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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 advisers.

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

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

(Established in the People's Republic of China as a joint-stock limited company)
(Stock Code: 00177)

**(1) CONNECTED TRANSACTIONS – LOANS TO
WUFENGSHAN TOLL BRIDGE COMPANY,
CHANGYI COMPANY AND YICHANG COMPANY,**
**(2) THE COMPANY'S ABSORPTION OF AND MERGER
WITH NINGCHANG ZHENLI COMPANY,**
(3) ELECTION OF DIRECTOR,
AND
(4) 2020 SECOND EXTRAORDINARY GENERAL MEETING

A notice convening the 2020 Second Extraordinary General Meeting to be held at 6 Xianlin Avenue, Nanjing, the PRC on Thursday, 23 April 2020 at 3:00 p.m. is set out on page N-1 to page N-8 of this Circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company as soon as possible and, in any event, not less than 24 hours before the time appointed for the holding of the meeting. 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not preclude you from attending and voting at the meeting should you so wish, in which case you will be deemed to have withdrawn the proxy you have appointed.

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DEFINITIONS

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

“associates”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors of the Company
“China Merchants Expressway”	招商局公路網絡科技控股股份有限公司 (China Merchants Expressway Network & Technology Holdings Co., Ltd) (previously known as China Merchants Huajian Expressway Investment Co., Ltd. (招商局華建公路投資有限公司)), a limited liability company established in the PRC and a substantial shareholder of the Company, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 001965)
“Changyi Company”	江蘇常宜高速公路有限公司 (Jiangsu Changyi Expressway Co., Ltd.#), a limited liability company established in the PRC
“Changyi and Yichang Loans”	loans of no more than RMB0.3 billion and RMB0.7 billion to be provided to Changyi Company and Yichang Company, respectively, pursuant to the conditional loan agreements dated 26 February 2020 entered into between the Company, Changyi Company and Yichang Company, respectively
“Communications Holding”	江蘇交通控股有限公司 (Jiangsu Communications Holding Limited#), a wholly state-owned company established in the PRC with limited liability, the controlling shareholder of the Company
“Company”	江蘇寧滬高速公路股份有限公司 (Jiangsu Expressway Company Limited), a joint stock limited company established in the PRC with limited liability and whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 00177) and the Shanghai Stock Exchange (Stock Code: 600377) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States (Ticker: JEXYY)
“Directors”	the directors of the Company
“Extraordinary General Meeting”	the 2020 second extraordinary general meeting of the Company to be held on 23 April 2020 to consider and, if thought fit, to approve the Loans, the Company’s absorption of and merger with Ningchang Zhenli Company and the election of Director

DEFINITIONS

“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Shares”	overseas-listed foreign shares of RMB1.00 each, which are issued by the Company in Hong Kong, subscribed in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“H Shareholders”	holders of H Shares
“Independent Shareholders”	Shareholders other than Communications Holding, China Merchants Expressway and their associates
“Guangjing Xicheng Expressway Company”	江蘇廣靖錫澄高速公路有限責任公司 (Jiangsu Guangjing Xicheng Expressway Company Limited#), a limited liability company established in the PRC
“Latest Practicable Date”	2 March 2020 being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained in this Circular
“Loans”	the Wufengshan Loan and Changyi and Yichang Loans
“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
“Ningchang Zhenli Company”	江蘇寧常鎮溧高速公路有限公司 (Jiangsu Ningchang Zhenli Expressway Company Limited#), a limited liability company established in the PRC
“PRC”	the People’s Republic of China, which for the purpose of this Circular excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shanghai Listing Rules”	The Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“Shanghai Stock Exchange”	The Shanghai Stock Exchange
“Shareholders”	holders of shares of the Company
“Wufengshan Loan”	a loan of no more than RMB1.5 billion to be provided by the Company to Wufengshan Toll Bridge Company pursuant to the conditional loan agreement dated 26 February 2020 entered into between the Company and Wufengshan Toll Bridge Company
“Wufengshan Toll Bridge Company”	江蘇五峰山大橋有限公司 (Jiangsu Wufengshan Toll Bridge Company Limited#), a limited liability company established in the PRC
“Yichang Company”	江蘇宜長高速公路有限公司 (Jiangsu Yichang Expressway Co., Ltd.#), a limited liability company established in the PRC
“%”	percentage

LETTER FROM THE BOARD



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

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

(Stock Code: 00177)

Directors:

Sun Xibin
Yao Yongjia
Chen Yanli
Chen Yongbing
Wu Xinhua
Hu Yu
Ma Zhongli
Zhang Zhuting*
Chen Liang*
Lin Hui*
Zhou Shudong*
Liu Xiaoxing*

PRC Residential Address:

6 Xianlin Avenue,
Nanjing
the PRC

Hong Kong Registered Office:

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

6 March 2020

* *Independent non-executive Directors*

To the Shareholders of the Company

Dear Sir or Madam,

**(1) CONNECTED TRANSACTIONS – LOANS TO
WUFENGSHAN TOLL BRIDGE COMPANY,
CHANGYI COMPANY AND YICHANG COMPANY,
(2) THE COMPANY'S ABSORPTION OF AND
MERGER WITH NINGCHANG ZHENLI COMPANY,
(3) ELECTION OF DIRECTOR,
AND
(4) 2020 SECOND EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

A. INTRODUCTION

The Board announced on 27 February 2020 that it has resolved to the following proposals:

- (i) the use of proceeds raised from corporate bonds to be issued by the Company to provide Wufengshan Toll Bridge Company, a subsidiary of the Company, with a loan of no more than RMB1.5 billion which will be valid for three years from the date of approval at the general meeting, the interest of which shall be calculated based on the prevailing interest rate of the corporate bonds to be issued by the Company, and the expenses in relation to the issuance of corporate bonds, the repayment of the principal and the related interest of the issued bonds shall be borne and paid by Wufengshan Toll Bridge Company; and to authorise Mr. Sun Xibin, a Director, to handle the follow-up related matters including contract signing and approval of fund allocation;
- (ii) the use of proceeds raised from corporate bonds to be issued by the Company to provide Changyi Company and Yichang Company, with a loan of no more than RMB300 million and RMB700 million, respectively, which will be valid for three years from the date of approval at the general meeting, the interest of which shall be calculated based on the prevailing interest rate of the corporate bonds to be issued by the Company, and the expenses in relation to the issuance of corporate bonds, the repayment of the principal and the related interest of the issued bonds shall be borne and paid by the above mentioned subsidiaries; and to authorise Mr. Sun Xibin, a Director, to handle the follow-up related matters including contracts signing and approval of fund allocation;
- (iii) Company's absorption of and merger with its wholly-owned subsidiary, Ningchang Zhenli Company. After the completion of the absorption and merger, the Company will continue to operate, and the independent legal personality of Ningchang Zhenli Company will be cancelled accordingly. All assets, debentures and debts, personnel and other rights and obligations of Ningchang Zhenli Company shall be succeeded by the Company in accordance with the laws and regulations;
- (iv) to present the above (i), (ii) and (iii) to the Extraordinary General Meeting of Shareholders for consideration and approval.

Reference is also made to the Company's announcement dated 3 March 2020, according to which, the Board proposed Mr. Cheng Xiaoguang to be elected as an executive Director.

The purpose of this Circular is to provide, among other things, (i) further information on the Loans; (ii) details of the Company's absorption of and merger with Ningchang Zhenli Company; (iii) information on the proposed election of an executive Director; and; (iv) the notice of convening the Extraordinary General Meeting.

LETTER FROM THE BOARD

B. LOANS TO WUFENGSHAN TOLL BRIDGE COMPANY, CHANGYI COMPANY AND YICHANG COMPANY

The Company proposes to use proceeds raised from public offer of corporate bonds to the qualified investors to provide to Wufengshan Toll Bridge Company, a controlled subsidiary of the Company, and Changyi Company and Yichang Company, indirect controlled subsidiaries of the Company and the amount of loans will be no more than RMB1.5 billion, RMB0.3 billion and RMB0.7 billion, respectively. The above loans shall be valid for three years from the date of the approval at the Extraordinary General Meeting, and shall be applied towards road & bridge projects and drawn in accordance with the progress of the projects with a term of three years commencing from the respective date of drawdown. Interest is calculated on the basis of the cost of fund of the Company (the prevailing interest rates of the corporate bonds to be issued). The expenses in relation to the issuance of bonds, the repayment of the principal and interest of the issued bonds shall be borne and paid by the above subsidiaries. The public offers of corporate bonds to qualified investors have been approved by shareholders at general meeting but have yet to be officially launched, as such, the actual amount of loans provided will depend on the actual circumstances, subject to the above limits. On 26 February 2020, the Company entered into conditional loan agreements with each of Wufengshan Toll Bridge Company, Changyi Company and Yichang Company, respectively.

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

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

LETTER FROM THE BOARD

I. Information on related/connected persons

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

Communications Holding, the controlling shareholder of the Company, holds 22.01% of the equity interest in Wufengshan Toll Bridge Company, in which the Company and the related party jointly invested. The Company unilaterally provides loans to Wufengshan Toll Bridge Company constitutes a related party transaction pursuant to Shanghai Listing Rules and is subject to the approval at general meeting.

As Communications Holding, the controlling shareholder of the Company holds 10% or more of the voting rights of Wufengshan Toll Bridge Company, Wufengshan Toll Bridge Company is a commonly held entity held by the Company and Communications Holding (a connected person). As such, the financial assistance provided by the Company to Wufengshan Toll Bridge Company constitutes a connected transaction under Rule 14A.26 of the Hong Kong Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.07 of the Hong Kong Listing Rules is less than 5%, the Wufengshan Loan is only subject to announcement requirement under the Hong Kong Listing Rules.

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

According to Rules 14A.16(1) and 14A.16(2) of Hong Kong Listing Rules, as China Merchants Expressway, the second largest shareholder of the Company, holds 11.69% equity interest in the Company and 15% equity interest in Guangjing Xicheng Expressway Company, Guangjing Xicheng Expressway Company is a connected subsidiary of the Company. As Changyi Company and Yichang Company are subsidiaries of the Company's connected subsidiary, both companies are connected persons of the Company. As the highest applicable percentage ratios calculated under Rule 14.07 of the Hong Kong Listing Rules are less than 5%, Changyi and Yichang Loans are only subject to announcement requirement under the Hong Kong Listing Rules.

LETTER FROM THE BOARD

(II) Basic information on the related/connected persons

Jiangsu Communications Holdings Company Limited

Registered office:	No. 291 Zhongshan East Road, Nanjing
Company Type:	Limited liability company (state-owned)
Legal representative:	Cai Renjie
Registered capital:	RMB16,800,000,000
Principal business:	Operation and management of state-owned assets (within the scope of authorization of the provincial government); investment, construction, operation and management of transport infrastructure, transportation and other related sectors; toll collection of highways; and industry investment and domestic trading. (Projects subject to the approval of the relevant departments shall be approved by the relevant departments before being carried out)
Total assets at the end of the latest accounting period (2018):	RMB454,026,662,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2018):	RMB185,500,697,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2018):	RMB47,017,415,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2018):	RMB12,006,819,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

LETTER FROM THE BOARD

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
Business nature:	Joint stock company (listed)
Legal representative:	Wang Xiufeng
Registered capital:	RMB6,178,211,497
Principal business:	Investment, development, construction, and management of roads, bridges, docks, port and waterway infrastructure; investment management; transport infrastructure for the development of new technology, new products, new materials, development and product sales; architecture materials, electrical equipment, automobile and accessories, metals and electricity, daily provisions sales; economic information consultation and personnel training.(Projects subject to approval as required by laws shall only be conducted after approval by the competent authority)
Total assets at the end of the latest accounting period (2018):	RMB84,084,254,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2018)	RMB45,462,650,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2018):	RMB6,759,340,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2018):	RMB3,910,057,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

LETTER FROM THE BOARD

Jiangsu Expressway Company Limited

Registered office:	No. 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Business nature:	Joint-stock limited company
Legal representative:	Gu Dejun
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 (2018):	RMB48,162,729,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets at the end of the latest accounting period (2018):	RMB29,353,857,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations for the latest accounting period (2018):	RMB9,969,011,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit for the latest accounting period (2018):	RMB4,475,711,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

LETTER FROM THE BOARD

II. Basic information on the loan borrowers

Jiangsu Wufengshan Toll Bridge Company Limited

Registered office:	No. 401 Gangnan Road, New District, Zhenjiang City
Business nature:	Limited liability company
Legal representative:	Yan Yun
Registered capital:	RMB4,826,350,000
Shareholders (Shareholding percentage):	Jiangsu Expressway Company Limited (64.5%) Jiangsu Communications Holding Company Limited (22.01%) Yangzhou Transportation Industry Group Co., Ltd. (13.49%)
Principal business:	Construction of road, tunnel, bridge, wire and pipeline engineering (excluding hazardous chemicals transportation), road management and maintenance, etc.
Total assets as at the end of the latest accounting period (2018):	RMB6,611,547,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets as at the end of the latest accounting period (2018):	RMB2,925,715,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations as at the end of the latest accounting period (2018):	RMB0 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit as at the end of the latest accounting period (2018):	RMB1,634,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note: the above financial data are unaudited, the net profit mainly derived from interest income

LETTER FROM THE BOARD

Jiangsu Changyi Expressway Company Limited

Registered office:	No. 52, Area 1, Furun Huayuan, Hudai Town, Binhu District, Wuxi City
Business nature:	Limited liability company
Legal representative:	Wu Shanggang
Registered capital:	RMB1,519,846,000
Shareholders (Shareholding percentage):	Jiangsu Guangjing Xicheng Expressway Co., Ltd. (60%) Yixing Transportation Industry Group Co., Ltd. (13.8%) Changzhou Expressway Investment Development Co., Ltd. (26.2%)
Principal business::	Construction of road, tunnel, bridge, wire and pipeline engineering (excluding hazardous chemicals transportation), road management and maintenance, etc.
Total assets as at the end of the latest accounting period (2018):	RMB2,629,388,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets as at the end of the latest accounting period (2018):	RMB1,528,511,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations as at the end of the latest accounting period (2018):	RMB0 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit as at the end of the latest accounting period (2018):	RMB712,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note: the above financial data are unaudited, the net profit mainly derived from interest income

LETTER FROM THE BOARD

Jiangsu Yichang Expressway Company Limited

Registered office:	No. 60 Jiefang East Road, Yicheng Street, Yixing City
Business nature:	Limited liability company
Legal representative:	Wu Shanggang
Registered capital:	RMB1,591,480,880
Shareholders (Shareholding percentage):	Jiangsu Guangjing Xicheng Expressway Co., Ltd. (60%) Yixing Transportation Industry Group Co., Ltd. (40%)
Principal business:	Construction of road engineering, tunnel engineering, bridge engineering, wire engineering, pipeline engineering, road management and maintenance, etc.
Total assets as at the end of the latest accounting period (2018):	RMB2,315,870,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net assets as at the end of the latest accounting period (2018):	RMB1,607,402,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Revenue from operations as at the end of the latest accounting period (2018):	RMB0 (in accordance with the Accounting Standards for Business Enterprises of the PRC)
Net profit as at the end of the latest accounting period (2018):	RMB610,000 (in accordance with the Accounting Standards for Business Enterprises of the PRC)

Note: the above financial data are unaudited, the net profit mainly derived from interest income

LETTER FROM THE BOARD

III. Basic information on the subject of the related/connected transactions

1. *Type of the transactions*

Offer unilateral loan to the direct and indirect controlled subsidiaries.

2. *The pricing policies of the related/connected transaction*

The Company will provide loans to Wufengshan Toll Bridge Company, a subsidiary, and Changyi Company and Yichang Company, indirectly-owned subsidiaries. The interest will be calculated according to the prevailing interest rate of the corporate bonds to be issued by the Company. The expenses in relation to the issuance of bonds, the repayment of the principal and interest of the issued bonds shall be borne and paid by the abovementioned subsidiaries.

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

(1) *Key terms of the loan agreement on Wufengshan Loan*

1. Loan Borrower: Wufengshan Toll Bridge Company
Loan Lender: the Company;
2. Loan amount: Not more than RMB1.5 billion;
3. Loan term: Valid for the three-year period commencing from the date of approval at the general meeting, the loan shall be applied against road & bridge projects and shall be drawn in accordance with the progress of the projects. The term of the loan is three years from the date of drawdown;
4. Interest rate of loan: the prevailing interest rate of the corporate bonds to be issued by the Company;
5. Expense: the expenses in relation to the issuance of bonds, the repayment of the principal and interest of the issued bonds shall be borne and paid by Wufengshan Toll Bridge Company;

LETTER FROM THE BOARD

6. Payment of Interest and Repayment of Principal: annual interest shall be paid on the annual interest date of the corporate bonds; on the maturity date of the loan, Wufengshan Toll Bridge Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period;
7. Undertaking: Before all the principal and accrued interest are repaid in full, Wufengshan Toll Bridge shall not declare or pay any dividends;
8. The Wufengshan Loan is subject to satisfaction of the following conditions precedent:
 - (i) The independent shareholders of the Company having approved and agreed to the Wufengshan Loan at the Extraordinary General Meeting; and
 - (ii) The Company having issued the corporate bonds successfully.

(2) Key terms of the loan agreements on the Changyi and Yichang Loans

1. Loan borrowers: Changyi Company and Yichang Company
Loan lender: the Company;
2. Loan amount: Not more than RMB0.3 billion for Changyi Company and not more than RMB0.7 billion for Yichang Company, respectively;
3. Loan term: Valid for three-year period commencing from the date of approval at the general meeting, the loans shall be applied against road & bridge projects and shall be drawn in accordance with the progress of the projects. The term of the loans is three years from the relevant date of drawdown;
4. Interest rate of loan: The prevailing interest rate of the corporate bonds to be issued by the Company;
5. Expense: The expenses in relation to the issuance of bonds, repayment of the principal and interest of the issued bonds shall be borne and paid by the abovementioned subsidiaries;

LETTER FROM THE BOARD

6. Payment of Interest and Repayment of Principal: annual interest shall be paid on the annual interest date of the corporate bonds; on the maturity date of the loan, Changyi Company and Yichang Company must repay all the outstanding principal in one lump sum together with the accrued interest of the last interest period;
7. Undertaking: Before all the principals and accrued interests are repaid in full, Changyi Company and Yichang Company shall not declare or pay any dividends;
8. The Changyi and Yichang Loans are subject to satisfaction of the following conditions precedent:
 - i. The independent shareholders of the Company having approved and agreed to the Changyi and Yichang Loans at the Extraordinary General Meeting; and
 - ii. The Company having issued the corporate bonds successfully.

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

1. Purpose of the transactions: To improve the use efficiency of funding and effectively reduce the funding cost of the subsidiaries of the Company.
2. Effects on the Company: As the loan interest rate shall be the prevailing interest rate of the corporate bonds to be issued by the Company, and given the low financing cost of the Company, the financing cost of the subsidiaries of the Company can be lowered. The transactions are in the interest of the Company and all its shareholders as a whole. The Company provides loan to the subsidiaries of the Company on the premise that it has sufficient funds to meet its own operating needs, and the risks of the loans are controllable. The loans will not cause any negative impact on the Company's current and future financial condition and operation results.

LETTER FROM THE BOARD

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

The related party/connected transactions have been considered and approved at the sixteenth meeting of the ninth session of the Board of the Company. All the directors, including independent non-executive directors, are of the view that the terms of the transactions of the Wufengshan Loan and Changyi and Yichang Loans were fair and reasonable, and were in the interest of the Company and its shareholders as a whole. When considering and approving the Resolution on the Provision of Loans to Wufengshan Toll Bridge Company with Funds Raised by the Company, Mr. Gu Dejun, Mr. Chen Yanli and Mr. Chen Yongbing, all being related directors, have abstained from voting. When considering and approving the Resolution on the Provision of Loans to Changyi Company and Yichang Company with Funds Raised by the Company, Mr. Wu Xinhua and Ms. Hu Yu, all being related directors, have abstained from voting. The above-mentioned transactions are subject to consideration and approval at the Extraordinary General Meeting of the Company and the relevant related shareholders involved in the corresponding voting matters shall abstain from voting.

The five independent directors of the Company agreed to submit the proposal for the above-mentioned related party transactions at the sixteenth meeting of the ninth session of the Board for consideration and expressed independent opinions as follows: transaction terms of the above transactions are fair and reasonable and are on normal commercial terms, and the transactions do not prejudice the interests of the Company and its unrelated 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 audit opinion in writing on the related transaction, which is as follows:

The Company provides loans to Wufengshan Toll Bridge Company, a subsidiary of the Company and Changyi Company and Yichang Company, indirectly-owned subsidiaries, on the premise that it has sufficient funds to meet its own needs, which is conducive to advancing the projects construction of the subsidiaries, lowering the funding cost and further guaranteeing the future investment returns of the Company. The related party 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 corporate bonds issued by the Company and pricing are fair, equitable and reasonable. The procedures for the consideration and voting of related party transactions are in compliance with relevant laws and regulations and the Articles of Association, and there is no circumstance that the benefits of the minority shareholders and the Company are impaired.

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

LETTER FROM THE BOARD

VII. INFORMATION ON HISTORICAL RELATED PARTY TRANSACTIONS THAT NEED TO BE SPECIFIED

From the beginning of the year to the date of this circular, the Company has no related party transactions with Wufengshan Toll Bridge Company, Changyi Company and Yichang Company. Similar transaction (excluding these transactions) between a different related party (being Guangjing Xicheng Expressway Company, a connected subsidiary and a commonly held entity with China Merchants Expressway, a substantial shareholder of the Company) and the Company amounted to RMB600 million.

C. THE COMPANY'S ABSORPTION OF AND MERGER WITH NINGCHANG ZHENLI COMPANY

In order to further optimize the management structure of the Company, reduce levels of the management, and improve operational efficiency, the Company intends to merge with its wholly-owned subsidiary Ningchang Zhenli Company by way of absorption and merger. The resolution has to be submitted to the general meeting for consideration according to the provisions of Company Law and the Articles of Association.

The Company's absorption of and merger with Ningchang Zhenli Company does not constitute a related party transaction and a material asset reorganization as stipulated in the Measures for the Management of Material Asset Reorganizations of Listed Companies (上市公司重大資產重組管理辦法).

I. Basic information of the merged party

Name of corporation:	Jiangsu Ningchang Zhenli Expressway Company Limited (江蘇寧常鎮溧高速公路有限公司)
Type of company:	Limited liability company (invested by a sole legal person)
Uniform social credit code:	91320000762408248L
Registered office:	No. 291 of Zhongshan East Road, Nanjing City (Business place: No. 518 of Maoshan Scenic Resort, Jintan City)
Legal representative:	Cao Youxiang
Registered capital:	RMB8,000,000,000
Date of establishment:	10 June 2004

LETTER FROM THE BOARD

Business scope: Automobile repair and maintenance, catering service, food sales, cigarettes (cigars), petroleum products retail, accommodation, sales of newspaper publication (the aforesaid business scope is subject to the branches' license requirements); highway construction, management, maintenance and the related technical consultation, collection of tolls from vehicles according to the relevant rules, sales of groceries, textiles, daily necessities, metals, electronics, chemicals, automotive components and aquatic product, design of, manufacture of, agent for and outdoor distribution of advertisements, prints and gift advertisements, conference services, and property management services (Projects that are subject to approval according to law can only be operated after approval by the relevant departments)

Financial position: As at 30 September 2019, the unaudited financial data are as follows: Total assets amounted to RMB6,773,563,500; Total liabilities amounted to RMB112,875,000; Net assets amounted to RMB6,660,688,500; Operating income amounted to RMB936,255,000; Total profit amounted to RMB463,527,500; Net profit amounted to RMB347,645,600.

II. Method and Scope of the Absorption and Merger and the Relevant Arrangements

1. The Company intends to consolidate all assets, liabilities, equity interests, businesses, staff and other rights and obligations of Ningchang Zhenli Company by way of absorption and merger. After the completion of the absorption and merger, the Company will maintain its operation and the independent legal personality status of Ningchang Zhenli Company will be cancelled.
2. Authorisation to the management of the Company will be sought from shareholders at the Extraordinary General Meeting to determine the benchmark date of the absorption and merger according to relevant regulations.
3. The Company will be entitled to or be liable for the profits and losses generated during the period from the benchmark date of the absorption and merger to the date of completion of the absorption and merger.
4. Upon completion of the absorption and merger, all assets, liabilities, equity interests, businesses and other rights and obligations of Ningchang Zhenli Company shall be succeeded by the Company in accordance with the laws and regulations. All personnel of Ningchang Zhenli Company will be under the employment of the Company.

LETTER FROM THE BOARD

5. Both parties to the absorption and merger shall prepare balance sheets and list of properties and perform the procedures to notify creditors and make announcements;
6. Both parties to the absorption and merger shall complete the matters related to the assets transfer and change of ownership, handle the cancellation of tax and business registrations, change of registration, and other procedures as stipulated in laws and regulations or regulatory requirements.

III. Purposes and impacts of absorbing and merging a subsidiary on the Company

The absorption and merger will benefit the Company by consolidating the resources of the Company, and lowering the cost of operation and management, which meets the need of the Company's future development. Since Ningchang Zhenli Company is a wholly-owned subsidiary of the Company, its financial statements have already been consolidated into the consolidated financial statements of the Company. Therefore, the absorption and merger will not have significant impact on the profit or loss of the Company for the current period, will not have significant impact on the financial position and operating results of the Company and will not impair the interests of the Company and its shareholders as a whole.

The absorption and merger will not cause any changes to the Company's share capital or changes of shareholders; after the absorption and merger is completed, the name, registered capital and equity structure of the Company will not change.

IV. Authorization to handle matters related to the Absorption and Merger

According to the relevant laws and regulations, including the Company Law and the Articles of Association, the absorption and merger is submitted for consideration and approval by the Shareholders at the Extraordinary General Meeting of the Company by way of a special resolution, and, at the same time, it is proposed that at the Extraordinary General Meeting the management of the Company be authorised to handle all matters related to the absorption and merger, including but not limited to the execution of the agreements, dealing with the transfer of related assets and personnel and handling the changes of business registration. The authorization shall be valid till the completion of all matters related to the absorption and merger.

LETTER FROM THE BOARD

D. ELECTION OF DIRECTOR

Reference is made to the announcement of the Company dated 3 March 2020. Mr. Gu Dejun, a Director has tendered his resignation to the Board as an executive Director, convener of the Board's strategy committee and the chairman of the Board due to job reassignment. In accordance with the requirements of the Company Law and the Articles of Associations of the Company, Mr. Gu's resignation took effect upon the reporting of the resignation to the Board.

In light of Mr. Gu's resignation, Mr. Sun Xibin was elected as the chairman of the Company and Mr. Cheng Xiaoguang was appointed as the general manager of the Company. It is also proposed that Mr. Cheng Xiaoguang be elected as an executive Director of the ninth session of the Board of Directors of the Company. The proposed election of Mr. Cheng Xiaoguang as an executive Director is subject to the approval by the Shareholders at the Extraordinary General Meeting by way of ordinary resolution.

Please refer to Appendix I for the personal information of the Director candidate of the Company.

In accordance with the Company Law and the Articles of Association of the Company, the tenure of Mr. Cheng Xiaoguang as a Director will commence upon the approval by the Shareholders at the Extraordinary General Meeting and will expire on the date of the annual general meeting to be convened for the year 2020. The Company will enter into an executive director service contract and he is entitled to all staff benefits under the PRC law and his salary will be determined with reference to market price.

The Board considers that the Director candidate will give the Board on which he will serve the benefit of his skills, expertise and qualifications.

E. BOOK CLOSE FOR H SHARES

According to the Articles of Association of the Company, registration of transfers of H Shares will be suspended by the Company from 24 March 2020 to 23 April 2020 (both days inclusive). Holders of H Shares who wish to be eligible to attend the Extraordinary General Meeting and to vote on the Loans, the Company's absorption of and merger with Ningchang Zhenli Company and the election of Director, (i) 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 Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East Wan Chai, Hong Kong, no later than 4:30 p.m. on 23 March 2020 and (ii) shall complete and return the confirmation slip to the Company before 3 April 2020 (Further details are set out in the confirmation slip).

LETTER FROM THE BOARD

F. 2020 SECOND EXTRAORDINARY GENERAL MEETING

The 2020 Second Extraordinary General Meeting of the Company will be held at the Conference Room of the Company, at 6 Xianlin Avenue, Nanjing, the PRC on Thursday, 23 April 2020 at 3:00 p.m. A notice of the general meeting is set out in page N-1 to page N-8 of this Circular. Ordinary resolutions will be proposed for approving the Loans and the election of Mr. Cheng Xiaoguang as executive Director and a special resolution will be proposed for approving the Company's absorption of and merger with Ningchang Zhenli Company.

All resolutions will be passed by way of poll by the Independent Shareholders. As of the Latest Practicable Date, Communications Holdings and China Merchant Expressway held a 54.44% and 11.69% shareholding in the Company, respectively. Communications Holdings, China Merchant Expressway and their associates shall abstain from voting on the relevant ordinary resolution on the Loans as set out in the notice of meeting at the Extraordinary General Meeting.

For H Shareholders, whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the accompanying proxy form 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 Extraordinary General Meeting. Completion and return of the form of proxy will not preclude H Shareholders from attending and voting at the meeting or any adjournment thereof. Under these circumstances, the H Shareholders will be deemed as having withdrawn the appointment of the proxy.

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

Set out below is information as required under Rule 13.51(2) of the Hong Kong Listing Rules in respect of the Director candidate for election at the Extraordinary General Meeting.

A. PERSONAL INFORMATION OF DIRECTOR CANDIDATE NOMINATED FOR ELECTION

Executive Director

Cheng Xiaoguang

Mr. Cheng Xiaoguang, male, born in 1978. Mr. Cheng is a university graduate with a bachelor degree and also a senior economist. Mr. Cheng served as the head of investment development department of Jiangsu Communications Holding Limited (江蘇交通控股有限公司); secretary to the party committee, chairman and general manager of Jiangsu Kuailu Motor Transport Co., Ltd. (江蘇快鹿汽車運輸股份有限公司); secretary to the party branch, chairman and general manager of Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司); he is currently the general manager and a deputy secretary to the party committee of Jiangsu Expressway Company Limited. Mr. Cheng has been engaged in corporate management and has extensive experience.

B. CONFIRMATION

Save as disclosed above, the above mentioned Director candidate has confirmed that he (i) is not related to any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company or other member companies of the Group; (ii) does not have any interests in shares of the Company within the meaning defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iii) has not held any other directorships or other major appointments and qualifications in any listed companies in the past three years.

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

APPENDIX II ILLUSTRATION ON THE ADOPTION OF CUMULATIVE POLL IN THE ELECTION OF DIRECTOR

ILLUSTRATION ON THE ADOPTION OF CUMULATIVE POLL IN THE ELECTION OF DIRECTOR

- I. The elections of directors, independent directors and supervisors at a shareholder's meeting will be numbered as separate groups of resolutions. Shareholders 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 general meeting 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 × ×	

APPENDIX II ILLUSTRATION ON THE ADOPTION OF CUMULATIVE POLL IN THE ELECTION OF DIRECTOR

Resolutions by cumulative poll		
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:

No.	Name of resolution	Number of votes			
		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	

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

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

Number of H Shares

Name of share holders	Capacity	Directly interested	Number of H shares	Percentage of H shares (total shares)
Mitsubishi UFJ Financial Group, Inc.	Interest of controlled corporation ⁽²⁾	No	135,228,517(L)	11.06%(2.68%)(L)
BlackRock, Inc.	Interest of controlled corporation ⁽³⁾	No	147,373,994(L) 600,000(S)	12.06%(2.93%)(L) 0.05%(0.01%)(S)
JPMorgan Chase & Co.	Interest of controlled corporation/ investment manager/custodian – corporation/ approved lending agent ⁽⁴⁾	No	107,337,129(L) 4,928,647(S) 68,210,435(P)	8.78%(2.13%)(L) 0.40%(0.10%)(S) 5.58%(1.35%)(P)
Citigroup Inc.	Interest of controlled corporation/ approved lending agent/custodian – corporation ⁽⁵⁾	No	70,482,456(L) 424,000(S) 69,020,596(P)	5.76%(1.40%)(L) 0.03%(0.01%)(S) 5.64%(1.37%)(P)

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

- (1) China Merchants Group Limited was deemed to be interested in the Company by virtue of its controlling interest in its subsidiary, China Merchants Expressway.
- (2) Mitsubishi UFJ Financial Group, Inc was deemed to be interested in the Company by virtue of its indirectly wholly-owned subsidiaries.
- (3) BlackRock, Inc. was deemed to be interested in the long position of a total of 147,373,994 H Shares of the Company and in the short position of 600,000 H Shares by virtue of its control over a number of corporations, which were indirectly wholly-owned by BlackRock, Inc., except the following:

- (a) BlackRock Holdco 6, LLC was indirectly owned as to 90% by BlackRock, Inc. BlackRock Holdco 6, LLC held interests in the Company through its indirectly wholly-owned subsidiaries as follows:
 - (i) BlackRock Institutional Trust Company, National Association held 22,189,058 (long position) and 600,000 H Shares (short position) of the Company.
 - (ii) BlackRock Fund Advisors held 65,688,000 H Shares (long position) of the Company.
- (b) BR Jersey International Holdings L.P. was indirectly owned as to 86% by BlackRock, Inc. BR Jersey International Holdings L.P. held interests in the Company through its indirectly wholly-owned subsidiaries as follows:
 - (i) BlackRock Japan Co., Ltd. held 1,927,399 H Shares (long position) of the Company.
 - (ii) BlackRock Asset Management Canada Limited held 1,632,000 H Shares (long position) of the Company.
 - (iii) BlackRock Investment Management (Australia) Limited held 328,000 H Shares (long position) of the Company.
 - (iv) BlackRock Asset Management North Asia Limited held 787,000 H Shares (long position) of the Company.
 - (v) BlackRock Investment Management (Taiwan) Limited held 52,000 H Shares (long position) of the Company.
- (c) BlackRock Group Limited was indirectly owned as to 90% by BR Jersey International Holdings L.P. (see note 3(b) above). BlackRock Group Limited held interests in the Company through its directly or indirectly wholly-owned subsidiaries as follows:
 - (i) BlackRock (Netherlands) B.V. held 562,000 H Shares (long position) of the Company.
 - (ii) BlackRock Advisors (UK) Limited held 212,000 H Shares (long position) of the Company.
 - (iii) BlackRock International Limited held 226,000 H Shares (long position) of the Company.
 - (iv) BlackRock Asset Management Ireland Limited held 12,871,865 H Shares (long position) of the Company.
 - (v) BLACKROCK (Luxembourg) S.A. held 18,590,000 H Shares (long position) of the Company.

- (vi) BlackRock Investment Management (UK) Limited held 8,382,881 H Shares (long position) of the Company.
 - (vii) BlackRock Fund Managers Limited held 5,026,878 H Shares (long position) of the Company.
 - (viii) BlackRock Asset Management (Schweiz) AG held 10,000 H Shares (long position) of the Company.
- (4) JPMorgan Chase & Co. was deemed to be interested in the long position of a total of 107,337,129 H Shares of the Company (of which 5,224,000 H Shares were held through cash settled (off exchange) derivatives) and the short position of 4,928,647 H Shares (of which 4,810,073 H Shares were held through cash settled (off exchange) derivatives). JPMorgan Chase & Co. held interests in the following capacities:

Capacity	Number of shares (long position)	Number of shares (short position)	Number of shares (lending pool)
Interest of controlled corporation	14,588,287	4,804,647	
Investment manager	28,309,000		
Person having a security interest in shares	947,407		
Approved lending agent			66,746,435

- (5) Citigroup Inc. was deemed to be interested in the long position of a total of 70,482,456 H Shares of the Company and the short position of 424,000 H Shares. Citigroup Inc. held interests in the following capacities:

Capacity	Number of shares (long position)	Number of shares (short position)	Number of shares (lending pool)
Interest of controlled corporation	1,461,860	424,000	
Approved lending agent			69,020,596

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

5. SERVICE CONTRACT

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

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

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

Save as disclosed in this Circular, as at the Latest Practicable Date, none of the Directors of the Company had any interest in any assets which had been since 31 December 2018 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group. None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which would be significant in relation to the business of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.

9. 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.

10. DOCUMENT AVAILABLE FOR INSPECTION

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

- (a) loan agreement dated 26 February 2020 entered into by the Company and Wufengshan Toll Bridge Company;
- (b) loan agreement dated 26 February 2020 entered into by the Company and Changyi Company;
- (c) loan agreement dated 26 February 2020 entered into by the Company and Yichang Company;
and
- (d) this Circular.

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING



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

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

(Stock Code: 00177)

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING

Important Notice:

- Date of the Extraordinary General Meeting: 23 April 2020
- Online voting for the Extraordinary General Meeting: Shanghai Stock Exchange Online Voting System for Shareholders' Meetings

NOTICE IS HEREBY GIVEN that the 2020 second extraordinary general meeting (the “**Extraordinary General Meeting**”) of Jiangsu Expressway Company Limited (the “**Company**”) convened by the board (the “**Board**”) of directors (the “**Directors**”) of the Company will be held on Thursday, 23 April 2020 at 3:00 p.m. at 6 Xianlin Avenue, Nanjing, Jiangsu Province, the People's Republic of China. Please note the following:

I. INFORMATION OF THE GENERAL MEETING

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

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING

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

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

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

Voting period for online voting: Via the voting platform of the trading system of Shanghai Stock Exchange Online Voting System: the trading hours on the date of the Extraordinary General Meeting, 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 Extraordinary General Meeting

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

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

- (7) Regarding solicitation of voting rights from shareholders: Not applicable

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING

II. RESOLUTION TO BE CONSIDERED AT THE EXTRAORDINARY GENERAL MEETING

Resolution by non-cumulative poll

The following resolutions shall be considered by way of ordinary resolution by the Shareholders:

1. To approve the loan agreement dated 26 February 2020 between the Company and Jiangsu Wufengshan Toll Bridge Company Limited (“**Wufengshan Toll Bridge Company**”) and the use of proceeds raised from corporate bonds to be issued by the Company to provide Wufengshan Toll Bridge Company, a subsidiary of the Company, with a loan of no more than RMB1.5 billion to be drawdown during the three years period from the date of 2020 Second Extraordinary General Meeting of the Company for terms of three years with interests calculated based on the prevailing interest rate of the corporate bonds to be issued by the Company, and the expenses in relation to the issuance of corporate bonds, the repayment of the principal and the related interest of the issued bonds shall be borne and paid by Wufengshan Toll Bridge Company; and to authorise Mr. Sun Xibin, a Director of the Company, to handle follow-up related matters including contract signing and approval of fund allocation;
2. To approve the loan agreement dated 26 February 2020 between the Company and Jiangsu Changyi Expressway Co., Ltd. (“**Changyi Company**”) and the loan agreement dated 26 February 2020 between the Company and Jiangsu Yichang Expressway Co., Ltd. (“**Yichang Company**”) and the use of proceeds raised from corporate bonds to be issued by the Company to provide Changyi Company and Yichang Company, with a loan no more than RMB300 million and RMB700 million, respectively, to be drawdown during three years from the date of 2020 Second Extraordinary General Meeting of the Company for terms of three years with interests calculated based on the prevailing interest rate of the corporate bonds to be issued by the Company, and the expenses in relation to the issuance of corporate bonds, the repayment of the principal and the related interest of the issued bonds shall be borne and paid by the above mentioned companies; and to authorise Mr. Sun Xibin, a Director of the Company, to handle follow-up related matters including contract signing and approval of fund allocation.

The following resolution shall be considered by way of special resolution by the Shareholders:

3. To approve the Company’s absorption of and merger with its wholly-owned subsidiary, Ningchang Zhenli Expressway Company Limited (“**Ningchang Zhenli Company**”), by way of absorption and merger. After the completion of the absorption and merger, the Company will continue to operate, and the independent legal personality of Ningchang Zhenli Company will be cancelled accordingly. All assets, debentures and debts, personnel and other rights and obligations of Ningchang Zhenli Company shall be succeeded by the Company in accordance with the laws and regulations.

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING

Resolutions by cumulative poll

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

4. Resolution in relation to election of a Director:

To elect Cheng Xiaoguang as an executive Director and to approve the signing of a service contract between the Company and Mr. Cheng Xiaoguang with a term commencing from the date of the 2020 Second Extraordinary General Meeting and expiring on the date of the 2020 Annual General Meeting.

Notes:

(1) Dates and media of disclosure of the resolution:

For details of the resolutions on the Loans, please refer to the announcement of the Company published on 27 February 2020. Holders of H shares may also refer to the circular of the Company dated 6 March 2020.

For details of the resolution on the Company's absorption of and merger with Ningchang Zhenli Company, please refer to the announcement of the Company published on 27 February 2020. Holders of H shares may also refer to the circular of the Company dated 6 March 2020.

For details of the resolution on Director candidate, please refer to the announcement of the Company published on 3 March 2020. Holders of H shares may also refer to the circular of the Company dated 6 March 2020. These announcements and information have been disclosed in China Securities Journal, Shanghai Securities News and the websites of the Company (www.jsexpressway.com), the Stock Exchange (www.hkexnews.hk) and the Shanghai Stock Exchange (www.sse.com.cn).

(2) Special resolution: 3.

(3) Resolutions by cumulative poll: 4.

(4) Resolution(s) with separate counting of votes from small and medium investors: 1, 2, 3 and 4.

(5) Resolution(s) which interested shareholder(s) will abstain from voting: 1 and 2.

(6) Name(s) of the interested shareholder(s) to abstain from voting: Jiangsu Communication Holdings Company Limited and its associates on resolution 1 and China Merchants Expressway Network & Technology Holdings Co., Ltd and its associates on resolution 2.

(7) Resolution(s) which holders of preference shares will vote on: nil.

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING

III. MATTERS OF CONCERN FOR VOTING AT THE EXTRAORDINARY GENERAL MEETING

1. Shareholders of the Company who would like to cast his or her vote through the Shanghai Stock Exchange Online Voting System for Shareholders' General Meetings may either log in the voting platform of the trading system (through the terminus of any specified securities trading company) or the internet voting platform (website: vote.sseinfo.com) to vote. Any investor who logs in the internet voting platform to vote for the first time is required to have his or her identity as a shareholder verified. For details, please refer to the instructions for the internet voting platform on the website.
2. Any shareholder of the Company holding more than one shareholder's account may vote using any of the said accounts through the Shanghai Stock Exchange Online Voting System for Shareholders' General Meetings. After voting, such 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 casted outnumbers 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 all resolutions.

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING

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 as at the close-of-trading of the afternoon session on 23 March 2020 are entitled to attend the Extraordinary General Meeting (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 23 March 2020 are entitled to attend the Extraordinary General Meeting; and may appoint proxy(ies) in writing to attend and vote at the Extraordinary General Meeting. Such proxy(ies) need not be shareholder(s) of the Company;

Class of shares	Stock Code	Stock Short Name	Record Date
A Shares	600377	寧滬高速	23 March 2020

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

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING

V. REGISTRATION FOR ATTENDING THE EXTRAORDINARY GENERAL MEETING

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 23 March 2020, and shareholders of H shares of the Company who are registered with Hong Kong Registrars Limited as at 4:30 p.m. on 23 March 2020 are entitled to attend and vote at the Extraordinary General Meeting, provided that such shareholders shall complete and return the confirmation slip to the Company before 3 April 2020. Further details are set out in the confirmation slip.
2. Registration of transfers of H shares will be suspended by the Company from 24 March 2020 to 23 April 2020 (both days inclusive). Shareholders of H shares who wish to be eligible to attend and vote at the Extraordinary General 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 23 March 2020**.
3. A shareholder who has the right to attend and vote at the Extraordinary General 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 Extraordinary General Meeting. 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.
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 Extraordinary General Meeting (being no later than 3:00 p.m. on 22 April 2020 (Hong Kong/Beijing time)).

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING

VI. MISCELLANEOUS

1. The Extraordinary General Meeting will last for half a day. Shareholders and their proxies attending the Extraordinary General 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. 301315 or (86) 25-8446 4303 (direct line)
Fax: (86) 25-8420 7788
3. All 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 Extraordinary General Meeting shall be conducted in accordance with notice published on such date.
5. The form of proxy and confirmation slip for the Extraordinary General Meeting will be despatched to holders of H Shares of the Company with the circular of the Company dated 6 March 2020.

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 6 March 2020