of proceeds***

The Company will provide loans of (i) not more than RMB1.8 billion to Wufengshan Toll Bridge Company for the purposes of the payment of Wufengshan project construction sum, replacement of project loans, replenishment of working capital, repayment of due loans and other purposes as permitted by laws and regulations; (ii) not more than RMB1.5 billion to Guangjing Xicheng Company; (iii) not more than RMB0.5 billion to Yichang Company; and (iv) not more than RMB0.7 billion to Changyi Company, for the purposes of the replacement of project loans of Yichang Company and Changyi Company, replenishing of working capital, repayment of due loans and other purposes as permitted by laws and regulations for above three companies.

We have discussed with the management of the Company regarding the Connected Subsidiaries planned use of proceeds in respect of the funding to be obtained under the Wufengshan Agreement, Guangjing Xicheng Agreement, Yichang Agreement and Changyi Agreement (together the “**Loan Agreements**”), and obtained (i) schedules in relation to the Financing Products issued by the Company and the existing bank loans of the Connected Subsidiaries and (ii) payment details of the construction sum of Wufengshan Toll Bridge Company. From such documents, we understand that (i) the Connected Subsidiaries have multiple bank loans in place carrying higher interest rates compared to the interest rates of the Financing Products issued by the Company during the two years ended 31 December 2021 and 2022, and certain bank loan will be due within the coming three years; and (ii) Wufengshan Toll Bridge Company is intended to make payments of approximately RMB600

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million in relation to the construction of the Wufengshan project in 2023. Further, according to the financial information of the Connected Subsidiaries, we understand that they will require additional working capital for their daily operations, as they have a relatively low level of working capital during the early stages of operation of their bridge and expressways.

### ***B.3 Analysis on the rationale of providing the Loans to the Connected Subsidiaries***

The management of the Company has advised that the issuance of Financing Products serves the purpose of utilising the Group's extensive business coverage, consistent financial performance, and A+H Share listing status to access a wider range of debt financing options and investors. In addition, the issuance of Financing Products by the Company on behalf of its subsidiaries may reduce external financing costs of individual subsidiaries and take advantage of the Company's creditworthiness to obtain debt financing on more favourable terms and conditions. Furthermore, the Group's gearing ratios have remained relatively stable according to its annual reports for the years ended 31 December 2021 and 2022 while maintaining a stable net cash position generated from operating activities. Therefore, the issuance of Financing Products is considered an effective business strategy for the Group.

To illustrate, apart from issuing Financing Products, the Company secured funds through bank borrowings for the years ended 31 December 2021 and 2022. The tables below set out summaries of the Financing Products and bank loans issued/obtained by the Company during the periods (with terms of no more than three years) and the respective average interest rates:

For the year ended 31 December 2022

	Date of issuance/ borrowing	Term  (Approx. years)	Average interest rate  (Note 1)	Loan prime rate  (Notes 2 & 3)
Financing Products	Between January and December 2022	0.1 to 3.0	2.02%	3.65% to 3.80%
Bank loans	Between February and November 2022	1.0 to 3.0	2.84%	3.65% to 3.70%

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For the year ended 31 December 2021

	Date of issuance/ borrowing	Term (Approx. years)	Average interest rate (Notes 1)	Loan prime rate (Notes 2 & 3)
Financing Products	Between January and December 2021	0.2 to 3.0	2.56%	3.85%
Bank loans	Between February and November 2022	0.1 to 3.0	3.18%	3.85%

*Note 1:* For bank loans with floating interest rates, the highest point reached during the loan term was used for prudence sake.

*Note 2:* The loan prime rate refers to the benchmark interest rates for loans provided by commercial banks in the PRC as determined from time to time by the People's Bank of China.

*Note 3:* One-year loan prime rate was used for loans with terms of less than five years.

Leveraging on the Company's solid profile, the Company not only managed to obtain bank loans with interest rates lower than that of the loan prime rate at the time, it also managed to issue Financing Products with lower interest rates than that of the bank loans obtained (with similar duration period) due to the fact that, as advised by the management of the Company, the Company has high creditworthiness and sound reputation in the capital market, and gained trust from investors over time. Based on the above, and taking into consideration that (i) the Connected Subsidiaries do not have the same creditworthiness and profile as the Company, and that it is impractical for the Connected Subsidiaries to issue Financing Products independently; and (ii) the project investments of the Connected Subsidiaries usually necessitate the borrowing of long-term project loans from banks which generally carry higher interest rates due to the increased risks associated with longer repayment periods and higher levels of uncertainties, we believe that the Financing Products to be issued by the Company will carry lower interest rates compared to the bank loans obtained or to be obtained by the Connected Subsidiaries. It is therefore reasonable for the Company to enter into the Loan Agreements with the Connected Subsidiaries for the purposes of replacing their existing bank loans, settling project sums, supporting their future corporate development and engaging in project investments.

### **B.4 Effects of the Loans to Connected Subsidiaries**

The Board considers that the Company is fully aware of the financial conditions and business development of the Connected Subsidiaries and therefore considers that the Connected Subsidiaries shall be able to fulfil its obligation to repay the loan principal and interest under the Loan Agreements and that the risks of the arrangements under the Loan Agreements are controllable. Further, it is the intention of the signing parties of the Loan Agreements that the expenses in relation to the Financing Products shall be back-to-back borne and paid by the Connected Subsidiaries based on their respective revolving loan amount granted. Therefore, the arrangements under the Loan Agreements will not cause any negative impact on the Company's current and future financial conditions and operation results.

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The Loan Agreements provide the Connected Subsidiaries the opportunities to replace the bank loans carrying higher interest rates, thereby lowering the Group's finance costs as a whole. In light of this, we consider that it is reasonable for the Company to deploy its financing ability and resources for the operations of the Connected Subsidiaries by entering into the arrangements under the Loan Agreements.

Having considered the above, we are of the view that the arrangements under the Loan Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### C. Major terms of the Loan Agreements

Set out below is a summary of the major terms of the Loan Agreements:

	<b>Wufengshan Agreement</b>	<b>Guangjing Xicheng Agreement</b>	<b>Yichang Agreement</b>	<b>Changyi Agreement</b>
Date of agreement:	24 March 2023	24 March 2023	24 March 2023	24 March 2023
Borrower:	Wufengshan Toll Bridge Company	Guangjing Xicheng Company	Yichang Company	Changyi Company
Lender:	The Company	The Company	The Company	The Company
Loan amount:	Up to RMB1.8 billion, revolving during the loan term	Up to RMB1.5 billion, revolving during the loan term	Up to RMB0.5 billion, revolving during the loan term	Up to RMB0.7 billion, revolving during the loan term
Loan term:	Three years from 15 December 2023	Three years from 1 July 2023	Three years from 1 October 2023	Three years from 1 October 2023
Interest rate of loan:	The prevailing interest rate of the Financing Products to be issued by the Company			
Expense:	The expenses in relation to the issuance of the Financing Products and the repayment of the principal and interest shall be borne and paid by the borrowing Connected Subsidiaries			
Payment of interest and repayment of principal:	Interest for the period shall be paid on the interest date per period of the Financing Products; on the maturity date of the loan, the borrowing Connected Subsidiaries must repay all of the outstanding principal in one lump sum together with the accrued interest of the last interest period			
Collateral and guarantee:	The loans to be provided to the Connected Subsidiaries are unsecured			

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- Conditions precedent:
- i. Relevant Independent Shareholders of the Company having approved and agreed to the Loans to Connected Subsidiaries at the AGM; and
  - ii. The Company having issued the Financing Products successfully

### ***C.1 Interest rate and expense***

By leveraging its high credit rating, the Company shall effectuate the issuance of Financing Products at a more favourable interest rate, with the proceeds thereof being applied towards the Connected Subsidiaries. Upon considering that (i) the interest expenses incurred from the issuance of Financing Products shall be back-to-back borne and paid by the Connected Subsidiaries and the interest rates of the Financing Products to be issued to independent third parties shall be in the prevailing market rate; and (ii) the expenses in relation to the issuance of the Financing Products shall be back-to-back borne and paid by the Connected Subsidiaries (based on their respective revolving loan amount granted), we are of the view that (i) the interest rates of each of the Loans which shall be equivalent to the same prevailing interest rate of the Financing Products to be issued by the Company are on normal commercial terms and are fair and reasonable; and (ii) it is fair and reasonable that the Connected Subsidiaries to bear and pay for the expenses in relation to the issuance of the Financing Products and the repayment of the loan principal and interest, due to the interrelationship between the issuance of the Financing Products by the Company and the Loans to Connected Subsidiaries.

### ***C.2 Payment of interest and repayment of principal***

Pursuant to the terms of the Loan Agreements, (i) interest for the period shall be paid on the interest date per period of the Financing Products; (ii) the lending period of each drawdown will be the same as the tenure of the ultra-short-term notes and corporate bonds and the repayment by the Connected Subsidiaries will be used to repay the holders of the Financing Products; and (iii) on the maturity date of the loan, the Connected Subsidiaries must repay all the outstanding loan principal in one lump sum together with the accrued interest of the last interest period. According to the Letter from the Board, repayment of the loan principals and related interest expenses are to be borne by the Connected Subsidiaries and shall be paid on the maturity date of the relevant Financing Products to be issued by the Company, which will constitute a back-to-back repayment. In view of the interrelationship between the issuance of Financing Products by the Company and the Loans to Connected Subsidiaries, we consider that such repayment terms are fair and reasonable.

### *C.3 Collateral and Guarantee*

The Connected Subsidiaries are all controlled subsidiaries of the Company with significant ownership and management presence. Accordingly, the Company is able to exercise absolute control over the operation and management decision of the Connected Subsidiaries, as well as manages the books and records of the Connected Subsidiaries, and has the ability to exert power to direct the financial and operating policies of the Connected Subsidiaries when necessary. Therefore, the Board considers that the Company is fully aware of and in control of the business and financial conditions of the Connected Subsidiaries and considers that the Connected Subsidiaries shall be able to fulfil its obligation to repay the loan principal and interest under the Loan Agreements, thus, the risks of the arrangements under the Loan Agreements are controllable. In light of that, the Board considers that it is reasonable to enter into the Loan Agreement in the absence of collateral requirements. Similarly, based on the above, we consider it reasonable that the Company place no requirement on collateral under the Loan Agreements.

With regards to whether guarantees should be provided proportionally by the minority shareholders of the Connected Subsidiaries (the “**Minority Shareholders**”), we understand from the management of the Company that the Minority Shareholders have never been required to provide any guarantee for external bank borrowings and that the Minority Shareholders were not involved in the daily management and operations of the Connected Subsidiaries. Taking into account the fact that the Connected Subsidiaries are effectively controlled by the Company, and no Minority Shareholders has ever been required to provide any guarantee to support the external borrowings of the Connected Subsidiaries, we consider it is reasonable that the Company places no requirement that the Minority Shareholders to provide guarantees under the Loan Agreements proportional to their respective shareholding in the Connected Subsidiaries.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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### D. Proposed annual caps of the Loans to Connected Subsidiaries

Set out below are the proposed annual caps (inclusive of interest accrued and other relevant expenses) in respect of each of the Loans to Connected Subsidiaries for the year ending 31 December 2023, 2024, 2025 and 2026 as extracted from the Letter from the Board:

	For the year ending 31 December			
	2023	2024	2025	2026
	<i>RMB' billion</i>	<i>RMB' billion</i>	<i>RMB' billion</i>	<i>RMB' billion</i>
Wufengshan Toll Bridge Company	1.8	1.8	1.8	1.8
Guangjing Xicheng Company	1.5	1.5	1.5	1.5
Yichang Company	0.5	0.5	0.5	0.5
Changyi Company	0.7	0.7	0.7	0.7

In arriving at the proposed annual caps for the Loans to Connected Subsidiaries, the Directors have considered factors as mentioned in the section headed “Annual Caps and Pricing Policies” in the Letter from the Board.

In view of (i) the drawdowns of the loans will depend on the funding needs of the Connected Subsidiaries and the timing of the Company’s issuance of Financing Products; (ii) the proposed annual caps for Loans to Connected Subsidiaries are equivalent to the maximum loan amount of each of the Loans to Connected Subsidiaries; and (iii) the funding needs and the plan of use of proceeds of the Connected Subsidiaries as discussed in the section headed “B. Reasons for and benefits of the Loans to Connected Subsidiaries” of this letter, we consider that the proposed annual caps for the Loans to Connected Subsidiaries are fair and reasonable.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

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### RECOMMENDATION

Having taken into account the abovementioned principal factors and reasons, we are of the opinion that (i) the Loans to Connected Subsidiaries are not in the ordinary and usual course of business of the Company and the Connected Subsidiaries, but were agreed on normal commercial terms and are fair and reasonable and are in the interests of the Company and Shareholders as a whole; and (ii) the proposed annual caps for the Loans to Connected Subsidiaries are fair and reasonable and are in the interests of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the AGM for approving the Loans to Connected Subsidiaries (together with the proposed annual caps thereof) and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,

For and on behalf of

**Zhongtai International Capital Limited**

**Maurice Ying**

**Pakern Wong**

*Co-head and Managing*

*Vice President*

*Director of Corporate*

*Finance Department*

*Note:* Mr. Maurice Ying of Zhongtai International Capital Limited has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2011 and Mr. Pakern Wong of Zhongtai International Capital Limited has been a licensed representative of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2015.

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APPENDIX I	AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS
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**A. AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The following table sets forth the Company’s original articles and proposed amendments:

Serial numbers 35, 44, 45, 48, 49, 50, 54, 67, 73, 76, 120, 121, and 122 are amended to comply with the core shareholder protection provisions of the Hong Kong Listing Rules. The remaining serial number revisions are mainly in response to the repeal of the Mandatory Provisions and compliance with the requirements of the Guidelines.

Shareholders should note that pursuant to article 27.3 of the Articles of Association, the meaning of “less than”, “within”, “more than” referred to in the Articles of Association includes the underlying number.

Number	Original Articles	Amended Articles
1.		<b>All references to the Mandatory Provisions and Listing Rules are deleted</b>
2.		<p><b>The term “其它” in the original articles is a typo and now amended to “其他” in the Chinese version.</b></p> <p><b>The term “迭” in the original articles is a typo and now amended to “疊” in the Chinese version.</b></p> <p><b>The term “帳” in the original articles is a typo and now amended to “賬” in the Chinese version.</b></p> <p><i>(These amendments are only applicable to the Chinese version)</i></p>
3.		<b>The punctuation marks at the end of each subparagraphs are uniformly amended as “;” or “.”</b>
4.	<p>Clause 1 of Article 1.2</p> <p>The Company is a joint stock limited company incorporated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), and other relevant laws and administrative regulations of the People’s Republic of China (the “PRC”).</p>	<p>Clause 1 of Article 1.2</p> <p>The Company is a joint stock limited company incorporated pursuant to the Company Law of the <del>People’s Republic of China</del> (the “Company Law”), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), and <u>other</u> relevant laws and administrative regulations of the People’s Republic of China (the “PRC”).</p>

Number	Original Articles	Amended Articles
5.	Article 1.8 Other senior managements referred to in the Articles of Association include general managers, deputy general managers, Secretary to the Board, and financial controller of the Company.	Article 1.8 Other senior managements referred to in the Articles of Association include <del>general managers</del> ; deputy <del>general</del> managers, Secretary to the Board, and financial controller of the Company.
6.	Article 1.10 The Articles of Association were formulated mainly in accordance with the Company Law, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (Zheng Wei Fa [1994] No. 21) (證委發[1994]21號文) (the “Mandatory Provisions”) promulgated on 27 August 1994 by the Securities Commission of the State Council and the State Commission for Restructuring the Economic System, the Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函) (Zheng Jian Hai Han [1995] No. 1) (證監海函[1995]1號文) promulgated on 3 April 1995 by the Overseas Listing Department of the CSRC and the Department of Production System under the State Commission for Structural Reform, and the Circular of the CSRC Concerning Issuance of the Guidelines on Articles of Association of Listed Companies (關於發佈<上市公司章程指引的通知>) on 16 December 1997. Any amendment to the Articles of Association involving the Mandatory Provisions shall be handled pursuant to Article 23.2 hereof.	Article 1.10 The Articles of Association were formulated mainly in accordance with the Company Law, <del>the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (Zheng Wei Fa [1994] No. 21) (證委發[1994]21號文) (the “Mandatory Provisions”) promulgated on 27 August 1994 by the Securities Commission of the State Council and the State Commission for Restructuring the Economic System, the Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函) (Zheng Jian Hai Han [1995] No. 1) (證監海函[1995]1號文) promulgated on 3 April 1995 by the Overseas Listing Department of the CSRC and the Department of Production System under the State Commission for Structural Reform, and the Circular of the CSRC Concerning Issuance of the Guidelines on Articles of Association of Listed Companies (關於發佈&lt;上市公司章程指引的通知&gt;) on 16 December 1997</del> <u>the Securities Law and other relevant laws, regulations, administrative rules and industry standards, and as amended from time to time in accordance with the revisions of the aforementioned relevant legal documents.</u> Any amendment to the Articles of Association <del>involving the Mandatory Provisions</del> shall be handled pursuant to <u>Articles 23.2, 24.1 and 24.2</u> hereof.

Number	Original Articles	Amended Articles
7.	<p>Clause 2 of Article 1.12</p> <p>A shareholder may take action against the Company pursuant to the Company's Articles of Association, and vice versa. A shareholder may also take action against another shareholder, and may take action against the directors, supervisors, managers and other senior management of the Company pursuant to the Company's Articles of Association.</p>	<p>Clause 2 of Article 1.12</p> <p>A shareholder may take action against the Company pursuant to the Company's Articles of Association, and <del>vice versa</del> <u>the Company may take action against the shareholders, directors, supervisors, managers and other senior management pursuant to the Company's Articles of Association.</u> A shareholder may also take action against another shareholder, and may take action against the directors, supervisors, managers and other senior management of the Company pursuant to the Company's Articles of Association.</p>
8.	<p>Clause 2 of Article 2.2</p> <p>The Company's scope of business includes: retail of petroleum products; repairs of automobiles; accommodations, catering, sale of food stuffs; and retail and rental of books and magazines (only by approved branch entities for the above-mentioned businesses). General business items: construction and maintenance of expressways; collection of toll charges from vehicles using the expressways under prescribed regulations; storage; technical consultancy; sales of daily necessities, textiles, groceries, hardware, AC electrical products, chemical products (hazardous chemical products excluded), automobile parts and components, motor parts and components; equipment leasing, property leasing and site leasing.</p>	<p>Clause 2 of Article 2.2</p> <p><u>As registered according to the laws,</u> <del>The</del> Company's scope of business includes: retail of petroleum products; repairs of automobiles; accommodations, catering, sale of food stuffs; and retail and rental of books and magazines (only by approved branch entities for the above-mentioned businesses). General business items: construction and maintenance of expressways; collection of toll charges from vehicles using the expressways under prescribed regulations; storage; technical consultancy; sales of daily necessities, textiles, groceries, hardware, AC electrical products, chemical products (hazardous chemical products excluded), automobile parts and components, motor parts and components; equipment leasing, property leasing and site leasing.</p>
9.	<p>Article 3.1 There must, at all times, be ordinary shares in the Company. The Company may, according to its needs and subject to the approval by the companies' approval authority authorised by the State Council, create other classes of shares.</p>	<p>Article 3.1 <u>The shares of the Company shall take the form of share certificates.</u> There must, at all times, be ordinary shares in the Company. The Company may, according to its needs and subject to the approval by the companies' approval authority authorised by the State Council, create other classes of shares.</p>

APPENDIX I	AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS
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Number	Original Articles	Amended Articles
10.	<p>Clause 1 of Article 3.5</p> <p>Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.</p>	<p>Clause 1 of Article 3.5</p> <p><del>Subject to the approval of the</del> Upon completion of the <u>registration or filing procedures with CSRC securities regulatory authority of the State Council</u> in accordance with the law, the Company may issue shares to domestic and foreign investors.</p>
11.	<p>Article 3.11 The Company's proposal for the issuance of overseas-listed foreign-invested shares and domestic-invested shares, upon approval by the competent securities regulatory authorities of the State Council, may be implemented by the Board through separate offerings.</p>	<p><b>The entire article is deleted</b></p>
12.	<p>Article 3.12 Where the Company issues overseas-listed foreign-invested shares and domestic-invested shares respectively within the total number of shares as stated in the issuance proposal, the respective shares shall be subscribed for in full at one time. If they cannot be subscribed for in full at one time under special circumstances, these shares may be issued in several offerings subject to the approval of the securities regulatory authority of the State Council.</p>	<p><b>The entire article is deleted</b></p>
13.	<p>Article 3.13 Upon completion of the issue of overseas-listed foreign-invested shares and PRC-listed domestic-invested shares as stated in Article 3.8, the Company's registered capital was RMB5,037,747,500.</p>	<p>Article 3.13<del>1</del> Upon completion of the issue of overseas-listed foreign-invested shares and PRC-listed domestic-invested shares as stated in Article <del>3.8</del><u>3.10</u>, the Company's registered capital was RMB5,037,747,500.</p>
14.		<p><b>The original Article 3.14 is renumbered as Article 3.12</b></p>

APPENDIX I	AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS
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Number	Original Articles	Amended Articles
15.	<p>Article 3.15 The Company may, based on its operation and business requirements, approve an increase of its capital in accordance with the relevant provisions of the Articles of Association.</p> <p>The Company may increase its capital in the following manners:</p> <ol style="list-style-type: none"> <li>(1) offering new shares for subscription to non-specific investors;</li> <li>(2) placing new shares to existing shareholders;</li> <li>(3) distributing new shares to existing shareholders;</li> <li>(4) other methods as permitted by laws and administrative regulations;</li> <li>(5) capitalizing its capital reserve;</li> <li>(6) other means as approved by the CSRC.</li> </ol> <p>The Company's increase of capital by issuing new shares shall, after being approved pursuant to the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.</p>	<p>Article 3.15<sup>3</sup> The Company may, based on its operation and business requirements, <del>approve an increase of its capital in accordance with the relevant provisions of the Articles of Association.</del> <u>in accordance with the relevant laws and regulations, and subject to the respective resolution of the General Meeting of Shareholders, increase its capital by any of the following methods:</u></p> <p><del>The Company may increase its capital in the following manners:</del></p> <ol style="list-style-type: none"> <li>(1) <del>offering new shares for subscription to non-specific investors</del> <u>public offering of shares;</u></li> <li>(2) <del>placing new shares to existing shareholders</del> <u>non-public offering of shares;</u></li> <li>(3) distributing <del>new</del> <u>bonus</u> shares to existing shareholders;</li> <li>(4) <del>other methods as permitted by laws and administrative regulations;</del></li> <li>(5<del>4</del>) capitalizing its capital reserve;</li> <li>(6<del>5</del>) other means as approved by <u>laws, administrative regulations and the CSRC.</u></li> </ol> <p>The Company's increase of capital by issuing new shares shall, <del>after being approved pursuant to the provisions of the Articles of Association,</del> be conducted in accordance with the procedures stipulated by the relevant laws, administrative regulations, <u>relevant rules and regulations and the Articles of Association.</u></p>

APPENDIX I	AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS
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Number	Original Articles	Amended Articles
16.	Article 3.16 After increase of its capital, the Company shall file the change with relevant authorities for registration and make relevant announcement.	<b>The entire article is deleted</b>
17.	Article 3.17 Unless otherwise provided by laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.	<b>The entire article is deleted</b>
18.	<p>Article 4.1 Pursuant to the requirements under the Party Constitution, the Company shall set up the Communist Party of China Party Committee of Jiangsu Expressway Company Limited (the “Party Committee”), consisting of one secretary and certain deputy secretaries and members. The terms of reference and procedures for appointment and dismissal shall be determined by Party organizations at higher levels. The Party Committee shall play the core leadership role and core political role, providing direction, managing the overall situation and ensuring implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization so as to support the Party organization in carrying out its work.</p> <p>The Company shall set up the Communist Party of China Commission for Discipline Inspection of Jiangsu Expressway Company Limited (the “Discipline Inspection Committee”), which shall consist of one secretary.</p>	<p>Article 4.1 Pursuant to the requirements under the Party Constitution, the Company shall set up the Communist Party of China Party Committee of Jiangsu Expressway Company Limited (the “Party Committee”), consisting of one secretary and certain deputy secretaries and members. The terms of reference and procedures for appointment and dismissal shall be determined by Party organizations at higher levels. The Party Committee <u>of the state-owned enterprise</u> shall play the <u>core leadership role and core political role</u>, providing direction, managing the overall situation and ensuring implementation. <u>Members of the Party Committee who meet the relevant conditions can serve in the Board and the senior management level after following legal procedures; members of the Board and the senior management who are Party Members can serve in the Party Committee after following relevant regulations and procedures.</u> The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization so as to support the Party organization in carrying out its work.</p> <p>The Company shall set up the Communist Party of China Commission for Discipline Inspection of Jiangsu Expressway Company Limited (the “Discipline Inspection Committee”), which shall consist of one secretary.</p>
19.	<b>Chapter V Reduction of Capital and Repurchase of Shares</b>	<b>Chapter V <del>Reduction of Capital and Repurchase of</del> Shares</b>
20.	Article 5.1 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.	<b>The entire article is deleted</b>

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<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
21.	<p>Article 5.2 The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.</p> <p>The Company shall notify its creditors within ten days of the date of the Company’s resolution for reduction of registered capital and shall publish an announcement for at least 3 times in newspapers within thirty days from the date of such resolution. A creditor of the Company shall be entitled, within thirty days from the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within ninety days from the date of the first announcement, to require the Company to repay its debts or provide a corresponding guarantee for such debt.</p> <p>The registered capital of the Company following the reduction of capital shall not be less than the statutory minimum amount.</p>	<p><b>The entire article is deleted</b></p>



APPENDIX I	AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS
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Number	Original Articles	Amended Articles
22.	<p>Article 5.3 In the following circumstances, the Company may repurchase shares of the Company in accordance with laws, administrative regulations, departmental rules and the Articles of Association:</p> <p>(1) to cancel shares for the purpose of reducing the capital of the Company;</p> <p>.....</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> <p>(6) where it is necessary to safeguard the value of the Company and the interests of its shareholders;</p> <p>(7) other circumstances where the laws and administrative regulations so permit.</p> <p>The Company shall not acquire the Company's shares save and except for the aforesaid conditions.</p>	<p>Article 5.3<del>1</del> In the following circumstances, <del>t</del><u>The</u> Company may <u>not</u> repurchase shares of the Company <u>except in one of the following circumstances in accordance with laws, administrative regulations, departmental rules and the Articles of Association:</u></p> <p>(1) <del>to cancel shares for the purpose of reducing the</del> <u>registered</u> capital of the Company;</p> <p>.....</p> <p>(5) to use the shares for the purpose of conversion by corporate bonds which are convertible into shares issued by <u>the Company</u>;</p> <p>(6) where it is necessary to safeguard the value of <u>the Company</u> and the interests of its shareholders<del>;</del>;</p> <p><del>(7)</del></p> <p><u>5.2 The Company may repurchase its shares by an open and centralized transaction method or other method allowed by other circumstances</u> the laws and administrative regulations <u>and the CSRC</u> so permit.</p> <p><del>The Company shall not acquire its shares save and except for the aforesaid conditions.</del></p>

Number	Original Articles	Amended Articles
	<p>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.</p> <p>Where the Company acquires its shares pursuant to the circumstances as stated in items (1) and (2) of this Article, it shall be approved by way of a resolution at the Company's general meeting. 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.</p> <p>Where the Company acquires its shares pursuant to the provisions in 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); 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 and shall be transferred or cancelled within three years; and all the repurchased shares shall be cancelled in case of the circumstances as stated in item (5) and item (6).</p>	<p>Where the Company acquires its shares pursuant to the circumstances as stated in items (3), (5) and (6) <u>of Clause 1 of this Article 5.1</u>, the repurchase shall be conducted through public and centralized trading.</p> <p><u>5.3</u> Where the Company acquires its shares pursuant to the circumstances as stated in items (1) and (2) <u>of Clause 1 of this Article 5.1</u>, it shall be approved by way of a resolution at the Company's general meeting. Where the Company acquires its shares pursuant to circumstances as stated in items (3), (5) and (6) <u>of Clause 1 of this Article 5.1</u>, 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.</p> <p>Where the Company acquires its shares pursuant to <del>this Clause 1 of Article 5.1</del>, such shares shall be cancelled <u>within 10 days from the date of acquisition in case of the circumstances as stated in item (1)</u>; such shares shall be <del>transferred or</del> cancelled within <u>six months</u> <del>ten days from the date of acquisition</del> in case of the circumstances as stated in items <u>(1), (2) and (4)</u>; <del>and such shares shall be held by the entrusts other than the Company</del> in case of the circumstance as stated in items <u>(3), (5) and (6)</u>; <u>and</u> where the shares of the Company are held by the Company, such shares shall not exceed 10% of the Company's total issued shares and shall be transferred or cancelled within three years; <del>and all the repurchased shares shall be cancelled in case of the circumstances as stated in item (5) and item (6).</del></p>

APPENDIX I	AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS
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Number	Original Articles	Amended Articles
	<p>The Company may, with the approval of the relevant competent authority of the State, repurchase Shares in one of the following manners:</p> <p>(1) making a general offer of repurchase of shares from all its shareholders on a pro rata basis;</p> <p>(2) repurchasing shares through public dealing on a stock exchange;</p> <p>(3) repurchasing through an off-market agreement.</p>	<p><del>The Company may, with the approval of the relevant competent authority of the State, repurchase Shares in one of the following manners:</del></p> <p><del>(1) making a general offer of repurchase of shares from all its shareholders on a pro rata basis;</del></p> <p><del>(2) repurchasing shares through public dealing on a stock exchange;</del></p> <p><del>(3) repurchasing through an off-market agreement.</del></p>
23.	<p>Article 5.4 The Company may, with the approval of the relevant competent authority of the State for repurchasing its shares, repurchase Shares in one of the following manners:</p> <p>(1) making a general offer of repurchase of shares to all its shareholders on a pro rata basis;</p> <p>(2) repurchasing shares through public dealing on a stock exchange;</p> <p>(3) repurchasing through an off-market agreement.</p>	<p><b>The entire article is deleted</b></p>

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<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
24.	<p>Article 5.5 Where the Company repurchases its shares through an off-market agreement, it shall seek prior approval of the shareholders at a general meeting in accordance with the Articles of Association. The Company may release or vary a contract so entered into by the Company or waive its rights thereunder with prior approval by shareholders at a general meeting obtained in the same manner.</p> <p>The contract to repurchase shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase shares.</p> <p>The Company shall not assign a contract to repurchase its shares or any of its right thereunder.</p>	<b>The entire article is deleted</b>
25.	<p>Article 5.6 Shares repurchased in accordance with the law by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration change of its registered capital.</p> <p>The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.</p> <p>Upon completion of reduction of its registered capital and change of registration with the company registration authority, the Company shall make the relevant announcement.</p>	<b>The entire article is deleted</b>

Number	Original Articles	Amended Articles
26.	<p data-bbox="295 304 826 421">Article 5.7 Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its issued shares:</p> <p data-bbox="295 474 826 676">(1) where the Company repurchases its shares at par value, payment shall be made out of book balance of the distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;</p> <p data-bbox="295 729 826 1017">(2) where the Company repurchases its shares at a premium to the par value, payment up to the par value shall be made out of the book balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose; Payment of the portion in excess of the par value shall be effected as follows:</p> <p data-bbox="295 1070 826 1229">(i) if the shares being repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;</p> <p data-bbox="295 1283 826 1783">(ii) if the shares being repurchased were issued at a premium to the par value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose; provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor the current amount of the Company's share premium account or capital reserve account (as the case may be) (including the premiums from the fresh issue);</p>	<p data-bbox="858 304 1121 336"><b>The entire article is deleted</b></p>

Number	Original Articles	Amended Articles
	<p>(3) payment by the Company in consideration of the followings shall be made out of the Company's distributable profits:</p> <p>(i) acquisition of rights to repurchase shares of the Company;</p> <p>(ii) variation of any contract for repurchasing shares of the Company;</p> <p>(iii) release of any of the Company's obligation under any contract for repurchasing its shares.</p> <p>(4) after the Company's registered share capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of the shares which have been repurchased shall be transferred to the Company's share premium account or capital reserve account (as the case may be).</p>	

Number	Original Articles	Amended Articles
27.	<p>Article 6.1 The Company and its subsidiaries shall not, by any other means at any time, provide any form of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly incurs any obligations resulting from the acquisition of shares of the Company.</p> <p>The Company and its subsidiaries shall not, by any means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.</p> <p>This provision does not apply to the circumstances as stated in Article 6.3 of this Chapter.</p>	<p>Article 6.1 The Company <del>and/or</del> its subsidiaries <u>(including affiliates of the Company)</u> shall not, by <del>any other means at any time</del> <u>way of gift, advance payment, guarantee, compensation or loans</u>, provide any form of <del>financial</del> assistance to a person who is acquiring or is proposing to acquire shares of the Company. <del>The said acquirer of shares of the Company includes a person who directly or indirectly incurs any obligations resulting from the acquisition of shares of the Company.</del></p> <p><del>The Company and its subsidiaries shall not, by any means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.</del></p> <p>This provision does not apply to the circumstances as stated in Article 6.3 of this Chapter.</p>
28.	<p>Article 6.2 The financial assistance as referred to in this Chapter includes, but not limited to, the followings:</p> <p>(1) gift;</p> <p>.....</p> <p>(4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.</p> <p>.....</p>	<p>Article 6.2 The financial assistance as referred to in this Chapter includes, but not limited to, the followings:</p> <p>(1) <u>grant</u>/gift;</p> <p>.....</p> <p>(4) <u>advance payment, compensation and any other</u> form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.</p> <p>.....</p>

Number	Original Articles	Amended Articles
29.	Article 7.2 The share certificates shall be signed by the Chairman of the Board. Where the stock exchange on which the shares of the Company are listed requires other senior managements to sign on the share certificates, the share certificates shall also be signed by such senior managements. The share certificates shall take effect after being affixed, or affixed by imprinting, with the seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorisation of the Board. The signatures of the Chairman of the Company or other relevant senior management members on the share certificates may also be in printed form.	Article 7.2 The share certificates shall be signed by the Chairman of the Board. Where the stock exchange on which the shares of the Company are listed requires <u>managers and</u> other senior managements to sign on the share certificates, the share certificates shall also be signed by such senior managements. The share certificates shall take effect after being affixed, or affixed by imprinting, with the seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorisation of the Board. The signatures of the Chairman of the Company or other relevant senior management members on the share certificates may also be in printed form.
30.	Article 7.6 Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.  Alteration or rectification of each part of the register of shareholders shall be made in accordance with the laws of the place where the register of shareholders is maintained.	Article 7.6 Different parts of the register of shareholders shall not <u>overlap</u> one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any <u>other</u> part of the register of shareholders.  Alteration or rectification of each part of the register of shareholders shall be made in accordance with the laws of the place where the register of shareholders is maintained.
31.	Article 7.7	Article 7.7 <b>The original item (2) (i), (ii), (iii), (iv), (v) and (vi) of Clause 1 are renumbered as item (2) (a), (b), (c), (d), (e) and (f) of Clause 1</b>



Number	Original Articles	Amended Articles
32.	Article 7.7	Article 7.7
	(3) All PRC-listed domestic-invested shares may be legally transferred, but shall be subject to the following requirements:	(3) All PRC-listed domestic-invested shares may be legally transferred, but shall be subject to the following requirements:
	(i) The Company does not accept any shares of the Company as the subject of a pledge;	(i) The Company does not accept any shares of the Company as the subject of a pledge;
	.....	.....
	(iii) During their tenure in office, the directors, supervisors and senior management members of the Company shall regularly report to the Company their shareholdings and shall not transfer more than 25% of the total number of shares held by them per year. The shares held by them shall not be transferred within one year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six months commencing from the termination of their service;	(iii) <del>During their tenure in office,</del> <u>The directors, supervisors, managers and other senior management members of the Company shall regularly report to the Company their shareholdings and changes thereof, and shall not transfer more than 25% of the total number of shares of the same class held by them per year. The shares held by them shall not be transferred within one year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six months commencing from the termination of their service;</u>

Number	Original Articles	Amended Articles
	<p>(iv) Any gains from sale of shares in the Company by any directors, supervisors, senior management members or shareholders holding 5% or more of the shares with voting rights in the Company within six months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more shares by buying the remaining shares subject to sale pursuant to an underwriting arrangement, the six-month limitation for selling the said shares shall not apply thereunder;</p> <p>.....</p>	<p>(iv) Any gains from sale of shares in the Company by any directors, supervisors, <u>managers</u>, senior management members or shareholders holding 5% or more of the shares <del>with voting rights</del> in the Company within six months after their purchase of the same, and any <del>gains</del> <u>income</u> from purchase of shares in the Company <u>other securities with the nature of equity</u> by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more shares by buying the remaining shares subject to sale pursuant to an underwriting arrangement, <del>the six-month limitation for selling the said shares shall not apply thereunder;</del> <u>and other circumstances stipulated by the CSRC are excluded.</u></p> <p><u>Shares or other securities with an equity nature held by directors, supervisors, managers, other senior management members and natural person shareholders referred to in the preceding paragraph shall include the shares or other securities with the nature of equity held by their spouses, parents or children, and those held through the accounts of others.</u></p> <p>.....</p>

Number	Original Articles	Amended Articles
33.	<p>Article 7.8 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>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 for the purpose of distribution of dividends, those provisions shall prevail.</p>	<p>Article 7.8 Transfers may not be entered in the register of shareholders within <del>thirty</del> <u>twenty</u> 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>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 for the purpose of distribution of dividends, those provisions shall prevail.</p>
34.	<p>Article 7.9 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board shall designate a day to be the record date. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company.</p>	<p>Article 7.9 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of <u>identification of shareholders</u> <del>shareholdings</del>, the Board <u>or the convener of the shareholders' general meeting</u> shall <u>determine a</u> <del>designate</del> <u>a day to be the</u> record date. Shareholders whose names appear in the register of shareholders <u>after the close of trading of the shares on</u> <del>at the end of</del> the record date <u>are</u> <del>shareholders of the Company</del> <u>shall be entitled to the rights and benefits in connection therewith.</u></p>
35.	<p>Article 7.10 Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.</p>	<p>Article 7.10 <u>The register of shareholders must be made available for inspection by shareholders.</u> Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register <u>if the Company disagrees.</u></p>

Number	Original Articles	Amended Articles
36.	<p>Article 7.11 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his relevant share certificates (the “Original Certificates”) are lost, apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).</p> <p>If a holder of the domestic-invested shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with relevant provisions of the Company Law.</p> <p>If a holder of the overseas-listed foreign-invested shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with the laws, stock exchange rules or other relevant regulations of the place where the original copy of the Company’s register of holders of overseas-listed foreign-invested shares is maintained.</p>	<p>Article 7.11 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his relevant share certificates (the “Original Certificates”) are lost, apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).</p> <p>If a holder of the domestic-invested shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with relevant provisions of the Company Law.</p> <p>If a holder of the overseas-listed foreign-invested shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with the laws, stock exchange rules or other relevant regulations of the place where the original copy of the Company’s register of holders of overseas-listed foreign-invested shares is maintained.</p>

Number	Original Articles	Amended Articles
	<p>In the case that the Company listed in Hong Kong, the issue of replacement certificates to holders of overseas-listed foreign-invested shares shall comply with the following requirements:</p> <p>(1) the applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration, containing:</p> <p>(i) the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates; and</p> <p>(ii) the declaration that no any other person is entitled to have his name entered in the registered as the shareholder in respect of the Relevant Shares.</p> <p>(2) no statement has been received by the Company from a person other than the applicant declaring that his name shall be entered into the register of shareholders in respect of the Relevant Shares before the Company came to a decision to issue the replacement certificates.</p> <p>(3) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; The announcement shall be made at least once every thirty days in a period of ninety days.</p>	<p><del>In the case that the Company listed in Hong Kong, the issue of replacement certificates to holders of overseas-listed foreign-invested shares shall comply with the following requirements:</del></p> <p><del>(1) the applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration, containing:</del></p> <p><del>(i) the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates; and</del></p> <p><del>(ii) the declaration that no any other person is entitled to have his name entered in the registered as the shareholder in respect of the Relevant Shares.</del></p> <p><del>(2) no statement has been received by the Company from a person other than the applicant declaring that his name shall be entered into the register of shareholders in respect of the Relevant Shares before the Company came to a decision to issue the replacement certificates.</del></p> <p><del>(3) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; The announcement shall be made at least once every thirty days in a period of ninety days.</del></p>

Number	Original Articles	Amended Articles
	<p>(4) the Company shall, prior to the publication of its announcement of intention to issue a replacement certificate, deliver to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receipt of confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety days.</p> <p>In case an application to issue a replacement certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.</p>	<p><del>(4) the Company shall, prior to the publication of its announcement of intention to issue a replacement certificate, deliver to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receipt of confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety days.</del></p> <p><del>In case an application to issue a replacement certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.</del></p>
	<p>(5) if, upon expiration of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to issuance of the replacement share certificate, the Company may issue a replacement share certificate to the applicant according to his application.</p>	<p><del>(5) if, upon expiration of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to issuance of the replacement share certificate, the Company may issue a replacement share certificate to the applicant according to his application.</del></p>
	<p>(6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issuance in the register of shareholders accordingly.</p>	<p><del>(6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issuance in the register of shareholders accordingly.</del></p>

Number	Original Articles	Amended Articles
	<p>(7) all expenses relating to the cancellation of an Original Certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.</p> <p>(8) the newspapers referred to in item (3) of this Article regarding announcement of issuance of replacement certificates shall include at least one Chinese and one English newspaper published in Hong Kong.</p>	<p><del>(7) all expenses relating to the cancellation of an Original Certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.</del></p> <p><del>(8) the newspapers referred to in item (3) of this Article regarding announcement of issuance of replacement certificates shall include at least one Chinese and one English newspaper published in Hong Kong.</del></p>
37.	Article 7.12 Where the Company issues a replacement certificate pursuant to the Articles of Association, the name of a bona fide purchaser who acquires the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case where he is a bona fide purchaser) shall not be removed from the register of shareholders.	<b>The entire article is deleted</b>
38.	Article 7.13 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.	<b>The entire article is deleted</b>

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<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
39.	<p>Article 8.3 Holders of ordinary shares of the Company shall be entitled to the following rights:</p> <p>(1) the right to receive dividends and other distributions in proportion to the number of shares held;</p> <p>(2) the right to attend or appoint a proxy to attend shareholders' general meetings and to exercise the corresponding voting right thereat;</p> <p>(3) the right to supervise and manage the Company's business operations, and to present proposals or raise inquiries;</p> <p>(4) the right to transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;</p>	<p>Article 8.3 Holders of ordinary shares of the Company shall be entitled to the following rights:</p> <p>(1) the right to <del>receive</del> <u>obtain</u> dividends and <u>other</u> distributions in proportion to the number of shares held;</p> <p>(2) the right to <u>request, convene, preside over,</u> attend or appoint a proxy to attend shareholders' general <u>meetings</u> and to exercise the <u>corresponding</u> voting right thereat <u>according to laws</u>;</p> <p>(3) the right to supervise <del>and manage</del> the Company's <del>business</del> operations, and to present proposals or raise inquiries;</p> <p>(4) the right to transfer, <u>grant or pledge</u> shares <u>held by he/she</u> in accordance with laws, administrative regulations and provisions of the Articles of Association;</p>



<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
		<b>The original items (5), (7) and (8) are deleted and replaced with the following contents:</b>
	<p>(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>(i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;</p> <p>(ii) the right to inspect and copy, subject to payment of a reasonable charge;</p> <p>(A) all parts of the register of shareholders;</p> <p>(B) personal particulars of the directors, supervisors, managers and other senior management members of the Company, including:</p> <p>(a) present and former names and any aliases;</p> <p>(b) principal address (residential);</p> <p>(c) nationality;</p> <p>(d) primary and all other part-time occupations and duties;</p> <p>(e) identification documents and its number;</p>	<p>(5) <u>the right to inspect the Articles of Association, register of shareholders, corporate bond counterfoils, minutes of shareholders general meetings, resolutions of the meetings of the Board of Directors, resolutions of the meetings of the Supervisory Committee, and financial reports;</u></p>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
	(C) state of the share capital of the Company;	
	(D) reports stating the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;	
	(E) minutes of the shareholders' general meetings.	
	(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company according to the number of shares held;	
	(7) other rights conferred by laws, administrative regulations and the Articles of Association;	<u>(7) the shareholders disagreeing with the merger or separation resolution passed at the shareholders general meeting are entitled to demand the Company to acquire their shares;</u>
	(8) the right to propose to convene, preside over and attend shareholders' general meetings and to exercise the corresponding voting right thereat;	<u>(8) other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.</u>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
	<p>(9) the right to grant or pledge the shares held, in accordance with laws, administrative regulations and the Articles of Association;</p> <p>(10) subject to payment of reasonable charges, the right to inspect and copy corporate bond counterfoils, financial reports, resolutions of Board meetings and Supervisory Committee meetings;</p> <p>(11) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;</p>	<p><b>The original items (9), (10) and (11) are deleted</b></p>
40.	<p>Article 8.5 Holders of ordinary shares of the Company shall assume the following obligations:</p> <p>(1) to comply with the Articles of Association;</p> <p>.....</p>	<p>Article 8.5 Holders of ordinary shares of the Company shall assume the following obligations:</p> <p>(1) to comply with <u>laws, administrative regulations</u> and the Articles of Association;</p> <p>.....</p> <p><b>The original item (3) is renumbered as item (5)</b></p> <p><b>The original item (4) is renumbered as item (3)</b></p> <p><b>The original item (5) is renumbered as item (4)</b></p>

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<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
41.	<p>Article 9.2 The term “controlling shareholder” as referred to in the preceding article means a person satisfying any one of the following conditions:</p> <p>(1) any person acting on his own or in concert with other parties has the power to elect half or more of the Board members;</p> <p>(2) any person acting on his own or in concert with other parties has the power to exercise or control the exercise of 30 per cent or more of the voting rights of the Company;</p> <p>(3) any person acting on his own or in concert with other parties holds 30 per cent or more of the outstanding shares of the Company;</p> <p>(4) any person acting on his own or in concert with other parties has de facto control of the Company in any other manner.</p>	<p>Article 9.2 <b>The entire article is deleted and replaced with the following contents</b></p> <p><u>The term “controlling shareholder” as referred to in the preceding article means a shareholder who holds ordinary shares (including preferred shares with voting rights restored) representing 50% or more of the total share capital of the Company, or a shareholder having sufficient voting right in respect of the shares who holds to pose a significant influence on the resolutions of the shareholders’ general meetings despite holding less than 50% of the total share capital of the Company.</u></p>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
42.	<p>Article 10.2 The shareholders' general meeting shall exercise the following functions and powers:</p> <p>(2) to elect and replace directors and decide on matters relating to their remuneration;</p> <p>(3) to elect and replace supervisors who are representatives of shareholders and decide on matters relating to the remuneration of supervisors;</p> <p>.....</p> <p>(17) to consider and approve newly-added guarantee items under Article 10.3;</p> <p>.....</p> <p>(20) to consider share incentive schemes.</p>	<p>Article 10.2</p> <p><b>The original items (2) and (3) are deleted</b></p> <p><b>The original item (15) is renumbered as item (2)</b></p> <p><b>The original items (4) to (8) are renumbered as items (3) to (7)</b></p> <p><b>The original item (16) is renumbered as item (8)</b></p> <p>(17) to consider and approve newly-added guarantee items under Article 10.3;</p> <p><b>The original items (18) and (19) are renumbered as items (15) and (16)</b></p> <p>(20) to consider share incentive schemes <u>and employee share ownership plans</u>;</p> <p><b>The original item (14) is renumbered as item (18)</b></p>
43.	<p>Article 10.3 The following guarantees provided to third parties by the Company shall be subject to consideration and approval at general meetings:</p> <p>.....</p>	<p>Article 10.3 The following guarantees provided to third parties by the Company shall be subject to consideration and approval at general meetings:</p> <p><b>Item (3) is newly added:</b></p> <p>(3) <u>the amount of guarantee provided by the Company within one year exceeds 30% of the Company's last audited total assets;</u></p> <p><b>The original items (3) to (5) are renumbered as items (4) to (6)</b></p>

Number	Original Articles	Amended Articles
44.	<p>Article 10.5 Shareholders' general meetings shall be classified into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the Board. Annual general meetings are held once every year and within six months from the close of the preceding financial year.</p> <p>.....</p>	<p>Article 10.5 Shareholders' general meetings shall be classified into <u>annual</u> general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the Board. <u>Annual</u> general meetings are held once every year and within six months from the close of the preceding financial year.</p> <p>.....</p>
45.	<p>Article 10.6 (1) A twenty days' prior written notice for convening the 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 seven days prior to the date of the meeting.</p> <p>.....</p> <p>(4) For the purpose of the notice mentioned herein, the dispatch date shall be the date on which the Company or the share registrar appointed by the Company delivers relevant notice at post offices for dispatch, instead of the date on which shareholders are deemed to have received the relevant notice as stated in Article 25.1.</p>	<p>Article 10.6 (1) A twenty-one days' prior written notice for convening the 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 seven days prior to the date of the meeting.</p> <p>.....</p> <p>(4) For the purpose of the notice mentioned herein, the dispatch date shall be the date on which the Company or the share registrar appointed by the Company delivers relevant notice at post offices for dispatch, instead of the date on which shareholders are deemed to have received the relevant notice as stated in Article 25.1<del>3</del>.</p>

Number	Original Articles	Amended Articles
46.	<p>Article 10.9 The notice of a general meeting shall satisfy the following requirements:</p> <p>(1) it shall be in written form;</p> <p>(2) it shall specify the place, date and time of the meeting;</p> <p>(3) it shall set out the matters to be discussed at the meeting;</p> <p>(4) it shall provide shareholders with such information and explanation as are necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall include (but shall not be limited to), where the Company proposes to merge with another company, repurchase its shares, restructure share capital or undergo other reorganization, the requirement for the specific terms and contracts (if any) of the proposed transaction shall be provided and the reasons for and effects of the same shall be properly explained;</p> <p>(5) it shall contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, managers, and other senior management members in the matters to be discussed and the difference of the effect which the matters to be discussed on such director, supervisor, managers and other senior management members in their capacity as shareholders and on that of the other shareholders of the same class;</p>	<p>Article 10.9 <b>The entire article is deleted and replaced with the following contents</b></p> <p><u>The notice of a general meeting shall include the following contents:</u></p> <p>(1) <u>the time, the place, and the duration of the meeting;</u></p> <p>(2) <u>matters and motions to be considered at the meeting;</u></p> <p>(3) <u>containing a conspicuous statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend the general meeting, and a shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and such proxy needs not be a shareholder of the Company;</u></p> <p>(4) <u>share record date for the right to attend the general meeting;</u></p> <p>(5) <u>the standing contact person and telephone number for the meeting;</u></p>

Number	Original Articles	Amended Articles
	(6) it shall contain the full text of any special resolution proposed to be passed at the meeting;	(6) <u>voting time and voting procedure of voting via internet or by other means.</u>
	(7) it shall contain a clear statement that a shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote at the meeting on his behalf and that such proxies need not be shareholders;	<u>Details of all proposals shall be fully and completely disclosed in the notice of the general meeting and its supplementary notice. In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of general meeting or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors.</u>
	(8) it shall specify the time and place for delivery of the written confirmation slip and proxy form for the relevant meeting;	<u>The commencement time of voting via internet or by other means shall not be earlier than 3:00 p.m. of the day preceding the date of the onsite general meeting or later than 9:30 a.m. of the date of the onsite general meeting, and shall not conclude earlier than 3:00 p.m. of the date of the onsite general meeting.</u>
	(9) it shall state the registration date for shareholders who are entitled to attend the general meeting;	
	(10) it shall state the names and telephone numbers of the contact persons in connection with the meeting.	<u>The interval between the share record date and the date of the meeting shall be no more than seven working days. Once the share record date is confirmed, no change shall be made thereto.</u>



Number	Original Articles	Amended Articles
47.	<p>Clause 1 of Article 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.</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. 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>Clause 1 of Article 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) <u>by way of announcement or as permitted by the stock exchanges where the Company's shares are listed</u><del>by hand or by prepaid mail</del>. The addresses of the recipients shall be such addresses as shown in the register of shareholders.</p> <p>The announcement referred to in the preceding paragraph <u>shall be published on the website of the stock exchanges and the media meeting the requirements specified by the securities regulatory authorities of the State Council</u><del>shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council</del>. 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>
48.	<p>Article 10.14 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p> <p>(1) the right which the shareholder may speak at the meeting;</p> <p>(2) the right to demand a poll alone or jointly with others;</p> <p>(3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.</p>	<p>Article 10.14 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint <del>one or more</del> persons (who may not be a shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:</p> <p>(1) the right <del>which</del><u>of</u> the shareholder <del>may</del><u>to</u> speak at the meeting;</p> <p>(2) the right to <u>vote</u> <del>demand a poll alone or jointly with others;</del></p> <p>(3) <del>the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.</del></p>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
49.	<p>Clause 3 of Article 10.15</p> <p>Shareholders may attend in person or appoint proxies to attend and vote at general meetings on their behalf.</p>	<p>Clause 3 of Article 10.15</p> <p>Shareholders may attend in person or appoint proxies to attend and vote at general meetings on their behalf. <u>The legal person shareholders shall be deemed attending the meeting in person by the legal representative or proxy of the legal person shareholders attending the meeting.</u></p>
50.	<p>Article 10.16 Individual shareholders who attend the meeting in person shall present their identity cards together with the shareholding evidence. In the case of attendance by proxies, the proxies shall present valid proof of their identities, the letter of authorisation from shareholders and the shareholding.</p> <p>Where a shareholder is a legal person, its legal representative or proxy authorized by its legal representative shall attend the meeting on behalf of such legal person. In case of attendance by legal representatives, they shall present their identity cards, valid certificates of their capacities of legal representatives and the shareholding evidence; in the case of attendance by proxies, the proxies shall present their identity cards, the letter of authorisation duly issued by the legal representatives of the legal person and the shareholding evidence.</p>	<p>Article 10.16 Individual shareholders who attend the meeting in person shall present their identity cards <del>together with the shareholding evidence</del> <u>or other document or certification of identification or share account card</u>. In the case of attendance by proxies, the proxies shall present valid proof of their <del>identities</del>, <u>valid identification documents</u>, and the letter of authorisation from <u>shareholders</u> <del>and the shareholding</del>.</p> <p>Where a shareholder is a legal person, its legal representative or proxy authorized by its legal representative shall attend the meeting on behalf of such legal person. In case of attendance by legal representatives, they shall present their identity cards, valid certificates of their capacities of legal representatives <del>and the shareholding evidence</del>; in the case of attendance by proxies, the proxies shall present their identity cards, the letter of authorisation <u>in written format</u> duly issued by the legal representatives of the legal person <del>and the shareholding evidence</del>.</p>
51.	<p>Article 10.17 The instrument appointing a proxy by shareholders shall be in writing under the hand of the appointer or his attorney duly authorised in writing; where the appointer is a legal person, either under the common seal of such legal person or under the hands of its director or attorney duly authorised.</p>	<p>Article 10.17 The instrument appointing a proxy by shareholders shall be in writing <u>(including the proxy form provided by the Company for designated shareholders' general meetings)</u> under the hand of the appointer or his attorney duly authorised in writing; where the appointer is a legal person, either under the common seal of such legal person or under the hands of its director or attorney duly authorised.</p>

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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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<b>Number</b>	<b>Original Articles</b>	<b>Amended Articles</b>
52.	Article 10.20 Any form issued to a shareholder by the Board for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favour of or against each resolution dealing with the businesses to be transacted at the meeting. Such a form shall contain a statement that, in the absence of instructions by the shareholder, the proxy may vote as he thinks fit.	Article 10.20 Any form issued to a shareholder by the Board for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favour of or against each resolution dealing with the businesses to be transacted at the meeting. Such a form shall contain a statement that, in the absence of <u>specific</u> instructions by the shareholder, <u>whether</u> the proxy may vote as he thinks fit.
53.	Article 10.22  (1) registration book for attending the general meeting shall be prepared by the Company. The registration book shall set forth the names of attendees (or the attending units), residential address, number of voting shares held or represented, and name of the appointer (or the appointing unit), etc.	Article 10.22  (1) <del>R</del> egistration book for attending the general meeting shall be prepared by the Company. The registration book shall set forth the names of attendees (or <u>the attending entities</u> ), <u>identification number, residential</u> address, number of voting shares held or represented, and name of the appointer (or the appointing unit), etc.

Number	Original Articles	Amended Articles
54.	<p data-bbox="295 304 416 331">Article 10.23</p> <p data-bbox="295 389 829 506">(1) There shall be two types of resolutions of shareholders' general meetings, namely ordinary resolutions and special resolutions.</p> <p data-bbox="368 563 829 719">An ordinary resolution must be passed by votes representing more than one-half of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p data-bbox="368 776 829 932">A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p data-bbox="295 989 336 1010">.....</p> <p data-bbox="295 1074 829 1534">(3) For matters relating to general meeting resolutions, where any shareholder is required to abstain from voting on any specific resolution, or is restricted to vote only in favour of or only against any specific resolution pursuant to relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote cast by such shareholder or his proxy in violation of such requirements or restrictions shall not be counted in the voting results.</p>	<p data-bbox="858 304 979 331">Article 10.23</p> <p data-bbox="858 389 1393 506">(1) There shall be two types of resolutions of shareholders' general meetings, namely ordinary resolutions and special resolutions.</p> <p data-bbox="927 563 1393 719">An ordinary resolution must be passed by votes representing <del>more than one-half</del> <u>a majority</u> of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p data-bbox="927 776 1393 932">A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p data-bbox="858 989 900 1010">.....</p> <p data-bbox="858 1074 1393 1619">(3) For matters relating to general meeting resolutions, where any shareholder <u>holding voting rights has a material interest in the individual transaction or arrangement to be voted, and is</u> required to abstain from voting on any specific resolution, or is restricted to vote only in favour of or only against any specific resolution pursuant to <u>PRC regulations or</u> relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote cast by such shareholder or his proxy in violation of such requirements or restrictions shall not be counted in the voting results.</p>

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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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<b>Number</b>	<b>Original Articles</b>	<b>Amended Articles</b>
55.	<p>Article 10.25 The Board, independent directors, and shareholders satisfying the relevant conditions may publicly solicit voting rights of the shareholders. Information including the specific voting intention shall be fully disclosed to the persons whose voting rights are being solicited. Soliciting voting rights of the shareholders by compensation or disguised compensation is prohibited. In soliciting voting rights, the Company shall not impose a minimum shareholding proportion requirement.</p>	<p>Article 10.25 The Board, independent directors, <u>shareholders holding more than one percent of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC</u> <del>and shareholders satisfying the relevant conditions</del> may publicly solicit voting rights of the shareholders. Information including the specific voting intention shall be fully disclosed to the persons whose voting rights are being solicited. Soliciting voting rights of the shareholders by compensation or disguised compensation is prohibited. <u>Except for statutory conditions,</u> <del>In</del> soliciting voting rights, the Company shall not impose a minimum shareholding proportion requirement.</p>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
56.	<p>Article 10.26 Voting at a shareholders' meeting shall be taken on a show of hands unless a poll is (before or after any vote by show of hands) demanded by the following persons:</p> <ol style="list-style-type: none"> <li>(1) the chairman of the meeting;</li> <li>(2) at least two shareholders entitled to vote in person or proxies with voting rights;</li> <li>(3) one or more shareholders (including proxies) individually or jointly holding 10% or more of all shares carrying voting rights at such meeting.</li> </ol> <p>Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolutions at the meeting.</p> <p>The demand for a poll may be withdrawn by the person who demands the same.</p>	<p>Article 10.26 <b>The entire article is deleted and replaced with the following contents:</b></p> <p><u>The voting at the shareholders' general meeting shall be taken by way of registered poll.</u></p>
57.	<p>Article 10.27 A poll demanded on such matters as the election of chairman or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may direct, and the meeting may proceed to discuss other matters, while the results of the poll to be taken shall still be deemed to be a resolution of that meeting.</p> <p>The voting results shall be announced as soon as practicable.</p>	<b>The entire article is deleted</b>
58.	<p>Article 10.28 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes for or against in the same way.</p>	<b>The entire article is deleted</b>

Number	Original Articles	Amended Articles
59.	Article 10.29 In the case of equality of votes, whether by show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.	<b>The entire article is deleted</b>
60.		<b>The original Articles 10.30 to 10.31 are renumbered as Articles 10.27 to 10.28</b>
61.	Article 10.32 Unless a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the general meeting.	Article 10.32 <del>29</del> In addition to the cumulative voting system, the general meeting shall resolve all the proposals separately. Where there are different proposals for the same matter, such proposals shall be voted on in the chronological order in which they are presented. Unless a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the general meeting.
62.	Article 10.33 Where material issues affecting the interests of small and medium investors are being considered at the general meeting, the votes cast by small and medium investors shall be counted separately. The results of separately counted votes shall be publicly disclosed in a timely manner.	<p>Article 10.33<del>0</del> Where material issues affecting the interests of small and medium investors are being considered at the general meeting, the votes cast by small and medium investors shall be counted separately. The results of separately counted votes shall be publicly disclosed in a timely manner.</p> <p><u>No voting rights shall be attached to the shares held by the Company, and such shares shall not be counted among the total number of voting shares held by the shareholders present at a shareholders' general meeting.</u></p> <p><u>Shareholders, who purchase the voting shares of the Company in violation of provisions of the first clause and the second clause of Article 63 of the Securities Law, shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after such purchase, and such shares shall not be counted among the total number of shares with voting rights at a shareholders' general meeting.</u></p>
63.		<b>The original Article 10.34 is renumbered as Article 10.31</b>

APPENDIX I	AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS
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Number	Original Articles	Amended Articles
64.	<p>Article 10.35 The following matters shall not be implemented or applied for unless they have been approved by the Company's shareholders' general meeting and passed by more than half of the public shareholders with voting rights present at the general meeting:</p> <p>(1) any issue of new shares by the Company to the public (including issue of overseas-listed foreign-invested shares or warrants of other natures), issue of convertible corporate debentures, placing of shares to existing shareholders (except such placing where the controlling shareholders have provided an undertaking to fully subscribe for the shares in cash before the general meeting is convened);</p> <p>(2) major asset restructuring in which the total purchase price for the assets is 20% (or more) higher than the audited net book value of such assets;</p> <p>(3) repayment of debts due to the Company by any shareholder with his shares in the Company;</p> <p>(4) overseas listing of any of the Company's subsidiaries which are material to the Company;</p> <p>(5) such other relevant issues which may have a material impact on the interests of the public shareholders during the development of the Company.</p> <p>Where a general meeting is convened to consider the abovementioned matters, the Company shall provide shareholders with access to online voting.</p>	<b>The entire article is deleted</b>



Number	Original Articles	Amended Articles
65.	Article 10.36 In such cases as provided for in the foregoing article, upon servicing notice convening of a general meeting by the Company, such general meeting notice should be published again within three days after the registration date.	<b>The entire article is deleted</b>
66.		<b>The original Articles 10.37 to 10.39 are renumbered as Articles 10.32 to Articles 10.34</b>
67.	<p>Article 10.40 The following procedures shall be complied with by shareholders requesting for convening of extraordinary general meetings or class meetings:</p> <p>(1) two or more shareholders holding in aggregate more than 10% of voting shares at such proposed meeting may request the Board to convene an extraordinary general meeting or class meeting by signing and submitting one or more written requisitions with the same format and contents and specifying the agenda of the meeting. An extraordinary general meeting or class meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written requisition. The aforesaid proportion of shareholding shall be calculated on the date on which the relevant shareholders submit the written requisition.</p> <p>(2) if the Board fails to dispatch a notice of convening such meeting within thirty days upon receipt of the aforesaid written requisition, the shareholders submitting such request may convene such meeting by themselves within four months of the receipt of such requisition by the Board. The procedures for convening such meeting should follow those for convening a general meeting of shareholders by the Board as similar as practicable.</p>	<p>Article 10.40<del>35</del> The following procedures shall be complied with by shareholders requesting for convening of extraordinary general meetings or class meetings:</p> <p>(1) <del>two or</del> <u>one</u> or more shareholders holding in aggregate <u>more than 10% of voting shares</u> at such proposed meeting, <u>on a one vote per share basis</u>, may request the Board to convene an extraordinary general meeting or class meeting <u>or add resolutions to a meeting agenda</u> by signing and submitting one or more written requisitions with the same format and contents and specifying the agenda of the meeting. An extraordinary general meeting or class meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written requisition. The aforesaid proportion of shareholding shall be calculated on the date on which the relevant shareholders submit the written requisition.</p> <p><b>The original item (2) is deleted</b></p> <p><b>The original items (3) and (4) are renumbered as items (2) and (4)</b></p>

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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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<b>Number</b>	<b>Original Articles</b>	<b>Amended Articles</b>
	All reasonable expenses incurred by shareholders arising from convening and holding the aforesaid meeting by shareholders due to the Board's failure to hold such meeting in response to the aforesaid requisition shall be borne by the Company. Such expenses shall be deducted from the amounts due by the Company to the director(s) who have neglected their duties.	
68.		<b>The original Articles 10.41 to 10.44 are renumbered as Articles 10.36 to 10.39</b>
69.	Article 10.45 The chairman of the meeting shall be responsible for the determination of whether a resolution is passed. His decision, which is final and conclusive, shall be announced at the meeting and recorded in the minute book.	<b>The entire article is deleted</b>
70.	Article 10.46 If the chairman of the meeting has any doubt as to the voting results of resolutions put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, the chairman of the meeting shall have the votes counted immediately.	Article 10.46 <u>0</u> If the <del>chairman</del> <u>presider</u> of the meeting has any doubt as to the voting results of resolutions put to the vote of the meeting, he may have the votes counted. If the <del>chairman</del> <u>presider</u> of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the <del>chairman</del> <u>presider</u> of the meeting may demand that the votes be counted immediately after the declaration of the result, the <del>chairman</del> <u>presider</u> of the meeting shall have the votes counted immediately.

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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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<b>Number</b>	<b>Original Articles</b>	<b>Amended Articles</b>
71.	<p>Article 10.47 If the votes are counted at the general meeting, the counting results shall be recorded into the minutes of the meeting.</p> <p>The minutes, shareholders' attendance lists and proxy forms shall be kept at the Company's corporate domicile.</p> <p>The above minutes, attendance lists and proxy forms shall not be destroyed within ten years.</p>	<b>The entire article is deleted</b>
72.		<b>The original Article 10.48 is renumbered as Article 10.41</b>
73.	<p>Article 10.49 Through various ways and means including making full use of information technology, the Company shall increase the public shareholders' participation into the general meeting, provided that the legibility and validity of such a meeting are ensured.</p>	<p>Article 10.49<sup>2</sup> Through various ways and means including making full use of information technology, the Company shall increase the public shareholders' participation into the general meeting, provided that the legibility and validity of such a meeting <u>and the shareholders' right to speak at the meeting</u> are ensured.</p>
74.	<p>Article 10.50 The Board of directors, independent directors and eligible shareholders are entitled to solicit votes from other shareholders in respect of the shareholders' general meeting. Voting rights shall be solicited free of charge and sufficient information shall be disclosed to the shareholders subject to soliciting.</p>	<b>The entire article is deleted</b>

Number	Original Articles	Amended Articles
75.	<p data-bbox="296 304 416 331">Article 10.51</p> <p data-bbox="296 389 831 1236">(1) The shareholders' general meeting shall maintain minutes of the meeting, and the secretary to the Board of directors shall be responsible for the minutes. Minutes of the meeting shall include the followings: time, place, agenda of meeting and the name of the convener; names of the chairman of the meeting, directors, supervisors, manager and other senior management present at the meeting; number of shareholders and proxies present at the meeting, total number of the shares with voting rights held by them, and the percentage of shares with voting rights held by them over the total number of shares of the Company; process of consideration for each motion, the salient points of speaking and voting results; reply or explanation to shareholders' questions or recommendations; names of the lawyer, counting officers and the scrutinizer; such other matters as required to be included in the minutes under the Articles of Association.</p> <p data-bbox="296 1293 336 1310">.....</p>	<p data-bbox="858 304 1002 331">Article 10.51<del>43</del></p> <p data-bbox="858 389 1393 1236">(1) The shareholders' general meeting shall maintain minutes of the meeting, and the secretary to the Board of directors shall be responsible for the minutes. Minutes of the meeting shall include the followings: time, place, agenda of meeting and the name of the convener; names of the chairman of the meeting, directors, supervisors, manager and other senior management present at the meeting; number of shareholders and proxies present at the meeting, total number of the shares with voting rights held by them, and the percentage of shares with voting rights held by them over the total number of shares of the Company; process of consideration for each motion, the salient points of speaking and voting results; reply or explanation to shareholders' questions or recommendations; names of the lawyer, counting officers and the scrutinizer; such <u>other</u> matters as required to be included in the minutes under the Articles of Association.</p> <p data-bbox="858 1293 898 1310">.....</p>
76.	<p data-bbox="296 1351 831 1591">Article 11.2 Rights conferred on any class of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting convened in accordance with Articles 11.3 to 11.7.</p>	<p data-bbox="858 1351 1393 1591">Article 11.2 Rights conferred on any class of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that <del>class</del> at a separate <u>class</u> meeting convened in accordance with Articles 11.3 to 11.7.</p>
77.	<p data-bbox="296 1623 831 1740">Article 11.3 The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:</p> <p data-bbox="296 1798 360 1815">.....</p>	<p data-bbox="858 1623 1393 1740">Article 11.3 <del>The following circumstances shall be deemed to be a v</del>Variation or abrogation of the rights of holders of certain class shares <u>includes but not limited to:</u></p> <p data-bbox="858 1798 898 1815">.....</p>

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Number	Original Articles	Amended Articles
78.	Article 11.8 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign-invested shares are deemed to be shareholders of different classes of shares.	<b>The entire article is deleted</b>
79.	<p>Article 11.9 The special voting procedures for class meetings do not apply to the following circumstances:</p> <p>(1) where the Company issues, upon the approval by a special resolution of it's shareholders in general meeting, either separately or concurrently once every twelve months, not more than 20 per cent of each of its existing issued domestic invested shares and overseas-listed foreign-invested shares;</p> <p>(2) where plans in respect of the issuance of domestic invested shares and overseas-listed foreign-invested shares at the time of establishment of the Company are completed within 15 months commencing from the date of approval by the Securities Commission of the State Council.</p>	<b>The entire article is deleted</b>
80.	<p>Article 12.3</p> <p>(7) Prior to the maturity of his term, a director could be removed 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>Article 12.3</p> <p>(7) Prior to the maturity of his term, a director could be removed from his office <u>by</u> 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>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
81.	<p>Article 12.5</p> <p>(1) The Board is accountable to general meetings of shareholders and exercises the following functions and powers:</p> <p>.....</p> <p>(iv) to formulate the Company's proposed annual preliminary and final financial budgets;</p> <p>(v) to formulate the Company's profit distribution plan and plan for recovery of losses;</p> <p>(vi) to formulate proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures;</p> <p>(vii) to draw up plans for the merger, division or dissolution of the Company;</p> <p>(viii) to appoint or dismiss the Company's manager, and based on the manager's nominations, to appoint or dismiss the deputy managers and financial controller of the Company and decide on their remuneration;</p>	<p>Article 12.5</p> <p>(1) The Board is accountable to general meetings of shareholders and exercises the following functions and powers:</p> <p>.....</p> <p>(iv) to <u>formulate</u> the Company's proposed annual preliminary and final financial budgets;</p> <p>(v) to <u>formulate</u> the Company's profit distribution plan and plan for recovery of losses;</p> <p>(vi) to <u>formulate</u> proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures <u>or other securities for listing</u>;</p> <p>(vii) to <u>draw up</u> plans for the <u>purchase of shares of the Company or merger, division or dissolution of the Company and alteration of corporate form of the Company</u>;</p> <p>(viii) to appoint or dismiss the Company's manager, <u>secretary to the Board and other members of senior management and determine their remuneration and matters related to their rewards and penalties</u>; and based on the manager's nominations, to appoint or dismiss <del>the</del> deputy managers and financial controller of the Company and determine their remuneration <u>and matters related to their rewards and penalties</u>;</p>

Number	Original Articles	Amended Articles
	(ix) to formulate the Company's basic management system;	(ix) to <u>formulate</u> the Company's basic management system, <u>and to determine the establishment of the Company's internal management organization</u> ;
	.....	.....
	(xi) to draw up plans for material acquisition or disposal of the Company;	(xi) to <u>draw up</u> plans for material acquisition or disposal of the Company;
	(xii) subject to relevant requirements of laws, regulations, rules and the Articles of Association, to exercise the rights to raise funds and borrowings for the Company as well as the rights to determine mortgage, leasing, subcontracting or transfer of the assets of the Company and to authorise manager to exercise such rights to some extent;	(xii) subject to relevant requirements of laws, regulations, rules and the Articles of Association, to exercise the rights to raise funds and borrowings for the Company as well as the rights to determine mortgage, leasing, subcontracting or transfer of the assets of the Company and to authorise manager to exercise such rights to some extent;
	(xiii) to determine the investments, acquisition and disposal of assets, external guarantees, trust asset management and related party transactions of the Company within the authorisation of the general meeting;	(xiii) to determine the investments, acquisition and disposal of assets, external guarantees, trust asset management, related party transactions <u>and external donation</u> of the Company within the authorisation of the general meeting;
	.....	.....
(2)	Save for the Board's resolutions in respect of the matters specified in items (vi), (vii), (xi) and (xii) which shall be passed by two-thirds or more of the directors, the Board's resolutions in respect of any other aforesaid matters may be passed by half or more of the directors.	(2) Save for the Board's resolutions in respect of the matters specified in items (vi), (vii), (xi) <u>and (xii)</u> which shall be passed by <u>more than</u> two-thirds <del>or more</del> of the directors, the Board's resolutions in respect of any other aforesaid matters may be passed by <del>half or more</del> <u>a majority</u> of the directors.

APPENDIX I	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
82.	<p>Article 12.8 (1) If the Board proposes to dispose of fixed assets, the expected value of which, when aggregated with the value of fixed assets disposed of within four months before the proposed disposal, exceeds 33% of fixed assets value as set out in the latest balance sheet considered by the general meetings, the Board shall not dispose or consent to dispose of such fixed assets until approved by the general meeting.</p> <p>(2) The term of “disposal of fixed assets” referred to in this article means (among other things) transferring interests in certain assets, but not including provision of guarantees with the fixed assets.</p> <p>(3) Validity of transactions regarding fixed assets disposal by the Company will not be affected due to a breach of first paragraph of this article.</p>	<p>Article 12.8</p> <p><b>The original items (1), (2) and (3) are deleted</b></p> <p><b>The original items (4) and (5) are renumbered as items (1) and (2)</b></p>
83.	<p>Article 12.9 The Board of directors shall define the authority for investments, acquisition and disposal of assets, mortgage of assets, external guarantees, trust asset management and related party transactions, and establish strict review and decision-making procedures; the Board of directors shall engage relevant experts and professionals to conduct appraisal for major investments and propose it to the shareholders’ general meeting for approval.</p>	<p>Article 12.9 The Board of directors shall define the authority for investments, acquisition and disposal of assets, mortgage of assets, external guarantees, trust asset management, <u>and related party transactions and external donation</u>, and establish strict review and decision-making procedures; the Board of directors shall engage relevant experts and professionals to conduct appraisal for major investments and propose it to the shareholders’ general meeting for approval.</p>



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Number	Original Articles	Amended Articles
84.	<p>Article 12.10</p> <p>.....</p> <p>In the event that the Chairman is unable to exercise his power, the Chairman may designate a director to exercise such powers on his behalf.</p> <p>(6) to procure the implementing the resolutions of the Board meeting.</p>	<p>Article 12.10</p> <p>.....</p> <p><del>In the event that the Chairman is unable to exercise his power, the Chairman may designate a director to exercise such powers on his behalf.</del></p> <p>(6) to procure the implementing the resolutions of the Board meeting.</p> <p><u>In the event that the Chairman is unable to exercise his power, a director jointly elected by more than half of the Board of Directors shall perform the duties of the Chairman.</u></p>
85.	<p>Article 12.11 Meetings of the Board of directors shall be held at least twice every year and convened by the Chairman.</p> <p>In the event of any urgent matters, upon requisition by one-third or more of the directors, or half or more of independent directors or by the manager, an extraordinary meeting of the Board of directors may be convened.</p> <p>In case of any urgent matters, when proposed by the shareholders representing 10% or more of the voting rights or by the Supervisory Committee, an extraordinary meeting of the Board of directors may be held.</p>	<p>Article 12.11 Meetings of the Board of directors shall be held at least twice every year and convened by the Chairman.</p> <p><del>In the event of any urgent matters, upon requisition by one-third or more of the directors, or half or more of independent directors or by the manager, an extraordinary meeting of the Board of directors may be convened.</del></p> <p><del>In case of any urgent matters, w</del><u>When proposed by the shareholders representing 10% one-tenth or more of the voting rights, members of one-third or more of the Board of Directors or by the Supervisory Committee,</u> an extraordinary meeting of the Board of directors may be held. <u>The Chairman of the Board of Directors shall convene and preside over the meetings of the Board of Directors within ten days of receipt of the proposal.</u></p>

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Number	Original Articles	Amended Articles
86.	<p>Article 12.12</p> <p>(2) When convening an extraordinary Board meeting for urgent matters, the Chairman shall instruct the Company Secretary to notify all directors, managers and supervisors 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>Article 12.12</p> <p>(2) <del>When convening</del> <u>If an extraordinary Board meeting is convened for urgent matters</u>, the Chairman shall instruct the Company Secretary to notify all directors, managers and supervisors 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><b>Item (5) is newly added:</b></p> <p>(5) <u>Notices of Board meeting shall set out the following contents: the date and venue of the meeting; duration of the meeting; subject and proposals of meeting; date on which the notice is issued.</u></p>
87.	<p>Article 12.13 The Board meeting may not be held unless half or more of the directors are present.</p> <p>Each director has one vote. Without prejudice to the Clause (2) of Article 12.5, resolutions of the Board shall be passed by more than half of all directors.</p> <p>In case of equivalency between the dissenting votes and affirmative vote, without prejudice to Clause (1)(vi) of Article 12.5, the Chairman has the right to cast one more vote.</p>	<p>Article 12.13 The Board meeting may not be held unless <del>half or more</del> <u>a majority</u> of the directors are present.</p> <p>Each director has one vote. Without prejudice to the Clause (2) of Article 12.5, resolutions of the Board shall be passed by <del>more than half</del> <u>a majority</u> of all directors.</p> <p><del>In case of equivalency between the dissenting votes and affirmative vote, without prejudice to Clause (1)(vi) of Article 12.5, the Chairman has the right to cast one more vote.</del></p>

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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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<b>Number</b>	<b>Original Articles</b>	<b>Amended Articles</b>
88.	<p>Article 12.17</p> <p>(1) A director shall attend Board meetings in person, Where a director is unable to be present for any reason, he/she may appoint other director in writing to attend the meeting on his/her behalf. The scope of authorities shall be specified in the power of attorney.</p>	<p>Article 12.17</p> <p>(1) A director shall attend Board meetings in person; Where a director is unable to be present for any reason, he/she may appoint other director in writing to attend the meeting on his/her behalf. <u>The name of the attorney, the matters that the proxy director is authorised to deal with, the scope of authorities and the validity period shall be specified in the power of attorney, and the appointor shall sign or affix his/her seal to the power of attorney.</u></p>
89.	<p>Article 14.1 The Company shall have one secretary to the Board (“Company Secretary”). The Company Secretary is a senior management member of the Company.</p>	<p>Article 14.1 The Company shall have one secretary to the Board (“Company Secretary”) <u>who is responsible for the preparation of the shareholders’ general meeting and the Board meeting of the Company, keeping the documents and managing the shareholders’ materials of the Company and disclosing information.</u> The Company Secretary is a senior management member of the Company.</p> <p><u>The secretary to the Board shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.</u></p>
90.	<p>Clause 1 of Article 14.3</p> <p>Directors or other senior management may also act as the Company Secretary. The accountants of accounting firm appointed by the Company shall not concurrently act as the secretary to the Board.</p>	<p>Clause 1 of Article 14.3</p> <p>Directors, <u>managers</u> or other senior management may also act as the Company Secretary. The accountants of accounting firm appointed by the Company shall not concurrently act as the secretary to the Board.</p>

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Number	Original Articles	Amended Articles
91.		<p>Article 15.2 <b>Clause 2 is newly added:</b></p> <p><u>A member of the senior management of the Company shall only receive remunerations from the Company, such remuneration shall not be paid by the controlling shareholders.</u></p>
92.	<p>Article 15.4 The manager shall be accountable to the Board and exercise the following functions and powers:</p> <p>.....</p> <p>(3) to decide on the establishment of the Company's internal management structure;</p> <p>.....</p> <p>(8) to personally (or appoint a deputy manager to) convene and preside over the business meetings of the manager which the manager, deputy managers and other management members shall attend;</p>	<p>Article 15.4 The manager shall be accountable to the Board and exercise the following functions and powers:</p> <p>.....</p> <p>(3) to <del>decide on</del> formulate proposals for the establishment of the Company's internal management structure;</p> <p>.....</p> <p>(8) to personally (or appoint a deputy manager to) convene and preside over the business meetings of the manager which the <del>manager, deputy</del> managers and other senior management members shall attend;</p>

Number	Original Articles	Amended Articles
93.	<p>Article 16.2</p> <p><b>The last two clauses</b></p> <p>The appointment and dismissal of the chairman of the Supervisory Committee shall be passed by votes of two-thirds or more of its members.</p> <p>The supervisors may attend Board meetings as non-voting participants, and deliver enquiry or suggestion regarding resolutions at Board meetings.</p>	<p>Article 16.2</p> <p><b>Clause 2 is newly added:</b></p> <p><u>Any failure of a supervisor to be promptly re-elected upon the expiration of his/her term of office, or any resignation of a supervisor within his/her term of office resulting in the number of members of the Supervisory Committee being lower than a statutory quorum, then such former supervisor shall, before the newly elected supervisor take office, continue to perform his/her duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.</u></p> <p><b>The last two clauses are amended:</b></p> <p>The appointment and dismissal of the chairman of the Supervisory Committee shall be passed by <del>votes of two-thirds or more of its members</del> <u>more than a majority of all supervisors.</u></p> <p>The supervisors may attend Board meetings as non-voting participants, and deliver enquiry or suggestion regarding resolutions at Board meetings.</p>
94.	<p>Article 16.5 The Supervisory Committee shall hold at least two meetings every year, which shall be convened by the chairman of Supervisory Committee.</p> <p>An extraordinary meeting of the Supervisory Committee may be convened by requisition of supervisors.</p>	<p>Article 16.5 The Supervisory Committee shall hold at least <u>one</u> <del>two</del> meetings every <u>six months</u> <del>year</del>, which shall be convened by the chairman of Supervisory Committee.</p> <p>An extraordinary meeting of the Supervisory Committee may be convened by requisition of supervisors.</p>

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Number	Original Articles	Amended Articles
95.	<p>Article 16.6 The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers in accordance with law:</p> <p>.....</p> <p>The supervisors shall attend Board meetings as non-voting participants.</p>	<p>Article 16.6 The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers in accordance with law:</p> <p>.....</p> <p><del>The supervisors shall attend Board meetings as non-voting participants.</del></p>
96.	<p>Article 16.7</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>(2) Resolutions of the Supervisory Committee shall be passed by <del>two-thirds or more</del> <u>than half</u> of its members.</p>
97.	<p>Article 16.11 A supervisor shall perform his duties faithfully in accordance with laws, administrative regulations and these Articles of Association.</p> <p>.....</p>	<p>Article 16.11 A supervisor shall <del>perform his duties faithfully in accordance with</del> <u>abide by</u> laws, administrative regulations and these Articles of Association, <u>and shall perform his/her obligations faithfully and diligently and discharge his/her supervisory duties in good faith.</u> A supervisor shall not abuse his/her authority of office to obtain bribes or other illegal income and not <u>misappropriate the property of the Company.</u></p> <p>.....</p>
98.	<p>Article 17.8 Save for circumstances prescribed in Article 17.16 of the Articles of Association, a director, supervisor, manager and other senior management member of the Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.</p>	<p><b>The entire article is deleted</b></p>

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Number	Original Articles	Amended Articles
99.	<p>Article 17.9 Where a director, supervisor, manager or other senior management member of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement (other than his contract of service with the Company) with the Company, he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal thereof is otherwise subject to the approval of the Board.</p> <p>Unless the interested director, supervisor, manager or other senior management member of the Company discloses his interests in accordance with the preceding sub-paragraphs of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested director, supervisor, manager or other senior management member of the Company is not counted as part of the quorum and abstain from voting, the contract, transaction or arrangement in which that director, supervisor, manager or other senior management member is materially interested is voidable at the instance of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by the interested senior officer.</p> <p>For the purposes of this Article, a director, supervisor, manager or other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which his associate is interested.</p>	<p><b>The entire article is deleted</b></p>

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Number	Original Articles	Amended Articles
100.	Article 17.10 Where a director, supervisor, manager or other senior management member of the Company gives to the Board a notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of which may subsequently be entered by the Company, such notice shall be deemed for the purposes of the preceding paragraphs of this Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.	<b>The entire article is deleted</b>
101.	Article 17.11 The Company shall not in any manner pay taxes for or on behalf of its directors, supervisors, manager or other senior management members.	<b>The entire article is deleted</b>



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Number	Original Articles	Amended Articles
102.	<p>Article 17.12 The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a director, supervisor, manager or other senior management member of the Company or of the Company's parent company or any of their respective associates.</p> <p>However, the following transactions are not subject to such prohibition:</p> <ol style="list-style-type: none"> <li>(1) the provision by the Company of a loan or a guarantee for a loan to its subsidiary;</li> <li>(2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its directors, supervisors, manager or other senior management members to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting;</li> <li>(3) the Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant directors, supervisors, manager or other senior management members or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.</li> </ol>	<b>The entire article is deleted</b>
103.	<p>Article 17.13 A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.</p>	<b>The entire article is deleted</b>

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Number	Original Articles	Amended Articles
104.	<p>Article 17.14 A loan guarantee provided by the Company in breach of Article 17.12 (1) shall be unenforceable against the Company, provided that:</p> <p>(1) the lender failed to acknowledge of the circumstance that he provided a loan to the directors, supervisors, manager and other senior management of the Company or its parent company; or</p> <p>(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.</p>	<b>The entire article is deleted</b>
105.	<p>Article 17.15 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking of liabilities or property provided to secure the performance of obligations by the obligor.</p>	<b>The entire article is deleted</b>

Number	Original Articles	Amended Articles
106.	<p data-bbox="293 304 829 506">Article 17.16 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, manager and other senior management members of the Company is in breach of his duties to the Company, the Company is entitled to:</p> <p data-bbox="293 559 829 719">(1) claim damages against the director, supervisor, manager and other senior management members in compensation for losses sustained by the Company as a result of such breach;</p> <p data-bbox="293 772 829 1059">(2) rescind any contract or transaction entered into by the Company with the director, supervisor, manager and other senior management members or with a third party (where such third party knows or should know that such director, supervisor, manager and other senior management members have breached their duties);</p> <p data-bbox="293 1112 829 1229">(3) demand the director, supervisor, manager and other senior management members to surrender the profits made by him in breach of his duties;</p> <p data-bbox="293 1283 829 1485">(4) recover any monies received by the director, supervisor, manager and other senior management members which should have been otherwise received by the Company, including (without limitation) commissions; and</p>	<p data-bbox="855 304 1123 331"><b>The entire article is deleted</b></p>

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Number	Original Articles	Amended Articles
	<p>(5) demand payment of the interest earned or which may have been earned by the director, supervisor, manager and other senior management members on the monies that should have been paid to the Company.</p> <p>(6) take legal proceedings to claim the properties arising from the breach of duties by the director, supervisor, manager and other senior management staff.</p>	
107.	<p>Article 17.17 The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a director or supervisor wherein his remuneration are stipulated, including;</p> <p>(1) remuneration in respect of his service as director, supervisor or senior management member of the Company;</p> <p>(2) remuneration in respect of his service as director, supervisor or senior management member of any subsidiary of the Company;</p> <p>(3) remuneration for providing management services for the Company and its subsidiaries;</p> <p>(4) compensation for loss of office, or as consideration for or in connection with his retirement from office.</p> <p>Except pursuant to a contract entered into mentioned above, no proceedings may be brought by a director or supervisor against the Company for any benefits in respect of the matters mentioned in this Article.</p>	<b>The entire article is deleted</b>

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Number	Original Articles	Amended Articles
108.	<p>Article 17.18 The contract concerning remuneration entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company’s directors and supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to receive compensation or other payment for loss of office or retirement. A takeover of the Company as referred to above means:</p> <p>(1) a takeover offer made by any person to all shareholders; or</p> <p>(2) an offer made by any person with a view to becoming a “controlling shareholder” as defined in Article 9.2.</p> <p>If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the said offer made. The expenses incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant director or supervisor and shall not be paid out of that sum.</p>	<b>The entire article is deleted</b>
109.		<b>The original Article 17.19 is renumbered as Article 17.8</b>

Number	Original Articles	Amended Articles
110.	Article 18.2 At the end of each financial year, the Company shall prepare a financial report which shall be examined and verified in accordance with laws.	<p>Article 18.2 At the end of each financial year, the Company shall prepare a financial report which shall be examined and verified in accordance with laws.</p> <p><u>The Company shall submit and disclose the annual report, within four months after the end of a financial year, to the CSRC and the stock exchange. The Company shall submit and disclose the interim report, within two months from the end of the first half of a financial year, to the relevant authorities authorized by the CSRC and the stock exchange.</u></p> <p><u>The aforesaid annual report and interim report shall be prepared in accordance with the relevant laws, administrative rules and provisions of the CSRC and the stock exchange.</u></p>
111.	Article 18.5 The Board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by competent regional and central governmental authorities to be prepared by the Company.	Article 18.5 The Board shall <del>place</del> <u>lay</u> before the shareholders at every <u>annual</u> general meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by competent regional and central governmental authorities to be prepared by the Company.
112.	<p>Article 18.6 The Company's financial reports should be available for shareholder's inspection at the Company 20 days before the annual general meeting. Each shareholder shall be entitled to receive such financial reports mentioned in the Chapter.</p> <p>The Company should post the above-mentioned reports to the shareholders of overseas listed foreign invested shares with prepaid mail at least 21 days before the annual general meeting; addressed to the address set out in the register of shareholders.</p>	<p>Article 18.6 The Company's financial reports should be available for shareholder's inspection at the Company 20 days before the <u>annual</u> general meeting. Each shareholder shall be entitled to receive such financial reports mentioned in the Chapter.</p> <p>The Company should post the above-mentioned reports to the shareholders of overseas-listed foreign-invested shares with prepaid mail at least 21 days before the <u>annual</u> general meeting; addressed to the address set out in the register of shareholders.</p>

Number	Original Articles	Amended Articles
113.	Article 18.10 The Company shall not keep accounts other than those provided by law. The accounting accounts of the Company are available to directors and supervisors for inspection.	Article 18.10 The Company shall not keep <u>accounts</u> other than those provided by law. <u>Assets of the Company shall not be deposited in an account maintained in any individual's name.</u> The <del>accounting</del> <u>accounts</u> of the Company are available to directors and supervisors for inspection.
114.	<p>Article 19.6 The reserve funds of the Company include statutory reserve fund, discretionary reserve fund and capital reserve fund. The reserve funds shall only be used for the following purposes:</p> <p>.....</p> <p>(3) capitalisation into additional share capital of the Company. With the approval of the shareholders by way of a special resolution in general meeting, the Company may capitalise the reserve fund into share capital, and issue bonus shares to shareholders pro rata to their existing shareholdings or increase the par value of the shares. However, when the statutory reserve fund is capitalised into share capital, the amount remaining in such statutory reserve fund shall not be less than 25% of the registered capital of the Company.</p>	<p>Article 19.6 The reserve funds of the Company include statutory reserve fund, discretionary reserve fund and capital reserve fund. The reserve funds shall only be used for the following purposes:</p> <p>.....</p> <p>(3) capitalisation into additional share capital of the Company. <del>With the approval of the shareholders by way of a special resolution in general meeting, the Company may capitalise the reserve fund into share capital, and issue bonus shares to shareholders pro rata to their existing shareholdings or increase the par value of the shares.</del></p> <p>However, <u>the capital reserve shall not be used for off-setting the loss of the Company.</u> <del>When</del> <u>When</u> the statutory reserve fund is capitalised into share capital, the amount remaining in such statutory reserve fund shall not be less than 25% of the registered capital of the Company.</p>

Number	Original Articles	Amended Articles
115.	<p>Article 19.7 Decision-making procedures for profit distribution of the Company:</p> <p>.....</p> <p>(4) If profit is recorded in the reporting period but the Board of the Company does not put forth a cash profit distribution proposal, reasons therefor, the use of capital that may otherwise be distributed as dividends but has been retained by the Company and anticipated gains and details of consideration and voting at the Board meetings shall be disclosed in the Company's regular reports, and independent directors shall express independent opinions thereon.</p> <p>.....</p>	<p>Article 19.7 Decision-making procedures for profit distribution of the Company:</p> <p>.....</p> <p>(4) If profit is recorded in the reporting period <u>and its accumulated undistributed profit is a positive figure</u>, but the Board of the Company does not put forth a cash profit distribution proposal, reasons therefor, the use of capital that may otherwise be distributed as dividends but has been retained by the Company and anticipated gains and details of consideration and voting at the Board meetings shall be disclosed in the Company's regular reports, and independent directors shall express independent opinions thereon.</p> <p>.....</p>
116.		<p>Article 19.8 Profit distribution policy of the Company:</p> <p><b>Item (5) is newly added</b></p> <p>(5) After the profit distribution plan is approved at <u>the general meeting</u>, the Board shall complete the <u>distribution of dividends (or shares) within two months after conclusion of the general meeting.</u></p>



Number	Original Articles	Amended Articles
117.	<p>Article 20.1 The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the Company's annual financial reports and review the Company's other financial reports.</p> <p>The first firm of certified public accountants of the Company may be appointed at the inaugural meeting of the Company before the first annual general meeting and the certified public accountants firm so appointed shall hold office until the conclusion of the first annual general meeting.</p> <p>.....</p>	<p>Article 20.1 The Company shall appoint an <del>independent</del> firm of certified public accountants which is qualified under the <del>relevant</del> regulations of the <u>Securities Law</u> State to audit <u>its financial statements</u>, <del>the Company's annual financial reports and review the Company's other financial reports</del> <u>verify its net assets and provide other related consultancy services</u>.</p> <p>The first firm of certified public accountants of the Company may be appointed at the inaugural meeting of the Company before the first <u>annual</u> general meeting and the certified public accountants firm so appointed shall hold office until the conclusion of the first annual general meeting.</p> <p>.....</p>
118.	<p>Article 20.2 The certified public accountants firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual general meeting.</p>	<p>Article 20.2 The certified public accountants firm appointed by the Company shall hold office <del>from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual general meeting</del> <u>for one year, which can be re-appointed</u>.</p>
119.		<p>Article 20.3</p> <p><b>New clause is added:</b></p> <p><u>The Company guarantees that it will provide the certified public accountants firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsification.</u></p>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
120.	Article 20.4 Before the convening of the shareholders' general meeting, the Board may fill any casual vacancy in the office of the certified public accountants firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.	Article 20.4 <u>The engagement of a certified public accountants firm by the Company shall be determined at the shareholders' general meeting.</u> Before <u>the determination</u> <del>the convening</del> of the shareholders' general meeting, the Board <u>shall not appoint</u> <del>may fill any casual vacancy in the office of the certified public accountants firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.</del>
121.	Article 20.6 The remuneration of a certified public accountants firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in general meeting. The remuneration of a certified public accountants firm appointed by the Board shall be determined by the Board.	Article 20.6 The remuneration of a certified public accountants firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in general meeting. <del>The remuneration of a certified public accountants firm appointed by the Board shall be determined by the Board.</del>
122.	<p>Article 20.7 The Company's appointment of, removal of and non-reappointment of a certified public accountants firm shall be resolved by shareholders in general meeting. The resolution of the shareholders at general meeting shall be filed with the securities regulating authority of the State Council.</p> <p>Where any resolution is proposed to be passed by shareholders at general meeting concerning the appointment of a certified public accountants firm which is not an incumbent firm to fill a casual vacancy in the office of certified public accountants firm, the re-appointment of a certified public accountants firm which was appointed by the Board of directors of the Company to fill a casual vacancy, or the removal of a certified public accountants firm before the expiration of its terms of office, the following provisions shall apply:</p> <p>.....</p>	<p>Article 20.7 The Company's appointment of, removal of and non-reappointment of a certified public accountants firm shall be resolved by shareholders in general meeting. The resolution of the shareholders at general meeting shall be filed with the securities regulating authority of the State Council.</p> <p>Where any resolution is proposed to be passed by shareholders at general meeting concerning the appointment of a certified public accountants firm which is not an incumbent firm to fill a casual vacancy in the office of certified public accountants firm, the re-appointment of a certified public accountants firm <del>which was nominated for appointment</del> <u>appointed</u> by the Board of directors of the Company to fill a casual vacancy, or the removal of a certified public accountants firm before the expiration of its terms of office, the following provisions shall apply:</p> <p>.....</p>

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<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
123.	Article 20.8 (1) Prior to the removal or the non-renewal of the appointment of a certified public accountants firm, notice of such removal or non-renewal shall be given to the certified public accountants firm concerned in advance and such firm shall be entitled to make representation at the shareholders' general meeting. Where the certified public accountants firm resigns from its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.	Article 20.8 (1) Prior to the removal or the non-renewal of the appointment of a certified public accountants firm, notice of such removal or non-renewal shall be given to the certified public accountants firm concerned in advance and such firm shall be entitled to make representation at the shareholders' general meeting. Where the certified public accountants firm resigns from its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

Number	Original Articles	Amended Articles
124.	<p>Article 22.2 Companies may be merged through merger by absorption or through the establishment of a newly merged entity.</p> <p>Where there is a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and lists of property. The Company shall notify its creditors within a period of 10 days from the date of the resolution approving the merger and make at least three newspaper announcements of the merger within 30 days of that date.</p> <p>After the merger, claims and liabilities of parties to the merger shall be borne by the continuing company or the newly established company.</p>	<p>Article 22.2 Companies may be merged through merger by absorption or through the establishment of a newly merged entity.</p> <p><u>A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the companies being merged shall be dissolved.</u></p> <p>Where there is a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and lists of property. The Company shall notify its creditors within a period of 10 days from the date of the resolution approving the merger and make <del>at least three</del> newspaper announcements of the merger within 30 days of that date.</p> <p><u>Creditors may, within 30 days of receipt of the notice or within 45 days of the date of the announcement in the case of failure of receipt of the notice, require the Company to pay its debts in full or to provide a corresponding guarantee for such debt.</u></p> <p>After the merger, claims and liabilities of parties to the merger shall be borne by the continuing company or the newly established company.</p>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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Number	Original Articles	Amended Articles
125.	<p>Article 22.3 When the Company is divided, its assets shall be split up accordingly.</p> <p>Where there is a division, the parties to the division shall enter into a division agreement, and prepare its balance sheet and list of properties. The Company shall notify its creditors within a period of 10 days from the date of the resolution approving the division and make at least three newspaper announcements of the division within 30 days of that date.</p> <p>Liabilities prior to the division shall be borne by the post-division companies pursuant to relevant agreement.</p>	<p>Article 22.3 When the Company is divided, its assets shall be split up accordingly.</p> <p>Where there is a division, the parties to the division shall enter into a division agreement, and prepare its balance sheet and list of properties. The Company shall notify its creditors within a period of 10 days from the date of the resolution approving the division and make <del>at least three</del> newspaper announcements of the division within 30 days of that date.</p> <p><del>Liabilities prior to the division shall be borne by the post-division companies pursuant to relevant agreement.</del></p>
126.		<p><b>The original Article 22.5 is renumbered as Article 22.4</b></p> <p><b>The original Article 22.4 is renumbered as Article 22.5</b></p>
127.	<p>Clause 2 of Article 22.6</p> <p>.....</p> <p>The Company shall notify its creditors within ten days from the date of the Company’s resolution on reduction of registered capital and shall publish an announcement in the newspaper at least three times within thirty days from the date of such resolution. A creditor has the right, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.</p>	<p>Clause 2 of Article 22.6</p> <p>.....</p> <p>The Company shall notify its creditors within ten days from the date of the Company’s resolution on reduction of registered capital and shall publish an announcement in the newspaper <del>at least three times</del> within thirty days from the date of such resolution. A creditor has the right, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.</p>

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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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<b>Number</b>	<b>Original Articles</b>	<b>Amended Articles</b>
128.	<p>Article 23.1 The Company shall be dissolved and liquidated in accordance with relevant laws in the case of any of the following circumstances:</p> <p>.....</p> <p>(3) the Company is announced bankrupt according to laws due to its failure to settle liabilities in due;</p> <p>(4) the Company is lawfully ordered to close down due to its violation of laws or administrative regulations;</p> <p>(5) the operating term provided by the Articles of Association expires or other dissolution facts provided by the Articles of Association occur;</p> <p>.....</p>	<p>Article 23.1 The Company shall be dissolved <del>and liquidated in accordance with relevant laws in the case of any of</del> <u>due to</u> the following <del>reasons</del> <u>circumstances</u>:</p> <p><b>The original item (5) is renumbered as item (1)</b></p> <p><b>The original items (1) and (2) are renumbered as items (2) and (3)</b></p> <p><b>The original item (3) is deleted</b></p> <p>(4) <u>the business license of the Company is lawfully revoked, the Company is</u> ordered to close down <u>or deregistered</u> due to its violation of laws or administrative regulations;</p> <p>.....</p>

Number	Original Articles	Amended Articles
129.	<p>Article 23.2 Where the Company is dissolved under subparagraphs (1) and (2) of the preceding Article, a liquidation committee shall be set up within fifteen (15) days of the occurrence of the dissolution events, and its members shall be determined by shareholders at a general meeting by way of ordinary resolution.</p> <p>Where the Company is dissolved pursuant to subparagraph (3) of the preceding Article, the people's court shall, according to the relevant laws, organise to form a liquidation committee comprising the shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.</p> <p>Where the Company is dissolved pursuant to subparagraph (4) of the preceding Article, the competent authority shall organise to form a liquidation committee comprising the shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.</p> <p>Where the Company is dissolved under item (5) and (6) of the preceding Article, the liquidation committee shall consist of persons as determined by the Board or the shareholders' general meeting.</p>	<p>Article 23.2 Where the Company is dissolved under <del>subparagraphs items</del> <u>items (1), and (2), (4) and (5) of the preceding Article 23.1</u>, a liquidation committee shall be set up within fifteen days of the occurrence of the dissolution events, <u>to carry out liquidation procedure and its members shall be determined by shareholders at a general meeting by way of ordinary resolution.</u></p> <p><del>Where the Company is dissolved pursuant to subparagraph (3) of the preceding Article, the people's court shall, according to the relevant laws, organise to form a liquidation committee comprising the shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.</del></p> <p><del>Where the Company is dissolved pursuant to subparagraph (4) of the preceding Article, the competent authority shall organise to form a liquidation committee comprising the shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.</del></p> <p><del>Where the Company is dissolved under item (5) and (6) of the preceding Article, t</del><u>The liquidation committee shall consist of persons as determined by the Board or the shareholders' general meeting. If a liquidation committee to carry out liquidation procedure is not set up within the specified time limit, the creditors may apply to the people's court to designate relevant persons to form a liquidation committee to carry out liquidation procedure.</u></p>

Number	Original Articles	Amended Articles
130.	<p>Article 23.3 Where the Board proposes to liquidate the Company (other than due to that the Company has declared its bankruptcy), the Board shall include a statement in its notice convening a shareholders' general meeting for such purpose to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.</p>	<p>Article 23.3 <del>Where the Board proposes to liquidate the Company (other than due to that the Company has declared its bankruptcy), the Board shall include a statement in its notice convening a shareholders' general meeting for such purpose to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.</del> <u>Upon the occurrence of the situation mentioned in item (1) of Article 23.1, the Company may continue to exist by amending the Articles of Association.</u></p> <p><u>Amendments to the Articles of Association in accordance with the preceding clause shall be approved by not less than two-thirds of the voting rights held by the shareholders present at the shareholders' general meetings.</u></p>
131.	<p>Article 23.4 The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and make at least three newspaper announcements of the liquidation within 60 days of that date. Claims of creditors shall be registered by the liquidation committee.</p>	<p>Article 23.4 The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and make <del>at least three</del> newspaper announcements of the liquidation within 60 days of that date. <u>Creditors shall, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, declare their claims to the liquidation committee.</u> Claims of creditors shall be registered by the liquidation committee.</p> <p><u>When declaring their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.</u></p> <p><u>During the period when creditors declare their claims, no settlement shall be made to any creditors by the liquidation committee.</u></p>



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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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<b>Number</b>	<b>Original Articles</b>	<b>Amended Articles</b>
132.	<p>Article 23.5 During the liquidation period, the liquidation committee shall exercise the following functions and duties:</p> <p>.....</p> <p>(4) to settle outstanding taxes;</p> <p>.....</p>	<p>Article 23.5 During the liquidation period, the liquidation committee shall exercise the following functions and duties:</p> <p>.....</p> <p>(4) to settle outstanding taxes <u>and the taxes incurred during the liquidation process</u>;</p> <p>.....</p>
133.	<p>Article 23.6 After the completion of ascertaining assets of the Company and the preparation of the balance sheets and a list of assets, the liquidation committee shall prepare a liquidation proposal and submit the same to the general meeting or relevant competent authorities for their approval.</p>	<p>Article 23.6 After the completion of ascertaining assets of the Company and the preparation of the balance sheets and a list of assets, the liquidation committee shall prepare a liquidation proposal and submit the same to the general meeting or <del>relevant competent authorities</del> <u>the people's court</u> for their approval.</p>

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Number	Original Articles	Amended Articles
134.	<p>Article 23.8 After the shareholders' meeting resolves to dissolve the Company or the Company is lawfully announced bankrupt or ordered to close down, no one is allowed to dispose the Company's assets without the permit of liquidation committee. During the liquidation, the Company shall not carry out new operating activities.</p> <p>Upon being paid the liquidation fee in priority, the liquidation committee shall repay with the Company's assets by the following order:</p> <p>(1) outstanding wages, labour insurance premiums and statutory compensation;</p> <p>(2) outstanding tax;</p> <p>(3) the debts of the Company;</p> <p>.....</p>	<p>Article 23.8 After the shareholders' meeting resolves to dissolve the Company or the Company is lawfully announced bankrupt or ordered to close down, no one is allowed to dispose the Company's assets without the permit of liquidation committee. During the liquidation, the Company <u>shall continue to exist, but shall not carry out new operating activities <u>that are not related to the liquidation.</u></u></p> <p>Upon being paid the liquidation fee in priority, the liquidation committee shall repay with the Company's assets by the following order:</p> <p>(1) outstanding wages, <del>labour</del> <u>social</u> insurance premiums and statutory compensation;</p> <p>(2) outstanding tax;</p> <p>(3) the debts of the Company<del>;</del>;</p> <p><u>The Company's assets shall not be distributed to the shareholders before repayment of the Company's debts in full in accordance with the preceding clause.</u></p> <p>.....</p>
135.	<p>Clause 2 of Article 23.9</p> <p>Members of the liquidation committee shall not take advantage of their position to receive bribes or other illegal income, or misappropriate the assets of the Company.</p>	<p>Clause 2 of Article 23.9</p> <p>Members of the liquidation committee shall not take advantage of their position to receive bribes or other illegal income, or misappropriate/<u>infringe</u> the assets of the Company.</p>

Number	Original Articles	Amended Articles
136.	<p>Article 23.11 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of the receipts and payments and a financial account, which shall be verified by a PRC certified public accountant and submitted to the general meeting or relevant competent authorities for confirmation.</p> <p>The liquidation committee shall within thirty days after such confirmation by the general meeting or relevant competent authorities, submit the documents mentioned above to the companies registration authority and apply for deregistration of the Company and publish an announcement in respect of the termination of the Company.</p>	<p>Article 23.11 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, <del>a statement of the receipts and payments</del> and a financial account, which shall be verified by a <del>PRC certified public accountant</del> and submitted <u>it</u> to the general meeting or the people's court <del>relevant competent authorities</del> for confirmation, <u>submit it to the companies registration authority and apply for deregistration of the Company and publish an announcement in respect of the termination of the Company.</u></p> <p><del>The liquidation committee shall within thirty days after such confirmation by the general meeting or relevant competent authorities, submit the documents mentioned above to the companies registration authority and apply for deregistration of the Company and publish an announcement in respect of the termination of the Company.</del></p>
137.	<p>Article 24.2 Any amendment to the Articles of Association involving anything set out in the Mandatory Provisions shall become effective upon approval by the department in charge of companies approval affairs authorised by the State Council and by the Securities Commission of the State Council. If there is any changes relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.</p>	<p>Article 24.2 <u>Where</u> <del>Any</del> amendment to the Articles of Association resolved by the shareholders' general meeting <u>is subject to review and</u> <del>involving anything set out in the Mandatory Provisions shall become effective upon</del> approval of competent authorities, the amendment shall <u>be submitted to the competent authorities for approval; by</u> <del>the department in charge of companies approval affairs authorised by the State Council and by the Securities Commission of the State Council.</del> <u>If</u> <del>if</del> there is any changes relating to the registered particulars of the Company <u>involved in amendments to the Articles of Association,</u> application shall be made for registration of the changes in accordance with the laws.</p>

Number	Original Articles	Amended Articles
138.		<p><b>Newly added</b></p> <p><u>Article 24.3 The board of directors shall amend the Articles of Association in accordance with the resolution approved at the shareholders' general meeting and the opinions from the competent authorities.</u></p>
139.		<p><b>Newly added</b></p> <p><u>Article 24.4 Amendments to the Articles of Association that are subject to compulsory disclosure under the laws and regulations, such amendments shall be announced in compliance with the requirements accordingly.</u></p>
140.		<p><b>Newly added</b></p> <p><u>Article 25.1 Notices of the Company shall be delivered in any of the following manners:</u></p> <p>(1) <u>by hand;</u></p> <p>(2) <u>by mail;</u></p> <p>(3) <u>by public announcement;</u></p> <p>(4) <u>other means in accordance with the Articles of Association.</u></p>
141.		<p><b>The original Articles 25.1 to 25.9 are renumbered as Articles 25.2 and 25.10</b></p>

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Number	Original Articles	Amended Articles
142.	<p>Chapter XXVI Settlement of Disputes</p> <p>Article 26.1 The Company and its shareholders, directors, supervisors, manager or other senior management members shall act according to the following principles to settle disputes:</p> <p>(1) Whenever any disputes or claims arise between holders of the overseas-listed foreign-invested shares or holders of domestic-invested shares and the Company, holders of the overseas-listed foreign-invested shares or holders of domestic-invested shares and the Company's directors, supervisors, manager or other senior management members, or holders of the overseas-listed foreign-invested shares and holders of domestic-invested shares, based on the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.</p>	<p><b>The chapter is deleted</b></p>

Number	Original Articles	Amended Articles
	<p>(2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.</p> <p>If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to be held in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.</p> <p>(3) If any disputes or claims of rights prescribed in subparagraph above are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and administrative regulations.</p> <p>(4) The award of an arbitration body shall be final and conclusive and binding on all parties.</p>	
143.		<p><b>The original Chapter 27 is renumbered as Chapter 26</b></p> <p><b>The original Articles 27.1, 27.2 and 27.3 are renumbered as Articles 26.1, 26.2 and 26.3</b></p>

*Note:* The meaning of “less than”, “within”, “more than” referred to in the Articles of Association includes the underlying number.

**B. AMENDMENTS TO THE PROCEDURE RULES FOR THE BOARD OF DIRECTORS**

Due to the proposed amendments to Articles of Association of the Company, the relevant articles of the Procedure Rules for the Board of Directors are also proposed to be amended simultaneously. The following table sets forth the original articles of the Procedure Rules for the Board of Directors and proposed amendments:

No.	Original Articles	Amended Articles
1.	Article 2.1.12 A director who resigns without permission prior to the expiration of his/her term shall be liable to compensate the Company for any losses arising therefrom.	<b>The entire article is deleted</b>
2.	<p>Article 3.3 The Board shall be accountable to the shareholders' general meeting and exercises the following powers:</p> <p>I. Power on development of strategies and management plan:</p> <p style="padding-left: 40px;">1. Power requiring approval from shareholders' general meeting:</p> <p style="padding-left: 40px;">.....</p> <p style="padding-left: 40px;">(7) to put forward specific proposals on changing the use of proceeds of the Company.</p> <p style="padding-left: 40px;">.....</p>	<p>Article 3.3 The Board shall be accountable to the shareholders' general meeting and exercises the following powers:</p> <p>I. Power on development of strategies and management plan:</p> <p style="padding-left: 40px;">1. Power requiring approval from shareholders' general meeting:</p> <p style="padding-left: 40px;">.....</p> <p style="padding-left: 40px;">(7) to put forward specific proposals on changing the use of proceeds of the Company;</p> <p style="padding-left: 40px;">.....</p> <p><b>Newly added:</b></p> <p style="padding-left: 40px;">(8) <u>to convene shareholders' general meetings and report on its work to such general meetings;</u></p> <p style="padding-left: 40px;">(9) <u>to implement the resolutions passed by the shareholders at the general meetings.</u></p>

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No.	Original Articles	Amended Articles
	<p>II. Power on financial management of the Company:</p> <p>.....</p> <p>2. Directors can exercise the following powers independently without prior approval from shareholders' general meeting:</p> <p>.....</p> <p>(3) to approval donations to social charities and other charity and business sponsorship or donation not exceeding RMB1,000,000 in aggregate;</p> <p>.....</p>	<p>.....</p> <p>II. Power on financial management of the Company:</p> <p>.....</p> <p>2. Directors can exercise the following powers independently without prior approval from shareholders' general meeting:</p> <p>.....</p> <p>(3) to approval donations to social charities and other charity and business sponsorship or donation <del>not exceeding RMB1,000,000 in aggregate;</del></p> <p>.....</p>



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No.	Original Articles	Amended Articles
3.	Article 4.1 The Board shall have a chairman. The Chairman of the board of directors shall be elected and removed by a simple majority of all the directors. The term of office of the Chairman shall be three years, and shall be renewable if the Chairman is re-elected.	Article 4.1 The Board shall have a chairman. The Chairman of the board of directors shall be elected and removed by a <del>simple</del> majority of all the directors. The term of office of the Chairman shall be three years, and shall be renewable if the Chairman is re-elected.
4.	Article 4.4 If the Chairman is unable to perform his duties for a short period for some reason, he/she may delegate such functions and powers to a director to exercise on his/her behalf.	Article 4.4 If the Chairman is unable to perform <u>his/her</u> duties <del>for a short period for some reason,</del> <del>he/she may delegate such functions and powers to a director to exercise on his/her behalf</del> <u>a Director elected by more than half of the Directors shall perform such duties.</u>
5.	Article 6.1.2 Where an extraordinary board meeting is required for an urgent matter, the Chairman shall instruct the Secretary to the Board to notify all directors, supervisors and persons in attendance of the board meeting of the time and venue of and the way in which the Board meeting will be held, either by telex, telegram, fax, or by hand in not less than two days and not more than ten days before the convening of such meeting.	Article 6.1.2 <u>Where</u> an extraordinary board meeting is required <del>for an urgent matter,</del> the Chairman shall instruct the Secretary to the Board to notify all directors, supervisors and persons in attendance of the board meeting of the time and venue of and the way in which the Board meeting will be held, either by telex, telegram, fax, or by hand in not less than two days and not more than ten days before the convening of such meeting.
6.	Article 6.5.3 Prior to the disclosure of the Board resolutions through normal channels, all persons present at the meetings shall not leak in any way or make use of the confidential information for his/her personal benefits. In the occurrence of such act, the relevant person shall be responsible for all the consequences thereof and be accountable for the legal liabilities (as appropriate).	Article 6.5.3 Prior to the disclosure of the Board resolutions through normal <u>channels</u> , all persons present at the meetings shall not leak in any way or make use of the confidential information for his/her personal benefits. In the occurrence of such act, the relevant person shall be responsible for all the consequences thereof and be accountable for the legal liabilities (as appropriate).

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**C. AMENDMENTS TO THE PROCEDURAL RULES FOR THE SUPERVISORY COMMITTEE**

Due to the proposed amendments to Articles of Association of the Company, the relevant articles of the Procedure Rules for the Supervisory Committee are also proposed to be amended simultaneously. The following table sets forth the original articles of the Procedure Rules for the Supervisory Committee and proposed amendments:

No.	Original Articles	Amended Articles
1.		Article 3.2  <b>Newly added:</b>  <u>A Supervisor shall continue to perform his/her duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected Supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office, or if the resignation of Supervisor results in the number of Supervisors being less than the quorum.</u>

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No.	Original Articles	Amended Articles
2.		<p>Article 3.5 The Supervisory Committee shall exercise the following powers in accordance with the laws:</p> <p><b>Newly added:</b></p> <p>(10) <u>To propose the removal of the directors, managers and other senior officers of the Company who have violated the laws, administrative regulations, the Articles of Association in their performance of duties to the Company;</u></p> <p>(11) <u>to review the regular reports of the Company prepared by the board of directors and provide written review opinion;</u></p> <p>(12) <u>to sue against senior officers in accordance with the Company Law;</u></p> <p>(13) <u>to convene and preside over shareholders general meetings when the board of directors fails to perform such duties as specified under the Company Law;</u></p> <p>(14) <u>to make proposals at shareholders general meetings.</u></p>

No.	Original Articles	Amended Articles
3.	Article 4.1 The Supervisory Committee shall have one (1) chairman to be elected by the Supervisory Committee. The chairman shall have a term of office for three (3) years and be eligible for reappointment by re-election. Appointment and removal of the chairman of the Supervisory Committee shall be passed by the voting of more than two-thirds (inclusive) of the members of the Supervisory Committee.	Article 4.1 The Supervisory Committee shall have one (1) chairman to be elected by the Supervisory Committee. The chairman shall have a term of office for three (3) years and be eligible for reappointment by re-election. <del>Appointment and removal of the chairman of the Supervisory Committee shall be passed by the voting of more than two-thirds (inclusive) of the members of the Supervisory Committee</del> <u>appointed and removed by more than two-thirds (inclusive) of the members of the Supervisory Committee</u> a majority of all Supervisors.

**D. AMENDMENTS TO THE PROCEDURAL RULES FOR THE SHAREHOLDERS' GENERAL MEETING**

Due to the proposed amendments to Articles of Association of the Company, the relevant articles of the Procedure Rules for the Shareholders' General Meeting are also proposed to be amended simultaneously. The following table sets forth the original articles of the Procedure Rules for the Shareholders' General Meeting and proposed amendments:

No.	Original Articles	Amended Articles
1.	<p>Article 2.1.3 Holders of the ordinary shares of the Company shall be entitled to following rights:</p> <p>(I) to receive dividends and other forms of benefit distribution in respect of the shares held;</p> <p>(II) to attend or appoint proxies to attend the shareholders' general meeting and exercise voting rights;</p> <p>(III) to inspect the business and operating activities of the Company, and propose recommendations or seek explanations for the same;</p> <p>(IV) to transfer shares pursuant to the provisions of laws, administrative regulations and the Articles of Association;</p>	<p>Article 2.1.3 Holders of the ordinary shares of the Company shall be entitled to following rights:</p> <p>(I) to <u>receive</u> dividends and other forms of benefit distribution in respect of the shares held;</p> <p>(II) to <u>request, convene, preside,</u> attend or appoint proxies to attend the shareholders' general meetings and exercise voting rights <u>thereat in accordance with laws</u>;</p> <p>(III) to inspect the <del>business and operating activities</del> <u>operations</u> of the Company, and propose recommendations or seek explanations for the same;</p> <p>(IV) to transfer, <u>grant or pledge</u> shares <u>held by him/her</u> pursuant to the provisions of laws, administrative regulations and the Articles of Association;</p>

No.	Original Articles	Amended Articles
2.	<p data-bbox="316 300 448 327">Article 2.1.3</p> <p data-bbox="316 385 847 497">(V) to obtain relevant information pursuant to provisions under the Articles of Association, including:</p> <p data-bbox="395 555 847 625">1) to obtain a copy of the Articles of Association upon payment of cost;</p> <p data-bbox="395 683 847 795">2) to be entitled to inspection and copying of the followings upon payment of a reasonable fee:</p> <p data-bbox="469 842 847 923">(1) all parts of the register of shareholders;</p> <p data-bbox="469 970 847 1129">(2) personal information of the Company's directors, supervisors, managers and other senior management;</p> <p data-bbox="469 1176 847 1247">(3) status of the share capital of the Company;</p> <p data-bbox="469 1293 847 1704">(4) information on the aggregate nominal value, quantity, highest price and lowest price for every class of shares of the Company repurchased by the Company since the previous financial year, and the report on the settlement thereof by the Company;</p> <p data-bbox="469 1751 847 1864">(5) the minutes of the shareholders' general meeting.</p>	<p data-bbox="873 300 1390 370"><b>The items (V) and (VII) are deleted and replaced with the following contents:</b></p> <p data-bbox="873 427 1390 710">(V) to inspect the Articles of Association, register of shareholders, corporate bond counterfoils, minutes of shareholders general meetings, resolutions of meetings of the board of directors, resolutions of the meetings of the Supervisory Committee, and financial reports;</p> <p data-bbox="873 757 1390 917">(VII) the shareholders disagreeing with the merger or separation resolution passed at general meeting are entitled to ask the Company to acquire their shares;</p> <p data-bbox="873 963 1023 991"><b>Newly added:</b></p> <p data-bbox="873 1049 1390 1161">(VIII) other rights conferred by law, administrative regulations, departmental regulations or the Articles of Association.</p> <p data-bbox="873 1208 1390 1534"><u>Shareholders demanding inspection of the relevant information or obtaining of the materials mentioned above shall provide the Company with written documents indicating the class and number of shares they hold in the Company. After confirmation of the shareholder's identity, the Company shall provide such information based on the request of the shareholder.</u></p>

APPENDIX I	AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS
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No.	Original Articles	Amended Articles
	<p>(VI) to participate in the distribution of the residual property of the Company in accordance with their shareholdings upon the winding up or liquidation of the Company;</p> <p>(VII) other rights conferred by the laws, administrative regulations and the Articles of Association.</p>	
3.	<p>Article 2.1.4 The holders of the ordinary shares of the Company shall assume the following obligations:</p> <p>(I) to comply with the Articles of Association;</p> <p>(II) to pay subscription monies in accordance with the number of shares subscribed and the method of subscription;</p> <p>(III) other obligations that shall be assumed as stipulated by laws, administrative regulations and the Articles of Association.</p> <p>Apart from conditions agreed by subscribers at the time of subscription, shareholders shall not assume any liabilities to subscribe for further share capital thereafter.</p>	<p>Article 2.1.4 The holders of the ordinary shares of the Company shall assume the following obligations:</p> <p>(I) to comply with <u>laws, administrative regulations and</u> the Articles of Association;</p> <p>(II) to pay subscription monies in accordance with the number of shares subscribed and the method of subscription;</p> <p><u>(III) not to divest the shares except for circumstances stipulated by the laws and regulations;</u></p> <p><u>(IV) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent corporate personality of the Company and shareholder's limited liability to harm the interests of any creditor of the Company;</u></p> <p><u>(HV) other obligations that shall be assumed as stipulated by laws, administrative regulations and the Articles of Association.</u></p>

No.	Original Articles	Amended Articles
		<p>Apart from conditions agreed by subscribers at the time of subscription, shareholders shall not assume any liabilities to subscribe for further share capital thereafter.</p> <p><u>Shareholders of the Company who abuse their shareholder's rights and thereby cause losses on the Company or other shareholders shall be liable for compensation according to the laws.</u></p> <p><u>Where shareholders of the Company abuse the independent corporate personality of the Company and shareholder's limited liability for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.</u></p>



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APPENDIX I	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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No.	Original Articles	Amended Articles
4.	<p>Article 2.2.2 A party is a controlling shareholder mentioned in the previous article if any of the following conditions is fulfilled:</p> <p>(I) any person acting on his/her own or in concert with other parties has the power to elect more than half of the directors;</p> <p>(II) any person acting on his/her own or in concert with other parties has the power to exercise or control the exercise of 30 per cent (inclusive) or more of the voting rights of the Company;</p> <p>(III) any person acting on his/her own or in concert with other parties holds 30 per cent (inclusive) or more of the outstanding shares of the Company;</p> <p>(IV) any person acting on his/her own or in concert with other parties have de facto control of the Company in any other manner.</p>	<p>Article 2.2.2 <b>The entire article is deleted and replaced with the following contents</b></p> <p><u>The term “controlling shareholder” as referred to in the preceding article means a shareholder who holds ordinary shares (including preferred shares with voting rights restored) representing 50% or more of the total share capital of the Company, or a shareholder having sufficient voting right in respect of the shares who holds to pose a significant influence on the resolutions of the shareholders’ general meetings despite holding less than 50% of the total share capital of the Company.</u></p>

No.	Original Articles	Amended Articles
5.	<p data-bbox="319 304 845 378">Article 3.2 The shareholders' general meeting shall exercise the following functions and powers:</p> <p data-bbox="319 431 845 591">(I) to determine the Company's development objectives and strategies, and to formulate the Company's operating policies and investment plans;</p> <p data-bbox="391 644 845 1453">1. acquisition or disposal of assets: If the total amount of assets acquired or disposed of accounts for more than 50 per cent of the Company's latest audited total asset value, or the transaction amount for the acquisition or disposal of assets (including the fees and liabilities to be assumed) accounts for more than 50 per cent of the Company's latest audited total asset value or the absolute value of net profit or loss in relation to the assets being acquired or disposed of, and related party transactions not having been exempted from convention of a shareholders' general meeting by the stock exchanges on which the securities of the Company are listed;</p> <p data-bbox="319 1506 367 1527">.....</p> <p data-bbox="319 1591 845 1708">(II) to elect and replace directors and decide on matters concerning the remuneration of directors;</p>	<p data-bbox="873 304 1391 378">Article 3.2 The shareholders' general meeting shall exercise the following functions and powers:</p> <p data-bbox="873 431 1391 591">(I) to determine the Company's development objectives and strategies, and to formulate the Company's operating policies and investment plans;</p> <p data-bbox="944 644 1391 1495">1. acquisition or disposal of assets: If the total amount of assets acquired or disposed of accounts for more than <del>50</del><u>30</u> per cent of the Company's latest audited total asset value, or the transaction amount for the acquisition or disposal of assets (including the fees and liabilities to be assumed) accounts for more than <del>50</del><u>30</u> per cent of the Company's latest audited total asset value or the absolute value of net profit or loss in relation to the assets being acquired or disposed of, and related party transactions not having been exempted from convention of a shareholders' general meeting by the stock exchanges on which the securities of the Company are listed;</p> <p data-bbox="873 1549 920 1570">.....</p> <p data-bbox="873 1634 1391 1793">(II) to elect and replace directors <u>who are non-employee representatives</u> and decide on matters concerning the remuneration of directors;</p>

No.	Original Articles	Amended Articles
	<p>(III) to elect and replace supervisors who are representatives of the shareholders, and decide on matters concerning remuneration of such supervisors;</p> <p>.....</p>	<p>(III) to elect and replace supervisors who are <u>non-employee</u> representatives <del>of the shareholders</del>, and decide on matters concerning remuneration of such supervisors;</p> <p>.....</p> <p><b>Newly added:</b></p> <p>(IX) to make resolutions on matters such as <u>change of nature of the Company</u>;</p> <p><b>The original items (IX) to (XIII) is renumbered as items (X) to (XIV)</b></p> <p><b>Newly added:</b></p> <p>(XV) to consider and approve <u>guarantee matters as stipulated in Article 3.3</u>;</p> <p>(XVI) to consider and approve <u>changes in the use of funds raised</u>;</p> <p>(XVII) to consider and approve <u>share incentive plans and employee share ownership plans</u>;</p> <p><b>The original item (XIV) is renumbered as item (XIX)</b></p> <p><b>The original item (XV) is renumbered as item (XVIII)</b></p>

No.	Original Articles	Amended Articles
6.		<p><b>Newly added:</b></p> <p><u>Article 3.3 The provision of guarantees for a third party by the Company in the following circumstances shall be subject to consideration and approval at shareholders' general meetings:</u></p> <p>(I) <u>any guarantee to be provided after the total amount of guarantee provided to third parties by the Company and its subsidiaries having reached or exceeded 50% of the latest audited net assets;</u></p> <p>(II) <u>any guarantee to be provided after the total amount of guarantee provided to third parties by the Company having reached or exceeded 30% of the latest audited total assets;</u></p> <p>(III) <u>any guarantee to be provided after the total guaranteed amount of the Company within one year having exceeded 30% of the Company's latest audited total assets;</u></p> <p>(IV) <u>any guarantee to be provided to a guarantee object with a gearing ratio of more than 70%;</u></p> <p>(V) <u>any single guarantee exceeding 10% of the latest audited net assets;</u></p> <p>(VI) <u>any guarantee to be provided for the shareholders, de facto controllers and their connected parties.</u></p>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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No.	Original Articles	Amended Articles
7.		<b>The original Article 3.3 is renumbered as Article 3.4</b>
8.	Article 3.4 The shareholders' general meeting is entitled to resolve on other matters stipulated in laws, administrative regulations and the Articles of Association.	<b>The entire article is deleted</b>
9.	<p>Clause 1 of Article 4.1.1</p> <p>Shareholders' general meetings shall be classified into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings shall be convened once every year and shall be held within six months upon the preceding financial year end.</p>	<p>Clause 1 of Article 4.1.1</p> <p>Shareholders' general meetings shall be classified into annual <u>general</u> meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. <u>Annual</u> general meetings shall be convened once every year and shall be held within six months upon the preceding financial year end.</p>
10.	<p>Article 4.1.3 Correspondence voting shall not be adopted in an annual general meeting and a shareholders' general meeting convened at the request of the shareholders or the Supervisory Committee. Correspondence voting shall not be adopted in an extraordinary general meeting for examination of following matters:</p> <p>(I) increase or reduction of registered capital of the Company;</p> <p>(II) the issue of corporate bonds by the Company;</p> <p>(III) spin-off, merger, winding-up and liquidation of the Company;</p> <p>(IV) amendments to the Articles of Association of the Company;</p> <p>(V) proposals for profit distribution and loss recovery;</p>	<b>The entire article is deleted</b>

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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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No.	Original Articles	Amended Articles
	<p>(VI) engagement and removal of members of the board of directors and the Supervisory Committee;</p> <p>(VII) change of use of proceeds from issuance of shares;</p> <p>(VIII) related party transactions which are subject to approval at the shareholders' general meeting;</p> <p>(IX) acquisition or disposal of assets which are subject to approval at the shareholders' general meeting;</p> <p>(X) change of accounting firms;</p> <p>(XI) other matters stipulated in the Articles of Association that shall not be subject to correspondence voting.</p>	
11.		<b>The original Articles 4.1.4 and 4.1.5 are renumbered as Articles 4.1.3 and 4.1.4</b>

<b>APPENDIX I</b>	<b>AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS</b>
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No.	Original Articles	Amended Articles
12.	<p>Article 4.2.5 The notice of a shareholder’s general meeting shall meet the following requirements:</p> <p>(I) it shall be made in writing;</p> <p>(II) it shall specify the venue, the date and time of the meeting;</p> <p>(III) it shall state the matters to be discussed at the meeting;</p> <p>(IV) it shall provide the shareholders with such information and explanation as is necessary to enable them to make an informed decision on the matters to be discussed. This principal shall apply (without limitation) when the Company proposes a merger, repurchase of shares, reorganization of share capital or other restructuring whereby it shall provide the specific conditions of the transaction and contracts (if any) under its proposal and earnestly explain the cause and consequence of the transaction;</p>	<p><b>The entire article is deleted and replaced with the following contents</b></p> <p><u>Article 4.2.5 The notice of a shareholder’s general meeting shall include the following information:</u></p> <p>(I) <u>the time, the venue and the duration of the meeting;</u></p> <p>(II) <u>matters and motions submitted to the meeting for consideration;</u></p> <p>(III) <u>containing a conspicuous statement that: all ordinary shareholders (including preference shareholders with voting rights restored) are entitled to attend the meeting, and may appoint proxies in writing to attend the meeting and vote on their behalf. A proxy need not be a shareholder of the Company;</u></p> <p>(IV) <u>the record date for determining the entitlement of shareholders to attend the meeting;</u></p> <p>(V) <u>the name and telephone number of the standing contact person for meeting affairs;</u></p> <p>(VI) <u>the voting time and voting procedures for online voting or other means of voting.</u></p>

No.	Original Articles	Amended Articles
	<p>(V) in case of material conflict of interests of any directors, supervisors, managers or other senior management in any matters to be discussed, it shall disclose the nature and extent thereof; and it shall provide an explanation of the difference, if any, between the way in which the matter to be discussed would affect such director, supervisor, manager or other senior management in their capacity as shareholders and the way in which such matter would affect other shareholders of the same class;</p> <p>(VI) it shall contain the full text of any special resolutions proposed to be moved at the meeting;</p> <p>(VII) it shall contain a conspicuous statement that a shareholder entitled to attend and vote has rights to appoint one or more proxies to attend and vote on his/her behalf and that such proxy need not be a shareholder of the Company;</p> <p>(VIII) it shall state the time and place of service of written replies for intended attendance of a shareholder's general meeting and power of attorney for voting at the meeting.</p>	<p><u>The notice and supplementary notice of a shareholders' general meeting shall fully and completely disclose all the specific contents of all motions. If the matters to be discussed require independent Directors to express their opinions, the independent Directors' opinions and reasons will be disclosed at the same time when the notice or supplementary notice of the shareholders' general meeting is issued.</u></p> <p><u>The online voting or other means of voting at the general meeting shall not start earlier than 3:00 p.m. on the day before the on-site shareholders' general meeting, shall not start later than 9:30 a.m. on the day of the on-site meeting, and shall not close earlier than 3:00 p.m. on the day when the on-site meeting closes.</u></p> <p><u>The interval between the record date and the date of the meeting shall be no more than seven working days. Once confirmed, the share record date shall not be changed.</u></p>



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No.	Original Articles	Amended Articles
13.	<p>Article 4.3.1 Any shareholders entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more other persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf, and a proxy so appointed may exercise the following rights according to his/her entrustment by the shareholder:</p> <p>(I) the shareholder's right to speak at the shareholders' general meeting;</p> <p>(II) the right to require by himself/herself or in conjunction with others to demand a poll in respect of a resolution; and</p> <p>(III) the right to vote by a show of hands or ballot, but a proxy of a shareholder who has appointed more than one proxy may only exercise their voting rights by ballot.</p>	<p>Article 4.3.1 Any shareholders entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one <del>or more other</del> persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf, and a proxy so appointed may exercise the following rights according to his/her entrustment by the shareholder:</p> <p>(I) the shareholder's right to speak at the shareholders' general meeting;</p> <p>(II) <del>the right to require by himself/herself or in conjunction with others to demand a poll in respect of a resolution; and</del> <u>voting rights.</u></p> <p><del>(III) the right to vote by a show of hands or ballot, but a proxy of a shareholder who has appointed more than one proxy may only exercise their voting rights by ballot.</del></p>
14.	<p>Article 4.3.2 Shareholders shall entrust their proxies by written instruments that shall be signed by the principal or such proxies entrusted thereby in writing. Where the principal is a legal person, the instrument shall be sealed by the legal person or signed by its director(s) or duly authorized proxies.</p>	<p>Article 4.3.2 Shareholders shall entrust their proxies by written instruments <u>(including proxy forms provided by the Company for designated general meetings)</u> that shall be signed by the principal or such proxies entrusted thereby in writing. Where the principal is a legal person, the instrument shall be sealed by the legal person or signed by its director(s) or duly authorized proxies.</p>

No.	Original Articles	Amended Articles
15.	Article 4.3.5 Any form of power of attorney issued by the board of directors of the Company to the shareholders for the appointment of shareholders' agent shall give the shareholders free choice to instruct the shareholders' agent to cast an affirmative or negative vote and give separate instructions on matters to be voted with respect to each issue discussed at the meeting. The power of attorney shall specify that in the absence of instructions from the shareholders, the shareholders' agent may vote as he/she thinks fit.	Article 4.3.5 Any form of power of attorney issued by the board of directors of the Company to the shareholders for the appointment of shareholders' agent shall give the shareholders free choice to instruct the shareholders' agent to cast an affirmative or negative vote and give separate instructions on matters to be voted with respect to each issue discussed at the meeting. The power of attorney shall specify that in the absence of <u>specific</u> instructions from the shareholders, <u>whether</u> the shareholders' agent may vote as he/she thinks fit.
16.	<b>Section 4 Chairman of the meeting</b>	<b>Section 4 <del>Chairman</del> <u>Presider</u> of the meeting</b>
17.	Article 4.4.1 A shareholders' general meeting shall be presided by the chairman of the meeting. The shareholders' general meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. Should the chairman be unable or fail to perform his duties, the meetings shall be chaired by a director jointly recommended by more than half of the directors. If no director is elected to chair the meeting for any reason, shareholders (or shareholders' agent) holding the greatest number of voting shares attending such meeting shall chair the meeting.	Article 4.4.1 A shareholders' general meeting shall be presided by the <del>chairman</del> <u>presider</u> of the meeting. The shareholders' general meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. Should the chairman be unable or fail to perform his duties, the meetings shall be <del>chaired</del> <u>presided</u> by a director jointly recommended by more than half of the directors. If no director is elected to <del>chair</del> <u>preside</u> the meeting for any reason, shareholders (or shareholders' agent) holding the greatest number of voting shares attending such meeting shall <del>chair</del> <u>preside</u> the meeting.
18.	Article 4.4.2 The chairman of the meeting shall be responsible in determining whether the resolutions is passed by the shareholders' general meeting. Such decision shall be final, announced at the meeting and recorded in the minutes.	<b>The entire article is deleted</b>

No.	Original Articles	Amended Articles
19.	<p>Article 4.4.3 In the event that the chairman of the meeting is doubtful towards the results of the resolution which has been presented for at the meeting, he/she may have the votes counted. In the event that the shareholders present at the meeting or shareholders' agent do not agree with the results announced by the chairman of the meeting, whilst the chairman of the meeting does not conduct counting of votes, they are entitled to request a counting of votes after such announcement, and the chairman of the meeting shall immediately conduct a counting of votes.</p>	<p>Article <del>4.4.3</del> <u>4.4.2</u> In the event that the <del>chairman</del> <u>presider</u> of the meeting is doubtful towards the results of the resolution which has been presented for at the meeting, he/she may have the votes counted. In the event that the shareholders present at the meeting or shareholders' agent do not agree with the results announced by the <del>chairman</del> <u>presider</u> of the meeting, whilst the <del>chairman</del> <u>presider</u> of the meeting does not conduct counting of votes, they are entitled to request a counting of votes after such announcement, and the <del>chairman</del> <u>presider</u> of the meeting shall immediately conduct a counting of votes.</p>
20.	<p>Clauses 1 and 2 of Article 4.5.4</p> <p>Shareholders, individually or jointly, holding an aggregate of 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 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><b>Article 4.5.4</b> <b>Clauses 1 and 2 are deleted and replaced with the following contents</b></p> <p><u>At an annual general meeting, the board of directors, supervisory committee and shareholders individually or jointly holding more than 3% of the shares of the Company shall have the right to propose motions, and shareholders individually or jointly holding more than 3% of shares of the Company may propose ad hoc proposals and present the same to the convener in writing 10 days prior to convening the general meeting. A supplemental notice shall be issued by the convener within 2 days after receipt of such proposals, announcing the details of the ad hoc proposals. Save as prescribed above, the convener shall neither revise the proposals stated in the notice of general meetings nor add in new proposals after issuing the notice of general meeting.</u></p>

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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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No.	Original Articles	Amended Articles
21.	<p>Clause 4 of Article 4.5.4</p> <p>Except for the above, the motions may be submitted to the board of directors in advance and announced thereby or proposed directly to the annual general meeting.</p>	<p><b>The entire clause is deleted</b></p>
22.	<p>Article 4.6.2 Resolutions of shareholders' general meetings shall be passed on a show of hands unless resolution by way of poll is (before or after any vote by show of hands) demanded by:</p> <p>(I) the chairman of the meeting;</p> <p>(II) at least two shareholders entitled to vote or by agents of shareholders entitled to vote;</p> <p>(III) one or several shareholders (including agents of shareholders) individually or jointly, holding over 10 per cent (inclusive of 10 per cent) of voting shares at the meeting.</p> <p>Unless resolution by way of poll be so demanded, the chairman of the meeting shall announce that a resolution has been passed by way of show of hands, and such resolution be recorded in the minutes of the meeting. Such record in the minutes shall be considered as final. Proof of the number or proportion of the votes recorded in favour of or against such resolution of the meeting shall not be required.</p> <p>The demand for resolution by way of poll may be withdrawn by the person who makes such demand.</p>	<p><b>Article 4.6.2 The entire article is deleted and replaced with the following contents</b></p> <p><u>Votes at a general meeting shall be taken by a vote by registered ballot.</u></p>

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No.	Original Articles	Amended Articles
23.	<p>Article 4.6.3 If a poll is demanded on the election of the chairman or on adjournment of the meeting, it shall be dealt with immediately by way of poll. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting directs, and the meeting may be proceeded for discussions on other matters. The result of the poll shall be deemed to be a resolution passed at the meeting.</p> <p>.....</p>	<p>Article 4.6.3 If a poll is demanded on the election of the <del>chairman</del><u>presider</u> or on adjournment of the meeting, it shall be dealt with immediately by way of poll. A poll demanded on any other matters shall be taken at such time as the <del>chairman</del><u>presider</u> of the meeting directs, and the meeting may be proceeded for discussions on other matters. The result of the poll shall be deemed to be a resolution passed at the meeting.</p> <p>.....</p>
24.	<p>Article 4.6.5 In the event of equality of votes, the chairman of the meeting shall, whether by show of hands or on a poll, have a casting vote.</p>	<b>The entire article is deleted</b>
25.		<b>The original Articles 4.6.6 to 4.6.9 are renumbered as Articles 4.6.5 to 4.6.8</b>
26.	<p>Clause 2 of Article 4.7.1</p> <p>To pass an ordinary resolution at the shareholders' meeting, votes representing more than one half of the voting rights represented by the shareholders (including shareholders' agents) present at the meeting must be exercised in favor of the resolution in order for it to be passed.</p>	<p>Clause 2 of Article 4.7.1</p> <p>To pass an ordinary resolution at the shareholders' meeting, votes representing <del>more than one half a</del> <u>majority</u> of the voting rights represented by the shareholders (including shareholders' agents) present at the meeting must be exercised in favor of the resolution in order for it to be passed.</p>
27.	<p>Article 4.7.3 The following matters shall be resolved by way of an ordinary resolution of a shareholders' general meeting:</p> <p>.....</p>	<p>Article 4.7.3 The following matters shall be resolved by way of an ordinary resolution of a shareholders' general meeting:</p> <p>.....</p> <p><b>Newly added:</b></p> <p><u>(V)</u>    <u>annual report of the Company;</u></p> <p><b>The original item (V) is renumbered as item (VI)</b></p>

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**APPENDIX I                      AMENDMENTS TO ARTICLES OF ASSOCIATION AND RULES OF PROCEDURES OF BOARD MEETINGS, SUPERVISORY COMMITTEE MEETINGS AND SHAREHOLDERS MEETINGS**

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No.	Original Articles	Amended Articles
28.	<p>Article 4.7.4 The following matters shall be resolved by way of a special resolution of a shareholders' general meeting:</p> <p>.....</p>	<p>Article 4.7.4 The following matters shall be resolved by way of a special resolution of a shareholders' general meeting:</p> <p>.....</p> <p><b>Newly added:</b></p> <p><u>(VI) the Company's acquisition or disposal of major assets or provision of guarantees within one year with the transaction amount having exceeded 30% of the Company's latest audited total assets of the Company;</u></p> <p><u>(VII) equity incentive plans;</u></p> <p><u>(VIII) any other issue specified in the laws, administrative regulations or the Articles of Association and other matters that may have material impact on the Company and accordingly shall be approved by special resolutions.</u></p>
29.	<p><b>Chapter 5 Proposals of Convening Extraordinary General Meeting by the Shareholders or the Supervisory Committee</b></p>	<p><b>Chapter 5 Proposals of Convening Extraordinary General Meeting by the <u>Independent Directors</u>, Shareholders or the Supervisory Committee</b></p>

No.	Original Articles	Amended Articles
30.	<p>Article 5.1 Shareholders requesting the convening of an extraordinary general meeting or a class meeting shall proceed in accordance with the procedures set out below:</p> <p>(I) two or more shareholders individually or jointly holding an aggregate of over 10 per cent (inclusive) of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical format and content requesting the board of directors to convene an extraordinary shareholders' general meeting or a meeting of shareholders of different classes and state the issues for discussion at the meeting. Written proposals shall be filed at a local agency of China Securities Regulatory Commission and the stock exchanges on which the securities of the Company are listed. The board of directors shall convene a shareholders' general meeting or class meeting as soon as possible after having received the above-mentioned written request. The number of shares so held as referred above shall be calculated as of the day on which the written request is made by such shareholder.</p>	<p><b>Article 5.1 The entire article is deleted and replaced with the following contents</b></p> <p><u>Independent Directors shall have the right request the board of directors to convene an extraordinary general meeting. For the proposal of Independent Directors seeking to convene a general meeting, the board of directors shall give its written feedback on agreeing or disagreeing to convene an extraordinary general meeting within 10 days after receiving the proposal in accordance with the provisions of laws, administrative regulations and the Articles of Association.</u></p> <p><u>If the board of directors agrees to convene an extraordinary general meeting, a notice of general meeting shall be issued within 5 days after the resolution of the board meeting was made. if the board of directors disagrees to convene an extraordinary general meeting, explanation and announcement shall be made.</u></p>

No.	Original Articles	Amended Articles
	<p>(II) In the event that the board of directors fails to issue a notice of convening such a meeting within 30 days after receiving the above-mentioned written request, the shareholders who made such request may convene a meeting themselves within four months after the board of directors received the request. The procedures of convening such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are to be convened by the board of directors.</p> <p>Where shareholders convene and hold a meeting because the board of directors failed to hold such meeting pursuant to a request as aforesaid, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the directors who were negligent.</p>	



No.	Original Articles	Amended Articles
31.	Article 5.2 The board of directors shall publish the notice to convene the extraordinary general meeting within 15 days upon the receipt of request in writing from the Supervisory Committee.	<p>Article 5.2 <u>The Supervisory Committee has the right to request the board of directors in writing to convene an extraordinary general meeting. The board of directors shall provide its written feedback on agreeing or disagreeing to convene an extraordinary general meeting within 10 days after receiving the proposal in accordance with the provisions of laws, administrative regulations and the Articles of Association.</u></p> <p>The board of directors shall publish the notice to convene the <del>extraordinary</del> general meeting within <del>15 days upon the receipt of request in writing from the Supervisory Committee,</del> <u>for the changes to the original proposals in the notice, prior consent of the Supervisory Committee shall be obtained.</u></p> <p><u>If the board of directors disagrees to convene an extraordinary general meeting, or fails to make feedback 10 days after receiving the proposal, the board of directors will be deemed not able to or fails to fulfill its duty of convening a shareholders' general meeting, and the Supervisory Committee shall convene and hold a meeting on its own.</u></p>

No.	Original Articles	Amended Articles
32.	<p>Article 5.3 The board of directors shall respond to the request of the proposer or the Supervisory Committee within 15 days after the receipt of abovementioned motions in writing, and report to the local agency of China Securities Regulatory Commission and the stock exchanges on which the securities of the Company are listed.</p> <p>(I) When the board of directors agrees to convene the extraordinary general meeting, it shall issue the notice for convening the same. Amendments to the original resolutions to be proposed and contained in the notice are subject to the consent of the proposing shareholder. After the notice is published, the board of directors shall not propose any new resolutions. Without the consent of the proposing shareholder, the time for convening the extraordinary general meeting shall not be changed or postponed.</p> <p>(II) In the event that the board of directors considers that the resolutions to be proposed by the proposing shareholder violates the provisions of laws, regulations and the Articles of Association of the Company, it shall reject the convening of the extraordinary general meeting and notify the proposing shareholder of their opinion.</p>	<p>Article 5.3 <b>The entire article (except item (IV)) is deleted and replaced with the following contents</b></p> <p><u>On the basis of one share one vote, ordinary shareholders individually or collectively holding 10% or more of the voting shares of the Company (including preference shareholders with voting rights restored) shall have the right to request the board of directors to convene an extraordinary general meeting by way of written request(s). The board of directors shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within 10 days upon receiving the request in accordance with the requirements of the laws, administrative regulations, and the Articles of Association.</u></p> <p><u>If the board of directors agrees to convene an extraordinary general meeting, notice convening the meeting shall be issued within 5 days after the board of directors resolved to do so. If the board of directors makes alterations to the original proposal in the notice, consent has to be obtained from the related shareholders.</u></p>

No.	Original Articles	Amended Articles
	<p>Within fifteen days from the date of receipt of the aforesaid notice, the proposing shareholder may decide to waive the request of convening the extraordinary general meeting or to issue the notice for convening the extraordinary general meeting on its own.</p> <p>If the proposing shareholder decides to waive the request of convening the extraordinary general meeting, it shall report to the local agency of China Securities Regulatory Commission and the stock exchanges on which the securities of the Company are listed accordingly.</p> <p>(III) If the proposing shareholder decides to convene the extraordinary general meeting on its own, it shall issue the notice for convening the extraordinary general meeting upon serving a written notice to the board of directors and filing reports to the local agency of China Securities Regulatory Commission and the stock exchanges on which the securities of the Company are listed accordingly. The content of the notice shall satisfy the following requirements:</p> <ol style="list-style-type: none"> <li>1. New items shall not be added to the content of the resolutions to be proposed. Otherwise, the proposing shareholder shall request the board of directors to re-convene the extraordinary general meeting in accordance with the aforesaid procedures;</li> <li>2. The venue of the meeting shall be the domicile of the Company.</li> </ol>	<p><u>If the board of directors does not agree to convene the extraordinary general meeting, or does not reply within 10 days upon receiving the request, ordinary shareholders individually or collectively holding 10% or more of the voting shares of the Company (including preference shareholders with voting rights restored) shall have the right to request the Supervisory Committee to convene an extraordinary general meeting by way of written request(s).</u></p> <p><u>If the Supervisory Committee agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within 5 days upon receiving the request. Should there be alterations to the original request in the notice, consent has to be obtained from the related shareholders.</u></p> <p><u>If the Supervisory Committee does not issue notice of the general meeting within the required period, it will be regarded as that the Supervisory Committee will not convene and preside over the general meeting, and ordinary shareholders individually or collectively holding 10% or more of the voting shares of the Company (including preference shareholders with voting rights restored) for 90 consecutive days shall have the right to convene and preside over the meeting by themselves.</u></p>

No.	Original Articles	Amended Articles
33.		<p><b>Newly added:</b></p> <p><u>Article 5.4 If the Supervisory Committee or Shareholders decide to convene a shareholders' general meeting, they shall give a written notice to the board of directors, and file to the securities exchange.</u></p> <p><u>Prior to the announcement of resolutions of shareholders' general meeting, the shareholding of the convening ordinary Shareholders (including preference shareholders with voting rights restored) must not be lower than 10%.</u></p> <p><u>Supervisory Committee and the convening shareholders shall submit relevant evidentiary documents to the securities exchange when issuing a notice of general meeting and the announcement of resolutions of shareholders' general meeting.</u></p>
34.		<p><b>Newly added:</b></p> <p><u>Article 5.5 With regard to the shareholders' general meeting convened by the Supervisory Committee or shareholders on its/their own initiative, the board of directors and the secretary to the board shall offer cooperation. The board of directors shall provide a register of shareholders as of the equity registration date. If the board of directors fails to provide the register of shareholders, the convener may seek the same from the securities registration and clearing institutions with the relevant announcement of the notice of convening the shareholders' general meeting. The convener shall not use the register of shareholders for purposes other than convening a shareholders' general meeting.</u></p>

No.	Original Articles	Amended Articles
35.	<p>Item (IV) of Article 5.3</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>.....</p> <p>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;</p> <p>.....</p>	<p>(IV) <u>Article 5.6</u> With respect to the extraordinary general meeting to be convened by <u>Supervisory Committee or</u> the proposing shareholder on its/<u>their</u> 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>.....</p> <p>2. The board of directors shall engage lawyers to provide legal opinion in accordance with the provisions of Article 4.1.<u>43</u> to these Rules;</p> <p>.....</p>
36.		<b>The original Article 5.4 is renumbered as Article 5.7</b>
37.	<p>Article 6.2 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 11.3 to 11.7 of the Articles of Association of the Company, respectively.</p>	<p>Article 6.2 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 <del>a separate shareholders' general</del> <u>class</u> meetings convened by affected class shareholders in accordance to Articles 11.3 to 11.7 of the Articles of Association of the Company, respectively.</p>

No.	Original Articles	Amended Articles
38.	<p>Article 6.3 The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares :</p> <p>.....</p>	<p>Article 6.3 <del>The following circumstances shall be deemed to be a variation or abrogation of the rights to change or abrogate</del> of holders of certain class shares <u>include but are not limited to</u>:</p> <p>.....</p>
39.	<p>Article 6.4 Affected class shareholders, whether or not originally having any right to vote at shareholders' general meetings, shall nevertheless have rights to vote at class meetings in respect of the matters concerning items (II) to (VIII), (XI) and (XII) of the previous Article, but interested shareholders shall not be entitled to vote at a class meeting.</p> <p>The expression “interested shareholders” mentioned in the preceding paragraph shall mean:</p> <p>(I) where the Company shall repurchase its own shares pursuant to requirements under Article 34 of the Articles of Association of the Company by way of making a general offer of repurchase of shares to all its shareholders on a pro rata basis or by way of public dealing on a stock exchanges, “interested shareholders” shall be the controlling shareholder as defined in Article 59 of the Articles of Association of the Company;</p> <p>(II) where the Company shall repurchase its own shares pursuant to requirements under Article 34 of the Articles of Association of the Company by way of off-market agreements, “interested shareholder” shall be the shareholder relating to the agreements concerned;</p>	<p>Article 6.4 Affected class shareholders, whether or not originally having any right to vote at shareholders' general meetings, shall nevertheless have rights to vote at class meetings in respect of the matters concerning items (II) to (VIII), (XI) and (XII) of the previous Article, but interested shareholders shall not be entitled to vote at a class meeting.</p> <p>The expression “interested shareholders” mentioned in the preceding paragraph shall mean:</p> <p>(I) where the Company shall repurchase its own shares pursuant to requirements under Article <del>34</del><u>5.3</u> of the Articles of Association of the Company by way of making a general offer of repurchase of shares to all its shareholders on a pro rata basis or by way of public dealing on a stock exchanges, “interested shareholders” shall be the controlling shareholder as defined in Article <del>59</del><u>9.1</u> of the Articles of Association of the Company;</p> <p>(II) where the Company shall repurchase its own shares pursuant to requirements under Article <del>34</del><u>5.3</u> of the Articles of Association of the Company by way of off-market agreements, “interested shareholder” shall be the shareholder relating to the agreements concerned;</p>

No.	Original Articles	Amended Articles
	(III) in the case of a restructuring of the Company, “interested shareholder” shall be a shareholder of a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or has an interest in the proposed restructuring different from the interest of shareholders of that class.	(III) in the case of a restructuring of the Company, “interested shareholder” shall be a shareholder of a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or has an interest in the proposed restructuring different from the interest of shareholders of that class.
40.	Article 6.8 Save for other class shareholders, holders of domestic shares and overseas-listed foreign shares are deemed to be shareholders of different classes.	<b>The entire article is deleted</b>
41.	<p>Article 6.9 The special procedures for voting by class shareholders shall not apply to the following circumstances:</p> <p>(I) where the Company issues, upon the approval by a special resolution at a shareholders’ general meeting, either separately or concurrently once every twelve months, not more than 20 per cent of the number of each of its issued outstanding domestic shares and overseas-listed foreign shares;</p> <p>(II) where the Company’s plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is carried out within 15 months from the date of approval of China Securities Regulatory Commission.</p>	<b>The entire article is deleted</b>

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## APPENDIX II      ILLUSTRATION ON THE ADOPTION OF CUMULATIVE POLL IN THE ELECTION OF DIRECTORS

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### ILLUSTRATION ON THE ADOPTION OF CUMULATIVE POLL IN THE ELECTION OF DIRECTORS

- I. The elections of directors, independent directors and supervisors at a shareholder's meeting will be numbered as separate groups of resolutions. Investors shall vote on each candidate under each separate group of resolution.
- II. The number of shares reported shall represent the votes to be cast for the elections. For each group of resolutions, the total number of votes to which a shareholder is entitled for each share held by himself/herself shall be equal to the number of Directors or Supervisors to be elected under that particular group of resolutions. If a shareholder holds 100 shares of the company, and there are 10 directors to be elected at the AGM with 12 candidates taking part in the directorship election, that shareholder shall be entitled to a total number of 1,000 votes for the shares held by himself/herself in respect of that particular group of resolutions on the election.
- III. Voting of shareholders shall be confined to the number of votes to which he/she is entitled in respect of each group of resolutions. Shareholders may cast their votes at their own discretion by casting his/her vote on one candidate or on different candidates in any combination. Upon completion of the voting, the votes will be counted cumulatively in respect of each of the resolutions.
- IV. Example:

A listed company convenes a general meeting for election of members of the board of directors and Supervisory Committee by way of cumulative poll, and there are six candidates to be elected for five directorships and two candidates to be elected for three supervisorships. The matters required to be voted by poll are as follows:

Resolutions by cumulative poll		
4.00	Resolution in relation to election of directors	Number of votes
4.01	e.g.: Chen × ×	
4.02	e.g.: Zhao × ×	
4.03	e.g.: Jiang × ×	
.....	.....	
4.06	e.g.: Song × ×	



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**APPENDIX II                      ILLUSTRATION ON THE ADOPTION OF CUMULATIVE  
POLL IN THE ELECTION OF DIRECTORS**

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<b>Resolutions by cumulative poll</b>		
5.00	Resolution in relation to election of independent directors	Number of votes
5.01	e.g.: Zhang × ×	
5.02	e.g.: Wang × ×	
5.03	e.g.: Yang × ×	
6.00	Resolution in relation to election of supervisors	Number of votes
6.01	e.g.: Li × ×	
6.02	e.g.: Chen × ×	
6.03	e.g.: Huang × ×	

If an investor holds 100 shares in the company upon close of trading on the equity rights registration date, under the system of cumulative poll, he/she will be entitled to 500 votes for resolution No. 4.00 titled “Resolution in relation to election of directors”, 200 votes for resolution No. 5.00 titled “Resolution in relation to election of independent directors” and 200 votes for resolution No. 6.00 titled “Resolution in relation to election of supervisors”.

Such investor may cast a maximum of 500 votes on resolution No. 4.00 at his/her own discretion in favour of one candidate or different candidates in any combination.

Details are set out below:

<b>No.</b>	<b>Name of resolution</b>	<b>Number of votes</b>			
		Scenario I	Scenario II	Scenario III	Scenario···
4.00	Resolution in relation to election of directors	–	–	–	–
4.01	e.g.: Chen × ×	500	100	100	
4.02	e.g.: Zhao × ×	0	100	50	
4.03	e.g.: Jiang × ×	0	100	200	
.....	.....	.....	.....	.....	
4.06	e.g.: Song × ×	0	100	50	

**A. WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2022**

The following is the Annual Work Report of the Board of Directors of the Company in 2022:

**WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2022**

Dear Shareholders:

2022 is the year for the convening of the 20th National Congress of the CPC and is an important year for the implementation of the 14th Five-Year Plan and the comprehensive construction of a socialist modernization country. Starting from a new point, focusing on the new era, the Company is supported by its main business of road and bridge operations, guided by the main line of optimizing its layout, assisted by financial investment, and taking its 30th anniversary as a new opportunity to promote the Company's high-quality development to a new level. We hereby present the major tasks of the Board and the Company's operations report for the year 2022:

**MAJOR TASKS OF THE BOARD OF DIRECTORS FOR THE YEAR 2022**

In 2022, 8 meetings were held by the Board of the Company to study and make decisions on the Company's annual operating guidelines, periodic reports and important investment projects, and to make timely disclosure of information and maintain investor relations in accordance with regulatory requirements.

The four special committees under the Board held a total of 21 meetings. In accordance with their respective terms of reference and procedures, each committee faithfully performed its duties in a conscientious, responsible, diligent and honest manner, assisting the Board in reviewing, monitoring and making recommendations to the Board on specific areas such as corporate strategy, financial reporting, accounting policies, project investment, nomination, evaluation and remuneration of Directors and senior management, effectively improving the level of governance and operational efficiency of the Company. Audit Committee reviewed the Company's annual financial statements and audit reports, annual budget and final accounts reports, and internal control reports, and provided professional opinions and recommendations to the Company on relevant accounting policies and accounting estimates, audit work, corporate governance, risk management and internal control; Nomination Committee was primarily responsible for reviewing the structure, number and composition of the Board; completing the qualification review of candidates for the new Board and making recommendations to the Board on nomination matters; Remuneration and Appraisal Committee reviewed the Company's total salary package for 2022 and the remuneration of the Company's Directors, supervisors and senior management for 2022; Strategy Committee actively carried out its work and performed its duties in accordance with the work objectives set at the beginning of the year, reviewed the Company's annual risk management assessment report and provided advice on major investment projects undertaken by the Company.

**INFORMATION DISCLOSURE AND INVESTOR RELATIONS**

In 2022, the Company issued 84 announcements on the Shanghai Stock Exchange and 4 periodic reports in relation to temporary major events, as well as simultaneous announcements on the HKEx in accordance with statutory disclosure requirements. The Company provided detailed information on the operation of the three meetings, business conditions, external investments, dividend payments, corporate governance and other aspects.

During the year, the Company held annual, interim and third quarterly results presentations to introduce various aspects of the Company's business development to all investors, strengthened communication and exchanges with investors, potential investors and various intermediary agencies through E-interaction, institutional research and roadshows, etc., and received more than 100 investors in total.

In recent years, the Company's disclosure of information and investor relations management work has also been recognized by regulatory authorities. The Shanghai Stock Exchange evaluated the Company's disclosure of information as class A which is the highest rating for the past three years. The Company was awarded the "Best Board of Directors" at the 13th China Listed Company Investor Relations Tianma Award Forum.

**OPERATIONS OF THE COMPANY FOR THE YEAR 2022**

The Company achieved total assets of RMB78,458 million and net assets attributable to shareholders of the listed company of RMB31,941 million. During the Reporting Period, the Company achieved an annual revenue of RMB13,256 million, a decrease of 7.05% year-on-year, total profit of RMB4,581 million, a decrease of 17.70% year-on-year, net profit attributable to shareholders of the listed company of RMB3,724 million, a decrease of 12.99% year-on-year, and earnings per share of RMB0.7392; net cash flow from operations of RMB5,527 million, weighted average return rate on net assets of 11.23%.

## 1. ROAD AND BRIDGE OPERATIONS

Investment in the main business is steadily advancing. First, the construction of the Longtan Bridge and the North Connection Project was in order. During the Reporting Period, approximately RMB1,129 million was invested in the construction of the Longtan Bridge project, with a cumulative investment of approximately RMB3,136 million, accounting for 50.14% of the total project investment. As a key project to connect the under-construction Longtan Bridge to the motorway network, the North Connection Project of Longtan Bridge commenced construction in August 2022 with a cumulative investment of approximately RMB1,646 million, accounting for 23.57% of the total project investment. The North Connection Project of Longtan Bridge will be opened to traffic at the same time as Longtan Bridge by the end of 2024, giving full play to the synergy effect. Second, the Expansion Project of South Section of Xiyi Expressway was under preparation. The project has already started at the end of 2022 for the pilot section and fully started on 6 January 2023, with a cumulative investment of RMB565 million in 2022, and will be opened to traffic by the end of June 2026. The expansion is expected to greatly improve the capacity of Xiyi Expressway, alleviate traffic pressure, enhance service levels and create economic and social benefits. Third, preliminary study of the Renovation and Expansion Project of Jiangsu Section of Shanghai-Nanjing Expressway was started. As the Shanghai-Nanjing Expressway is running at a high rate of super-saturation, the Company initiated the preparation work for the further expansion upon the approval of the Board and developed the overall plan during the year. The expansion of Shanghai-Nanjing Expressway will enhance the capacity of the national corridor, help the five cities in southern Jiangsu to develop as a metropolitan area and take the lead in building a national transportation modernization demonstration area.

Road traffic efficiency continues to improve. First, the large traffic control was effective. The platform of the large traffic control system was continuously upgraded, automatically generating the optimal control scheme, increasing the maximum efficiency of traffic by 22.69% and significantly reducing congestion nodes. In important road sections and critical time sections, the Company further strengthens the “1+N” 1 synergy to ensure smooth flow of traffic, and achieved 99.98% of 30-minute arrival rate and 98.38% of 1-hour clearing rate in 2022. The “Shanghai-Nanjing Expressway Nanjing Toll Station Entrance Capacity Enhancement Project” and “Research and Application of Safety and Smoothness Protection for High-traffic Road Sections” were awarded as the Top Ten Cases of National Expressway Operation and Management in 2022. Second, the “Cloud Toll” system was optimized and improved. The “Quasi-free Flow” toll lane transformation project have been steadily promoted and the “Quasi-free Flow” transformation plan for 36 toll stations of the Company have been completed; the “Cloud” toll booths with multiple functions were integrated, including “Self-service Toll Collection + Cloud Toll Collection + Manual Assistance”, were constructed, and the special situation disposal time was shortened to 30 seconds; the pilot construction of “Free Flow Cloud Tolling” was actively carried out, and the project site management was done comprehensively, and the first “cloud tolling” system in the province was built. Third, the BIM system has been fully functional. On the basis of perfecting traffic safety

facilities and optimizing road traffic diversion control schemes, electronic sand table exercises were carried out for congestion nodes, a live 3D digital system was built, using BIM + GIS + tilt photography technology and relying on digital twin technology to realize simulation, full-line monitoring and intelligent early warning analysis.

Intensive maintenance level continues to upgrade. First, the road and bridge management and maintenance is in the forefront. The Company always upholds the concept of whole life cycle, insists on ensuring the best road condition with minimum investment, and keeps the road condition indicators in good condition, and strives to build a “public satisfied, highly protected, industry-leading” expressway maintenance protection system. The ratio of Category 1 and 2 bridges on the road sections under the Company’s jurisdiction has always remained 100%. Second, special action was taken to strengthen the foundation. The quality upgrade of the middle division belt and roadside guardrail was completed to lay a good foundation for improving the essential safety; in terms of bridge maintenance, the Group insisted on the concept of equal emphasis on safety and durability, and carried out inspections and reinforcement work in a scientific and reasonable manner; in terms of tunnel safety, the Group carried out special operations to identify safety hazards and complete defect rectification. Third, intensive maintenance and meticulous work. Focusing on the brand of “Jiangsu-style maintenance”, we carried out intensive maintenance for super-saturated traffic sections, using the “one-way fully closed, no-borrowing” traffic organization method, which is a new exploration of the intensive maintenance and construction mode of super-large traffic sections, reducing the impact of maintenance construction on the Shanghai-Nanjing Expressway and the surrounding road network, and creating economic benefits while saving construction time.

Technological innovation has been reported frequently. First, the Company has achieved remarkable achievements in scientific research. The Company built up a postgraduate workstation jointly with universities and used the Science and Technology Innovation Fund as a basis to deepen the integration of industry and education and promote independent innovation. In 2022, research projects “Future-oriented Key Technology and Demonstration Application of New Generation Expressway in Wufengshan” and “25-year Integrated Technology Research and Development and Tracking Verification Demonstration for the Asphalt Pavement Efficient Maintenance of Shanghai-Nanjing Expressway” won the Grand Prize and the First Prize of China Highway & Transportation Society respectively. Second, the cloud control platform was iteratively upgraded. The Company continued to iterate and develop the nation’s first and leading intelligent cloud control platform based on the digital twin, optimised the digital cockpit, digital twin and emergency planning modules, and successfully completed the initial inspection of the platform, which was promoted in several provinces. Third, intelligent maintenance showed its effectiveness. We actively explored intelligent and informative means of maintenance, comprehensively applied non-destructive intelligent inspection technologies such as laser deflectometer and high dynamic ground-penetrating radar, adopted new materials such as ECC high-ductile concrete and anti-corrosion self-cleaning coating on a pilot basis, continued to explore unmanned intelligent construction technologies, and further expanded the application scale of “intelligent unmanned cluster technology”. The new mode of “intelligent maintenance” will enable high-quality and smooth expressways.

## 2. ANCILLARY BUSINESS

Resource integration for enhanced experience. The ETC contactless fueling payment has been installed in several service areas on the Shanghai-Nanjing Expressway, allowing vehicle owners to enjoy contactless fueling without getting off the car, queuing for payment, swiping cards or scanning codes, and quickly completing “instant refueling”. The “aggregated payment” function, which integrates various payment methods, has been launched to continue to improve customer experience while enhancing efficiency.

Innovative models in response to the situation. Business investment and operation management under the background of the pandemic were innovated to explore a new model of benefit-sharing, risk-sharing and win-win development between the Company and the leasing parties. The “big platform” investment plan was improved and optimised; taking the Xianrenshan Service Area as a pilot, a “base benefit + dividend” big platform investment plan was formed, and industry experts were invited to evaluate and improve the overall idea and implementation path of the plan.

The new industry leads to new consumption. In the context of the rapid development of new energy vehicles in China, the first expressway service area premium experience centre for new energy vehicles in Jiangsu Province was built, receiving an average of more than 1,000 visitors per week to visit the exhibition and test drive the vehicles. The average daily traffic and passenger flow in the Yangchenghu Service Area increased significantly, which had a significant pulling and boosting effect on the average daily revenue of merchants.

## 3. NEW ENERGY BUSINESS

In order to actively respond to the call of the State to promote green development, further optimise the layout of the Company’s industrial structure and open up new profit growth points, during the Reporting Period, the Company contributed RMB2,457,000,000 to acquire 100% equity interest in YS Energy Company. As at the end of the Reporting Period, the total installed capacity of the grid-connected projects of YS Energy Company reached 526.6 MW (including the installed capacity of equity participation), and all the power stations held by YS Energy Company have been put into operation, producing a total of 900 million kWh of clean energy power in 2022. In addition, YS Energy Company has actively developed distributed PV projects on industrial and commercial rooftops, taking into account the actual situation of PV project resource endowment in Jiangsu Province, and since the acquisition until the date of this Report, the Board has approved the newly invested and constructed distributed PV power plants with an installed capacity of 57.34 MW. With the rapid increase in the number of new energy vehicles, the booming development of 5G and autonomous driving technology, and the arrival of the wave of mathematization in the field of transportation, the new energy business will achieve business synergy with the Company’s main business of road and bridge, providing new momentum for the Company’s sustainable development.

**4. FINANCIAL INVESTMENTS**

In order to optimize industrial layout, diversify operational risks and enhance development momentum, the Group continued to focus on the opportunities to participate in high quality financial targets. During the Reporting Period, the Company and its wholly-owned subsidiary, Ninghu Investment Company, contributed RMB1,273,407,380 to increase its equity interest in Bank of Jiangsu, and as at the end of the Reporting Period, the two companies held a total of 782,870,800 shares in Bank of Jiangsu (approximately 5.3005% of the total number of shares currently in issue).

**PERFORMANCE OF DIRECTORS FOR THE YEAR 2022**

In 2022, all Directors of the Company performed their duties in good faith, diligently, professionally and efficiently in accordance with the requirements of relevant laws, regulations and the Articles of Association of the Company, and safeguarded the rights and interests of Shareholders of the Company, especially the small and medium-sized Shareholders.

The Directors have been diligent, responsible, committed to their duties and actively performing their duties. They have played a proactive role in major decision-making processes, obtaining a thorough understanding of the Company's operations and regularly reviewing various business reports, financial reports and internal control reports. The Directors have comprehensively assessed the evaluation of regulatory agencies, external auditing agencies and the public's opinion of the Company, making independent, professional and objective judgments on the Company's affairs while providing their own opinions and recommendations. The Directors have also actively participated in training sessions organized by regulatory agencies and the Company, improving their professional competence and enhancing their ability to perform their duties.

In 2022, the Directors actively participated in the meetings of the Board and special committees, as well as attended the shareholders' general meetings. Directors who were unable to attend the meetings of the Board in person due to unforeseen circumstances, written authorization was provided for other Directors to cast their votes on their behalves or such Directors attended the meetings via conference call. There were no instances of any Directors being absent from two consecutive meetings of the Board without a valid reason.

In the course of performing their duties, the Directors focused on the feasibility of major projects, the necessity and fairness of related-party transactions, the selection, appointment and supervision of Directors and senior management, the legal compliance of various decision-making procedures, and paid special attention to the proposal procedures, decision-making authority, voting procedures and recusal of matters. The Directors did not identify any violations of the Company's Articles of Association, rules of procedure or decision-making procedures in the approval of major matters by the Board. All Directors expressed their opinions fully on all matters considered by the Board in 2022, except for those due to statutory disqualification from voting.

**THE GROUP'S OUTLOOK FOR BUSINESS OPERATIONS FOR THE YEAR 2023**

The year 2023 will mark our start of the next 30 years. Based on the principal business and driven by innovation, the Company will endeavour to make high-quality and leapfrog development in the new era. The key tasks include:

**The foundation will be consolidated by the pursuit of perfection.** The Company will build up its principal business in roads and bridges, firmly grasp M&A opportunities of road and bridge projects that can form a synergy effect with the Shanghai-Nanjing Expressway, and constantly reinforce its position as the main operator of the road network of southern Jiangsu. Moreover, it will continuously optimise its investment in auxiliary business, seek excellent investment opportunities, and strengthen the coordinated development of industry and finance. New energy development opportunities will be seized, and “transport + energy” project applications, such as affordable PV power, will be promoted through multiple channels.

**Intensive and meticulous efforts will be exerted for innovation.** The new highlight of intelligent expressways will be created. Demonstration projects of the application of intelligent expressways will be developed by centring on holoeception, event detection and vehicle-road collaboration. Additionally, an overall arrangement will be made to achieve the full coverage of the “Free Flow Cloud Tolling” model. Efforts will be doubled to accelerate technological innovation, green transport, peak delicate environment, exquisite management and refined services neutrality, drive green development through science and technology, expedite the comprehensive utilisation of renewable resources, and reduce the cost of whole-lifecycle maintenance. Furthermore, the Company will explore the new modes of the digital economy and integrate digital management, maintenance and operations to turn Jiangsu Expressway more digital.

**A new situation will be opened up through exquisite services.** Measures will be taken to build the “Three Delicacies” service areas (that are refined, exquisite and delicate). Samples in the transformation and upgrade of intelligent service areas will be established. Intelligent equipment and resources in service areas will be integrated through cloud-edge collaboration. In combination of business in logistics and property, the Company will probe into the mode where service areas function as logistics nodes or centres to offer last-kilometre delivery services. Moreover, a public service platform for sharing resources will be created to gather forces in the industry. The Company will promote the new development modes of Chinese expressway service areas by deepening the cooperation with characteristic industries, while facilitating new energy vehicles to enter service areas.



**Quality and efficiency will be improved through strict budgeting and precise control.** Finance costs will be further reduced to cut costs and raise efficiency. The funding cost will be lowered to prevent capital liquidity risks. Meanwhile, capital operations will be actively improved, and diverse financing methods will be explored to keep optimising the financing structure. A comprehensive information-based budget control system will be created based on business and financial collaboration. Economic activities and business data will be analysed from multiple perspectives and dimensions to ensure reasonable and precise budgeting control.

**Precise governance will be practiced to drive long-term development.** The Company's risk map will be further refined in combination of the Company's development needs and the industry's characteristics. Risk control will run through our rules and regulations. Risk identification, prevention and management will be comprehensively enhanced. Additionally, the Company will be strengthened through talent. A talent team will be built with strategic depth, based on the pyramid-like talent team consisting of "core talent – reserved talent – young talent". Through a smooth growth channel, talent will be reserved for the Company's long-term development.

**Love and care will be extended for public welfare.** Close attention will be paid to boost the three major projects – "the Party Building Leadership Project, the Talent-based Corporate Development Project and the Happy Jiangsu Expressway Project", and continue to deepen "Happy Jiangsu Expressway" and "Harmonious Jiangsu Expressway". Paired volunteer activities for co-building will be carried out in a normalised manner. The "Dream Transformation+" Care Campaign of Jiangsu Expressway will be constantly conducted. Furthermore, cooperation and exchange will be actively conducted with suppliers and industry associations to share fruitful results and strengthen the demonstration and leading effects. Donations and the village-enterprise assistance activity will be continuously carried out to demonstrate the Company's responsibility fulfilment.

**For Shareholders' consideration.**

**B. WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2022**

The following is the Annual Work Report of the Supervisory Committee of the Company in 2022:

**WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2022**

Dear Shareholders:

In accordance with the relevant regulations of listed companies, the Supervisory Committee is accountable to the shareholders' general meeting and independently exercises its supervisory authority over the Company in a lawful manner, so as to prevent the infringement of the legitimate interests of the shareholders, the Company and its employees. On behalf of the Supervisory Committee, I hereby report on the work of the Supervisory Committee for the year 2022 as follows:

**(I) PERFORMANCE OF DUTIES OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD**

In 2022, the Supervisory Committee held eight meetings and members of the Supervisory Committee attended or participated in the relevant meetings to supervise the lawfulness and compliance of the decision-making procedures of the meetings, the implementation of resolutions, the implementation of the Company's profit distribution policy and other information disclosure, the performance of duties of Directors and senior management and the implementation of relevant securities regulatory requirements.

Based on the above supervision, the Supervisory Committee is of the opinion that the Company has operated in strict compliance with relevant laws and regulations and that the Directors and members of senior management of the Company have conscientiously implemented the resolutions of the Board in the interests of both the shareholders and the Company, no irregularities have occurred in the operation, and no objections have been expressed to the Company's related supervision matters.

**(II) INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE**

The Supervisory Committee expresses the following independent opinion on matters relating to the Company for the year 2022:

**1. Legal Operation of the Company**

During the Reporting Period, the Supervisory Committee supervised the operation of the Company in accordance with the relevant regulations, the internal control and the performance of duties by the Directors and senior management of the Company, as well as the procedures for convening the general meeting and the Board meeting and the resolution matters of the Company, and considered that the overall operation of the Company was in compliance with the relevant provisions of the Company Law and the Articles of Association. The Board and senior management were conscientious, prudent and diligent, and no violation of laws, regulations, the Articles of Association and acts detrimental to the interests of the Company were found.

**2. Financial Information of the Company**

During the Reporting Period, the Company's financial system complied with the provisions of the Accounting Law, the Enterprise Accounting Standards and other laws and regulations, and there were no material omissions or false statements. KPMG issued an audit report with unqualified opinions, which truly, objectively and accurately reflected the annual financial position and operating results of the Company.

**3. Use of funds raised**

During the Reporting Period, the Company had no use of funds raised or an extension for the use of funds raised prior to the Reporting Period.

**4. Investment Transactions of the Company**

During the Reporting Period, the Company has fulfilled the necessary review procedures for its major foreign investment activities, and no insider transactions and other acts detrimental to the interests of the Company and its Shareholders, especially the interests of the small and medium-sized shareholders, were found in its foreign investment activities.

**5. Related Party Transactions of the Company**

During the Reporting Period, the Supervisory Committee reviewed all related party transactions of the Company during the year and considered that all contracts, agreements and other relevant documents involving related party transactions of the Company during the year were in compliance with legal requirements, and all related directors regarding the transactions concerned abstained from voting. The review procedures were legal, the terms of the transactions were fair and reasonable to the Company and all Shareholders, the contents of the related party transactions were clear and specific, in line with the principles of honesty and credit, equality and voluntariness, equitable and remunerative. There were no insider transactions, and no damage to the interests of the Company or Shareholders or loss of assets of the Company.

**6. Self-assessment of Internal Control**

The Supervisory Committee reviewed the self-assessment report of internal control of the Company and found no major defects in the design or implementation of internal control of the Company. The Supervisory Committee was of the opinion that the Company had established a relatively sound internal control system and formulated a relatively complete and reasonable internal control system in 2022, which could be effectively implemented. The Company's internal control system complies with the requirements of relevant national laws and regulations, the requirements of securities regulatory authorities as well as the actual needs of the Company, ensuring the orderly conduct of the Company's business activities and effectively protecting the fundamental interests of all Shareholders of the Company.

In 2023, the Supervisory Committee will continue to strictly implement the relevant provisions of the Company Law, the Securities Law and the Articles of Association of the Company, earnestly perform its duties, continuously strengthen its own construction, enhance its supervisory functions, make efforts to better safeguard the legitimate interests of the Company and the majority of shareholders, supervise the Company's continuous standardized operation and promote the Company's sustainable, healthy and stable development.

**For Shareholders' consideration.**

**Final Financial Report for 2022**

Dear shareholders,

In 2022, the Company's main business of road and bridge was affected to a certain degree due to the decline in road network traffic and the policy of toll waiver for trucks in the fourth quarter. Despite these difficulties and challenges, the Company was able to leverage the support of its shareholders and the leadership of its board of directors to focus on its main business of road and bridge, optimize its layout, and utilize financial investment to drive the Company's development to new heights. The 2022 financial statements of the Company were audited by KPMG Huazhen LLP, who issued a standard unqualified audit report.

In 2023, the Company will continue to rely on its main business, be driven by innovation, and strive to improve its profitability, in order to create sustainable and stable investment returns for its shareholders.

The following is a brief report on the Company's final accounts for 2022 to shareholders:

**Chapter I Scope of Consolidation and Scope of Equity Method Accounting**

In the 2022 consolidated financial statements of the Company, a new subsidiary named Jiangsu Yunshan Green Energy Investment Holding Company Limited ("**YS Energy Company**") has been added to the scope of consolidation as a direct subsidiary. Additionally, 10 new subsidiaries directly-held by YS Energy Company have been added to the scope of consolidation as indirectly-held subsidiaries of the Company, bringing the total number of directly-held subsidiaries to 11 and the total number of indirectly-held subsidiaries to 17. The number of associates and joint ventures accounted for under equity method by the Company has changed to 15, with the addition of three associates and joint ventures in which YS Energy Company has invested: namely, Three Gorges New Energy Nantong Co., Ltd., Longyuan Donghai Wind Power Co., Ltd., and Jiangsu Nengtou Xincheng Photovoltaic Power Co., Ltd..

**Chapter II Consolidated Financial Position**

Important: As considered and approved at the 2021 annual general meeting, the Company acquired 100% equity interest in YS Energy Company at a consideration of RMB2,457,000,000. During the year, the transfer of the equity interest in YS Energy Company and the change of industrial and commercial registration were completed. Since both the Company and YS Energy Company were controlled by Jiangsu Communications Holding Company Limited before and after the Company acquired 100% equity interest in YS Energy Company and such control was not temporary, the Company consolidated YS Energy Company in accordance with PRC Accounting Standards and made corresponding retroactive adjustments to the comparative statement data of the previous period.

Meanwhile, in 2022, the Group implemented CAS Bulletin No.15 (Caikuai [2021] No.35) issued by the Ministry of Finance, which was effective from 1 January 2022. The Company has made retrospective adjustments to trial operation sales that occurred between 1 January 2021 and the date of initial implementation in accordance with the above provisions.

As of 31 December 2022, according to PRC accounting standards, the Company's total consolidated assets amounted to RMB78.458 billion, an increase of RMB4.211 billion, or 5.67%, compared to RMB74.247 billion at the end of the previous year; total liabilities amounted to RMB40.508 billion, an increase of RMB3.899 billion, or 10.65%, compared to RMB36.609 billion at the end of the previous year; shareholders' equity amounted to RMB37.950 billion, an increase of RMB0.312 billion, or 0.83%, compared to RMB37.638 billion at the end of the previous year; of which, the shareholders' equity attributable to the Company amounted to RMB31.941 billion, a decrease of RMB0.101 billion, or 0.32%, compared to RMB32.042 billion at the end of the previous year. The asset-liability ratio was 51.63% (an increase of 2.32 percentage points compared to the end of the previous year), and the weighted average return on net assets was 11.23% (a year-on-year decrease of 2.67 percentage points).

**Chapter III Operating Results and Key Financial Indicators****I. OPERATING INCOME**

During the financial year, the Company's consolidated operating revenue was RMB13.256 billion, accounted for 94.92% of the annual budget of RMB13.964 billion, representing a year-on-year decrease of approximately 7.05%. After deducting the impact of income recognition and cost using the gross method, the accumulated operating income was approximately RMB9.915 billion, accounted for 92.98% of the annual budget, representing a year-on-year decrease of approximately 12.35%, mainly due to the decrease in toll road income, ancillary business income and revenue from property sales.

**Toll road income.** During the financial year, due to the decline in road network traffic and the policy of toll waiver for trucks in the fourth quarter, the consolidated toll road income was approximately RMB7.323 billion, accounted for 94.43% of the annual budget, representing a year-on-year decrease of 11.38%.

**Ancillary business income.** During the financial year, the consolidated ancillary services income was approximately RMB1,124 million, accounted for 81.21% of the annual budget, representing a year-on-year decrease of approximately 21.78%. Of which, revenue from service area leasing business amounted to approximately RMB51 million, representing a year-on-year decrease of 76.22%, mainly due to the termination of the original leasing contracts of some service areas and the reduction of rentals in accordance with relevant state policies; as a result of the decrease in traffic volume of the road network operated by the Group, the sales volume of oil products decreased, and the revenue from sales of oil products amounted to approximately RMB1.053 billion, representing a year-on-year decrease of 11.58%, and gross profit from oil products decreased by 20.39% year on year. Affected by the year-on-year decrease in the gross operating profit of the leasing and sales of petroleum products business, the gross operating profit of the ancillary services business presented a year-on-year decrease.

**Income from sales of electricity.** During the financial year, the Company's power sales business achieved revenue of approximately RMB652 million, accounted for 92.53% of the annual budget, representing a year-on-year increase of 39.81%, mainly due to the full capacity of the Rudong H5 offshore wind power project of the subsidiary put into operation in the fourth quarter of 2021.

Income from real estate sales. During the financial year, the Company's real estate business achieved revenue of approximately RMB674 million, accounted for 106.98% of the annual budget, representing a year-on-year decrease of 34.46%, mainly due to the decrease in the scale of property projects delivered and carried forward by its subsidiaries.

Construction income. During the financial year, the Company recognized construction income of RMB3.340 billion, accounted for 101.22% of the annual budget, representing a year-on-year increase of 13.28%, mainly due to increased construction investment in road and bridge projects under construction.

Advertising and others income. During the financial year, the Company's advertising and others income was approximately RMB143 million, accounted for 74.61% of the annual budget, representing a year-on-year increase of 21.82%, mainly due to the increase in revenue from factoring business and income from entrusted operation management services.

## **II. OPERATING COSTS**

During the financial year, the Company made efforts to achieve cost reduction and efficiency improvement through scientific budget management and control. The consolidated operating costs of the Company were approximately RMB8.841 billion, and after deducting the impact of construction costs, the operating costs incurred were approximately RMB5.501 billion, accounted for 93.1% of the annual budget, representing a year-on-year decrease of approximately 9.07%, mainly due to the decrease in toll road income, ancillary business income and revenue from property sales.

Toll road costs. The toll road costs was approximately RMB3.371 billion, accounted for 95.95% of the annual budget, representing a year-on-year decrease of 7.41%, mainly due to the decrease in traffic volume during the year, and the amortisation of toll operating rights of each road section according to the new estimated total traffic volume from 1 April 2022, which resulted in the corresponding decrease in the amortisation of road operating rights; the suspension of some maintenance projects and surface maintenance of the Shanghai-Nanjing Expressway (Jiangsu section) and major repairs in Wuxi Huantaihu Expressway and other road sections in the same period of the previous year, resulting in a relatively high base and a year-on-year decrease in road and bridge maintenance costs.



Ancillary business costs. The accumulated cost of ancillary services, including service area operation projects and drainage clearing services, was approximately RMB1.289 billion, accounted for 84.10% of the annual budget (with an income budget completion rate of 81.21%), representing a year-on-year decrease of 6.63% (with an income decrease rate of 21.78%). This is mainly due to a decrease in oil sales volume, which resulted in the corresponding decrease in oil procurement costs. As the decline in income from ancillary businesses exceeded the decline in costs, the gross operating profit of ancillary businesses decreased by approximately RMB0.221 billion year-on-year.

Cost of sales of electricity. The cost of sales of electricity was approximately RMB328 million, accounted for 94.62% of the annual budget, representing a year-on-year increase of 51.74%, mainly due to the full capacity of the Rudong H5 offshore wind power project of a subsidiary put into operation in the fourth quarter of 2021.

Cost of real estate. The cost of real estate was approximately RMB435 million, accounted for 106.27% of the annual budget, representing a year-on-year decrease of 40.57%, mainly due to the decrease in the scale of property projects delivered and carried forward by its subsidiaries.

Construction costs. The Company recognized construction costs of RMB3.340 billion during the year, accounted for 101.22% of the annual budget, representing a year-on-year increase of 13.28%, mainly due to increased construction investment in road and bridge projects under construction.

Advertising and others costs. The advertising and others costs was approximately RMB78 million, accounted for 72.95% of the annual budget, representing a year-on-year decrease of 2.90%, mainly due to the lower financing cost of factoring business.

**III. EXPENSES DURING THE PERIOD**

During the financial year, the Company's consolidated selling expenses, administrative expenses, and financial costs were approximately RMB1.402 billion, accounted for 91.29% of the annual budget, representing a year-on-year increase of approximately 23.08%.

Of which, the decrease in selling expenses was mainly due to the year-on-year decrease in sales commission and advertising fees of the property projects of our subsidiaries Ninghu Properties Company and Hanwei Company during the year.

The increase in administrative expenses was mainly due to the rigid increase in labour costs and the increase in intermediary fees during the year.

The increase in finance costs was mainly because of the recognition of interest accrued on borrowings as expenses with the opening of Wufengshan Toll Bridge for operation in June 2021 and due to the increase in the size of the Group's interest-bearing debts, resulting in a corresponding increase in financial costs. However, through active and effective financing measures such as optimizing the Group's overall debt structure, seizing market financing opportunities, and innovating financing products, the Group has effectively reduced its overall debt financing costs. The consolidated borrowing cost on interest-bearing liabilities of the Group was approximately 3.41% for the year, representing a year-on-year decrease of approximately 0.26 percentage point, which was lower than the loan prime rate (LPR) by approximately 0.77 percentage point.

**IV. INCOME FROM EXTERNAL INVESTMENTS**

During the financial year, the Company's consolidated investment income was approximately RMB1.868 billion, accounted for 124.76% of the annual budget, representing a year-on-year increase of 53.90%. It was mainly attributable to significant year-on-year increase in the operating results due to the issuance of infrastructure public REITs by Yanjiang Company, an associate, by way of transferring 100% equity interest in Husuzhe Company. Also, the increase in investment income contributed by associate companies, which are financial companies, such as Zijin Trust led to the corresponding increase in investment income contributed by associates. At the same time, investments in other equity instruments, distribution of other non-current financial assets, and wealth management income increased year on year. Of which, the associates contributed investment income of approximately RMB1.087 billion, representing a year-on-year increase of 41.35%; dividends from investment in other equity instruments and distribution of other non-current financial assets amounted to approximately RMB654 million, representing a year-on-year increase of 55.73%.

**V. GAINS FROM CHANGES IN FAIR VALUE**

During the financial year, the Company recorded a gain on changes in fair value of approximately -RMB143 million, mainly due to the decrease in fair value of other non-current financial assets held by subsidiaries of the Company.

**VI. CONSOLIDATED RESULTS AND KEY FINANCIAL INDICATORS**

According to PRC accounting standards, the Company's total consolidated profit for 2022 amounted to RMB4.581 billion, accounted for 97.73% of the annual budget, representing a year-on-year decrease of 17.70% from RMB5.566 billion; total consolidated net profit amounted to RMB3.748 billion, accounted for 102.14% of the annual budget, representing a year-on-year decrease of 12.36% from RMB4.277 billion; net profit attributable to the shareholders of the Company amounted to RMB3.724 billion (earnings per share of RMB0.7392), accounted for 100.21% of the annual budget, representing a year-on-year decrease of 12.99% from RMB4.280 billion.

**Chapter IV Profit Distribution Plan for 2022**

During the financial year, the Company obtained net profit attributable to the shareholders of the Company of approximately RMB3.724 billion. After deducting the appropriation of approximately RMB186 million for surplus reserve, general risk reserve of approximately RMB3.23 million, and the transfer of approximately RMB16 million from other comprehensive income for the liquidation of the Fuanda Asset Manage Plan, the Company realized consolidated distributable profit for the year of approximately RMB3.551 billion, and together with the retained earnings at the beginning of the period of approximately RMB7.793 billion, the Company's consolidated cumulative distributable profit at the end of 2022 was approximately RMB11.344 billion.

The decline in road network traffic operated by the Company and the implementation of the toll waiver policy for trucks in the fourth quarter of 2022 had a certain impact on the main business operation of the Company's road and bridge and cash flow. In order to alleviate the Company's financing pressure and maintain a stable market image of the Company's cash dividend policy to enhance investor confidence and stabilize the Company's market value, it is recommended to distribute final dividends of RMB0.46 per share (tax inclusive) based on the total share capital to shareholders. If distributed under this plan, the Company would need to pay dividends of approximately RMB2.317 billion, accounting for 62.22% of the net profit attributable to the Company for the year. The remaining retained earnings of approximately RMB9.027 billion would be carried forward to the next year.

**For Shareholders' consideration.**

**Financial Budget Report for 2023**

Dear shareholders,

The following is a brief report on the Company's financial budget for 2023 to shareholders:

**Chapter I Basis of Preparation**

1. The accounting policies adopted for budget preparation are largely consistent with the accounting policies currently in use by the Company in all material aspects. The revenue and cost classification criteria used are also largely consistent with the final accounts for 2022.
2. The widening project of Xueyan Hub-Xiwu Hub section of Xiyi Expressway, with a construction investment of approximately RMB1.4 billion, is scheduled to begin in 2023. Due to the fact that preliminary work such as land acquisition and demolition will not begin until the second half of 2023, it is expected that there will be only a minor impact on toll revenue in 2023.
3. Due to changes in the business environment and policies, the impact on the operations for the budget year has been partially reflected in this budget proposal in accordance with the principle that the impact is already present and the amount can be estimated. However, the final extent of the impact cannot be fully determined.

**Chapter II Financial Budget Goals for 2023**

In 2022, the economy faced the “triple pressure” of demand contraction, supply shock, and weakening expectations, and downward pressure on the economy further intensified. However, with the intensification of macroeconomic policies and a moderately loose monetary policy, demand is expected to accelerate its recovery. It is anticipated that there will be an acceleration in the regional manufacturing structural adjustment, with increased investment in new technologies and new production capacity, and a revitalization of investment momentum, leading to a gradual and stable recovery of the economy. The financial budget for the Company in 2023 takes into account the Company's industrial strategic layout and considers the macroeconomic situation to objectively predict traffic volume and toll revenue for the various toll roads under the Company's jurisdiction. At the same time, factors that have a significant impact on cost and expenses in 2023 are also fully considered, including the impact of increased debt on financial expenses, rising fuel procurement prices, increased expenditure on road and bridge maintenance, and rigid growth in labour costs. Based on the initial assessment of the operations and macroeconomic environment, the Company budgets a total revenue of approximately RMB16.24 billion and total operating costs and related expenses of RMB12.562 billion for 2023. After deducting the impact of income recognition and cost using the gross method, the total revenue for 2023 is budgeted to be approximately RMB12.379 billion, with a target to control operating costs and related expenses at approximately RMB8.7 billion.

The total capital expenditure for 2023 is budgeted to be approximately RMB4.264 billion, which is a decrease of approximately RMB3.378 billion as compared to the actual expenditure of RMB7.642 billion in 2022. The capital expenditure for the budget year mainly includes: investment in Longtan Bridge construction project of RMB800 million, Longtan Bridge northern junction construction project of RMB1.65 billion, Xiyi Expressway south section improvement and widening project of RMB1.4 billion, investment in YS Energy PV power plant project of RMB219 million, and investment in other fixed assets and equipment purchase and construction of approximately RMB195 million.

The Group's total budgeted profit for 2023 is approximately RMB5,079 million, representing a year-on-year increase of approximately 10.88%; net profit attributable to shareholders of the Company is approximately RMB4,068 million, representing a year-on-year increase of approximately 9.25%.

The year 2023 marks the beginning for the full implementation of the spirit of the 20th National Congress of the Communist Party of China, and will also be a critical year for the implementation of the "14th Five-Year Plan". While maintaining its focus on main business of road and bridge, the Company is actively exploring and developing transportation+ businesses, new energy businesses and finance businesses that promote production through financing, in order to further expand its profitability and achieve sustainable development of the Company.

This budget serves as an internal management control indicator for the Company's operating plan in 2023 and should not be considered as a representation of the Company's profit forecast or a substantive commitment to investors. The realization of the budget targets is subject to various factors such as the macroeconomic environment and market conditions, and there is always uncertainty. Investors are advised to be aware of the investment risks.

**For Shareholders' consideration.**

**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	3,815,747,500

**5,037,747,500**

**Issued share capital**

1,222,000,000 H Shares	1,222,000,000
3,815,747,500 Domestic Shares	3,815,747,500

**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**

<b>Name of shareholder</b>	<b>Identity</b>	<b>Direct Interest</b>	<b>Number of A Shares</b>	<b>Percentage in A Shares (total shares)</b>
Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)	Others	Yes	2,742,578,825 (L)	71.88% (54.44%) (L)
China Merchants Expressway Network& Technology Holding Co., Ltd. <sup>(1)</sup>	Others	Yes	589,059,077 (L)	15.44% (11.69%) (L)

## Number of H Shares,

Name of shareholder	Identity	Direct Interest	Number of H Shares	Percentage in H Shares (total shares)
BlackRock, Inc.	Controlled body corporate interests <sup>(3)</sup>	No	120,252,838	9.84%(2.39%)
			(L)	(L)
			4,472,000	0.37%(0.09%)
			(S)	(S)
Mitsubishi UFJ Financial Group, Inc	Controlled body corporate interests <sup>(2)</sup>	No	134,048,845	10.96%(2.66%)
			(L)	(L)
JPMorgan Chase & Co.	Controlled body corporate interests/ Investment Manager/ Person having security interest in shares/Approved Lending Agent <sup>(4)</sup>	No	63,548,803	5.20%(1.26%)
			(L)	(L)
			3,562,520	0.29%(0.07%)
			(S)	(S)
			30,251,396	2.48%(0.60%)
			(P)	(P)
Citigroup Inc.	Controlled body corporate interests/ Approved Lending Agent <sup>(5)</sup>	No	73,307,533	6.00%(1.46%)
			(L)	(L)
			0	0.00%(0.00%)
			(S)	(S)
			72,646,588	5.94%(1.44%)
			(P)	(P)

*Note:* (L) stands for long position; (S) stands for short position; (P) stands for lending pool

- (1) China Merchants Group Corporation Limited is considered to hold the Company's share interest due to the interest of its controlled subordinate body corporate, China Merchants Expressway Network.
- (2) Mitsubishi UFJ Financial Group, Inc is considered to hold the Company's share interest due to the interest of multiple corporates indirectly 100% controlled by it.
- (3) BlackRock, Inc. is consider to hold the 120,252,838 H Shares (L) and 4,472,000 H Shares (S) of the Company (among which there are 610,000 H Shares of derivative instruments traded with cash settlement (over-the-counter)) due to its control of multiple corporates. Other corporates are all indirectly 100% controlled by BlackRock, Inc. except for:
  - (a) BlackRock Holdco 6, LLC is indirectly 90% controlled by BlackRock, Inc. BlackRock Holdco 6, LLC has the Company's interest through the following corporates indirectly 100% controlled by it:
    - (i) BlackRock Institutional Trust Company, National Association holds 13,671,876 H Shares (L) and 3,728,000 H Shares (S) of the Company.



- (ii) BlackRock Fund Advisors holds 62,594,000 H Shares (L) of the Company.
- (b) BR Jersey International Holdings L.P. is indirectly 86% controlled by BlackRock, Inc. BR Jersey International Holdings L.P. has the Company's interest through the following corporates indirectly 100% controlled by it:
  - (i) BlackRock Japan Co., Ltd. holds 1,484,883 H Share (L) of the Company.
  - (ii) BlackRock Investment Management (Australia) Limited holds 628,000 H Shares (L) of the Company.
  - (iii) BlackRock Asset Management North Asia Limited holds 1,014,500 H Shares (L) of the Company.
  - (iv) BlackRock (Singapore) Limited hold 468,000 H Shares (L) of the Company.
- (c) BlackRock Group Limited has its 90% interest indirectly held by BR Jersey International Holdings L.P (see note 3(b) in the above). BlackRock Group Limited has the Company's interest through the following corporates directly or indirectly 100% controlled by it:
  - (i) BlackRock (Netherlands) B.V. holds 3,608,414 H Shares (L) of the Company.
  - (ii) BlackRock International Limited hold 32,000 H Shares (L) of the Company.
  - (iii) BlackRock Asset Management Ireland Limited holds 13,493,865 H Shares (L) of the Company.
  - (iv) BLACKROCK (Luxembourg) S.A. holds 6,642,000 H Shares (L) and 116,000 H Shares (S) of the Company.
  - (v) BlackRock Investment Management (UK) Limited holds 1,957,299 H Shares (L) of the Company.
  - (vi) BlackRock Fund Managers Limited holds 854,123 H Shares (L) of the Company.
  - (vii) BlackRock Asset Management Schweiz AG hold 8,000 H Shares (L) of the Company.
  - (viii) BlackRock Life Limited hold 1,009,878 H Shares (L) of the Company.
- (d) BlackRock Canada Holdings LP indirectly 99.90% controlled by BR Jersey International Holdings L.P (see note 3(b) in the above). BlackRock Canada Holdings LP has the Company's interest through the 2,334,000H Shares (L) held by BlackRock Asset Management Canada Limited, a corporate 100% controlled by it.

- (4) JPMorgan Chase & Co. is considered to hold the 63,548,803 H Shares (L) (among which 1,046,169 H Shares are related to derivative instruments traded with cash settlement (over-the-counter)) and 3,562,520 H Shares (S) (among which a 2,974,000 and a 48,000 H Shares are related to derivative instruments traded with cash settlement (over-the-counter) and physical delivery (over-the-counter)) of the Company. Interests held by JP Morgan Chase & Co. is held with the identity of:

Identity	Number of Shares (L)	Number of Shares (S)	Number of Shares (P)
Controlled body corporate interests	10,977,688	3,562,520	
Investment Manager	21,173,000		
Person having security interest in shares	1,146,719		
Approved lending agent			30,251,396

- (5) Citigroup Inc. is considered to hold the 73,307,533 H Shares (L) (among which 98,000 H Shares are related to derivative instruments traded with cash settlement) of the Company. Interest held by Citigroup Inc. is held with the identity of:

Identity	Number of Shares (L)	Number of Shares (S)	Number of Shares (P)
Controlled body corporate interests	660,945		
Approved lending agent			72,646,588

Citigroup Global Markets Holdings Bahamas Limited indirectly 90% controlled by Citigroup Inc. Citigroup Global Markets Holdings Bahamas Limited holds 658,945 H Shares (L) of the Company through the corporate directly 100% controlled by it, Citigroup Global Markets Limited. Other corporates are all indirectly 100% controlled by Citigroup Inc. except for the above corporates.

Apart from the above, according to the Company's knowledge, as at the Latest Practicable Date, there are no other individuals need to be disclosed based on the Security and Future Ordinance of Hong Kong.

## 5. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, excluding service contracts expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

**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**

None of the Directors of the Company has any interest in any assets which had since 31 December 2022 (being the date to which the latest published audited accounts of the Company were made up) and up to the Latest Practicable Date, 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.

**8. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT SIGNIFICANT TO 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.

**9. EXPERT QUALIFICATION AND CONSENT**

The qualification of the expert who has been named in this circular and has given opinions or advice which are contained herein is set out below:

<b>Name</b>	<b>Qualification</b>
Zhongtai International Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The expert mentioned above has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name, in the form and context in which they appear.

As at the Latest Practicable Date, the expert was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, directly or indirectly, in any asset which had been, since 31 December 2022, being the date to which the latest published audited financial statements of the Group 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.

#### **10. MATERIAL ADVERSE CHANGE**

Save as set out in the 2023 first quarter results announcement of the Company that the operating and financial results of the Group was impacted by the pandemic, 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 2022, being the date to which the latest published audited financial statements of the Group were made up.

#### **11. 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.

#### **12. DOCUMENT AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.jsexpressway.com>) from the date of this Circular up to and including the date of the AGM:

- (a) the Equity Transfer Agreement dated 29 April 2022 between the Company and Jiangsu Communications Holding in respect of the transfer of the entire issued share capital of Jiangsu Yunshan Green Energy Investment Holding Company, Limited;
- (b) the Wufengshan Agreement, the Guangjing Xicheng Agreement, the Yichang Agreement and the Changyi Agreement;

- (c) this Circular.
- (d) the Letter from the Independent Board Committee, the full text of which as set out on pages 39 to 40 of this Circular; and
- (e) the Letter from the Independent Financial Advisor, the full text of which as set out on pages 41 to 65 of this Circular.

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## NOTICE OF 2022 ANNUAL GENERAL MEETING

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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)**

## NOTICE OF 2022 ANNUAL GENERAL MEETING

Important Notice:

- Date of the AGM: 20 June 2023
- 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 2022 (the “**AGM**”) will be held on Tuesday, 20 June 2023 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: 2022 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: 20 June 2023 at 3:00 p.m.
  - Venue: 6 Xianlin Avenue, Nanjing, Jiangsu Province, the People's Republic of China

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## NOTICE OF 2022 ANNUAL GENERAL MEETING

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- (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 20 June 2023 to 20 June 2023

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<sup>#</sup>, 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

<sup>#</sup> *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 2022;
2. to approve the work report of the supervisory committee of the Company for the year ended 31 December 2022;

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## NOTICE OF 2022 ANNUAL GENERAL MEETING

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3. to approve the financial statements and audit report of the Company for the year ended 31 December 2022;
4. to approve the final accounting report of the Company for 2022;
5. to approve the financial budget report of the Company for 2023;
6. to approve the final dividend distribution proposal of the Company for 2022: the Company proposed to distribute final dividends of RMB0.46 (tax inclusive) per share in favour of the shareholders;
7. to approve the re-appointment of KPMG Huazhen LLP as the Company's auditors of financial report and internal auditor for the year 2023 at an aggregate remuneration of RMB3,460,000 per year;
8. to approve the registration and issuance of ultra-short-term notes of up to RMB8 billion (inclusive) by the Company, which will be issued in one issuance or in tranches within the validity period of the registration; and to authorize the Board and the executive directors authorized by the Board to handle follow-up related matters including contract signing and approval of fund allocation; and the validity period of the authorization shall be from the date of approval at the general meeting to the date of expiration of the registration validity period;
9. to approve the lending to Wufengshan Toll Bridge Company loans with funding balance not exceeding RMB1.8 billion for a term of 3 years;
10. to approve the lending to Guangjing Xicheng Company loans with funding balance not exceeding RMB1.5 billion for a term of 3 years;
11. to approve the lending to Yichang Company loans with funding balance not exceeding RMB0.5 billion for a term of 3 years;
12. to approve the lending to Changyi Company loans with funding balance not exceeding RMB0.7 billion for a term of 3 years; and
13. to approve the renewal of the liability insurance for directors, supervisors and senior management of the Company; and



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## NOTICE OF 2022 ANNUAL GENERAL MEETING

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

14. (1) to approve the Company's public issuance of Corporate Bonds of not more than RMB8 billion (inclusive)
- (2) to approve the public issuance of corporate bonds item by item:
  - (i) Issuance scale;
  - (ii) Face value and issue price of corporate bonds;
  - (iii) Issuance Method;
  - (iv) Maturity and Type of Corporate Bonds;
  - (v) Coupon Rate of Corporate Bonds;
  - (vi) Repayment of Principal and Interest;
  - (vii) Placing Arrangement for Shareholders of the Company;
  - (viii) Redemption or Repurchase Terms;
  - (ix) Guarantee Terms;
  - (x) Use of Proceeds;
  - (xi) Way of Underwriting;
  - (xii) Trading and Exchange Markets;
  - (xiii) Protective Measures for Repayment;
  - (xiv) Validity Period of the Resolutions;
- (3) to authorise the Board and persons authorized by the Board to proceed with the management of the relevant matters in relation to the public issuance of corporate bonds at their full discretion;
15. to amend the articles of association of the Company, subject to the approval of the amendments at the 2023 First A Shareholders Meeting and the 2023 First H Shareholders Meeting;

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## NOTICE OF 2022 ANNUAL GENERAL MEETING

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16. to amend the Rules of Procedure of Board of Directors Meetings of the Company, subject to the approval of the amendments at the 2023 First A Shareholders Meeting and the 2023 First H Shareholders Meeting;
17. to amend the Rules of Procedure of Supervisory Committee Meetings of the Company, subject to the approval of the amendments at the 2023 First A Shareholders Meeting and the 2023 First H Shareholders Meeting; and
18. to amend the Rules of Procedure of Shareholders Meetings of the Company, subject to the approval of the amendments at the 2023 First A Shareholders Meeting and the 2023 First H Shareholders Meeting; and

### **Resolution by cumulative poll**

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

19. to approve the appointment of Mr. Xu Haibei as a non-executive Director to the Tenth Session of the Board of Directors of the Company and the signing of an appointment letter with him for a term commencing from the date of the annual general meeting of 2022 until the date of the annual general meeting of 2024.

### *Notes:*

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

For details of the resolutions, please refer to the announcement of resolutions passed by the Board of the Company on 27 March 2023 and the related announcements of the Company of 27 March and 28 April 2023. These announcements and information have been disclosed in China Securities Journal, Securities Times, Shanghai Securities News and the websites of the Company ([www.jssexpressway.com](http://www.jssexpressway.com)), the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)). Holders of H shares may also refer to the circular of the Company dated 19 May 2023, in particular, the proposed amendments to the articles of association, the proposed amendments to the Rules of Procedures of Board Meetings, the proposed amendments to the Rules of Procedures of Supervisory Committee Meetings and the proposed amendments to the Rules of Procedures of Shareholders Meetings of the Company, as set out in Part A, B, C, and D of Appendix I, respectively.

- (2) Special resolutions: 14 to 18
- (3) Resolution(s) with separate counting of votes from small and medium investors: 6, 7, 9-12 and 19
- (4) Resolution(s) which interested shareholder(s) will abstain from voting: 9-12

Name(s) of the interested shareholder(s) to abstain from voting: Resolution 9: Communication Holdings Company and Resolutions 10 to 12: China Merchants Expressway

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

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## NOTICE OF 2022 ANNUAL GENERAL MEETING

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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](http://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 12 June 2023 (details as set out in the following table) and holders of H shares of the Company who are registered with Hong Kong Registrars Limited as at 4:30 p.m. on 12 June 2023 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	12 June 2023

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## NOTICE OF 2022 ANNUAL GENERAL MEETING

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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 12 June 2023, and shareholders of H shares of the Company who are registered with Hong Kong Registrars Limited as at 4:30 p.m. on 12 June 2023 are entitled to attend and vote at the AGM, provided that such shareholders shall complete and return the confirmation slip to the Company before Thursday, 15 June 2023. Further details are set out in the confirmation slip.
2. As set forth in the Company's announcement dated April 28, 2023, registration of transfers of H shares will be suspended by the Company from 20 May 2023 to 20 June 2023 (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, 19 May 2023.
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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## NOTICE OF 2022 ANNUAL GENERAL MEETING

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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, 19 June 2023 (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. 301815 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 **WHITE** form of proxy and confirmation slip for the AGM will be despatched to H Shareholders with the circular of the Company dated 19 May 2023.

By Order of the Board  
**Yao Yongjia**  
*Secretary to the Board*

Nanjing, the PRC, 19 May 2023

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## NOTICE OF THE 2023 FIRST A SHAREHOLDERS MEETING

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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)**

### **NOTICE OF THE 2023 FIRST CLASS MEETING OF HOLDERS OF DOMESTIC SHARES**

Important Notice:

- Date of the 2023 first class meeting of holders of domestic shares: 20 June 2023
- Online voting for the 2023 first class meeting of holders of domestic shares: Shanghai Stock Exchange Online Voting System for Shareholders' Meetings.

#### **I. INFORMATION OF THE MEETING**

- (1) Type and Session of Meeting: 2023 first class meeting of holders of domestic shares
- (2) Convener: the Board
- (3) Voting method: voting on site and online voting
- (4) Date, time and venue for on-site voting
  - Date and time: 20 June 2023 at 3:00 p.m. (or as soon as after conclusion of the 2022 annual general meeting)
  - Venue: 6 Xianlin Avenue, Nanjing, Jiangsu Province, the People's Republic of China

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## NOTICE OF THE 2023 FIRST A SHAREHOLDERS MEETING

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- (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 20 June 2023 to 20 June 2023

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 meeting

- (6) Margin trading, short selling and refinancing<sup>#</sup>, 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

<sup>#</sup> *refer to the margin trading, short selling and refinancing activities under the “Pilot Measures for Supervision and Administration of Refinancing Business”*

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## NOTICE OF THE 2023 FIRST A SHAREHOLDERS MEETING

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### II. RESOLUTIONS TO BE CONSIDERED AT THE 2023 FIRST CLASS MEETING OF HOLDERS OF DOMESTIC SHARES CLASS MEETING

#### **Resolution by Non-cumulative Poll**

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

1. to amend the articles of association of the Company;
2. to amend the Rules of Procedure of Board of Directors Meetings of the Company;
3. to amend the Rules of Procedure of Supervisory Committee Meetings of the Company; and
4. to amend the Rules of Procedure of Shareholders Meetings of the Company.

#### *Notes:*

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

For details of the resolution, please refer to the announcement of the Company of 28 April 2023. The announcement and information have been disclosed in China Securities Journal, Securities Times, Shanghai Securities News and the websites of the Company ([www.jsexpressway.com](http://www.jsexpressway.com)), the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

- (2) Special resolution: 1 to 4

- (3) Resolution(s) which interested shareholder(s) will abstain from voting: nil

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



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## NOTICE OF THE 2023 FIRST A SHAREHOLDERS MEETING

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### III. MATTERS OF CONCERN FOR VOTING AT THE 2023 FIRST CLASS MEETING OF HOLDERS OF DOMESTIC SHARES

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](http://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. 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.
4. Submission can only be made after the shareholder has voted on the resolution.

### 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 12 June 2023 (details as set out in the following table) are entitled to attend the meeting after complying with the necessary registration procedures; and may appoint prox(ies) in writing to attend and vote at the meeting. 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	12 June 2023

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.

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## NOTICE OF THE 2023 FIRST A SHAREHOLDERS MEETING

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### V. REGISTRATION FOR ATTENDING THE 2023 FIRST CLASS MEETING OF HOLDERS OF DOMESTIC SHARES

1. A 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 12 June 2023 are entitled to attend and vote at the 2023 first class meeting of holders of domestic shares, provided that such shareholders shall complete and return the confirmation slip to the Company before Thursday, 15 June 2023. Further details are set out in the confirmation slip.
2. A shareholder who has the right to attend and vote at the meeting 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. Notwithstanding completion and delivery of the form of proxy, a shareholder (or his/her proxy) may attend and vote at the meeting. Nevertheless, the appointment of the proxy will be deemed to have been revoked by the shareholder. A shareholder (or his/her proxy) shall present his/her shareholder account number to attend the meeting. A corporate shareholder shall present its shareholding confirmation if its shareholder account had not yet been changed.
3. 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, not less than 24 hours before the time appointed for the holding of the meeting (being no later than 3:20 p.m. on Monday, 19 June 2023 (Hong Kong/Beijing time)).

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## NOTICE OF THE 2023 FIRST A SHAREHOLDERS MEETING

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### VI. MISCELLANEOUS

1. Shareholders and their proxies attending the meeting 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. 301815 or (86) 25-8446 4303 (direct line)  
Fax: (86) 25-8420 7788
3. The resolution will be passed by way of poll.
4. In case during the electronic voting period, there occurs any material event which affects the voting system, the proceedings of the meeting shall be conducted in accordance with notice published on such date.
5. The form of proxy for domestic shareholders will be published in China Securities Journal, Securities Times, Shanghai Securities News and the websites of the Company ([www.jsexpressway.com](http://www.jsexpressway.com)), the Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)). 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  
**Yao Yongjia**  
*Secretary to the Board*

Nanjing, the PRC, 19 May 2023

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## NOTICE OF THE 2023 FIRST H SHAREHOLDERS MEETING

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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)**

### **NOTICE OF THE 2023 FIRST CLASS MEETING OF HOLDERS OF OVERSEAS-LISTED SHARES**

**NOTICE IS HEREBY GIVEN** that the 2023 first class meeting of holders of overseas-listed shares class meeting of Jiangsu Expressway Company Limited (the “**Company**”) convened by the board (the “**Board**”) of directors (the “**Directors**”) of the Company (the “**2023 First H Shareholders Meeting**”) will be held on Tuesday, 20 June 2023 at 3:30 p.m. (or as soon as after conclusion of the 2023 first class meeting of holders of domestic shares) 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: 2023 first class meeting of holders of overseas-listed shares
- (2) Convener: the Board
- (3) Voting method: voting on site
- (4) Date, time and venue for on-site voting
  - Date and time: 20 June 2023 at 3:30 p.m. (or as soon as after conclusion of the 2023 first class meeting of holders of domestic shares)
  - Venue: 6 Xianlin Avenue, Nanjing, Jiangsu Province, the People's Republic of China

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## NOTICE OF THE 2023 FIRST H SHAREHOLDERS MEETING

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### II. RESOLUTIONS TO BE CONSIDERED

#### Resolutions by Non-cumulative Poll

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

1. to amend the articles of association of the Company;
2. to amend the Rules of Procedure of Board of Directors Meetings of the Company;
3. to amend the Rules of Procedure of Supervisory Committee Meetings of the Company; and
4. to amend the Rules of Procedure of Shareholders Meetings of the Company.

*Notes:*

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

For details, please refer to the announcement of the Company of 28 April 2023 and the circular of the Company dated 19 May 2023, in particular, the proposed amendments to the articles of association, the proposed amendments to the Rules of Procedures of Board Meetings, the proposed amendments to the Rules of Procedures of Supervisory Committee Meetings and the proposed amendments to the Rules of Procedures of Shareholders Meetings of the Company, as set out in Part A, B, C, and D of Appendix I, respectively which have been disclosed on the websites of the Company ([www.jsexpressway.com](http://www.jsexpressway.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

### III. MATTERS OF CONCERN FOR VOTING AT THE 2023 FIRST H SHAREHOLDERS MEETING

1. Holders of H Shares of the Company who are registered with Hong Kong Registrars Limited as at 4:30 p.m. on 12 June 2023 are entitled to attend and vote at the 2023 First H Shareholders Meeting, provided that such shareholders shall complete and return the **PINK** confirmation slip to the Company before Thursday, 15 June 2023. Further details are set out in the confirmation slip.
2. As set forth in the Company's announcement dated 28 April 2023, registration of transfers of H Shares will be suspended by the Company from 20 May 2023 to 20 June 2023 (both days inclusive). Shareholders of H shares who wish to be eligible to attend and vote at the 2023 First H Shareholders Meeting 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, 19 May 2023.

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## NOTICE OF THE 2023 FIRST H SHAREHOLDERS MEETING

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3. A shareholder who has the right to attend and vote at the 2023 First H Shareholders Meeting 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 **PINK** form of proxy, a shareholder (or his/her proxy) may attend and vote at the 2023 First H Shareholders Meeting. Nevertheless, under such circumstances, the appointment of the proxy will be deemed to have been revoked by the shareholder.
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 **PINK** form of proxy 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 2023 First H Shareholders Meeting (being no later than 3:30 p.m. on Monday, 19 June 2023 (Hong Kong/Beijing time)).
5. Shareholders and their proxies attending the meeting will be responsible for their own accommodation, travelling and other expenses.
6. 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. 301815 or (86) 25-8446 4303 (direct line)  
Fax: (86) 25-8420 7788
7. The **PINK** form of proxy and confirmation slip for the 2023 First H Shareholders Meeting will be despatched to shareholders with the circular of the Company dated 19 May 2023.

By Order of the Board  
**Yao Yongjia**  
*Secretary to the Board*

Nanjing, the PRC, 19 May 2023